



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Finance

**ACM:** Cassey Ogden

**DATE:** March 27, 2023

### **SUBJECT**

Consider recommending adoption of an ordinance directing the publication of Notice of Intention to issue \$52,000,000 in principal amount of Certificates of Obligation of the City of Denton for General Government and Solid Waste projects; and providing an effective date.

### **BACKGROUND**

This ordinance provides the Notice of Intention to issue \$52,000,000 of Certificates of Obligation (CO) of the City of Denton for General Government and 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 \$392,000 is for issuance costs and to allow flexibility in marketing and pricing the bond sale.

Staff recommends the sale of \$52,000,000 in COs for General Government and Solid Waste. Below is a listing of recommended General Government and Solid Waste CO funded projects for FY 2022-23 CIP.

### **General Government Projects:**

#### **Internal Service/ Enterprise:**

	<b><u>Budget</u></b>	<b><u>NOI</u></b>
Pavement Reconstruction (Airport)	\$ 1,800,000	\$ 1,800,000
Vehicle Replacement (Airport)	\$ 420,000	\$ 420,000
End User Computing (Technology Services)	\$ 153,000	\$ 153,000
Fleet Management Software (Int. Svc - Fleet)	\$ 1,000,000	\$ 1,000,000
Fleet Fuel Infrastructure (Int. Svc. - Fleet)	\$ 300,000	\$ 300,000

#### **General Government:**

Finance ERP (Finance)	\$ 2,000,000	\$ 2,000,000
Facilities Maintenance Program (Facilities)	\$ 4,000,000	\$ 4,000,000
Security System Upgrades (Facilities)	\$ 680,000	\$ 680,000
Fire Station # 9: Airport (Facilities)	\$ 13,100,000	\$ 13,100,000
Police Headquarters Renovation (Facilities)	\$ 4,220,000	\$ 4,220,000
ADA Accessibility Upgrades (Facilities)	\$ 722,000	\$ -
ADA Accessibility Upgrades & Park Improvements (Parks)	\$ 770,000	\$ 770,000
Inclusive Playground (Parks)	\$ 200,000	\$ 200,000

Parkside Playground (Parks)	\$ 280,000	\$ 280,000
Signal Cabinets (Traffic)	\$ 208,000	\$ 208,000
Emergency Vehicle Signal Preemption (Traffic)	\$ 720,000	\$ 720,000
Gridsmart Vehicle Detection (Traffic)	\$ 240,000	\$ 240,000
Drainage Improvements (Drainage)	\$ 1,500,000	\$ -
Infrastructure Equipment (Technology Services)	\$ 120,000	\$ -
Public Safety Radios & Modems (Technology Services)	\$ 972,000	\$ 972,000
Vehicle Replacements (Motorpool)	\$ 3,802,000	\$ 3,802,000
Vehicle Additions (Motorpool)	\$ 743,000	\$ 743,000
<b>Total General Government</b>	<b>\$ 37,950,000</b>	<b>\$ 35,608,000</b>

### **Solid Waste Projects:**

Scalehouse Update & Scale Replacement	\$ 1,300,000	\$ 1,300,000
Home Chemical Collection Storage Capacity	\$ 1,000,000	\$ 1,000,000
Landfill Roads & Infrastructure	\$ 2,000,000	\$ 2,000,000
Fleet Shop at Solid Waste	\$ 10,500,000	\$ 10,500,000
Case/Steiger Scraper	\$ 1,200,000	\$ 1,200,000
<b>Total Solid Waste</b>	<b>\$ 16,000,000</b>	<b>\$ 16,000,000</b>

**Subtotal** **\$ 51,608,000**

Issuance Costs and Pricing Flexibility \$ 392,000

**Total General Government & Solid Waste Notice of Intention** **\$ 52,000,000**

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 2022-23 proposed debt issuance for General Government and Solid Waste COs: \$7,290,000 will be 5-year debt, \$6,450,000 will be 10-year debt, and \$37,868,000 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 \$34,355,000 in General Obligation Bonds to fund the fourth year of projects approved by voters in November 2019, and approximately \$167,000,000 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 6, 2023. 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 6, 2023, provided certain interest rate parameters are met.

### **RECOMMENDATION**

Staff recommends adoption of the ordinance.

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

On October 18, 2022, the City Council adopted a reimbursement ordinance (Ord. No. 22-1924) authorizing the reimbursement of capital program expenditures of \$34,355,000 in GO and \$204,297,641 in CO funded projects for General Government, Solid Waste, Electric, Water and Wastewater.

**FISCAL INFORMATION**

The ordinance is for the authorization to publish the Notice of Intention to sell \$52,000,000 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:  
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Interim Director of Finance

Prepared by:  
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Treasury Manager