



# City of Pflugerville

## Legislation Text

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Consideration and action with respect to "RESOLUTION DIRECTING THE PUBLICATION OF NOTICE OF INTENTION TO ISSUE CITY OF PFLUGERVILLE, TEXAS COMBINATION TAX AND LIMITED REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017A AND OTHER MATTERS RELATED THERETO." (Utility - wastewater capital improvements)

This is the first step in the process of issuing debt to finance projects approved by the City Council. The proposed certificates of obligation will be used to fund utility capital improvement projects including: expansion of the Central Wastewater Treatment Plant, New Sweden Package Treatment Plant (Phase 1), and West SH130 Interceptor (Phase 1). The utility fund capital improvements schedule is attached to the agenda item. By approving this resolution, the City is not bound to the issuance of certificates of obligation. However, if issued, the total amount cannot exceed \$19,200,000, as stated in the attached resolution, prepared by Richard Donoghue, bond counsel. This amount includes all project and bond issuance costs.

This issuance of certificates of obligation will be issued in conjunction with additional certificates of obligation (taxable and tax-exempt) for the Pflugerville tax increment reinvestment zone (TIRZ) #1, general obligation bonds funding projects approved by Pflugerville voters in 2014 and 2015, and potentially refunding bonds. The Series 2017B (tax-exempt) and 2017C (taxable) certificates of obligation reimburse projects related to the Pflugerville TIRZ #1 and the Notice of Intent to issue for those certificates of obligation are included as subsequent agenda items. The City will also be issuing general obligation (limited tax) bonds not to exceed \$18,744,000 in total, for roadway (\$14,101,000) and parks (\$4,643,000) projects. This represents the third and final issuance of the November 2014 bond election and the second and final issuance of the November 2015 bond election. Voters approved the issuance of \$28 million for roadway projects and \$25 million for parks projects in the 2014 bond election and just under \$41 million of those funds have been issued to date. In a November 2015 bond election, an additional \$9.5 million was approved by voters for Weiss Lane roadway improvements and \$2.9 million has been issued to date. Staff is working with the financial advisor to continue to evaluate the potential for refunding current debt and no action is currently needed on the refunding issuance.

Mr. Terrell Palmer, of Hilltop Securities (formerly First Southwest), will be working with the City as the financial advisor for this transaction. Mr. Richard Donoghue, of McCall, Parkhurst, and Horton, will be working with the City as bond counsel. Mr. Donoghue will be at the City Council meeting to answer any questions you may have.

### **Deadline for City Council Action**

In order to close on the bonds and receive the funds by December 12, 2017, this resolution must be approved on September 12, 2017.

### **Projected Future City Council Action**

At this meeting, City Council will also be requested to approve a resolution "Expressing Official Intent

to Reimburse Certain Expenditures" related to this issuance.

The next action to be taken by the City Council will be on October 24, 2017, to approve the preliminary official statement and consider authorizing an issuance to refund existing debt, if applicable.

On November 14, 2017, Council will conduct a public hearing and award the sale of the certificates.

A tentative financing schedule is attached to this agenda item.

**Fiscal Impact**

The bonds have been structured such that the first payment is due in August 2018. The fiscal year 2018 budget includes funding for the principal and interest due at that time.

**Staff Recommendation**

Approve the resolution.

**Drafter**

Lauri Gillam

Assistant City Manager