



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: November 29, 2023
PREPARED BY: Scott Moore, City Manager
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTIONS:

Consideration, discussion, and possible action on an Ordinance of the City of Manor, Texas Authorizing the Issuance of Combination Tax and Revenue Certificates of Obligation, Series 2023; Authorizing the Sale Thereof; and Enacting Provisions Incident and Related to the Issuance of Said Certificates.

BACKGROUND/SUMMARY:

On October 2, 2023, the City Council authorized the publication of notice of its intent to issue certificates of obligation (the "Certificates") in an amount not to exceed \$40,000,000 for the financing of the following purposes: (1) designing, constructing, equipping, and acquiring real property for the improvement, expansion, and upgrading of the City's Water and Wastewater Systems including the construction of new plants and facilities, the oversizing and expansion of existing water and sewer lines, the construction of new water and sewer lines, the addition of new water storage tanks and pumps, and the installation and expansion of lift stations; (2) designing, constructing, equipping, and acquiring real property for the improvement, expansion, and upgrading of the City's parks and recreation facilities and systems including the acquisition of parkland and the installation, maintenance, and expansion of recreation facilities and other park amenities; (3) acquiring real property for public safety facilities including real property to be a site for an emergency medical services facility and a site for a new police station; (4) designing, constructing, equipping, and acquiring real property for the improvement, expansion, and upgrading of City streets, roads, and highways, bridges, and sidewalks, including drainage, intersection, and shared use pathway improvements; and (5) the payment of professional services and costs of issuance related thereto.

The notice specified that the City Council would consider the adoption of an ordinance for the issuance of the Certificates at the November 29, 2023 special meeting. This item is for the consideration of that ordinance.

As stated in the notice, the Certificates will be for an amount not to exceed \$40,000,000. Pricing of the Certificates is scheduled for November 29, 2023, prior to the Council meeting. The City's Financial Advisor will be present at the November 29th meeting to present the final pricing of the Certificates, as well as their recommendation for approval of the issuance of the Certificates.

LEGAL REVIEW: Yes. Gregory Miller, Bond Counsel
FISCAL IMPACT: This ordinance authorizes the issuance of certificates of obligation in an amount not to exceed \$40,000,000. The amount of the certificates and the terms of repayment will be determined at the pricing of the certificates, which will happen the morning of

the 29th. The City's Financial Advisor will present Council with the specific amount of the certificates and the repayment terms when this item is called.

The amount of the certificates will depend on the market conditions at the time of pricing. The purpose of the sale will be to result in \$40,000,00 of proceeds for the City. If the market conditions allow, the sale may generate "premium" which means the City may receive payment from the buyers. For a general example, if the buyers were to pay \$1,000,000 in premium, the City would only need to issue and repay \$39,000,000 of obligations. When the buyers pay premium it is because to do so will help them make a larger profit when they resell the certificates in the bond market.

PRESENTATION: Yes

ATTACHMENTS: Yes

- Ordinance No. 727 - Authorizing Issuance of Combination Tax and Revenue Certificates of Obligation, Series 2023

STAFF RECOMMENDATION:

The city staff recommends that the City Council approve Ordinance No. 727 authorizing the issuance of Combination Tax and Revenue Certificates of Obligation, Series 2023.

PLANNING & ZONING COMMISSION: **Recommend Approval** **Disapproval** **None**
