# LIMITED TAX NOTE ISSUE FOR FIRE DEPARTMENT SCBA'S

OR-25-014

November 18, 2025

# Background



- **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



- 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



- 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



March 21st
- Decision Packages Due

September 2nd
- Adopted FY26 Budget

Nov. 7th
- Bond Rating due for S&P

Nov. 10th
- Preliminary Official Statement distributed to potential bidders

Nov. 18th
- Sale- Notes are awarded and an Ordinance approved by the City Council

Dec. 4th
- Notice is sent to the Purchaser9s) regarding Closing Date

Dec. 11th
- Delivery Date – The City receives funds from the Purchases(s) of the Notes

# Process



- 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 $18^{th}$
- Requires City Council approval

# Bid Results



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

# Recommendation



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