AUSTIN
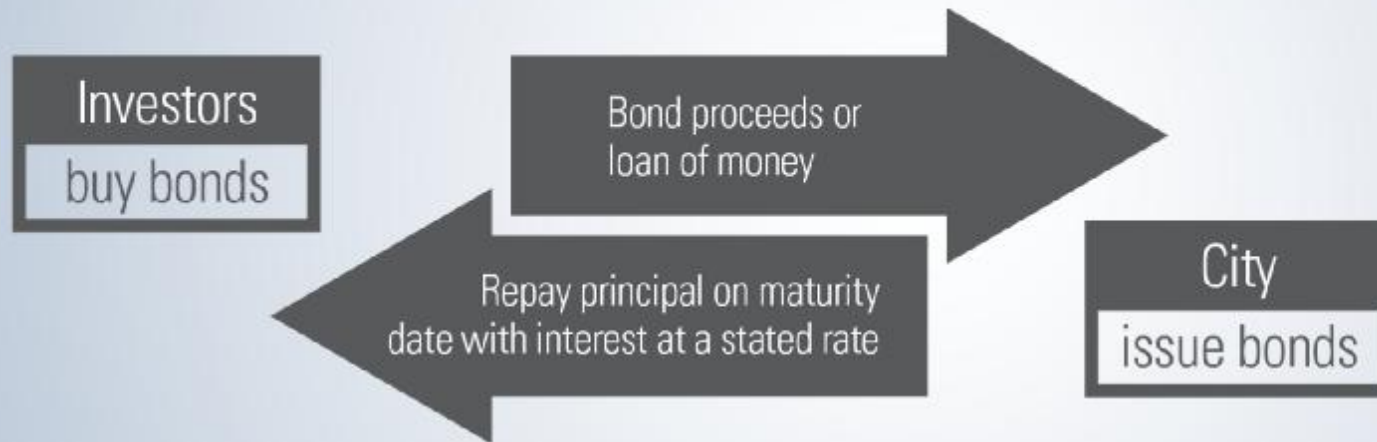## CITY COUNCIL
ORIENTATION

Municipal Bonds
Elaine Hart-Financial Services

AUTHORITY TO ISSUE

Texas Constitution
Article 11, Section 5

State Law

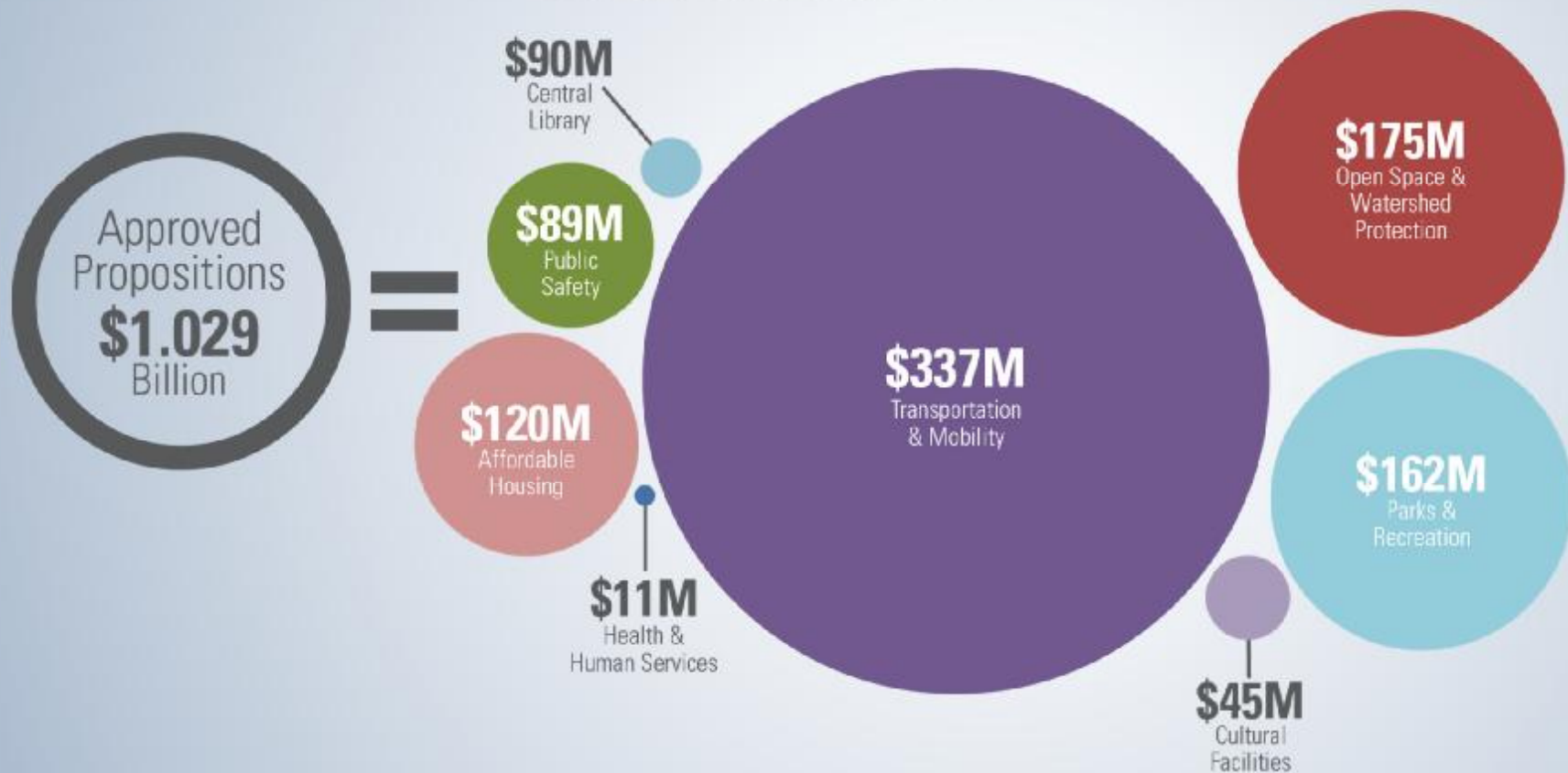**City Charter**
Art. VII Finance

Voters

BOND ELECTION HISTORY
G.O. Bond Elections 2006-2014

Approved Propositions $1.029 Billion

$90M Central Library

$89M Public Safety

$120M Affordable Housing

$11M Health & Human Services

$337M Transportation & Mobility

$175M Open Space & Watershed Protection

