

A G E N D A



Recommendation for Council Action

Austin City Council - Commissioners Court Meeting	Item ID	34876	Agenda Number	110.
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Meeting Date:	8/28/2014	Department:	Treasury
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Subject

Approve an ordinance authorizing the City of Austin Public Improvement Bonds, Series 2014, in an amount not to exceed \$104,620,000, authorizing related documents, and approving related fees. These bonds are being issued to provide funding relating to reimbursement resolutions previously approved by Council for 2006, 2010, and 2012 bond election projects. The funds will be used as described in the Council-approved bond sale schedule for health and human services facilities, library facilities, open space, parks and recreation projects, public safety facilities, and transportation and mobility infrastructure.

Amount and Source of Funding

\$5,615,900 in anticipated first year debt service requirements and an estimated annual administration fee of \$500 for the paying agent/registrar for the proposed bond sale was included in the 2014-15 Proposed Operating Budget of the General Obligation Debt Service Fund.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	Bond Sale Schedule approved by City Council on 08/07/2014.
For More Information:	Art Alfaro, Treasurer, 974-7882
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Approval of this ordinance will authorize the issuance of City of Austin Public Improvement Bonds, Series 2014, in the amount of \$104,620,000. Attachment A shows detail of the uses for these proceeds.

The entire \$104,620,000 in Public Improvement Bonds is being issued to provide funding for reimbursement resolutions that have been previously approved by Council. Reimbursement resolutions declare an issuer's official intent to reimburse a project expenditure with the proceeds of obligations to be issued after the expenditure may have been incurred. The action is required by IRS and U.S. Treasury rules. The City generally submits reimbursement resolutions for Council consideration as a part of the annual budget adoption in September, the same time as the new capital appropriations are adopted, or at the time of a capital budget amendment for a particular project.

Attachment A provides detail on the bond programs/propositions for which these Public Improvement Bonds are being issued.

The General Obligation Debt Service cost for the \$104,620,000 Series 2014 issuance is estimated as follows:

	2014-15:	Total Over 20 Years:	Average Per Year
Principal	\$908,000	\$104,620,000	\$5,231,000
Interest	<u>4,707,900</u>	<u>74,223,358</u>	<u>3,711,168</u>
Total Debt Service	\$5,615,900	\$178,843,358	\$8,942,168

This item has been posted for not later than 2:00 p.m. to allow City Council action prior to the close of financial markets. The transaction will be sold through the following underwriting team:

Senior Manager: RW Baird Co-Senior Manager: Cabrera Capital Markets

Co-Managers:

BOSC

First Southwest

Goldman Sachs

Hutchinson, Shockey, Erley

Rice Financial Markets

Stifel Nicolaus

For this transaction, Andrews Kurth, L.L.P. will serve as bond counsel, McCall, Parkhurst & Horton L.L.P. will serve as disclosure counsel, and serving as underwriter's counsel will be Haynes & Boone L.L.P. Public Financial Management is the City's financial advisor.