



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance

**ACM:** Cassey Ogden

**DATE:** April 2, 2024

### SUBJECT

Consider adoption of an ordinance directing the publication of Notice of Intention to issue \$84,770,000 in principal amount of Certificates of Obligation of the City of Denton for General Government and Solid Waste projects; and providing an effective date. The Public Utilities Board recommends approval (5-0).

### BACKGROUND

This ordinance provides the Notice of Intention to issue \$84,770,000 of Certificates of Obligation (CO) of the City of Denton for Solid Waste projects, as required by state law. The notice will be published once a week for two consecutive weeks in the Denton Record Chronicle, with the date of the first publication to be at least forty-six (46) days before the date tentatively set for the passage of the ordinance authorizing the issuance of the bonds. The notice will also be posted on the City’s website. The additional \$764,495 is for issuance costs and to allow flexibility in marketing and pricing the bond sale.

Staff recommends the sale of \$84,770,000 in COs for General Government and Solid Waste. Below is a listing of recommended Solid Waste CO funded projects for FY 2023-24 CIP.

	<b>Budget</b>	<b>NOI</b>
Fleet Building Addition Equipment and Furnishings	\$ 2,000,000	\$ 2,000,000
Fuel Control Hardware / Software Upgrade	650,000	650,000
End User Computing	664,500	664,500
<b>Internal Services Total</b>	<b>3,314,500</b>	<b>\$ 3,314,500</b>
Security Hardware Upgrade (Facilities)	\$ 180,000	\$ 180,000
Facilities ADA Upgrades (Facilities)	1,068,600	1,068,600
Facilities Capital Replacements (Facilities)	4,000,000	4,000,000
Facility Condition Maintenance (Facilities)	10,000,000	10,000,000
Standard Building Specifications (Facilities)	500,000	500,000
Adjacency Remodels (Facilities)	50,000	50,000
Service Center Renovation (Facilities)	9,000,000	9,000,000
Parking Lot Replacements (Facilities)	931,172	931,172
ADA Transition Plan Improvements (Parks)	309,000	309,000
Parkside Property Playground (Parks)	280,000	280,000
Traffic Signal Cabinets (Traffic)	208,000	208,000
Gridsmart Vehicle Detection (Traffic)	240,000	240,000
Traffic Signal Design and Rebuilds (Traffic)	1,950,000	1,950,000

	<b>Budget</b>	<b>NOI</b>
Vehicle Replacement - General Fund (Motorpool)	\$ 5,500,000	\$ 5,498,000
Vehicle Additions - General Fund (Motorpool)	1,535,000	1,059,350
Infrastructure Replacement (Tech Services)	1,641,500	1,641,500
Radios & Modems (Tech Services)	725,653	725,653
Asset Management Software (Tech Services)	5,000,000	5,000,000
Citywide Fiber Replacement (Tech Services)	500,000	500,000
CAD/RMS Software Replacement (Tech Services)	4,000,000	4,000,000
Land Management Software (Tech Services)	5,000,000	5,000,000
Drainage Improvements (Drainage)	1,350,000	1,350,000
I35 TxDOT Merge Medallion Artwork (Streets)	1,500,000	1,500,000
Bonnie Brae 4B (Streets)	8,000,000	8,000,000
Bonnie Brae 5 (Streets)	2,000,000	2,000,000
Riney Road East (Streets)	6,000,000	6,000,000
McKinney Sidewalks (Streets)	5,500,000	5,500,000
<b>General Government Total</b>	<b>\$ 76,968,925</b>	<b>\$ 76,491,275</b>
Home Chemical Collection Storage Capacity	\$ 2,000,000	\$ -
Fleet Shop at Solid Waste	-	2,000,000
Cell 5 & 6 Construction	1,950,000	-
Vehicles - New Additions	130,000	130,000
Vehicles - Replacements	3,000,000	2,069,730
<b>Solid Waste Total</b>	<b>\$ 7,080,000</b>	<b>\$ 4,199,730</b>
Subtotal All Funds		\$84,005,505
<u>Issuance Cost and Pricing Flexibility</u>		764,495
<b>Total General Government</b>		<b>\$84,770,000</b>

The City sells bonds in accordance with the useful life of the asset that is being acquired. For example, vehicles are typically sold with bonds that will be paid within five years. For the FY 2023-24 proposed debt issuance for General Government and Solid Waste COs: \$9,421,580 will be 5-year debt, \$17,555,653 will be 10-year debt and \$57,028,272 will be 20-year debt.

Concurrently with the sale of the COs for General Government and Solid Waste, the City anticipates the sale of approximately \$88,717,000 in General Obligation Bonds (GO) to fund the 2019 and 2023 Bond Programs and approximately \$177,560,000 in COs for Water, Wastewater and Electric.

If approved by the City Council, staff will proceed with the publication of the Notice of Intention and will schedule the Bond Ordinance consideration and adoption for June 4, 2024. The bond ordinance will dictate the parameters of the bond sale. Under such an arrangement, staff will be permitted to execute the bond sale within six (6) months of June 4, 2023, provided certain interest rate parameters are met.

### **RECOMMENDATION**

Staff recommends adoption of the ordinance.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On October 24, 2023, the City Council adopted a reimbursement ordinance (Ord. No. 23-1426) authorizing the reimbursement of capital program expenditures of \$35,600,000 in GO and \$308,624,582 in CO funded projects for General Government, Solid Waste, Electric, Water and Wastewater.

On January 23, 2024, the City Council adopted a reimbursement ordinance (Ord. No. 23-2433) authorizing the reimbursement of capital program expenditures of \$53,117,000 in GO General Government funded projects for year one of the 2023 Bond Program.

On March 25, 2024, the Public Utilities Board recommended this item to City Council for consideration.

**FISCAL INFORMATION**

The ordinance is for the authorization to publish the Notice of Intention to sell \$84,770,000 of Certificates of Obligation for General Government and Solid Waste projects. A notice is only required for Certificates of Obligation.

**EXHIBITS**

1. Agenda Information Sheet
2. Ordinance
3. Presentation

Respectfully submitted:  
Vis Bouaphanthavong  
Assistant Director of Finance

Prepared by:  
Ranee Klingele  
Treasury Manager