THE CITY OF BURLESON TEXAS

Debt Parameters Ordinances

PRESENTED TO THE CITY COUNCIL ON AUGUST 17, 2026

Debt Parameters Summary

- Certificates of Obligation not to exceed $34,400,742
  - $ 5,076,529 General Government COs
  - $23,333,837 Water and Sewer COs
  - $ 5,000,000 4A Economic Development Corporation COs
  - $ 990,376 4B Community Service Corporation COs
  - $ 0 TIF #2 COs

- General Obligation Bonds for $17,210,778
- Sales Tax Revenue Bonds for $6,026,519 for the 4A Economic Development Corporation
- Additionally, staff plans to issue debt to refund the 2012 W&S Series (currently outstanding in the principal amount of $1,605,000) as discussed and endorsed by the Finance Committee on May 27, 2026, and Council on June 15, 2026
- The General Obligation Bond program was approved by voters on May 7, 2022
- The proposed amounts for debt issuance will be rounded to the nearest $5,000

NOTE: 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

BOND ISSUANCE SUMMARY

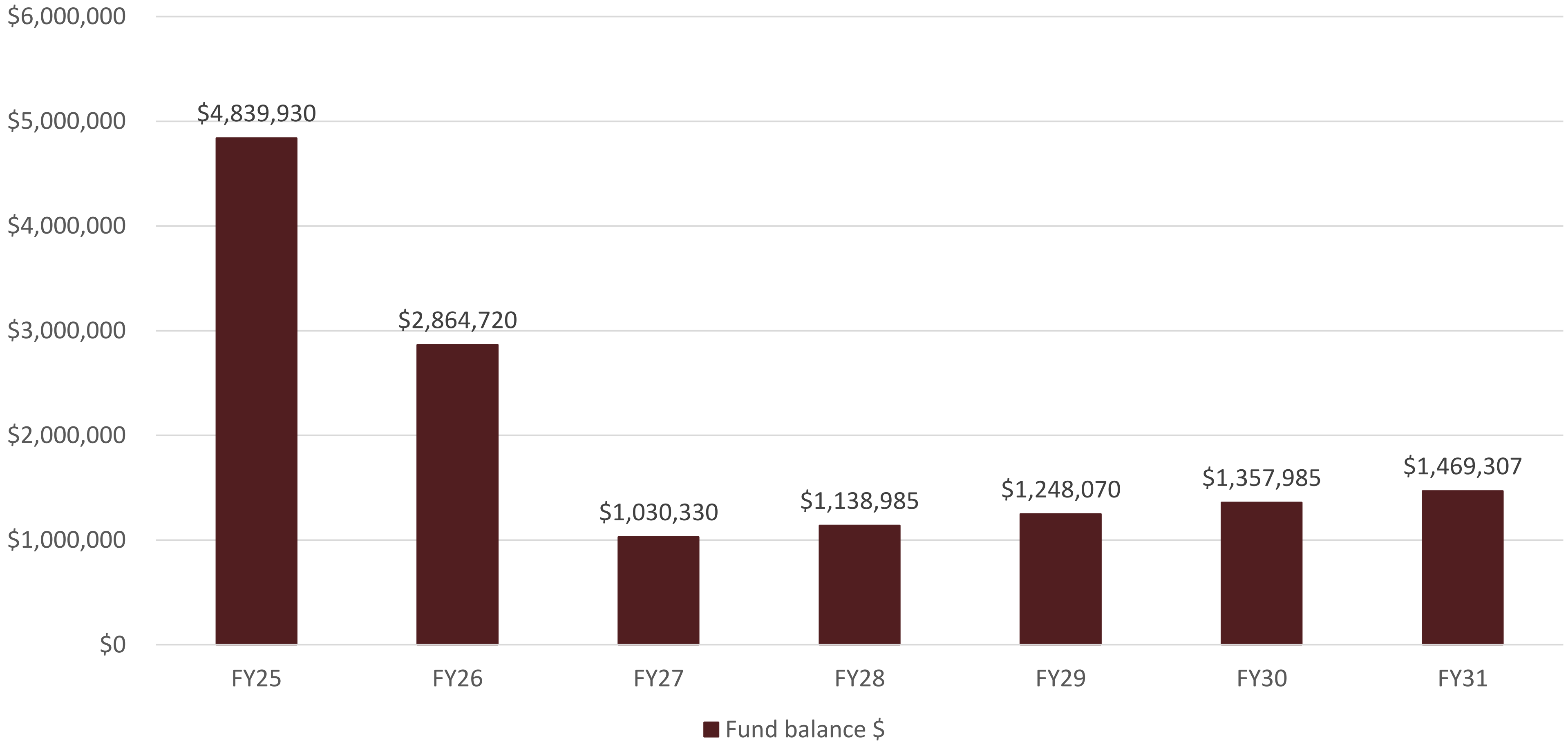
	2026	2027	2028	2029	2030	2031	2032	Total
General Government Bonds	**$ 22,287,307**	**$ 40,460,841**	**$ 8,841,901**	**$ 7,883,497**	**$ 14,443,000**	**$ 1,000,000**	**$ -**	**$ 94,916,546**
GO Bond	$ 17,210,778	$ 21,969,607	$ 4,439,901	$ 1,130,015	$ 13,443,000	$ -		$ 58,193,301
CO Bond	$ 5,076,529	$ 18,491,234	$ 4,402,000	$ 6,753,482	$ 1,000,000	$ 1,000,000		$ 36,723,245
Capital Equipment (Included in CO #)								