$162M Parks & Recreation

$45M Cultural Facilities

AUTHORIZED, UNISSUED BONDS

$324.9 Million =

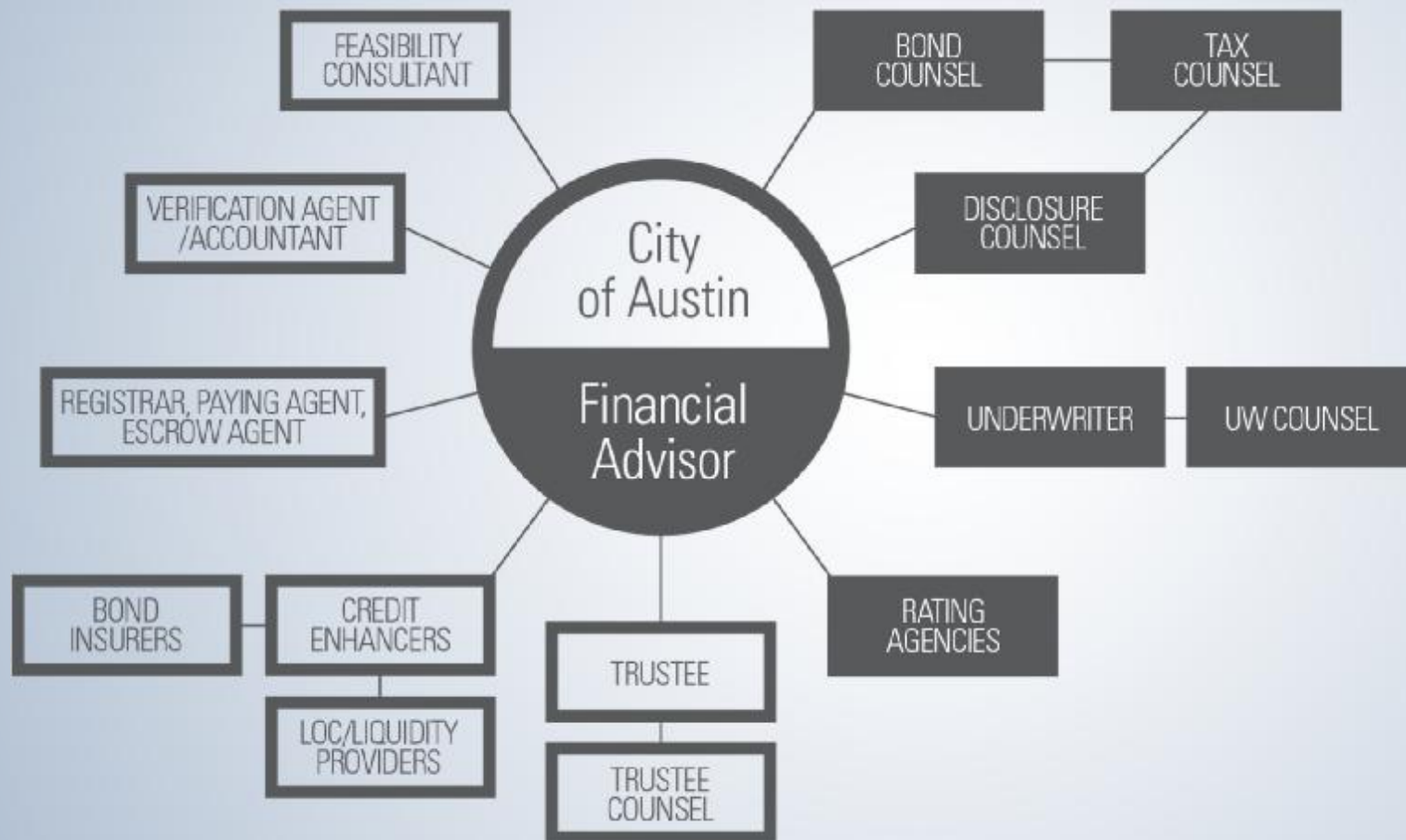|		
Brackenridge 2000	$9,215,000	10-22-1983
Park Improvements	327,000	9-8-1984
Cultural Arts	5,395,000	1-19-1985
Cultural Arts	4,000,000	11-7-2006
Central Library	43,200,000	11-7-2006
Public Safety Facility	5,000,000	11-7-2006
Mobility Transportation	91,194,000	11-6-2012
Parks & Recreation	69,820,000	11-6-2012
Public Safety Facility	22,859,000	11-6-2012
Health & Human Service Facility	9,208,000	11-6-2012
Cultural Arts	9,642,000	11-6-2012
Affordable Housing	55,000,000	11-5-2013

PROTECT THE PUBLIC INTEREST

Securities & Exchange Commission (SEC)

Municipal Securities Rulemaking Board (MSRB)

Bond Ordinance & Covenants

Regulation & Policies

Internal Revenue Service (IRS)

City of Austin Financial Policies

Texas Attorney General (AG)

BOND SALE PROCESS

Determine Issue Size, Structure & Timing | Prepare Official Statement (Disclosure) | Credit Rating Review | Council Approval / Market & Price Bonds | Bond Closing & Wire Proceeds

