



## **AGENDA MEMORANDUM**

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

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**DATE:** July 15, 2025

**TO:** Peter Zaroni, City Manager

**FROM:** Sergio Villasana, Director of Finance and Procurement  
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Delegating the Authorization for the Issuance of Tax Notes
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### **CAPTION:**

Consideration and approval of an ordinance authorizing the issuance of "City of Corpus Christi, Texas Limited Tax Notes, Series 2025", for public safety, vehicles and streets approved by City Council in the FY 2025 CIP Budget in an amount not to exceed \$11,120,000; levying an annual ad valorem tax, within the limitations prescribed by law, for the payment of the obligations; delegating authority to the City Manager, Assistant City Manager over Finance, Director of Finance and Procurement to execute documents relating to the sale of the notes; enacting other provisions incident and related thereto; and providing an effective date.

### **SUMMARY:**

The City plans on issuing \$11,120,000 of Tax Notes for public safety, vehicles and streets. The amount of tax note issuance included in the ordinance includes estimated costs of issuance and accounts for any fluctuations in the bond market at the time of pricing. The ordinance delegates the authority to issue the tax notes 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 tax notes subject to the following parameters:

- 1) The principal amount in total of all tax notes sold may not exceed \$11,120,000
- 2) The true interest rate shall not exceed 5.00% per year.
- 3) Maximum maturity of March 1, 2032.

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

In the adopted FY 2024-2025 Capital Improvement Budget, several projects were budgeted to use tax notes totaling \$11,119,627 for the funding of the projects. The projects include:

Tax Notes	
Municipal Court-Cells/Build out	\$ 2,192,600
Police- 75 Marked Units	4,300,000
Fire - 3 Medic Units	685,100
Parks-Dump Truck	250,000
Steets-Developer Participation	3,691,927
Projects	
Total Tax Notes	<u>\$ 11,119,627</u>

Tax notes are a shorter-term debt option with a maximum term of seven years. Issuing tax notes 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 \$11,120,000 in tax note proceeds for use to complete public safety, vehicles and street projects.

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Presentation