



Legislation Text

File #: 22-2772, 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

An ordinance authorizing **(1)** the issuance and sale of City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2023, in an aggregate principal amount not to exceed \$71,600,000; **(2)** levying a tax for payment thereof; **(3)** awarding the sale thereof; **(4)** authorizing the execution and delivery of a Paying Agent/Registrar Agreement and Purchase Letter; and **(5)** enacting other provisions relating to the subject - Not to exceed \$200,000 - Financing: 2023 Equipment Acquisition Notes Funds

BACKGROUND

The FY 2022-23 budget included appropriations for the purchase of vehicles, equipment, and technology for various City departments including Police, Fire-Rescue, Information and Technology Services, Equipment and Fleet Management, Sanitation, and Storm Drainage Management. The budget anticipated the use of \$30.5 million in equipment acquisition contractual obligations and \$75.0 million in master lease issuance to finance these budgeted items. To expedite the purchase of the required equipment, the use of equipment acquisition contractual obligations will be increased and offset by a decrease in master lease funding.

To expedite equipment for public safety and other departments, as well as avoid increasing contract costs, the City's Financial Advisors, PFM Financial Advisors LLC, recommend the issuance of equipment acquisition contractual obligations (equipment notes) to finance the purchase of City equipment, in an amount not to exceed \$71,600,000 via private placement with a qualified bank. Utilizing the services of a placement agent, the City competitively solicits the equipment notes and select the most advantageous respondent. The issuance of bonds via private placement does not require the publication of an official statement, thereby reducing the overall cost of issuance.

This ordinance authorizes the issuance of City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2023 on December 14, 2022, thereby allowing for the purchase of the corresponding authorized equipment. Pending City Council approval of this ordinance, the bonds are scheduled to close January 2023.

ESTIMATED SCHEDULE OF PROJECT

Authorize Preparation of Issuance of Bonds December 2022
Approval of Ordinance December 2022
Pricing December 2022
Delivery of Proceeds January 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

Fund	FY 2023	FY 2024	Future Years
2023 Equipment Acquisition Notes Fund	\$200,000.00	\$0.00	\$0.00

Attachment I provides an estimate of bond issuance costs for the proposed equipment notes and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the Equipment Acquisition Contractual Obligations, Series 2023.