City of Austin

Recommendation for Action

File #: 26-2278, **Agenda Item #:** 15. 8/27/2026

Posting Language

Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas Public Improvement and Refunding Bonds, Series 2026, in a par amount not to exceed $338,935,000 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 City Council:
Resolution 20150908-007
Resolution 20160914-007
Resolution 20190910-006
Resolution 20200827-005
Resolution 20210304-060
Resolution 20210902-067

For More Information:

Belinda Weaver, Treasurer, Austin Financial Services, 512-974-7885.

Additional Backup Information:

Approval of this ordinance will authorize the issuance of up to $338,935,000 in City of Austin Public Improvement and Refunding Bonds, Series 2026, consisting of up to $237,310,000 in new money bonds for voter approved projects and up to $101,625,000 for refunding bonds for debt service savings. The new money portion of the bonds will provide funding for:

Election Year	Description	New Money Amount
2012	Transportation	$1,500,000
2016	Transportation/Mobility	$40,000,000
2018	Flood Mitigation, Open Space, Water Quality Protection	$25,000,000
2018	Parks and Recreation	$22,000,000
2018	Library and Cultural Arts	$16,000,000

2018	Health	$410,000
2018	Public Safety	$400,000
2018	Transportation	$12,000,000
2020	Transportation	$120,000,000
	Total:	$237,310,000

The $237,310,000 in new money bonds is being issued to provide funding pursuant to reimbursement resolutions that were previously approved by Council. Reimbursement resolutions declare an issuer's official intent to reimburse a project's expenditure with the proceeds of 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 for the new money bond issuance of $237,310,000 is estimated as follows:

Total Over 20 Years:	
Principal	$237,310,000
Interest	$143,537,750
Total Debt Service:	$380,847,750

In addition to the new money bonds described above, approval of this ordinance will authorize the issuance of refunding bonds in an amount not to exceed $101,625,000 to refund outstanding bonds of the City, for debt service savings, as described below:

- $101,625,000 will be authorized to refund certain outstanding bonds for present value savings. Eligible bonds to be refunded include the City's outstanding, callable tax-exempt bonds: Public Improvement Bonds Series 2016 (callable on September 1, 2026), Certificates of Obligation Series 2016 (callable on September 1, 2026), Public Improvement Bonds Series 2012A (currently callable), and Certificates of Obligation Series 2012 (currently callable). The City's municipal advisor, PFM Financial Advisors LLC, 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 obligations identified above result in present value savings (lower debt service costs) that exceed the City's target guideline of 4.25% of the refunded bonds. Only those obligations that meet or exceed the City's criteria for refunding savings will be eligible for inclusion in the refunding bond sale.

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 Public Improvement and Refunding Bonds will be sold via a 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 Public Improvement and Refunding Bonds 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.