



## **AGENDA MEMORANDUM**

First Reading for the City Council Meeting of August 20, 2019  
Second Reading for the City Council Meeting of August 27, 2019

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**DATE:** August 2, 2019

**TO:** Peter Zaroni, City Manager

**THRU:** Constance P. Sanchez, Interim Assistant City Manager

**FROM:** Alma Casas, Interim Director of Financial Services  
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(361) 826-3610

Authorization for the Issuance of General Improvement  
Refunding Bonds – Taxable

### **CAPTION:**

Ordinance authorizing the issuance of “City of Corpus Christi, Texas General Improvement Refunding Bonds, Taxable Series 2019” related to Airport improvements in an amount not to exceed \$4,000,000 and authorizing other matters incident and related thereto.

### **PURPOSE:**

The City plans on issuing \$4,000,000 of General Improvement Refunding Bonds (taxable) for savings. The amount of bond issuance included in the ordinance includes estimated costs of issuance and accounts for any fluctuations in the bond market at the time of pricing.

### **BACKGROUND AND FINDINGS:**

In June 2010, the City of Corpus Christi issued \$5,500,000 of Combination Tax and Surplus Airport Revenue Certificates of Obligation (taxable) for the purpose of financing costs associated with making permanent public improvements to the City’s Airport System. These bonds are currently callable and because of favorable market conditions, City staff is recommending that the outstanding balance of these bonds of \$3,815,000 be refunded for savings. Net present value savings is estimated to be 14.6% or approximately \$560,000.

Because of the fluctuating conditions in the municipal bond market and to ensure that all legal documents are executed on a timely basis, our financial advisor has recommended that the City Council delegate to the City Manager, Assistant City Managers, and the Director of Financial Services - including any person serving in any of the foregoing capacities on an interim or non-permanent basis (the “Authorized Officials”) the authority to effect the sale of the bonds subject to the following parameters: (1) the principal amount in total of all bonds sold may not exceed \$4,000,000; (2) the refunding will result in a net present value savings of at least 3.00%; and (3) the true interest rate shall not exceed 5% per year. The City’s bond counsel has confirmed that

the City can delegate the sale of the bonds to the Delegated Officials in the manner outlined above pursuant to the authority contained in Chapter 1371, as amended, Texas Government Code.

**ALTERNATIVES:**

n/a

**OTHER CONSIDERATIONS:**

n/a

**CONFORMITY TO CITY POLICY:**

This item conforms to City policy.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

- Financial Services Department
- Bond Counsel
- City Attorney's Office

**FINANCIAL IMPACT:**

Not Applicable     Operating Expense     Revenue     CIP

<b>FISCAL YEAR:</b>	<b>Project to Date Exp. (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	-	-	-	-
Encumbered/Expended amount of (date)	-	-	-	-
This item	-	\$ 4,000,000	-	\$ 4,000,000
<b>BALANCE</b>	-	\$ 4,000,000	-	\$ 4,000,000
FUND(S): CIP Fund (number to be determined after bond sale)				

**COMMENTS:**

None.

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance