



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 23, 2019
SUBJECT: Consider Resolution No. 2019-039, approving and authorizing publication of Notice of Intention to Issue Certificates of Obligation in an amount not to exceed \$9,850,000
PRESENTER: Mark C. Mills, Director of Finance

SUMMARY:

The Fiscal Year 2018/2019 Revised Budget and the Fiscal Year 2019/2020 Adopted Budget included certain projects to be financed with Certificates of Obligation (CO's). Prior to the issuance of these CO's the city must meet specific notification requirements. City Council is requested to consider Resolution No. 2019-039, approving and authorizing the publication of this notice for the issuances of CO's in an amount not to exceed \$9,850,000.

GENERAL DESCRIPTION:

The proposed sale will occur on November 12, 2019 and result in project proceeds of approximately \$9,665,000. As part of the legal requirements for the planned issuance of CO's, the City Council must authorize the City Secretary to publish, in a newspaper of general circulation and continuously on the city's website, the notice of intent of the city to issue Certificates of Obligation in an amount not to exceed \$9,850,000. This amount includes projected issuance costs of \$185,000.

The notice of intent to issue CO's must be published once a week for two consecutive weeks. The first publication date must be at least forty-six (46) days prior to the date set for Council's vote on the ordinance authorizing the issuance of the CO's. The notice must also be posted continuously on the city's website for at least forty-five (45) days prior to Council's vote. The notice of intention is attached to the resolution and labeled Exhibit A.

The proposed calendar for the bond sale is as follows:

- September 26th (or earlier) City to publish 1st Notice of Intent in Star Telegram
- October 3rd (7 days later) City to publish 2nd Notice of Intent in Star Telegram
- Week of October 14th Rating Agency Meetings
- October 30th Receive Ratings from Agencies
- November 1st Distribute NRH Official Statements for CO Sales



- November 12th
- December 17th

City Council Adopts Ordinance Authorizing COs
Accept Delivery of CO Proceeds for Projects

The 2019 CO funded projects and associated cost estimates are as follows:

Project Type	Description	Taxable or Tax-Exempt	Term	Amount
Streets	Northeast Parkway / Davis Traffic Signal	Tax Exempt	20 Years	\$380,000
Fleet	Fire Truck Replacement	Tax Exempt	10 Years	\$985,000
Fleet	Ambulance Replacement	Tax Exempt	7 Years	\$335,000
Fleet	Backhoe Replacement	Tax Exempt	15 Years	\$140,000
Fleet	Backhoe Replacement	Tax Exempt	15 Years	\$140,000
Fleet	Front-End Loader Replacement	Tax Exempt	15 Years	\$220,000
Fleet	Front-End Loader Replacement	Tax Exempt	15 Years	\$220,000
Facilities	Carpet Replacement - Library	Tax Exempt	10 Years	\$320,000
Utility Projects	24" Wastewater Main Replacement	Tax Exempt	20 Years	\$1,255,000
Utility Projects	Conn Pump Station Pump / Electric Rehab	Tax Exempt	20 Years	\$1,500,000
Utility Projects	Misc. Water / Sewer Main Replacement	Tax Exempt	20 Years	\$445,000
Utility Projects	Small Water Main Replacement	Tax Exempt	20 Years	\$440,000
Golf Course	Iron Horse Golf Course Improvements	Taxable	20 Years	\$3,285,000
Sub Total				\$9,665,000
<i>Est. Issuance Cost</i>				<i>\$185,000</i>
TOTAL				\$9,850,000

RECOMMENDATION:

Approve Resolution No. 2019-039, approving and authorizing publication of Notice of Intention to Issue Certificates of Obligation in an amount not to exceed \$9,850,000.