BOND SALE PARTICIPANTS

TYPES OF DEBT ISSUED BY CITY

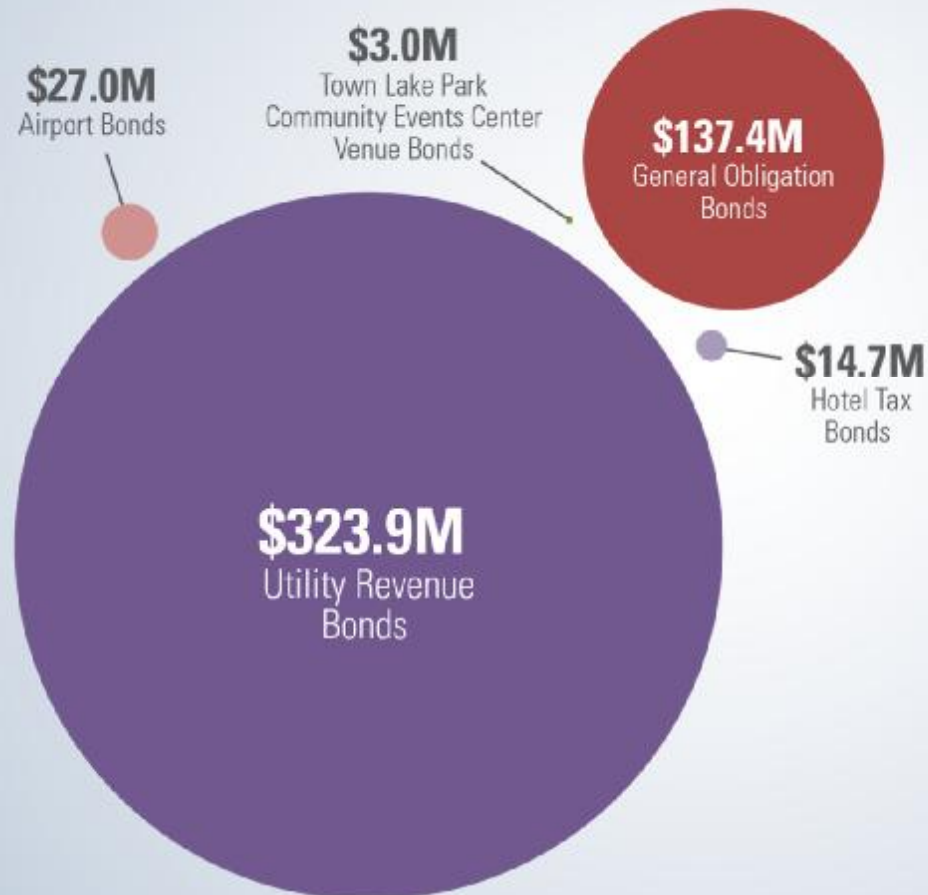|	Voter Authorized	Revenue Pledge	Purpose	Term
General Obligation Debt (GO)				
Public Improvement Bonds (PIBs)	Yes	Ad Valorem Tax Supported	Capital Projects	20 years
Certificates of Obligation (COs)	No	Ad Valorem Tax Supported or Non-Tax Supported	Real Property; Off-cycle capital needs	10 – 20 years
Contractual Obligations (KOs)	No	Ad Valorem Tax Supported or Non-Tax Supported	Equipment	5 – 10 years
Revenue Bonds	No	Payable from specific revenue source of enterprise department issuing revenue bonds (e.g., utility rates) Not secured by Ad Valorem Tax.	Major infrastructure	20 – 30 years
Commercial Paper (CP)	No	Payable from specific revenue source of enterprise department issuing revenue bonds (e.g., utility rates) Not secured by Ad Valorem Tax.	Short-term financing used by utilities for interest savings	Maximum of 270 days
Refunding Bonds	No	Proceeds of refunding bonds used to replace or pay off ("defease") currently outstanding bonds.	Usually issued when City can get a better interest rate and produce savings.	Varies

