



## Legislation Text

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**File #:** 2017-4993, **Version:** 1

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Consider a Fifth Supplemental Ordinance to the Master Ordinance Establishing the City of Round Rock, Texas Utility System Revenue Financing Program. (First Reading)\*

This action proposes refunding \$33.5 million in 2009 Utility System Revenue bonds. Due to current favorable market conditions and pending federal tax legislation that would disallow all tax-exempt advanced refundings after December 31, 2017, staff recommends that the City 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 approximately \$3.7 million. These savings will benefit the City's wastewater operations by reducing annual interest payments by approximately \$187,000. The City will be utilizing the negotiated sale method which allows greater flexibility at the time of pricing. This will be an advanced refunding and is expected to close in December 2017.

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