



Recommendation for Action

File #: 22-2702, Agenda Item #: 14.

9/1/2022

Posting Language

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin Public Property Finance Contractual Obligations, Series 2022, in an amount not to exceed \$10,050,000 in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of the costs of issuance and all related fees, and providing that the issuance and sale be accomplished not later than March 1, 2023.

Lead Department

Financial Services Department.

Fiscal Note

The Fiscal Year 2022-2023 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2022-2023 Proposed Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:

August 27, 2020 - Council approved the Reimbursement Resolutions for Greater Austin Travis County Regional Radio System equipment.

September 10, 2019 - Council approved the Reimbursement Resolutions for Greater Austin Travis County Regional Radio System project.

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) as well as equipment for use by Austin Police Department 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 \$10,050,000, for equipment for the following items:

- GATRRS \$3,430,000
- Handheld Radios \$6,620,000

The entire \$10,050,000 is associated with items included in the Fiscal Year 2019-2020 and Fiscal Year 2020-2021 Capital Budget.

These Contractual Obligations are being issued to provide funding related to reimbursement resolutions previously approved by 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 the Internal Revenue Service and U.S. Treasury rules and State law.

The General Obligation Debt Service cost of the \$10,050,000 Contractual Obligations, Series 2022 is estimated as follows:

	Total Over 7 Years:	Average Per Year:
Principal	\$10,050,000	\$1,435,714
Interest	\$1,987,625	\$283,946
Total Debt Service	\$12,037,625	\$1,719,660

To provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager or Chief Financial Officer (known as 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 March 1, 2023.

This transaction will be sold through the following underwriting team:

Senior Manager:
Raymond James & Assoc.

Co-Senior Manager:
Piper Sandler & Co.

Co-Managers:
Mesirow
Hilltop Securities

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.