LIMITED TAX NOTE ISSUE FOR FIRE DEPARTMENT SCBA'S

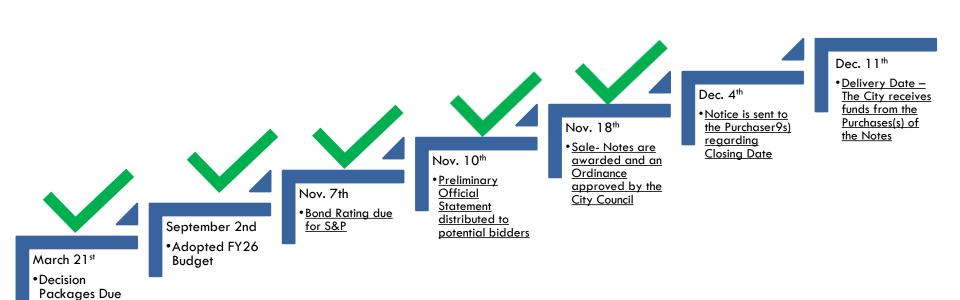
Background

- 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.

- 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

- 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



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
 18th
- Requires City Council approval

- □ 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.