



City of San Antonio

Agenda Memorandum

File Number:20-1001

Agenda Item Number: 19.

Agenda Date: 1/16/2020

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Authorizing the issuance of approximately \$11,400,000 Public Property Finance Contractual Obligations, Series 2020

SUMMARY:

This Ordinance authorizes the issuance of approximately \$11,400,000 "City of San Antonio, Texas Public Property Finance Contractual Obligations, Series 2020", 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 2020 (the "Obligations") are being issued to prepay all outstanding General Fund lease purchased equipment. It is anticipated that bids on the Obligations will be received on January 8, 2020 and closing and delivery is planned for January 29, 2020.

On December 2, 2019, the City released a request for bid for a Placement Agent for the Obligations and selected SAMCO Capital Markets, Inc. to serve as Placement Agent for this transaction. Since this transaction will be privately placed, the Placement Agent will receive the bids on behalf of the City. On January 8, 2019,

bids for the Obligations are anticipated to be received and closing and delivery is planned for Wednesday, January 29, 2020. The final results of the pricing and sale will be detailed in a memorandum which will be provided to City Council on Wednesday, January 15, 2020. These final terms will be included in the Ordinance authorizing the issuance of the Obligations, which will be considered by the City Council on Thursday, January 16, 2020.

ISSUE:

The aforementioned issuance is consistent with the Debt Management Plan.

ALTERNATIVES:

The cost for the prepayment of the purchased equipment could be absorbed into the City's operating budget; 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 that authorizes the issuance of Obligations in the amount of approximately \$11,400,000.