

**Office of the City Manager**

City of Richland Hills, Texas

## Memorandum

**To:** Honorable Mayor Bill Agan and members of the Richland Hills City Council  
**From:** Eric Strong, City Manager  
**Date:** December 1<sup>st</sup>, 2015  
**Subject:** Notice of Intent regarding Certificates of Obligation

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### **City Council Action Requested:**

Consider resolution authorizing staff to publish notice of intent to issue Certificates of Obligation.

### **Background Information:**

As we have discussed previously, the General Obligation Bond that was voted on last month was only ever intended to be a portion of the necessary funding for the Activity Center. The remaining funds will come from Certificates of Obligation that will be issued from the Type B and HOT funds. Even though the certificates will be issued from those funds, the bond counsel has informed us that the first step is still for the City Council to approve staff to publish a "Notice of Intent" to issue the Certificates.

Attached to this memo you will find a calendar outlining the financing schedule and key dates that require our action. You will also find the resolution authorizing the publication of the notice of intent to proceed.

### **Board/Citizen Input:**

N/A

**Attachments:** Schedule  
Resolution

### **Staff Contacts:**

Eric Strong, City Manager  
817-616-3806  
[estrong@richlandhills.com](mailto:estrong@richlandhills.com)



Exhibit A

CITY OF RICHLAND HILLS, TEXAS  
NOTICE OF INTENTION TO ISSUE COMBINATION TAX AND SURPLUS REVENUE  
CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Richland Hills, Texas, at its meeting to commence at 7:00 P.M. on December 1, 2015, at its regular meeting place in the City Hall, 3200 Diana Drive, Richland Hills, Texas, tentatively proposes to adopt an ordinance authorizing the issuance of interest bearing certificates of obligation, in one or more series, in an amount not to exceed \$5,000,000, for paying all or a portion of the City's contractual obligations incurred pursuant to contracts in connection with the purchase, construction and acquisition of certain real and personal property for capital improvements and parks, to wit: (i) a recreation and community activity center and a surrounding green/park space, including constructing, installing, acquiring and equipping additions, extensions, renovations and improvements, including to the City's waterworks and sewer system, and related site preparation and improvement, drainage, utility infrastructure, landscaping, lighting and signage for said projects, and the acquisition of land and interests in land and properties therefor; and (ii) for the purpose of paying all or a portion of the City's contractual obligations for professional services, including engineers, architects, attorneys, map makers, auditors, and financial advisors, and other professionals in connection with such projects and said Certificates of Obligation.

All costs to be reimbursed pursuant to this Resolution will be capital expenditures; the proposed Certificates of Obligation shall be issued within 18 months of the later of (i) the date the expenditures are paid or (ii) the date on which the property, with respect to which such expenditures were made, is placed in service; and the foregoing notwithstanding, the Certificates of Obligation will not be issued pursuant to this Resolution on a date that is more than three years after the date any expenditure which is to be reimbursed is paid.

The City proposes to provide for the payment of such certificates of obligation from the levy and collection of ad valorem taxes in the City as provided by law and from a pledge of limited surplus revenues of the City's waterworks and sewer system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the City's waterworks and sewer system. The certificates of obligation are to be issued, and this notice is given, under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271.

CITY OF RICHLAND HILLS, TEXAS

# City of Richland Hills, Texas

## General Obligation Bonds, Series 2016

### Combination Tax & Waterworks & Sewer System Revenue Certificates of Obligation, Series 2016

11/5/2015

Account#: 0209-010

### Preliminary Schedule of Events

Nov-15						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Dec-15						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Jan-16						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Feb-16						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

Mar-16						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Completed By	Day	Event
16-Nov-15	Monday	First Southwest requests information for preparation of the Official Statement
30-Nov-15	Monday	First Southwest receives requested information. First Southwest begins preparation of the Official Statement
7-Dec-15	Monday	Draft Official Statement distributed to the City and Bond Counsel for comments
<b>1-Dec-15</b>	<b>Tuesday</b>	<b>City Council meeting to authorize publication of Notice of Intent</b>
<b>7-Dec-15</b>	<b>Monday</b>	<b>1st Notice of Intent published</b>
16-Dec-15	Wednesday	First Southwest receives comments on Official Statement
18-Dec-15	Friday	Distribute POS to Rating Agency
<b>14-Dec-15</b>	<b>Monday</b>	<b>2nd Notice of Intent published</b>
Week of Jan. 4th - Jan. 8th		Rating Conference Call /Meeting
19-Jan-16	Tuesday	Receive Rating
22-Jan-16	Friday	Electronically mail Official Statement to Potential Purchasers
2-Feb-16	Tuesday	Pricing
<b>2-Feb-16</b>	<b>Tuesday</b>	<b>City Council passes Ordinance authorizing issuance of the Bonds and Certificates</b>
3-Mar-16	Thursday	Bonds and Certificate Closing and Delivery of Funds to the City