



**CITY OF GRAND PRAIRIE
ORDINANCE**

MEETING DATE: 06/21/2022

REQUESTER: Brady Olsen

PRESENTER: Brady Olsen, Assistant Finance Director

TITLE: An Ordinance authorizing the issuance of City of Grand Prairie, Texas, General Obligation Pension Bonds, Taxable Series 2022; levying a continuing direct annual ad valorem tax for the payment of such Bonds; and resolving other matters which are necessary to effectuate such issuance; including the delegation of matters relating to the sale and issuance of such Bonds to an authorized City official within certain specified parameters (The Finance and Government Committee discussed this item at its 06/07/2022 meeting)

RECOMMENDED ACTION: Approve

ANALYSIS:

The city has the opportunity to issue pension obligation bonds to refinance its unfunded actuarial liability at a lower interest rate. This should allow an annual savings of at least \$300,000 over the next 15 years dependent on interest rates. Both F&G and Council considered and passed an initial contract with TMRS on June 7th. The TMRS board will consider the contract on June 23rd. At the June 21st City Council meeting, the Council will consider a parameters ordinance to issue the debt dependent on the approval of the contract and favorable interest rates.

F&G previously considered the concept of pension obligation bonds at the April 5th Finance and Government Committee meeting and recommended staff pursue the option.

FINANCIAL CONSIDERATION:

Council is committing to levying a property tax sufficient to make our debt service payments over the life of the bonds. The current property tax rate would be sufficient to cover this payment with the size of the city's tax base.

Ordinance will be brought by bond counsel to the meeting