

# Mayor and Council Communication

**DATE:** 05/14/24

**M&C FILE NUMBER:** M&C 24-0438

**LOG NAME:** 032022GO BOND PROGRAM SERIES 2024 APPROPRIATION

**SUBJECT**

(ALL) Adopt Appropriation Ordinance Increasing Appropriations in the 2022 Bond Program Fund in the Amount Up to \$160,190,000.00, for the Purpose of Funding Expenditures Associated with 2022 Bond Projects; and Amend the Fiscal Years 2024-2028 Capital Improvement Program (2022 Bond Program)

**RECOMMENDATION:**

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing appropriations in the 2022 Bond Program Fund, in the amount up to \$160,190,000.00, subject to the sale of general purpose, series 2024 bonds, with such amount subject to reduction to conform to final figures reflected in bond closing documents, for expenditures associated with 2022 Bond Program projects; and
2. Amend the Fiscal Years 2024-2028 Capital Improvement Program.

**DISCUSSION:**

The purpose of the Mayor and Council Communication (M&C) is to appropriate the proceeds of the recent bond sale to allow projects to keep moving forward until the next bond sale in spring of 2025.

**Background**

In May of 2022, Fort Worth voters approved issuance of \$560,000,000.00 in bonds across five propositions.

Prior to 2014, the City would issue voter-authorized bonds in advance, which often resulted in large amounts of proceeds sitting idle in bank accounts for projects that were not yet ready to move forward – an approach that resulted in a more complicated arbitrage rebate process and the incurring of borrowing costs before bond dollars had been put to work. Beginning with the 2014 Bond Program, the City began a process of issuing bonds in arrears by (1) adopting an official reimbursement-intent statement, (2) utilizing available pooled cash balances to commence work, and (3) issuing the bonds in a series of annual installments with proceeds used to repay the interim funding source and provide a modicum of funding for the upcoming year’s projects.

Given the size of the 2022 Bond Program, it was determined that pooled cash alone would be insufficient to facilitate the in-arrears approach. So, staff recommended and City Council approved a \$300,000,000.00 Extendable Commercial Paper (ECP) program as a liquidity facility (M&C 22-0607) with the resulting \$300,000,000.00 in appropriation authority allocated among the five propositions (M&C 22-0599) and subsequently readjusted (M&C 22-0772 and M&C 22-0772R).

The General Purpose Bonds, Series 2023 were authorized for sale on April 11, 2023 in a total amount of \$85,600,000.00 (M&C 23-0252), but the M&C omitted the ordinance to appropriate those funds. The appropriation of proceeds was authorized by Mayor and Council Communication on August 08, 2023 (M&C 23-0611).

Subsequently, General Purpose Bonds, Series 2024 were authorized for sale on April 23, 2024 in an aggregate principal amount not to exceed \$185,000,000.00, (M&C 24-0313), which includes an amount of \$24,810,000.00 to cover the cost of issuance and any related premium, with such amount subject to reduction to conform to final figures reflected in the bond closing documents. Bids for the sale of the bonds are scheduled to be submitted on May 21, 2024. Subsequent to accepting the best bid and awarding the sale of the bonds, the City will seek approval of the debt transactions from the Texas Attorney General with an estimated closing date of June 18, 2024.

The actions of this M&C are intended to appropriate the proceeds from the sale of the Series 2024 General Purpose Bonds and make necessary adjustments to maximize all available resources.

The following chart depicts how the funds from the previous and recent sale are being appropriated:

Purpose	Amount Authorized	Revised ECP Appropriation	2023 Appropriation (Bond)	Current 2024 Appropriation (Bond)	Unissued Balance
Streets and Mobility	\$369,218,300.00	\$229,831,300.00	\$68,774,000.00	\$56,404,007.00	\$244,040,293.00

Parks and Recreation	\$123,955,500.00	\$33,886,000.00	\$11,270,500.00	\$78,798,079.00	\$33,886,921.00
Public Library	\$12,505,200.00	\$1,681,700.00	\$712,500.00	\$10,110,991.00	\$1,681,709.00
Public Safety	\$39,321,000.00	\$19,601,000.00	\$4,843,000.00	\$14,876,923.00	\$19,601,077.00
Natural Area and Open Space	\$15,000,000.00	\$15,000,000.00	\$0.00	\$0.00	\$15,000,000.00
<b>TOTAL</b>	<b>\$560,000,000.00</b>	<b>\$300,000,000.00</b>	<b>\$85,600,000.00</b>	<b>\$160,190,000.00</b>	<b>\$314,210,000.00</b>

\*Table above propositions A, B, C, and D exhibit slight variances in the M&C table from 13GENERAL PURPOSE BONDS SERIES 2024 (M&C 24-0313) due to the rounded number presented in the bond sale M&C.

The action in this M&C will amend the Fiscal Year 2024-2028 Capital Improvement Program as approved in connection with Ordinance 26453-09-2023. Attached in Exhibit A are the projects and funding to support this appropriation.

The 2022 Bond Projects are located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the 2022 Bond Program Fund for the specified projects. Prior to an expenditure being incurred, the Transportation and Public Works, Park and Recreation, Library, Police, Fire, and Financial Management Services Departments have the responsibility of verifying the availability of funds.

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Expedited