PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2020

Ratings: Moody's: "___" (________ outlook)
S&P: "___" (_______ outlook
Fitch: "___" (_______ outlook)
(See "OTHER RELEVANT INFORMATION – Ratings" in this document)

NEW ISSUES – Book-Entry-Only

In the opinion of Bond Counsel to the City, interest on the Bonds, the Certificates, and the Contractual Obligations (each as defined below) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" in this document. The Taxable Bonds (as defined below) are not obligations described in Section 103(a) of the Internal Revenue Code of 1986. Interest on the Taxable Bonds is not excludable from gross income for federal income tax purposes under existing law. See "TAX MATTERS" in this document.

CITY OF AUSTIN, TEXAS

$87,215,000*
Public Improvement and Refunding Bonds, Series 2020

$110,425,000*
Certificates of Obligation, Series 2020

$23,380,000*
Public Property Finance Contractual Obligations, Series 2020

$49,890,000*
Public Improvement and Refunding Bonds, Taxable Series 2020

Dated Date: October 6, 2020 **Due: As shown on the inside cover page**

Interest on the $87,215,000* City of Austin, Texas Public Improvement and Refunding Bonds, Series 2020 (the "Bonds"), the $110,425,000* City of Austin, Texas Certificates of Obligation, Series 2020 (the "Certificates"), the $23,380,000* City of Austin, Texas Public Property Finance Contractual Obligations, Series 2020 (the "Contractual Obligations"), and the $49,890,000* City of Austin, Texas Public Improvement and Refunding Bonds, Taxable Series 2020 (the "Taxable Bonds") will accrue from the dated date shown above, and in the case of the Bonds, the Certificates and the Taxable Bonds, will be payable March 1, 2021 and each September 1 and March 1 thereafter until maturity or redemption prior to maturity, and in the case of the Contractual Obligations, will be payable May 1, 2021, and each November 1 and May 1 thereafter until maturity, and will be calculated on the basis of a 360–day year consisting of twelve 30–day months. The Bonds, the Certificates and the Contractual Obligations are collectively referred to in this document as the "Tax-Exempt Obligations". **The Tax-Exempt Obligations and the Taxable Bonds are collectively referred to in this document as the "Obligations."**

The initial Paying Agent/Registrar for the Obligations is U.S. Bank National Association, Dallas, Texas. See "OBLIGATION INFORMATION – Paying Agent/Registrar" in this document. The Bonds, the Certificates, the Contractual Obligations and the Taxable Bonds will be offered separately by the City of Austin, Texas (the "City"), and delivery of any one issue is not contingent upon the delivery of any other issue. The City intends to utilize the book-entry-only system of The Depository Trust Company, New York, New York ("DTC"), but reserves the right on its behalf or on behalf of DTC to discontinue such system. The book-entry-only system will affect the method and timing of payment and the method of transfer of the Obligations. See "OBLIGATION INFORMATION – Book-Entry-Only System" in this document.

In each Ordinance (as defined in this document), the City Council delegated to a "Pricing Officer" the authority to effect the sale of the series of the Obligations authorized therein, subject to the terms of each Oordinance authorizing the sale of the Obligations. The Bonds, the Taxable Bonds and the Contractual Obligations are direct obligations of the City, payable from a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City, as provided in the respective ordinance authorizing the issuance of the Bonds, the Taxable Bonds and the Contractual Obligations. The Certificates are direct obligations of the City, payable from a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City and are additionally payable from and secured by a limited pledge of the surplus revenues (not to exceed $1,000) of the City's solid waste disposal system, as provided in the ordinance authorizing the issuance of the Certificates. See "OBLIGATION INFORMATION – Security" in this document.

Proceeds from the sale of the Bonds and the Taxable Bonds will be used to finance various capital improvements (see "DEBT INFORMATION – Authorized General Obligation Bonds" in this document) and to pay costs of issuing the Bonds and the Taxable Bonds. Proceeds from the sale of the Bonds and the Taxable Bonds will additionally be used to refund for savings portions of the City's outstanding general obligation debt shown in APPENDIX D of this document (the "Refunded Obligations") and to pay the costs of refunding the Refunded Obligations. See "OBLIGATION INFORMATION – Refunded Obligations" in this document. Proceeds from the sale of the Certificates will be used to finance various capital improvements and to pay the costs of issuing the Certificates. Proceeds from the sale of the Contractual Obligations will be used to purchase certain equipment and other personal property for use by various City departments and to pay the costs of issuing the Contractual Obligations. See "OBLIGATION INFORMATION – Authority and Purpose for Issuance" in this document.

See "MATURITY SCHEDULES" on pages ii and iii

The Bonds, the Certificates and the Taxable Bonds are subject to redemption prior to their stated maturities as described in "OBLIGATION INFORMATION – Optional Redemption of the Bonds, the Certificates and the Taxable Bonds" and "OBLIGATION INFORMATION – Mandatory Sinking Fund Redemption of the Bonds, the Certificates and the Taxable Bonds" in this document. The Contractual Obligations are not subject to redemption prior to their stated maturities. (See "OBLIGATION INFORMATION – No Redemption of the Contractual Obligations Prior to Maturity" in this document.)

The Obligations are offered for delivery when, as and if issued, subject to the approving opinions of the Attorney General of the State of Texas and of McCall, Parkhurst & Horton L.L.P., Bond Counsel. See "APPENDIX C – FORMS OF BOND COUNSEL'S OPINIONS" in this document. Certain legal matters will be passed upon for the City by Norton Rose Fulbright US LLP, as disclosure counsel to the City, and for the underwriters listed below (the "Underwriters") by their counsel, Haynes and Boone, LLP.

It is expected that the Obligations will be delivered through the facilities of DTC on or about October 6, 2020.

SIEBERT WILLIAMS SHANK & CO., LLC

PIPER SANDLER & CO. **WELLS FARGO SECURITIES**

*Preliminary, subject to change.

MATURITY SCHEDULES

CITY OF AUSTIN, TEXAS

$87,215,000*
Public Improvement and Refunding Bonds, Series 2020
Base CUSIP No. 052397 (1)

Maturity (September 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix	Maturity (September 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix

$_____________ _____% Term Bonds due September 1, 20__, Initial Yield _________%, CUSIP 052397___

(Interest to accrue from the Dated Date)

$110,425,000*
Certificates of Obligation, Series 2020
Base CUSIP No. 052397 (1)

Maturity (September 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix	Maturity (September 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix

$_____________ _____% Term Certificates due September 1, 20__, Initial Yield _________%, CUSIP 052397___

(Interest to accrue from the Dated Date)

$23,380,000*
Public Property Finance Contractual Obligations, Series 2020
Base CUSIP No. 052397 (1)

Maturity (May 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix	Maturity (November 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix

(Interest to accrue from the Dated Date)

Redemption of the Bonds and the Certificates… The Bonds and the Certificates will be subject to optional redemption as described in "OBLIGATION INFORMATION – Optional Redemption of the Bonds, the Certificates, and the Taxable Bonds" and mandatory sinking fund redemption as described in "OBLIGATION INFORMATION – Mandatory Sinking Fund Redemption of the Bonds, the Certificates, and the Taxable Bonds."

*No Redemption of the Contractual Obligations Prior to Maturity…*The Contractual Obligations are not subject to redemption prior to their stated maturities.

____
*Preliminary, subject to change.
(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Service, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. The City and the Financial Advisor take no responsibility for the accuracy of the CUSIP numbers.

MATURITY SCHEDULES

CITY OF AUSTIN, TEXAS

$49,890,000*
Public Improvement and Refunding Bonds, Taxable Series 2020
Base CUSIP No. 052397 (1)

Maturity (September 1)	Principal Amount	Interest Rate	Initial Yield	Initial Price	CUSIP Suffix

$____________ ____% Taxable Term Bonds due September 1, 20__, CUSIP 052397___

(Interest to accrue from the Dated Date)

Redemption of the Taxable Bonds…The Taxable Bonds will be subject to optional redemption and mandatory sinking fund redemption as described in "OBLIGATION INFORMATION – Optional Redemption of the Bonds, the Certificates and the Taxable Bonds" and "OBLIGATION INFORMATION – Mandatory Sinking Fund Redemption of the Bonds, the Certificates and the Taxable Bonds."

*Preliminary, subject to change.

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Service, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. The City and the Financial Advisor take no responsibility for the accuracy of the CUSIP numbers.

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For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the City with respect to the Obligations (as defined below) that has been deemed "final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

The Obligations are offered by the City under a common Official Statement. The Obligations are separate and distinct securities offerings being issued and sold independently, except for the common Official Statement. While the Obligations share certain common attributes, each issue is separate from the others and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the security for its payment, the rights of the holders, the federal, state or local tax consequences of the purchase, ownership or disposition of the respective Obligations and other features.

No dealer, broker, salesman or other person has been authorized by the City or by the Underwriters to give any information or to make any representations, other than as contained in this document and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the Obligations by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

This Official Statement is submitted in connection with the sale of securities referred to in this document and may not be reproduced or used for any other purpose. In no instance may this Official Statement be reproduced or used in part.

THE OBLIGATIONS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE ORDINANCES BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE ON EXEMPTIONS CONTAINED IN SUCH ACTS.

The information set forth in this document has been furnished by the City and includes information obtained from other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriters. The information and expressions of the opinions in this Official Statement are subject to change without notice and neither the delivery of this Official Statement nor any sale made under the Official Statement shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the other matters described since the date of this Official Statement. CUSIP numbers have been assigned to each series of Obligations for the convenience of the owners of the Obligations.

This Official Statement includes descriptions and summaries of certain events, matters, and documents. The descriptions and summaries do not purport to be complete and all such descriptions, summaries and references are qualified in their entirety by reference to this Official Statement in its entirety and to each document referred to in this Official Statement, copies of which may be obtained from the City or from PFM Financial Advisors LLC, the Financial Advisor to the City. Any statements made in this Official Statement, which includes the Appendices to this document, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such opinions or estimates will be realized.

This Official Statement contains "forward–looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements. See "OTHER RELEVANT INFORMATION – Forward-Looking Statements" in this document.

IN CONNECTION WITH THE OFFERING OF THE OBLIGATIONS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE OBLIGATIONS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE OBLIGATIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TABLE OF CONTENTS

APPENDICES

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CITY OF AUSTIN

Elected Officials

		Term Expires Jan. 5
Steve Adler	Mayor	2023
Natasha Harper-Madison	Councilmember District 1	2023
Delia Garza, Mayor Pro Tem	Councilmember District 2	2021
Sabino "Pio" Renteria	Councilmember District 3	2023
Gregorio "Greg" Casar	Councilmember District 4	2021
Ann Kitchen	Councilmember District 5	2023
Jimmy Flannigan	Councilmember District 6	2021
Leslie Pool	Councilmember District 7	2021
Paige Ellis	Councilmember District 8	2023
Kathryne B. Tovo	Councilmember District 9	2023
Alison Alter	Councilmember District 10	2021

Appointed Officials

Spencer Cronk	City Manager
Nuria Rivera-Vandermyde	Deputy City Manager
Mark Dombroski(1)	Interim Chief Financial Officer
Greg Canally	Deputy Chief Financial Officer
Ed Van Eenoo	Deputy Chief Financial Officer
Anne Morgan	City Attorney
Jannette S. Goodall	City Clerk

(1) Mark Dombroski was appointed Interim Chief Financial Officer effective July 1, 2020, following the planned retirement of Elaine Hart, who was the City's Chief Financial Officer. Mark Dombroski serves as the Deputy General Manager and Chief Financial and Risk Officer for Austin Energy, which is the City's electric utility system. The City has begun the recruitment process for hiring a new Chief Financial Officer.

BOND COUNSEL
McCall, Parkhurst & Horton L.L.P.
Austin and Dallas, Texas

DISCLOSURE COUNSEL FOR THE CITY
Norton Rose Fulbright US LLP
Austin and Dallas, Texas

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Austin, Texas

INDEPENDENT AUDITORS
Deloitte & Touche LLP
Austin, Texas

For additional information regarding the City, please contact:

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SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data on this page is subject in all respects to the more complete information and definitions contained or incorporated in this document. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer.................................. The City of Austin, Texas (the "City"), is a political subdivision located in Travis, Williamson and Hays Counties, operating as a home-rule city under the laws of the State of Texas and a charter approved by the voters in 1953, as amended. The City operates under the Council/Manager form of government in which the mayor (elected at-large) and ten councilmembers (elected from ten single-member districts) are elected for staggered four-year terms. The City Council formulates operating policy for the City and the City Manager is the chief administrative officer.

For further information about the City, see "APPENDIX A – GENERAL INFORMATION REGARDING THE CITY" in this document.

The Bonds .... The Bonds are issued in the principal amount of $87,215,000* pursuant to the general laws of the State of Texas, particularly Chapter 1207, Texas Government Code, Chapter 1331, Texas Government Code, Chapter 1371, Texas Government Code ("Chapter 1371"), elections held within the City (see "DEBT INFORMATION – Authorized General Obligation Bonds" in this document), and an ordinance passed by the City Council of the City (see "OBLIGATION INFORMATION – Authority and Purpose for Issuance" in this document).

The Certificates......................... The Certificates are issued in the principal amount of $110,425,000* pursuant to the general laws of the State of Texas, particularly Subchapter C, Chapter 271, Texas Local Government Code, Chapter 1371, and an ordinance passed by the City Council of the City (see "OBLIGATION INFORMATION – Authority and Purpose for Issuance" in this document).

The Contractual Obligations........................ The Contractual Obligations are issued in the principal amount of $23,380,000* pursuant to the general laws of the State of Texas, particularly Subchapter A, Chapter 271, Texas Local Government Code (the "Public Property Finance Act"), Chapter 1371, and an ordinance passed by the City Council of the City (see "OBLIGATION INFORMATION – Authority and Purpose for Issuance" in this document).

The Taxable Bonds .... The Taxable Bonds are issued in the principal amount of $49,890,000* pursuant to the general laws of the State of Texas, particularly Chapter 1207, Texas Government Code, Chapter 1331, Texas Government Code, Chapter 1371, elections held within the City (see "DEBT INFORMATION – Authorized General Obligation Bonds" in this document) and an ordinance passed by the City Council of the City (see "OBLIGATION INFORMATION – Authority and Purpose for Issuance" in this document).

Paying Agent/Registrar… The initial Paying Agent/Registrar for each series of the Obligations is U.S. Bank National Association, Dallas, Texas.

Security .... Each series of the Obligations constitutes a direct obligation of the City, payable from a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City in an amount sufficient to provide for payment of principal of and interest on all ad valorem tax debt. The Certificates are additionally secured by and payable from a limited pledge of the surplus revenues (not to exceed $1,000) of the City's solid waste disposal system (see "OBLIGATION INFORMATION - Security" in this document).

Redemption of Obligations........................... The City reserves the right, at its option, to redeem the Bonds, the Certificates, and the Taxable Bonds having stated maturities on and after September 1, 20__*, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on September 1, 20__*, or any date thereafter, at the par value thereof, without premium, plus accrued interest to the date fixed for redemption (see "OBLIGATION INFORMATION – Optional Redemption of the Bonds, the Certificates, and the Taxable Bonds" in this document). The Bonds, the Certificates and the Taxable Bonds will also be subject to mandatory sinking fund redemption as described in "OBLIGATION INFORMATION – Mandatory Sinking Fund Redemption of the Bonds, the Certificates and the Taxable Bonds."

The Contractual Obligations are not subject to redemption prior to their stated maturities (see "OBLIGATION INFORMATION – No Redemption of the Contractual Obligations Prior to Maturity" in this document).

*Preliminary, subject to change.

Tax Matters – The Tax-Exempt Obligations .... In the opinion of Bond Counsel, interest on the Bonds, the Certificates, and the Contractual Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS" in this document.

Tax Matters – The Taxable Bonds.. Interest on the Taxable Bonds shall be included in the gross income of the holders of the Taxable Bonds.

Payment Record .... The City has not defaulted in payment since 1900 when all bonds were refunded at par with a voluntary reduction in interest rates.

Selected Financial Information

Fiscal Year Ended 9-30	Estimated City Population (1)	Taxable Assessed Valuation (1)	Per Capita Taxable Assessed Valuation	(000's) Net Funded Tax Debt (2)	Per Capita Net Funded Tax Debt	Ratio of Net Funded Tax Debt to Taxable Valuation	% of Total Tax Collections
2012	821,012	$79,219,780,879	$96,490	$1,132,201	$1,379.03	1.43%	99.71%
2013	841,649	83,294,536,493	98,966	1,198,730	1,424.26	1.44%	99.63%
2014	878,002	88,766,098,160	101,100	1,313,334	1,495.82	1.48%	99.53%
2015	899,119	98,652,179,430	109,721	1,409,384	1,567.52	1.43%	99.40%
2016	925,491	110,526,026,399	119,424	1,490,221	1,610.20	1.35%	99.29%
2017	946,080	125,371,654,656	132,516	1,526,997	1,614.03	1.22%	99.30%
2018	963,797	138,418,647,260	143,618	1,529,599	1,587.06	1.11%	99.45%
2019	985,504	152,147,505,769	154,385	1,468,755	1,490.36	0.97%	99.46%
2020	999,991	166,845,227,599	166,847	1,354,375(5)	1,354.39 (5)	0.81%(5)	99.00%(3)
2021	1,014,490	174,122,159,342(4)	171,635	1,440,009(5)	1,419.44 (5)	0.83%(5)	N/A

(1) Source: 2019 City of Austin Comprehensive Annual Financial Report ("CAFR") – Table 7, through fiscal year ending 2019; City of Austin Department of Planning and Development based on full purpose area as of November 2019, for fiscal years ending 2020 and 2021.

(2) Excludes general obligation debt issued for certain enterprise funds and general fund departments of the City, the debt service on which is currently paid from the revenue of the respective enterprises and each department's operating budget, respectively. The City plans to continue to pay these obligations based on this practice; however, there is no guarantee that this practice will continue in future years. See "DEBT INFORMATION" and "TAX INFORMATION – Statement of Debt" and "Valuation and Funded Debt History – TABLE TWO" in this document.

(3) Estimated collections as of June 30, 2020 based on the July 2019 Certified Tax Roll tax levy.

(4) Certified estimate of taxable value for the 2020 tax year provided by the Travis Central Appraisal District, Williamson Central Appraisal District, and Hays Central Appraisal District on July 25, 2020, July 20, 2020, and July 24, 2020, respectively.

(5) Projected. Includes the Obligations (aggregate issuance of $270,910,000 par amount).

(6) Projected. Includes tax-supported debt amounts the City expects to issue in the next 12-months.

*Preliminary, subject to change.

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OFFICIAL STATEMENT

Relating to

CITY OF AUSTIN, TEXAS

$87,215,000*
Public Improvement and Refunding Bonds, Series 2020

$110,425,000*
Certificates of Obligation, Series 2020

$23,380,000*
Public Property Finance Contractual Obligations, Series 2020

$49,890,000*
Public Improvement and Refunding Bonds, Taxable Series 2020

INTRODUCTION

This Official Statement, which includes the cover page, the summary statement and the appendices to this document, provides certain information regarding the issuance by the City of Austin, Texas (the "City") of its $87,215,000* Public Improvement and Refunding Bonds, Series 2020 (the "Bonds"), its $110,425,000* Certificates of Obligation, Series 2020 (the "Certificates"), its $23,380,000* Public Property Finance Contractual Obligations, Series 2020 (the "Contractual Obligations") and its $49,890,000* Public Improvement and Refunding Bonds, Taxable Series 2020 (the "Taxable Bonds"). The Bonds, the Certificates, and the Contractual Obligations are collectively referred to in this document as the "Tax-Exempt Obligations". The Tax-Exempt Obligations and the Taxable Bonds are collectively referred to in this document as the "Obligations". The Bonds, the Certificates, the Contractual Obligations and the Taxable Bonds will be offered separately by the City, and delivery of any one issue is not contingent upon the delivery of any other issue. Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinance authorizing the issuance of the Bonds (the "Bond Ordinance"), the ordinance authorizing the issuance of the Certificates (the "Certificate Ordinance"), the ordinance authorizing the issuance of the Contractual Obligations (the "Contractual Obligation Ordinance") and the ordinance authorizing the issuance of the Taxable Bonds (the "Taxable Bond Ordinance"), except as otherwise indicated. The Bond Ordinance, the Certificate Ordinance, the Contractual Obligation Ordinance and the Taxable Bond Ordinance are collectively referred to in this document as the "Ordinances."

References to website addresses presented in this document are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless otherwise specified, references to websites and the information or links contained therein are not incorporated into, and are not part of, this document.

There follows in this Official Statement descriptions of the Obligations and certain information regarding the City and its finances. All descriptions of documents contained in this Official Statement are only summaries and are qualified in their entirety by reference to each such document.

COVID-19 and the City's Response

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. These include, for example, the issuance

* Preliminary, subject to change.

on March 19, 2020 of Executive Order GA-08 which, among other things, imposed limitations on social gatherings of more than 10 people.

On March 31, 2020, the Governor issued Executive Order GA-14 which, among other things, extended the social gathering limitations until April 30, 2020 and temporarily closed school districts throughout the State through May 4, 2020, unless otherwise extended, modified, rescinded, or superseded by the Governor. In addition to the actions by the state and federal officials, certain local officials, including Travis County, have declared a local state of disaster and have issued "shelter-in-place" orders. Many of the federal, state and local actions and policies under the aforementioned disaster declarations and shelter-in-place orders are focused on limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and directly impacts the economy.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the City. These negative impacts may reduce or otherwise negatively affect future property values and/or the collection of sales and other excise taxes, charges, and fees within the City as well as the assets of City pension funds. The duration, severity and degree of any impact of COVID-19 is uncertain and difficult to predict at this time due to the dynamic nature of the COVID-19 pandemic. The City has experienced a loss in revenues and an increase in costs associated with mitigating the impacts of the COVID-19 pandemic on the residents of the City, including public health, emergency response, support to homeless and vulnerable populations, small businesses support, among others. For additional discussion of the impact to the City's budget and financial position, please refer to "APPENDIX A – GENERAL INFORMATION REGARDING THE CITY – COVID-19's Impact on the General Fund Budget."

The Obligations are secured by an ad valorem tax (within the limits prescribed by law), and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Obligations and the City's operations and maintenance expenses. Actions taken to slow the Pandemic are expected to continue to reduce economic activity within the City on which the City collects taxes, charges, and fees. A reduction in the collection of taxes, utility system revenue and other fees and charges may negatively impact the City's operating budget and overall financial condition.

The financial and operating data contained herein are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the current financial condition or future prospects of the City.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the City. While the potential impact of the Pandemic on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition, and the effect could be material.

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OBLIGATION INFORMATION

Authority and Purpose for Issuance

The capital improvements to be financed with the proceeds of the Bonds and the Taxable Bonds were authorized at elections held on various dates, and passed by a majority of the participating voters in the City (the "Elections"); see "DEBT INFORMATION- Authorized General Obligation Bonds" in this document. The City is authorized to issue the Bonds and the Taxable Bonds pursuant to Chapter 1331, Texas Government Code ("Chapter 1331"), Chapter 1371, Texas Government Code ("Chapter 1371"), the Elections the Bond Ordinance, and the Taxable Bond Ordinance, respectively. The Bonds and the Taxable Bonds are also issued pursuant to Chapter 1207, Texas Government Code ("Chapter 1207"). Proceeds from the sale of the Bonds and the Taxable Bonds will be used to finance various capital improvements and to pay costs of issuing the Bonds and the Taxable Bonds. Proceeds from the sale of the Bonds and the Taxable Bonds will also be used to refund for savings portions of the City's outstanding general obligation debt as shown in APPENDIX D of this document (the "Refunded Obligations") and pay costs of refunding the Refunded Obligations. See "DEBT INFORMATION – Authorized General Obligation Bonds" in this document.

The Certificates are being issued pursuant to the general laws of the State of Texas, particularly Subchapter C of Chapter 271, Texas Local Government Code (the "Certificate of Obligation Act"), Chapter 1371, and the Certificate Ordinance. Proceeds from the sale of the Certificates will be used to finance various capital improvements and to pay costs of issuing the Certificates.

The Contractual Obligations are being issued pursuant to the general laws of the State of Texas, particularly Subchapter A of Chapter 271, Texas Local Government Code (the "Public Property Finance Act"), Chapter 1371, and the Contractual Obligation Ordinance. Proceeds from the sale of the Contractual Obligations will be used to purchase certain equipment and other personal property for use by various City departments and to pay costs of issuing the Contractual Obligations.

