



# City of San Antonio

## Agenda Memorandum

**File Number:**13-791

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**Agenda Item Number:** 16.

**Agenda Date:** 10/17/2013

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:**

**SUBJECT:**

Authorizing the issuance of approximately \$17,500,000 Public Property Finance Contractual Obligations, Series 2013

**SUMMARY:**

This Ordinance authorizes the issuance of “City of San Antonio, Texas Public Property Finance Contractual Obligations, Series 2013” in an amount not to exceed \$17,500,000, levies an annual ad valorem tax, within the limitations prescribed by law, for the payment of the contractual obligations; prescribes the form, terms, conditions, and resolves other matters incident and related to the issuance, sale, and delivery of the contractual obligations; authorizes the execution of a paying agent/registrar agreement and a purchase and investment letter; complies with the requirements imposed by the letter of representations previously executed with the depository trust company; and provides an effective date.

**BACKGROUND INFORMATION:**

The City of San Antonio, Texas Public Property Finance Contractual Obligations, Series 2013 (the “Obligations”) are being issued to prepay all outstanding General Fund lease purchased equipment and to fund the purchase of police helicopters and various other new equipment.

This financing is included in the FY 2014 Approved Budget and was included as part of the FY 2014 Proposed Budget presentations. The transaction includes the financing of new equipment including San Antonio Police Department helicopters and various other new equipment and the refinancing of existing lease purchased

equipment whose lease payments are paid by the General Fund. Utilizing this funding mechanism alleviates the General Fund from funding this equipment and from making any future lease payments starting in FY 2014.

It is anticipated that bids on the Obligations will be received on October 15, 2013, and closing and delivery is planned for October 31, 2013.

**ISSUE:**

The aforementioned issuance is consistent with the Debt Management Plan.

**ALTERNATIVES:**

The cost of the lease purchased equipment could be absorbed into the City's operating budget. This alternative however is not budgeted and would negatively impact funding for other services and improvements.

**FISCAL IMPACT:**

Any costs pertaining to the proposed transaction will be paid for from the proceeds derived from the issuance and sale of the Obligations. Therefore, there is no impact on the City's Operating Budget.

**RECOMMENDATION:**

Staff recommends approval of this ordinance authorizing and approving the issuance of approximately \$17,500,000 of the Obligations.