20-year	$ 800,000							
12-year	$ 325,000			$ 3,155,529				
5-year	$ 1,326,000		$ 2,652,000					
Water and Sewer Rate CO Bonds * Bond issuance 1 year after CIP appropriation	**$ 23,333,837**	**$ 37,896,042**	**$ 41,587,081**	**$ 13,785,862**	**$ 13,142,671**	**$ 5,000,000**	**$ 5,000,000**	**$ 139,745,493**
Water Bond *(CO Bond)* *	$ 22,153,267	$ 7,166,436	$ 23,051,985	$ 6,005,304	$ 7,832,671	$ 2,000,000	$ 2,000,000	$ 70,209,663
Sewer Bond *(CO Bond)* *	$ 1,180,570	$ 30,729,606	$ 18,535,096	$ 7,780,558	$ 5,310,000	$ 3,000,000	$ 3,000,000	$ 69,535,830
Special Revenue CO Bonds	**$ 12,016,895**	**$ 3,389,412**	**$ 10,388,794**	**$ 16,870,440**	**$ 180,556**	**$ -**	**$ -**	**$ 42,846,097**
4A Bond *(CO Bond)*	$ 5,000,000	$ -	$ 9,000,000	$ 15,000,000	$ -	$ -		$ 29,000,000
4A Bond *(Revenue Bond)*	$ 6,026,519							$ 6,026,519
4B Bond *(CO Bond)*	$ 990,376	$ 3,389,412	$ 1,388,794	$ 1,870,440	$ 180,556	$ -		$ 7,819,578
TIF 2 *(CO Bond)*	$ -	$ -	$ -	$ -	$ -	$ -		$ -
TOTAL	**$ 57,638,039**	**$ 81,746,295**	**$ 60,817,776**	**$ 38,539,799**	**$ 27,766,227**	**$ 6,000,000**	**$ 5,000,000**	**$ 277,508,136**

	2026	2027	2028	2029	2030	2031	2032	Total
GO Bond Total	$ 17,210,778	$ 21,969,607	$ 4,439,901	$ 1,130,015	$ 13,443,000	$ -	$ -	$ 58,193,301
CO Bond Total	$ 34,400,742	$ 59,776,688	$ 56,377,875	$ 37,409,784	$ 14,323,227	$ 6,000,000	$ 5,000,000	$ 213,288,316
Revenue Bond Total	$ 6,026,519							$ 6,026,519

