



# City of Pflugerville

## Legislation Details (With Text)

**File #:** RES-1078    **Version:** 1    **Name:**  
**Type:** Resolution    **Status:** Consent Agenda  
**File created:** 2/14/2023    **In control:** Finance  
**On agenda:** 2/14/2023    **Final action:** 2/14/2023  
**Title:** Approving a resolution to accept a seven year financing term for equipment purchases not to exceed \$500,000.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution, 2. Loan Terms

Date	Ver.	Action By	Action	Result
2/14/2023	1	City Council	Approved	Pass

Approving a resolution to accept a seven year financing term for equipment purchases not to exceed \$500,000.

The FY 23 budget includes assumptions to borrow funds for the purchase of a mini skid steer, backhoe, paver machine, and mini excavator. In order to close the loan, Council must approve the resolution authorizing the City to enter into a debt agreement. The terms of the agreement are not to exceed \$500,000, to be paid back within 7 years, at 3.85% interest.

The resolution approved on January 24th included bank qualified interest rates that limit the City to issue less than \$10 million of tax exempt bonds. Removing the tax-exempt bond language and restrictions resulted in a small rate increase. This rate is still the lowest of quoted rates. The rate was 3.8% and is now 3.85%.

### Prior City Council Action

Reimbursement resolution approved January 10, 2023.

Previous resolution approval on January 24, 2023.

### Deadline for City Council Action

Approval requested February 14th to insure loan closes on February 15th.

**Funding Expected:** Revenue \_\_\_ Expenditure \_\_\_ N/A \_\_\_

**Budgeted Item:** Yes \_\_\_ No \_\_\_ N/A \_\_\_

**Amount:** \_\_\_\$500,000\_\_\_

**1295 Form Required?** Yes \_\_\_X\_\_\_ No \_\_\_

**Legal Review Required:** N/A \_\_\_ Required \_\_\_X\_\_\_ Date Completed: \_\_\_02/07/2023\_\_\_

### Supporting documents attached:

Resolution

Loan Terms

**Recommended Action**

Approve the resolution to accept a seven year financing term for equipment purchases not to exceed \$500,000.