



City of San Antonio

Agenda Memorandum

File Number: 13-1096

Agenda Item Number: 38.

Agenda Date: 12/5/2013

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: All

SUBJECT:

Authorizing the issuance of approximately \$20,900,000 Revenue Notes, Taxable Series 2013A

SUMMARY:

This Ordinance authorizes the issuance of approximately \$20,900,000 “City of San Antonio, Texas Revenue Notes, Taxable Series 2013A” (the “Notes”) and the pledge of lawfully available City revenues, subject to annual appropriation, as security for the payment of the Notes; prescribes the form, terms, conditions, and resolves other matters incident and related to the issuance, sale, and delivery of the Notes; authorizes the execution of a Paying Agent/Registrar Agreement and a Purchase and Investment Letter; complies with the provisions of the Depository Trust Company’s Letter of Representations; and provides for an effective date.

BACKGROUND INFORMATION:

The proposed sale of approximately \$20,900,000 “City of San Antonio, Texas Revenue Notes, Taxable Series 2013A” (the “Notes”) are being issued for the purposes of funding the acquisition, improvement, and equipping of certain facilities for the Pre-K 4 SA program. The Notes are planned to be privately placed with a financial institution and are subject to annual appropriation from any and all lawful and available funds of the City, which are to be paid from the collection of the 1/8th-of-one-cent sales tax, which was approved in November 2012 for the Pre-K 4 SA program. It is anticipated that bids on the Notes will be received on December 3, 2013 and closing and delivery is planned for December 17, 2013. An update will be provided on the sale of the Notes on Thursday, December 5, 2013.

ISSUE:

The aforementioned issuance will fund capital projects that have been approved in the FY 2014 Adopted Capital Budget and are consistent with the Debt Management Plan.

ALTERNATIVES:

The cost of the improvements to be financed could be cash funded directly out of the Pre-K 4 SA program budget. However, this proposed transaction allocates the cost of the improvements over a seven year period and allows for potential funding for other services and improvements from the Pre-K 4 SA program budget.

FISCAL IMPACT:

The debt service on the Notes will be paid directly from the Pre-K 4 SA program budget. Any costs pertaining to the proposed transaction will be paid for from the proceeds derived from the issuance and sale of the Notes.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing the issuance of approximately \$20,900,000 of the Notes.