



Legislation Text

File #: 20-1712, Version: 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: September 23, 2020
COUNCIL DISTRICT(S): N/A
DEPARTMENT: City Controller's Office
EXECUTIVE: Elizabeth Reich

SUBJECT

An ordinance authorizing (1) the issuance and sale of Equipment Acquisition Contractual Obligations Notes, Series 2020B in an [aggregate principal](#) amount not to exceed \$28,000,000; (2) levying a tax in payment thereof; (3) ~~awarding~~ [approving](#) the sale thereof; (4) [approving an official statement and approving execution of a Purchase Agreement and a Deposit Agreement](#); (4) ~~approving the official statement~~; (5) enacting other provisions relating to the subject; and (6) declaring an effective date - Not to exceed \$126,667 - Financing: 2020B Equipment Acquisition Notes Funds

BACKGROUND

Pursuant to elections held in November 2017, the residents of Dallas voted and authorized the City to issue general obligation bonds for the purpose of providing funds for permanent public improvements. The adopted FY 2019-20 capital budget assumed the issuance of approximately \$232.4 million in general obligation bonds and \$30.0 million in equipment acquisition notes in FY 2019-20. In June 2020, the City issued \$29.7 million in Equipment Acquisition Contractual Obligations, Series 2020 to finance the purchase of City equipment and \$16 million in Combination Tax and Revenue Certificates of Obligation, Series 2020 to finance the restoration of damages to City facilities following severe storms.

As continued funding for the 2017 Bond Program, the City's Financial Advisors, PFM Financial Advisors LLC, recommend: (1) issuance of refunding and improvement bonds to refund outstanding commercial paper and finance capital improvement projects at the City, in an amount not to exceed \$232,000,000; (2) issuance of refunding taxable bonds to refund outstanding refundable bonds in an amount not to exceed \$80,000,000; and (3) issuance of equipment acquisition contractual obligation notes (equipment notes) to finance the purchase of City equipment, in an amount not to exceed \$28,000,000.

This ordinance authorizes City staff and financial advisors, subject to parameters, to ~~sale~~ [sell](#) and issue Equipment Acquisition Contractual Obligation Notes, Series 2020B and establishes the total maximum par amount of bonds to be issued at \$28,000,000, with the General Obligation Refunding and Improvement Bonds, Series 2020A and General Obligation Refunding Bonds, Taxable Series 2020B to be considered separately.

ESTIMATED SCHEDULE OF PROJECT

Authorize Preparation for Issuance of Bonds	August 2020
Approval of Parameters Ordinances	September 2020
Pricing	October 2020
Delivery of Proceeds	November 2020

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 12, 2020, City Council authorized the preparation of plans and the payment of potential future costs and expenses for the issuances of General Obligation Refunding and Improvement Bonds, Series 2020A; General Obligation Refunding Bonds, Taxable Series 2020B; and Equipment Acquisition Contractual Obligation Notes, Series 2020B, by Resolution No. 20-1125.

City Council was briefed by memorandum regarding this matter on September 18, 2020.

FISCAL INFORMATION

This action has no cost consideration to the City. The anticipated cost of issuance is \$126,667 from 2020B Equipment Acquisition Notes Funds. See Attachment I.

Attachment I provides an estimate of bond issuance costs for the proposed bonds, equipment notes, and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the General Obligation Refunding and Improvement Bonds, Series 2020A; General Obligation Refunding Bonds, [Taxable](#) Series 2020B; and Equipment Notes, Series 2020B.