



Legislation Text

File #: ORD-3495, Version: 1

Consider adopting Ordinance No. 3495 authorizing the issuance and sale of City of Farmers Branch, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018, in an aggregate principal amount not to exceed approximately \$11,000,000; levying a tax in payment thereof; prescribing the form of said certificates; approving the Official Statement; enacting other provisions relating thereto; declaring an effective date; and, take appropriate action.

BACKGROUND:

On February 6, 2018, the City Council approved Resolution No. 2018-06 authorizing the publication of Notice of Intention to Issue City of Farmers Branch, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018, in a principal amount not to exceed \$11.0 million, for the purpose of paying contractual obligations to be incurred for the following purposes: (a) designing, constructing, renovating, improving and equipping Farmers Branch Fire Station No. 2, (b) designing, developing, constructing improving, extending and expanding landfill facilities for the City's Camelot Landfill, including streets and roads in connection therewith ((a) and (b) together, the "Project"), and (c) paying professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.

This notice was published in the Dallas Morning News in the manner required by law on February 9 and February 16, 2018, with a scheduled meeting date and time of April 3, 2018 at 6:00 p.m. All legal requirements necessary to issue these certificates have been met. The \$11.0 million in 20-year maturity certificates will be sold on April 3, 2018, pending a) receipt of Form 1295 (the "Disclosure Form") pursuant to House Bill 1295 prior to approval of the Ordinance authorizing the issuance of sale; and, b) pending approval of this Ordinance.

A final version of the Ordinance, with interest rate pricing included, will be distributed prior to City Council consideration of this agenda item.

DISCUSSION:

Ordinance No. 3495 provides for the issuance and sale of the certificates authorized by Resolution No. 2018-06. In addition, an opportunity exists to provide for the combined issuance and sale of voter authorized bonds remaining from the May 2014 bond election for street improvements totaling \$9,000,000 and a portion of voter authorized bonds totaling \$5,000,000 from the November 2017 bond election for park and open space improvements (\$4,000,000) and residential revitalization (\$1,000,000), in order to realize interest rate and cost of issuance savings. To realize these savings, the Certificates are being offered by the City concurrently with the City of Farmers Branch, Texas, General Obligation Bonds, Series 2018. The Certificates and Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement.

This agenda item supports the City Council goal to maintain responsible stewardship of taxpayers' investments in the community.

RECOMMENDATION:

City Administration recommends adopting Ordinance No. 3495 providing for the issuance, sale, and delivery of Combination Tax and Revenue Certificates of Obligation, Series 2018, in the aggregate principal amount of approximately \$11.0 million.

POSSIBLE COUNCIL ACTION:

1. I move to approve Ordinance No. 3495 authorizing the issuance of City of Farmers Branch, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018, in an aggregate principal amount of not to exceed \$11.0 million for the purpose of relocating Fire Station No. 2 and expanding landfill facilities; awarding the sale of the Certificates and providing for the security for and payment of said Certificates; approving the Official Statement and a paying agent/registrar agreement; enacting other provisions relating thereto; and, declaring an effective date.
2. I move to approve Ordinance No. 3495 authorizing the issuance of City of Farmers Branch, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2018, in an aggregate principal amount of not to exceed \$11.0 million for the purpose of relocating Fire Station No. 2 and expanding landfill facilities; awarding the sale of the Certificates and providing for the security for and payment of said Certificates; approving the Official Statement and a paying agent/registrar agreement; enacting other provisions relating thereto; and, declaring an effective date, with modifications.
3. I move to table the issue for further study or take no action.

ATTACHMENTS:

1. Ordinance No. 3495 (Draft Version - Final to be distributed at City Council Meeting)
2. Preliminary Official Statement