

## ACTION FORM BRYAN CITY COUNCIL

<b>DATE OF COUNCIL MEETING:</b> April 22, 2014		<b>DATE SUBMITTED:</b> April 10, 2014	
<b>DEPARTMENT OF ORIGIN:</b> Fiscal Services		<b>SUBMITTED BY:</b> Joe Hegwood	
<b>MEETING TYPE:</b>	<b>CLASSIFICATION:</b>	<b>ORDINANCE:</b>	<b>STRATEGIC INITIATIVE:</b>
<input type="checkbox"/> BCD	<input type="checkbox"/> PUBLIC HEARING	<input type="checkbox"/> 1ST READING	<input type="checkbox"/> PUBLIC SAFETY
<input type="checkbox"/> SPECIAL	<input type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input type="checkbox"/> SERVICE
<input checked="" type="checkbox"/> REGULAR	<input type="checkbox"/> STATUTORY		<input type="checkbox"/> ECONOMIC DEVELOP.
<input type="checkbox"/> WORKSHOP	<input checked="" type="checkbox"/> REGULAR		<input checked="" type="checkbox"/> INFRASTRUCTURE
			<input type="checkbox"/> QUALITY OF LIFE
<b>AGENDA ITEM DESCRIPTION:</b> Consider for adoption a resolution approving and authorizing publication of notice of intention to issue certificates of obligation (COs) in a principal amount not to exceed \$45,000,000 to fund General Fund improvements as specified in the City's CIP plan and to fund Bryan Texas Utilities (BTU) City Electric System construction; and providing an effective date.			
<b>SUMMARY STATEMENT:</b> The City's approved CIP plan calls for the issuance of bonds of approximately \$7,815,000 to fund capital improvements for FY2014 and FY2015. Additionally, the BTU Board recommended the issuance of certificates of obligation in a principal amount not to exceed \$35,000,000, to fund construction for FY2014 and FY2015. The issuance of certificates of obligation to fund City of Bryan General Fund and BTU combined construction totals plus the associated cost of issuance requires a publication of notice. This City Council agenda item authorizes the publication of notice of intent to issue the certificates of obligation.			
<p>The resolution specifies that the certificates of obligation are issued for the purpose of paying contractual obligations to be incurred for (i) the acquisition and construction of improvements, additions and extensions to the City's electric system, including facilities for the transmission and distribution of electric power and energy, (ii) constructing, improving, renovating, extending, expanding and developing streets, including drainage, traffic signalization, lighting, sidewalks, sound walls and landscaping, and acquiring right-of-way related thereto, (iii) the purchase of fire-fighting equipment, including fire trucks, and (iv) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance.</p> <p>The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended. As shown on the attached "Preliminary Timeline of Events ", City Council will not be requested to authorize the actual issuance of the certificates of obligation until the May 27, 2014, Regular meeting of City Council.</p>			
<b>STAFF ANALYSIS AND RECOMMENDATION:</b> Adoption of this resolution provides public notice of intention to issue certificates of obligation in compliance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended. Staff respectfully requests that the City Council approve this proposed resolution.			
<b>OPTIONS (In Suggested Order of Staff Preference):</b>			
<ol style="list-style-type: none"> <li>1. Approve the resolution, allowing for the potential future issuance of certificates of obligation.</li> <li>2. Do not approve the resolution, deferring or eliminating the issuance of future certificates of obligation.</li> </ol>			
<b>ATTACHMENTS:</b>			
<ol style="list-style-type: none"> <li>1. BTU Board Resolution – BTU-P-191</li> <li>2. City of Bryan Series 2013 COs Resolution Authorizing Publication of NOI</li> </ol>			

3. Specialized Public Finance, Inc. Preliminary Timeline of Events (pdf)

**FUNDING SOURCE:** Certificates of obligation provide security for bonds through ad-valorem taxes. BTU related bonds are also backed with BTU City System revenues.

**APPROVALS:** Hugh R. Walker, 04/11/2014

**APPROVED FOR SUBMITTAL: CITY MANAGER**

**APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 04/14/2014**

Revised 04/2013

**RESOLUTION NO. BTU-P-191**

**A RESOLUTION RECOMMENDING THAT THE BRYAN CITY COUNCIL APPROVE AN ORDINANCE WHICH AUTHORIZES THE ISSUANCE OF BONDS OR OTHER OBLIGATIONS IN AN AMOUNT NOT TO EXCEED \$35,000,000 FOR SUBSTATION, FEEDER AND OTHER DISTRIBUTION SYSTEM IMPROVEMENTS.**

WHEREAS, all bond sales must be approved by the Bryan City Council; and

WHEREAS, the Bryan City Council has authorized the Bryan Texas Utilities Board through Ordinance No. 1281 to make recommendations to the Bryan City Council; and

WHEREAS, Bryan Texas Utilities is planning expenditures for the acquisition, construction, replacement and repair of transmission lines, substations, feeders, and other distribution improvements to its City System; and

WHEREAS, the Bryan Texas Utilities expenditures for the acquisition, construction, replacement and repair of substations, feeders, and other distribution improvements to its City System are necessary to ensure reliability of electric service; and

WHEREAS, these bonds are in the best interest of Bryan Texas Utilities' customers to ensure reliable power.

NOW, THEREFORE be it resolved that the Bryan Texas Utilities Board:

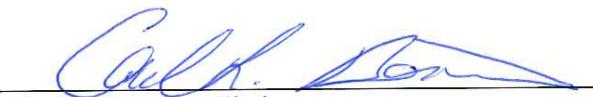
Recommends that the Bryan City Council approve an ordinance which authorizes the issuance of bonds or other obligations in an aggregate principal amount not to exceed \$35,000,000 for transmission, substation, feeder and other distribution system improvements to its City System.

Considered and adopted on a vote of 6 ayes and 0 nays, this 14th day of April, 2014, at a regular meeting of the Bryan Texas Utilities Board at which a quorum was present and which was held in accordance with Chapter 551, Texas Government Code.

**ATTEST:**

**BRYAN TEXAS UTILITIES BOARD**

  
Angela Saxby, Recording Secretary

  
Carl L. Benner, Chairperson

## BTU City — Series 2014 Projects

Transmission Projects	
Wellborn to Millican	\$ 12,899,000
Atkins to Briarcrest rebuild	5,500,000
Triangle Park Substation	5,718,000
Kurten substation ring bus	1,700,000
Relay and Breaker Upgrades and All Other	1,600,000
Distribution Projects	
Triangle Park Substation	1,975,000
Back-up Power Transformer	800,000
Feeder Upgrades	1,200,000
New Customer Construction	2,800,000
Other Distribution	500,000
Total Estimated Bond Issuance	<u>\$ 34,692,000</u>

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS, APPROVING AND AUTHORIZING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the City Council of the City of Bryan, Texas, has determined that certificates of obligation should be issued under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended, for the purpose of paying contractual obligations to be incurred for (i) the acquisition and construction of improvements, additions and extensions to the City's electric system, including facilities for the transmission and distribution of electric power and energy, (ii) constructing, improving, renovating, extending, expanding and developing streets, including drainage, traffic signalization, lighting, sidewalks, soundwalls and landscaping, and acquiring right-of-way related thereto, (iii) the purchase of fire-fighting equipment, including fire trucks, and (iv) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance; and

**WHEREAS**, prior to the issuance of such certificates, the City Council is required to publish notice of its intention to issue the same in a newspaper of general circulation in the City, said notice stating (i) the time and place the City Council tentatively proposes to pass the ordinance authorizing the issuance of the certificates, (ii) the maximum amount proposed to be issued, (iii) the purposes for which the certificates are to be issued and (iv) the manner in which the City Council proposes to pay the certificates;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRYAN, TEXAS:**

The City Secretary is hereby authorized and directed to cause notice to be published of the City Council's intention to issue certificates of obligation, in one or more series, in a principal amount not to exceed \$45,000,000 for the purpose of paying contractual obligations to be incurred for (i) the acquisition and construction of improvements, additions and extensions to the City's electric system, including facilities for the transmission and distribution of electric power and energy, (ii) constructing, improving, renovating, extending, expanding and developing streets, including drainage, traffic signalization, lighting, sidewalks, soundwalls and landscaping, and acquiring right-of-way related thereto, (iii) the purchase of fire-fighting equipment, including fire trucks, and (iv) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance, such certificates to be payable from ad valorem taxes and a limited pledge (not to exceed \$1,000) of the surplus revenues of the City's electric system. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto and incorporated herein by reference as a part of this Resolution for all purposes.

The City Secretary shall cause the aforesaid notice to be published in a newspaper of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication to be at least thirty-one (31) days prior to the date stated therein for the passage of the ordinance authorizing the issuance of the certificates of obligation.

It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

This Resolution shall be in force and effect from and after its passage on the date shown below.

**APPROVED AND ADOPTED** by the City Council of the City of Bryan, Texas at a regular meeting on the 22<sup>nd</sup> day of April, 2014.

ATTEST:

CITY OF BRYAN, TEXAS

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

**EXHIBIT A**

**NOTICE OF INTENTION TO ISSUE  
CITY OF BRYAN, TEXAS, CERTIFICATES OF OBLIGATION**

TAKE NOTICE the City Council of the City of Bryan, Texas, shall convene at 6:00 p.m. on the 27th day of May, 2014, at its regular meeting place in the City Hall, 300 South Texas Avenue, Bryan, Texas, and, during such meeting, the City Council will consider the passage of an ordinance authorizing the issuance of certificates of obligation, in one or more series, in a principal amount not to exceed \$45,000,000 for the purpose of paying contractual obligations to be incurred for (i) the acquisition and construction of improvements, additions and extensions to the City's electric system, including facilities for the transmission and distribution of electric power and energy, (ii) constructing, improving, renovating, extending, expanding and developing streets, including drainage, traffic signalization, lighting, sidewalks, soundwalls and landscaping, and acquiring right-of-way related thereto, (iii) the purchase of fire-fighting equipment, including fire trucks, and (iv) related professional services, including legal, fiscal, engineering and design fees, and costs of issuance, and such certificates are to be payable from ad valorem taxes and a limited pledge (not to exceed \$1,000) of the surplus revenues of the City's electric system. The certificates are to be issued, and this notice is given, under and pursuant to the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended.

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Mary Lynne Stratta  
City Secretary  
City of Bryan, Texas