



# City Council Agenda Item Summary Report

| <b>Meeting Date:</b><br>July 10, 2018  | <b>Submitted by:</b><br>Deborah Woodham, Director of Finance |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
|--|--|-------------------|-----------------|-------------------|-----------|------------------|------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|------|-----------|-----------|-----------|-----------|--|--|--|--|------------|
| <b>Item Title:</b><br>Consider all matters incident and related to providing for the redemption of certain outstanding bonds of the City, including the adoption of a resolution pertaining thereto.   |  |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| <b>Consent Item</b> [ <input type="checkbox"/> ] <b>Public Hearing Item</b> [ <input type="checkbox"/> ]<br><b>Action Item</b> [ <input checked="" type="checkbox"/> ]   | <b>Documentation Attached:</b><br>Resolution                 |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| <b>Recommended Action:</b><br>Staff recommends approval.   |  |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| <b>How this item ties-in with the City's Mission, Vision and Values:</b><br>The early redemption of bonds represents accountability.   |  |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| <b>Item Summary:</b><br>Our agreement with TxDOT for the Pass-Through Toll projects guarantees a minimum annual payment of \$2,009,570. The agreement also provides that the payment may be increased, based on traffic counts, up to a maximum of \$4,019,140 annually. Any amount received over the minimum is considered to be an accelerated payment.<br><br>When the bonds were sold in 2008, the City anticipated that the annual payments would have an accelerated portion. The bonds were structured so that some of the bonds would be eligible for early redemption and allow the City to pay off this obligation in a shorter time frame thus recognizing considerable interest savings.<br><br>In September 2012, City Council passed a resolution to commit the accelerated portion of the pass-through payment from TxDOT for early retirement of debt related to the road projects. This year the City again received the maximum amount of \$4,019,140, and will be able to use \$2,005,000 for early bond redemption, saving \$631,575 in interest. The resolution is required in order to satisfy all requirements for the early redemption of \$2,005,000.<br><br>A history of the early redemption is below:  |  |                   |                 |                   |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Year</th> <th style="text-align: right;">Amount Received</th> <th style="text-align: right;">Scheduled Payment</th> <th style="text-align: right;">Remaining</th> <th style="text-align: right;">Early Redemption</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td style="text-align: right;">3,606,373</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">1,596,803</td> <td style="text-align: right;">1,590,000</td> </tr> <tr> <td>2014</td> <td style="text-align: right;">3,685,934</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">1,676,364</td> <td style="text-align: right;">1,675,000</td> </tr> <tr> <td>2015</td> <td style="text-align: right;">3,901,756</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">1,892,186</td> <td style="text-align: right;">1,890,000</td> </tr> <tr> <td>2016</td> <td style="text-align: right;">4,019,140</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">1,955,000</td> </tr> <tr> <td>2017</td> <td style="text-align: right;">4,019,140</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">1,910,000</td> </tr> <tr> <td>2018</td> <td style="text-align: right;">4,019,140</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">2,009,570</td> <td style="text-align: right;">2,005,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">11,025,000</td> </tr> </tbody> </table> |  | Year              | Amount Received | Scheduled Payment | Remaining | Early Redemption | 2013 | 3,606,373 | 2,009,570 | 1,596,803 | 1,590,000 | 2014 | 3,685,934 | 2,009,570 | 1,676,364 | 1,675,000 | 2015 | 3,901,756 | 2,009,570 | 1,892,186 | 1,890,000 | 2016 | 4,019,140 | 2,009,570 | 2,009,570 | 1,955,000 | 2017 | 4,019,140 | 2,009,570 | 2,009,570 | 1,910,000 | 2018 | 4,019,140 | 2,009,570 | 2,009,570 | 2,005,000 |  |  |  |  | 11,025,000 |
| Year   | Amount Received  | Scheduled Payment | Remaining       | Early Redemption  |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2013   | 3,606,373  | 2,009,570         | 1,596,803       | 1,590,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2014   | 3,685,934  | 2,009,570         | 1,676,364       | 1,675,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2015   | 3,901,756  | 2,009,570         | 1,892,186       | 1,890,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2016   | 4,019,140  | 2,009,570         | 2,009,570       | 1,955,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2017   | 4,019,140  | 2,009,570         | 2,009,570       | 1,910,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
| 2018   | 4,019,140  | 2,009,570         | 2,009,570       | 2,005,000         |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |
|  |  |                   |                 | 11,025,000        |           |                  |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |      |           |           |           |           |  |  |  |  |            |