



Agenda Item Report

Legislative Board: City Council
Date: September 17, 2024
Contact: Bianca Redmon
Agenda Item ID / Number: 2024-785- / 1.5

ITEM TITLE:

Deliberation and possible action to consider an Ordinance on first and final reading and to adopt said Ordinance to authorize the issuance of City of Buda, Texas, General Obligation Bonds, Series 2024; Levying an Ad Valorem Tax in Support of the Bonds; Approving an Official Statement, a Paying Agent/Registrar Agreement and Other Related Documents; Awarding the Sale of the Bonds and Authorizing Other Matters Relating to the Bonds (Finance Director Bianca Redmon, Jennifer Ritter of Specialized Public Finance, and Richard Donoghue of MPH Legal) [PUBLIC TESTIMONY]

1. EXECUTIVE SUMMARY

The purpose of this agenda item is to present for City Council's approval the issuance and sale of the City of Buda, Texas General Obligation Bonds, Series 2024, in the amount of \$9,245,000. The proceeds will be used to fund various capital improvement projects as authorized in the November 2, 2021 bond election, including transportation and parks projects.

2. BACKGROUND/HISTORY

The City of Buda held a bond election in November 2021, where voters approved two propositions authorizing the issuance of bonds. Proposition A approved bonds for transportation and mobility projects, while Proposition B approved bonds for parks and recreation projects. The City Council has previously issued bonds in 2022 in the amount of \$41,950,265 under this authorization and now seeks to issue the Series 2024 bonds to further fund the projects.

- Proposition A authorizes \$8,354,000 for transportation and mobility projects.
- Proposition B authorizes \$891,000 for parks and recreation projects. This completes the issuance of all Proposition B proceeds.

3. ANALYSIS

The sale of these bonds is part of the City's ongoing effort to improve its infrastructure and public services in accordance with the Capital Improvement Program (CIP). All bond proceeds for this issuance are expected to be spent within 36 months, or three years.

Projects to be funded under the 2024 series include:

- Prop A: Old Black Colony Road Reconstruction (CIP M09) - \$4,707,230
- Prop A: Talley Loop Rehabilitation (CIP M14) - \$710,770
- Prop A: Middle Creek Drive Rehabilitation (CIP M17) - \$2,936,000
- Prop B: Eastside Community Park Land Acquisition (CIP P06) - \$891,000

4. FINANCIAL IMPACT

The total bond issuance amount is \$9,245,000. Repayment of the bonds will be supported by the levy of ad valorem taxes on all taxable property in the City. The bonds will mature serially over a period not to exceed 30 years, with interest rates to be determined based on market conditions at the time of issuance. The FY 2025 Proposed Budget estimates \$447,972 in interest payments for

debt service of these bonds. This amount is subject to change when the bonds are sold on September 17, 2024.

Issuing the proposed tax supported debt will hold the Interest and Sinking portion of the tax rate consistent at \$0.2497 per \$100 of valuation.

5. STRATEGIC PLAN/GOALS

IMPROVED MOBILITY

6. STRATEGIC PLAN OBJECTIVES

Improved Mobility; Fun Experiences for All - Outdoor Capital of Texas

7. PROS AND CONS

Pros: Authorized projects are able to continue to move forward with additional funding

Cons: Additional debt service

8. ALTERNATIVES

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

It is recommended that the City Council approve the ordinance authorizing the issuance of General Obligation Bonds, Series 2024, the related levy of ad valorem taxes to support repayment, and the approval of the Official Statement. This ordinance will also authorize the execution of all necessary documents, including the Paying Agent/Registrar Agreement, and the sale of the bonds.

Attachments:

[GO 2024 Ordinance 9-3-24.pdf](#)

[Project Allocation_GO 2024.pdf](#)

[GO 2024 CIP Projects.pdf](#)

[Standard & Poors Rating Report.pdf](#)

[i5 GO_2024_Overview2.pdf](#)