As permitted by Chapter 1371 and, with respect to the Bonds and the Taxable Bonds, Chapter 1207, in each ordinance the City has delegated to certain authorized officials of the City (each a "Pricing Officer") the authority to establish final terms of sale of the Obligations of each series, to be contained in one or more purchase agreements executed and delivered by the City and the underwriters named in this document.

Refunded Obligations

The Refunded Obligations, and interest due thereon, refunded with proceeds of the Bonds and the Taxable Bonds, respectively, will be paid on the scheduled redemption date of the Refunded Obligations from funds to be deposited pursuant to separate escrow agreements (together, the "Escrow Agreement"), between the City and U.S. Bank National Association (the "Escrow Agent"). The Bond Ordinance and the Taxable Bond Ordinance each provide that a portion of the proceeds of the sale of the Bonds and the Taxable Bonds, as the case may be, together with other lawfully available funds of the City, if any, will be deposited with the Escrow Agent in an amount necessary to accomplish the discharge and final payment of the Refunded Obligations. These amounts will be used to purchase direct obligations of the United States of America (the "Escrowed Securities") to be held by the Escrow Agent in separate special escrow accounts (together, the "Escrow Fund"). Escrowed Securities acquired and held by the Escrow Agent shall not mature after the scheduled date of redemption of the Refunded Obligations. Pursuant to the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations from amounts held in the Escrow Fund. Robert Thomas CPA, LLC, will verify at the time of delivery of the Bonds and the Taxable Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate that the Escrowed Securities will mature and pay interest in such amounts and at such times which, together with any uninvested funds, in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Refunded Obligations. The amounts held in the Escrow Fund will not be available to pay the debt service on the Bonds or the Taxable Bonds.

By deposit of cash and Escrowed Securities with the Escrow Agent pursuant to the Escrow Agreement, the City will have entered into a firm banking and financial arrangement for the discharge and final payment of the Refunded Obligations, in accordance with applicable law. As a result of such firm banking and financial arrangements, the Refunded Obligations will be outstanding only for the purpose of receiving payments from the principal of and interest on the Escrowed Securities and the cash held for such purpose by the Escrow Agent, and the Refunded Obligations will not be included in or considered to be an obligation of the City for the purpose of any limitation on the issuance of ad valorem tax debt obligations by the City.

Sources and Uses of Funds

The proceeds of the Obligations will be applied substantially as follows:

	The Bonds	The Certificates	The Contractual Obligations	The Taxable Bonds
Sources of Funds:				
Principal Amount				
Original Issue Premium				
City Contribution				
Total				
Uses of Funds:				
Deposit to Project Fund				
Deposit to Escrow Fund				
Costs of Issuance				
Underwriters' Discount				
Total				

General

Each series of Obligations shall be dated as of October 6, 2020 (the "Dated Date") and shall bear interest on the unpaid principal amounts from such date, at the per annum rates shown on pages ii and iii of this document for each series of Obligations. Interest on the Obligations will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds, the Certificates and the Taxable Bonds will be payable on March 1, 2021, and on each September 1 and March 1 thereafter until maturity or prior redemption. Interest on the Contractual Obligations will be payable on May 1, 2021, and on each November 1 and May 1 thereafter until maturity. Principal is payable, upon presentation, at the Designated Payment/Transfer Office of the Paying Agent/Registrar (see "OBLIGATION INFORMATION – Paying Agent/Registrar" in this document). Interest is payable by the Paying Agent/Registrar to the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (defined below) and shall be paid by the Paying Agent/Registrar by check mailed by United States mail, first class postage prepaid, to the address of such person as it appears on the registration books of the Paying Agent/Registrar on or before each interest payment date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The Obligations are issued only as fully registered obligations in denominations of $5,000 or any integral multiple thereof within a maturity of a series.

Notwithstanding the foregoing, so long as records of ownership of the Obligations are maintained through the book-entry-only system described under "OBLIGATION INFORMATION – Book-Entry-Only System" in this document, all payments of principal of, redemption premium, if any, and interest on the Obligations will be made in accordance with the procedures described in "OBLIGATION INFORMATION – Book-Entry-Only System" in this document.

The record date for the interest payable on any interest payment date is the 15th day of the month next preceding each interest payment date, as specified in the Ordinances (the "Record Date"). In the event of a nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (the "Special Record Date") will be established by the Paying Agent/Registrar, in accordance with the provisions of the Ordinances, if and when funds for the payment of interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest, which shall be at least 15 days after the Special Record Date, shall be sent at least 5 business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of Obligations appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of the notice.

Security

The Obligations constitute direct obligations of the City, payable from a continuing, direct annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City in an amount sufficient to pay the principal of and interest on all ad valorem tax debt. The Certificates are additionally secured by and payable from a limited pledge of the surplus revenue (not to exceed $1,000) of the City's solid waste disposal system.

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the City's maximum ad valorem tax rate to $2.50 per $100 assessed valuation for all City purposes. The City operates under a Home Rule Charter, referred to as the "Charter", which also limits the City's ad valorem tax rate to $2.50 per $100 assessed valuation for all City purposes. See "TAX INFORMATION – Tax Rate Limitation" in this document.

Remedies

Each Ordinance establishes specific events of default with respect to the related series of Obligations. If the City defaults in the payment of the principal of or interest on the Obligations when due, or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City set forth in an Ordinance, the failure to perform, which materially, adversely affects the rights of the registered owners, including but not limited to, their prospect or ability to be repaid in accordance with such Ordinance, and such default continues for a period of 60 days after notice of such default is given by any registered owner to the City, each Ordinance provides that any registered owner of an Obligation affected thereby is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Obligations or each Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year.

The Ordinances do not provide for the appointment of a trustee to represent the interests of the registered owners upon any failure of the City to perform in accordance with the terms of each Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the State legislature has effectively waived the City's sovereign immunity from a suit for money damages outside of Chapter 1371, holders of the Obligations may not be able to bring such a suit against the City for breach of the Obligations or covenants contained in the Ordinances. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("Wasson I"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I, Wasson Interests, Ltd. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("Wasson II" and, together with Wasson I, "Wasson"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State's immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

Chapter 1371, which pertains to the issuance of public securities by issuers such as the City, permits the City to waive sovereign immunity in the proceedings authorizing its debt, but the City has not waived sovereign immunity pursuant to Chapter 1371 in connection with the issuance of the Obligations.

As noted above, each Ordinance provides that registered owners may exercise the remedy of mandamus to enforce the obligations of the City under each Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

The registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations. Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or registered owners of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce creditor's rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state courts); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Obligations are qualified with respect to the customary rights of debtors relative to their creditors.

Defeasance of Obligations

Each of the Ordinances provides for the defeasance of each of the respective Obligations when the payment of the principal of the Obligations of a series, plus interest to the due date (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agency, in trust (1) money sufficient to make such payment or (2) Defeasance Securities, to mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Obligations; and thereafter the City will have no further responsibility with respect to amounts available to the paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Obligations, including any insufficiency caused by the failure of the paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Each of the Ordinances provides that "Defeasance Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of approval of the proceedings authorizing the issuance of the refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

Book-Entry-Only System

The City has elected to utilize the book-entry-only system of The Depository Trust Company, New York, New York ("DTC"), as described under this heading. The City is obligated to timely pay the Paying Agent/Registrar the amount due under the respective Ordinance. See "OBLIGATION INFORMATION - Paying Agent/Registrar" in this document. The responsibilities of DTC, the Direct Participants and the Indirect Participants to the Beneficial Owner of the Obligations are described in this document.

The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City believes this information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payment of debt service on the Obligations, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the beneficial owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this document. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered Obligations registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are referred to in this document as "Participants". DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners of Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Obligations unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).
All payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Obligations held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar,

or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Obligations at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Obligation certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for each series of the Obligations will be printed and delivered to DTC.

Paying Agent/Registrar

The initial Paying Agent/Registrar for each series of the Obligations is U.S. Bank National Association, Dallas, Texas. Interest on, and principal of, the Obligations will be payable, and transfer functions will be performed at, the corporate trust office designated to the City by the Paying Agent/Registrar (the "Designated Payment/Transfer Office"). In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Obligations are outstanding. Any successor Paying Agent/Registrar shall be a commercial bank, trust company or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for any series of the Obligations, the City agrees to promptly cause a written notice to be sent to each registered owner of Obligations of such series by United States mail, first class postage prepaid. This notice shall also give the address of the new Paying Agent/Registrar. The initial Designated Payment/Transfer Office of the Paying Agent/Registrar is its Dallas, Texas office.

Transfer, Exchange and Registration

In the event the book-entry-only system should be discontinued, the Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at the Designated Payment/Transfer Office and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. An Obligation may be assigned by the execution of an assignment form thereon or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Obligation will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the Designated Payment/Transfer Office, or sent by United States mail, first class postage prepaid, to the new registered owner or his designee. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount and series as the Obligations surrendered for exchange or transfer. See "OBLIGATION INFORMATION - Book-Entry-Only System" in this document for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations.

Limitation on Transfer of Obligations Called for Redemption

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Obligation called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of an Obligation. The Contractual Obligations are not subject to redemption prior to their scheduled maturities.

Optional Redemption of the Bonds, the Certificates and the Taxable Bonds

The City reserves the right, at its option, to redeem the Bonds, the Certificates and the Taxable Bonds having stated maturities on and after September 1, 20__*, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, on September 1, 20__*, or any date thereafter, at the price of par, without premium, plus accrued interest to the

* Preliminary, subject to change.

date fixed for redemption. If less than all of a series of Obligations is to be redeemed, the City shall determine the respective maturities and amounts to be redeemed and, if less than all of a maturity is to be redeemed, the Paying Agent/Registrar (or DTC while such Obligations are in book-entry-only form) shall determine by lot or other customary random selection method the Obligations, or portions thereof, within such maturity to be redeemed.

Mandatory Sinking Fund Redemption of the Bonds, the Certificates and the Taxable Bonds

The Bonds maturing on September 1, 20__* (the "Term Bonds"), are subject to mandatory redemption in part prior to maturity at the redemption price of par plus accrued interest to the date of redemption on September 1 in each of the years and in the principal amounts as follows:

Term Bonds due
September 1, 20__

Year	Principal Amount
____†	

---
†Stated maturity.

The Certificates maturing on September 1, 20__* (the "Term Certificates"), are subject to mandatory redemption in part prior to maturity at the redemption price of par plus accrued interest to the date of redemption on September 1 in each of the years and in the principal amounts as follows:

Term Certificates due
September 1, 20__

Year	Principal Amount
____†	

---
†Stated maturity.

The Taxable Bonds maturing on September 1, 20__* (the "Taxable Term Bonds"), are subject to mandatory redemption in part prior to maturity at the redemption price of par plus accrued interest to the date of redemption on September 1 in each of the years and in the principal amounts as follows:

Taxable Term Bonds due
September 1, 20__

Year	Principal Amount
____†	

---
†Stated maturity.

Reduction of Principal Amount Subject to Mandatory Sinking Fund Redemption

The principal amount of Term Bonds, Term Certificates, or Taxable Term Bonds (collectively, the "Term Obligations"), as the case may be, of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Obligation of the same series and maturity which, at least 45 days prior to a mandatory redemption date shall have been (1) acquired by the City at a price not exceeding the principal amount of such Term Obligation plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) purchased and canceled by the Paying Agent/Registrar at the request of the City at a price not exceeding the principal amount of such Term Obligation plus accrued interest to the date of purchase, or (3) redeemed pursuant to the related optional redemption provisions and not theretofore credited against a mandatory redemption requirement. Mandatory sinking fund redemptions will occur on a pro-rata basis in accordance with DTC procedures.

No Redemption of the Contractual Obligations Prior to Maturity

The Contractual Obligations are **not** subject to redemption prior to their scheduled maturities.

Notice of Redemption

At least 30 days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States mail, first class postage prepaid, to the registered owners of each Bond, Certificate, or Taxable Bond to be redeemed at the address shown on the registration books maintained by the Paying Agent/Registrar and subject to the terms, conditions and provisions relating thereto contained in the respective Ordinances governing their issuance. Such notice shall state that the redemption is conditioned upon receipt of sufficient funds for the payment of the redemption price for the applicable Obligation which is to be redeemed. If a Bond, Certificate, or Taxable Bond (or a portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Bond, Certificate or Taxable Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

Optional rredemption of Bonds, Certificates or Taxable Bonds may be made conditional upon the occurrence of certain events. If a notice of redemption is given and sufficient funds are not received for the payment of the required redemption price therefor, the notice shall be of no force and effect, the City shall not redeem the Bonds, Certificates or Taxable Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds, Certificates or Taxable Bonds, as applicable, shall not be redeemed.

TAX INFORMATION

Ad Valorem Tax Law

The appraisal of property within the City is the responsibility of the Travis Central Appraisal District, Williamson Central Appraisal District and Hays Central Appraisal District (collectively, the "Appraisal Districts"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal Districts are required under Title 1, Texas Tax Code (commonly known as the "Property Tax Code") to appraise all property within the Appraisal Districts on the basis of 100% of the property's market value and are prohibited from applying any assessment ratios. State law further limits the appraised value of a residence homestead for a tax year (the "Homestead 10% Increase Cap") to an amount not to exceed the lesser of (1) the property's market value in the most recent tax year in which the market value was determined by an Appraisal District or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value the preceding tax year, plus (c) the market value of all new improvements to the property. State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. The value placed upon property within the Appraisal Districts is subject to review by an Appraisal Review Board, consisting of three members appointed by the board of directors of each Appraisal District. The Appraisal Districts are required to review the value of property within the Appraisal Districts at least every three (3) years.

Reference is made to the Property Tax Code for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the Constitution of the State of Texas ("Article VIII") and State law provide for certain exemptions from property taxes, the valuation of agricultural and open–space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1–b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant:

(1) An exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision;
(2) An exemption of up to 20% of the market value of residence homesteads; minimum exemption $5,000.

The surviving spouse of an individual who qualifies for the exemption described under (2) above for the residence homestead of a person 65 years of age or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

Once authorized, the exemption described under (1) above may be repealed, or decreased or increased in amount, (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

Section 1-b, Article VIII, and State law also authorize a county, city, town or junior college district to establish an ad valorem tax freeze on residence homesteads of persons who are disabled or 65 years of age or older. If the City Council does not take action to establish the tax freeze, voters within the City may submit a petition signed by five percent (5%) of the registered voters of the City requiring the City Council to call an election to determine by majority vote whether to establish the tax limitation.

If this tax freeze is established, the total amount of ad valorem taxes imposed by the City on a homestead that receives the residence homestead exemption for persons who are disabled or 65 years of age or older may not be increased, except to the extent the value of the homestead is increased by improvements other than repairs. If a disabled or elderly person dies in a year in which the person received a residence homestead exemption, the total amount of ad valorem taxes imposed on the homestead by the taxing unit may not be increased while it remains the residence homestead of that person's surviving spouse if the spouse is 55 years of age or older at the time of the person's death. In addition, the tax limitation applicable to a person's homestead may be transferred to the new homestead of such person if the person moves to a different residence within the taxing unit. Once established, the governing body of the taxing unit may not repeal or rescind the tax limitation.

State law and Article VIII, section 2 of the Texas Constitution, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces; the exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000 depending upon the degree of disability or whether the exemption is applicable to a surviving spouse or children. Notwithstanding the foregoing, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Effective January 1, 2018, a disabled veteran who has a disability rating of less than 100% is entitled to an exemption equal to the percentage of the veteran's disability rating for a residence homestead that was donated by a charitable organization to such veteran (i) at no cost to such veteran or (ii) at some cost to such veteran in the form of a cash payment, a mortgage, or both in an aggregate amount that is not more than 50 percent of the good faith estimate of the market value of the residence homestead made by the charitable organization as of the date the donation is made.

Following approval by the voters at a November 5, 2013 statewide election, the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residences homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. Effective January 1, 2018, the surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Section 1-j, Article VIII, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication.

Section 1-n, Article VIII, provides for an exemption from taxation for "goods-in-transit." "Goods-in-transit" are defined as (i) personal property acquired or imported into Texas and transported to another location in the State, (ii) stored under a contract for bailment in public warehouses not in any way owned or controlled by the owner of the stored goods, and (iii) transported to another location in the State or outside of the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. Pursuant to changes enacted during the 2011 Texas Legislative Special Session, all taxing units, including those that have previously taken official action to tax goods-in-transit, may not tax goods-in-transit in the 2012 tax year or thereafter, unless the governing body of the taxing unit holds a public hearing and takes action on or after October 1, 2011, to provide for the taxation of the goods-in-transit. After holding the public hearing, a taxing unit may take official action prior to January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. After taking official action, the goods-in-transit remain subject to taxation by the taxing unit until the governing body rescinds or repeals its previous action to tax goods-in-transit. If, however, a taxing unit took official action prior to October 1, 2011 to tax goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of the taxing unit may continue to impose the taxes on the goods-in-transit until the debt is discharged, if cessation of the imposition of the tax would impair the obligation of the contract by which the debt was created.

Freeport property is exempt from taxation by the City, and, on October 20, 2011, the City took action to tax goods-in-transit.

Personal property not used in the business of a taxpayer, such as automobiles or light trucks, has a limited exemption from ad valorem taxation unless the governing body of a political subdivision elects to tax this property.

The City grants various exemptions to the appraised value of the residence homesteads within the City, as described in footnote 2 to "Tax Valuation – TABLE ONE" in this document.

The City may create one or more tax increment financing districts ("TIF") within the City and freeze the taxable values of real property in the TIF at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIF may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIF in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIF. Taxes levied by the City against the values of real property in the TIF in excess of the "frozen" value are not available for general city use but are restricted to paying or financing "project costs" within the TIF. The City may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The City in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement may last for a period of up to ten (10) years. The City has adopted policies for granting tax abatements, which establish guidelines regarding the number of jobs to be created and the amount of new property value to be added by the taxpayer in return for the abatement. The City has entered into several such abatement agreements in recent years.

Cities are also authorized, pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the City. In accordance with a program established pursuant to Chapter 380, the City may make loans or grant public funds for economic development purposes; however, no obligations secured by ad valorem taxes may be issued for such purposes unless approved by the voters of the City. The City has entered into several such Chapter 380 agreements in recent years.

Tax Rate Limitation

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution, limits the City's maximum ad valorem tax rate to $2.50 per $100 assessed valuation for all City purposes. The City operates under a Home Rule Charter, which also limits the City's ad valorem tax rate to $2.50 per $100 assessed valuation for all City purposes.

Administratively, pursuant to Title 1, Section 53.5 of the Texas Administrative Code, the Texas Attorney General prohibits the issuance of debt by a municipality such as the City if its issuance produces debt service requirements exceeding that which can be paid from $1.50 of such $2.50 maximum tax rate, as calculated at the time of issuance at a 90% collection rate. The issuance of the Obligations will not exceed the above-described limits or violate the Texas Attorney General's administrative rule.

Tax Procedures

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

Beginning with the 2020 tax year, the procedures in this paragraph and the following paragraphs apply. A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its "de minimis rate", an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

Although Austin is in a declared disaster area, the City intends to calculate its "voter-approval tax rate" using a 1.035 multiplier for the fiscal year 2021 budget.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

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Tax Valuation – TABLE ONE

January 1, 2020 Certified Estimate of Appraised Value (1)	$215,707,649,054
Less Local Exemptions to Assessed Values: (2)	
Residential Homestead	$6,460,151,456
Residential Homestead over 65	$3,540,441,596
Homestead 10% Increase Cap	1,517,425,056
Disabled Veterans	1,654,258,745
Agricultural and Historical Exemptions	875,585,769
Disability Exemption	197,159,670
Other Exemptions	27,320,309,966
Freeport Exemption	20,157,454
January 1, 2020 Net Taxable Assessed Valuation (1)	$174,122,159,342

(1) Appraised value and taxable value is subject to change pending additional exemption and appeals. Net Taxable Assessed Valuation as of January 1, 2020 corresponds to the City's fiscal year 2021.

(2) Exemptions or adjustments to assessed valuation granted in tax year 2020 include exemption of (a) 10% of the assessed valuation of a residence homestead; (b) exemptions of $88,000 for homestead property of property owners who are over 65 years of age or disabled; (c) exemptions for residence homestead property exceeding a 10% increase in valuation from the previous year; (d) exemptions for property of disabled veterans or certain surviving dependents of disabled veterans; (e) certain adjustments to productive agricultural lands; (f) exemptions to the land designated as historically significant sites by certain public bodies; and (g) exemption of freeport property detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication of exported finished goods from Texas.

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Statement of Debt (Anticipated as of September 30, 2020)

The following table sets forth on a pro forma basis the amount of outstanding Public Improvement Bonds, Assumed Municipal Utility District ("MUD") Bonds, Contract Revenue Obligations, Certificates of Obligation and Contractual Obligations, as well as certain debt ratios related to the City's net debt supported by ad valorem taxes.

Public Improvement Bonds (1)(2)	$ 991,950,000	
Certificates of Obligation (1)(2)	248,815,000	
Contractual Obligations (1)	69,665,000	
Mueller Contract Revenue Obligations	39,785,000	
The Obligations	270,910,000	
Assumed MUD Bonds (3)	5,340,000	
Total		$ 1,626,465,000
Less Self-Supporting Debt:		
Assumed MUDs (3)	$ 5,340,000	
Mueller Contract Revenue Obligations	39,785,000	
Airport (4)	2,437	
Austin Energy (4)	3,800	
Austin Resource Recovery (4)	23,875,210	
Austin Water (2) (4)	3,365,989	
City Hall (4)	3,439,547	
Code Compliance (4)	-	
Convention Center (4)	8,923,141	
Financial Services (2) (4)	16,987,380	
Fleet Management (2) (4)	1,771,687	
Golf (4)	-	
Transportation (2) (4)	8,302,712	
Waller Creek Tax Increment Reinvestment Zone (2) (4)	98,155,777	
Watershed Protection (2) (4)	29,177,772	
Less: Total Self-Supporting Debt		$ 239,130,452
Less: Interest and Sinking Fund Balance (5)		32,946,060
Less: Self-Supporting General Fund Payments (6)		13,548
Net Debt		$ 1,354,374,940
Ratio of Total Debt to Fiscal Year 2020 Net Taxable Assessed Valuation		0.97%
Ratio of Net Debt to Fiscal Year 2020 Net Taxable Assessed Valuation		0.81%

2020 Population (Estimate) – 999,991 (7)
Per Capita Net Taxable Assessed Valuation – $166,846
Per Capita Net Debt Outstanding – $1,354

(1) Excludes the Obligations.
(2) Excludes the Refunded Obligations.
(3) Represents bonds of the Northwest Austin MUD#1 annexed by the City.
(4) Certain enterprises of the City, including Austin-Bergstrom International Airport, Austin Energy, Austin Resource Recovery, Austin Water, Building Services, City Hall, Code Compliance, Convention Center, Financial Services, Fleet Management, Golf, One Texas Center, Transportation, Waller Creek, and Watershed Protection currently repay a portion of the debt service on outstanding Public Improvement Bonds, Certificates of Obligation and/or Contractual Obligations from the revenue of the respective enterprises. The City intends to continue to pay these obligations from each respective enterprise; however, there is no guarantee that this practice will continue in future years. Fleet Management and One Texas Center are internal service funds that generate revenue through charges to user departments.
(5) Represents the estimated value of cash and investments as of September 30, 2020.
(6) Various general fund departments have issued debt supported by a transfer into the debt service fund from the issuing department. Each department currently budgets the required debt service, which reduces the debt service tax requirement.
(7) Source: City of Austin Department of Planning and Development.

Valuation and Funded Debt History – TABLE TWO

Fiscal Year Ended 9-30	Estimated City Population (1)	Taxable Assessed Valuation (1)	Per Capita Taxable Assessed Valuation	(000's) Net Funded Tax Debt (2)	Per Capita Net Funded Tax Debt	Ratio of Net Funded Tax Debt to Taxable Valuation	% of Total Tax Collections
2012	821,012	$79,219,780,879	$96,490	$1,132,201	$1,379.03	1.43%	99.71%
2013	841,649	83,294,536,493	98,966	1,198,730	1,424.26	1.44%	99.63%
2014	878,002	88,766,098,160	101,100	1,313,334	1,495.82	1.48%	99.53%
2015	899,119	98,652,179,430	109,721	1,409,384	1,567.52	1.43%	99.40%
2016	925,491	110,526,026,399	119,424	1,490,221	1,610.20	1.35%	99.29%
2017	946,080	125,371,654,656	132,516	1,526,997	1,614.03	1.22%	99.30%
2018	963,797	138,418,647,260	143,618	1,529,599	1,587.06	1.11%	99.45%
2019	985,504	152,147,505,769	154,385	1,468,755	1,490.36	0.97%	99.46%
2020	999,991	166,973,005,088	166,847	1,354,375(5)	1,354.39 (5)	0.81% (5)	99.00%(3)
2021	1,014,490	174,122,159,342(4)	171,635	1,440,009(5)	1,419.44 (5)	0.83%(5)	N/A

(1) Source: 2019 City of Austin Comprehensive Annual Financial Report ("CAFR") – Table 7, through fiscal year ending 2019; City of Austin Department of Planning and Development based on full purpose area as of November 2018 for fiscal years ending 2019 and 2020.

(2) Excludes general obligation debt issued for enterprise funds and general fund departments, the debt service on which currently is paid from revenue of the respective enterprises and each department's operating budget, respectively. The City plans to continue to pay these obligations based on this practice; however, such enterprise revenues are not pledged as security for the Obligations and there is no guarantee that this practice will continue in future years. See "DEBT INFORMATION" in this document.

(3) Estimated Collections as of June 30, 2020 based on the July 2019 Certified Tax Roll tax levy.

(4) Certified estimate of taxable value for the 2020 tax year provided by the Travis Central Appraisal District, Williamson Central Appraisal District, and Hays Central Appraisal District on July 25, 2020, July 20, 2020, and July 24, 2020, respectively.

(5) Includes the Obligations (aggregate issuance of $270,910,000) and excludes the Refunded Obligations (refunded par amount of $98,815,000).

(6) Projected. Includes tax-supported debt amounts the City expects to issue in the next 12-months.

Tax Rate, Levy and Collection History – TABLE THREE

Fiscal Year Ended 9-30	Total Tax Rate	Distribution: General Fund	Distribution: Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2012	0.4811	0.3551	0.1260	381,126,366	99.27%	99.71%
2013	0.5029	0.3821	0.1208	418,888,224	99.36%	99.63%
2014	0.5027	0.3856	0.1171	446,227,175	99.25%	99.53%
2015	0.4809	0.3691	0.1118	474,418,331	99.27%	99.40%
2016	0.4589	0.3527	0.1062	507,203,935	99.54%	99.29%
2017	0.4418	0.3399	0.1019	553,891,970	99.50%	99.30%
2018	0.4448	0.3393	0.1055	617,275,588	99.47%	99.45%
2019	0.4403	0.3308	0.1095	668,264,888	99.46%	99.46%
2020	0.4431	0.3337	0.1094	739,291,203	99.00%(1)	99.00%(1)
2021	0.4460(2)	0.3334(2)	0.1126(2)	________(2)	N/A	N/A

(1) Estimated collections as of June 30, 2020 based on the July 2019 Certified Tax Roll tax levy.

(2) Preliminary, subject to change pending the City Council's adoption of the tax rate, expected to occur on or about August 14, 2020. Additionally, on August 12, 2020, the City Council also authorized a tax rate election, to be held on November 3, 2020, that would increase the fiscal year 2021 tax rate by $0.0875 above the fiscal year 2021 voter-approval tax rate, from $0.4460 to $0.5335. If approved by voters, the incremental tax rate would take effect in fiscal year 2021 and the tax levy would be dedicated for City-wide transit initiatives.

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Ten Largest Taxpayers – TABLE FOUR

Name of Taxpayer	Nature of Property	January 1, 2020 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Samsung Austin Semiconductor	Technology Manufacturing	$1,094,818,013	0.66%
Finley Company	Commercial	460,673,703	0.28%
Apple Inc.	Technology	457,508,626	0.28%
CSHV-401 Congress LLC	Commercial	401,326,200	0.24%
Domain Retail Prop. Owner LP	Commercial	374,743,907	0.23%
GW Block 23 Office LLC	Commercial	359,218,785	0.22%
BPP Alphabet MF Riata LP	Commercial	331,596,135	0.20%
CSHV-300 West 6th Street LLC	Commercial	320,553,888	0.19%
Cousins-One Congress Plaza LLC	Commercial	314,372,182	0.19%
SVF Northshore Austin LP	Commercial	310,103,000	0.19%
TOTAL		$4,424,914,439	2.66%

Source: Travis Central Appraisal District and Williamson Central Appraisal District.

Property Tax Rate Distribution – TABLE FIVE

	Fiscal Year Ended September 30				
	2017	2018	2019	2020	2021(1)
General Fund	$0.3399	$0.3393	$0.3308	$0.3337	$0.3334
Interest and Sinking Fund	0.1019	0.1055	0.1095	0.1094	0.1126
Total Tax Rate	$0.4418	$0.4448	$0.4403	$0.4431	$0.4460

(1) Preliminary, subject to change pending the City Council's adoption of the tax rate, expected to occur on or about August 14, 2020. Additionally, on August 12, 2020, the City Council also authorized a tax rate election, to be held on November 3, 2020, that would increase the fiscal year 2021 tax rate by $0.0875 above the fiscal year 2021 voter-approval tax rate, from $0.4460 to $0.5335. If approved by voters, the incremental tax rate would take effect in fiscal year 2021 and the tax levy would be dedicated for City-wide transit initiatives.

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Net Taxable Assessed Valuations, Tax Levies and Collections – TABLE SIX

Fiscal Year Ended 9-30	Valuation Date	Real Property Amount	Real Property % of Total	Personal Property Amount	Personal Property % of Total	Net Taxable Assessed Valuation	Total Tax Levy	% Current Collections	% Total Collections
2012	1-1-11	70,283,821,626	88.72%	8,935,959,253	11.28%	79,219,780,879	381,126,366	99.27%	99.71%
2013	1-1-12	73,663,555,699	88.44%	9,630,980,794	11.26%	83,294,536,493	418,888,224	99.36%	99.63%
2014	1-1-13	79,399,650,702	89.45%	9,366,447,458	10.55%	88,766,098,160	446,227,175	99.25%	99.53%
2015	1-1-14	88,868,446,944	90.08%	9,783,732,486	9.92%	98,652,179,430	474,418,331	99.27%	99.40%
2016	1-1-15	100,293,482,266	90.74%	10,232,544,133	9.26%	110,526,026,399	507,203,935	99.54%	99.29%
2017	1-1-16	115,889,987,304	91.79%	10,295,308,937	8.21%	125,371,654,656	553,891,970	99.50%	99.30%
2018	1-1-17	128,972,794,157	92.50%	10,452,294,029	7.50%	138,418,637,260	615,686,099	99.47%	99.45%
2019	1-1-18	141,714,826,355	93.14%	10,432,679,414	6.86%	152,147,505,769	669,905,468	99.46%	99.46%
2020	1-1-19	156,498,862,110	93.80%	10,346,365,489	6.20%	166,845,227,599	739,291,203	99.00%(1)	99.00%(1)
2021	1-1-20	162,504,297,546	93.33%	11,617,861,796	6.67%	174,122,159,342(2)	__________(3)	N/A	N/A

(1) Estimated collections through June 30, 020 based on the July 2019 Certified Tax Roll tax levy.
(2) Taxable Value is subject to change pending additional exemption and appeals.
(3) Preliminary, subject to change pending the City Council's adoption of the tax rate, expected to occur on or about August 14, 2020. Additionally, on August 12, 2020, the City Council also authorized a tax rate election, to be held on November 3, 2020, that would increase the fiscal year 2021 tax rate by $0.0875 above the fiscal year 2021 voter-approval tax rate, from $0.4460 to $0.5335. If approved by voters, the incremental tax rate would take effect in fiscal year 2021 and the tax levy would be dedicated for City-wide transit initiatives.

Revenue Debt (As of September 30, 2020)

In addition to the above, the City has outstanding $78,540,000 combined utility Systems revenue bonds payable from combined net revenue of the Electric System and the Water and Wastewater System; $1,733,920,000 electric utility system revenue obligations payable from a separate lien on the net revenues of the Electric Utility System; $2,066,380,000 Water and Wastewater Obligations payable from a separate lien on the net revenue of the water and wastewater system. The City is planning the issuance of in the fall of 2020 of additional water and wastewater system revenue obligations and electric utility system revenue obligations for the purposes of refunding outstanding commercial paper and short-term notes, as described below, and for capital improvements for the benefit of the respective utility systems.

The City has established two short-term, interim financing "Program Note" structures, a $400,000,000 tax-exempt note program, consisting of (i) commercial paper notes, and (ii) direct purchase notes subject to acquisition by JPMorgan Chase Bank, National Association and a $75,000,000 taxable note program, consisting of (i) commercial paper notes, and (ii) direct purchase notes subject to acquisition by JPMorgan Chase Bank, National Association. Each of the Program Note structures are payable from a subordinate lien on the combined net revenue of the Electric System and the Water and Wastewater System. The City currently has outstanding $254,840,000 in tax-exempt Program Notes and $44,580,000 in taxable Program Notes, which it intends to refund into long-term bonds with the issuance of separate water and wastewater system revenue bonds and electric utility system revenue bonds in the fall of 2020. In the fall of 2020, the City also intends to amend and restate the tax-exempt Program Note structure in the amount of $400,000,000 while also replacing the existing taxable Program Note structure with a $100,000,000 taxable commercial paper note program. The amended and restated tax-exempt Program Note structure and the new taxable commercial paper note program would be payable from a subordinate lien on the combined net revenue of the Electric System and the Water and Wastewater System.

The City additionally has outstanding $1,009,120,000 Airport System Revenue Bonds payable from net revenues of the City's Airport System; $139,415,000 Rental Car Special Facility Revenue Bonds payable from revenues derived from rental car facilities currently operating at the airport; $84,710,000 Hotel Occupancy Tax Subordinate Lien Revenue Bonds payable from the City's 2% and 4.5% Hotel Occupancy Tax; and $22,940,000 Town Lake Park Community Events Center Venue Bonds payable from revenues received from the Special Motor Vehicle Rental Tax and Venue generated revenue.

Public Improvement District Debt (As of September 30, 2020)

The City previously authorized and issued special assessment revenue debt for public improvement districts ("PIDs") located within the City's boundaries: Estancia Hill Country PID improvement areas one and two ($21,490,000 of special assessment revenue bonds outstanding), Indian Hills PID ($2,180,000 of special assessment revenue bonds outstanding), and Whisper Valley PID master improvement area and improvement area one ($15,725,000 of special assessment revenue bonds outstanding). The City may issue additional special assessment revenue debt for the purposes of additional development within the existing PIDs described above. Any additional special assessment revenue debt would be secured by and payable from only the special assessments levied on properties within the respective PID boundaries and would not represent an obligation of the City's revenue or taxes.

Obligations Subject to Annual Appropriation (As of September 30, 2020)

With respect to the redevelopment of the property formerly known as Robert Mueller Municipal Airport ("Mueller"), the City entered into a Master Development Agreement with Catellus Austin, LLC, effective as of December 2, 2004 (the "Development Agreement"), and in the Development Agreement, the City agreed to issue debt to finance certain "Public Finance Reimbursable Project Costs" either directly or through the auspices of a local government corporation created by the City. The City has entered into an economic development grant agreement (the "Grant Agreement") with Mueller Local Government Corporation ("MLGC"), a non-profit local government corporation created by the City to act on its behalf with respect to the redevelopment of Mueller. MLGC was created in response to the provisions of the Development Agreement. Under the terms of the Grant Agreement, the City will make grant payments to MLGC from the General Fund, subject to annual appropriation by the City, in amounts sufficient to pay debt service on bonds issued by MLGC to fund Public Finance Reimbursable Project Costs and pay administrative costs associated with such bonds. It is anticipated that sales tax revenues generated by properties developed at Mueller will be sufficient to fund the grants throughout the term of the Grant Agreement. $12,000,000 in Contract Revenue Bonds were issued in 2006 by MLGC to finance Public Finance Reimbursable Project Costs, and as of the date of this Official Statement, $5,110,000 in principal amount of these Contract Revenue Bonds is outstanding.

The City has also created a tax increment reinvestment zone for the Mueller project to include Reinvestment Zone Number Sixteen (the "Zone") and neighboring areas for the promotion, development, encouragement and maintenance of employment, commerce, economic development and public facility development in the Zone which consists of approximately 700 acres. Currently, only the City participates in the Zone by contributing its tax increment revenues to the Zone, and it is not expected that any other taxing unit will participate in the Zone. The tax increment revenues of the City will be contributed by the City to the MLGC pursuant to the terms of a Tri-Party Agreement among the City, the MLGC and the Zone (the "Tri-Party Agreement"). In addition, the City has agreed to consider making payments to the MLGC under a grant agreement between the City and the MLGC, pursuant to which the City may make available to the MLGC grant funds in amounts sufficient to pay debt service on the Tax Increment Contract Revenue Bonds, should Pledged Revenues be insufficient to allow the MLGC to meet its debt service payment obligations. The grant payments are to be funded from available moneys in the City's general fund, subject to annual appropriation. The City is under no obligation to make grant payments. The MLGC has issued three series of Tax Increment Contract Revenue Bonds, aggregating $47,580,000 in principal amount, backed by tax increment revenues generated from taxation of real property within the boundaries of the Zone from taxing units participating in the Zone, and as of the date of this Official Statement, $34,675,000 in principal amount of these Tax Increment Contact Revenue Bonds is outstanding.

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DEBT INFORMATION (a)

Debt Service Requirements

Fiscal Year Ending 09/30	Public Improvement Bonds	Certificates of Obligation	Contractual Obligations	Northwest Austin MUD #1 (b)	Mueller Contract Rev Bonds	Less Refunded Obligations (a)	Plus: The Obligations (a)	Grand Total Requirements	Less: Self-Supporting Requirements (b)	Net Total Requirements	Percent Principal Payout
2021	$134,406,622	$23,423,599	$21,626,669	$1,046,118	$4,577,790	$9,737,157	$59,169,932	$234,513,572	$33,297,050	$201,216,522	
2022	129,990,214	23,481,913	16,389,800	1,036,678	4,700,709	10,187,097	25,048,959	190,461,175	29,743,602	160,717,573	
2023	122,947,127	23,540,710	13,239,475	1,041,188	4,837,296	10,382,148	25,045,084	180,268,732	26,466,727	153,802,005	
2024	120,074,599	23,588,242	10,436,975	1,038,575	4,973,965	10,399,849	25,003,584	174,716,091	26,185,316	148,530,776	
2025	115,230,217	23,641,110	8,461,825	1,044,475	5,109,565	10,713,849	22,927,314	165,700,656	24,136,591	141,564,065	40.00%
2026	110,372,893	23,693,811	6,255,275	943,463	5,255,965	10,809,949	22,904,757	158,616,215	23,163,684	135,452,531	
2027	103,456,662	23,723,561	2,214,000	-	4,415,465	10,994,437	20,836,292	143,651,543	18,940,334	124,711,209	
2028	98,139,331	23,760,542	-	-	4,572,934	11,254,823	18,975,553	134,193,536	18,257,479	115,936,057	
2029	90,260,220	23,818,591	-	-	4,735,059	11,289,309	17,121,433	124,645,994	18,067,274	106,578,720	
2030	81,971,998	23,884,450	-	-	2,155,401	25,497,973	17,157,668	99,671,544	15,144,367	84,527,177	72.44%
2031	71,703,480	22,139,752	-	-	2,151,864	-	11,538,548	107,533,644	14,586,665	92,946,979	
2032	65,032,590	20,877,721	-	-	2,155,369	-	11,545,011	99,610,690	13,908,563	85,702,126	
2033	56,752,973	19,636,247	-	-	-	-	11,543,858	87,933,077	11,196,343	76,736,735	
2034	44,783,215	19,642,992	-	-	-	-	11,539,703	75,965,910	11,204,847	64,761,063	
2035	28,661,110	15,944,213	-	-	-	-	11,542,403	56,147,725	8,268,451	47,879,274	93.24%
2036	14,970,132	12,463,664	-	-	-	-	11,536,533	38,970,329	6,084,623	32,885,706	
2037	11,504,745	8,411,394	-	-	-	-	11,537,203	31,453,342	5,498,764	25,954,578	
2038	7,027,087	5,761,363	-	-	-	-	11,542,223	24,330,672	5,165,387	19,165,285	
2039	5,369,741	3,678,585	-	-	-	-	11,540,465	20,588,790	3,594,503	16,994,287	
2040	-	2,315,513	-	-	-	-	9,996,057	12,311,570	2,315,513	9,996,057	99.87%
2041	-	2,329,988	-	-	-	-	-	2,329,988	2,329,988	-	
2042	-	-	-	-	-	-	-	-	-	-	100.00%
Total	$1,412,654,953	$369,757,959	$78,624,019	$6,150,495	$49,641,381	$121,266,591	$368,052,578	$2,163,614,793	$317,556,068	$1,846,058,724	

(a) As of September 30, 2020. Includes the Obligations and excludes the Refunded Obligations. Interest on the Obligations is calculated at the rate of ____% for purposes of illustration only.
(b) Includes debt service for Northwest Austin MUD #1.
(c) Includes principal and interest on self-supporting debt repaid from certain enterprise revenue of the City (see "Statement of Debt" in this document).

Estimated Direct and Overlapping Funded Debt Payable from Ad Valorem Taxes (in 000's)

Expenditures of various taxing bodies with taxing jurisdictions that overlap all or a portion of the City's taxing boundaries are paid from ad valorem taxes levied by these taxing bodies on properties within the City. These political taxing bodies are independent of the City and may incur tax-supported debt obligations to finance their expenditures. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional tax-supported debt obligations since the date of this table, and such entities may have programs requiring the issuance of substantial amounts of additional bonds the amount of which cannot be determined. The following table reflects the estimated share of overlapping tax-supported debt obligations of the major taxing bodies in the area.

Taxing Jurisdiction	Total Debt Funded from Ad Valorem Taxes (1)	Estimated % Applicable	Overlapping Funded Debt
City of Austin (2)	$ 1,354,374,940	100.00	$ 1,354,374,940
Austin CCD	404,420,000	70.46	284,954,332
Austin ISD	1,128,468,533	95.47	1,077,348,908
Avery Ranch Road District #1	5,625,000	100.00	5,625,000
Del Valle ISD	268,674,999	70.57	189,603,947
Eanes ISD	155,035,000	35.91	55,673,069
Hays County	493,285,154	0.53	2,614,411
Leander ISD	1,074,905,442	14.68	157,796,119
Manor ISD	472,354,999	62.73	296,308,291
Northtown MUD	17,785,000	31.53	5,607,611
Northwoods Road District #1	10,185,000	100.00	10,185,000
Pearson Place Road District	5,085,000	100.00	5,085,000
Pflugerville ISD	624,910,000	35.14	219,593,374
Round Rock ISD	1,001,220,000	34.48	345,220,656
Travis County	1,081,470,000	76.63	828,730,461
Travis County ESD # 3	1,435,000	0.19	2,727
Travis County ESD # 6	2,525,000	0.02	505
Travis County ESD # 9	820,000	0.19	1,558
Travis County Healthcare District dba Central Health	7,285,000	76.63	5,582,496
Travis Co MUD # 8	10,498,315	0.80	83,987
Travis Co WC&ID # 10	43,170,000	3.57	1,541,169
Williamson Co	1,047,414,956	11.60	121,500,135
Total Net Direct and Overlapping Debt			$4,967,433,696
Ratio of Net Direct and Overlapping Debt to Fiscal Year 2020 Taxable Assessed Value (3)			3.13%
Per Capita Overlapping Funded Debt (4)			$4,822

(1) Source: Overlapping debt amounts as of July 31, 2020 obtained from the Municipal Advisory Council of Texas.
(2) Outstanding tax-supported net debt of the City shown as of September 30, 2020. Includes the Obligations (aggregate issuance of $270,910,000 par amount) and excludes $98,815,000 of Refunded Obligations.
(3) Based on the City's tax year 2019 (fiscal year 2020) net taxable assessed valuation of $166,845,227,599.
(4) Based on the City's 2020 estimated population of 999,991.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimated the portion of the outstanding debt of those overlapping governments that is borne by the City's residents and businesses. This process recognized that, when considering the City's ability to issue and repay long-term debt, the entire debt borne by its residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Authorized General Obligation Bonds – TABLE SEVEN

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued (1)	Currently Being Issued (1)(2)	Unissued Balance
Brackenridge 2000	10/22/1983	$50,000,000	$40,785,000	--	$9,215,000
Park Improvements	9/8/1984	9,975,000	9,648,000	--	327,000
Cultural Arts	1/19/1985	20,285,000	14,890,000	--	5,395,000
Cultural Arts	11/7/2006	31,500,000	27,500,000	--	4,000,000
Public Safety Facility	11/7/2006	58,100,000	58,100,000	--	--
Mobility Transportation	11/6/2012	143,299,000	130,315,000	--	12,984,000
Park Improvements	11/6/2012	77,680,000	76,180,000	--	1,500,000
Public Safety Facility	11/6/2012	31,079,000	31,075,000	--	4,000
HHS Facility	11/6/2012	11,148,000	11,145,000	--	3,000
Cultural Arts	11/6/2012	13,442,000	13,440,000	--	2,000
Affordable Housing	11/5/2013	65,000,000	65,000,000	--	--
Mobility Transportation	11/8/2016	720,000,000	145,500,000	6,595,000	567,905,000
Affordable Housing	11/6/2018	250,000,000	34,905,000	27,735,000	187,360,000
Cultural Arts	11/6/2018	128,000,000	6,700,000	--	121,300,000
Park Improvements	11/6/2018	149,000,000	11,280,000	--	137,720,000
Flood Mitigation	11/6/2018	184,000,000	36,850,000	12,955,000	134,195,000
Health & Human Services	11/6/2018	16,000,000	600,000	550,000	14,850,000
Public Safety	11/6/2018	38,000,000	9,450,000	--	28,550,000
Mobility Transportation	11/6/2018	160,000,000	5,150,000	10,765,000	144,085,000
		$2,156,508,000	$728,513,000	$58,600,000	$1,369,395,000

(1) Includes premium applied against voted authorization.
(2) Includes the Bonds and the Taxable Bonds.

The City may also incur non-voted debt payable from or secured by its collection of ad valorem taxes and other sources of revenue, including certificates of obligation, tax notes, public property finance contractual obligations and leases for various purposes. The Certificates and the Contractual Obligations represent non-voted debt of the City.

Funded Debt Limitation

There is no direct debt limit on bonded indebtedness in the City Charter. State law authorizes the City to incur total bond indebtedness through the issuance of bonds payable from taxes in an amount not to exceed 10% of the total assessed valuation of property in the City. Revenue bonds, tax and revenue anticipation notes, and other obligations and contracts are not included in the bonded debt total to which the statutory limitation of 10% applies. See "TAX INFORMATION - Tax Rate Limitation" and "TAX INFORMATION - Statement of Debt."

Short–Term Borrowing

Pursuant to Section 1431, Texas Government Code, the City has the authority to conduct short-term borrowings to provide for the payment of current expenses through the issuance of anticipation notes. Anticipation notes issued for this purpose must mature before the first anniversary of the date the Attorney General approves the anticipation notes.

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FISCAL MANAGEMENT

The City engages in a formal, structured process for preparing both the annual operating budget of the City and a five-year capital improvements budget for the City. For additional information relating to the financial planning and budget policies and controls of the City, see "APPENDIX A – GENERAL INFORMATION REGARDING THE CITY – Financial Information" in this document.

