



Legislation Text

File #: 2016-3435, **Version:** 1

Consider an ordinance authorizing the Issuance and Sale of One or More Series of City of Round Rock, Texas General Obligation Refunding Bonds; Approving an Official Statement, a Paying Agent/Registrar Agreement, a Bond Purchase Agreement, an Escrow Agreement and Other Related Documents; Establishing the Procedures for Selling and Delivering One or More Series of the Bonds; and Authorizing Other Matters Relating to the Bonds. (First Reading)*

The City will be refunding approximately \$7.4 million in 2007 General Obligation (GO) and Certificate of Obligation (CO) bonds. Due to current market conditions the City would like to take the opportunity to refinance this debt at a more favorable rate. The net present value savings over the life of the debt is projected to be over \$1.1 million, or an average of \$75,000 per year, and will be reflected as a reduction of the debt service requirement. We will be utilizing the negotiated sale method which allows greater flexibility at the time of pricing. The City Council designates the City Manager as the Pricing Officer, who approves the sale. This is an advanced refunding and rates will be fixed, as allowed by IRS regulations, 15 days after the pricing of the GOs. Closing will occur in June 2016, and since this is a refunding, no proceeds are involved. The original 2007 bonds funded improvements at Old Settler's Park and the City's contribution to the pool at the YMCA.

This ordinance will be approved and effective on the First Reading in accordance with section 1201.028, Texas Government Code.

Staff recommends approval