General Government CIP FY26

	Project #	Project Name	FY 2026
GO BOND PROJECT	ST2_50	Neighborhood Street Rebuilds	$750,000
	FA2301	Police Expansion	$15,955,907
	ST2503	Elk, Hillside, & FM731- Ped. & Int. Improvements - Phase 1	$15,275
	ST2704	Elk, Hillside, & FM731- Ped. & Int. Improvements - Phase 2	$189,596
	ST2601	FM 1902 and CR 910 Pedestrian Mobility	$300,000
	ST2306	Hulen Widening (SH174 to Candler) (Design 4 Lanes; Build 2 Lanes) *	$4,446,009
	FA2301	Police Expansion *	$1,116,274
	ST2309	Village Creek Parkway Expansion (Tarrant Co. Bond 50% Match) *	$3,289,059
	ST2603	Wicker Hill and Greenridge Reconstruction	$1,200,000
	ST2651	CR 914 Reconstruction from CR 914A to CR1021	$1,000,000
	ST2604	Hulen St. & BNSF RR Grade Separation *	$5,140,000
	FA2601	City Hall EV Charger *	$332,476
	CE2601	Two New Ambulances	$1,326,000
	CE2602	One Replacement Street Sweeper	$325,000
	CE2603	CAD Replacement Consoles	$800,000
		GO Bond Total	**$17,210,778**
		CO Bond Total	**$5,076,529**
		Cash/Other Total (*)	**$13,898,289**

