



# City of Pflugerville

## Legislation Text

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**File #:** RES-1077, **Version:** 1

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Approving a resolution to accept a ten 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 wastewater vacuum truck. In order to close the loan, Council must approve a 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 10 years at 3.9% 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 3.85% and is now 3.9%.

### **Prior City Council Action**

Purchase of vacuum truck approved November 29, 2022

Reimbursement resolution approved January 10, 2023

Prior resolution approval on January 24, 2023

### **Deadline for City Council Action**

Approval requested February 14th to insure the loan is closed 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 ten year financing term for equipment purchases not to exceed \$500,000.