



Legislation Text

File #: 21-1956, Version: 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: October 27, 2021
COUNCIL DISTRICT(S): N/A
DEPARTMENT: City Controller's Office
EXECUTIVE: Elizabeth Reich

SUBJECT

An ordinance authorizing **(1)** the issuance and sale of City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021 in an aggregate principal amount not to exceed \$55,840,000; **(2)** levying a tax in payment thereof; **(3)** prescribing the form of said certificates; **(4)** approving and awarding the sale of the certificates and approving execution of a purchase agreement; **(5)** approving the official statement; and **(6)** and enacting provisions incident and relating to the subject - Not to exceed \$250,749 - Financing: 2021 Certificates of Obligation Fund

BACKGROUND

On August 25, 2021, City Council authorized the preparations of plans and the payment of potential future costs and expenses for the issuances of Certificates of Obligation, Series 2021 in an amount not to exceed \$55,840,000 to finance streets and other thoroughfare improvements; and subsequently authorized the publication of Notice of Intention to Issue Certificates of Obligation, pursuant to the provisions of the Texas Local Government Code, Section 271.049, as amended, on September 9, 2021. Federal tax regulations allow for the reimbursement of capital expenditures from bond or short-term debt proceeds. These regulations can be used to begin implementation prior to issuance of bonds or commercial paper.

As such, the City's financial advisors, PFM Financial Advisors LLC, recommend the issuance of certificates of obligation in an amount not to exceed \$55,840,000, to finance streets and other thoroughfare improvements. This ordinance authorizes City staff and financial advisors, subject to parameters, to issue City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2021 in a competitive sale scheduled for November 4, 2021.

ESTIMATED SCHEDULE OF PROJECT

Authorize Preparation for Issuance of Bonds	August 2021
Approval of Parameters Ordinances	October 2021
Pricing	November 2021
Delivery of Proceeds	November 2021

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

[The Government Performance and Financial Management Committee was briefed by memorandum regarding this matter on August 23, 2021. <https://dallascityhall.com/government/Council%20Meeting%20Documents/bond-sale_memo_082321.pdf>](https://dallascityhall.com/government/Council%20Meeting%20Documents/bond-sale_memo_082321.pdf)

On August 25, 2021, 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 2021, Certificates of Obligation, Series 2021, and Equipment Acquisition Contractual Obligation Notes, Series 2021 by Resolution No. 21-1358.

On September 9, 2021, City Council authorized the publication of Notice of Intention to Issue Certificates of Obligation; approving the preparation of a preliminary official statement and a Notice of Sale; and providing for the effective date thereof by Resolution No. 21-1486.

FISCAL INFORMATION

Fund	FY 2022	FY 2023	Future Years
2021 Certificates of Obligation Fund	\$250,749.00	\$0.00	\$0.00

Attachment I provides an estimate of bond issuance costs for the proposed certificates of obligation and the M/WBE participation. Payment of fees and expenses is contingent upon the issuance and sale of the Certificates of Obligation, Series 2021.