



To the Mayor and Members of the City Council

October 14, 2025

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SUBJECT: 2026 DEBT PLAN – \$25.0 MILLION TAX NOTES, SERIES 2025B

Executive Summary

This Informal Report is intended to provide the Mayor and City Council with Financial Management Services' (FMS) recommendation to advance the planned issuance of approximately \$25.0 million of Tax Notes, Series 2025B, from the summer of 2026 to December 2025 to address expedited capital needs, including critical Fire and EMS equipment replacement.

Series 2025B Tax Notes Overview

On an annual recurring basis, tax notes are typically sold during the 3rd or 4th quarter of the fiscal year, on the open market and through a competitive process. The proceeds of tax notes are generally used to finance the replacement program for Fire and EMS equipment and apparatus. A portion of the tax notes will also be used to support the purchases of vehicles under the City's Vehicle Equipment Replacement Fund (VERF) as well as to fund a critical repair to a failed bridge at the Pecan Valley Golf Course. Due to the longer delivery lead time, specifically for Fire apparatus, EMS ambulances and vehicle replacement, staff recommends advancing the FY 2026 Tax Note issuance to better accommodate the elongated purchase-to-delivery timeframe and support the other expedited capital needs.

The tax notes are planned to fund the following projects, as well as the cost of issuance of the tax notes:

Tax Note Funded Projects

Fire Apparatus	\$14,361,000
Ambulance Purchase	5,804,000
Vehicle Equipment Replacement Fund	3,000,000
Pecan Valley Bridge Replacement	1,600,000
Estimated Cost of Issuance	235,000
	\$25,000,000

The Tax Notes will be structured to align with the FY 2026 budget. In addition, staff is evaluating potential refunding opportunities that may be incorporated into this transaction if market conditions provide sufficient debt service savings. It is the City's practice to achieve positive debt service savings through refinancing when the opportunity presents itself. The details of the refunding are still being reviewed in coordination with the City's financial advisors, and a final recommendation will be brought forward with the authorizing documents if it is determined to be cost-effective. This financing supports the City's commitment to maintaining essential services and infrastructure while managing costs effectively.

Staff is currently coordinating with the City's financial advisors and bond counsel to prepare the necessary authorizing documents to present to Council for approval at the October 28th meeting. It is anticipated that the transaction will receive bid submissions on November 19th with closing and delivery of funds scheduled for December 10th.

For questions, please contact Reginald Zeno, Chief Financial Officer, at 817-392-8500 or Alex Laufer, Assistant Finance Director, at 817-392-2268.

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