



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

**AGENDA ITEM NO.: 6
AGENDA DATE: Thu 07/28/2005
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SUBJECT: Approve the 2005 General Obligation Bond Sale Schedule.

AMOUNT & SOURCE OF FUNDING: \$19,535,000 in Public Improvement and Refunding Bonds, \$7,185,000 in Certificates of Obligation, and \$14,940,000 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: John Stephens, Chief Financial Officer 974-2076

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

A proposed bond sale schedule is attached. Approval of this schedule will allow for the necessary preparation of documents for presentation to Council on August 25, 2005 for the sale of the debt included for the 2005-06 fiscal year. The proposed bond sale for 2005-06 includes Public Improvement and Refunding Bonds, Certificates of Obligation, and Contractual Obligations.

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 2005-06 is \$16,755,000. In addition, \$2,780,000 Public Improvement Refunding Bonds will be issued to fulfill the City's obligation in the Michael King vs. City of Austin settlement agreement.

Certificates of Obligation may be issued with or without voter approval. State law requires publication of a Notice of 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 \$7,185,000.

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 proposed Contractual Obligation sale totals \$14,940,000.

This year's bond sale includes debt related to several reimbursement resolutions approved by Council



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during the 2004-05 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 \$19,535,000 in Public Improvement and Refunding Bonds, \$14,535,000 is being issued to provide funding for reimbursement resolutions that have already been approved by Council. The remaining \$5 million is a proposed FY '06 appropriation for sidewalk improvements from the 2000 bonds. Of the \$7,185,000 in Certificates of Obligation, \$6,975,000 is being issued to provide funding for reimbursement resolutions that have already been approved by Council. Of the \$14,940,000 in Contractual Obligations, \$6,190,000 is being issued to provide funding for reimbursement resolutions that have already been approved by Council.

\$19,535,000 in Public Improvement and Refunding Bonds, \$2,210,000 in Certificates of Obligation and \$3,000,000 in Contractual Obligations will be issued as general obligation debt of the City paid from a tax levy. \$4,975,000 in Certificates of Obligation and \$11,940,000 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-	\$ 19,535,000	Public Improvement and Refunding Bonds
	\$ 7,185,000	Certificates of Obligation
	<u>\$ 14,940,000</u>	Contractual Obligations
	\$ 41,660,000	Total Bond Sale

	Fiscal Year 2005-06 <u>Requirements</u>	Total Debt Service Over the <u>Life of the Bonds</u>
Principal	\$ 2,605,000	\$ 41,660,000
Interest	<u>\$ 1,784,200</u>	<u>\$ 20,230,863</u>
Total Debt Service	\$ 4,389,200	\$ 61,890,863

Capital Budget — 2005-06

General Obligation Bond Sale Schedule (\$000s)

PUBLIC IMPROVEMENT BONDS			
Election Year	Description	2005-06 Bond Sale August 2005	
		TAX Supported	NON TAX Supported
2000	<i>Infrastructure: Streets/Signals</i>		
	Sidewalk Improvements	5,000	0
2000	Highway ROW Participation	10,000	0
	Total: Streets and Signals	15,000	0
1998	<i>Libraries and Cultural Centers</i>		
	Spicewood Springs Library Expansion	1,755	0
	Total: Libraries and Cultural Ctrs.	1,755	0
TOTAL Public Improvement Bonds		16,755	0

Reimbursement Resolution

Reimbursement Resolution

PUBLIC IMPROVEMENT REFUNDING BONDS			
Description		2005-06 Bond Sale August 2005	
		TAX Supported	NON TAX Supported
Michael King Settlement - Tax Exempt		2,780	0
TOTAL Public Improvement Refunding Bonds		2,780	0

Reimbursement Resolution

Capital Budget — 2005-06

General Obligation Bond Sale Schedule (\$000s)

CERTIFICATES OF OBLIGATION		
Description	2005-06 Bond Sale August 2005	
	TAX Supported	NON TAX Supported
<i>Financial Services</i> Motorola Office Purchase	0	4,975
<i>Parks & Recreation</i> Colony Park Recreation Center	2,000	0
<i>Watershed Protection & Development Review</i> Developer Reimbursements	210	0
TOTAL Certificates of Obligation	2,210	4,975

Reimbursement Resolution

Reimbursement Resolution

CONTRACTUAL OBLIGATIONS		
Description	2005-06 Bond Sale August 2005	
	TAX Supported	NON TAX Supported
<i>Austin Water Utility</i> Capital Equipment - Water	0	375
Capital Equipment - Wastewater	0	1,440
<i>Communications & Technology Mgmt</i> COATN	0	2,330
Mobile Data System	3,000	0
<i>Golf</i> Capital Equipment	0	860
<i>Public Works - Transportation</i> Capital Equipment	0	3,300
<i>Solid Waste Services</i> Capital Equipment	0	3,635
TOTAL Contractual Obligations	3,000	11,940

Reimbursement Resolution

Reimbursement Resolution

Reimbursement Resolution

Totals	24,745	16,915
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