



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 8/26/2025

Item Creation Date:

FIN - GO TRANS 2025

Agenda Item#: 17.

### **Summary:**

NOT A REAL CAPTION

ORDINANCE authorizing issuance of one or more series of City of Houston, Texas Tax and Revenue Anticipation Notes, Series 2025 to provide for payment of current expenses of the City for the fiscal year beginning July 1, 2025 and ending June 30, 2026; prescribing terms and form thereof and authorizing the Finance Working Group to determine certain terms and conditions relating thereto; providing for the payment of the principal thereof and interest thereon; authorizing the distribution of a Preliminary Official Statement, and Official Notice of Sale to be used in connection with sale of the Notes; authorizing the distribution of an Official Statement, authorizing the execution and delivery of Paying Agent/Registrar Agreement; and making other findings and provisions related to such notes and matters incident thereto; and declaring an emergency

### **Background:**

#### **RECOMMENDATION:**

Approve an Ordinance authorizing the issuance of one or more series of City of Houston, Texas Tax and Revenue Anticipation Notes, Series 2025, approving and authorizing the distribution of a Preliminary Official Statement, and Official Notice of Sale to be used in connection with the sale of the Notes.

#### **SPECIFIC EXPLANATION:**

The City's General Fund revenue collections are not evenly distributed throughout the fiscal year. The major revenue source is ad valorem taxes, the largest part of which is collected shortly before the tax delinquency date of February 1st of each year. In order to finance its general operation expenditures each fiscal year, the City borrows against anticipated collection of taxes and revenues to cover temporary cash flow shortages. This request is for City Council's approval to issue Tax and Revenue Anticipation Notes (TRANS) for Fiscal Year (FY) 2026 in an aggregate amount not to exceed \$265 million (maximum allowable).

The TRANS are structured in two parts, primarily to allow the City to comply with federal tax laws and arbitrage regulations. The first ordinance will approve the initial borrowing. This initial issuance is sized to comply with the federal tax law exemptions and avoid arbitrage penalties. We currently project that the initial issuance will be between \$50 and \$150 million approximately and this amount, based on preliminary cash flows for FY 2026, will continue to be conservatively refined until the pricing in October. The ordinance also authorizes the preparation of the Preliminary Official Statement (POS), Official Statement, and Notice of Sale (NOS) in respect to the competitive sale of the initial TRANS Series 2025 Notes. Prior to distribution, the Finance Working Group (FWG) will approve and deem final the POS and NOS in conformity with the City's disclosure policies. The closing for the Notes is anticipated to occur in October 2025.

The second ordinance will authorize the Mayor and City Controller to approve the terms of one or more supplemental borrowings if there are additional cash needs later in the fiscal year. If a supplemental borrowing occurs (not to exceed \$265 million in aggregate for the initial and any supplemental borrowing), the FWG is authorized to determine certain matters relating to the supplemental borrowing consistent with the terms of this ordinance. The supplemental notes, if issued, would be repaid prior to fiscal year end.

The supplemental borrowing option was last utilized in FY 2009, in an amount of \$40 million for Hurricane Ike related expenditures.

For the first borrowing, electronic bids for the Notes are expected to be received in or around October 2025 with the winning bid(s) approved via motion at the City Council meeting. If any bid becomes a leading bid within two minutes prior to the scheduled end of the bidding, the time period for submission of bids will automatically be extended by two minutes from the time that such bid was received. At the close of the bidding period, the Office of the City Controller, Finance Department, and the City's Co-Financial Advisors will verify interest rate calculations of bids received and join the City Council session to announce the results. Since this is a competitive auction, there will not be a necessity for an underwriting team.

If market conditions are unfavorable for the sale of the Notes by competitive bidding as described above, an ordinance authorizing the negotiated sale or private placement of the notes may be presented to City Council for approval at a later date.

This item was presented to the Budget and Fiscal Affairs Committee on July 29, 2025.

DocuSigned by:

76F4CD915D404C7  
Melissa Dubowski, Chief Business Officer/Director of Finance

Signed by:

58A54327117A4AE  
Chris Hollins, Houston City Controller

**Contact Information:**

Alma Tamborello

Vernon Lewis



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## Certificate Of Completion

Envelope Id: 22FEE9B6-598E-47B9-AEC0-922C22108E1D  
Subject: Complete with Docusign: Final RCA - TRANS 2025.pdf  
Source Envelope:  
Document Pages: 2  
Certificate Pages: 5  
AutoNav: Enabled  
Envelopeld Stamping: Enabled  
Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Completed

Envelope Originator:  
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## Record Tracking

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Security Appliance Status: Connected  
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Holder: Lauren Yaxon  
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Pool: FedRamp  
Pool: City of Houston IT Services

Location: DocuSign  
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## Signer Events

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Deputy Director, Finance Department  
City of Houston IT Services  
Security Level: Email, Account Authentication  
(None)

## Signature



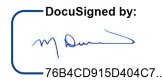
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(None)

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Viewed: 8/25/2025 4:31:14 PM  
Signed: 8/25/2025 4:31:21 PM

### Electronic Record and Signature Disclosure: Not Offered via Docusign

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(None)

DS  


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Using IP Address: 204.235.229.251

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Signed: 8/26/2025 10:34:29 AM

### Electronic Record and Signature Disclosure: Not Offered via Docusign

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City Controller  
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(None)

Signed by:  
  
58A54327117A4AE...

Signature Adoption: Drawn on Device  
Using IP Address:  
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Signed using mobile

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Viewed: 8/26/2025 1:13:35 PM  
Signed: 8/26/2025 1:13:46 PM

### Electronic Record and Signature Disclosure:

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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Elvira Ontiveros Elvira.Ontiveros@houstontx.gov Interim Division Manager City of Houston IT Services Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Not Offered via DocuSign	<b>COPIED</b>	Sent: 8/18/2025 3:50:56 PM
Lillian Rodriguez Lillian.Rodriguez@houstontx.gov Security Level: Email, Account Authentication (None) <b>Electronic Record and Signature Disclosure:</b> Accepted: 7/22/2025 1:04:09 PM ID: fdbbb579-409d-4a44-a947-9e713983cb1f	<b>COPIED</b>	Sent: 8/26/2025 10:34:30 AM Viewed: 8/26/2025 11:05:39 AM
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Notary Events	Signature	Timestamp
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Signing Complete	Security Checked	8/26/2025 1:13:46 PM
Completed	Security Checked	8/26/2025 1:13:46 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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