



City of San Antonio

Agenda Memorandum

File Number:20-2832

Agenda Item Number: 14.

Agenda Date: 4/30/2020

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, Tax Exempt Series 2020 and General Improvement Refunding Bonds, Taxable Series 2020.

SUMMARY:

This ordinance authorizes the issuance of up to \$625,000,000 "City of San Antonio, Texas General Improvement Refunding Bonds" in one or more series and authorizes other matters incident and related thereto.

BACKGROUND INFORMATION:

The City of San Antonio, Texas General Improvement Refunding Bonds, Series 2020 (the "2020 Refunding Bonds") in an aggregate principal amount of up to \$625,000,000 are being issued to refinance existing debt of \$554,585,000 issued between 2008 and 2015 for present value interest cost savings. This refunding transaction is projected to produce significant interest cost savings. Due to current financial market volatility, the projected interest cost savings continues to fluctuate, and the actual savings will be dependent on financial market conditions at the time of issuance.

This Ordinance authorizes the issuance of the 2020 Refunding Bonds in an amount of up to \$625,000,000. Parameter sale authorization for the sale of the 2020 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.

It is anticipated that the 2020 Refunding Bonds will be sold the week of June 8, 2020 by an underwriting syndicate led by Siebert Williams Shank as Senior Book Running Manager; Frost Bank as Co-Senior Manager;

and BofA Securities, Inc., Estrada Hinojosa & Company, Inc., Loop Capital Markets, LLC, M.E. Allison & Co., Mesiroow Financial, Inc., and Raymond James & Associates, Inc as Co-Managers. Closing and delivery of the 2020 Refunding Bonds is anticipated to occur on June 25, 2020.

ISSUE:

The aforementioned issuance of the 2020 Refunding Bonds are being issued to refund the Refunded Obligations.

ALTERNATIVES:

The City could choose not to refund the proposed Obligations 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 2020 Refunding Bonds.