



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/27/2020

Item Creation Date:

FIN - GO CP H-2

Agenda Item#: 4.

Summary:

Background:

RECOMMENDATION:

Approve an Ordinance authorizing, approving, confirming and ratifying certain matters relating to the City of Houston, Texas, General Obligation Commercial Paper Notes, Series H-2, in an aggregate principal amount not to exceed \$100,000,000 for the purpose of financing certain authorized purposes; Approving and authorizing certain authorized officers and employees to act on behalf of the City in the selling and delivery of such notes, within the limitations and procedures specified herein and making certain covenants and agreements in connection therewith.

SPECIFIC EXPLANATION:

Starting in 1993, City Council created commercial paper programs to provide appropriation capacity and "on time" funding for various capital expenditures of the City funded with proceeds of general obligation debt. The issuance of commercial paper has provided an expedient, cost-effective method of providing interim financing. Commercial paper notes are later refinanced with fixed rate bonds with maturities matching the useful lives of the projects or equipment being financed.

The existing letter of credit that supports the Series H-2 CP program has an upcoming expiration date of November 13, 2020. The Series H-2 CP program currently supports the City's Capital Improvement Program.


TD Bank, N.A. will provide a Revolving Line of Credit for the Series H-2 program in the amount of \$100 million, plus interest. The liquidity facility will have a 3-year term, with a commitment fee of 22 basis points per annum based on the City's current long-term ratings.

This transaction was presented to the Budget and Fiscal Affairs Committee on September 1, 2020.

DocuSigned by:


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Tantri Emo, Chief Business Officer/Director of Finance

DocuSigned by:




2BAD790EC3654A9
Chris B. Brown, Houston City Controller

Amount of Funding:

N/A

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