

MEMORANDUM

TO: Donna Barron, City Manager

FROM: Brenda Martin, Director of Finance

DATE: August 28, 2018

SUBJECT: **Consideration of an Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance and Sale of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2018; Providing for the Security for and Payment of Said Bonds; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Other Provisions Relating Thereto.**

BACKGROUND

Attached for consideration is an Ordinance and other draft documents related to the issuance of City of Lewisville, Texas, Waterworks and Sewer System Revenue Bonds, Series 2018. The estimated amount of \$7,870,000 will provide funds for constructing, acquiring, and installing improvements, additions, and extensions to the City's waterworks and sewer system and costs associated with the issuance of the bonds.

ANALYSIS

The bonds will provide funding for improvements to Vista Ridge Lift Station, Timbercreek aerial sewer, IH35 utility line rehabilitation, and other water and sewer infrastructure improvements throughout the city.

The bonds will be sold via a competitive auction process as advised by the City's financial advisors, Hilltop Securities. Given the City's high credit ratings and investors' familiarity with both the general obligation and revenue bonds, Hilltop believes that a competitive sale will be well received in the market. Additionally, investment banks are bidding very aggressively (i.e., lower interest rates) on competitive sales, which in turn provides the lowest cost of capital to the City.

RECOMMENDATION

It is City staff's recommendation that the City Council approve the ordinance as set forth in the caption above.