



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** September 14, 2020

SUBJECT: Consider all matters incident and related to the sale and issuance of the City of North Richland Hills, Texas General Obligation Bonds, Series 2020, including the adoption of Ordinance No. 3665, authorizing the issuance of such bonds and all incident and related matters.

PRESENTER: Mark C. Mills, Director of Finance

SUMMARY:

City Council is requested to consider all matters incident and related to the issuance and sale of General Obligation Bonds, Series 2020 ("GO's"). The Preliminary Official Statement and Notice of Sale were posted for consideration by potential bidders on September 4, 2020. Sealed bids for the GO's are to be received on Monday, September 14, 2020 at 10:30 a.m. Council is request to consider the issuance and sale of City of North Richland Hills, Texas General Obligation Bonds, Series 2020, including the adoption of Ordinance No. 3665.

GENERAL DESCRIPTION:

The proposed GO sale will include \$3,860,000 in bonds. These bonds will be used to fund the reconstruction of approximately 2,700 linear feet of Glenview from Boulevard 26 to Flory Street.

The Preliminary Official Statement and Notice of Sale were released for consideration to potential bidders on September 4, 2020. Based on the structure recommended by the city's financial advisor, HilltopSecurities, the tax-exempt GO's will be sold at a premium. The city expects to issue approximately \$3,755,000 in GO's (i.e. the par amount). In addition, the city expects to receive a net premium on the GO's of approximately \$168,975. The total funds received will be approximately \$3,923,975. After deducting the cost of issuance the city will receive net proceeds of \$3,860,000, the amount required to cover the debt-funded projects.

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 are unchanged since the last ratings were received in 2019.



Staff requests Council to 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 bids for the bonds, 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 October 14, 2020.

RECOMMENDATION:

Approve Ordinance No. 3665, authorizing the sale and issuance of City of North Richland Hills, Texas General Obligation Bonds, Series 2020 and all incident and related matters.