



City of Austin

Recommendation for Action

File #: 25-0229, **Agenda Item #:** 3.

3/6/2025

Posting Language

Approve an ordinance amending the Fiscal Year 2024-2025 Aviation Department Airport Subordinate Obligation Fund Budget (Ordinance No. 20240814-007) to increase transfers in by \$1,500,000 and increase appropriations by \$1,500,000 for interest payments and other costs associated with the anticipated draws on the Airport System Subordinate Lien Revolving Revenue Note Program. Funding: \$1,500,000 is available in the Aviation Department Operating Fund Budget.

Lead Department

Aviation.

Fiscal Note

Funding in the amount of \$1,500,000 is available in the Fiscal Year 2024-2025 Aviation Department Operating Fund Budget. A fiscal note is attached.

For More Information:

Ghizlane Badawi, Aviation, Chief Executive Officer, 512-530-8846; Rajeev Thomas, Aviation, Chief Financial Officer, 512-530-2463.

Council Committee, Boards and Commission Action:

February 12, 2025 - This item was reviewed and approved by the Airport Advisory Commission.

Additional Backup Information:

The Note Program is created to provide short-term financing to fund the Aviation Department's Airport Expansion and Development Program (AEDP). The Note Program allows the City to issue short term notes for qualifying capital projects at the Airport, minimizing borrowing costs and providing greater flexibility to manage the Airport's cash needs. This budget amendment is to accommodate the interest payments and any unused balance fees associated with the anticipated draws on the Airport System Subordinate Lien Revolving Revenue Note Program (Note Program) within the Airport Subordinate Obligation Fund. The Note Program was established by Ordinance No. 20250130-013, approved on consent by City Council on January 30, 2025. Based on expenditures in the AEDP capital projects, the Airport anticipates executing on the Note Program in Fiscal Year 2024-2025.

The Airport Operating Fund has appropriated budget in Fiscal Year 2024-2025 for the cost of issuance, interest payments, and other associated fees. Ordinance No. 20250130-013 (Ordinance) declares any Program Notes and the Note Program Costs to be Subordinate Obligations under the Revenue Bond Ordinances and, in accordance with Article 6 of the Ordinance, the Airport will transfer funds on a monthly basis from the Airport Operating Fund to the Airport Subordinate Obligation Fund in an amount sufficient to cover anticipated interest payments and any unused balance fees.