



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Parameters Ordinance – GO Bonds, Series 2024

Town Council Meeting – July 23, 2024

Strategic Visioning Priority: 1. Acceleration of Infrastructure

Agenda Item:

Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, General Obligation Bonds, Series 2024", 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. (CL)

Description of Agenda Item:

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

- Public Safety projects (\$10,200,000)
- Parks and recreational projects (\$10,900,000)
- Streets, roads, bridges, and intersections (\$15,307,062)

The attached ordinance would authorize the issuance of the Bonds and delegate to the Deputy Town Manager or the Finance Director the final pricing within 180 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 \$10,200,000); Proposition B (and shall not exceed \$10,900,000 in total voted authorization used); and Proposition C (and shall not exceed \$15,307,062 in total voted authorization used); the amount used of voted authorization from each proposition shall be set forth in a Pricing Certificate
- at a rate not to exceed 4.75% in the aggregate
- with a final maturity of February 15, 2044

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 meeting date
- Allows for immediate award to the lowest bidder.

Budget Impact:

The debt service payments for the Bonds will be funded from I&S fund tax revenues.

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

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Resolution
2. Timeline (Exhibit A)
3. Use of Proceeds (Exhibit B)

Town Staff Recommendation:

Town staff recommends adoption of an ordinance authorizing the issuance and sale of "Town of Prosper, Texas General Obligation Bonds, Series 2024", 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 2024" and approving all other matters related thereto.