

# Memorandum



CITY OF DALLAS

DATE March 8, 2024

TO Honorable Mayor and Members of the City Council

SUBJECT **Bond Sale Results – General Obligation Refunding Bonds, Series 2024A**

On March 7, 2024, the City received bids in a competitive sale of its General Obligation Refunding Bonds, Series 2024A (the “Bonds”). Despite an abundance of supply in the market, the City received an exceptional response to the Bonds, receiving 18 bids for a par amount of \$48.76 million with true interest costs (TIC) ranging from a low of 3.275179 percent to a high of 3.437904 percent. The winning bid submitted was from Truist Securities, Inc. with a cover bid submitted by Morgan Stanley & Co. Inc. at only 0.00045% higher, reflecting a very competitive bid. Final pricing for the Bonds resulted in an adjusted par amount of \$48.97 million and a bond premium of \$5.2 million.

On January 24, 2024, the City Council approved a resolution authorizing the preparation of plans and the payment of potential future costs for the issuance of the Bonds in an amount not to exceed \$55,000,000, for the purpose of refunding special obligations of the City as required by a judgment awarded to Trinity East Energy, LLC. Subsequently, an ordinance authorizing the issuance of the Bonds was approved by the City Council on February 14, 2024. Prior to the issuance of the bonds, S&P Global Ratings assigned its ‘AA-’ rating, and Fitch Ratings assigned its ‘AA’ rating to the Bonds. The Bonds are scheduled to close on March 26, 2024.

In spite of a recently volatile market and a surge in municipal issuances, the response to the City’s Bonds was exceptionally positive and investor demand was very strong. The outcome of the City’s bond sale benefited from sustained credit ratings and an anticipated shift in market rates following a congressional hearing of the House Financial Services Committee, which lowered the overall borrowing cost and made for a smooth transaction. I am pleased once again to report excellent results from a City of Dallas bond sale and look forward to continuing successful transactions this year.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jack Ireland".

Jack Ireland  
Chief Financial Officer

c: T.C. Broadnax, City Manager  
Tammy Palomino, City Attorney  
Mark Swann, City Auditor  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizer Tolbert, Deputy City Manager

Jon Fortune, Deputy City Manager  
Majed A. Al-Ghafry, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Dr. Robert Perez, Assistant City Manager  
Genesis D. Gavino, Chief of Staff to the City Manager  
Directors and Assistant Directors