General Debt Service Fund



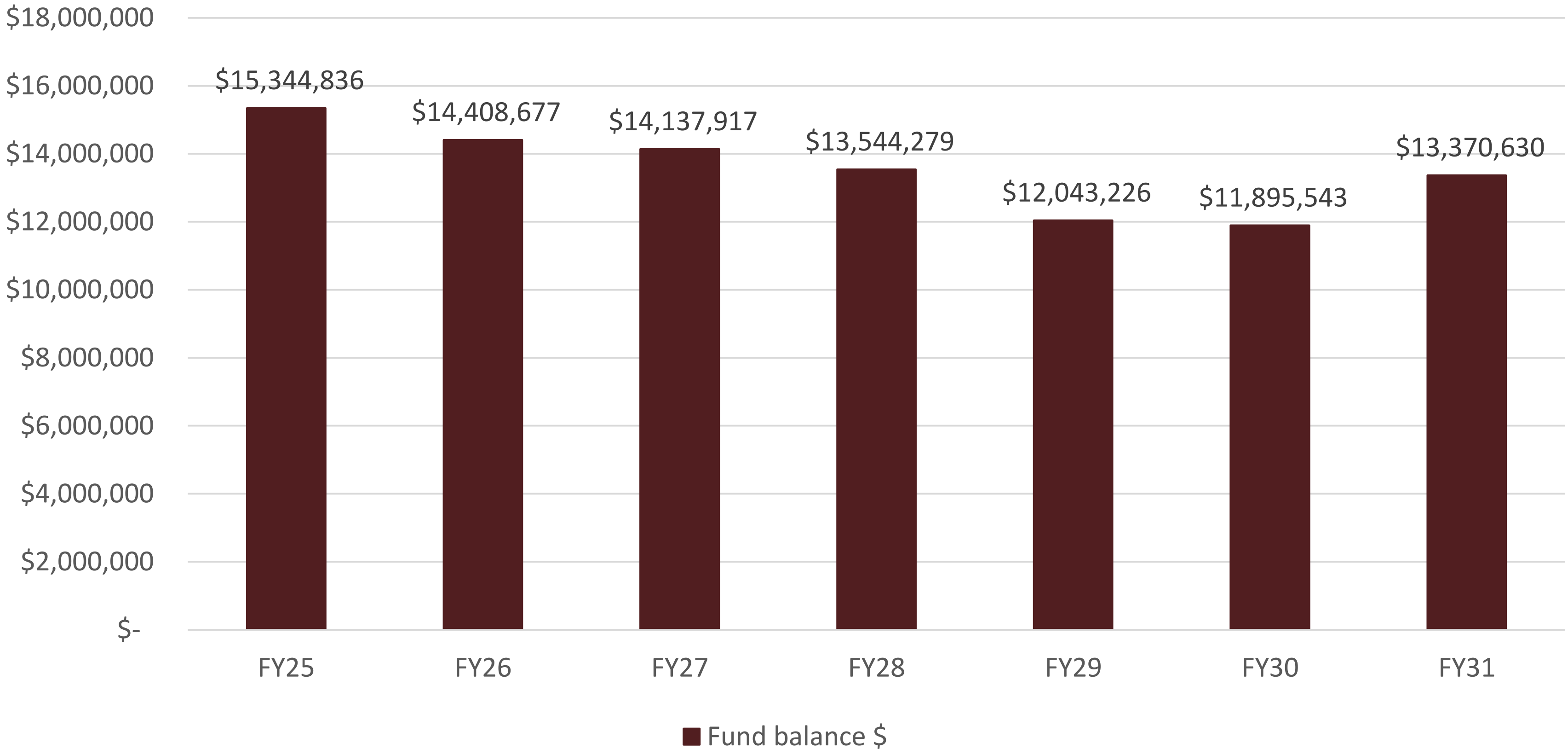
Water and Sewer CIP FY25

Project #	Water Projects Name	2025
WA2301	Industrial Blvd Pump Station Expansion & Alsbury Pump Station Decommission	$18,246,376
WA2302	12" Willow Creek Waterline Looping	$59,390
WA2403	8" Village Creek and 8" CR 715 Water Line Looping	$33,617
ST2306	16" Hulen Street Waterline	$464,889
WA2306	Offsite Water Supply from Fort Worth	$2,193,995
WA2308	PLC Upgrade Project	$1,155,000
	Water Bond Total	**$22,153,267**

Project #	Sewer Projects Name	2025
WW2301	Trunk Relief Line (Town Creek Basin Parallel Buildout Interceptors)	$344,794
WW2601	12" Wastewater line Replacement in Village Creek Basin (Golf Course)	$317,776
	Sewer Vacuum Truck	$518,000
	Sewer Bond Total	**$1,180,570**

