

MEMORANDUM

TO: Claire Powell, City Manager

FROM: David Erb, Director of Finance

DATE: June 15, 2026

SUBJECT: **Consider and Take Action on an Ordinance of the City Council of the City of Lewisville, Texas, Authorizing the Issuance of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2026 in the Aggregate Principal Amount of Not to Exceed \$14,255,000; Awarding the Sale Thereof; Levying a Tax in Payment Thereof; Authorizing the Execution and Delivery of a Paying Agent/Registrar Agreement; Approving the Official Statement; and Enacting Provisions Incident and Relating to the Subject and Purposes of this Ordinance.**

BACKGROUND

Attached for consideration is a parameters ordinance related to the issuance of City of Lewisville, Texas, General Obligation Improvement Bonds, Series 2026. The estimated amount of \$14.3 million will provide funding for improvements to the City's streets, sidewalks, alleys, and related improvements, acquisition of land if needed for the above improvements, installing, and acquiring public art associated with the foregoing improvements, trail development, and costs associated with the issuance of the bonds. Authority for issuing bonds to be repaid from property taxes must be approved by voters. This authority was granted through the successful passage of the four (4) bond propositions that were placed on the May 4, 2024, ballot.

ANALYSIS

In order to allow flexibility in setting the sale date for the bonds, Hilltop Securities, the City's financial advisor, has recommended the use of a parameters ordinance in issuing the Series 2026 debt. This has traditionally been done by the City. A parameters ordinance allows the City Council to authorize the sale of bond obligations at a future date, as long as certain parameters are met. This parameters ordinance will provide the City's Authorized Officer (Director of Finance), pursuant to Chapters 1207, 1371, and 1502 of the Texas Government Code, and the parameters of this ordinance, the authority to approve the amount, the interest rates, the price, and term of the bonds authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the bonds at a time when most practical and economically feasible. The City's Series 2025 GO Bonds were sold using a parameters ordinance.

The estimated premium generated on the sale of the Bonds is anticipated to lower the par amount of the bonds. Premium on the bonds is generated when an investor pays more than 100 cents on the dollar for the bonds they are buying. For example, if an investor pays 105 cents on the dollar for a bond, 5 cents is considered a premium. In addition to lowering the principal amount, the premium may be used to cover costs of issuance. Results of the sale will depend on actual market interest rates obtained on the day of pricing.

The bonds are planned to provide funding for the projects on the City's long-term capital improvement program for the current year including work on the South Kealy-Phase 2, West College Street-Phase 2, Lake Park Infrastructure Development, Lake Park Marina, the Vista Ridge Amphitheatre, Castle Hills Trails, and costs associated with the issuance of the bonds. Provisions included in the bond ordinance provide flexibility for where bond proceeds can be allocated limited only by the individual propositions approved by the voters in May 2025.

The bonds will be sold via a competitive bid process as advised by the City's financial advisors, Hilltop Securities. Given the City's high credit ratings and investors' familiarity with both the general obligation and revenue bonds, Hilltop believes that a competitive sale will be well received in the market. Bond-rating calls were held with Fitch and S&P on June 8, 2026. The City currently maintains a AAA rating from S&P and a AA+ from Fitch on our GO offerings. These strong ratings should generate strong interest in the bonds, which in return provide the lowest cost of capital to the City.

CITY STAFF'S RECOMMENDATION

That City Council approve the ordinance as set forth in the caption above.