



## CITY COUNCIL COMMUNICATION

**DATE:** December 19, 2022

**FROM:** Clayton Gray, Finance Director

**AGENDA ITEM:** Consideration and possible action of Ordinance 12-33-22, authorizing and ordering the issuance of City of Sanger, Texas Limited Tax Note, Series 2023; specifying the terms and features of such Note; levying a continuing direct annual ad valorem tax for the payment of said Note; and resolving other matters incident and related to the issuance, sale, payment, and delivery of a paying agent/registrar agreement; and providing for an effective date.

### **SUMMARY:**

- The City Manager and Finance Director have worked with the City's advisor Ted Christensen in preparation for this debt issuance.
- Issuance of the Tax Notes is in line with the financial strategies previously set forth before Council.
- This Ordinance authorizes issuing Tax Notes for the acquisition of \$5,000,000 of capital items included in the 2022-2023 Annual Budget. The Tax Notes will effectively spread the cost of acquiring those assets across several years.
- Tax Notes Series 2023 will be dated January 17, 2023.
- Interest rate on the issuance is 3.7%
- Amounts associated with the Tax Notes are as follows:
  - Par amount and bond proceeds equal \$5,065,000.00.
  - Total interest will be \$776,254.86.
  - Total debt service will be \$5,841,254.86

### **FISCAL INFORMATION:**

- The first payment (interest only) in the amount of \$92,61.36 will be made on July 15, 2023.
- Subsequent payments will be approximately \$821,000 in fiscal years 2023-2024 through 2029-2030.
- Annual payments will be made from the Debt Service Fund according to the schedule on page 6 of the Raymond James attachment.

### **RECOMMENDED MOTION OR ACTION:**

- Staff recommends approval of Ordinance 12-33-22.

### **ATTACHMENTS:**

- Raymond James: City of Sanger Limited Tax Notes Series 2023 – Final Numbers