



**Debt Issuance
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 18
AGENDA DATE: Thu 07/29/2004
PAGE: 1 of 2**

SUBJECT: Approve the 2004 General Obligation Bond Sale Schedule.

AMOUNT & SOURCE OF FUNDING: \$70,265,000 in Public Improvement and Refunding Bonds, \$25,925,000 in Certificates of Obligation, and \$21,830,000 in Contractual Obligations.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Financial and **DIRECTOR'S**
DEPARTMENT: Administrative Services - **AUTHORIZATION:** Vickie Schubert
Treasury

FOR MORE INFORMATION CONTACT: Vickie Schubert, Deputy Chief Financial Officer, 974-7822

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Scheduled for review by the Audit and Finance Council Subcommittee on July 27, 2004.

A proposed bond sale schedule is attached. Approval of this schedule will allow for the necessary preparation of documents for presentation to Council in late August 2004 for the sale of the debt included for the 2004-05 fiscal year.

The proposed bond sale for 2004-05 includes Public Improvement and Refunding Bonds, Certificates of Obligation and Contractual Obligations. See attached bond sale schedule.

Public Improvement Bonds are secured by and payable from ad valorem taxes and require voter approval. The City generally uses these bonds to purchase land or make improvements to real property. The proposed Public Improvement Bond sale for 2004-05 is \$64,910,000. In addition, \$5,355,000 Public Improvement Refunding Bonds will be issued to fulfill the City's obligation in the Christopher Ochoa v City of Austin settlement agreement.

Certificates of Obligation may be issued with or without voter approval. State law requires publication of a Notice Intent to Issue Certificates and an election is required only if, before authorization by the City Council, a petition is signed by at least 5% of the qualified voters of the City, protesting the issuance of the Certificates. The proposed projects to be financed with Certificates of Obligation total \$25,925,000.

Contractual Obligations do not require voter approval and there is no provision in state law for notice or petition. Contractual Obligations may only be issued for the purchase of personal property and the City generally limits Contractual Obligations to property with a minimum life expectancy of 5 years. The



Debt Issuance
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION

AGENDA ITEM NO.: 18
AGENDA DATE: Thu 07/29/2004
PAGE: 2 of 2

proposed Contractual Obligation sale totals \$21,830,000.

This year's bond sale includes debt related to several reimbursement resolutions approved by Council during the 2003-04 fiscal year. Reimbursement resolutions allow City projects to begin and for the City to borrow against the investment pool until bonds relating to the project are sold. The use of reimbursement resolutions as a cash management tool is encouraged by the financial policies. Of the \$64,910,000 in Public Improvement Bonds that is being issued, \$48,869,000 is being issued to provide funding for reimbursement resolutions that have already been approved by Council.

\$64,910,000 in Public Improvement Bonds and \$2,500,000 in Contractual Obligations will be issued as general obligation debt of the City paid from a tax levy. \$25,925,000 in Certificates of Obligation and \$19,330,000 in Contractual Obligations will be issued as general obligation debt of the City paid from transfers from the Department's operating funds.

The debt service costs are estimated as follows:

Total Issuance-	\$ 70,265,000	Public Improvement and Refunding Bonds
	\$ 25,925,000	Certificates of Obligation
	<u>\$ 21,830,000</u>	Contractual Obligations
	\$118,020,000	Total Bond Sale

	Fiscal Year 2004-05 <u>Requirements</u>	Total Debt Service Over the <u>Life of the Bonds</u>
Principal	\$ 2,010,000	\$ 118,020,000
Interest	<u>\$ 5,430,168</u>	<u>\$ 66,165,951</u>
Total Debt Service	\$ 7,440,168	\$184,185,951

Attachment A:
City Manager's General Obligation Bond Sale Schedule
(000s omitted)

PUBLIC IMPROVEMENT BONDS			
Election Year	Description	2004-05	
		Bond Sale August 2004	
		TAX Supported	NON TAX Supported
	Infrastructure: Streets/Signals		
1998	Traffic Signal Enhancements	2,400	0
1998	Street Reconstruction	21,400	0
1998	South Congress Improvement	2,355	0
1998	Transportation Projects	9,348	0
2000	Highway ROW Participation	15,000	0
	Total: Streets and Signals	50,503	0
	Parks and Recreation		
1998	Playscape Renovations	200	0
1998	Destination Parks	8,700	0
1998	Colorado River Park	0	0
1998	Rundberg Recreation Center (Gus Garcia)	0	0
1998	South Austin/Caswell Tennis Ctr.	2,632	0
	Total: Parks and Recreation	11,532	0
	Libraries and Cultural Centers		
1998	North Village Branch Library	1,250	0
1998	Terrazas Library Expansion	1,625	0
1998	Twin Oaks Library Expansion	0	0
1998	Spicewood Springs Library Expansion	0	0
	Total: Libraries and Cultural Ctrs.	2,875	0
TOTAL	Public Improvement Bonds	64,910	0

Attachment A:
City Manager's General Obligation Bond Sale Schedule
(000s omitted)

CERTIFICATES OF OBLIGATION		2004-05	
Description	Bond Sale August 2004		
	TAX	NON TAX	
	Supported	Supported	
Convention Center			
Convention Center Expansion - Parking Garage	0	16,400	
Financial Services			
Motorola Office Purchase	0	0	
Health & Human Services			
School for the Deaf	0	600	
PARD			
Colony Park Recreation Center	0	0	
Solid Waste Services			
Mabel Davis Remediation	0	8,925	
Watershed			
Developer Reimbursables	0	0	
TOTAL Certificates of Obligation	0	25,925	

CONTRACTUAL OBLIGATIONS		2004-05	
Description	Bond Sale August 2004		
	TAX	NON TAX	
	Supported	Supported	
Austin Water Utility			
Capital Equipment - Water	0	270	
Capital Equipment - Wastewater	0	3,510	
Communications & Technology Mgmt			
Capital Equipment - 9-1-1 Backup	2,000	0	
Capital Equipment - Consolidated Systems Backup & Enhancements	500	0	
Capital Equipment - Mobile Data System	0	4,850	
Capital Equipment - Trunked Radios	0	4,570	
COATN	0	0	
Fire			
Capital Equipment	0	2,030	
Public Works - Transportation			
Capital Equipment	0	2,100	
Solid Waste Services			
Capital Equipment	0	2,000	
TOTAL Contractual Obligations	2,500	19,330	

Ochoa Settlement - Tax Exempt	2,925	0
Ochoa Settlement - Taxable	2,430	0

Attachment A:
City Manager's General Obligation Bond Sale Schedule
(000s omitted)

TOTAL GO DEBT SALE	72,765	45,255
---------------------------	---------------	---------------