City of Fort Worth, Texas

Mayor and Council Communication

DATE: 10/28/25 **M&C FILE NUMBER:** M&C 25-1000

LOG NAME: 13GENERAL PURPOSE REF BONDS SERIES 2025

SUBJECT

(ALL) Adopt Ordinance Authorizing Issuance and Sale of City of Fort Worth, Texas General Purpose Refunding Bonds, Series 2025, in an Aggregate Principal Amount Not to Exceed $106,150,000.00; Establishing Parameters with Respect to Sale of the Bonds; Delegating Authority to Effect Sale of the Bonds by Competitive Bid or Negotiated Sale; Authorizing Escrow and Other Related Agreements; and Enacting Related Provisions; Adopt Appropriation Ordinance; and Amend the Fiscal Year 2026 Adopted Budget

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RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance (i) authorizing the issuance of City of Fort Worth, Texas General Purpose Refunding Bonds, Series 2025, in an aggregate principal amount not to exceed $106,150,000.00, for the purpose of refunding identified outstanding debt and paying the cost of issuance for the bonds, (ii) delegating to designated City officials authority to effect sale of the bonds - subject to certain parameters as set forth in the ordinance - by competitive bid or negotiated sale as determined most advantageous based on current market conditions; (iii) authorizing execution of escrow agreement related to retirement of the refunded obligations and other instruments related to the issuance of the bonds; (iv) providing for levy, assessment, and collection of a property tax sufficient to pay the interest on and principal of the bonds if other revenues are not otherwise available and appropriated for those payments; and (v) enacting other provisions related thereto;
2. Adopt the attached appropriation ordinance increasing receipts and appropriations in the General Debt Service Fund in the amount of $106,150,000.00, subject to the sale of bonds and receipt of proceeds, consisting of (i) $104,385,000.00 for funding the required escrow to refund existing debt, (ii) $800,000.00 for paying costs of issuance, and (iii) $965,000.00 for interest expense, with such amounts subject to reduction to conform to final figures reflected in bond closing documents and with any excess cost of issuance amount remaining in the Fund for future lawful use; and
3. Amend the Fiscal Year 2026 Adopted Budget.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to approve the issuance and sale of Series 2025 General Purpose Refunding Bonds and to appropriate the proceeds. This action will allow refinancing and restructuring of existing debt obligations, including the General Purpose Refunding and Improvement Bonds, Series 2015A, and General Purpose Refunding and Improvement Bonds, Series 2016, to achieve debt service savings.

It is the City’s practice to achieve positive debt service savings through refinancing when the opportunity presents itself. Staff and the City’s Financial Advisors, PFM Financial Advisors LLC and Tijerina Financial Consultants LLC, are recommending that the Mayor and Council authorize the refunding of the callable portions of the Series 2015A and Series 2016 bonds with a combined par amount outstanding of $104,385,000.00. The actual savings amount will not be determined until the time bids are received. However, in accordance with the City’s Financial Management Policy Statements, the ordinance provides that the refunding debt shall not be sold unless the sale will result in net present value savings of at least 3.00% of the par amount being refunded. Currently, the refunding is projected to provide 4.166% net present value savings, or $3,545,706.32.

Staff anticipates that the refunding bonds 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 bonds must be rated in one of the four highest generic rating categories (BBB or higher); the maximum maturity is March 1, 2036; maximum true interest cost of 5.00%; 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 bonds. Bids for the sale of the bonds are scheduled to be submitted on or about November 19, 2025. Subsequent to accepting the best bid and awarding the sale of the bonds, the City will seek approval of the debt transaction from the Texas Attorney General with an estimated closing date on or around December 10, 2025.

The attached appropriation ordinance reflects the maximum appropriation amount for bond 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 will remain in 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 approval of the above recommendations and adoption of the attached ordinances, the sale of the tax-exempt Series 2025 General Purpose Refunding Bonds will occur as required under the parameters set forth therein, that funds will be available in the General Debt Service Fund as appropriated, and will be available to repay the debt when due and payable.

Submitted for City Manager's Office by:	Reginald Zeno	8517
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Expedited