



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 3/9/2021

Item Creation Date:

FIN - GO CP G-1

Agenda Item#: 19.

**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 G-1, in an aggregate principal amount not to exceed \$75,000,000 for the purpose of providing money for 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 revolving credit agreement that supports the Series G-1 commercial paper program has an upcoming expiration date of April 12, 2021. The Series G-1 commercial paper program currently supports the City's Capital Improvement Program.

The Finance Working Group (the "FWG") recommends replacing the existing provider with TD Bank, N.A. The facility will be a revolving credit agreement for the Series G-1 program in the amount of \$75 million, plus interest. The liquidity facility will have a 3-year term.

This transaction was presented to the Budget and Fiscal Affairs Committee on February 2, 2021.

DocuSigned by:

*Tantri Emo*

Tantri Emo, Chief Business Officer/Director of Finance

DocuSigned by:

*Chris Brown*

Chris Brown, Houston City Controller

**Prior Council Action:**

n/a

**Amount of Funding:**

n/a

**Contact Information:**

Melissa Dubowski

Charisse Mosely

Phone: 832-393-9101

Phone: 832-393-3529

