



FINANCE DEPARTMENT

To: Mayor and Town Council

From: Betty Pamplin, Finance Director

Through: Harlan Jefferson, Town Manager
Robert B. Scott, Executive Director of Administrative Services

Re: Town Council Meeting – July 26, 2022

Agenda Item:

Consider all matters incident and related to the issuance and sale of “Town of Prosper, Texas General Obligation Bonds, Series 2022”, including the adoption of an ordinance authorizing the issuance of such bonds and establishing procedures and delegating authority for the sale and delivery of such bonds.

Description of Agenda Item:

Proceeds from the sale of the Bonds will be used to fund the planned capital projects:

- Costs associated with the design, planning, acquisition, and construction of certain public safety facilities (\$600,000)
- Parks and recreational facilities (\$2,830,000)
- Streets, roads, bridges, and intersections (\$30,570,000)

The attached ordinance would authorize the issuance of the Bonds and delegate to the Executive Director of Administrative Services or the Finance Director the final pricing within 90 days that meets the following conditions:

- Issue the bonds through a competitive or negotiated sale
- the voted authorization from the Election used in the issuance of such Bonds shall be taken from the following propositions: Proposition A (and shall not exceed \$600,000 in total voted authorization used); Proposition B (and shall not exceed \$2,830,000 in total voted authorization used); and Proposition C (and shall not exceed \$30,570,000 in total voted authorization used); the amount used of voted authorization from each proposition shall be set forth in a Pricing Certificate
- at a maximum interest rate of 5.00%
- with a final maturity of August 15, 2042

Approval of this ordinance has the following advantages to obtain the lowest interest rate for the Town’s Bond sale:

- Flexibility to sell on a day based on the best market conditions instead of only a Town Council Tuesday
- Allows for immediate award to the lowest bidder

The winning bidder can place the Bonds with their purchasers on the day of the sale, instead of waiting until after Town Council approval in the evening. It is anticipated that a competitive sale will occur the week of August 15th-19th.

Budget Impact:

The debt service payments for the Bonds will be funded from the Debt Service Fund.

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P. and Chris Settle of McCall, Parkhurst and Horton, the Town's bond counsel, have reviewed the resolution as to form and legality.

Attached Documents:

1. Ordinance authorizing the issuance and sale of the Town of Prosper, Texas General Obligation Bonds, Series 2022.
2. Timeline (Exhibit A)

Town Staff Recommendation:

Town staff recommends adoption of an ordinance authorizing the issuance and sale of "Town of Prosper, Texas General Obligation Bonds, Series 2022", and approving all other matters related thereto.

Proposed Motion:

I move to adopt an ordinance authorizing the issuance and sale of "Town of Prosper, Texas General Obligation Bonds, Series 2022", and approving all other matters related thereto.