



# City of Austin

## Recommendation for Action

**File #: 25-1349, Agenda Item #: 33.**

7/24/2025

### **Posting Language**

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas Public Property Finance Contractual Obligations, Series 2025, in an amount not to exceed \$40,800,000, to be used for vehicles, Emergency Medical Services equipment, Austin Police Department equipment, and cloud computing, in accordance with the parameters set out in the ordinance, authorizing related documents, and approving the payment of the costs of issuance, and all 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 2025-26 Proposed Operating Budget of the General Obligation Debt Service Fund.

### **Lead Department**

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 2025-26 Proposed Operating Budget of the General Obligation Debt Service Fund.

### **Prior Council Action:**

Reimbursement Resolutions approved by City Council:

Resolution 20200827-005  
Resolution 20210902-067  
Resolution 20210902-068  
Resolution 20220915-002  
Resolution 20230914-017  
Resolution 20240912-010

### **For More Information:**

Belinda Weaver, Treasurer, 512-974-7885.

### **Additional Backup Information:**

The City of Austin, Texas Public Property Finance Contractual Obligations, Series 2025 (Contractual Obligations) will be used to finance vehicles and related equipment for various general fund and internal service departments, cloud computing services for the City's Accounting System, as well as equipment for use by Austin Police and Emergency Medical Services. Details of the anticipated purchases are found on Attachment B to this request.

The Contractual Obligation sale totals up to \$40,800,000 for equipment for the following items:

- Vehicles and Equipment \$37,020,000 (FY21, 22, 23, 24, 25 Budgets)
- EMS Equipment \$220,000 9/15/2022 (FY23 Budget)
- APD Equipment \$60,000 9/14/2023 (FY24 Budget)
- Cloud Computing \$3,500,000 9/14/2023 (FY24 Budget)

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The entire \$40,800,000 is associated with items included in the Fiscal Year 2020-21, 2021-22, 2022-23, 2023-24, and 2024-25 Capital Budgets.

These Contractual Obligations are being issued to provide funding related to reimbursement resolutions previously approved by City Council. Reimbursement resolutions declare the City's official intent to reimburse a project's expenditure with the proceeds of debt obligations to be issued after the expenditure may have occurred. This action is required by IRS and U.S. Treasury rules and State law. The City generally submits reimbursement resolutions for Council consideration as a part of the annual budget adoption in August/September, the same time as the new capital appropriations are adopted, or at the time of a capital budget amendment for a particular project.

The General Obligation Debt Service cost of the \$40,800,000 Contractual Obligations, Series 2025 is estimated as follows:

	<b>Total Over 7 Years</b>	<b>Average Per Year</b>
	:	
Principal	\$40,800,000	\$5,828,571
Interest	8,074,611	1,153,518
Total Debt Ser	\$48,874,611	\$6,982,089

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, or Director of Financial Services (each, a "Pricing Officer") to complete the sale of the bond transaction 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 January 24, 2026.

This transaction will be sold through the following underwriting team:

Senior Manager: Wells Fargo

Co-Senior Manager: Raymond James & Assoc.

Co-Managers: Robert W. Baird & Co, Ramirez & Co, and Stifel Nicolaus & Co.

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, and Orrick, Herrington & Sutcliffe LLP will serve as disclosure counsel. PFM Financial Advisors, LLC., is the City's financial advisor.