

Legislation Text

File #: 18-465, **Version:** 1

Presenter/Contact

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SUBJECT:

Discuss and consider approval of an ordinance authorizing the issuance of City of New Braunfels, Texas Limited Tax Notes, Series 2018; prescribing the form of the note; levying an ad valorem tax to pay the note; awarding the sale thereof; and enacting other provisions relating thereto.

BACKGROUND / RATIONALE:

At the July 2nd City Council retreat and in conjunction with the preparation for the 2019 bond program, staff presented a strategy to City Council to issue \$3.3 million dollars to support the preliminary engineering and cost estimating services for all potential 2019 bond projects. After the preliminary engineering work is completed, any remaining funds could be allocated to continue design on projects included and/or approved through the 2019 bond program.

The Tax Notes are scheduled to be wired to the City's depository bank on September 25th. On the date of the sale (August 27, 2018) the final details of the transaction including the actual interest rate will be presented by the City's financial advisor - Samco Capital Markets

When the 2018 certified values were provided to the City, the City Finance team calculated the annual debt service that could be supported by the I&S tax rate of \$20.985 cents. SAMCO will structure the first year debt service payment for the tax notes as well as the GO bonds so that it can be supported (along with all other property tax supported payments) by the I&S levy in FY 2018-19 (Tax Year 2018).

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

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FISCAL IMPACT:

The proceeds from the tax notes will be utilized to support professional services for all potential 2019 bond projects. As described above, the annual debt service payment has been structured to align with the I&S tax rate for FY 2018-19.

COMMITTEE RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the ordinance.