



City of Austin

Recommendation for Action

File #: 25-2045, **Agenda Item #:** 7.

10/9/2025

Posting Language

Approve an ordinance authorizing the issuance and sale by April 9, 2026 of City of Austin Airport System Revenue Refunding Bonds in a par amount not to exceed \$250,000,000, to refund outstanding Airport System Revenue Bonds in accordance with the parameters set out in the ordinance, authorizing related documents, and approving related fees. Funding: The Fiscal Year 2026 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Operating Budget of the Airport Revenue Bond Redemption Fund.

Lead Department

Austin Financial Services Department

Fiscal Note

The Fiscal Year 2026 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the 2025-2026 Operating Budget of the Airport Revenue Bond Redemption Fund.

Prior Council Action:

March 6, 2025 - Council approved Ordinance No. 20250306-008 authorizing the issuance and sale by September 6, 2025 of City of Austin Airport System Revenue Refunding Bonds, Series 2025.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885

Additional Backup Information:

The proposed Bonds are being issued to refund all or a portion of the outstanding \$244,495,000 Airport System Revenue Bonds, Series 2014 for present value savings. The 2014 Bonds are currently callable (able to be refinanced). The City's municipal advisor, PFM Financial Advisors LLC (PFM), continues to monitor the refunding savings and the City will consult with PFM closer to the bond pricing date to determine which maturities from the currently callable bonds identified above result in present value savings (lower debt service costs) that exceed the City's debt policy guideline of 4.25% of the refunded bonds.

In order to provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager, Chief Financial Officer, Director of Financial Services, City Treasurer or any Deputy or Assistant City Manager authorized by the City Manager to sign documents on his behalf (Pricing Officer) to complete the sale of the Bonds in accordance with the parameters in the ordinance. Additionally, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on April 9, 2026.

This Ordinance is a reauthorization of the refunding bond authorization provided in the Prior Ordinance, which expired on September 6, 2025. During this previous six-month timeframe, the City was unable to issue the refunding bonds due to market movements that adversely impacted the savings of the proposed refunding. A recent municipal bond market rally (improvement in rates) has moved the expected savings from the refunding back into the City's required range. This new parameters ordinance will provide the City with an additional six

month delegation and authority to refund the 2014 Bonds for savings if market conditions are supportive of the refunding savings.

This transaction will be sold through an underwriting syndicate comprised of Siebert, Williams, Shank & Co. as the Senior Manager, Estrada Hinojosa and Hilltop Securities as Co-Managers, and Frost Brown Todd LLC as the underwriter's counsel. Bracewell LLP will serve as the City's bond counsel, Orrick, Herrington & Sutcliffe LLP will serve as City's disclosure counsel, and PFM Financial Advisors LLC is the City's municipal advisor.