



Legislation Text

File #: ORD 19-077, **Version:** 1

Consideration of and action on an ordinance authorizing the issuance of City of Deer Park, Texas Limited Tax Refunding Bonds, Series 2019; levying a tax in payment thereof; authorizing the redemption prior to maturity of certain outstanding obligations; providing for the award and sale of said bonds in accordance with certain parameters; and enacting other provisions relating thereto.

Summary: Current market conditions make it advantageous for the City to consider a refunding opportunity for interest cost savings estimated at approximately \$733,000. This proposed refunding would refund a portion of the outstanding Certificates of Obligation, Series 2010, which were issued in May 2010 to fund drainage improvements.

To maximize the interest cost savings, market timing of the sale of the refunding bonds is key. The attached ordinance authorizes the issuance of the bonds and the redemption of the proposed refunded debt and establishes specific parameters to sell the refunding bonds on any date on or after November 5, 2019 when the market presents the most advantageous opportunity. The ordinance designates an "Authorized Officer" (Mayor, City Manager, or Assistant City Manager) and delegates authority to such Authorized Officer to act on behalf of the City to sell and deliver the refunding bonds. Such authority is in effect for 180 days from the date of the ordinance (or March 1, 2020 if the ordinance is adopted on September 3, 2019). The ordinance is in draft form until the sale is complete and the results of the sale added in the relevant sections of the ordinance.

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 workshop and regular meeting to present a tentative schedule of events and to answer any questions related to the ordinance and this planned refunding.

Fiscal/Budgetary Impact: Issuance of these refunding bonds is expected to save approximately \$733,000 in debt service costs. Payment of the debt service and issuance costs related to these bonds will be funded by ad valorem tax revenues of the City.

Approve the ordinance authorizing the issuance of City of Deer Park, Texas Limited Tax Refunding Bonds, Series 2019 and providing for the award and sale of said bonds in accordance with the parameters specified therein.