



City of League City, TX

300 West Walker
League City TX 77573

Text File

File Number: 20-0309

Agenda Date: 8/11/2020

Version: 1

Status: ATS Review

In Control: Finance

File Type: Agenda Item

Title

Consider and take action on an ordinance authorizing the issuance of City of League City, Texas General Obligation Improvement Bonds, Series 2020; levying a tax in payment thereof; authorizing the issuance of the bonds in accordance with specified parameters; approving the preparation and distribution of an official statement; and enacting other provisions relating thereto; and providing for the effective date thereof (Director of Finance)

Staff requests first and final reading.

..Background:

If approved, this ordinance authorizes the issuance of General Obligation Bonds. There are no years that will include interest only payments or balloon payments in the proposed structure. Principal will be amortized over each year for a term of 20 years. This will be the second installment of Proposition A and Proposition B bonds approved by the voters in 2019.

This bond sale is to be competitive with delegated authority to the Mayor, City Manager and Director of Finance. Based on current market conditions, the competitive sale approach with delegated authority is intended to achieve the lowest overall cost to the City for this sale in terms of total interest cost.

The Preliminary Official Statement (POS) is the offering document used to present the City's sale to the marketplace. The POS contains financial, organizational, programmatic and legal information about the City, including planned use of bond proceeds, and the initial proposed payment schedule for the bonds.

The bond ordinance approves the sale with the parameters that will control the approval of the sale by the Mayor, City Manager and Director of Finance. This includes:

1. A sale of bonds not to exceed \$30,000,000 in principal;
2. A maximum maturity date no later than February 15, 2040 for improvement bonds.
3. Authority to approve the sale as late as February 11, 2021.
4. An interest rate not to exceed 3.25%.

Staff intends to conduct the sale on or about Thursday, August 20, 2020. The bond calendar will be monitored and a date for the sale chosen that is advantageous to the City relative to other bond sales and market conditions. The following firms are providing professional services for the sale:

1. The City authorized a contract with Hilltop Securities to provide financial advisory services to the City on April 22, 2020.
2. The City authorized Bracewell, LLP to serve as legal counsel for the issuance of bonds.

CONTRACT ORIGINATION: N/A

Attachments:

1. Data Sheet
2. Proposed Ordinance
3. Cost of Issuance Analysis
4. Draft Preliminary Official Statement

FUNDING

{ } Funds are available from Account # _____

{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____

{x} NOT APPLICABLE

STRATEGIC PLANNING

{ } Addresses Strategic Planning Critical Success Factor # _____ and Initiative # _____

{x} NOT APPLICABLE