INVESTMENTS

The City invests its available funds in investments authorized by State law, particularly the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"), in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

Legal Investments

Under State law, the City is authorized to invest in:

(1) obligations of the United States or its agencies and instrumentalities, including letters of credit;
(2) direct obligations of the State of Texas or its agencies and instrumentalities;
(3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
(4) other obligations, the principal and interest of which are guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or by explicit full faith and credit of the United States;
(5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent;
(6) bonds issued, assumed or guaranteed by the State of Israel;
(7) interest-bearing banking deposits that are guaranteed insured by the FDIC or the National Credit Union Share Insurance Fund ("NCUSIF") or their respective successors;
(8) interest-bearing banking deposits other than those described by subdivision (7) if the funds invested in the banking deposits are invested through (a) a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (b) a depository institution with a main office or branch office in this state that the investing entity selects; (ii) the broker or depository institution selected as described above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (iv) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account (a) the depository institution selected as described above; (b) an entity described by Section 2257.041(d); or (c) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3);
(9) certificates of deposit meeting the requirements of the PFIA that are issued by an institution that has its main office or a branch office in the State of Texas and are guaranteed or insured by a combination of cash and the FDIC or the NCUSIF, or are secured as to principal by obligations described in clauses (1) through (8) or in any other manner and amount provided by law for City deposits;
(10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clauses (1) and (12) which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State of Texas;
(11) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated not less than "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency;
(12) commercial paper with a stated maturity of 365 days or less that is rated not less than "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank;

(13) no-load money market mutual funds registered with and regulated by the United States Securities and Exchange Commission that comply with the United States Securities and Exchange Commission Rule 2a-7;
(14) no-load mutual funds registered with the United States Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more and is invested exclusively in obligations described in this paragraph, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and,
(15) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Code) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than "AAA", "AAA-m" or at an equivalent rating by at least one nationally recognized rating service.

The City may also invest bond proceeds in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the City may enter into securities lending programs if:

(i) the value of securities loaned under the program are not collateralized at less than 100%, including accrued income, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) above, or an authorized investment pool;
(ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City;
(iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and
(iv) the agreement to lend securities has a term of one year or less.

The City may also contract with an investment management firm registered under the Investment Advisor Act of 1940 (15 U.S.C. Section 80b.1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term of up to two years, but the City retains ultimate responsibility as fiduciary of its assets.

The City, as the owner of a municipal electric utility that is engaged in the sale of electric energy to the public, may invest funds held in a "decommissioning trust" (a trust created to provide the Nuclear Regulatory Commission assurance that funds will be available for decommissioning purposes as required under 10 C.F.R. Part 50 or other similar regulation) in any investment authorized by Subtitle B, Title 9, Texas Property Code ("Texas Trust Code"). The Texas Trust Code provides that a trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution. The City established an external irrevocable trust for decommissioning with JPMorgan Chase Bank, N.A., and, as of October 2016, transferred the trust to Wilmington Trust, National Association. The decommissioning trust market value, as of June 30, 2020, was $234,605,445.

The City is specifically prohibited from investing in:

(1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
(2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest;
(3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and
(4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Investment Policies

Under State law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield and maturity; and also that address the quality and capability of investment personnel. The policy includes a list of the type of authorized investments for City funds, the maximum allowable stated maturity of any individual investment owned by the City, the maximum average dollar–weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement must describe the investment objectives for the particular fund using the following priorities:

(1) understanding of the suitability of the investment to the financial requirements of the City;
(2) preservation and safety of principal;
(3) liquidity;
(4) marketability of each investment;
(5) diversification of the portfolio; and
(6) yield.

The City's investment policy authorizes the City to invest its funds and funds under its control in all of the eligible investments described above under "Legal Investments", except those investments described in clauses (3) and (6). The City's investment policy currently limits the commercial paper that may be purchased to a term of 270 days or less.

Under State law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly, the investment officers of the City shall submit an investment report detailing:

(1) the investment position of the City;
(2) that all investment officers jointly prepared and signed the report;
(3) the beginning market value and the ending value of each pooled fund group;
(4) the book value and market value of each separately listed asset at the end of the reporting period;
(5) the maturity date of each separately invested asset;
(6) the account or fund or pooled fund group for which each individual investment was acquired; and
(7) the compliance of the investment portfolio as it relates to (a) adopted investment strategy statements and (b) State law.

No person may invest City funds without express written authority of the City Council or the Chief Financial Officer of the City.

Additional Provisions

Under Texas law, the City is additionally required to:

(1) annually review its adopted policies and strategies,
(2) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council,
(3) require a registered representative of business organizations offering to engage in an investment transaction with the City to (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements;
(4) perform an annual audit of the management controls on investments and adherence to the City's investment policy; and
(5) provide specific investment training for the Chief Financial Officer of the City, Treasurer and Investment Officers.

An investment officer of a local government is required to invest bond proceeds or pledged revenue only to the extent permitted by the PFIA and in accordance with (i) statutory provisions governing the debt issuance (or lease, installment sale, or other agreement) and (ii) the local government's investment policy regarding the debt issuance or the agreement.

Current Investments – TABLE EIGHT

As of June 30, 2020, the City's investable funds were invested in the following categories.

Type of Investment	Percentage
U. S. Treasuries	18%
U. S. Agencies	18%
Money Market Funds	5%
Local Government Investment Pools	59%

The dollar weighted average maturity for the combined City investment portfolios is 140 days. The City prices the portfolios weekly utilizing a market pricing service.

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GENERAL FUND REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE – TABLE NINE

(in 000's)

	2015	2016	2017	2018	2019
Revenues:					
Taxes (1)	$572,640	$607,361	$646,918	$702,761	$752,340
Franchise Fees	37,842	36,678	36,057	35,738	35,294
Fines, Forfeitures and Penalties	17,305	15,027	13,117	10,330	8,694
Licenses, Permits and Inspections	39,006	47,470	61,076	54,103	16,572
Charges for Services	58,297	59,062	59,362	61,705	63,284
Interest and Other	11,831	15,205	15,754	21,389	23,507
Total Revenues	$736,921	$780,803	$832,284	$886,026	$899,691
Expenditures:					
Administration	$ 19,246	$20,844	$22,386	$22,021	$24,310
Urban Growth Management	63,072*	66,817	70,491	82,293	42,259
Public Safety	543,709*	559,038	585,250	584,760	610,833
Public Health	61,247*	72,333	80,487	84,410	86,812
Public Recreation and Culture	98,242*	105,410	112,278	120,120	129,904
Transportation, Planning and Sustainability(2)	4	814	421	-	-
Nondepartmental Expenditures	93,349*	106,985	104,259	113,140	119,740
Total Expenditures	$878,869	$932,241	$976,022	$1,006,744	$1,013,858
Excess (Deficiency) of Revenues Over Expenditures Before Other Financing Sources (Uses)	($141,948)	($151,438)	($143,738)	($120,718)	($114,167)
Other Financing Sources (Uses):					
Transfers from Other Funds	153,936	157,201	166,688	173,614	172,798
Transfers to Other Funds	(30,304)	(26,246)	(12,125)	(11,776)	(46,130)
Net Other Financing Sources	$123,632	$130,955	$154,563	$161,838	$126,668
Excess (Deficiency) of Total Revenues and Other Services Over Expenditures and Other Uses	($18,316)	($20,483)	$10,825	$41,120	$12,501
Special Item – Land Sale (See FY15 CAFR Note 1)	11,983	4,309	-	-	10,201
Fund Balances at Beginning of Year	183,496	177,163	160,989	171,814	212,934
Fund Balances at End of Year (3)	$177,163	$160,989	$171,814	$212,934	$235,636

(1) Consists of property, sales and mixed drinks tax.
(2) Reported with Urban Growth Management prior to 2012.
(3) As of September 30, 2019, the budget stabilization reserve reports a balance of $105.5 million, the emergency reserve maintains a balance of six percent of total General Fund requirements, or $61.7 million, and the property tax reserve has a balance of $4.5 million.

*Numbers vary from the City's fiscal year 2015 continuing disclosure filing due to a reclassification of expenses between these line items.

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CERTAIN GENERAL FUND RECEIPTS OTHER THAN AD VALOREM TAXES

Municipal Sales Tax– TABLE TEN

At an election held on September 30, 1967, the citizens of Austin voted a 1% retail sales and use tax to become effective on January 1, 1968. This tax provides an additional revenue source to the General Fund of the City. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts of the State of Texas, who currently remits the proceeds of the tax to the City monthly. Revenue from this source has been:

Fiscal Year Ended 9-30	Per Capita Sales and Use Tax	(in 000's) Sales and Use Tax	% of Ad Valorem Tax Levy
2012	199.99	164,193	43.08%
2013	209.35	176,198	42.06%
2014	215.79	189,464	42.46%
2015	222.86	204,029	42.24%
2016	230.58	212,634	42.07%
2017	231.26	218,790	39.50%
2018	235.94	232,319	36.46%
2019	253.66	248.813	37.14%
2020	232.14	232,137	31.55%
2021 (1)	241.74	245,241	31.65%

(1) 2021 figures from the City's approved budget.

Transfers from Utility Funds – TABLE ELEVEN

The City owns and operates a Water and Wastewater System and an Electric Light and Power System, the financial operations of which are accounted for in the Utility Funds. Transfers from the Utility Funds to the General Fund have historically provided a significant percentage of the receipts for operation of the General Fund. The following sets forth the amount of such transfers.

Fiscal Year Ended 9-30	(in 000's) Transfers	% of General Fund Requirements
2012	136,919	19.8%
2013	139,548	18.5%
2014	142,909	18.0%
2015	143,755	16.9%
2016	146,993	15.9%
2017	150,877	15.6%
2018	154,914	15.1%
2019	157,586	15.2%
2020	158,486	15.1%
2021 (1)	160,544	14.7%

(1) 2021 figures from the City's approved budget.

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THE CITY

Administration

Incorporated in 1839, the City operates under a Council-Manager form of government under its Home Rule Charter. The City Council is comprised of an eleven-member council, with the Mayor elected at-large, and the remaining members elected from ten single-member districts. Councilmembers, including the Mayor, serve a four-year term, with the terms staggered so that every two years five of the councilmembers and the Mayor stand for election, and five councilmembers stand for election two years later. See "APPENDIX A – GENERAL INFORMATION REGARDING THE CITY – General Information" in this document.

By charter, the City Council appoints a City Manager for an indefinite term who acts as the chief administrative and executive officer of the City. The duties include, among others, the supervision of all City departments, the preparation and administration of an annual budget and the preparation of a report on the finances and administrative activities of the City.

City Manager – Spencer Cronk

Mr. Spencer Cronk joined the City as City Manager on February 12, 2018. Before joining the City, Mr. Cronk was Minneapolis City Coordinator (City Administrator). He directed the management of Minneapolis city government by assisting the Mayor and City Council in defining city policy and establishing priorities, mobilizing department heads and staff to implement the Mayor and Council's priorities, and working to strengthen the management and administrative systems of the city. Mr. Cronk previously served as Commissioner of the Minnesota Department of Administration, a role he was appointed to by Minnesota Governor Mark Dayton in 2011. As Commissioner, Mr. Cronk led the state's real property, purchasing, fleet, demographic analysis and risk management divisions responsible for more than $2 billion in state purchasing and the historic renovation of the Minnesota State Capitol. Additionally, Mr. Cronk served as chair of the Minnesota Public Data Governance Advisory Committee, and as a member of the Environmental Quality Board and the Minnesota Indian Affairs Council. Before joining the State of Minnesota, Mr. Cronk served as executive director of organizational development and senior advisor for the Department of Small Business Services for the City of New York, under former Mayor Michael Bloomberg. His accomplishments there included the design and implementation of a comprehensive performance-management system and the development of a program for integrating new employees, which was used citywide as a best practice template for the City of New York's 300,000 employees. Mr. Cronk has served a number of community organizations and agencies, including as an Advisory Council member for Northern Spark, a member of the Minnesota Advisory Board of the Trust for Public Land, and a member of the Itasca Project Task Force on Socioeconomic Disparities in the Twin Cities. He was a recipient of the Minneapolis/St. Paul Business Journal's "40 Under 40" Award in 2013. Mr. Cronk received his bachelor's degree with honors from the University of Wisconsin–Madison. He is a graduate of Harvard University's Senior Executives in State and Local Government Program and was a Public Affairs Fellow with the Coro New York Leadership Center.

Deputy City Manager – Nuria Rivera-Vandermyde

Nuria Rivera-Vandermyde was appointed Deputy City Manager in October 2019 and oversees the Government that Works for All outcome. See "APPENDIX A – GENERAL INFORMATION REGARDING THE CITY – General Information" in this document. She is an attorney by profession and brings over 20 years of executive experience in both the public and private sectors to her role. Prior to joining the City, she served as City Coordinator for the City of Minneapolis, after serving previously as the Deputy City Coordinator and the Director of Regulatory Services for the City of Minneapolis. In her role in the City Coordinator's Office – the department charged with providing leadership and direction in the management of city government – Ms. Rivera-Vandermyde assisted the Mayor and City Council in defining city policy and establishing priorities, mobilized departments to implement the Mayor and Council's priorities, and worked to strengthen the management and administrative systems of the city. She helped ensure major citywide projects were aligned across the enterprise and had direct oversight responsibilities for the following departments: 311, 911, Convention Center, Communications, Emergency Management, Finance and Property Services, Human Resources, Information Technology, Intergovernmental Relations, and Neighborhood and Community Relations. Key highlights of her accomplishments during her tenure at the city include leading the city's Minimum Wage and Safe & Sick Leave ordinances, creation of the city's first division of Race and Equity, passage of the city's first Strategic and Racial Equity Action Plan, development of the city's first supplier diversity spend dashboard, overhaul of the city's performance management and innovation programs, development of the city's comprehensive tiered licensing system, code rewrite for the city's animal care ordinance, establishment of the city's first Transgender Equity Council, and the successful transition of the city's first major homeless encampment to a service-rich Navigation Center for over 175 residents. Ms. Rivera-Vandermyde has served on a number of community boards and organizations including HousingLink, a nonprofit organization dedicated to connecting low-to-moderate income families to affordable housing choices and was named one of Bloomberg Philanthropies "Data-driven Women to Watch" in 2018. A native of Puerto Rico, Ms. Rivera-Vandermyde earned her B.A at Amherst College and her J.D. from New York University School of Law. Prior to joining the City of Minneapolis, Ms. Rivera-Vandermyde's experience also included international consulting specializing in judicial and regulatory compliance, oversight of the correctional system in Puerto Rico as Deputy Commissioner, CEO of a non-profit healthcare corporation charged with providing healthcare services to over 14,000 inmates, and private practice experience as a corporate litigator in Boston, MA.

Interim Chief Financial Officer – Mark Dombroski

Mr. Mark Dombroski was appointed to serve as the City's Interim Chief Financial Officer on July 1, 2020, following the planned retirement of Elaine Hart, the City's former Chief Financial Officer. Mr. Dombroski currently serves as the Deputy General Manager and Chief Financial and Risk Officer with Austin Energy where he is responsible for financial management, risk management, and corporate services. Prior to that role, Mr. Dombroski served as the interim General Manager to Austin Energy where he supervised the City's power utility that is responsible for providing electricity to more than 450,000 customers. Additionally, he previously served as the utility's Senior Vice President of Finance and Corporate Services. Before relocating to Austin, Mr. Dombroski was the Director of Finance for Seattle City Light, the 10th largest public utility in the United States. Preceding his career in public administration, Mr. Dombroski served as an Officer in the United States Marine Corps, in addition to earning his undergraduate degree from the University of Texas at Dallas, and his Master of Public Administration degree from Seattle University.

Deputy Chief Financial Officer – Greg Canally

Mr. Greg Canally is the Deputy Chief Financial Officer for the City of Austin with responsibility for the Treasury Office, Purchasing Office and Capital Contract Office, and works as the finance lead on economic development, transportation initiatives, facility master planning, and a variety of information technology issues for the City. Mr. Canally has been with the City for 19 years, entirely in the Finance Department. From 2004 through 2008, he was the City's Budget Officer. He is a past member of the Government Finance Officers Association's Committee on Economic Development and Capital Planning. Prior to his work in municipal government, Mr. Canally worked as a project manager/economist for HDR Engineering, working with all levels of government to implement water planning solutions in Texas. Mr. Canally holds a Bachelor of Science degree in Economics from Villanova University and a Master of Science degree in Economics from the University of Texas at Austin.

Deputy Chief Financial Officer – Ed Van Eenoo

Mr. Ed Van Eenoo currently serves as Deputy Chief Financial Officer overseeing the Budget Office and the Office of Performance Management within the Financial Services Department. Mr. Van Eenoo was appointed to the position of Deputy Chief Financial Officer in 2013 after serving four years as the Budget Officer for the City. Prior to joining the City, he spent nine years with the City of Chula Vista including time as a Fiscal and Management Analyst, Assistant Director of Budget and Analysis, and four years as the Director of Budget and Analysis. Mr. Van Eenoo received a Bachelor of Science degree in Economics from The University of Eastern Michigan and a Master of Science degree in Applied Economics from Virginia Tech University.

Services Provided by the City

The City's major activities include police and fire protection, emergency medical services, parks and libraries, public health and social services, planning and zoning, general administrative services, solid waste disposal, maintenance of bridges, streets and storm drains. The City owns and operates several major enterprises including electricity (Austin Energy), water and wastewater (Austin Water), airport (Austin-Bergstrom International Airport) and two public event facilities.

Employees

Municipal employees are prohibited from engaging in strikes and collective bargaining under State law. An exception allows fire and police employees to engage in collective bargaining (but not the right to strike) after a favorable vote of the electorate. The voters have approved collective bargaining for fire fighters but not for police officers. Approximately 15% of the City's employees are members of the American Federation of State, County and Municipal Employees, 8% are members of the American Police Association and 7% are members of the International Association of Fire Fighters.

The City does not have automatic escalators in payroll or in its retirement systems. The retirement systems may grant cost-of-living increases up to 6% for municipal employees and 6% for police officers and a percentage based on the amount of increase in the Consumer Price Index for the firefighters, but only if recommended by an independent actuary and approved by the retirement boards.

Annexation Program

The City annexes territory on a regular basis. Chapter 43 of the Texas Local Government Code regulates annexation of property by Texas municipalities. Under current state law, landowner and/or voter approval is required as part of the process for the annexation of territory into a city. The process varies depending on the characteristics of the area being considered for annexation, generally involving a petition from each landowner, a petition signed by registered voters and owners of land in the area, or an election at which qualified voters approve the proposed annexation. Additionally, the process involves staff review, development of a written service agreement (or regulatory plan for a limited purpose annexation), notification, publication of a newspaper notice, public hearings, and ordinance approval.

Upon approval, the City provides a wide range of services to the annexed area – police and fire protection, emergency medical services, solid waste collection, and maintenance of public facilities such as water and wastewater, roads, streets, and parks. Failure to provide municipal services in accordance with the service plan may provide grounds for a petition and court action to compel compliance with the service plan or to disannex the area, and may also result in a refund of taxes and fees collected for services not provided, however, the City has never been forced to disannex due to such failure.

Some of the areas which may be considered for annexation include developed areas for which water, sewer, and drainage services are being provided by utility districts created for such purposes. Existing utility districts, as well as new districts that may be created from time to time, may issue bonds for their own improvements. Such bonds are generally payable from the receipts of ad valorem taxes imposed by the district and, in some cases, are further payable from any net revenues derived from the operation of its water and sanitary sewer systems. State law generally requires that if a city annexes a district, then the district must be annexed in its entirety. Upon annexation by a city, a district is dissolved, and the city assumes the district's outstanding bonds and other obligations. The City then levies and collects ad valorem taxes on taxable property within the corporate limits of the city sufficient to pay the principal of and interest on such assumed bonds.

The City also assumes liabilities when it annexes land in an Emergency Services District ("ESD") and that land is disannexed from the ESD. This liability, however, is limited to assumption of a pro-rata share of debt and assumption of those facilities directly used to provide service to the area.

The City Charter and the State's annexation laws provide the City with the ability to undertake two types of annexation. "Full purpose" annexation discussed above, annexes territory into the City for all purposes, including the assessment and collection of ad valorem taxes on taxable property. The second type of annexation is known as "limited purpose" annexation by which territory may be annexed for the limited purposes of "Planning and Zoning" and "Health and Safety." Territory so annexed is subject to ordinances relating to these purposes: chiefly, the City's zoning ordinance, building code, and related ordinances regulating land development. Taxes may not be imposed on property annexed for a limited purpose because municipal services are not provided, and residents of the area are restricted to voting only in City elections for City Council and Charter amendments.

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Annexations – TABLE TWELVE

The following table sets forth (in acres) the City's annual annexations since 2010.

Calendar Year	Full Purpose Acres (1)	Limited Purpose Acres
2010	1,129	2,495
2011	726	0
2012	3,387	3,818
2013	3,484	594
2014	897	136
2015	1,911	3
2016	311	0
2017	1,283	0
2018	136	0
2019	185	166
2020	65	0

(1) Includes acres converted from limited purpose to full purpose status.

Recent Annexation

In 2020, the City conducted full purpose annexations of greenfield land at the request of property owners. The 65 acres annexed were proposed for development as residential and light industrial uses. In 2019, the City annexed for limited purposes several recently acquired and vacant outparcels located in the Pilot Knob MUD development project. Additionally, at the landowner's request, the City annexed for full purposes a 126-acre undeveloped parcel which the landowner plans to develop into a corporate campus.

In 2018, the City annexed and dissolved the Cascades MUD No. 1 at the request of the property owner. At the time of annexation, the area was undeveloped, and the MUD had not issued any debt. The property owner determined that the proposed Cascades at Onion Creek subdivision could be developed as originally planned without the need for a MUD and the City agreed to annex and dissolve the MUD. The taxable assessed value ("TAV") at the time of annexation was $584,827.

The largest of the 2017 annexations was the River Place MUD area which converted approximately 1,040 acres from the City's limited purpose jurisdiction to full purpose. This area included an estimated population of approximately 3,125 persons. In addition, the City annexed several commercial properties in south Austin. The total TAV for these areas at the time of annexation was $697.2 million.

The City's 2016 annexation program included the full purpose annexation of five areas containing approximately 311 acres. With the exception of a small amount of office/warehouse/commercial uses, these areas were largely undeveloped at the time of annexation. Approved development plans include an additional 651 single-family homes and 97 multi-family units. The TAV for these areas at the time of annexation was approximately $19.3 million.

In 2015 the City annexed eleven areas for full purposes and one area for limited purposes. These areas included an estimated total population of approximately 3,912 persons, mainly within the Lost Creek subdivision. Approved development plans for the remaining areas include an additional 1,944 single-family homes. The TAV for these areas at the time of annexation was approximately $25.4 million.

Future Annexation

Annexations continue to be considered at the request of property owners. No large-scale annexations are currently scheduled in the near future.

Pension Plans

The City has three contributory defined benefit retirement plans for its general municipal, fire, and police employees. These three plans include the City of Austin Employees' Retirement System ("COAERS"), the City of Austin Police Retirement System (the "Police Retirement System") and the City of Austin Fire Fighters Relief and Retirement Fund (the "Fire Fighters Retirement Fund"). These plans are single employer funded plans each, with a fiscal year end of December 31. The three retirement plans cover substantially all full-time employees. State law requires the City to make contributions to the plans in an amount at least equal to the contribution of the employee group. The contributions made by the City to the COAERS include amounts allocable to the City employees within Austin Energy (defined below in this document), Austin Water (defined below in this document) and the City's Aviation Department ("Aviation"); the contributions allocable to such employees are paid from gross revenues of the respective systems and constitute operating expenses of Austin Energy, Austin Water, and Aviation, respectively.

As of October 1, 2019, municipal employees contribute 8.0% and the City contributes 18.0% of payroll to the COAERS. Fire fighters (who are not members of the Social Security System) contribute 18.7% of payroll, and the City contributes 22.05% to the Fire Fighters Retirement Fund. Police officers contribute 13.0% and the City contributes 21.313% of payroll to the Police Retirement System. The contributions to the pension plans are designed to fund current service costs and to amortize the unfunded actuarial accrued liability. As of December 31, 2019, the amortization period of the unfunded actuarial accrued liability was 40 years for the COAERS, infinite for the Police Retirement System, and 21.9 years for the Fire Fighters Retirement Fund.

The City's net pension liability was measured as of December 31, 2019 for each of the City's three pension plans. Information on the liabilities and funding measurements of each plan is discussed below.

City of Austin Employees' Retirement System (COAERS)

The members of the COAERS include City civilian and EMS employees as well as pension system employees. The COAERS provides plan members with a monthly pension payment derived from a predetermined formula based on length of service, salary history, and payout options. There are two groups in this plan with a vesting period of five years for both plans. Employees hired prior to January 1, 2012 are eligible to retire at any age after 23 years of service, at age 55 with 20 years of service, or at 62 with 5 years of service. The annual retirement benefit is calculated by multiplying the number of years of service by the average of the three highest earning years out of the last 10 years worked; this amount is then multiplied by 3%. Employees hired on or after January 1, 2012 follow a similar structure with modified factors: retirement eligibility occurs at age 62 with 30 years of service, or at 65 with 5 years, and the multiplier is 2.5%. The plan changes creating the second group were implemented in order to address long-term structural imbalances in the plan.

