
City Council Regular Meeting

DEPARTMENT: Finance

FROM: Harlan Jefferson, Deputy City Manager

MEETING: August 18, 2025

SUBJECT:

Receive a report, hold a discussion, and provide staff direction on the issuance and sale of City of Burleson, Texas General Obligation Bonds, Series 2025 and Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2025. (*Staff Contact: Harlan Jefferson, Deputy City Manager*)

SUMMARY:

As part of the FY 2024-2025 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 November 18, 2024, were proposed by staff for the issuance of Certificates of Obligation (COs) and General Obligation Bonds (GOs). We have identified capital projects in the amount of \$45,255,358 to be included in the proposed FY 2025 Certificates of Obligation sale. The debt issuance by each Fund was as follows:

- \$ 21,516,341 General Government (General Fund)
- \$ 9,927,930 Water and Sewer (Self-Supported)
- \$ 5,401,277 4A Economic Development Corporation (Self-Supported)
- \$ 7,903,232 4B Community Service Corporation (Self-Supported)
- \$ 506,578 TIF #2 (Self-Supported)
- \$ 45,255,358 Total

We have identified capital projects in the amount of \$8,396,260 to be included in the proposed FY 2025 General Obligation Bond sale. The proposed amounts for debt issuance were rounded to the nearest \$5,000. The maximum amount of issuance was also adjusted upwards in case market conditions change at the time of the sale, to cover debt issuance costs.

The City Council authorized the use of a parameters ordinance for consideration this year due to uncertainty in the marketplace. The parameters under which the debt was authorized to be sold are as follows:

- The aggregate principal amount of the Certificates shall not exceed \$45,260,000;
- The aggregate principal amount of the bonds shall not exceed \$8,500,000;
- The true interest cost shall not exceed 5%;

- The final maturity shall not be later than March 1, 2045; and
- The delegation made hereby shall expire if not exercised by the Pricing Officer within ninety (90) days from the date of adoption hereof.

The purpose of this agenda item is to report on the sale of the bonds and certificates of obligation. The results of the sale by parameters are listed below:

- The aggregate principal amount of the Certificates: \$43,210,000
- The aggregate principal amount of the GO bonds: \$8,055,000
- The true interest cost of the Certificates: 4.32%
- The true interest cost of the GO Bonds: 4.37%
- The final maturity of the Certificates and GO bonds is: March 1, 2045; and
- The Pricing Officer exercised the delegation within eight (8) days from the date of adoption of the parameters ordinance.

Please note that for water and sewer COs, the City assumes it will issue reimbursement resolution in year 1 of CIP, issue debt in year 2, and begin payments in year 3.

RECOMMENDATION:

Staff recommends that the Council receive the report and provide any appropriate direction.

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

On September 9, 2024, the Council approved the final reading of the City's FY 2024-2025 annual budget with the five-year capital improvement plan.

On November 18, 2024, the Council approved an updated capital improvement plan.

On November 18, 2024, the Council approved a resolution declaring its intention to reimburse an amount not to exceed \$86,430,000 for an array of public works, public safety, parks and recreation, and water and wastewater projects.

On May 27th, 2025, the Council reviewed an updated capital improvement plan.

On June 16, 2025, the City Council approved a notice of intent resolution to issue combination tax and revenue certificates of obligation.

On August 4, 2025, the City Council approved parameter ordinances authorizing the establishment of procedures and delegating authority for the sale and delivery of the Bonds and Certificates of Obligation; providing an effective date; and enacting other provisions relating to the subject.

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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