



LIMITED TAX NOTE ISSUE FOR FIRE DEPARTMENT SCBA'S

OR-25-014

November 18, 2025

Background

2

- ❑ **March 21:** Departments submitted their decision packages for the FY 2026 Budget.
 - ▣ The Fire Department submitted a request for 150 SCBA units.
- ❑ **July 3:** The City Manager presented the Proposed Budget, which included the issuance of a tax note to acquire the SCBA equipment.
- ❑ **September 2:** City Council adopted the FY 2026 Budget.

Background

3

- ❑ Texas Government Code, Chapter 1431, authorizes municipalities to issue tax notes
- ❑ Financial Government Policy allows City to issue tax notes
- ❑ Machinery and equipment are an allowed use
- ❑ Short-term debt security that must be repaid within seven years
- ❑ Open-market sale

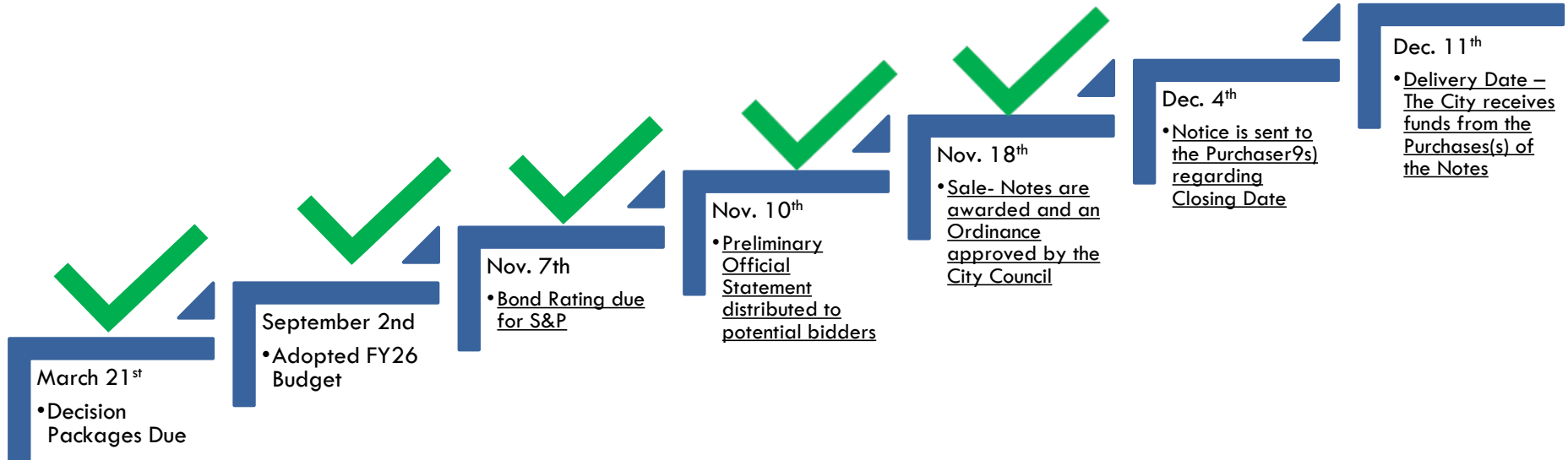
Tax Note Information

4

- ❑ 150 Self Contained Breathing Apparatus (SCBA's) with thread savers, 29 rapid intervention team packs, SCBA decontamination machine and 1 new SCBA compressors
- ❑ Estimated \$3.5 million limited tax note
- ❑ Tax notes paid over seven years at approximately \$604,870
- ❑ Payments made from accumulated fund balance in Debt Service Fund
- ❑ Partial increase on the tax rate in FY26 included the tax note

Timeline

5



Process

6

- ❑ Open-market sale
 - ▣ Cost savings due to competitive and rated Note issuance
 - ▣ Bidders are from all over the country
 - ▣ High credit quality should attract strong bidders
- ❑ Receive bids and present to City Council on November 18th
- ❑ Requires City Council approval

Bid Results

7

- Results will be available on November 18th including the summary of bids and bidders.
- Note bond rating recap will be provided.

Recommendation

8

City Council approve the ordinance authorizing the issuance of Limited Tax Note, Series 2025.