As of December 31, 2019, the COAERS reported a net pension liability of $1.56 billion with a plan fiduciary net position as a percentage of the total pension liability of 65.2%. The actuarial accrued liability for the COAERS as of December 31, 2019 was $4.49 billion and the funded ratio was 63.5%. As of December 31, 2018, the COAERS reported a net pension liability of $1.53 billion with a plan fiduciary net position as a percentage of the total pension liability of 61.7%. The actuarial accrued liability for the COAERS was $3.99 billion and the funded ratio was 67.6%. Based on an experience study conducted in 2019, COAERS adopted changes to certain plan assumptions, including:

- Price Inflation (lowered from 2.75% to 2.50%)
- Investment Return (lowered from 7.50% to 7.00%)
- Salary Increases (ranges lowered from 4.00 – 6.25% to 3.5 – 5.75%)
- Mortality Rates (changed to the PubG-2010)

In addition, termination rates, retirement rates, and DROP election rates were adjusted to more closely reflect actual experience.

The assumption changes, among other contributing factors, resulted in a decrease in the funded ratio and an increase in the amortization period from 32 years in 2018 to 40 years in 2019.

The COAERS funding policy is to maintain contribution rates sufficient to cover the normal cost of the plan and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 25 years. Currently, the total contribution rate is sufficient to amortize the System's unfunded liabilities in approximately 40 years, an increase from the 32-year amortization period in the previous year. In 2005, a Supplemental Funding Plan ("SFP") was approved that increased the City's annual contribution rate to a maximum of 12%, but this additional funding was not sufficient to restore the long-term financial health of the COAERS. In FY 2011, City Council approved an amendment to the SFP that increased the City contribution rate to a maximum rate of 18% of payroll to be contributed by 2013. The City contributed an additional 6% in FY 2011, an additional 8% in FY 2012 and an additional 10% in FY 2013 pursuant to the terms of the SFP, which brought the City's contribution rate to the maximum of 18%. In addition, a new benefit tier for new employees hired on or after January 1, 2012 was approved by the COAERS Board of Trustees, the City Council and the Texas Legislature. The new benefit tier increased the age and service criteria necessary to reach retirement eligibility. It also decreased the pension multiplier, which is used to determine the final pension amount paid to future retirees. These two actions were undertaken to improve the long-term financial health of the COAERS over time.

Police Retirement System

The members of the Police Retirement System include all cadets, upon enrollment in the Austin Police Academy, commissioned law enforcement officers employed by the City's Police Department, and full-time employees of the Police Retirement System. The Police Retirement System provides retirement, death, and disability benefits to plan members and their beneficiaries. Benefits are vested after 10 years. Retirement benefits are paid in the form of a monthly life annuity and are based on the years of service times the highest 36 months of salary in the last 10 contributing years of service. A multiplier of 3.2% is applied to the years of service. Eligibility occurs with 23 years of creditable service, at age 55 with 20 years of service, or at age 62.

As of December 31, 2019, the Police Retirement System reported a net pension liability of $1.32 billion for the 2019 plan year, which is an increase from the $1.19 billion net pension liability reported for the prior 2018 plan year. The fiduciary net position as a percentage of the total pension liability increased to 39.44% for the 2019 plan year from 64.68% in the prior year. There were no changes to the actuarial assumptions and methodology during the most recent plan year. For plan year 2019, the Police Retirement System adopted changes to certain plan assumptions in May 2019, based on an experience study conducted in 2019, including a reduction to the investment return assumption (from 7.75% to 7.25%), a reduction of payroll growth assumption and adoption of a new mortality table. The assumption changes, among other contributing factors, resulted in a decrease in the funded ratio and an increase in the amortization period from 35 years in 2017 to infinite in 2018. Additionally, the use of a lower, blended discount rate – as required by GASB guidelines – contributed to the increase in the net pension liability. A full description of the assumptions for the Police Retirement System is available in the actuarial reports available on its website.

The actuarial accrued liability for the Police Retirement System as of December 31, 2019 was $1.46 billion and the funded ratio was 58.4%. The actuarial accrued liability for the Police Retirement System as of December 31, 2018 was $1.39 billion and the funded ratio was 58.1%.

Fire Fighters Retirement Fund

The members of the Fire Fighters Retirement Fund include commissioned firefighters and Texas state-certified employees of the Fire Department. Members are eligible to retire at 50 years of age with at least 10 years of service credit or with at least 25 years of service credit at any age. Retirement benefits are paid in the form of a monthly life annuity based on years of service times the highest 36 months of salary during the member's contributing years of service. The multiplier for the Fire system is 3.3%. The Fire Fighters Retirement Fund also provides early retirement options.

The Fire Fighters Retirement Fund, as of December 31, 2019, reported a net pension liability of $126.1 million, with a plan fiduciary net position as a percentage of the total pension liability of 82.1%. The actuarial accrued liability for the Fire Fighters Retirement Fund was $1,154,365,629 and the funded ratio was 86.8%. As of December 31, 2018, the Fire Fighters Retirement Fund reported a net pension liability of $198.1 million and plan fiduciary net position as a percentage of the total pension liability of 82.1%. The actuarial accrued liability for the Fire Fighters Retirement Fund as of December 31, 2018 was $$1,084,533,608 and the funded ratio was 88.0%.

The Fire Fighters Retirement Fund had no significant changes of assumptions during the measurement period but did have a change in benefit term that affected the total pension liability. Effective January 1, 2020, a cost-of-living adjustment increase of 1.70% went into effect.

The financial statements for each plan are accessible on their respective websites. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS – Note 7" in this document for additional information on the City's Pension Plans. Also, see Note 7 of the City's Comprehensive Annual Financial Report ("CAFR") for their web addresses.

City Pension System Reforms

Recently reported actuarial funding data for COAERS and the Police Retirement System indicates that both pension systems are currently significantly underfunded. There are several reasons surrounding the underfunding status of the systems including:

- Long-term investment returns have failed to meet system expectations;
- The adoption of more conservative actuarial assumptions; and,
- Fixed-rate pension contributions that have not kept pace with actuarially determined levels.

In addition, although there has been no recent benefit enhancements or cost of living adjustments ("COLAs") for either pension system, both COAERS and the Police Retirement System provided benefit increases and COLAs in the late 1990s and early 2000s. These past benefit enhancements are another significant factor underlying the current funding shortfalls.

Amortization periods are an important benchmark used in determining the funding status of pension systems. COAERS currently has an amortization period of 40 years, which is in excess of the State of Texas Pension Review Board's ("PRB") recommended guidelines. Additionally, the Police Retirement System's amortization period is currently infinite, meaning there is no length of time in which the pension system anticipates being fully funded given current benefit and contribution levels.

The City is working with both pension systems to expeditiously resolve the funding shortfalls at hand. The PRB has already identified the Police Retirement System as a system at risk due to the infinite amortization period reflected in the plan's 2018 report. If the Police Retirement System has three consecutive annual reports that reflect an amortization period of over 40 years, then the PRB will take action by requiring the system to develop and implement a funding soundness restoration plan.

Funding in the FY 2021 Budget - The City's proposed FY 2020-21 budget includes a placeholder of $11.3 million, spread across multiple funds, to implement a first phase of increased City contributions. These funds have been budgeted at the fund level, as opposed to at the department level, as their usage will be contingent upon the State Legislature's approval of the potential pension system reforms discussed below. If the reforms are not approved, these funds will revert to the respective fund balances and other solutions to the pension system's funding shortfalls will be explored.

Future Reforms to be Pursued through the Texas Legislature – In order to ensure the financial health of both systems, the City is developing pension reforms for consideration by the Texas Legislature during the 2021 legislative session. The legislative reforms the City intends to pursue, in collaboration with COAERS and the Police Retirement System, include:

- Phased increases to City and employee contributions while maintaining an equitable City-to employee cost sharing ratio;
- Implementation of benefit adjustments including a lower benefit tier for new police officer hires and changes to service credit purchase provisions;
- Implementation of a more adaptable, actuarially determined, funding model that will allow funding and benefits to adjust to changing financial conditions of the systems; and
- Reforms to the governance structure to ensure a balanced partnership between the City and the systems exists moving forward. Such reforms will focus on the composition of membership of each plan's respective board, as well as the roles of the respective boards and the City Council relating to COLAs, benefit enhancements and other policy parameters.

Other Post-Employment Benefits ("OPEB")

In addition to the contributions made to the three pension systems, the City provides certain other post-employment benefits ("OPEB") to its retirees. The City's OPEB plan is a defined-benefit single-employer plan. Allocation of City funds to pay OPEB other than pensions is determined on an annual basis by the City Council as part of the budget approval process on a pay-as-you-go basis. The City is under no obligation to pay any portion of the cost of OPEB for retirees or their dependents.

OPEB include access to medical, dental, and vision insurance for the retiree and the retiree's family and $1,000 of life insurance on the retiree only. All retirees who are eligible to receive pension benefits under any of the City's three pension systems are eligible for OPEB. Retirees may also enroll eligible dependents under the medical, dental, and vision plan(s) in which they participate.

In fiscal year 2018, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. GASB Statement No. 75 requires governments offering OPEB to record a liability in the current period for total future OPEB obligations for existing employees and retirees in excess of plan assets. In addition, it identifies accepted actuarial methods and assumptions, allows deferral of certain OPEB expense items, expands financial statement note disclosures, and changes disclosure of required supplementary information.

Day-to-day accounting and administration of OPEB activities are provided by the City and recorded in the Employee Benefits Fund. However, at year end an adjustment is made to recognize OPEB expenses in the operating funds that provide funding to the Employee Benefits Fund to pay for the City's portion of these benefits. No separate plan report is available.

The City subsidizes between 20% and 80% of the projected medical premium for retirees and a lesser portion for dependents and surviving spouses depending on years of service at retirement. The retiree must pay the unsubsidized portion of the premium. Both the City and retirees' estimated premiums are deposited in the Employee Benefits Fund, which pays actual claims for medical and prescription drugs and 100% of the retiree's basic life insurance premium. The cost of coverage above the $1,000 level for life insurance premium is paid by the retiree. Group dental and vision coverage is available to retirees and their eligible dependents. The retiree pays the full cost of the dental and vision premium.

The City does not accumulate assets in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City funds its OPEB liabilities on a pay-as-you-go basis. The estimated pay-as-you-go cost of providing medical and life benefits was $44.1 million in fiscal year 2019 and $43.14 million in fiscal year 2018.

The City commissions a biennial actuarial valuation of its OPEB liability. As of the most recent December 31, 2019 actuarial valuation date, the City's total OPEB liability increased to $3.5 billion from $2.4 billion as of the prior valuation date of December 31, 2017. The increase in the total OPEB liability was attributable to several assumption changes including primarily a reduction in the assumed discount rate (to 2.74% from 4.10%, based on the Bond Buyer US Weekly Yields General Obligation Bond Index as of the measurement date), an increase in the average mortality rate for policy system retirees, increased service costs and changes to certain demographics assumptions (trend rates, enrollment for retirees and spouses).

See "APPENDIX B – AUDITED FINANCIAL STATEMENTS – Note 8 and Note 18" in this document for additional information on the City's OPEB.

Insurance

The Liability Reserve Fund is the insurance fund of the City for settled claims, expenses, and reserves relating to third party liability claims for injury and property damage, including professional liability. The Liability Reserve Fund is used to pay for actual claims incurred and related expenses for settling these claims, for budgeted administrative costs for the fund's operations, and to estimate incurred, but not reported claims. The Liability Reserve Fund had accrued liabilities of approximately $4.17 million for claims and damages at the end of fiscal year 2019. Employee injuries are covered by the City's Workers' Compensation Fund and health claims are covered by the City's Employee Benefits Fund.

ENTERPRISE FUNDS

Statement of Revenues, Expenses and Changes in Fund Net Position

The Enterprise Funds account for the activities of the City that render services on a user charge basis to the general public. Set forth on pages B-32 and B-33 of APPENDIX B in this document is a summary of the revenues, expenses, transfers and net position of the City's enterprise funds for the year ended September 30, 2019.

THE ELECTRIC UTILITY AND WATER AND WASTEWATER SYSTEMS

The City owns and operates an electric utility system (also referred to in this document as the "Electric Utility System" or "Austin Energy") and a water and wastewater system (also referred to in this document as the "Water and Wastewater Utility" or "Austin Water") which provide the City, as well as adjoining areas of Travis County and certain adjacent areas of Williamson County, with electric, water and wastewater services. The City jointly participates with other electric utilities in the ownership of coal-fired electric generation facilities and a nuclear powered electric generation facility. Additionally, City individually-owned gas/oil-fired electric and a biomass generation facilities are available to meet Electric Utility System demand. The City owns all the facilities of the Water and Wastewater System. For the fiscal year commencing October 1, 2019, the Electric Utility System had approximately 1,784 full-time regular employees and the Water and Wastewater Utility had approximately 1,218 full-time regular employees.

Austin Energy and Austin Water each annually transfer revenue to the General Fund; the utility fund transfers have historically provided a significant percentage of the receipts for operation of the General Fund. In fiscal year 2020, the total transfers from the utility systems represented 14.6% of total General Fund revenue, with 10.2% from Austin Energy and 4.4% from Austin Water. Austin Energy's annual transfer (the "General Fund Transfer") is especially significant to the operations of the General Fund. The General Fund Transfer is an annually recurring, formula-based appropriation. Given the significance of the General Fund Transfer to the operations of the City's General Fund, information related to Austin Energy's strategic plans, goals, financial policies, and industry and regulatory is provided below.

STRATEGIC PLANS, GOALS AND POLICIES OF AUSTIN ENERGY

Strategic Plan

Austin Energy's mission is "*To safely deliver clean, affordable, reliable energy and excellent customer service.*" To achieve its mission, Austin Energy adopted a 2020-2025 strategic plan. (the "Strategic Plan"). The Strategic Plan identifies adaptive strategies to proactively address customer expectations, deploy innovative technology, provide responsible energy services and ensure Austin Energy is well prepared for the challenges ahead.

The Strategic Plan is informed by several sources, including Austin Energy's Technology Roadmap, Facilities Masterplan, Resource, Generation Plan and Climate Protection Plan, and the City of Austin's strategic planning efforts. The primary focus of the Strategic Plan is to improve Austin Energy's competitive position while realizing its vision of "*Powering a cleaner, brighter future with customer-driven, community-focused solutions.*"

The Strategic Plan addresses six overarching goals that are designed to enable Austin Energy to realize its vision. **Customer Experience**, **Environmental Leadership**, and **Grid Resilience** focus on delivering value to the customer and providing customer choice in the products and services we offer. **Employee Experience** and **Financial Health** provide an internal focus on maintaining and increasing the value provided to employees, customers and the communities we serve. Finally, **Health and Safety** has both an internal and external focus, speaking to our responsibility to always operate safely.

Each goal is overseen by a goal manager and a cross-functional team of staff who are executing the projects to achieve their goal. Each goal manager is partnered with an executive sponsor, a member of the Austin Energy executive team, who is responsible for championing and ultimately achieving the goal.

In order to measure performance over time, thirteen Key Performance Indicators ("KPIs"), and a target value for each KPI, have been established. Austin Energy publicly reports its strategic progress through both the Strategic Plan 2020-2025 Tableau Dashboards and a monthly strategic project update report that is sent to the Chief Operating Officer.

Austin Energy Resource, Generation, and Climate Protection Plan to 2030

On August 12, 2019 the Electric Utility Commission (EUC) created the Resource Plan Working Group (Working Group) to provide leadership and guidance to Austin Energy and the City Council on technical and market issues to meet environmental, efficiency and goals established by the City Council.

This Austin Energy Resource, Generation and Climate Protection Plan to 2030 (2030 Plan) outlines the Working Group's recommendations and strategic goals and represents an extensive effort of the Austin community working through the Working Group and Austin Energy staff. The 2030 Plan is based on analysis of the risks, costs and opportunities to meet future demand for electricity. The 2030 Plan is intended to be flexible and dynamic in order to respond to changing circumstances, including customer electric load, economic conditions, energy prices, and technological development, while strictly committing to firm carbon reductions.

The 2030 Plan updates and replaces the Generation and Climate Protection Plan to 2027. To the extent the provisions of this 2030 Plan are inconsistent with prior resource plans for Austin Energy or related City Council resolutions adopting such plans, this 2030 Plan will prevail. The Working Group believes this 2030 Plan is groundbreaking in its approach and can serve as a model for others in achieving immediate, large-scale environmental benefits and reducing emissions, while maintaining affordable electricity rates.

Vision Statement – This 2030 Plan commits Austin Energy to continuing to provide affordable, dependable and safe electricity service to residents and businesses while pursuing the City of Austin's climate protection and sustainability goals and the directives set forth in the Austin Climate Emergency Resolution. As a part of its commitment, Austin Energy will maintain an energy supply portfolio sufficient to offset customer demand while eliminating carbon and other pollutant emissions from its electric generation facilities as rapidly as feasible within the limitations set by the City Council. Austin

Energy commits to providing access to the benefits of this 2030 Plan for limited-income communities and communities of color.

Affordability – Affordability of electricity service for Austin Energy's customers is an overarching goal of the 2030 Plan. Developments in the wholesale energy market in recent years have demonstrated that if Austin Energy carefully manages its portfolio it can achieve its environmental goals economically, efficiently and affordably. Austin Energy will do so with a commitment to the specific affordability metrics set by the City Council.

Generation Resource Objectives – As of March 2020, Austin Energy generates energy on an annualized basis equal to approximately 63% of its total customer load using carbon-free resources, 40% from renewable resources and 23% from the South Texas Project nuclear facility. As explained in more detail below, under this plan Austin Energy will eliminate its existing emissions through retirement of its carbon-emitting generation plants and will purchase additional, cost-effective, renewable energy resources.

No New Carbon Generating Assets – Austin Energy will no longer purchase, contract for or build long-term generation or storage resources that emit new carbon, nor any additional nuclear power generation resources.

Carbon Reduction Goals – 86% of Austin Energy's electricity generation will be carbon-free by year-end 2025, 93% will be carbon-free by year-end 2030, and all generation resources will be carbon-free by 2035. Austin Energy commits to advance these goals more rapidly, if feasible given technological developments, affordability, and risks to Austin Energy customers.

Additional Renewable Generation Facilities – Austin Energy will utilize its annual RFP process to seek the best available renewable energy and electricity storage opportunities to add to Austin's generation resource portfolio as necessary to meet 2030 Plan goals and to assess market trends for future planning. With the exception of the Local Solar goals set out in this report, the 2030 Plan does not designate the components of Austin Energy's renewable energy portfolio. Austin Energy will plan for least-cost and least-risk acquisition of renewable resources and electricity storage as available in the energy market and as necessary to meet 2030 Plan goals.

Specific Actions to Achieve Generation Resource Objectives

Fayette Power Project – Austin Energy will maintain its current target to cease operation of Austin Energy's portion of the Fayette Power Project (FPP) coal plant by year-end 2022. Austin Energy will continue to recommend to the City Council the establishment of any cash reserves necessary to provide for that schedule.

Decker Creek Power Station – Austin Energy will maintain its current target to cease operations and begin retirement of existing Decker Steam gas-fired units, assuming ERCOT approval, with Steam Unit 1 ceasing operations after summer peak of 2020 and Steam Unit 2 ceasing operations after summer peak of 2021.

REACH for Carbon Free by 2035 – Upon City Council approval of the 2030 Plan, Austin Energy will adopt a new market-based approach to accelerate reduction of carbon emissions by its legacy generators in the most economic manner available. This approach, known as *Reduce Emissions Affordably for Climate Health* ("REACH"), will incorporate a cost of carbon in the generation dispatch price, allowing Austin Energy to reduce generation output during low-margin periods but keep the resources available for high-margin periods. Austin Energy will apply an annual amount of approximately 2% of the prior year's PSA to implement REACH. Austin Energy will continue to adhere to the City Council affordability metrics through active portfolio management. The REACH plan is expected to reduce the utility's carbon emissions by 30% or approximately 4 million metric tons between approval of the 2030 Plan and Austin Energy's exit from FPP. Thereafter, the REACH plan is expected to reduce carbon emissions by 8% each year, while maintaining the flexibility to protect our customers' rates in periods of high prices in the wholesale market, until achieving zero carbon emissions by 2035. Austin Energy will report semi-annually to the Electric Utility Commission and the City Council the realized reduction in carbon emissions from the REACH plan's implementation.

Local Solar Resources – In addition to the large-scale energy resources discussed above, Austin Energy will:

- Achieve a total of 375 MW of local solar capacity by the end of 2030, of which 200 MW will be customer-sited (when including both in-front-of-meter and behind-the- meter installations).
- Continue a shared solar pilot program for multi-family housing and upon development of an automated electronic billing system, allow for expansion of this program.
- Provide moderate and limited-income customers preferential access to community solar programs.

Energy Efficiency and Demand Response – In addition to the generation resources described above, Austin Energy will sponsor energy efficiency and demand response initiatives aimed to reduce overall system load and reduce peak demand as follows:

- Achieve energy efficiency savings equal to at least 1% per annum of retail sales, targeting a total of at least 1,200 MW of demand side management (energy efficiency and demand response) capacity by 2030, including a target of 225 MW of economic peak demand response capacity by 2030.
- Target serving at least 25,000 residential and business customer participants per year for all CES programs (Energy Efficiency, Austin Energy Green Building, Demand Response and Solar) with at least 25% of those customers being limited-income customers.
- Commit to achieving 30 MW of local thermal storage by 2027 and 40 MW of local thermal storage by 2030.
- Allow near real-time access to hourly energy use data for Austin Energy customers via the automated meter infrastructure, including compatibility with Green Button products and services.
- Continue to move forward on energy code and green building development, including assessing the 2021 International Energy Conservation Code, and specific solar-ready, EV- ready, electric building-ready and net-zero requirements for commercial and residential construction for possible adoption in future codes.

Electric Transportation – Austin Energy will pursue the Climate Protection Plan Goals and Austin Mobility Plan and expansion of Austin Energy revenue base by:

- Supporting private-public partnerships that promote, market, and provide electric vehicle support to assist in the transition to electric transportation.
- Support the City of Austin Fleet Services' electrification plan.
- Evaluate equitable growth of public and private charging station deployments by offering rebates, operational support, outreach, and special public charging rates that includes support for limited-income populations.

Financial Policies

The objective of Austin Energy's financial policies is to maintain financial integrity while allowing for flexibility. Some of the more significant financial policies reviewed and approved annually by the City Council during the budget process are:

- Current revenue, which does not include the beginning fund balance, will be sufficient to support current expenditures (defined as "structural balance"). However, if projected revenue in future years is not sufficient to support projected requirements, the ending balance may be budgeted to achieve structural balance.
- Net revenues generated by Austin Energy shall be used for a transfer to the City's General Fund (the "General Fund Transfer," which is a formula-based appropriation), capital investment, repair and replacement, debt management, competitive strategies, and other Austin Energy funding requirements. Once these obligations have been met, any remaining net revenues of the Electric Utility System will be deposited into Austin Energy's reserve funds in the following order until each reserve reaches its minimum funding level: Working Capital Reserve, Contingency Reserve, Power Supply Stabilization Reserve, and then Capital Reserve. The sum of the four reserves shall be the cash equivalent of no less than 150 days of operating and maintenance expense.
- Austin Energy shall maintain an operating cash equivalent (also known as working capital) of 60 days of budgeted operations and maintenance expense, less power supply costs, plus the amount of additional monies required to bring the sum of all Austin Energy's reserves to no less than 150 days of operating and maintenance expense. As of September 30, 2019, Austin Energy's operating cash balance was $407 million and Days Cash on Hand ("DCOH") was 218 days.

