

## Legislation Details (With Text)

**File #:** 4212      **Version:** 1      **Name:** TRA\_Carrollton Continuing Disclosures Agreement 2019  
**Type:** Resolution      **Status:** Passed  
**File created:** 2/26/2019      **In control:** City Council  
**On agenda:** 3/5/2019      **Final action:** 3/5/2019  
**Title:** Consider A Resolution Authorizing The City Manager To Negotiate And Execute A Continuing Disclosure Agreement By And Between The City Of Carrollton And The Trinity River Authority Of Texas Including Future Amendments As A Result Of Regulatory Changes; And Providing An Effective Date.

**Sponsors:****Indexes:****Code sections:****Attachments:** 1. 2019 TRA-City CDA Resolution\_ (final).pdf

Date	Ver.	Action By	Action	Result
3/5/2019	1	City Council		

**CC MEETING: March 5, 2019****DATE:** February 26, 2019**TO:** Erin Rinehart, City Manager**FROM:** Robert B. Scott Assistant City Manager/CFO

Consider A **Resolution Authorizing The City Manager To Negotiate And Execute A Continuing Disclosure Agreement By And Between The City Of Carrollton And The Trinity River Authority Of Texas Including Future Amendments As A Result Of Regulatory Changes; And Providing An Effective Date.**

**BACKGROUND:**

The City is an obligated person on Trinity River Authority Texas (TRA) for all bonded indebtedness related to the Central Regional Wastewater System's (CRWS). The Securities and Exchange Commission (SEC) Rule 15c2-12 requires that municipal security issuers provide certain financial information to the Municipal Securities Rulemaking Board (MSRB) Electronic Municipal Market Access (EMMA) website on an ongoing basis. All member cities including Carrollton have had Continuing Disclosure Agreements (CDA) with TRA since 1996 to comply with this requirement.

Rule 15c2-12 was revised in 2018 requiring a substantial increase on continuing disclosure requirements to be effective in February 2019. Because of these revisions, the CDA agreement between TRA and its members has been updated. This agreement includes three items required to be provided to the MSRB:

1. Certain annual financial and operating information and audited financial statements, if/when available
2. Timely notice of the occurrence of certain events including the two events added by recent Rule 15c2-12 amendment:
  - a. Incurrence of a financial obligation (considered debt, debt-like, or debt-related), of the obligated

- person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- b. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties; and
- 3. Timely notice of the failure of an issuer or customer entity to provide required annual financial information on or before the date specified in the continuing disclosure agreement

The updated Continuing Disclosure Agreement between TRA-CRWS and the City has been reviewed by City Staff, City Attorney and City's Bond Counsel, Norton Rose Fulbright.

**STAFF RECOMMENDATION/ACTION DESIRED:**

Consider a resolution authorizing the City Manager to negotiate and execute Continuing Disclosure Agreement by and between the City Of Carrollton and the Trinity River Authority of Texas including future amendments as a result of regulatory changes; and providing an effective date.