

**AGENDA**



**Recommendation for Council Action**

**AUSTIN CITY COUNCIL**  
**Regular Meeting: June 14, 2018**

Item Number: **061**

**Treasury Office**

Approve a resolution directing the publication of an Official Notice of Intention to Issue \$7,500,000 City of Austin, Texas, Certificates of Obligation, Series 2018.

<b>Lead Department</b>	Financial Services
<b>Fiscal Note</b>	The fee to advertise the sale will be included in the upcoming bond sale's cost of issuance and is estimated to cost \$1,500. Debt service resulting from the actual bond sale will be included in the 2018-19 Proposed Operating Budget of the General Obligation Debt Service Fund and is currently estimated at \$600,000.
<b>Prior Council Action</b>	Reimbursement Resolutions approved by City Council on 9/8/2014 and 9/13/2017.
<b>For More Information</b>	Belinda Weaver, Interim Treasurer, 512-974-7885

**Additional Backup Information:**

State law requires publication of an Official Notice of Intention to Issue Certificates of Obligation once a week for two consecutive weeks. The date of the first publication must be 31 or more days before the date on which the City Council adopts an ordinance authorizing the issuance of the Certificates of Obligation. This proposed request for Council action will allow publication of the notice of intention in the Austin American Statesman, which is estimated to

cost \$1,400 for the two-week required notification.

The actual authorization and sale of the Certificates of Obligation pursuant to a separate Council action is tentatively scheduled to take place as part of the City's general obligation bond sale, occurring each year in August. The City may generally remove items from the proposed sale notification after publication of the Notice of Intention, but any additional sale items would require an updated notice. Proceeds from the sale will be used to fund existing project appropriations that were previously approved by City Council with reimbursement resolutions, in accordance with financial policies. Currently-proposed issuances and descriptions are found below, for inclusion in the advertisement.

*Locker Room and Station Improvements - \$1,500,000*

This funding was used for design work on retrofitting various fire stations to accommodate locker and bathroom facilities for all firefighters as well as general renovations. This funding source was approved as part of the Fiscal Year 2017-18 Capital Budget.

*Watershed Home Buyout Program - \$6,000,000*

This program is for the buyout and demolition of flood-prone properties in the Lower Onion Creek neighborhoods of Onion Creek Forest, Yarrabee Bend, Onion Creek Plantation, and Silverstone, as well as the Williamson Creek neighborhoods of Fairview and Radam, as well as the Onion Creek subdivision in the Onion Creek watershed. City Council previously approved this appropriation and funding source as part of the Fiscal Year 2014-15 Capital Budget.

The debt service costs for the currently-proposed \$7,500,000 Certificates of Obligation Series 2018 issuance are estimated as follows:

	<b>FY 2018-19:</b>	<b>Total Over 20 Years:</b>	<b>Average Per Year</b>
Principal	\$225,000	\$7,500,000	\$375,000
Interest	<u>375,000</u>	<u>4,537,750</u>	<u>226,888</u>
Total Debt Service	\$600,000	\$12,037,750	\$601,888

Of the \$7,500,000 that is being issued, all \$7,500,000 is tax-supported.