

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	26351	Agenda Number	94.
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Meeting Date:	8/29/2013	Department:	Treasury
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Subject

Approve an ordinance authorizing the issuance of City of Austin, Public Improvement Bonds, Series 2013, in an amount not to exceed \$113,250,000, and approving all related documents, and related fees. These bonds are being issued to provide funding relating to reimbursement resolutions previously approved by Council for 2006, 2010, and 2012 bond election projects. The funds will be used as described in the council-approved bond sale schedule for drainage master plan projects, health and human services facilities, library facilities, open space, parks and recreation projects, public safety facilities, and transportation and mobility infrastructure.

Amount and Source of Funding

\$7,515,000 in the first year debt service requirement and an estimated annual administration fee of \$500 for the paying agent/registrar for the proposed bond sale was included in the 2013-14 Proposed Operating Budget of the General Obligation Debt Service Fund.

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Art Alfaro, Treasurer 974-7882
Boards and Commission Action:	Council approved the Bond Sale Schedule on 08/08/2013.
MBE / WBE:	
Related Items:	

Additional Backup Information

It is recommended that the City Council approve an ordinance authorizing the issuance of the City of Austin Public Improvement Bonds, Series 2013, in the amount of \$113,250,000. Attachment A shows the specific projects associated with the issuance.

The entire \$113,250,000 in Public Improvement Bonds is being issued to provide funding for reimbursement resolutions that have been previously approved by Council. Reimbursement resolutions declare an issuer's official intent to reimburse a project expenditure with the proceeds of obligations to be issued after the expenditure is incurred. The action is required by IRS and U.S. Treasury rules. The City generally submits reimbursement resolution

for Council consideration as part of the annual budget adoption in September, the same time as the new capital appropriations are adopted.

The General Obligation Debt Service cost for the \$113,250,000 Series 2013 issuance is estimated as follows:

	2013-14	Total Cost over 20 Years	Average Per Year
Principal	\$ 2,985,000	\$ 113,250,000	\$5,662,500
Interest	<u>4,530,000</u>	<u>57,541,800</u>	<u>2,877,090</u>
Total Debt Service	\$ 7,515,000	\$ 170,791,800	\$8,539,590

It is anticipated that electronic bids will be accepted beginning at 8:30 a.m. Central Daylight Time (CDT) and ending at 9:00 a.m. CDT, on Thursday, August 29, 2013. Bids will be verified by the City's Financial Advisor, Public Financial Management, Inc.

This item has been posted for not later than 2:00 p.m. to allow City Council action prior to the close of financial markets.