



2018 BOND DEVELOPMENT QUESTION

Response to Request for Information

DEPARTMENT: Finance

REQUEST NO.: 22

REQUESTED BY: Alter

DATE REQUESTED: 06/14/18

DATE POSTED: 6/18/18

REQUEST: From amongst the various proposed projects, please explain what qualifies for funding from COs or any other funding types. Please provide detail on mechanisms/necessary processes for those other funding types. Please explain what money from past bonds in the last 10 years is yet to be processed. Please list by bond proposition type.

RESPONSE:

From a legal standpoint, Certificates of Obligation could be issued for any of the prospective 2018 Bond projects except for projects that are co-use by another taxing entity or projects that are considered an economic development activity under State law, such as affordable housing. Council's approved financial policies for General Obligation Debt includes the following:

10) It is the City's priority to fund capital expenditures with cash or voter-approved debt. However, non-voter-approved debt may be used for capital expenditures as an alternative to lease/purchase or other financing options if the capital expenditure is:

- Urgent;
- Unanticipated;
- Necessary to prevent an economic loss to the City;
- Results in an economic gain to the City within a reasonable time; or
- Non-voter approved debt is the most cost effective financing option available.

In regards to prospective FY 2018 Bond projects, the application of this policy largely hinges on the definition of "urgent." The fire stations were deemed an urgent public safety need by the Austin Fire Department and Finance staff therefore recommended the use of Certificates of Obligation.

Below is the Authorized but Unissued Public Improvement Bonds for the past 10 years.



GENERAL OBLIGATION AUTHORIZED, UNISSUED G.O. DEBT AFTER August 2017 SALE (PIBs 2010 to 2016)

ELECT.	DATE	PROP. DESCRIPTION	AMOUNT AUTHORIZED BY VOTERS	FY12 BOND SALE	FY13 BOND SALE	FY14 BOND SALE	FY15 BOND SALE	FY16 BOND SALE	FY17 BOND SALE	FY 18 BOND SALE	ABUs after 8/17 sale
11-02-10	1	Mobility	90,000	15,305	30,000	30,000	14,695				0
Total 2010 Authorization and Bond Issues			90,000	15,305	30,000	30,000	14,695	0	0	0	0
11-06-12	12	Transportation and Mobility	143,299			11,895	40,210	32,235	29,180	0	29,779
		Open Space and Watershed									
11-06-12	13	Protection	30,000			20,000	10,000	0	0	0	0
11-06-12	14	Parks and Recreation	77,680			550	7,310	17,275	18,755	15,300	18,490
11-06-12	16	Public Safety	31,079			1,500	6,720	6,900	2,345	10,600	3,014
11-06-12	17	Health and Human Services	11,148			235	1,705	4,205	205	3,200	1,598
		Library, Museum, and									
11-06-12	18	Cultural Arts Facilities	13,442			820	2,980	815	3,325	1,900	3,602
Total 2012 Authorization and Bond Issues			306,648	0	0	35,000	68,925	61,430	53,810	31,000	56,483
11-05-13	1	Affordable Housing	65,000				10,000	10,000	10,000	25,000	10,000
Total 2013 Authorization and Bond Issues			65,000	0	0	0	10,000	10,000	10,000	25,000	10,000
11-8-16	1	Mobility	720,000							43,000	677,000
Total 2016 Authorization and Bond Issues			720,000	0	0	0	0	0	0	43,000	677,000
Total Authorization and Bond Issues			1,181,648	15,305	30,000	65,000	93,620	71,430	63,810	99,000	743,483