Water & Sewer Bond Total	**$23,333,837**

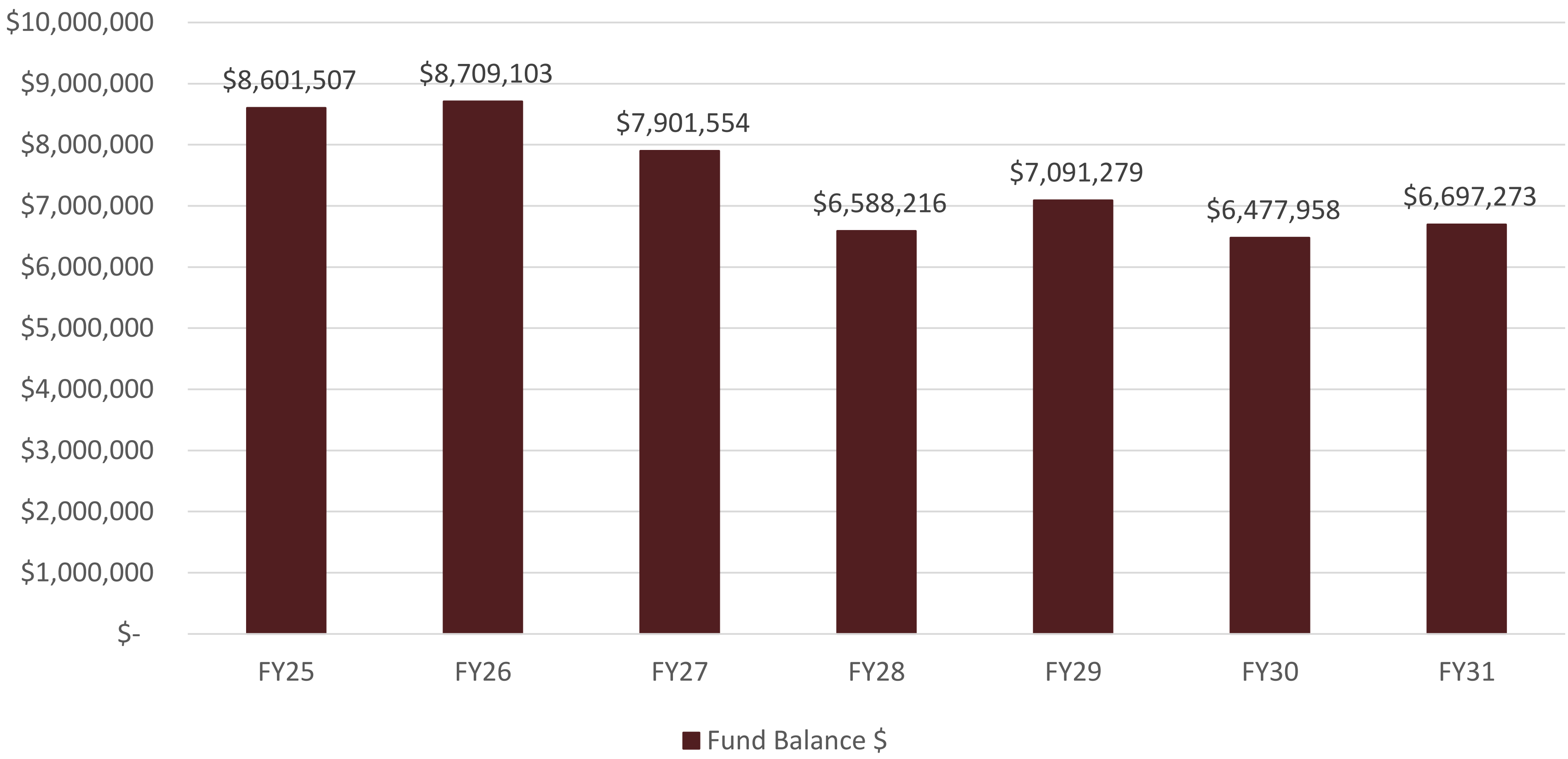
Water and Wastewater Fund



4A CIP FY26

Project #	4A Projects Name	FY 2026
PK2311	West Side Infrastructure - Burleson Legacy Park	$5,000,000
DV2601	Land Bank at HCP and I35W	$6,026,519
	4A CO Bond Total	**$5,000,000**
	4A Revenue Bond Total	**$6,026,519**

