



## COUNCIL AGENDA ITEM MEMORANDUM

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**DEPT./DIVISION SUBMISSION & REVIEW:**

Traci Barnard, Director of Finance

Melissa Przybylski, Assistant Director of Finance

**ITEM DESCRIPTION:** FIRST & FINAL READING – PUBLIC HEARING: Consider adopting a “Fourth Supplemental Ordinance to the Master Ordinance Establishing the City of Temple, Texas Reinvestment Zone Number One Tax Increment Revenue Financing Program” to authorize the issuance of City of Temple, Texas Reinvestment Zone Number One Tax Increment Refunding Revenue Bonds, Series 2025 in the aggregate not to exceed amount of \$21,000,000\*.

**BACKGROUND:** This ordinance will delegate the Director of Finance or in her absence, the City Manager as the pricing officer to execute pricing certificates and finalize pricing within parameters defined in the ordinance.

The Bonds will be issued in one or more series in the aggregate principal amount not to exceed \$21,000,000\* for the purpose of providing funds for (i) refunding the Refunded Obligations and (ii) paying the costs of issuing the Bonds.

The City currently has outstanding bond issues that have met contractual and market criteria for favorable refunding/'refinancing' or could possibly meet the criteria in the next year. The table below includes one outstanding bond issue that could potentially meet the criteria for refunding during the next year.

Refunding Candidates				
Series Name	Par	Maturities	Coupon Range	Hypothetical Call
Reinvestment Zone No.1 Tax Increment Revenue Bonds, Series 2018	\$ 19,620,000	2026-2038	5.00%	8/1/2025 @ 100

Moody’s Ratings Services assigned its Baa2 Stable outlook rating to the Temple, Texas’ Reinvestment Zone No.1 Tax Increment Refunding Revenue Bonds, Series 2025.

The ratings were published May 1, 2025.

The date and method by which the refunded obligations will be issued, sold, and delivered will be determined to achieve the most advantageous borrowing costs for the City.

**ALIGNMENT WITH ADOPTED PLANS:**

Plan	Comments
Strategic Plan	This item supports the City of Temple’s Strategic Plan goal of “An open, responsive, and accountable government,” and the commitment to “Employ fiscally responsible practices and policies that ensure City investments are made based on sound review and analysis.”

**STAFF RECOMMENDATION:** Conduct public hearing and adopt ordinance as presented in item description on first and final reading.

**BOARDS & COMMISSIONS RECOMMENDATION:** This item was not reviewed by any of the official boards and commissions.

**FISCAL IMPACT:** Based on current market conditions, refunding could generate approximately \$553,750 in potential gross debt savings, with a net present value savings (NPV) estimated at \$406,861, as summarized below:

Summary of Hypothetical Refunding Results	
Tax-Exempt Current Refunding	
Assumed Delivery Date	6/5/2025
Gross Savings	\$553,750
Net Present Value Savings <sup>1</sup>	\$406,861
Net PV Savings % Refunded Par	2.07%
Average Annual Savings	\$41,575

<sup>1</sup>Discounted at the Potential All-In TIC of 4.66% to 6/5/2025

**ATTACHMENTS:**  
Ordinance