



City of San Antonio

Agenda Memorandum

File Number:18-6068

Agenda Item Number: 20.

Agenda Date: 11/29/2018

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

Issuance, Sale, and Delivery of City of San Antonio, Texas General Improvement Refunding Bonds, Series 2019 (HUD Refunding).

SUMMARY:

The ordinance authorizes the issuance of up to \$27,000,000 "City of San Antonio, Texas General Improvement Refunding Bonds, Series 2019" and other matters incident and related thereto.

BACKGROUND INFORMATION:

The City of San Antonio, Texas General Improvement Refunding Bonds, Series 2019 (the "2019 Refunding Bonds") of up to \$27,000,000 are being issued to accomplish the refunding of the HUD 108 Loan in the approximate amount of \$25,692,000.

This Ordinance authorizes the issuance of the 2019 Refunding Bonds in an amount of up to \$27,000,000. The differential is attributable to the potential savings and will be dependent upon market conditions and will be determined at the time of the sale. Parameter sale authorization for the sale of the 2019 Refunding Bonds will give the City Manager and Chief Financial Officer the flexibility to establish the pricing terms on the obligations and the authority to sign the applicable Purchase Contract upon completion of the sale of such obligations.

This refunding was presented as part of the Debt Management Plan presentation on August 14, 2018. As a result of this refunding CDBG transfers previously used to fund debt service were reallocated back into the

CDBG program.

It is anticipated that the 2019 Refunding Bonds will be sold the week of January 7, 2019 by an underwriting syndicate led by Loop Capital Markets, LLC as Senior Book Running Manager; and Samuel A. Ramirez & Co., Inc. as Co-Manager. Closing and delivery of the 2019 Refunding Bonds is anticipated to occur on January 22, 2019.

ISSUE:

The aforementioned issuance of the 2019 Refunding Bonds is being issued to refund the HUD 108 Loan.

ALTERNATIVES:

The City could choose not to refund the proposed HUD 108 Loan and forego the interest cost savings of refunding the obligations at a lower rate.

FISCAL IMPACT:

Any costs pertaining to the proposed transactions will be paid for from the proceeds derived from the issuance and sale of such obligations.

RECOMMENDATION:

Staff recommends approval of this Ordinance that authorizes the issuance, sale, and delivery of the 2019 Refunding Bonds.