

Memorandum



CITY OF DALLAS

DATE November 5, 2021

TO The Honorable Mayor and Members of the City Council

SUBJECT **Bond Sale Results - General Obligation Refunding and Improvement Bonds, Series 2021; General Obligation Bonds, Taxable Series 2021; Combination Tax and Revenue Certificates of Obligation, Series 2021; and Equipment Acquisition Contractual Obligation Notes, Series 2021**

On November 4, 2021, the City received bids in a competitive sale for the General Obligation Refunding and Improvement Bonds, Series 2021 (the “2021 Bonds”), General Obligation Bonds, Taxable Series 2021 (the “Taxable 2021 Bonds”), Combination Tax and Revenue Certificates of Obligation, Series 2021 (the “2021 Certificates of Obligations”), and Equipment Acquisition Contractual Obligation Notes, Series 2021 (the “2021 Contractual Obligations”), collectively the “Obligations”.

As a result, the City issued \$237.1 million in 2021 Bonds at a true interest cost (TIC) of 1.75 percent, in a bid submitted by Morgan Stanley & Co., LLC. In total, the City received 6 bids for the 2021 Bonds, with TIC ranging from 1.75 percent to 1.85 percent. The City also issued \$3.1 million in Taxable 2021 Bonds at a TIC of 1.60 percent, in a bid submitted by BOK Financial Securities, Inc. In total, the City received 10 bids for the Taxable 2021 Bonds, with TIC ranging from 1.60 percent to 2.11 percent.

Additionally, the City issued \$45.9 million in 2021 Certificates of Obligations at a TIC of 1.01 percent, in a bid submitted by Wells Fargo Bank, N.A. In total, the City received 8 bids for the 2021 Contractual Obligations, with TIC ranging from 1.01 percent to 1.16 percent.

Finally, the City issued \$26.9 million in 2021 Contractual Obligations at a TIC of 0.62 percent, in a bid submitted by Wells Fargo Bank, N.A. In total, the City received 8 bids for the 2021 Contractual Obligations, with TIC ranging from 0.62 percent to 0.80 percent.

Following anticipation ahead of the Federal Open Market Committee (FOMC) this week, the market reaction was calm as the Federal Reserve announced no changes to its benchmark interest rate and a tapering of bond purchases. With rates unchanged, the response to the City’s bonds was exceptionally positive. Investor demand for the City’s bonds was very strong, despite restrictions on underwriting firms relating to recently passed legislation, Senate Bill 13 and Senate Bill 19. The City’s financial advisors, PFM, note that the successful pricing is a testament to, “the ongoing efforts of the City staff to maintain strong finances including a focus on multi-year planning on strengthening fund balance.”

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I am pleased once again to report excellent results from a City of Dallas bond sale to finance ongoing City projects and equipment. Yesterday's bond pricing reflects the City's continued credit stability supported by attractive credit metrics, strong City policies, and prudent leadership. Thank you for your continued support during a very active bond season.



for **M. Elizabeth Reich**
Chief Financial Officer

c: T.C. Broadnax, City Manager
Chris Caso, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, 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
Dr. Eric A. Johnson, Chief of Economic Development & Neighborhood Services
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion
Directors and Assistant Directors