



# City of Pflugerville

## Legislation Text

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File #: ORD-0729, Version: 1

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Conduct a public hearing and consider action to approve an ordinance on first and final reading with the caption reading: Ordinance Authorizing the Issuance and Sale of City of Pflugerville, Texas Combination Tax and Limited Revenue Certificates of Obligation; Levying an Ad Valorem Tax and Pledging Certain Net Revenues in Support of the Certificates; Approving an Official Statement, a Purchase Agreement and Other Agreements; Establishing Procedures for Selling and Delivering the Certificates and Authorizing Other Matters Related to the Certificates.

This Ordinance is the official action of the City Council authorizing the issuance of the Certificates as long as the final terms of the Certificates fall within the parameters established by the Ordinance. The Ordinance delegates the authority to the City Manager and the Assistant City Manager to set the final terms of the Certificates as long as the Certificates: (i) have a principal amount that does not exceed \$76,000,000; (ii) mature no later than August 1, 2053, (iii) do not have any maturity that bears interest at a rate greater than 5.5%, and (iv) do not have a purchase price that is less than 90% of their principal amount. This delegation to price the Certificates expires after 5:00 p.m. on October 23, 2023. Additionally, the Certificates must be rated by a nationally recognized rating agency in one of the four higher rating categories and can only be issued for the purposes set forth in the Ordinance.

The ability to delegate the timing of setting the final terms of a debt issue gives the City more flexibility to achieve positive pricing results in volatile market conditions due to not having to price debt on a specific City Council meeting date. State law allows more sophisticated debt issuers such as the City this delegation flexibility, and the City has used this procedure in the past for more market sensitive transactions like refundings and in times of greater market volatility such during the Great Recession.

The funds received from this issuance will be used for a portion of a new Public Works Facility, as well as various transportation projects and traffic signal projects. The full list of projects is provided in the attached "Project List" document.

This item is supported by the Infrastructure and Services pillars of the Strategic Plan.

### **Prior City Council Action**

May 23, 2023 - City Council authorized a notice of intent (NOI) to issue certificates of obligation for an amount up to \$76M

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

Action requested July 25, 2023

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

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

**Amount:** \$76M

**1295 Form Required?** Yes  No

**Legal Review Required:** N/A  Required  Date Completed: July 19, 2023

**Supporting documents attached:**

Ordinance CO 2023A

Project List

**Recommended Action**

Conduct the public hearing and approve the ordinance on first and final reading.