



Text File

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In Control: City Council

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Title

Consider and take action on an ordinance authorizing the issuance of City of League City, Texas Combination Tax and Revenue Certificates of Obligation, Series 2024; levying a tax in payment thereof; and enacting other provisions related thereto (Assistant City Manager - CFO)

Staff requests approval on first and final reading.

..Background:

If approved, the ordinance authorizing the issuance of the 2024 Series of Certificates of Obligation to satisfy the City of Houston (COH) \$49,704,359 cash call due February 2024 for the 54-inch Water Line Replace 42-inch Line on SH3 project (WT1502) as included in the FY2024-2028 CIP.

As approved by City Council on November 28, 2023, the Notice of Intention to issue Certificates of Obligation was published in the Galveston Daily News on December 5th and 12th. In addition to the required notice, information has been distributed through the City's website and social media.

To obtain the lowest possible interest costs, the Bonds were advertised and offered for sale via a competitive bid process. The Bonds are structured to ensure level principal and interest payments; there are no years with interest only payments or balloon payments. The Bond principal will be amortized over each year for a term of 30 years.

This bond ordinance:

1. Authorizes the issuance of bonds not to exceed \$50,000,000 in principal, with a maximum maturity date no later than February 15, 2054;
2. Accepts the winning bid & award the sale of the Bonds; and
3. Approves preparation of the Official Statement, which will be an amended form of the Preliminary Official Statement.

City staff is asking that the City Council either approve the bond ordinance or reject all bids.

The following firms are providing professional services for the sale:

1. The City authorized Hilltop Securities to provide financial advisory services to the City.
2. The City authorized Bracewell, LLP to serve as legal counsel for the issuance of bonds.

Attachments:

1. Data Sheet
2. Proposed Ordinance
3. Preliminary Official Statement
4. Notice of Sale
5. Invoice from City of Houston

{x} Funding is available in the FY2024-2028 CIP from Water Capital Recovery Fees which will be transferred to the Utility Debt Service fund to pay principal and interest through a future budget amendment.