8

CITY'S DEBT POSITION
As of September 30, 2014

$977.3M
General Obligation Bonds

$3.8B
Water/Energy

$182.7M
Convention Center

$310.4M
Airport

OUTSTANDING DEBT (PIBs, COs, KOs)
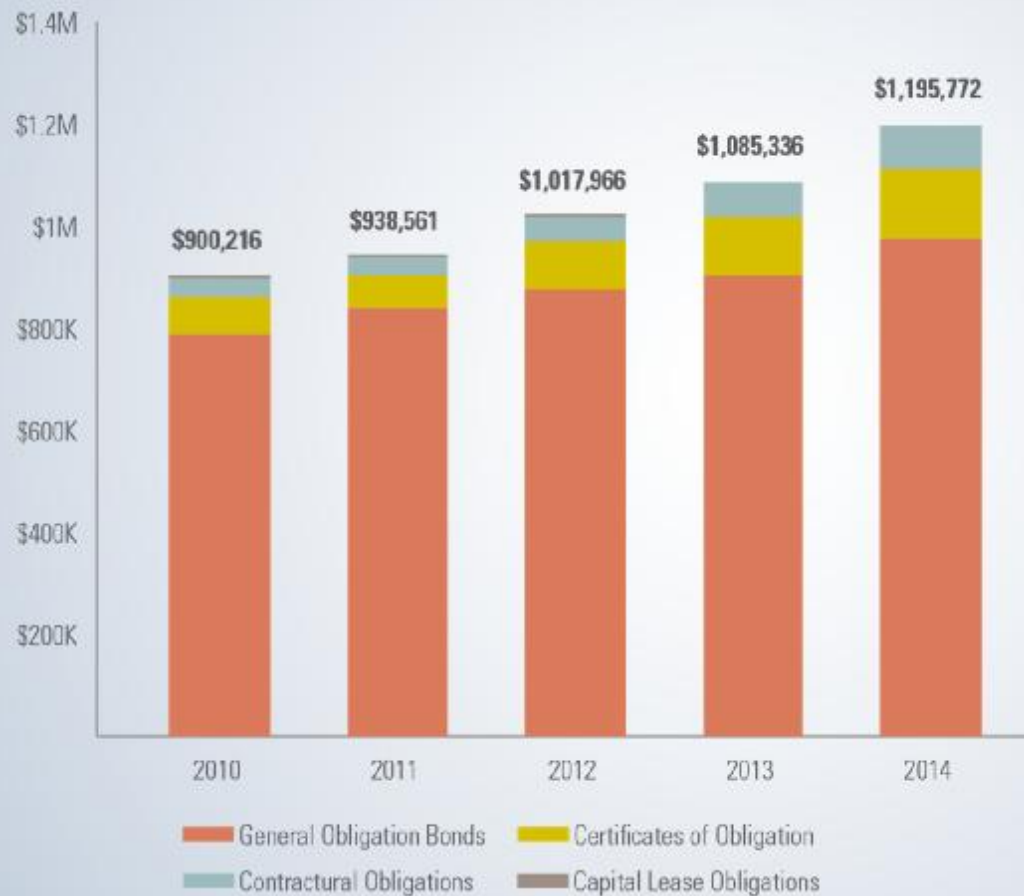
CITY'S DEBT SERVICE REQUIREMENTS

As of September 30, 2014

$27.0M
Airport Bonds

$3.0M
Town Lake Park
Community Events Center
Venue Bonds

$137.4M
General Obligation
Bonds

$14.7M
Hotel Tax
Bonds

$323.9M
Utility Revenue
Bonds

11

PROPERTY TAX RATE COMPONENTS

48.09¢
2015 Approved
Tax Rate

General Fund Operating & Maintenance (O&M)

36.91¢
per $100 Assessed Valuation

Debt Service Fund

11.18¢
per $100 Assessed Valuation
Debt service tax rate set each year at level needed to fund principal and interest payments on debt issued and pledged with property tax.

austintexas.gov/finance
elaine.hart@austintexas.gov