



City of Pflugerville

Legislation Text

File #: RES-1078, **Version:** 1

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 No

Legal Review Required: N/A Required 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.