



*City of Arts & Innovation*

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# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: October 4, 2016**

**FROM: CITY ATTORNEY'S OFFICE      WARDS: ALL**

**SUBJECT: APPROVE THE RETENTION OF JONES HALL AS BOND COUNSEL FOR THE REMARKETING OF 2011 WATER REFUNDING REVENUE BONDS**

**ISSUES:**

Approve the retention of Jones Hall as bond counsel for the remarketing the 2011A Water Refunding Revenue Bonds, with a budget in the amount of \$40,000.

**RECOMMENDATION:**

That the City Council approve the retention of Jones Hall as bond and disclosure counsel for the remarketing of the 2011A Water Refunding Revenue Bonds, with a budget in the amount of \$40,000.

**BACKGROUND:**

On April 26, 2011, the City Council approved the issuance of approximately \$59,000,000 of debt to refund debt that was held as Variable Rate Demand Obligations (VRDOs). The 2011 debt was issued as long-term SIFMA Index Bonds with an initial one-year Index Interest Rate Period (2011A issuance). In essence, the bonds represent a long term obligation, with a short term interest period. The initial Index Rate Scheduled Purchase Date for the 2011A issuance was June 1, 2012, although the bonds can be redeemed prior to that date. The proposed remarketing is expected to again place the debt into long-term SIFMA Index Bonds with a one-year Index Interest Rate Period. Alternatively, a longer (two year) interest rate period is being explored by the City to reduce ongoing costs of remarketing. This transaction does not represent a new debt obligation.

The issuance of bonds is a specialized field and as such, the City Attorney recommends the retention of Jones Hall, who is currently on the City's Panel of Attorneys. Jones Hall will act as the City's bond and disclosure counsel in the transaction. Jones Hall has represented the City as bond counsel and has provided outstanding service in previous bond transactions. The budgeted amount for this transaction is \$40,000.

**FISCAL IMPACT:**

The legal fees for the annual remarketing is included in the approved FY 2016-18 Biennial Water Fund budget in the Debt Related Fiscal Charges Account 6225000-487000.

Prepared by: Gary G. Geuss, City Attorney