

# Memorandum



CITY OF DALLAS

DATE November 16, 2017

TO The Honorable Mayor and Members of the City Council

SUBJECT **General Obligation Refunding & Improvement Bonds, Series 2017 – Sale Results**

Today, the City received nine bids in a competitive sale of General Obligation Refunding & Improvement Bonds, Series 2017 (the “Bonds”). The true interest cost of the bids ranged from 2.89 percent to 3.03 percent. The winning bid of 2.89 percent was submitted by RBC Capital Markets. The Bonds refinanced \$30.675 million of the City’s existing debt, and resulted in net present value savings of \$2.841 million for the City, or 9.26 percent of the refunded principal amount.

On October 25, 2017, the City Council approved the sale of up to \$350,000,000 in bonds for the purposes of providing funds for permanent public improvements and refunding a portion of the City’s outstanding general obligation debt. Prior to the sale, S&P Global affirmed the City’s general obligation bond rating of AA-, while revising its outlook to stable from negative and Fitch affirmed the City’s bond rating of AA with a stable outlook. In September, Fitch had revised the outlook to stable from negative. In their respective reports, both rating agencies identified the City’s recent pension plan reforms as having positive credit implications.

Thank you for your support and commitment to strengthening the City’s financial position. It is not only our economy and the pension legislation that enabled this successful competitive sale, but also strong management, operational flexibility, solid reserve levels, and strong financial policies and practices. I look forward to continuing to work with you on these efforts.

Please contact me if you have questions or require additional information.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

cc: T.C. Broadnax, City Manager  
Larry Casto, City Attorney  
Craig D. Kinton, City Auditor  
Billerae Johnson, City Secretary (Interim)  
Daniel F. Solis, Administrative Judge  
Kimberly Bizer Tolbert, Chief of Staff to the City Manager  
Majed A. Al-Ghafry, Assistant City Manager

Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jo M. (Jody) Puckett, Assistant City Manager (Interim)  
Nadia Chandler Hardy, Chief of Community Services  
Raquel Favela, Chief of Economic Development & Neighborhood Services  
Theresa O'Donnell, Chief of Resilience  
Directors and Assistant Directors