



Legislation Text

File #: 2021-114, **Version:** 1

Consider an ordinance authorizing the issuance of City of Round Rock, Texas Limited Tax Notes, Series 2021; levying an Ad Valorem Tax in support of the Notes; approving an Official Statement, a Paying Agent/Registrar Agreement and other related documents; awarding the sale of the Notes and authorizing other matters relating to the Notes. (First Reading, Second Reading Not Required)

This item will authorize Limited Tax Notes (LTNs) of the City of Round Rock, Texas to be issued and delivered in the aggregate principal amount or approximately \$3,000,000 for the purpose of purchasing City vehicles and paying the costs of issuing the notes. The term of the notes is 5 years.

The LTNs will pay for the replacement of \$3 million of general fund vehicles. The vehicles replacements and financing are included in the adopted FY 2021 budget. The City has traditionally paid for the replacement of its general fund fleet using a capital lease finance agreement. Due to current interest rate conditions, issuance of LTNs is the more cost effective option.

A limited tax note is a note issued under Chapter 1431 of the Texas Government Code payable from ad valorem taxes, within the limits set by state law, which can have a maturity of up to seven years if issued for the construction of public works or the purchase of materials, supplies, equipment, machinery, buildings, lands, or rights-of-way for the City's authorized needs and purposes.