



AGENDA MEMORANDUM

First Reading for the City Council Meeting of July 15, 2025
Second Reading for the City Council Meeting of July 22, 2025

DATE: July 15, 2025

TO: Peter Zanoni, City Manager

FROM: Sergio Villasana, Director of Finance and Procurement
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Delegating the Authorization for the Issuance of General Improvement Bond and/or Refunding Bonds.

CAPTION:

Consideration and approval of an ordinance authorizing the issuance of “City of Corpus Christi, Texas, General Improvement and/or Refunding Bonds, Series 2025”, for the second issuance of bonds from the Bond 2022 authorization for projects approved by the voters in November 2022 in an amount not to exceed \$30,000,000 and or refinancings in an amount not to exceed \$35,785,000 for the refunding, within set parameters and according to the plan of finance set by the City’s financial advisors; levying a continuing direct annual ad valorem tax for the payment of the bonds; delegating authority to the City Manager, Assistant City Manager over Finance, Director of Finance and Procurement , and certain other authorized officials to approve and execute documents relating to the issuance, sale, and delivery of the bonds; enacting other provisions incident and related thereto; and providing for an effective date.

SUMMARY:

The City plans on issuing \$30,000,000 of the \$125,000,000 General Improvement (GO) bonds approved by the voters in the 2022 Bond election. The amount of bond issuance included in the ordinance includes estimated costs of issuance and accounts for any fluctuations in the bond market at the time of pricing. In addition, the City may issue up to \$35,785,000 for current refinancing for interest cost savings. The ordinance delegates the authority to issue the bonds to the City Manager, Assistant City Manager over Finance, or the Director of Finance and Procurement per the plan of finance set by the City’s financial advisors and within the parameters set forth in the ordinance for net present value savings and true interest rate.

BACKGROUND AND FINDINGS:

Because of the fluctuating conditions in the municipal bond market and to ensure that all legal documents are executed on a timely basis, our financial advisor has recommended that the City Council delegate to the City Manager, Assistant City Manager over Finance, and the Director of Finance and Procurement - including any person serving in any of the foregoing capacities on an interim or non-permanent basis (the “Authorized Officials”) the authority to approve the sale of the bonds subject to the following parameters:

General Improvement Bonds:

- 1) The principal amount in total of all bonds sold may not exceed \$30,000,000.
- 2) The true interest rate shall not exceed 5.50%.
- 3) Maximum maturity of March 1, 2045.

Refunding Bonds:

- 1) The principal amount in total of all bonds sold may not exceed \$35,785,000.
- 2) The true interest rate shall not exceed 5.50%.
- 3) Maximum maturity of March 1, 2038.
- 4) Minimum net present value savings of 2.5%

The City's bond counsel has confirmed that the City can delegate the sale of the bonds to the Delegated Officials in the manner outlined above pursuant to the authority contained in Chapter 1371, as amended, Texas Government Code.

In November 2022, voters approved 4 propositions totaling \$125,000,000 for improvements to Streets, Park and Recreational facilities, Public Safety facilities, and Libraries. In fiscal year 2024 the City issued a total of \$50,000,000 in general obligation bonds to fund \$17,500,000 in Street projects, \$20,000,000 in Park projects, \$10,000,000 in Public Safety projects and \$2,500,000 in Library projects. The sale of these GO Bonds in fiscal year 2025 will provide \$30,000,000 of funding for voter approved Street projects. The City will issue the remaining \$45,000,000 of general obligation bonds for Street projects in fiscal year 2026.

December 20, 2022, the City Council approved a \$125,000,000 reimbursement resolution to begin awarding contracts for the Bond 2022 projects prior to the issuance of bonds. This agenda item will allow for the issuance of GO Bonds to reimburse the City funds used for these projects.

Issuing bonds is a multi-step process. Staff will meet with rating agencies in the upcoming weeks with expected ratings to be issued prior to July 29, 2025. The sale of the bonds is expected at the end of July 2025 depending on market conditions with the financing closing in August 2025.

ALTERNATIVES:

n/a

FISCAL IMPACT:

The fiscal impact of this ordinance is that it will generate up to \$30,000,000 in bond proceeds for use in improvements to Streets, Park and Recreational facilities, Public Safety, and Libraries approved by voters during the 2022 Bond Election and possibly refund bonds totaling \$35,785,000 for interest cost savings.

RECOMMENDATION:

Staff recommends approval of the ordinance as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Presentation