



City of Pflugerville

Legislation Text

File #: RES-0735, **Version:** 1

Discuss and consider action to approve a resolution with the caption reading: "Resolution authorizing the publication of Notice of Intention to Issue City of Pflugerville, Texas Combination Tax and Limited Revenue Certificates of Obligation and other matters related thereto" (Water, Wastewater, and Transportation capital improvement projects)

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 capital improvement projects for transportation (\$11.5 million), water (\$24.88 million), and wastewater (\$15.12 million). A summarized list of all projects is attached. The transportation projects include funding necessary to complete the projects authorized by voters in the 2018 Bond election (particularly Kelly Lane) due to increased cost estimates. Numerous capital improvement projects are included in this issuance to enhance and expand both the water system and wastewater system. These water and wastewater projects are proposed as part of the capital improvement program contained in the FY21 proposed budget.

The certificates of obligation will be issued in conjunction with the general obligation (limited tax) bonds authorized by voters on November 6, 2018. At this election the voters authorized the City to issue a total of \$21.1 million for transportation projects, of which \$5,225,000 was issued in January 2019. This issuance would include the remaining \$15.8 million authorized for issuance. In addition, the financial advisor believes that market conditions are favorable to refund or partially refund several outstanding obligations. The financial advisor is continuing to evaluating those opportunities and no Council action is needed at this time on a potential refunding issuance.

By approving this resolution, the City is not bound to the issuance of certificates of obligation. However, if issued, the total amount cannot exceed \$51.5 million, as stated in the attached resolution, prepared by Richard Donoghue, bond counsel. This amount includes all project and bond issuance costs. At this meeting, City Council will also be requested to approve a resolution "Expressing Official Intent to Reimburse Certain Expenditures" which allows for project costs related to this issuance paid prior to funding to be reimbursed to the City. A tentative issuance schedule is attached to this agenda item.

Bob Henderson and Dusty Traylor of RBC Capital Markets are 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. Representatives of both firms will be available during 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 October 20, 2020, this resolution must be approved on July 28, 2020.

Projected Future City Council Action

The next action to be taken by the City Council will be on September 22, 2020 when Council will

conduct a public hearing and award the sale of the certificates.

Fiscal Impact

Funding Expected: Revenue Expenditure N/A

Budgeted Item: Yes No N/A

Amount: \$51,500,00 issuance

1295 Form Required? Yes No

Legal Review Required: N/A Required Date Completed: 07/22/20

The first debt service payments will be due in February 2021.

Supporting documents attached:

Resolution

Proposed 2020 Issuance Project List

Issuance Schedule

Recommended Action

Approve the resolution directing the publication of notice of intent to issue City of Pflugerville Combination Tax and Limited Revenue Certificates of Obligation.