



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** November 12, 2018

SUBJECT: Consider all matters incident and related to the issuance and sale of City of North Richland Hills, Texas General Obligation Refunding and Improvement Bonds, Series 2018, including the adoption of Ordinance 3548, authorizing the issuance of such bonds and providing for the redemption of the obligations being refunded.

PRESENTER: Mark Mills, Finance Director

SUMMARY:

City Council is requested to consider all matters incident and related to the issuance and sale of General Obligation Refunding and Improvement Bonds, Series 2018 ("GO's"). The Preliminary Official Statement and Notice of Sale were posted for consideration by potential bidders on Friday, November 2, 2018. Sealed bids for the GO's were to be received on Monday, November 12, 2018 at 11:00 a.m., CST, however, due to the bond market being closed in observance of Veterans Day, it will be necessary to delay receipt of the sealed bids and Council consideration until Tuesday, November 13, 2018.

GENERAL DESCRIPTION:

The proposed GO sale will include \$550,000 in new money for 2003 bond election projects. All of the \$550,000 is for street projects – specifically the Davis / Mid Cities intersection project. The sale will also include about \$6,965,000 in refunding bonds. These bonds will refund the city's Series 2008 Bonds, Series 2009 Bonds, and Series 2009 CO's for debt service savings. Current market conditions in the form of lower interest rates are favorable to refund (refinance) these previously issued bonds. The lower interest rates allow the city to save on interest expense over the next several years.

In preparation for this issuance, the city received ratings from both Moody's and Standard & Poor's. Moody's has reaffirmed the city's credit rating of Aa2 and Standard & Poor's has reaffirmed the city's credit rating of AA+; both unchanged since the last ratings were received in 2017.



The results of the General Obligation Refunding and Improvement Bonds, Series 2018 sale were to be presented to the City Council at the regular meeting on Monday, November 12, 2018. Due to a conflict with a bond market closure in observance of Veterans Day, the city will be unable to receive bids. Staff recommends delaying consideration of this item until a special meeting scheduled for November 13, 2018 at 4:30 p.m. At that meeting, staff will request that the City Council consider the approval of an ordinance prepared by the city's bond counsel, North Rose Fulbright US LLP. A draft, prior to the receipt of responses to the Preliminary Official Statement and Notice of Sale, has been enclosed. The ordinance also authorizes all necessary actions associated with the transaction. If approved, the closing and delivery of funds would occur on or around December 11, 2018.

RECOMMENDATION:

Postpone consideration of the City of North Richland Hills, Texas General Obligation Refunding and Improvement Bonds, Series 2018 sale and Ordinance 3548 until the special meeting scheduled for November 13, 2018 at 4:30 p.m.