- Austin Energy shall maintain a minimum quick ratio of 1.50 (current assets less inventory divided by current liabilities). The source of this information shall be the City's Comprehensive Annual Financial Report ("CAFR").
- Austin Energy shall maintain either bond insurance policies or surety bonds issued by highly rated ("AAA") bond insurance companies, or a cash-funded debt service reserve, or a combination of bond insurance policies, surety bonds, or cash for its existing revenue bond issues, in accordance with the bond covenants of the Combined Utility Systems revenue bonds.
- Debt service coverage of a minimum of 2.0x shall be targeted for the Electric Utility System's revenue bonds, and a coverage minimum of 1.0x coverage shall be targeted when additionally including all short-term debt, including commercial paper obligations and non-revenue obligations.
- The Contingency Reserve shall be created and established for unanticipated or unforeseen events that reduce revenue or increase obligations, such as costs related to a natural disaster, extended unplanned plant outages, insurance deductibles, or unexpected costs created by Federal or State legislation. The Contingency Reserve may be used to fund unanticipated power supply expenses only after the Power Supply Stabilization Reserve has been fully depleted. The Contingency Reserve shall maintain an operating cash equivalent of 60 days of budgeted operations and maintenance expense, less power supply costs. In the event any portion of the Contingency Reserve is used, the balance will be replenished to the targeted funding level within two fiscal years.
- The Capital Reserve shall be created and established for providing extensions, additions, replacements and improvements to the Electric Utility System. The Capital Reserve shall maintain a minimum cash equivalent of 50% of the previous year's depreciation expense of the Electric Utility System.
- The Power Supply Stabilization Reserve shall be created and established for mitigating power supply cost volatility which causes frequent variation in the Power Supply Adjustment. The Power Supply Stabilization Reserve shall maintain a cash equivalent of 90 days of net power supply costs. Net power supply costs shall be defined as costs eligible for inclusion in the Power Supply Adjustment. The Power Supply Stabilization Reserve shall be funded using net revenues after meeting other obligations and consistent with the flow of funds schedule.
- The General Fund Transfer shall not exceed 12% of Austin Energy's three-year average operating revenues, calculated using the current fiscal year estimate and the previous two fiscal years' actual revenues less power supply costs and District Cooling Program revenue from the City's CAFR.
- Electric rates shall be designed to generate sufficient revenue, after consideration of interest income and miscellaneous revenue, to support (1) the full cost (direct and indirect) of operations including depreciation, (2) debt service, (3) the General Fund Transfer, (4) equity funding of capital investments, (5) requisite deposits of all reserve accounts, (6) sufficient annual debt service requirements of the Parity Electric Utility Obligations and other bond covenant requirements, if applicable, and (7) any other current obligations. In addition, Austin Energy may recommend to the City Council in the budget directing excess net revenues for the General Fund Transfer, capital investment, repair and replacement, debt management, competitive strategies and other Austin Energy requirements such as working capital. In addition to these requirements, electric rates shall be designed to generate sufficient revenue, after consideration of interest income and miscellaneous revenue, to ensure a minimum debt service coverage of 2.0x on revenue bonds of the Electric Utility System. A rate adequacy review shall be completed every five years, at a minimum, through performing a cost of service study.
- A decommissioning trust shall be established external to the City to hold the proceeds for monies collected for the purpose of decommissioning the STP. An external investment manager may be hired to administer the trust investments. As of June 30, 2020, the market value of the investments in the trust was $234.6 million.
- A Non-Nuclear Plant Decommissioning Fund shall be established to fund plant retirement. The amount set aside will be based on a decommissioning study of the plant site. Funding will be set aside over a minimum of four years prior to the expected plant closure.

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CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

Rate Regulation

The City Council has original jurisdiction over Austin Energy's retail electric rates, while the Public Utility Commission of Texas ("PUCT") sets Austin Energy's recoverable Transmission Cost of Service. Certain residential ratepayers can appeal retail rate changes to the PUCT under section 33.101 of the Public Utility Regulatory Act ("PURA") by filing a petition with the PUCT containing the requisite number of valid signatures from residential ratepayers who take service outside the City limits. State courts have held that the PUCT may apply the same ratemaking standards in such an appeal as are applied to utilities over which the PUCT has original jurisdiction.

Section 35.004 of PURA requires Austin Energy to provide transmission service at wholesale to another utility, a qualifying facility, an exempt wholesale generator, a power marketer, a power generation company, or a retail electric provider. Section 35.004 of PURA requires Austin Energy to provide wholesale services at rates, terms of access, and conditions that are not unreasonably preferential, prejudicial, discriminatory, predatory, or anti-competitive.

The Electric Reliability Council of Texas ("ERCOT") serves as the Independent System Operator ("ISO") for the ERCOT region of Texas. ERCOT was certified in 2000 to serve as the ISO by the PUCT under Senate Bill 7, adopted by the State legislature and signed into law in 1999 ("SB7").The ISO's responsibilities as detailed in SB7 are to (1) ensure nondiscriminatory access to the ERCOT transmission system; (2) ensure the reliability and adequacy of the ERCOT network; (3) ensure timely and accurate customer switching; and (4) ensure the accuracy of accounts among wholesale buyers and sellers. Austin Energy is a member of ERCOT, and Austin Energy staff are active in the ERCOT stakeholder process. ERCOT membership includes stakeholders from all segments of the Texas electric market and is responsible for the management and oversight of the day-to-day operations of the transmission network and wholesale market settlement. Under PURA, the PUCT has specific responsibilities to oversee ERCOT operations and market participant compliance with ERCOT Protocols, Operating Guides, and Other Binding Documents.

SB7 also amended PURA to provide for retail deregulation of the electric utility industry in the State. The law opened retail competition for Investor Owned Utilities in the ERCOT region beginning January 1, 2002. SB7 allows local authorities to choose whether to bring retail competition to their Municipally Owned Utilities ("MOUs") and leaves key municipal utility decisions (like local rate setting and utility policies) in the hands of those who have a stake in the local community. Once a resolution to "opt in" for retail competition is adopted by the MOU's governing body, the decision is irrevocable. The City has not opted into competition. As a result, retail competition is not allowed inside Austin Energy's service territory.

ERCOT Wholesale Market Design

Austin Energy participates in the ERCOT wholesale power market. The ERCOT wholesale market has been dispatched and settled on a nodal basis since December 1, 2010. The key components of the nodal market include: establishment of a day-ahead energy market; resource-specific bid curves for energy and ancillary services; congestion pricing incorporating direct assignment of all congestion rents to resources causing the congestion; tradable congestion revenue rights ("CRRs") made available through auctions; nodal energy prices for resources; energy trading hubs; and zonal energy prices for load settlement. Austin Energy's service territory is identified as a load zone for settlement purposes.

Austin Energy's Energy and Market Operations staff offers Austin Energy's generation resources into the ERCOT market. All power to serve Austin Energy's load is procured from the ERCOT market. Participation in this market allows Austin Energy to procure the cheapest source of supply possible to service its customers, whether that power is produced from Austin Energy's own generation resources or procured from the market.

The PUCT has considered changes to the ERCOT wholesale market to address potential reliability challenges. To address these concerns, the PUCT increased the market offer caps and implemented an Operating Reserve Demand Curve to represent the value of operating reserves in the real-time market relative to the probability of loss of load. Austin Energy staff closely monitor PUCT activities and provides comments to the PUCT regarding possible market design changes.

Federal Rate Regulation

Austin Energy is not subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC") under sections 205 and 206 of the Federal Power Act and is not subject to Federal statutes and regulation in the establishment of rates, the issuance of securities or the operation, maintenance or expansion of Austin Energy. Nevertheless, Austin Energy submits various reports to FERC and participates in ERCOT, a stakeholder organization established under State law that is similar to the Regional Transmission Organizations envisioned in FERC Order No. 2000.

Pursuant to the Energy Policy Act of 2005, Austin Energy is subject to certain FERC authority on reliability. On July 20, 2006, FERC certified the North American Electric Reliability Corporation ("NERC") as the nation's Electric Reliability Organization responsible for developing and enforcing mandatory electric reliability standards under FERC's oversight. Every five years, FERC reviews and approves the Delegation Agreement between NERC and Texas Reliability Entity, Inc. ("Texas RE"), which governs the responsibilities of Texas RE as the Regional Entity responsible for overseeing the NERC reliability standards in the ERCOT region. Additionally, Texas RE serves as the PUCT's Reliability Monitor. In that role, Texas RE monitors Austin Energy's compliance with the ERCOT Protocols and other reliability-related rules. Austin Energy has established a Reliability Compliance Program to examine the requirements for compliance with reliability standards and to evaluate and implement any needed changes to systems and procedures. Austin Energy's compliance with reliability standards is verified through external audits and other oversight processes conducted by Texas RE.

Environmental Regulation - General

Austin Energy is subject to environmental regulation by federal, State and local authorities and has processes in place for assuring compliance with applicable environmental regulations. Austin Energy's Environmental Services section consists of a staff of educated and trained environmental compliance professionals who are responsible for establishing and maintaining compliance programs throughout the utility. The Environmental Services section interprets existing federal, State and local regulations and monitors changes to regulations that affect Austin Energy. Austin Energy maintains an Environmental Management Information System (EMIS) which delineates roles and responsibilities, and automatically schedules environmental compliance tasks throughout the organization. The Environmental Services staff and facility personnel monitor conformance with the environmental requirements, report deficiencies to facility management, and coordinate corrective actions where appropriate. The Environmental Services section is also responsible for conducting environmental training for the organization.

Environmental Regulation Related to Air Emissions

Federal Greenhouse Gas Regulations

In October 2015, the United States Environmental Protection Agency ("USEPA") finalized the Clean Power Plan ("CPP") requiring CO_2 emissions reductions from the electricity section in most states, and directed each state to develop its own plan to achieve those reductions. Twenty-seven states and numerous industry groups filed a combined 39 lawsuits from a total of 157 petitioners asking the D.C. Circuit to review the rule. Briefings were completed in April 2016 and oral arguments were conducted in September 2016. The Supreme Court stayed the CPP rule in February, 2016, pending review in the D.C. Circuit Court. Prior to a final decision by the Circuit Court, the USEPA proposed revising the rule in August 2018, and in September 2019 the final Affordable Clean Energy (ACE) rule became effective and replaced the Clean Power Plan. The ACE rule requires states to submit plans to EPA with carbon emission rate limits for coal generating units based on heat rate improvement measures. Coal generators in Texas including FPP must submit evaluations of the potential for emission rate reductions from heat rate improvements to the Texas Commission on Environmental Quality (TCEQ) by October 30, 2020. Final carbon rate limits pursuant to the ACE rule are expected to be final and effective no later than July 2024.

Mercury and Air Toxics Standards (MATS)

USEPA's final MATS rule published in February 2012 set emissions limits for mercury and other toxic air emissions from coal-fired electric utility boilers. For Austin Energy, this rule applies to FPP Units 1 and 2. Numerous states and industry groups challenged USEPA's determination that the rule is appropriate and necessary, and USEPA finalized a finding in May 2020 that the rule benefits did not outweigh the costs, but left the 2012 limits in place. Original legal challenges are being held in abeyance and new petitions for review of the May 2020 finding have been filed.

Austin Energy and its operating partner at FPP have already made the necessary investment to comply with MATS and will continue to comply until further direction is provided from USEPA.

Cross-State Air Pollution Rule and Clean Air Interstate Rule

Austin Energy's large facilities have been complying with the Cross-State Air Pollution Rule ("CSAPR") since 2015. On September 7, 2016, USEPA finalized an update to the CSAPR rule. The final rule lowered the State's Phase II ozone season budgets by approximately an additional 10%. Austin Energy emission of nitrogen oxide ("NOx") exceeded allocations in 2018 and 2019, resulting in the need to purchase excess allowances on the market. Future year allowance needs are unknown and the need for allowance purchases will be reduced or eliminated with the planned retirement of Decker units 1&2 in 2020 and 2021 respectively.

Regional Haze Rule

The federal Regional Haze Program is intended to restore and protect visibility in federal Class I areas, which are mostly national parks. Fossil-fuel burning power plants are a primary source of the pollution that reduces visibility and are subject to regional haze program requirements via either a state or federal implementation plan (SIP or FIP). Coal plants in Texas including FPP are subject to a federal program that caps SO2 emissions in the state. That Texas FIP has been the subject of numerous challenges, regulatory reviews and revisions; in June 2020, USEPA finalized minor revisions and reaffirmed the need for the Texas SO2 trading program. FPP is subject to the SO2 requirements and must hold allowances to cover its emissions, however at this time the need for, and cost of, additional allowances for compliance are not deemed significant.

Environmental Regulation Related to Water Discharges

Cooling water intake structures

Section 316(b) of the Clean Water Act establishes requirements to minimize the impact of cooling water intake structures on aquatic organisms. The USEPA promulgated revised standards in 2014 that require cooling water intake structures to be designed to limit organism impingement and entrainment. All major power plants with once-through cooling will be required to complete studies over the next four years assessing impacts to aquatic organisms and appropriate mitigation measures, and plants with potential impacts could be required to upgrade intake structures to meet the new criteria. The rule applies to the City's Decker Creek Power Station and FPP. However, both facilities were built on reservoirs specifically made for cooling, which the rule effectively exempts from some of the major requirements. Overall risk associated with this rule is believed to be low at this time.

Effluent Limit Guideline (ELG) regulations

On November 3, 2015, the USEPA finalized technology-based wastewater effluent limitation guidelines and standards for steam electric power generating units, primarily focused on discharges associated with coal generating facilities. The standards provide for a phased-in approach and the use of technologies already installed at many power plants. In November 2019, USEPA proposed revisions to the rule for certain wastewater streams. Because FPP implements dry ash handling and onsite, no-discharge treatment of scrubber effluent neither the original nor the proposed revisions of the ELG regulation have significant compliance requirements for Austin Energy.

Environmental Regulation Related to Hazardous Wastes and Remediation

In January 2015, the USEPA promulgated a rule that sets new requirements for the storage of Coal Combustion Residuals ("CCRs") and potentially reclassifies those CCRs as a hazardous waste when stored in a landfill. FPP, like all coal burning plants, generates CCRs such as fly ash, bottom ash and gypsum. FPP currently recycles the majority of its CCR for beneficial use, such as for road base or as cement substitutes, with the remaining fractions stored onsite in a landfill for possible future use (recycle rates depend on market demand for the product). In 2011, Austin Energy and the Lower Colorado River Authority ("LCRA") completed a project to permanently close a "wet" ash pond where ash slurry had previously been sent for dewatering before recycle and converted ash handling to a dry system. The final rule does not designate CCRs as hazardous and largely minimizes any requirements on existing CCR storage units currently at FPP. FPP is in compliance with existing CCR rule requirements and Austin Energy does not anticipate any significant future costs associated with this rule at this time.

Nuclear Regulation

Nuclear generation facilities are subject to regulation by the Nuclear Regulatory Commission ("NRC") and are required to obtain liability insurance and a United States Government indemnity agreement in order for the NRC to issue operating licenses. This primary insurance and the retrospective assessment discussed below are to insure against the maximum liability under the Price-Anderson Act (described below) for any public claims arising from a nuclear incident which occurs at any of the licensed nuclear reactors located in the United States.

The South Texas Nuclear Power Plant, in which the City owns a partial interest ("STP") is protected by provisions of the Price-Anderson Act, a comprehensive statutory arrangement providing limitations on nuclear liability and governmental indemnities even though the statutory protections for many non-commercial reactors are different. The Price-Anderson Act is set to expire on December 31, 2025. As of September 30, 2019, the limit of liability under the Price-Anderson Act for licensees of nuclear power plants is $13.8 billion per unit per incident, and the maximum amount that each licensee may be assessed following a nuclear incident at any insured facility is $137.609 million per unit, subject to adjustment for inflation, for the number of operating nuclear units and for each licensed reactor, payable at $20.496 million per year per reactor for each nuclear incident. The City and each of the other participants of STP are subject to such assessments, which will be borne on the basis of their respective ownership interests in STP. For purposes of the assessments, STP has two licensed reactors. The participants (including the City) have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC, in accordance with the financial protection requirements of the Price-Anderson Act.

A Master Worker Nuclear Liability policy, with a maximum limit of $450 million (as of September 30, 2019) for the nuclear industry as a whole, provides protection from nuclear-related claims of workers employed in the nuclear industry after January 1, 1988 who do not use the workers' compensation system as sole remedy and bring suit against another party.

NRC regulations require licensees of nuclear power plants to obtain on-site nuclear property damage insurance in a minimum amount of $1.06 billion. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP currently maintain $2.75 billion of nuclear property insurance, which is above the legally required amount of $1.06 billion for such nuclear losses ($2.75 billion is the maximum amount available for purchase from Nuclear Electric Insurance Limited ("NEIL")). Nuclear property insurance consists of $1.5 billion in primary nuclear property damage insurance and $1.25 billion of excess nuclear property damage insurance, both subject to a retrospective assessment being paid by all members of NEIL. In the event that property losses as a result of an accident at any nuclear plant insured by NEIL warrants additional funds needed by NEIL, a retrospective assessment could occur. The maximum aggregate assessment under current policies for accidental outage insurance, primary and excess nuclear property damage insurance is $52.7 million during any one policy year with insurance premiums being prorated per member share. This number changes annually and is calculated as 10 times the current premium for each policy. A small portion of the primary nuclear property damage insurance is provided by European Mutual Association for Nuclear Insurance ("EMANI") which is also subject to retrospective assessment of up to $1.878 million, which is six times the current calendar year premium.

The NRC regulations set forth minimum amounts required to demonstrate reasonable financial assurance of funds for decommissioning of nuclear reactors. Beginning in 1990, each holder of an operating license is required to submit to the NRC a bi-annual report indicating how reasonable assurance would be provided. The City provides the required report on its share of STP to the NRC which is based on the minimum amount for decommissioning, excluding waste disposal, as required by the NRC regulations of $105 million per unit (January 1986 dollars). This minimum is required to be adjusted annually in accordance with the adjustment factor formula set forth in the regulations. The 2018 report provided by the City based reasonable assurance on the minimum amount (January 1986 dollars) as adjusted by the adjustment factor formula set forth in the regulations. The City established an external irrevocable trust for decommissioning with JPMorgan Chase Bank, N.A, and as of October 2016, transferred the trust to Wilmington Trust, National Association. The City has been collecting for its share of anticipated decommissioning activities, which may begin as early as 2047, through its rates since Fiscal Year 1989. The market value of assets held in the decommissioning trust as of June 30, 2020 was $234,605,445. For Fiscal Year 2020, Austin Energy estimates that it will continue to collect approximately $5 million for decommissioning expense. In 2018 dollars, the minimum amount for decommissioning the City's share of STP is $397 million. See "INVESTMENTS – Legal Investments" in this document.

Events Affecting the Nuclear Industry

On March 11, 2011, a region of Japan sustained significant loss of life and destruction because of a major earthquake and resulting tsunami. Included in the damage areas were the Fukushima nuclear units, which lost power to components of the backup and safety control systems and began emitting radiation into the surrounding environment. Following the incident, the NRC began looking into the safety aspects of nuclear plant operations in the United States with the objective of assuring that events such as those at the Fukushima plant do not occur in this country. On August 31, 2012, the NRC issued Interim Staff Guidance ("ISG") to U.S. nuclear power plants to ensure proper implementation of three orders the agency issued in March 2012, in response to lessons learned from the Fukushima Daiichi nuclear accident. The ISGs represent acceptable approaches to meeting the orders' requirements before their December 31, 2016 compliance deadline.

The ISGs are not mandatory, but U.S. nuclear power plants would have to seek NRC approval in order to follow a different compliance approach. As detailed below, all required actions by STP related to these orders have been completed and accepted by the NRC.

The first NRC order requires all U.S. plants to better protect portable safety equipment put in place after the 9/11 terrorist attacks and to obtain sufficient equipment to support all reactors and spent fuel pools at a given site simultaneously. The ISG for this order endorses the industry's updated guidance for dealing with a scenario that knocks out all of a plant's alternating current electric sources. The updated approach includes the use of backup power supplies for devices that would burn off accident-generated hydrogen before it could accumulate to explosive levels. The staff concludes the updated approach will successfully implement the first NRC order. The ISG is available in the Agencywide Document Access and Management System ("ADAMS") under accession number ML12229A174; the associated industry document is available under accession number ML12242A378. STP has completed engineering design and installation of equipment and modifications to address these requirements and has had the final closeout inspection by the NRC. The NRC has accepted STP's completion letter and no further action is required for this order.

The second NRC order applies only to U.S. boiling-water ("BWR") reactors that have "Mark I" or "Mark II" containment designs. Mark I reactors must improve installed venting systems that help prevent core damage in the event of an accident; Mark II reactors must install these venting systems. The ISG for this order provides more detailed technical information on the vents, as well as how vent designs and operating procedures should avoid, where possible, relying on plant personnel taking actions under hazardous conditions. The second ISG is available in ADAMS under accession number ML12229A475. Since the STP units are Pressurized Water Reactor's and not BWR's, no changes are required.

The third NRC order requires all plants to install enhanced equipment for monitoring water levels in each plant's spent fuel pool. The ISG for this order largely endorses an industry document that the staff concludes will successfully implement the order. The ISG defines in more detail the water levels the new equipment must accurately report, as well as standards for equipment mounting, powering and testing, personnel training and other criteria. The final ISG notes several areas, including instrument qualifications and instrument protection from falling debris, where the industry revised its initial approach. An exception in the staff's endorsement sets specific seismic criteria to ensure the instruments will survive an earthquake. This ISG is available in ADAMS under accession number ML12221A399; the associated industry document is available under accession number ML12240A304. STP has completed engineering design and installation of equipment and modifications to address these requirements and has had the final closeout inspection by the NRC. The NRC has accepted STP's completion letter and no further action is required for this order.

CONTINUING DISCLOSURE OF INFORMATION

In each Ordinance, the City has made the following agreement for the benefit of the Holders and beneficial owners of the Obligations. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

Annual Reports

The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the main text of this Official Statement within the tables numbered one through twelve and in APPENDIX B. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation. The City will update and provide this financial information and operating data as of the end of each fiscal year within six months after the end of each fiscal year, beginning with the fiscal year ending in 2020 and audited financial statements within 12 months of each fiscal year beginning with the fiscal year ending in 2020. If audited financial statements are not available within 12 months after any such fiscal year end, the City will provide unaudited financial statements within such 12 month period and audited financial statements for such fiscal year when and if the audit report on such statements becomes available. The City will provide the updated information to the MSRB through its Electronic Municipal Market Access ("EMMA") information system.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12 (the "Rule"), promulgated by the United States Securities and Exchange Commission (the "SEC").

The City's current fiscal year is October 1 to September 30. Accordingly, it must provide updated financial information and operating data by March 31 of each year (six months after the current fiscal year end of September 30) and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available as described above) by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

Disclosure Event Notices

The City shall notify the MSRB, in a timely manner not in excess of 10 Business Days after the occurrence of the event, of any of the following events with respect to the Obligations: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) Obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the City or obligated person; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material; (15) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Obligation holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties. The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data by the time required by each Ordinance, as applicable. Neither the Obligations nor the Ordinances make any provision for debt service reserves or liquidity enhancement.

As used in clause (12) above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if jurisdiction has been assumed by leaving the City Council and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. As used in clause (15) and clause (16) above, the term "Financial Obligation" means a: (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii); provided that "Financial Obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The term "Business Day" means a day other than a Saturday, Sunday, a legal holiday, or a day on which banking institutions are authorized by law or executive order to close in the City or the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located.

Availability of Information

In connection with its continuing disclosure agreement entered into with respect to the Obligations, the City will file all required information and documentation with the MSRB in electronic format and accompanied by such identifying information as prescribed by and in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB at www.emma.msrb.org.

Limitations and Amendments

The City has agreed to update information and to provide notices of certain events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Obligations may seek a writ of mandamus to compel the City to comply with its agreement. No default by the City in observing or performing its obligations under its continuing disclosure undertaking for the Obligations shall constitute a breach of or default under the applicable Ordinance for purposes of any other provision of the applicable Ordinance.

The City may amend its continuing disclosure agreement for any series of Obligations from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell such Obligations in the offering described in this document in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the respective series of outstanding Obligations consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Obligations. The City may also amend or repeal the provisions of its continuing disclosure agreement for any series of Obligations if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling such Obligations in the primary offering of the Obligations. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "CONTINUING DISCLOSURE OF INFORMATION - Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

Compliance with Prior Undertakings

With respect to the City's continuing disclosure agreement regarding the Rental Car Special Facility Revenue Bonds, the City failed to file rating upgrades from Moody's and Fitch within the ten-day window which started on July 10, 2015 and August 17, 2016, respectively. The City filed the event notices with respect to the ratings upgrade on December 14, 2016. The failure to file the ratings upgrade in a timely manner was also filed on the same date. With respect to the continuing disclosure agreement entered into by Austin-Bergstrom Landhost Enterprise ("ABLE"), with respect to its Series 1999A & 1999B Bonds, ABLE did not file its financial statements by the June 30 deadline for Fiscal Year December 31, 2015. The financial statements were filed on July 19, 2016 and the failure to file notice was posted on September 1, 2017. The referenced ABLE bonds are no longer outstanding. With respect to the City's continuing disclosure reports regarding its outstanding Airport System Revenue Bonds, the City determined that a table had transposed years in the presentation of data in such report that was filed in 2015, and the City filed corrected information for such table on May 8, 2015. With respect to the City's continuing disclosure reports regarding its outstanding Combined Utility Revenue Bonds, Water and Wastewater System Revenue Bonds, and Electric Utility System Revenue Bonds, on April 25, 2016, the City filed updated financial information and operating data to reflect audited financial information as well as updated information in the "Comparative Analysis of Electric Utility System and Water and Wastewater System Operations," "Operating Statement Electric Utility System and Water and Wastewater System" and "The Electric Utility System and Water and Wastewater System (Plant Cost and Equity in Utility Systems)" tables previously filed. On February 3, 2017, the City filed a ratings upgrade notice for the Prior First-Lien Combined Electric, Water and Wastewater Revenue Bonds, which took place on July 1, 2015. The failure to file the ratings upgrade in a timely manner was also filed on the same date. On June 30, 2017, the City filed updated financial information and operating data to reflect Fiscal Year 2016 information on the first page of the "Water Service Rates" table. The City has implemented procedures to ensure timely filing of all future financial information and event notices and will continue to provide updates to the financial information and operating data as changes occur.

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TAX MATTERS

Certain Federal Income Tax Considerations

The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Obligations and is based on the Internal Revenue Code of 1986 (the "Code"), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service ("IRS") and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Obligations and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to branch profits tax or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Obligations as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the "U.S. dollar". This summary is further limited to investors who will hold the Obligations as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term "U.S. Holder" means a beneficial owner of an Obligation who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term "Non-U.S. Holder" means a beneficial owner of an Obligation that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF OBLIGATIONS IN LIGHT OF THE HOLDER'S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE OBLIGATIONS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE OBLIGATIONS. THE FOLLOWING DISCUSSION IS NOT INTENDED OR WRITTEN TO BE USED TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF RECENTLY ENACTED LEGISLATION OR THE PURCHASE, OWNERSHIP OR DISPOSITION OF THE OBLIGATIONS UNDER APPLICABLE STATE OR LOCAL LAWS, OR ANY OTHER TAX CONSEQUENCE.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number

("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the withholding or backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Tax-Exempt Obligations

Opinion

On the date of initial delivery of the Tax-Exempt Obligations, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) for federal income tax purposes, interest on the Tax-Exempt Obligations of each series will be excludable from the "gross income" of the holders thereof and (2) the Tax-Exempt Obligations of each series will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Tax-Exempt Obligations. See "APPENDIX C -- FORMS OF BOND COUNSEL'S OPINIONS" in this document

In rendering its opinion, Bond Counsel to the City will rely upon (a) certain information and representations of the City, including information and representations contained in the City's federal tax certificate related to the Tax-Exempt Obligations, and (b) covenants of the City contained in the Tax-Exempt Obligation documents relating to certain matters, including arbitrage and the use of the proceeds of the Tax-Exempt Obligations and the property financed or refinanced therewith. Failure by the City to observe the aforementioned representations or covenants could cause the interest on the Tax-Exempt Obligations to become taxable retroactively to the date of issuance. In addition, with respect to the Bonds, Bond Counsel to the City will rely upon the report of Robert Thomas CPA, LLC, certified public accountants, reporting calculation of yield on the Bonds and the Refunded Obligations; see "VERIFICATION OF MATHEMATICAL CALCULATIONS" in this document.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Tax-Exempt Obligations in order for interest on the Tax-Exempt Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Tax-Exempt Obligations to be included in gross income retroactively to the date of issuance of the Tax-Exempt Obligations. The opinion of Bond Counsel to the City is conditioned on compliance by the City with such requirements, and Bond Counsel to the Issuer has not been retained to monitor compliance with these requirements subsequent to the issuance of the Tax-Exempt Obligations.

Bond Counsel's opinion regarding the Tax-Exempt Obligations represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion related to the Tax-Exempt Obligations is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Tax-Exempt Obligations.

A ruling was not sought from the IRS by the Issuer with respect to the Tax-Exempt Obligations or property financed or refinanced with the proceeds of any series of the Tax-Exempt Obligations. No assurances can be given as to whether the IRS will commence an audit of the Tax-Exempt Obligations, or as to whether the IRS would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the IRS is likely to treat the City as the taxpayer and the holders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Tax-Exempt Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the Obligations may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Obligations"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any U.S. Holder who has purchased a Tax-Exempt Obligation as an Original Issue Discount Obligation in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Obligation equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below. In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such U.S. Holder in excess of the basis of such Original Issue Discount Obligation in the hands of such U.S. Holder (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Obligation was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Obligation is accrued daily to the stated maturity thereof (in amounts calculated as described below for each accrual period and ratably within each such accrual period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Obligation for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Obligation.

All U.S. Holders of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Obligations.

Collateral Federal Income Tax Consequences

Under section 6012 of the Code, U.S. Holders of tax-exempt obligations, such as the Tax-Exempt Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Tax-Exempt Obligations, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Tax-Exempt Obligations under Federal or state law and could affect the market price or marketability of the Tax-Exempt Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Tax-Exempt Obligations should consult their own tax advisors regarding the foregoing matters.

Taxable Bonds

Certain U.S. Federal Income Tax Consequences to U.S. Holders

Periodic Interest Payments and Original Issue Discount. The Taxable Bonds are not obligations described in section 103(a) of the Code. Accordingly, the stated interest paid on the Taxable Bonds or original issue discount, if any, accruing on the Taxable Bonds will be includable in "gross income" within the meaning of section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Taxable Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Taxable Bonds. Generally, a U.S. Holder's tax basis in the Taxable Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Taxable Bonds has been held for more than one year.

Defeasance of the Taxable Bonds. Defeasance of any Taxable Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Taxable Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes. Certain individuals, estates or trusts may be subject to a 3.8% surtax on all or a portion of the taxable interest that is paid on the Taxable Bonds. PROSPECTIVE PURCHASERS OF THE TAXABLE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE FOREGOING MATTERS

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders

A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Taxable Bond, will not be subject to U.S. federal income or withholding tax in respect of such Taxable Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Taxable Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Robert Thomas CPA, LLC (the “Verification Agent”), a firm of independent certified public accountants, upon delivery of the Bonds and the Taxable Bonds, will deliver to the City its report indicating that it has examined the mathematical accuracy of computations prepared by PFM relating to the sufficiency of the payments on the Escrowed Securities and cash to be deposited in the Escrow Fund.

The report of the Verification Agent will include the statement that the scope of its engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to it and that it has no obligation to update its report because of events occurring, or data or information coming to their attention, subsequent to the date of their report. The report of the Verification Agent will be relied upon by Bond Counsel in rendering its opinions with respect to the exclusion of interest on the Bonds for federal income tax purposes and with respect to the defeasance of the Refunded Obligations.

OTHER RELEVANT INFORMATION

Ratings

Each series of Obligations has received ratings of “___” (_______ outlook) from Moody’s Investors Service, Inc. (“Moody’s”), “___” (________ outlook) from S&P Global Ratings, a division of S&P Global Inc. (“S&P”), and “___” (_______ outlook) from Fitch Ratings, Inc. (“Fitch”). An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment of one or all such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or by any one of them, may have an adverse effect on the market price and marketability of the Obligations. Except as provided under "CONTINUING DISCLOSURE OF INFORMATION – Disclosure Event Notices" in this document, the City will undertake no responsibility to notify the owners of the Obligations of any such revisions or withdrawal of ratings.

Litigation

A number of claims against the City, as well as certain other matters of litigation, are pending with respect to various matters arising in the normal course of the City's operations. The City Attorney and City Management are of the opinion that resolution of the claims pending (including the matter described below) will not have a material effect on the City's financial condition.

Electric Utility System Litigation

On May 3, 2017, Data Foundry, Inc., filed a lawsuit against the City (Cause No. D-1-GN-17-000937 in the 419th Judicial District Court of Travis County, Texas), alleging that the ERCOT nodal market design disqualifies the City's electric generation assets from being considered as used and useful for the purpose of establishing rates for electric service to the City's retail customers, and otherwise challenging the reasonableness of the City's rate of return and debt service coverage levels. The lawsuit seeks declaratory relief that the City's current retail electric rates are unlawful due to the inclusion of costs and return related to generation assets, and seeks a permanent injunction against the City's establishing electric rates that include costs and return related to generation assets and operations. The case was dismissed by the trial court on November 27, 2017 on the basis that the plaintiff lacked standing to bring a lawsuit challenging the City's rates. Data Foundry appealed the trial court's decision to the 14th Court of Appeals in Houston (Cause No. 14-18-00071-CV). On April 23, 2019, the appellate court partially upheld the trial court's dismissal of the case, holding that the City's inclusion of generation costs in retail rates was proper and dismissing other claims, but remanded the remainder of the case on the grounds that municipal utility ratepayers have general standing to bring suit alleging the excessiveness of utility rates on certain grounds. Both parties are currently seeking review of the appellate decision by the Texas Supreme Court in Cause No. 19-0475.

Registration and Qualification

The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained in the Securities Act of Texas; nor have the Obligations been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Investments and Eligibility to Secure Public Funds in Texas

Under the Texas Public Security Procedures Act (Texas Government Code, Chapter 1201), the Obligations are (i) negotiable instruments, (ii) investment securities to which Chapter 8 of the Texas Uniform Commercial Code applies, and (iii) legal and authorized investments for (A) an insurance company, (B) a fiduciary or trustee, or (C) a sinking fund of a municipality or other political subdivision or public agency of the State of Texas. The Obligations are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the PFIA, the Obligations may have to be assigned a rating of at least "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with at least $1 million of capital and savings and loan associations.

The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Obligations for such purposes. The City has made no review of laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

Legal Matters

The delivery of each series of the Obligations is subject to the approval of the Attorney General of Texas to the effect that such Obligations are valid and legally binding obligations of the City payable from the sources and in the manner described in this document and in the respective Ordinances and the approving legal opinions of Bond Counsel. The forms of Bond Counsel's opinions are attached to this document in APPENDIX C. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent upon the sale and delivery of the Obligations. The legal opinions of Bond Counsel will accompany the Obligations deposited with DTC or will be printed on the definitive Obligations in the event of the discontinuance of the Book-Entry-Only System. In addition, certain legal matters will be passed upon (i) for the City by Norton Rose Fulbright US LLP, disclosure counsel for the City, and (ii) for the Underwriters by Haynes and Boone, LLP, counsel to the Underwriters. The legal fees of such firms are contingent upon the sale and delivery of the Obligations.

Bond Counsel was not requested to participate, and did not take part, in the preparation of this Official Statement, and such firm has not assumed any responsibility for this Official Statement or undertaken independently to verify any of the information contained in it, except that, in their capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions, "OBLIGATION INFORMATION" (except for the information under the subheadings "Remedies" and "Book-Entry-Only System"), "TAX MATTERS", "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subheading "Compliance with Prior Undertakings"), "OTHER RELEVANT INFORMATION – Registration and Qualification," "OTHER RELEVANT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" and "OTHER RELEVANT INFORMATION – Legal Opinions," and in APPENDIX C to verify that the information relating to the Obligations and the Ordinances in all respects accurately and fairly reflects the provisions thereof and, insofar as such information relates to matters of law, is true and accurate.

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues expressly addressed in those opinions. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Financial Advisor

PFM Financial Advisors LLC ("PFM"), Austin, Texas, is employed as Financial Advisor to the City in connection with the issuance, sale and delivery of the Obligations. The payment of the fee for services rendered by PFM with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. PFM, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the bond documentation with respect to the federal income tax status of the Obligations.

Independent Auditors

The financial data listed as fiscal year 2020 has been derived from the unaudited internal records of the City. The City's independent auditors have not reviewed, examined, or performed any procedures with respect to the unaudited financial information, nor the forward-looking financial information, nor have they expressed any opinion or any other form of assurance on such information, and assume no responsibility for, and disclaim any association with the unaudited financial information. The unaudited information is preliminary and is subject to change as a result of the audit and may differ from the audited financial statements when they are released.

The financial statements of the City included in APPENDIX B to this Official Statement have been audited by Deloitte & Touche LLP, independent auditors, to the extent and for the period indicated in their report.

Underwriting

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Bonds from the City at a price equal to the initial offering prices shown on page ii of this Official Statement, less an underwriting discount of $__________. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Certificates from the City at a price equal to the initial offering prices shown on page ii of this Official Statement, less an underwriting discount of $__________. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased. The Certificates may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Contractual Obligations from the City at a price equal to the initial offering prices shown on page ii of this Official Statement, less an underwriting discount of $__________. The Underwriters will be obligated to purchase all of the Contractual Obligations if any Contractual Obligations are purchased. The Contractual Obligations may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain customary conditions to delivery, to purchase the Taxable Bonds from the City at a price equal to the initial offering prices shown on page iii of this Official Statement, less an underwriting discount of $__________. The Underwriters will be obligated to purchase all of the Taxable Bonds if any Taxable Bonds are purchased. The Taxable Bonds may be offered and sold to certain dealers and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

An Siebert Williams Shank & Co., L.L.C. ("SWS") affiliate (the "Affiliate"), which is a registered investment advisor, has three sub-advisory agreements with PFM Asset Management LLC, which is an investment advisor affiliate of PFM Financial Advisors LLC. The sub-advisory agreements do not relate to the City. The Affiliate's business is separate from SWS' business and the employees of SWS who cover the City are not involved in the activities of the Affiliate.

Piper Sandler & Co., one of the underwriters of the Bonds, has entered into a distribution agreement ("Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), one of the underwriters of the Obligations, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo

Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the Obligations. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Obligations with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the Obligations. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC′s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

Forward - Looking Statements

The statements contained in this Official Statement and in any other information provided by the City that are not purely historical are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the City's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included in this document are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial, and other governmental authorities and officials.

Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Authenticity of Financial Data and Other Information

The financial data and other information contained in this document have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates will be realized. All of the summaries of the statutes, documents and resolutions contained in this document are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Approval of the Official Statement

This Official Statement, and the execution and delivery of this Official Statement, was approved and authorized by each of the Ordinances adopted by the City Council on August 27, 2020.

____
Mayor
City of Austin, Texas

ATTEST:

____
City Clerk
City of Austin, Texas

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

GENERAL INFORMATION

The City of Austin, chartered in 1839, has a Council-Manager form of government with a Mayor who is elected at-large and ten Councilmembers who are elected by geographic district. The elected officials serve four-year staggered terms subject to a maximum of two consecutive terms. The City Manager, appointed by the City Council, is responsible to the Council for the management of all City employees, except Council appointees, and for the administration of all City affairs.

The City, which is the capital of Texas, is the fourth most populous city in the state (behind Houston, San Antonio, and Dallas) and the eleventh largest in the nation with a September 2019 population of 980,886 according to the City's estimates. Over the past ten years, Austin's population increased by 26% or 202,326 residents. The City's demographer predicts that Austin will surpass the one million mark by mid-year. Recent data released by the U.S. Census Bureau identified the Austin-Round Rock MSA as the fastest growing in the country. Geographically, Austin consists of approximately 327 square miles. The current estimated median household income for Austin residents is $65,950 according to Nielsen Site Reports and Austin's per capita personal income is estimated to be $63,400, a 7.9% increase over 2018.

The City offers several broad-ranged educational opportunities for those individuals with a desire to learn. Austin is a highly educated city, with 50% of adults 25 years or older holding a bachelor's or advanced degree, compared to 29% for Texas and 32% for the U.S. as a whole. Higher education is a significant aspect of life in the Austin area, which is host to six universities, a robust community college system, and numerous other institutions of higher learning. The University of Texas at Austin (UT), the seventh largest public university in the nation, is known as a world-class center of education and research and was ranked 14th among public universities in the 2019 U.S. News and World Report Best Colleges survey of undergraduate programs.

The City is nationally recognized as a great place to live due in part to its diverse, educated and eclectic population, as well as its promotion of a year-round outdoor active lifestyle. The City draws its special character from its physical setting along the Balcones Escarpment, wedged between coastal plains and dramatic cliffs, canyons, and juniper-carpeted rolling hills. Austin's quality of life has become a critical economic development engine, and the City's diverse demographic structure serves to support and enrich its quality of life.

Major Initiatives

The City has a long-term vision of Austin being the most livable community in the country. The City has a highly dedicated and exceptional workforce to support City Council's policies and initiatives. City staff are committed to creating a work environment that fosters creative thinking and innovation throughout the organization, thereby better positioning the workforce to more effectively respond to new challenges as well as new opportunities. City employees take enormous pride in their work.

Imagine Austin – Imagine Austin, a comprehensive plan for the City's future approved by City Council in June 2012, sets a context to guide decision-makers for the next 30 years. The plan adheres to six core principles established in collaboration with Austin citizens:

- Grow as a compact, connected city
- Integrate nature into the city
- Provide paths to prosperity for all
- Develop as an affordable and healthy community
- Sustainably manage water, energy, and other environmental resources
- Think creatively and work together

Strategic Plan – In the spring of 2018, the City Council adopted a strategic plan, Strategic Direction 2023, to provide a shared vision for the City for the next three to five years. Strategic Direction 2023 is inspired by Imagine Austin, which laid out a 30-year vision for our community. Six priority strategic outcomes were identified to help develop and guide City policies, initiatives, and budget development. The six outcomes are:

- Mobility;
- Economic Opportunity and Affordability;
- Safety;
- Health and Environment;
- Culture and Lifelong Learning; and
- Government that Works for All.

As a result of the Strategic Direction 2023 effort, the annual budget underwent significant modification to present departmental expenditure plans and measures affecting these six outcomes.

Mobility – In November 2016, Austinites approved a $720 million general obligation bond proposition to fund transportation and mobility improvements. Approximately two-thirds of the funding will be devoted to corridor improvement projects with the remainder earmarked for regional and local improvements including bicycle and pedestrian facilities and safety. In August 2019, the Guadalupe and Lavaca corridor transit improvements were completed, the first 2016 Mobility Bond Corridor Construction project to complete construction. The capital spending plan for 2020 includes $312.3 million for mobility, the bulk of which is related to Aviation property improvements including a new parking structure, consolidated maintenance facility and information technology facility. Other capital mobility projects include continued corridor improvements, sidewalk repairs and increasing miles of new and improved bike lanes. Operational highlights for the fiscal year 2020 budget include enhanced staffing for design, engineering and project management to maximize existing transportation infrastructure for efficiency and effectiveness, continuation of Vision Zero and additional right-of-way staff to help reduce backlogs to ensure safety on roadways and sidewalks alike.

Economic Opportunity and Affordability – Affordability remains a prime consideration as the City makes decisions that impact citizens who live here and businesses that operate here. For 2020, there were no base rate increases for four of the City's six rate-assessing enterprise departments. The overall anticipated annual dollar change for the two rate increases is less than $25 per year, and one of the rate increases only affects residential customers using the large 64-gallon trash cart. Ending homelessness continues to be the highest priority of the City Council. For fiscal year 2020, the budget includes $64.4 million to address this crisis, an increase of $18.7 million over the prior year. Funding is provided for a full range of services including housing displacement prevention, crisis mitigation while experiencing homelessness, re-empowerment by providing safe and sustainable housing solutions, and related support. In addition, $42 million in capital spending on affordable housing is planned for 2020, with major project expenditures related to mixed-income, multi-family rental units and construction of new units for permanent supportive housing. In the arena of economic opportunity, the Economic Development Department budgeted $2.6 million for redevelopment initiatives on City-owned properties that will result in additional taxable property value as well as affordable rental units. The department also collaborates with several area partners on the Master Community Workforce Plan with a goal of training 10,000 residents in workforce development programs in order to move them out of poverty and into family-sustaining careers.

Safety – In addition to the traditional public safety departments, other major departments in the safety outcome include Austin Energy, Austin Water and Watershed Protection. The fiscal year 2020 budget includes funding for 30 new police officers as called for in the department's staffing plan. In addition, 32 fire fighter and 12 new paramedic positions are included to staff the new Moore's Crossing Fire/EMS station. The Austin area has been ranked as the fifth highest for risk of wildfire in the western U.S. In response, the Austin Fire Department's Wildfire Division expects to conduct 44 "Firewise" community presentations every year and treat over 200 acres annually for wildfire prevention. Almost half of the planned capital spending for the Safety outcome is generated by Austin Water for water and wastewater upgrades and Watershed Protection for drainage, erosion and flood control, and water quality protection. In support of this strategic outcome, over $33 million is included for flood risk reduction buyouts in the Onion Creek area. For fiscal year 2020, the Austin Fire Department's planned capital spending is $46 million which is focused on the planning and construction of two fire and EMS stations, one in Travis Country (southwest of downtown) and another in the Del Valle/Moore's Crossing area (southeast of downtown).

Health and Environment – The Parks and Recreation Department's fiscal year 2020 operating budget accounts for the largest portion of the Health and Environment outcome at $85.6 million, with $30 million of spending planned for capital improvement projects. Funding for fiscal year 2020 includes completion of the Alliance Children's Garden in Town Lake Metro Park and Waterloo Park in the Waller Creek District, which includes a performing arts amphitheater. Completion of the park will move the city closer to its goal of maintaining 24 acres of parkland for every 1,000 citizens. Part of the

City's goal toward being environmentally resilient and responsible is achieving carbon neutrality. The Office of Sustainability is one of many city departments that works to consistently help reduce the City's carbon footprint. Also notable, Austin Energy's Climate Protection Plan goal of reaching 800 megawatts (MW) of peak demand savings and demand response by 2020 are expected to be achieved as a result of a mix of energy efficiency products and services. On the health side of this strategic priority, there are a number of initiatives spanning departments and disciplines. A total of $1.2 million and seven positions were added to the Emergency Medical Services department for the fiscal year 2020 budget to increase support for first responder mental health service calls. An initial investment of $2.5 million in the Dove Springs Neighborhood Health Services Center in fiscal year 2020 will fund preliminary and design phases of this long-awaited neighborhood facility that will provide preventative health services and other offerings to residents of the area.

Culture and Lifelong Learning - A majority of the fiscal year 2020 budget for this strategic outcome lies with the Austin Public Library for continued support of the Central Library as well as library branches across the City. In the Economic Development Department $750 thousand is available to assist nonprofit arts and music groups with maintaining work and performance space as these entities face displacement or lease increases in the current real estate market. In addition, in August Council voted to dedicate $3 million of Hotel Occupancy Tax revenue to live music initiatives. With respect to capital spending, the 2018 voter-approved public improvement bonds included funding for improvements to the Emma S. Barrientos Mexican American Cultural Center, which will begin preliminary planning in fiscal year 2020. Funding is also included to begin renovation of the Faulk Central Library to meet minimal archival storage standards for the Austin History Center, which will begin using the space upon completion.

Government that Works for All – New operating initiatives for this strategic outcome include funding a study to develop fiscal sustainability plans for the Retirement Systems for Police Officers and civilian employees, and the creation of an Office of Cybersecurity within Communications and Technology Management to position the city to meet growing cybersecurity risk. On the CIP side of this strategic outcome, $253.6 million has been allocated in Austin Energy's budget to include infrastructure maintenance and upgrades, a new headquarters at the Mueller development, a new downtown substation, and another district cooling plant. As City operations expand to serve a growing population, the city faces similar constraints in identifying office space for its staff. The new Planning and Development Center to be completed in fiscal year 2020 will consolidate several City departments into a one-stop shop for development-related functions.

In November 2018, Austin voters approved $925 million in public improvement bonds which support five of the six strategic outcomes as follows:

- Economic Opportunity and Affordability - $250 million for affordable housing;
- Mobility - $160 million for transportation infrastructure;
- Safety - $38 million for public safety projects;
- Health and Environment - $184 million for flood mitigation, open space, and water quality protection, $149 million for parks and recreation improvements, and $16 million for health and human services facilities; and
- Culture and Lifelong Learning - $128 million for libraries, museums, and cultural art facilities.

