



## Legislation Text

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**File #:** PRE 19-027, **Version:** 1

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Presentation and discussion of issues relating to a schedule of events for the sale of Certificates of Obligation and Limited Tax Refunding Bonds.

Summary: As proposed in the FY 2019-2020 Budget, the City intends to issue Certificates of Obligation for the ninth year of the 10-year Water and Sewer Capital Improvements Plan. The estimated \$4,605,000 proceeds from these certificates are planned for projects including sewer rehabilitation, water line replacement, and other needed renovations at the Water Treatment Plant.

Additionally, the City has an opportunity to take advantage of current market rates and consider refunding a portion of outstanding debt at a lower interest rate for interest cost savings currently estimated at \$733,125. The City's Financial Advisor has identified a refunding of \$4,825,000 of the Certificates of Obligation, Series 2010, maturing between the years 2021-2030 through the issuance of Limited Tax Refunding Bonds in the principal amount of \$4,435,000.

The new money obligations and the refunding bonds would be handled as two separate issues. During the regular meeting, City Council will be asked to consider for approval a Notice of Intention to Issue Certificates of Obligation and a Parameter Ordinance related to the refunding.

The City's Financial Advisor, John Robuck, from BOK Financial Securities, Inc., and on behalf of the City's Bond Counsel, Jonathan Frels, Paige Abernathy, from Bracewell LLP, will be in attendance at the meeting to present a tentative schedule of events and to answer any questions related to this planned debt issuance and refunding opportunity.

Fiscal/Budgetary Impact: Payment of the debt service and issuance costs related to these certificates are payable from ad valorem taxes and from a limited pledge of a subordinate lien on the net revenues of the City's waterworks and sanitary sewer system.

Presentation and discussion with action to be taken during the regular City Council meeting.