

Legislation Text

File #: 2567, **Version:** 1

CC MEETING: April 5, 2016

DATE: March 30, 2016

TO: Leonard Martin, City Manager

FROM: Robert B. Scott, Assistant City Manager

Consider All Matters Incident And Related To The **Issuance And Sale Of “City Of Carrollton, Texas, General Obligation Improvement And Refunding Bonds, Series 2016”, Including The Adoption Of An Ordinance Authorizing The Issuance Of Such Bonds, Establishing Parameters For The Sale And Issuance Of Such Bonds And Delegating Certain Matters To Authorized Representatives Of The City.**

BACKGROUND:

The City plans to offer for sale at competitive bid the Series 2016 General Obligation Improvement and Refunding Bonds consisting of combined proceeds of approximately \$33,843,718 including premiums, on May 3, 2016. The issue consists of approximately \$20,186,301 of new improvement bonds and approximately \$13,657,417 for refunding bonds. The new improvement bonds are being issued to provide funds for street improvements in the amount of \$9,300,000; traffic improvements in the amount of \$250,000; park improvements in the amount of \$2,550,000; economic development incentives in the amount of \$400,000; public safety facilities improvements in the amount of \$7,500,000; and to pay estimated costs of issuance of \$185,680. The refunding bonds will refund \$12,720,000 of Series 2007 bonds and pay accrued interest and costs of issuance. The attached parameters ordinance also allows refunding of series 2009 and 2010 bonds. Refunding of these issues in 2016 was originally rejected due to the amount of negative arbitrage that would result. If market conditions change significantly from when this decision was originally made the ordinance provides the flexibility for the city to refund these additional issues.

FINANCIAL IMPLICATIONS:

The Bonds are tax-supported debt. All costs of issuance will be paid from the proceeds from the issuance of the bonds. Bonds will be subject to arbitrage law.

IMPACT ON COMMUNITY SUSTAINABILITY:

Issuance of the Series 2016 new improvement bonds will assist the City in the continuation of the capital improvement program. The issuance of the refunding bonds is projected to provide a net present value savings of debt service of approximately \$1.8 million.

STAFF RECOMMENDATION/ACTION DESIRED:

Consider all matters incident and related to the issuance and sale of “City of Carrollton, Texas, General Obligation Improvement and Refunding Bonds, Series 2016”, including the adoption of an ordinance authorizing the issuance of such bonds, establishing parameters for the sale and issuance of such bonds and delegating certain matters to an authorized representative of the City.