FINANCIAL INFORMATION

Internal Controls

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that City assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The system of internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Financial Policies

The City adopted a comprehensive set of Financial Policies to ensure that the City's financial resources are managed in a prudent manner and to provide a foundation for financial sustainability. Compliance with these policies is reviewed annually as part of the budget process. The policies and results of the review are published in the Approved Budget document. An important element of the policies dictates that current revenue will be sufficient to support current expenditures (defined as "structural balance"). Assigned and unassigned fund balances in excess of what is required shall normally be used to fund capital items. The City maintains the goal of a structurally balanced budget to achieve long-term financial stability for the City.

Long-term Financial Planning

Austin leaders are continually looking towards and planning for the future. A key City financial policy requires annual preparation of a five-year financial forecast projecting revenues and expenditures for all operating funds. This forecast is used as a tool to develop the following year's operating budget. In addition, the City annually prepares a five-year Capital Improvement Project (CIP) Plan that outlines all capital projects in progress, those that will be implemented in the five-year horizon, and related funding sources. A second plan covering a 10-year planning horizon, the Long-Range CIP Strategic Plan, is also updated biennially. This plan provides a data-driven approach to planning for how the City's future capital improvements support the way Austin functions and grows. Such an approach assists in aligning the City's CIP investments with the Imagine Austin Comprehensive Plan and the Council's new strategic priorities as the City strives to strike a balance between ongoing capital needs necessary to maintain services for a rapidly growing community and strategic investments that support community priorities. City departments prepare a number of other long- and mid- range service plans that provide input into decisions made in the planning and budgeting process. These plans range from clean energy and climate protection to strategic mobility planning. Maintaining sound financial and economic development policies within the City organization allows for a high level of services to the community. Because of consistent adherence to our financial policies and the area's healthy economy, the City's bond ratings for General Obligation bonds continue to be "AAA" for all three bond rating agencies, Moody's (Aaa), Standard & Poor's and Fitch Ratings, Inc. In one of the largest transactions in its history, the City purchased the Nacogdoches Generating Facility for $460 million. As the plant's only customer, the City considered the purchase as more of a refinancing, ultimately saving electric customers about $275 million.

Budgetary Control

The annual operating budget is proposed by the City Manager and approved by the City Council after public discussion. Annual budgets are legally required for the General Fund, debt service funds, and certain special revenue funds. While not legally required, annual budgets are also adopted for the enterprise and internal service funds. Annual updates to the Capital Improvements Program budgets follow a similar process. Multi-year budgets are adopted for capital projects and grant funds.

Throughout the year, primary responsibility for fiscal analysis of budget to actual expense or revenue and overall program fiscal standing rests with the department operating the program. The City Manager is authorized to transfer appropriation balances within a fund and department of the City. The City Council must approve amendments to the budget and transfers of appropriations from one fund and department to another. As demonstrated by the statements and schedules included in the 2019 CAFR, the City continues to meet its responsibility for sound financial management.

Budgetary Information

The fiscal year 2020 Budget was developed in a manner that reflected the City's commitment to openness, transparency, and public engagement. The budget development process integrates a collaborative approach to the City's finances with business planning, performance measurement, and resident input. By organizing around strategic outcomes identified by City Council, the document focuses more on the bigger picture and less on the details of departmental expenditures. Input was gathered and evaluated to address the many issues, concerns, and priorities identified by Austin's citizens, employees, boards and commissions, and Councilmembers. The result is a budget built around the ideals of livability, affordability, equity, and inclusivity that dictate the operations of Austin's city government.

The structurally balanced fiscal year 2020 Approved Budget totals $4.2 billion and includes $1.1 billion for the General Fund, providing for the continuation of high-quality public safety, health, library, parks, water, energy, infrastructure, development, and other services for the citizens of Austin and visitors. Budgeted revenue comes from utility charges (47%), various taxes (including property) (27%), charges for services and goods (14%), and other revenue such as interest, fees, and transfers (12%). The fiscal year 2020 budget was approved with a $0.0028 increase to the property tax rate, from 44.03 to 44.31 cents per $100 of taxable value. This 2020 budget is the last under the 8% tax cap, which was reduced to 3.5% in the 2019 Texas legislative session.

The City's largest enterprise department, Austin Energy, is the seventh largest city-owned electric utility in the U.S. in terms of customers served. Austin Energy serves more than 485,000 customers within a service territory of approximately 437 square miles in the Greater Austin area. Its approved fiscal year 2020 budget is $1.4 billion in annual revenues, including transfers. The utility has a diverse generation mix that includes nuclear, coal, natural gas, and an increasing portfolio of renewable energy sources such as solar and wind.

The City's second largest enterprise activity is Austin Water, which provides water and wastewater services to more than one million retail and wholesale customers spanning more than 540 square miles within Austin and surrounding areas. The fiscal year 2020 budget projects revenues and transfers in of $625 million. There are no planned changes to water and wastewater rates for fiscal year 2020.

Fiscal Year 2021 Budget

The approved fiscal year 2021 operating budget was prepared in accordance with guidelines provided by the City Council. The certified rollback tax rate of $0.4377 per $100 assessed valuation is estimated to generate revenue for the approved budget as set forth below. The following is a summary of the fiscal year 2021 General Fund Budget, which was adopted by City Council on August 12, 2020.

Beginning Balance, October 1, 2020 (Budget Basis)

Summary of Budgeted General Fund Resources		
Revenue:		
General Property Taxes	$ 549,958	
City Sales Tax	245,241	
Other Taxes	13,906	
Gross Receipts/Franchise Fees	27,489	
Miscellaneous	93,057	
Total Revenue		$ 929,651
Transfers In:		
Electric Revenue	$ 114,000	
Water Revenue	46,544	
Total Transfers In		160,544
Total General Fund Resources		$1,090,195
Summary of Budgeted General Fund Requirements		
Departmental Appropriations:		
Administrative Services	$ 33,116	
Urban Growth Management	17,171	
Public Safety	762,154	
Public Health and Human Services	89,769	
Public Recreation and Culture	160,194	
Total Departmental Appropriations		$ 1,062,404
Transfers Out		18,079
Other Requirements		9,712
Total General Fund Requirements		$ 1,090,195
Use of Beginning Balance		0
Ending Balance		$ 0
Budgeted Reserve Requirements		
Emergency Reserve		$ 65,244
Contingency Reserve		0
Property Tax Reserve		0
Budget Stabilization Reserve Fund		68,352
Total Budgeted Reserve Requirements		$ 133,596

The City's financial policies regarding General Fund reserves were revised, effective fiscal year 2016, to combine the General Fund Emergency Reserve and Contingency Reserve policies into one General Fund Emergency Reserve Fund and to set the target for total General Fund reserves of at least 12% of total fund requirements. The financial policies require a minimum General Fund Emergency Reserve Fund and General Fund Budget Stabilization Reserve Fund balance of 6% each of total General Fund requirements; previously, the policies set the General Fund Emergency Reserve Fund balance at $40 million and the General Fund Contingency Reserve Fund balance at 1% of departmental General Fund requirements and not less than $2,000,000, but did not set a balance for the General Fund Budget Stabilization Reserve Fund. Reserve usage and replenishment requirements did not change in the revised financial policies.

COVID-19's Impact on the General Fund Budget

Due to the public health emergency and the mandatory business closures and their impact on the economy, the City's Budget Office has projected a current fiscal year revenue shortfall in the General Fund of $41.5 million, or 4% of the original $1.08 billion revenue budget for the fiscal year ending September 30, 2020 (FY 2020) . Additionally, the City's Budget Office is currently projecting total General Fund revenue of $1.09 billion in the proposed budget for fiscal year ending September 30, 2021 (FY 2021), which is $30.1 million (3%) lower relative to original FY 2021 revenue forecast. The following items make up a substantial balance of the forecasted shortfalls:

- Sales tax reductions of $19.7 million in FY 2020 and $15.4 million in FY 2021 due to reduced operating capacity and Stay-at-home orders.
- Mixed Drink Tax reductions of $4.6 million in FY 2020 and $1.4 million in FY 2021.
- User Fees and Fine reductions of $17.2 million in FY 2020 and $1.8 million in FY 2021.
- Reduced Interest Earnings of $1.9 million in FY 2020 and $6.2 million in FY 2021 due to the significant decrease in interest rates.

In order to maintain a balanced budget, as required by the City Charter, the City plans to offset the projected revenue reductions in FY 2020 and FY 2021 through the following actions:

- The City instituted a hiring freeze on non-essential positions, which is currently estimated to produce savings of $14.4 million in FY 2020.
- All departments have been directed to curtail discretionary spending to the maximum extent possible while still maintaining essential City services.
- Utilize CARES Act funding to offset expenses associated with COVID-19 response activities. The City received the following funds from the CARES Act Program:
- Coronavirus Relief Fund - $170.8 million
- Community Development Block Grant - $4.6 million
- Homeless Emergency Solutions Grant - $2.4 million
- Community Services Block Grant - $1.5 million
- Byrne JAG - $885,000

The City currently projects that it will have sufficient cash to maintain operations and the current cash position is projected to be sufficient for the foreseeable future. The City intends on making the remaining General Obligation debt service payments on outstanding bonds and has included all of its debt service obligations in the FY 2021 budget.

The Capital Improvement Plan and Capital Budget

The Capital Improvement Plan is a five-year list of capital improvements and a corresponding spending plan for financing these improvements. It is developed through public input and department prioritization of needs. The process includes neighborhood meetings, department requests, assessment of requested projects by the City's Budget Office, input from the Planning Commission's CIP Subcommittee and other Boards and Commissions, and citizen input from public hearings. Each fiscal year, the Planning Commission reviews the Capital Improvement Plan and submits a recommendation to the City Manager detailing specific projects to be included in the Capital Budget for the next fiscal year.

The City Manager considers the Planning Commission's recommended plan to propose a Capital Budget to the City Council. The Capital Budget contains requested appropriations for new projects, additional appropriations for previously approved projects and any requests to revise prior year appropriations. Unlike the Operating Budget, which authorizes expenditures for only one fiscal year, Capital Budget appropriations are multi-year, lasting until the project is complete or until changed by the City Council.

The City Council reviews the Capital Budget, holds public hearings to gather final citizen input and establishes the amount of revenue and general obligation debt to sell to fund capital improvements.

Fiscal Year 2021 Capital Budget

The five-year Capital Improvement Program ("CIP") plan estimates city-wide capital spending of $1.2 billion in fiscal year 2021. The first year of the five-year plan was used to determine the new appropriations required for inclusion in the fiscal year 2021 Capital Budget. The approved city-wide total appropriation is $0.9 billion. Appropriation by department is listed below.

Summary of Fiscal Year 2021 Capital Budget (millions):

Austin Convention Center	$1.4
Austin Energy	179.5
Austin Public Health	0.3
Austin Public Library	0.5
Austin Resource Recovery	11.7
Austin Transportation	121.7
Austin Water	100.0
Building Services	26.9
Communications and Technology Management	4.1
Economic Development	22.2
Financial Services	24.4
Emergency Medical Services	0.0
Fire	2.7
Fleet	4.0
Neighborhood Housing and Community Development	22.2
Parks and Recreation	62.8
Planning and Zoning	149.6
Police	0.0
Public Works	0.0
Watershed Protection	62.3
	67.6
TOTAL PROPOSED NEW APPROPRIATIONS	

ADDITIONAL INFORMATION

Ten Largest Employers (As of September 30, 2019)

Employer	Product or Service	Employees
State Government	Government	38,589
The University of Texas at Austin	Education	27,426
City of Austin	Government	14,471
HEB Grocery	Grocery/Retail	13,901
Federal Government	Government	13,400
Dell Computer Corporation	Computers	13,000
Austin Independent School District	Education	11,098
St. David's Healthcare Partnership	Healthcare	10,665
Ascension Seton	Healthcare	10,513
Samsung Austin Semiconductor	Manufacturer	8,935

Source: 2019 Comprehensive Annual Financial Report

Demographic and Economic Statistics - Last Ten Years

Year	City of Austin Population (1)	Area of Incorporation (Square Miles) (1)	Population MSA (2)	Income (MSA) (thousands of dollars) (2)	Median Household Income MSA (3)	Per Capita Personal Income MSA (3)	Unemployment Rate (MSA) (4)
2010	778,560	306	1,727,743	70,355,303	48,460	40,726	7.0%
2011	805,662	308	1,780,605	77,881,693	46,689	43,739	6.6%
2012	821,012	319	1,834,926	85,635,903	46,818	46,670	5.7%
2013	841,649	321	1,883,901	88,950,627	46,436	47,216	5.1%
2014	878,002	321	1,943,409	97,181,958	49,227	50,006	4.2%
2015	899,919	323	2,002,591	103,244,100	52,519	51,555	3.4%
2016	925,491	326	2,062,211	107,664,294	56,163	52,208	3.2%
2017	937,065	325	2,115,230	117,458,116	56,849	55,530	2.9%
2018	963,797	326	2,168,316	127,439,164	63,191	58,773	2.9%
2019	980,886	327	2,187,161(6)	138,650,094(5)	65,950(6)	63,400 (5)	2.6%
2010-2019 Change	25.99%	6.74%	26.61%	97.07%	36.09%	55.67%	

Note: Prior year statistics are subject to change as more precise numbers become available.
(1) Source: City Demographer, City of Austin, Neighborhood Planning and Zoning Department based on full purpose area as of September 30.
(2) Source: Bureau of Economic Analysis for all years except 2019 which will not be available until later in 2020.
(3) Source: Claritas, a Nielson Company.
(4) Source: Bureau of Labor Statistics; United States Department of Labor as of September 30, 2019.
(5) Data not available for 2019. Figures are estimated.
(6) Source: Nielsen SiteReports.

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City Sales Tax Collections (In Millions) (1)

Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount	Period	Amount
1-1-15	$15.260	1-1-16	$16.138	1-1-17	$17.697	1-1-18	$18.369	1-1-19	$18.697	1-1-20	$20.198
2-1-15	21.092	2-1-16	21.884	2-1-17	21.866	2-1-18	22.174	2-1-19	23.474	2-1-20	26.824
3-1-15	14.677	3-1-16	15.667	3-1-17	16.597	3-1-18	17.895	3-1-19	19.197	3-1-20	20.704
4-1-15	14.345	4-1-16	15.528	4-1-17	17.370	4-1-18	16.939	4-1-19	18.499	4-1-20	19.065
5-1-15	19.404	5-1-16	19.258	5-1-17	18.790	5-1-18	21.249	5-1-19	21.771	5-1-20	20.801
6-1-15	15.958	6-1-16	17.070	6-1-17	16.838	6-1-18	18.371	6-1-19	20.966	6-1-20	16.875
7-1-15	16.180	7-1-16	16.836	7-1-17	18.059	7-1-18	19.552	7-1-19	20.275	7-1-20	18.096
8-1-15	19.483	8-1-16	21.467	8-1-17	19.930	8-1-18	20.338	8-1-19	21.556		
9-1-15	16.429	9-1-16	16.352	9-1-17	17.401	9-1-18	19.701	9-1-19	21.797		
10-1-15	16.514	10-1-16	17.106	10-1-17	17.828	10-1-18	19.502	10-1-19	20.080		
11-1-15	18.952	11-1-16	19.059	11-1-17	19.382	11-1-18	20.661	11-1-19	22.017		
12-1-15	16.269	12-1-16	17.033	12-1-17	17.567	12-1-18	20.482	12-1-19	21.463		
	$204.56		$213.40		$219.33		$235.23		$142.880		$142.56

(1) Sales taxes are not pledged to the payment of the Obligations.
Source: City of Austin, Budget Office

Utility Connections

	Utility Connections		
Year	Electric (1)	Water (1)	Gas (1)
2010	413,870	210,885	204,823
2011	417,865	212,752	213,365
2012	422,375	214,928	217,170
2013	430,582	217,070	216,688
2014	439,403	217,036	223,500
2015	450,479	223,164	228,700
2016	461,345	227,432	223,158
2017	472,701	231,014	226,749
2018	485,204	235,174	221,314
2019	496,258	239,291	238,753

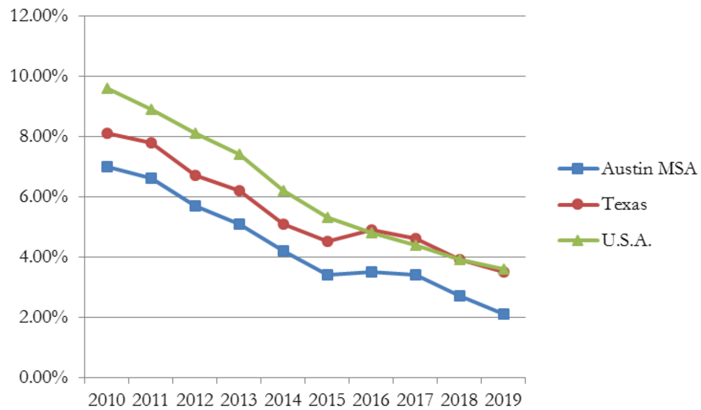
(1) Based on the City's fiscal year, which runs October 1 through September 30.
Source: Various, including the City of Austin, Texas Gas Services, Atmos Energy and Centerpoint Energy.

Employment by Industry in the Austin Metropolitan Area (1)

	2015		2016		2017		2018		2019	
		% of total		% of total		% of total		% of total		
Mining, Logging, and Construction	55,300	5.74%	58,800	5.87%	62,100	6.00%	64,500	6.00%	69,000	6.18%
Manufacturing	55,600	5.77%	55,800	5.57%	57,400	5.55%	60,700	5.64%	62,500	5.60%
Trade, Transportation, and Utilities	163,100	16.93%	170,100	16.99%	174,800	16.89%	179,700	16.71%	184,800	16.56%
Information	27,700	2.88%	29,000	2.90%	30,800	2.98%	34,700	3.23%	38,400	3.44%
Financial Activities	54,100	5.62%	57,000	5.69%	60,200	5.82%	63,100	5.87%	66,200	5.93%
Professional and Business Services	162,600	16.88%	171,000	17.08%	177,600	17.16%	187,700	17.45%	198,700	17.80%
Education and Health Services	111,600	11.58%	115,600	11.55%	120,600	11.65%	125,300	11.65%	128,900	11.55%
Leisure and Hospitality	115,500	11.99%	122,000	12.19%	125,700	12.15%	130,700	12.15%	135,600	12.15%
Other Services	42,700	4.43%	43,800	4.37%	45,000	4.35%	46,300	4.30%	47,500	4.26%
Government	175,200	18.19%	178,100	17.79%	180,700	17.46%	183,000	17.01%	184,600	16.54%
Total nonfarm employment	963,400	100%	1,001,200	100%	1,034,900	100%	1,075,700	100%	1,116,200	

(1) Austin-Round Rock MSA includes the counties of Travis, Bastrop, Caldwell, Hays and Williamson. Information is updated periodically; data contained in this document is the latest provided. Based on calendar year.
Source: U.S. Bureau of Labor Statistics. Non-seasonally adjusted.

Average Annual Unemployment Rate



Year	Austin MSA	Texas	U.S.A.
2011	6.6%	7.8%	8.9%
2012	5.7%	6.7%	8.1%
2013	5.2%	6.3%	7.4%
2014	4.2%	5.1%	6.2%
2015	3.4%	4.4%	5.3%
2016	3.1%	4.6%	4.9%
2017	3.1%	4.3%	4.4%
2018	2.9%	3.8%	3.9%
2019	2.7%	3.5%	3.7%
2020(1)	7.5%	8.9%	11.1%

Source: U. S. Bureau of Labor Statistics, accessed July 29, 2020. Unemployment rates are non-seasonally adjusted. Information is updated periodically; the BLS revised certain prior year unemployment data for the Austin MSA on April 17, 2020 and for the State of Texas on March 4, 2020.
(1) Reflects the June 2020 monthly unemployment rate.

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Housing Units

Rental rates in the City averaged $1.50 per square foot, with an occupancy rate of 91.5% as of June 30, 2020, per Capitol Market Research.

Residential Sales Data

Year	Number of Sales	Total Volume ($)	Average Price ($)
2011	21,034	5,281,953,406	251,100
2012	25,198	6,706,091,541	266,100
2013	29,970	8,601,985,078	287,000
2014	30,150	9,269,541,100	307,400
2015	31,560	10,462,239,995	331,500
2016	32,955	11,450,827,153	347,500
2017	33,947	12,447,529,430	366,675
2018	34,673	13,214,215,997	381,110
2019	17,988	7,065,024,558	392,763
2020 (1)	13,074	5,229,243,070	398,168

Source: Real Estate Center at Texas A&M University.
(1) As of June 2020.

City-Wide Austin Office Occupancy Rate

Year	Occupancy Rate
2011	82.7%
2012	86.8%
2013	89.2%
2014	90.9%
2015	90.9%
2016	91.8%
2017	89.5%
2018	89.4%
2019	89.4%
2020(1)	90.0%

(1) As of April 2020.
Source: Cushman & Wakefield.

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APPENDIX B

AUDITED FINANCIAL STATEMENTS

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

APPENDIX D

SUMMARY OF REFUNDED OBLIGATIONS[1]

Obligations Refunded with Tax Exempt Bonds

Certificates of Obligation, Series 2010

Maturity	Interest Rate	Par Amount Refunded	Call Date	Call Price	CUSIP[2]
9/1/2021	3.000%	$1,100,000	11/07/2020	100% of par	052396ZG6
9/1/2022	3.000%	1,155,000	11/07/2020	100% of par	052396ZH4
9/1/2023	3.000%	1,210,000	11/07/2020	100% of par	052396ZJ0
9/1/2024	3.000%	1,270,000	11/07/2020	100% of par	052396ZK7
9/1/2025	3.000%	1,335,000	11/07/2020	100% of par	052396ZL5
9/1/2026	3.125%	1,400,000	11/07/2020	100% of par	052396ZM3
9/1/2027	3.250%	1,470,000	11/07/2020	100% of par	052396ZN1
9/1/2028	3.375%	1,545,000	11/07/2020	100% of par	052396ZP6
9/1/2029	3.500%	1,625,000	11/07/2020	100% of par	052396ZQ4
9/1/2030	3.500%	1,705,000	11/07/2020	100% of par	052396ZR2
		$13,815,000			

Public Improvement Bonds, Series 2010A

Maturity	Interest Rate	Par Amount Refunded	Call Date	Call Price	CUSIP[2]
9/1/2021	4.000%	$3,665,000	11/07/2020	100% of par	052396XT0
9/1/2022	4.000%	3,885,000	11/07/2020	100% of par	052396XU7
9/1/2023	3.000%	4,200,000	11/07/2020	100% of par	052396XV5
9/1/2024	3.000%	4,310,000	11/07/2020	100% of par	052396XW3
9/1/2025	3.000%	4,715,000	11/07/2020	100% of par	052396XX1
9/1/2026	3.000%	4,910,000	11/07/2020	100% of par	052396XY9
9/1/2027	3.125%	5,205,000	11/07/2020	100% of par	052396XZ6
9/1/2028	3.250%	5,590,000	11/07/2020	100% of par	052396YA0
9/1/2029	3.375%	5,765,000	11/07/2020	100% of par	052396YB8
9/1/2030	3.500%	20,135,000	11/07/2020	100% of par	052396YC6
		$62,380,000			

Obligations Refunded with Taxable Bonds

Public Improvement Bonds, Taxable Series 2010B

Maturity	Interest Rate	Par Amount Refunded	Call Date	Call Price	CUSIP[2]
9/1/2021	3.450%	$1,915,000	11/07/2020	100% of par	052396YN2
9/1/2022	3.650%	2,290,000	11/07/2020	100% of par	052396YP7
***					
9/1/2025 [3]	4.000%	6,275,000	11/07/2020	100% of par	052396YQ5
9/1/2026	4.125%	2,395,000	11/07/2020	100% of par	052396YR3
9/1/2027	4.350%	2,510,000	11/07/2020	100% of par	052396YS1
9/1/2028	4.450%	2,635,000	11/07/2020	100% of par	052396YT9
9/1/2029	4.550%	2,765,000	11/07/2020	100% of par	052396YU6
9/1/2030	4.650%	1,835,000	11/07/2020	100% of par	052396YV4
		$22,620,000			

(1) Preliminary and subject to change. The refunding of any of the Refunded Obligations is contingent upon the delivery of the Bonds and the Taxable Bonds. See "OBLIGATION INFORMATION – Authority and Purpose for Issuance" and "– Refunded Obligations."

(2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Service, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for convenience of reference only. The City and the Financial Advisor take no responsibility for the accuracy of the CUSIP numbers.

(3) Represents a term maturity.