



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 40

**Agenda Date:** August 8, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Finance Department

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Issuance, Sale, and Delivery of 2024 Notes.

**SUMMARY:**

This Ordinance by the City Council of the City of San Antonio, Texas authorizes the issuance of up to \$58,000,000 "City of San Antonio, Texas Tax Notes Series 2024"; levies a continuing direct annual Ad Valorem Tax for the payment of the Notes; prescribes the form, terms, conditions, and resolves other matters incident and related to the issuance, sale, and delivery of the Notes, including the approval and distribution of an Official Statement pertaining thereto; authorizes the execution of a Paying Agent/Registrar Agreement and a Purchase Contract; complies with the provisions of the Depository Trust Company's Letter of Representations; delegates the authority to certain City Officials and staff to establish the terms of the sale of the Notes and to execute certain documents relating to the sale thereof; enacts other provisions incident and related to the subject and purpose of this Ordinance; and provides for an effective date.

**BACKGROUND INFORMATION:**

The FY 2024 Adopted Capital Budget and FY 2024 Capital Budget amendments include the proposed sale of approximately \$56,500,000 Tax Notes, Series 2024 ("the 2024 Notes") in an

amount not to exceed \$58,000,000.

The 2024 Notes will be used for the purpose of providing funds for public safety, street improvements, parks and recreation improvements, municipal facilities, and information technology improvements. The total project amount to be funded is approximately \$56,470,602, while the maximum issuance amount included is up to \$58,000,000. The differential between the amount to be funded and the maximum issuance amount is attributable to flexibility necessary to allow for market conditions at the time of sale. The issuance of the 2024 Notes may include a premium which will be used to fund the costs of issuance for the 2024 Notes.

Approval of this Ordinance will give parameter sale authorization for the 2024 Notes. This authorization 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 contracts upon completion of the sale of the 2024 Notes.

It is anticipated that the 2024 Notes will be sold the week of August 19, 2024, by an underwriting syndicate led by Piper Sandler & Co. as Senior Book Running Manager; Raymond James & Associates, Inc. as Co-Senior Manager; and Academy Securities, Inc., Blaylock Van, LLC, Jefferies, LLC, Mesirov Financial, Inc., Mischler Financial Group, Inc., and Stifel, Nicolaus & Company, Inc. as Co-Managers. Closing and delivery of the 2024 Notes is anticipated to occur on September 18, 2024.

Hilltop Securities Inc. and Estrada Hinojosa & Company, Inc., are serving as Co-Financial Advisors.

#### **ISSUE:**

The aforementioned transaction will fund capital projects that have or will have been approved in the FY 2024 Adopted Capital Budget as well as other items to be approved by City Council and are consistent with the Debt Management Plan.

#### **ALTERNATIVES:**

The cost of the improvements to be financed could be absorbed into the City's operating budget and/or the proposed capital projects could be deferred or not done. However, this alternative is not budgeted and would negatively impact funding for other services and improvements or result in approved capital projects not being constructed.

#### **FISCAL IMPACT:**

Any costs pertaining to the proposed transaction will be paid for from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating

Budget.

**RECOMMENDATION:**

Staff recommends approval of this Ordinance that authorizes the issuance, sale, and delivery of the 2024 Notes.