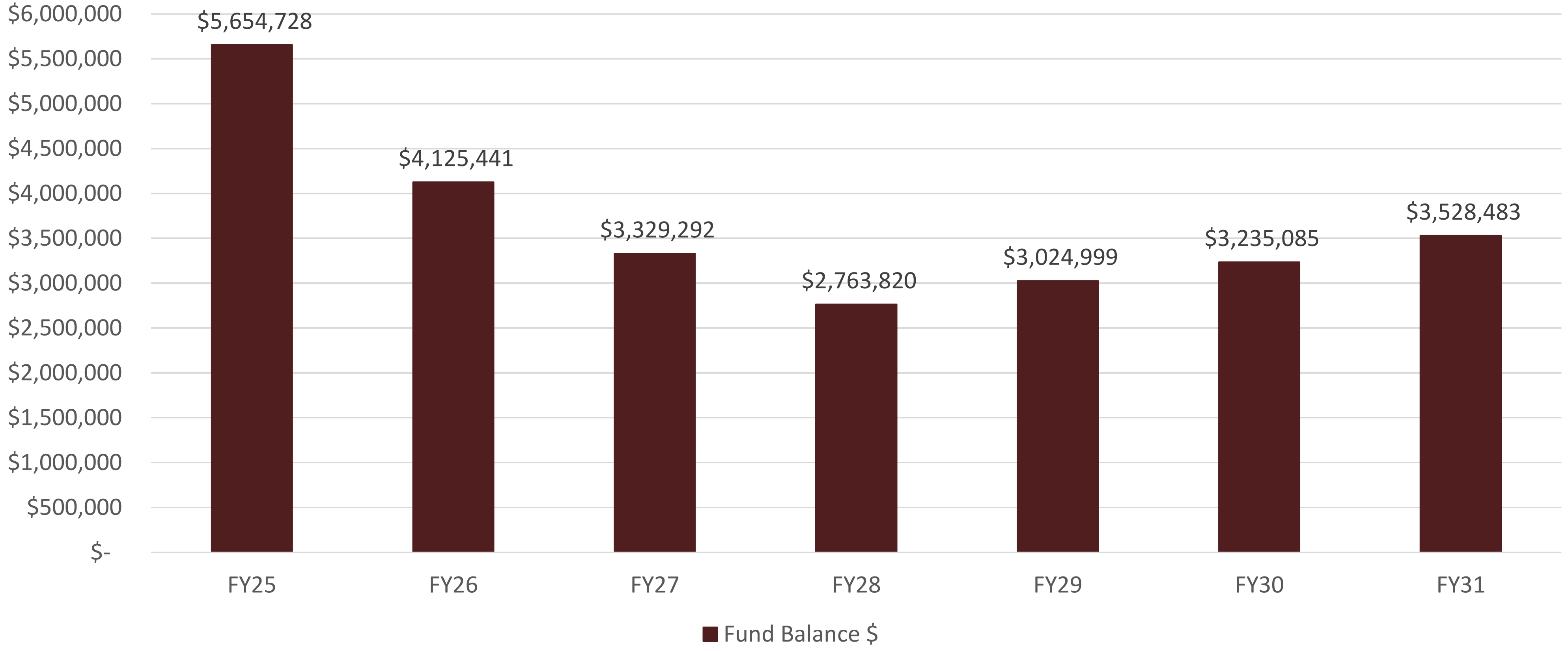
4A Corporation Fund



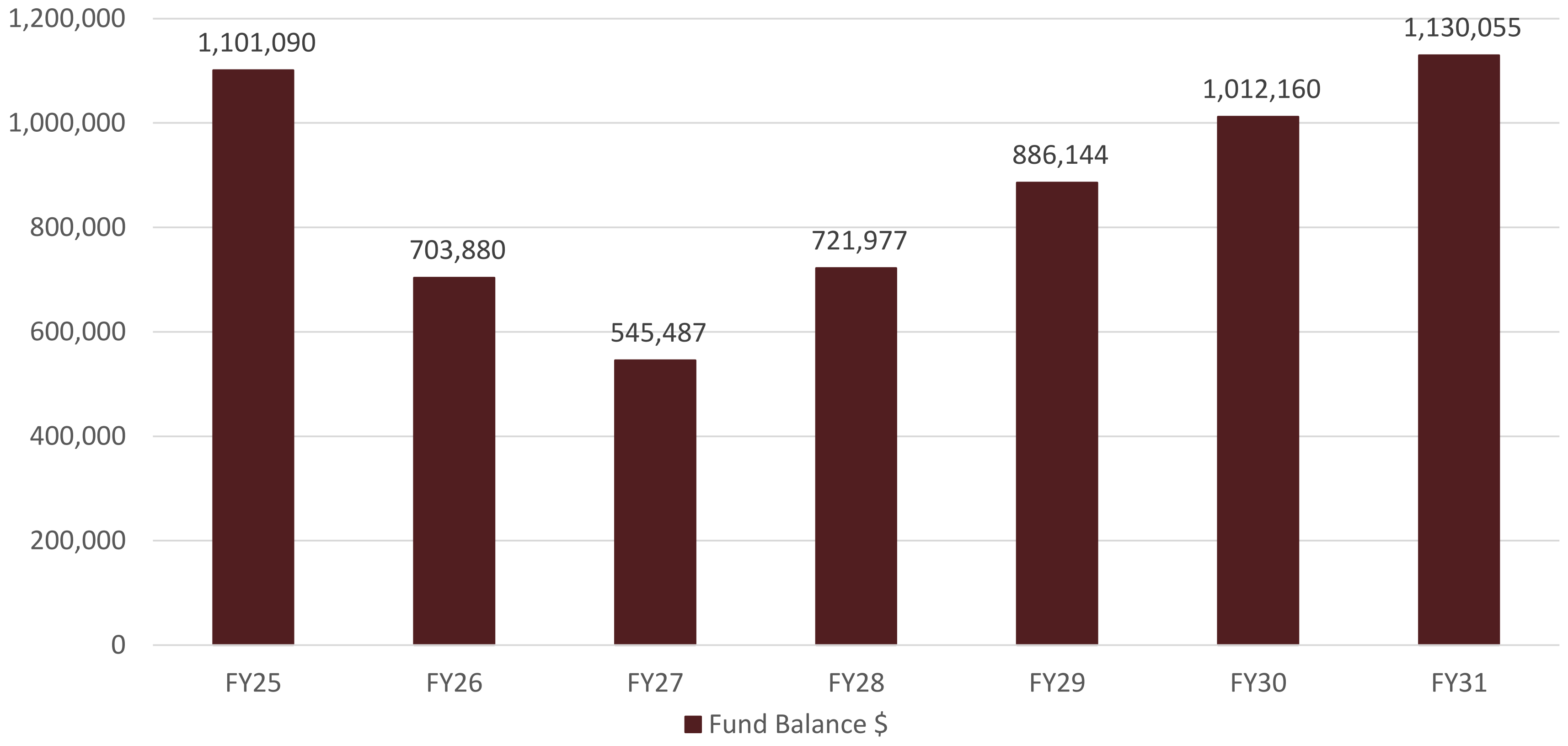
4B CIP FY26

Project #	4B Projects Name	FY 2026
PK2601	Warren Park-Study	$75,075
PK2502	Green Ribbon Phase 1 *	$400,000
PC2601	Green Ribbon Phase 2	$120,750
PK2602	Russell Farm - Master Plan	$32,051
PC2605	Hidden Creek Softball Fields Demo	$500,000
PC2651	Golf	$262,500
	4B CO Bond Total	**$990,376**
	Cash/Other Total (*)	**$400,000**

4B Corporation Fund



TIF2 Fund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1,000,000
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600,000
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703,880
545,487
721,977
886,144
1,012,160
1,130,055
FY25
FY26
FY27
FY28
FY29
FY30
FY31
Fund Balance $

Refunding Opportunities

- Debt refunding allows the City to refinance existing debt obligations, typically when market interest rates decline or when restructuring debt service payments may better align with the City's long-term financial objectives.
- By pursuing refunding opportunities, the city may reduce total interest costs, generate budgetary savings, improve cash flow flexibility, or mitigate future financial risk.
- Regular monitoring of refunding potential also demonstrates sound fiscal stewardship and prudent financial management to taxpayers, credit rating agencies, investors, and other stakeholders.
- While not every refunding opportunity will result in sufficient savings to justify issuance costs, maintaining an ongoing review process will help position the City of Burleson to respond strategically to favorable market conditions and optimize its overall debt portfolio.

Refunding Recommendation

On November 13, 2025, S&P Global Ratings revised its outlook for Burleson's outstanding utility revenue bonds to negative from stable. While they affirmed the 'AA-' rating at that time, the shift to a negative outlook serves as a formal notice that there is a "one-in-three chance" of a downgrade over the next two years.

Refunding Recommendation

- The city no longer issue’s revenue bonds and the age of the existing utility revenue debt is approximately 14 years old.
- The city issues COs for water/sewer bonds and pays the debt through the revenue from the utility fund.

