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MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: JOSHUA TETZLAFF, CITY ADMINISTRATOR
SUBJECT: CONDUIT DEBT FEE POLICY
DATE: NOVEMBER 13, 2025

Over the past few years, the City has been approached by non-profit organizations asking if we would consider being the issuer of conduit financing. The purpose of this policy is to establish the fees charged by the City of New Prague (the "City") to recover administrative costs for services related to the issuance of conduit debt obligations. This policy aligns with other municipalities and was reviewed by our Municipal Advisors.

Conduit debt obligations are certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Recommendation

Staff recommends approval of the Conduit Debt Fee Policy.