



## Legislation Details (With Text)

|                |   |          |   |               |                          |
|----------------|---|----------|---|---------------|--------------------------|
| File #:        | 23-329  | Version: | 1 | Name:         |                          |
| Type:          | ITEMS FOR INDIVIDUAL CONSIDERATION  |          |   | Status:       | Approved                 |
| File created:  | 1/12/2023   |          |   | In control:   | City Controller's Office |
| On agenda:     | 1/25/2023   |          |   | Final action: |                          |
| Title:         | An ordinance authorizing the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2023A in a principal amount not to exceed \$200,000,000; establishing parameters regarding the sale of the bonds; approving the execution of agreements in connection with the sale of the bonds; and all other matters related thereto - Not to exceed \$613,650.00 - Financing: Dallas Water Utilities Fund |          |   |               |                          |
| Sponsors:      |   |          |   |               |                          |
| Indexes:       | 100   |          |   |               |                          |
| Code sections: |   |          |   |               |                          |
| Attachments:   | 1. Ordinance, 2. Attachment I   |          |   |               |                          |

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

**STRATEGIC PRIORITY:** Government Performance & Financial Management

**AGENDA DATE:** January 25, 2023

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** City Controller's Office

**EXECUTIVE:** Jack Ireland

### SUBJECT

An ordinance authorizing the issuance and sale of City of Dallas, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2023A in a principal amount not to exceed \$200,000,000; establishing parameters regarding the sale of the bonds; approving the execution of agreements in connection with the sale of the bonds; and all other matters related thereto - Not to exceed \$613,650.00 - Financing: Dallas Water Utilities Fund

### BACKGROUND

This proposed revenue bond sale is for the purpose of refunding and retirement of commercial paper notes issued for interim financing of improvements to the City's water and wastewater system, in accordance with the capital program for water and wastewater improvements and the Fiscal Year 2022-23 operating and capital budgets for the Water Utilities Department. Currently, the estimated amount of commercial paper outstanding to be refunded at the time of pricing is approximately \$180,000,000, a reduction from \$190,000,000, the issuance amount initially planned and authorized

by City Council. At the advisement of the City's Co-Financial Advisors, Hilltop Securities, Inc. and Estrada Hinojosa, the bonds will be issued via a negotiated sale.

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 eight underwriting firms; comprised of a mix of national and regional firms, two 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; Mesirrow 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.

This ordinance authorizes, subject to parameters, city staff and financial advisors to negotiate the sale and issuance of City of Dallas, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2023A with the underwriting syndicate and establishes the maximum par amount of bonds to be issued at \$200,000,000.

### **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 was briefed on "Upcoming Bond Sales" on December 13, 2022.

On December 14, 2022, City Council authorized 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, by Resolution No. 22-1751.

The Government Performance and Financial Management Committee will be briefed by memorandum regarding this matter on January 23, 2023.

### **FISCAL INFORMATION**

| Fund                        | FY 2023      | FY 2024 | Future Years |
|-----------------------------|--------------|---------|--------------|
| Dallas Water Utilities Fund | \$613,650.00 | \$0.00  | \$0.00       |

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

participation.