



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Traci Barnard, Director of Finance

Melissa Przybylski, Assistant Director of Finance

ITEM DESCRIPTION: Consider adopting a resolution authorizing proceeding with the issuance of City of Temple, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021 and further directing the Publication of Notice of intention to issue Certificates of Obligation and other matters related to the issuance.

BACKGROUND: Prior to the issuance of the Certificates, the City is required under the Certificate of Obligation Act of 1971, Section 271.041 of the Local Government Code to publish notice of its intention to issue the Certificates in a newspaper of general circulation in the City and on the City's website, the notice stating: (i) the time and place tentatively set for the passage of the ordinance authorizing the issuance of the Certificates, (ii) the maximum amount and purpose of the Certificates to be authorized, and (iii) the manner in which the Certificates will be paid.

The notice of intent begins the process to issue Certificates of Obligation (COs). This process includes authorizing the Director of Finance, Financial Advisor and Bond Counsel to the City to proceed with preparing the necessary bond and offering documents to effectuate the sale of the Certificates, including making application to appropriate rating agencies and bond insurers, if applicable.

The Certificates of Obligation will be issued for the purpose of paying obligations incurred or to be incurred by the City for:

(1) Constructing, improving, extending, expanding, upgrading and/or developing streets, roads, bridges, trails, sidewalks, intersections, traffic signalization and other transportation improvement projects including related water, wastewater and drainage improvements, signage landscaping, irrigation, purchasing any necessary rights-of-way and other related transportation costs including the Outer Loop project, the North and South Pea Ridge Roads projects and Hartrick Bluff Road reconstruction project;

(2) Constructing, renovating, repairing, demolishing and equipping City buildings including roof and HVAC repairs and replacements, constructing a new solid waste and recycling facility, expansion and site rehabilitation for the City Service Center and City Hall improvements;

(3) Designing, constructing and equipping an expansion to the animal shelter;

(4) Designing, constructing and equipping a public safety training campus on existing City property near the airport;

(5) Constructing City drainage improvements;

(6) Professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Certificates.

The City Council tentatively proposes to consider for first and final reading at a meeting to commence at 5:00 p.m. on July 01, 2021, at Council Chambers, 2 North Main Street, Temple, Texas, 76501, the passage of an ordinance authorizing the issuance of the Certificates. The maximum amount of the Certificates that may be authorized for such purpose is not to exceed \$54,930,000.

ALIGNMENT WITH ADOPTED PLANS:

Plan	Comments
Strategic Plan	This item supports the City of Temple's Strategic Plan goal of "Infrastructure and systems that support exceptional services and community growth," as well as the Strategic Plan commitments to "Plan for, design, construct, and maintain high quality facilities that meet the needs of the community now and in the future," and to "Develop a safe, connected, and well-maintained mobility system that incorporates all modes of travel including vehicular, pedestrian, bicycle, transit, and air."

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

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

FISCAL IMPACT: The City continues to implement the largest capital improvement program in the history of the community and the Financial Plan recommends significant funding to continue the priority of investing in our infrastructure and systems in order to prepare for growth and redevelopment, as well as to preserve our assets and the investments made by the generations before us. The Financial Plan also includes funding to plan for, design, construct, and maintain high quality facilities that meet the needs of the community now and in the future.

And lastly, the Financial Plan for fiscal year 2021 includes an allocation of funds for an expansion to our Drainage Capital Improvement Program.

The following table summarizes the CIP funding for the proposed COs:

Capital Improvement Program Summary FY 2021			
Use of Proceeds	Project Funds	Payback Source	Term/yr
Mobility/Transportation CIP	\$ 32,590,000	I&S Tax	20
Drainage CIP	4,385,000	Drainage Fee Revenues	20
Facilities	15,935,000	I&S Tax	15/20
Public Safety	2,020,000	I&S Tax	20
Total	\$ 54,930,000		

The interest and sinking tax rate adopted on August 13, 2020 will support the debt service for the proposed issue of COs for Mobility/Transportation CIP projects and facility improvements. The current drainage fee will support the debt service for the issuance of COs for Drainage CIP.

ATTACHMENTS:
Resolution