

**Financial Services
Department**

**Update on September
General Obligation
Bond Sale Schedule**



**Bond Oversight
Commission**

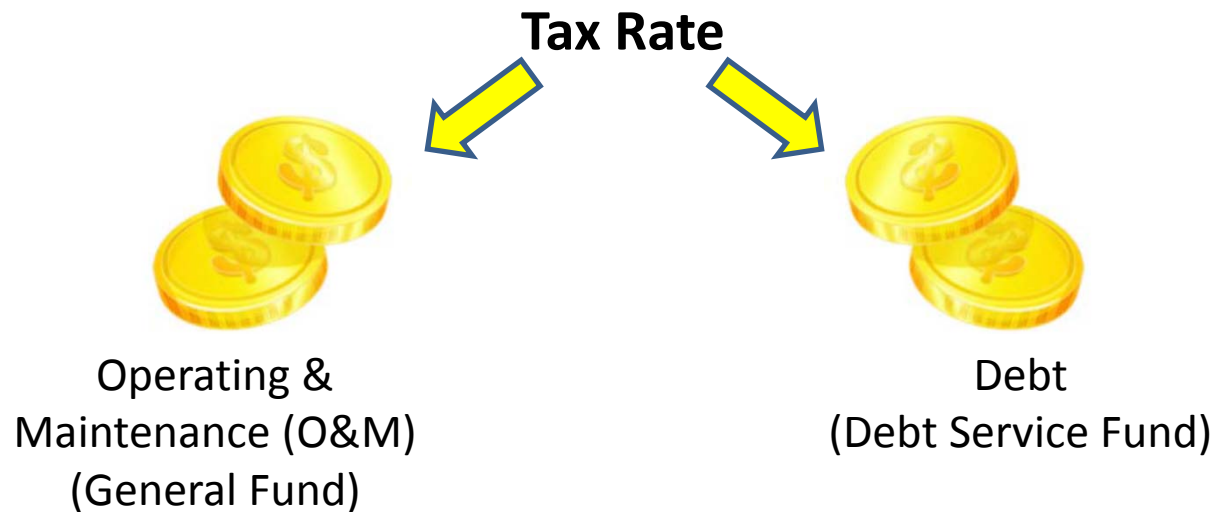
September 19, 2018





General Obligation Debt

- Property Tax Rate has 2 components



- Debt Service tax rate set each year at level needed to fund principal and interest payments on debt issued and pledged with property tax
- Pays both existing debt service and debt service associated on recently sold General Obligation bond sale



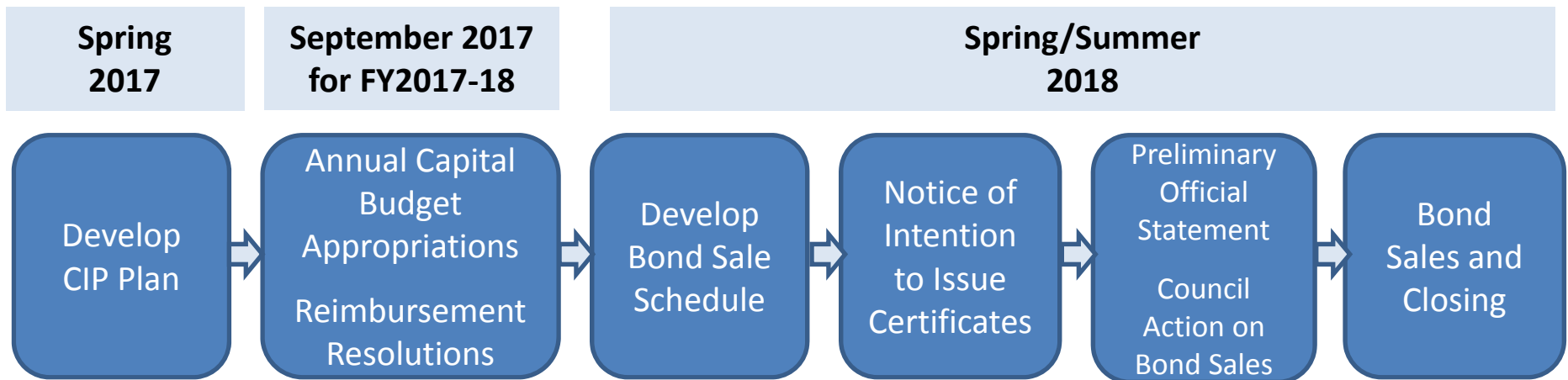
General Obligation (GO) Debt

- GO Debt = Public Improvement Bonds, Certificates of Obligation, and Contractual Obligations
 - \$1.5 billion in outstanding General Obligation debt currently
 - Issued once per year prior to setting the tax rate
 - Backed by property (ad valorem) taxes and “full faith and credit” of the City

Types of GO Debt	Purpose	Voter Approval	City Term
Public Improvement Bonds (PIBs)	Capital Improvement projects and capital assets	Yes	20 years
Certificates of Obligation (COs)	Real property: land, buildings, right of way, construction of a public work	No	20 years
Contractual Obligations (KOs)	Personal property: equipment, machinery, vehicles, information technology	No	7 years



Steps to Sell or Issue Debt



- Work on last weeks bond sale began Spring 2017
- The bond sale supports projects and appropriations (authority to spend) previously approved by City Council
- Use of Reimbursement Resolution allows projects to begin now and get funded later
 - Consistent with IRS regulations
 - Consistent with Financial Policies regarding cash management
 - Results in lower interest costs



Executed GO Bond Sale

Total September Sale: \$106.670 M*

Public Improvement Bonds (PIBs) - \$76.055 M*

- 2012 Bond Program: \$17.555 M
 - Streets/Signals/Mobility - \$12.17 M
 - Parks - \$3.79 M
 - Public Safety/Health - \$1.595 M
- 2013 Bond Program (Affordable Housing): \$7.0 M
- 2016 Bond Program (Transportation): \$51.5 M

Certificates of Obligation (COs) - \$7.5 M*

- Locker Room and Station Improvements - \$1.5 M
- Flood Home Buyouts - \$6.0 M

*Amounts denote project proceeds that will be received on October 3, 2018



Executed GO Bond Sale

*Contractual Obligations (KOs) - \$23.115 M**

- Austin Resource Recovery - \$5.000 M (non-tax supported)
- Fleet - \$18.115M (tax supported)

*Amounts denote project proceeds that will be received on October 3, 2018



GO Bond Sale – Remaining Authority

- **Entire \$106.670 million supports projects and related appropriations already approved by City Council**
- After the September 2018 bond sale, there is \$676.415 million in remaining voter authorized general obligation bonds to sell
 - 2006 Bonds - \$ 9.0 M
 - 2012 Bonds - \$ 38.915 M
 - 2013 Bonds - \$ 3.0 M
 - 2016 Bonds - \$625.5 M



G.O. Bond Sale Schedule

- June 14, 2018 - Council Action: Publication of Notice of Intention to Issue Certificates of Obligation
 - State law requires publication of this notice once a week for two consecutive weeks no less than 31 days before the date on which City Council is anticipated to authorize the issuance of the Certificates of Obligation
 - Allows voters time to acquire a petition of 5% of qualified voters
- July/August 2018 – Prepared Preliminary Official Statement or bond offering document
- August 23, 2018 – Council Action: Authorize General Obligation Bond Sales
- September 12, 2018 – Bids accepted on all of the proposed Bond issuances
- October 3, 2018 – Closing and Delivery of Bonds