City of Fort Worth, Texas

Mayor and Council Communication

DATE: 10/28/25 **M&C FILE NUMBER:** M&C 25-1006

LOG NAME: 13TAX NOTES SERIES 2025B

SUBJECT

(ALL) Adopt Ordinance Authorizing Issuance and Sale of City of Fort Worth Tax Notes, Series 2025B in an Aggregate Principal Amount Not to Exceed $25,000,000.00 and Enacting Other Provisions Related to the Subject; and Adopt Appropriation Ordinance

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RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance authorizing the issuance and sale of Tax Notes, Series 2025B, in an aggregate principal amount not to exceed $25,000,000.00; authorizing execution of all related documents; approving the sale of the notes by competitive or negotiated sale as determined most advantageous based on current market conditions and subject to meeting certain parameters, as set forth in the ordinance; providing for levy, assessment and collection of a property tax sufficient to pay the interest on and principal of the notes if other revenues are not otherwise available and appropriated for those payments; and ordaining related matters; and
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Tax Note Series 2025B Fund in the amount of $25,000,000.00, subject to the sale of tax notes and receipt of proceeds, for the purpose of paying (i) contractual obligations incurred or to be incurred for the construction of public works and the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way of identified projects and (ii) costs of issuance of the notes, with such amounts being subject to reduction to conform to final figures reflected in the note-closing documents and with any excess cost of issuance funds remaining after closing being transferred to the General Debt Service Fund.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with the issuance and sale of Series 2025B Tax Notes and appropriation of proceeds for the purpose of paying (i) costs related to certain capital projects and (ii) costs of issuance of the notes.

The anticipated aggregate amount of proceeds from the sale of the Series 2025B Tax Notes is $25,000,000.00.

A portion of the proceeds from sale of the notes will be used to acquire fire apparatus and equipment replacements scheduled for Fiscal Year 2026, including ambulance purchase. The City has used an Equipment Note Program for the City's Fire Department since at least 1999 (Ordinance No. 13701). On an annual recurring basis, tax notes are sold - generally on the open market under a competitive process - and proceeds are used to finance the equipment replacement program for fire equipment and apparatus. In conjunction with the Fleet Management Division of the Property Management Department, the Fire Department manages a fleet rotation plan that annually identifies vehicles and equipment that have reached the end of their useful lives and are too old or costly to continue to utilize or maintain for public safety operations.

Additionally, a portion of the tax notes will also be used to fund the replacement of a bridge at the River Course at the Pecan Valley Golf Course. In January 2024, a severe winter storm caused significant structural damage to the wing wall (abutment) of the bridge located between the 15th and 18th holes. For public safety, the bridge was closed, and all golf cart and pedestrian traffic was redirected to an alternate route. This closure required a course rerouting, with hole 15 reconfigured from a Par 4 to a Par 3. Since that time, staff has consistently received complaints about the extended walk between holes and play on the River Course has declined compared to prior years. On February 25, 2025, City Council authorized execution of an engineering services agreement with Baird, Hampton & Brown, Inc. in the amount of $325,350.00 for design and preparation of construction documents for the bridge replacement. The engineer's current estimate for replacement of the bridge is $1.6 million.

The schedule of project costs is listed below:

Project Description	Amount
Fire Apparatus	14,361,000.00
Ambulance Purchase	5,804,000.00
Vehicle Equipment Replacement Fund	3,000,000.00
Pecan Valley Bridge Replacement	1,600,000.00
Cost of Issuance	235,000.00
Total	$25,000,000.00

Staff anticipates that the tax notes will be sold through a competitive bid sale. However, to provide maximum flexibility to address any disruption to market conditions, the attached ordinance authorizes the City Manager or the Chief Financial Officer to conduct either a competitive or negotiated sale and to approve the terms of the sale so long as those terms come within the parameters set forth in the Council-adopted ordinance. Key parameters include that the notes must be rated in one of the four highest generic rating categories (BBB or higher); the maximum maturity is March 1, 2032; maximum true interest cost of 6.00%; and maximum net effective interest rate, calculated per chapter 1204 of the

Government Code, is 15.00%.

Rating agency calls with Moody's will be conducted prior to the sale of the notes. Ratings are anticipated to be received the week of October 27, 2025. Bids for the sale of the notes are scheduled to be submitted on November 19, 2025. Subsequent to accepting the best bid and awarding the sale of the notes, the City will seek approval of the debt transaction from the Texas Attorney General with an estimated closing date of December 10, 2025.

The attached appropriation ordinance reflects the maximum appropriation amount for note proceeds. Its structure accommodates variables associated with sale of debt. To the extent numbers at closing are less than those reflected in the ordinance, the available appropriation amount will be reduced as needed to reflect final figures based on the closing documents to ensure appropriations do not exceed actuals. Similarly, to the extent there are any remaining proceeds after paying cost of issuance expense, those funds are to be moved to the General Debt Service Fund.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon adoption of the actions provided within this Mayor and Council Communication, the sale of the Fiscal Year 2026 Tax Notes will proceed as necessary to provide funding in the Tax Notes Series 2025B Fund for Fire Apparatus, EMS Ambulance and vehicle replacement purchases, Pecan Valley Bridge Repair, and Cost of Issuance projects. Prior to any expenditures being incurred, the Property Management and Financial Management Services Departments have the responsibility to validate the availability of funds.

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Expedited