
City Council Regular Meeting

DEPARTMENT: Finance

FROM: Harlan Jefferson, Deputy City Manager

MEETING: August 19, 2024

SUBJECT:

Consider and adopt an ordinance authorizing the issuance and sale of City of Burleson, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject. (First and Final Reading) (Staff Contact: Harlan Jefferson, Deputy City Manager)

SUMMARY:

On June 17, 2024, the Council approved a resolution for notice of intent to issue Certificates of Obligation (CO's). As part of the FY 2023-2024 Capital Improvement Program (CIP), projects approved by the City Council during the budget process and presented in reimbursement resolutions also approved by the City Council on October 2, 2023, November 13, 2023, and April 15, 2024, are being proposed by staff for the issuance of Certificates of Obligation. We have identified capital projects in the amount of \$38,663,133 to be included in the proposed FY 2024 certificates of obligation sale. The debt issuance by each Fund is as follows:

- \$ 9,482,942 General Government (General Fund)
- \$ 11,603,019 4A Economic Development Corporation (Self-Supported)
- \$ 17,077,172 4B Community Service Corporation (Self-Supported)
- \$ 500,000 TIF #2 (Self-Supported)
- \$ 38,663,133 Total

The proposed amounts for debt issuance will be rounded to the nearest \$5,000. In addition, we are asking for authorization not to exceed \$39,000,000 in case market conditions change at the time of the sale of the Certificates of Obligation and to cover debt issuance costs.

Additionally, we anticipate issuing \$6,036,040 in General Obligation Bonds at the same time we issue the Certificates of Obligation. The additional debt is associated with the 2022 General Obligation Bond Program. Finally, we plan to refinance the 2014 General Obligation Bonds and Certificates of Obligation debt. Our last projection indicated that the refinancing would produce an estimated total savings of \$697,573, translating to an average annual savings of about \$70K or 4.39% PV savings.

RECOMMENDATION:

Staff recommends approval of the ordinance authorizing the issuance of the CO's.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

On June 17, 2024, the City Council approved a notice of intent to issue the CO's.

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

Harlan Jefferson
Deputy City Manager
hjefferson@burlesontx.com
817-426-9651