



## Recommendation for Action

**File #:** 20-2680, **Agenda Item #:** 73.

8/27/2020

### **Posting Language**

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin Public Property Finance Contractual Obligations, Series 2020, in a par amount not to exceed \$27,175,000 in accordance with the parameters set out in the ordinance, authorizing related documents, and approving the payment of the costs of issuance, and all related fees and providing that the issuance and sale be accomplished not later than February 26, 2021.

### **Lead Department**

Treasury.

### **Fiscal Note**

The Fiscal Year 2021 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2020-21 Proposed Operating Budget of the General Obligation Debt Service Fund.

### **Prior Council Action:**

Reimbursement Resolutions for Austin Resource Recovery and Fleet projects approved by City Council on 9/10/2019 and vehicles for community health paramedics approved by City Council on 11/14/2019.

### **For More Information:**

Belinda Weaver, Treasurer, 512-974-7885

### **Additional Backup Information:**

The Contractual Obligations will be used to finance 275 vehicles and equipment across several City departments and 52,000 32-gallon carts and other equipment for Austin Resource Recovery and is consistent with the Financial Policies for the use of non-voter approved debt found on Attachment A to this request. Details of the anticipated purchases are found on Attachment B to this request. The Contractual Obligations will be structured with a seven year maturity to match the shorter useful life of the assets being financed.

The Contractual Obligation sale totals \$27,175,000, for vehicles and equipment for the following departments:

- Austin Resource Recovery \$5,025,000
- Fleet \$22,150,000

The entire \$27,175,000 is associated with equipment included in the Fiscal Year 2019-20 Capital Budget.

The General Obligation Debt Service cost of the \$27,175,000 Contractual Obligations is estimated as follows:

Total	Average Per
Over	Year
7	
Years	
:	

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Principal	\$27,175,000	\$3,882,143
Interest	<u>5,289,500</u>	<u>755,643</u>
Total Debt Ser	\$32,464,500	\$4,637,786

In order to provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager, Chief Financial Officer, or Interim Chief Financial Officer (the "Pricing Officer") to complete the sale of the Contractual Obligations in accordance with the parameters in the ordinance. Additionally, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on February 26, 2021.

This transaction will be sold through the following underwriting team:

Senior Manager:  
Siebert Williams Shank & Co., LLC

Co-Managers:  
Piper Sandler & Co  
Wells Fargo

For this transaction, McCall, Parkhurst, & Horton L.L.P. will serve as bond counsel, and Norton Rose Fulbright US LLP will serve as disclosure counsel. PFM Financial Advisors, LLC., is the City's financial advisor.

**Strategic Outcome(s):**

Government that Works for All.