



LIMITED TAX NOTES FOR FIRE VEHICLES AND EQUIPMENT

OR-20-012

June 23, 2020

Background

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- 15 Fire Engines (8 behind scheduled replacement)
 - 11 pumper trucks
 - 2 aerial trucks
 - 2 rescue trucks
- \$4.9 million tax note will replace 5 engines
 - 3 pumper trucks
 - 1 aerial truck
 - 1 rescue truck

Pumper Truck

3



Aerial Truck (Ladder Truck)

4



Rescue Truck

5



Tax Note Information

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- ❑ Banks received a term sheet with details of the \$4.9 million purchase of fire equipment
- ❑ Bids were due today and 7 bids were received
- ❑ Winning bid JP Morgan Chase at 1.27%
- ❑ Tax note paid over seven years at approximately \$735,000 annually
- ❑ Payments made from accumulated fund balance in Debt Service Fund
- ❑ No change to tax rate from issuing tax note

City of Killeen Limited Tax Note Series 2020 - \$4,910,000

Firm/Bidder	Rate	Call Feature
JPM Chase	1.270%	Non-callable
BB&T	1.360%	Callable
Key Government Finance	1.430%	Callable
First National Bank of Texas	1.450%	Non-callable
BBVA	1.780%	Non-callable
First Internet Public Funding	2.800%	Non-callable
Pinnacle Public Finance	2.800%	Non-callable

Alternatives

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- Do not issue the limited tax note to replace the fire engines
- Issue the limited tax note to replace the fire engines

Recommendation

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City Council approve the ordinance authorizing the issuance of Limited Tax Note, Series 2020