

# Memorandum



CITY OF DALLAS

DATE March 23, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **March 28, 2018 City Council Addendum Item 2 - General Obligation Refunding Bonds, Series 2018**

The City Council Addendum for March 28, 2018 includes a resolution for your consideration authorizing preparations for the sale of General Obligation Refunding Bonds, Series 2018 in a principal amount not to exceed \$63,000,000. The item is included on the Addendum to facilitate financing of payments to be made to plaintiffs, under the terms of a written settlement agreement as incorporated in a judgment to be entered by the 199<sup>th</sup> Judicial District Court in Collin County.

## BACKGROUND

On November 14, 2017, by Resolution 17-1805, the City Council approved settlement of the lawsuits styled *Kenneth E. Albert, et al. v. The City of Dallas, Texas*, Cause No. 199-00697-94, *Anthony Arredondo, et al. v. The City of Dallas, Texas*, Cause No. 199-01743-99, *David L. Barber, et al., v. The City of Dallas, Texas*, Cause No. 199-00624-95, and *Kevin Michael Willis, et al. v. The City of Dallas, Texas*, Cause No. 199-00200-95, in an amount not to exceed \$61,687,000 provided that the plaintiffs and the City mutually agreed on the terms of a written settlement agreement.

The City anticipates that the 199<sup>th</sup> Judicial District Court in Collin County, Texas will enter a judgment in the above-referenced lawsuits incorporating the terms of a written settlement agreement. Resolution 17-1805 also authorized the Chief Financial Officer to make payments to plaintiffs from a future bond issuance. The City's Financial Advisor, PFM, recommends that the City prepare for an issuance of general obligation refunding bonds in a principal amount not to exceed \$63,000,000 in satisfaction of the judgment. The ordinance authorizing the sale of the bonds will be presented to City Council for approval after the judgment has been entered.

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## ANTICIPATED BOND SALE SCHEDULE

Approval of the resolution will allow staff to begin preparations for the sale of the General Obligation Refunding Bonds, Series 2018, including drafting the Official Statement and other required documents, in advance of the District Court's judgment. As soon as the Court's judgment has been entered, we will schedule the ordinance authorizing the sale for City Council consideration. PFM recommends the City sell these bonds by competitive bid due to favorable municipal market conditions and the City's stable credit profile. A competitive sale can also be accomplished more quickly than a negotiated sale.

Please let me know if you need additional information.



M. Elizabeth Reich  
Chief Financial Officer

c: 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