Refunding Recommendation - Series 2012 W&S

- The City recommends to transition a portion of our outstanding utility revenue debt into General Obligation Refunding Bonds. This shift is a proactive measure designed to address the recent negative outlook from S&P Global Ratings by leveraging the City’s stronger 'AA' General Obligation credit rating.
- It will strengthen our debt service coverage ratios and directly mitigates the risk of a rating downgrade.

Legal Authority in Texas Regarding a Parameters Ordinance

- Chapters 1371 and 1207, Texas Government Code
- Applies to new money and refunding bonds, respectively
- Allows delegation of final bond terms for up to 1 year after the ordinance is adopted

Why Use a Parameters Ordinance?

- **Market Responsiveness:** Time the sale to secure favorable rates
- **Efficiency:** Avoid repeated council meetings
- **Control:** The Governing body still sets firm boundaries
- **Delegated Expertise:** Utilizes staff and advisors to manage complex transactions

Example Scenario

- Council passes a parameters ordinance:
  - Up to $10 million in bonds
  - Not to exceed 5% interest
  - Term not to exceed 20 years
  - The sale must occur within 180 days
- City Manager authorized to finalize sale within those parameters

Summary Parameters Ordinances

- Parameters ordinances provide flexibility without sacrificing oversight
- Useful for both refunding and new money issuances
- Empower cities to act strategically in a dynamic bond market

Specific Parameters for GOs, COs, and Revenue Bonds

- The total principal amount of the COs shall not surpass $34,400,742;
- The total principal amount of the GOs shall not surpass $19,000,000; (This includes the new money issue and the refunding bonds)
- The total principal amount of Sales Tax Revenue Bonds shall not surpass $6,760,000;
- The true interest cost on the debt shall not exceed 5% and 6.5% for the Sales Tax Revenue Bonds;
- The refunding of the Refunded Obligations must produce a net present value debt service savings of at least 0.5%;
- The debt's final maturity date shall be no later than March 1, 2046; and
- This delegation will expire if the Pricing Officer does not exercise it within ninety (90) days from the date of adoption.

Debt Issuance Calendar

Complete By	Day	Event
10-Jun-26	Wednesday	HilltopSecurities requests information for preparation of the Official Statement
15-Jun-26	**Monday**	**Council meeting to approve Resolution directing staff to proceed with bond issuance process & approve publication of Notice of Intent for CO's**
17-Jun-26	Wednesday	HilltopSecurities receives requested information. HilltopSecurities begins preparation of the Official Statement
18-Jun-26	**Thursday**	**1st Notice of Intent published for CO's**
24-Jun-26	Wednesday	1st Draft Official Statement distributed to the City and Bond Counsel
25-Jun-26	**Thursday**	**2nd Notice of Intent published for CO's**
1-Jul-26	Wednesday	HilltopSecurities receives comments on 1st Draft of Official Statement
8-Jul-26	Wednesday	2nd Draft Official Statement distributed to the City and Bond Counsel

Debt Issuance Calendar Continued

Complete By	Day	Event
15-Jul-26	Wednesday	HilltopSecurities receives comments on 2nd Draft of Official Statement
20-Jul-26	Monday	Distribute POS to Rating Agencies
Week of July 27th -31st.		Rating Calls
17-Aug-26	Monday	Receive Ratings
17-Aug-26	**Monday**	**City Council passes Parameters Ordinance authorizing issuance of the Bonds and Certificates**
19-Aug-26	Wednesday	Electronically Post Official Statement to Potential Purchasers
26-Aug-26	Wednesday	Potential pricing date
24-Sep-26	Thursday	Bond and Certificate Closing and Delivery of Funds to the City

Options

- Approve or Deny GO, CO, and 4A Corporation Revenue Bonds Ordinances/Resolution
- Staff recommends approval of the Ordinances/Resolution

QUESTIONS/COMMENTS