

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 2023

Town Council Meeting – July 25, 2023

Agenda Item:

Consider all matters incident and related to the issuance and sale of "Town of Prosper, Texas, General Obligation Refunding and Improvement Bonds, Series 2023", 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:

- Parks and recreational projects (\$9,800,000)
- Streets, roads, bridges, and intersections (\$27,158,033)

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 B (and shall not exceed \$9,800,000 in total voted authorization used); and Proposition C (and shall not exceed \$27,158,033 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 August 15, 2043
- the refunding must produce debt service savings of at least 3.00%

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

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 ordinance as to form and legality.

Attached Documents:

1. Ordinance
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 Refunding and Improvement Bonds, Series 2023", 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 Refunding and Improvement Bonds, Series 2023" and approving all other matters related thereto.