



Legislation Text

File #: 22-2763, Version: 1

STRATEGIC PRIORITY: Government Performance & Financial Management
AGENDA DATE: December 14, 2022
COUNCIL DISTRICT(S): All
DEPARTMENT: City Controller's Office
EXECUTIVE: Jack Ireland

SUBJECT

Authorize the preparation of plans for an issuance of Waterworks and Sewer System Revenue Refunding Bonds, Series 2023A and in an amount not to exceed \$200,000,000 - Financing: This action has no cost consideration to the City (see Fiscal Information for potential future costs)

BACKGROUND

This proposed revenue bond sale is for the refunding and retirement of commercial paper notes issued for interim financing of improvements to the City's water and wastewater system. Issuance of revenue bonds for refunding and retirement of approximately \$190,000,000 in commercial paper notes is in accordance with the capital program for water and wastewater improvements and is within the Fiscal Year 2022-23 operating and capital budgets for the Water Utilities Department. The City's Co-Financial Advisors, Hilltop Securities, Inc. and Estrada Hinojosa, recommend a negotiated sale based on market conditions in support of Dallas Water Utilities' stable credit profile.

On November 29, 2022 the City issued a Request for Proposals for Waterworks and Sewer System Revenue Refinancing underwriting from the pool of qualified firms and received [22](#) proposals in response. To accommodate this transaction, the City's co-financial advisors recommended a syndicate of [five eight](#) underwriting firms; comprised of a mix of national and regional firms and two non-Minority Women-owned Business Enterprises (M/WBE) firms, [and one veteran owned firm](#). Following review by the [procurement selection](#) committee, the City plans to use an underwriting syndicate team comprised of [Stifel, Nicolaus & Co., Inc.; Blaylock Van, LLC; Academy Securities; Frost Bank; Mesirow Financial, Inc.; Raymond James; Siebert Williams Shank & Co.; and UMB Bank, N/A. Stifel, Nicolaus & Co., Inc.](#) will be the Bookrunning Senior Manager and [Blaylock Van, LLC](#) will serve as the Co-Senior Manager.

The issuance of bonds is contingent upon the approval of a parameters ordinance, scheduled for City Council consideration in January 2023.

ESTIMATED SCHEDULE OF PROJECT

Authorized preparation for Issuance of Bonds	December 2022
Approval of parameters ordinance	January 2023
Pricing	February 2023
Delivery of Proceeds	March 2023

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance and Financial Management Committee was briefed on “FY 2022-23 Debt Issuance Overview,” on November 15, 2022.

The Government Performance and Financial Management Committee will be briefed on “Upcoming Bond Sales” on December 13, 2022.

FISCAL INFORMATION

This action has no cost consideration to the City. Payment for cost of issuance is not made unless the bonds are issued. City Council approval of the ordinance authorizing the sale of bonds is scheduled for January 14²⁵, 2023. The anticipated cost of issuance is ~~\$640,000.00~~ [\\$613,650.00](#) from Dallas Water Utilities Funds.

Attachment I provides an estimate of bond issuance costs for the proposed bonds and the M/WBE participation