



**Meeting Date:** April 30, 2026      **Agenda Type:** Action Items

**From:** Jessica Coleman      **Reviewed by:** John Warren  
Financial Planning and      Director of Financial Planning  
Analysis Manager      and Analysis

**Submitted by:** Jessica Williams      **Approved by:** Ryan Kelso  
Chief Financial Officer      Chief Executive Officer

**RECOMMENDED ACTION:** Discuss and Consider Adoption of Resolution #2026-210 Relating to the Issuance of “City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2026,” and Resolving Other Matters Incident and Related Thereto

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## **BACKGROUND**

During the May 15, 2025, Budget Workshop, staff presented a financing plan that included issuing up to \$215.1 million in bonds for Fiscal Year 2026 capital projects and continuing the commercial paper program to maintain liquidity and funding flexibility. The Board subsequently approved the FY 2026 Budget and Five-Year Financial Plan through FY 2030 at its June 26, 2025, meeting, including the planned debt issuances.

Staff has since determined that refunding outstanding commercial paper notes with long-term debt will restore commercial paper capacity needed to support planned FY 2026 expenditures. With several major projects underway, staff recommends proceeding with the Series 2026 bond issuance.

The proposed issuance includes:

- Up to \$90 million for potential refunding of the Series 2015, Series 2016, and Series 2018 bonds, and refunding of up to \$75 million of commercial paper notes.
- \$175 million to fully fund the NBU Headquarters project in a single issuance, avoiding multiple future financings.
- Up to \$15 million for reserve funding and capitalized interest, if needed.

Refunding the commercial paper notes is consistent with NBU Financial Policy, which provides for conversion of commercial paper to long-term debt when authorized capacity is substantially utilized. This action also replenishes commercial paper capacity for future needs.

NBU staff recommends authorizing staff, municipal advisor SAMCO Capital Markets, Inc., and bond counsel Norton Rose Fulbright US LLP to begin the bond offering process and prepare the necessary financing documents for the Series 2026 Bonds.

The anticipated schedule includes:

- Early May 2026: City Council authorization and bond pricing
- Late May 2026: Bond closing

Because the City is a qualified issuer under Texas Government Code Chapter 1371, City Council may delegate final pricing authority within established parameters. Section 1207.007 also permits delegation of the refunding component. This approach allows the City and NBU to respond efficiently to market conditions without requiring additional Board or City Council meetings at the time of pricing. NBU has successfully used this process in prior bond issuances.

Proposed Parameters:

1. Maximum principal amount: \$355,145,000
2. Final maturity: No later than July 1, 2060
3. Maximum interest rate: 6.0%
4. Minimum refunding savings: 2.0% net present value

## **FINANCIAL IMPACT**

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The total financial impact of issuing the Series 2026 bonds is \$190 million plus interest of no more than 6.0%.

## **LINK TO STRATEGIC PLAN**

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**Financial Excellence**

## **EXHIBITS**

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1. Resolution #2026-210