



Recommendation for Action

File #: 21-2658, **Agenda Item #:** 58.

8/26/2021

Posting Language

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin Public Property Finance Contractual Obligations, Series 2021, in an amount not to exceed \$31,930,000 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 25, 2022.

Lead Department

Treasury.

Fiscal Note

The Fiscal Year 2022 debt service requirements and estimated annual administration fees for the paying agent/registrant for the proposed bond sale are included in the 2021-22 Proposed Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:

Reimbursement Resolutions approved by City Council for Communications Technology Management GATRR project on 9/10/2019 and Fleet projects on 8/27/2020.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885.

Additional Backup Information:

The Contractual Obligations will be used to finance equipment for the Greater Austin Travis County Regional Radio System (GATRRS), the City of Austin Telecommunications Network (COATN) as well as 247 vehicles/equipment across several City departments, 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 Obligation sale totals \$31,930,000, for vehicles and equipment for the following departments:

- Communications Technology Management \$7,500,000
- Fleet and Equipment \$24,430,000

The entire \$31,930,000 is associated with equipment included in the Fiscal Year 2019-20 and Fiscal Year 2020-21 Capital Budget.

These Contractual Obligations are being issued to provide funding related to reimbursement resolutions previously approved by City Council. Reimbursement resolutions declare the City's official intent to reimburse a project's expenditure with the proceeds of debt obligations to be issued after the expenditure may have

occurred. This action is required by IRS and U.S. Treasury rules and State law.

The General Obligation Debt Service cost of the \$31,930,000 Contractual Obligations, Series 2021 is estimated as follows:

	Total Over 7 Years :	Average Per Year
Principal	\$31,930,000	\$4,561,428.57
Interest	6,320,000	902,857.14
Total Debt Ser	\$38,250,000	\$5,464,285.71

the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager or 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 25, 2022.

The Contractual Obligations will be issued via competitive sale. Electronic Bids will be accepted on September 14, 2021. Bids will be verified by the City's Financial Advisor, PFM Financial Advisors, LLC, and the Contractual Obligations will be awarded to the bidder providing the City with the lowest true interest cost.

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.

Strategic Outcome(s):

Government that Works for All.