

TO: Mayor via City Secretary REQUEST FOR COUNCIL ACTION

SUBJECT: Ordinance authorizing, approving, confirming and ratifying certain matters relating to the City of Houston, Texas, General Obligation Commercial Paper Notes, Series G-1		Category #	Page 1 of <u>1</u>	Agenda Item #
FROM (Department or other point of origin): Finance Department and Office of City Controller		Origination Date: December 2, 2017		Agenda Date
DIRECTOR'S SIGNATURE: 		Council District Affected: All		
For additional information contact: Melissa Dubowski Phone: 832-393-9101 Charisse Mosely Phone: 832-393-3529		Date and identification of prior authorizing Council action: Ord. Nos. 2011-932 (Nov. 9, 2011); 2013-87 (Jan. 30, 2013); 2015-77 (Jan. 28, 2015); 2013-666 (July 24, 2013); 2014-803 (Sept. 3, 2014)		
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.				
Amount of Funding: N/A Not Applicable				Finance Dept Budget:
Source of Funding: <input checked="" type="checkbox"/> General Fund <input type="checkbox"/> Grant Fund <input type="checkbox"/> Enterprise Fund <input type="checkbox"/> Other (Specify)				
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 February 19, 2018. The Series G-1 commercial paper program currently supports the City's Capital Improvement Program. Toronto-Dominion Bank will provide 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, with a commitment fee of 26 basis points per annum based on the City's current long-term ratings. The Finance Working Group (the "FWG") also recommends U.S. Bank National Association as paying agent, and Johnson Petrov LLP and Edgardo E. Colon, P.C. as co-bond counsel. JP Morgan, Loop Capital Markets Inc., Ramirez & Co. and Williams Capital Group are recommended as dealers. This transaction was presented to the Budget and Fiscal Affairs Committee on December 12, 2017. Recommendation The FWG recommends approval of this transaction.				
REQUIRED AUTHORIZATION				
Finance Department Director:		Other Authorization:		Other Authorization: