City of Austin

Recommendation for Action

File #: 26-2282, **Agenda Item #:** 19. 8/27/2026

Posting Language
Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas Public Property Finance Contractual Obligations, Series 2026, in a par amount not to exceed $85,745,000 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 2026-2027 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2026-2027 Operating Budget of the General Obligation Debt Service Fund.

Lead Department
Austin Financial Services.

Fiscal Note
The Fiscal Year 2026-2027 debt service requirements and estimated annual administration fees for the paying agent/registrar for the proposed bond sale are included in the Fiscal Year 2026-2027 Operating Budget of the General Obligation Debt Service Fund.

Prior Council Action:
Previous Reimbursement Resolutions approved by Council:
Resolution 20210902-067
Resolution 20220915-002
Resolution 20230914-017
Resolution 20240912-010
Resolution 20250925-011
Resolution 20251120-007

For More Information:
Belinda Weaver, Treasurer, Austin Financial Services, 512-974-7885.

Additional Backup Information:
The 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 and Human Capital Management 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 $85,745,000 for equipment for the following items:

- Vehicles and Equipment $55,430,000
- EMS Equipment $950,000
- Public Safety Handheld Radio Modernization Equipment $27,550,000
- Cloud Computing $1,815,000

The entire $85,745,000 is associated with items included in Fiscal Years, 2021-22, 2022-23, 2023-24, 2024-25, and 2025-26 Capital Budgets.

These Contractual Obligations are being issued to provide funding pursuant to reimbursement resolutions previously approved by 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. The action is required by federal 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 $85,745,000 Contractual Obligations, Series 2026 is estimated as follows:
Total Over 7 Years:
Principal $85,745,000
Interest $16,971,125
Total Debt Service $102,716,125

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 Austin Financial Services (each, a "Pricing Officer") to complete the sale of the bond transaction in accordance with the parameters in the ordinance. The authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on February 27, 2027.

The Contractual Obligations will be sold via competitive sale. Electronic Bids are expected to be accepted on or about September 22, 2026. Bids will be verified by the City's municipal advisor, PFM Financial Advisors LLC, and the Contractual Obligations will be awarded to the bidder providing the City with the lowest true interest cost.

For this transaction, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, and Orrick, Herrington & Sutcliffe LLP will serve as disclosure counsel.