MEMORANDUM

To: Mayor and Council

From: Kim Tiehen, Director of Strategic Financial Engagement

Date: July 28, 2026

Reference: Consider approval of a resolution approving the resolution of the Coppell Recreation Development Corporation authorizing the issuance and sale of Coppell Recreation Development Corporation Sales Tax Revenue Refunding Bonds, and enacting other provisions relating to the subject.

2040: **Sustainable City Government**

Introduction:
This item is being presented for approval to refund previously issued Coppell Recreation Development Corporation (CRDC) Sales Tax Revenue Refunding and Improvement Bonds, Series 2014, to produce debt service savings by taking advantage of lower interest rates by using the parameter sale issuance method. On July 20, 2026, the CRDC Board approved a resolution authorizing the refunding of these bonds. City Council must now approve a resolution approving the CRDC Board's resolution before the bonds can be considered for refunding.

Background:
Based on current market conditions, Jason Hughes, Senior Managing Director, with Hilltop Securities Inc., is recommending a parameter sale. As he did with Council on June 9, 2026, Mr. Hughes provided a presentation explaining the parameter sale method to the CRDC Board at the July 20, 2026 board meeting.

He shared that a "parameter sale" is a method of authorizing the sale of bonds where the board and then City Council approves the transaction in advance, and the approval includes setting specific limits, or parameters, on key terms such as:

- the maximum par or total bond amount,
- final maturity date,
- maximum interest rate, and
- minimum savings required.

The resolution approved by the board and attached to this agenda item includes the following parameters:

- The maximum par or total bond amount may not exceed $21,500,000.
- The maximum maturity of the Bonds shall be August 1, 2038.
- The true interest cost for any series of Bonds shall not exceed 3.50%.
- The refunding must produce debt service savings of at least 3.00% measured on a net present value basis as a percentage of the principal amount of the Refunded Obligations, with such savings to be net of any City contribution to the refunding.

The resolution also states that the sale of refunding bonds using the stated parameters shall expire if not exercised by the Pricing Officer on or prior to the 180th day following adoption of this Resolution.

In addition, this approach is authorized by Local Government Code Chapter 1371 and provides the City flexibility to complete the bond sale at the most advantageous time within those Board approved limits. This ensures the transaction aligns with the Board's intent and direction, including achieving a reduction in interest costs.

Benefit to the Community:
Similar to refinancing a home, the intent of this agenda item is to achieve interest savings which reduces the overall cost of debt to the community. The parameter sale method allows the City to enter the market at the most advantageous time, supporting thoughtful and responsible financial stewardship.

Legal Review:
The related bond refunding documents have been prepared by Chris Settles, the City of Coppell's bond counsel.

Fiscal Impact:
The impact of the bond refunding will be incorporated in the Coppell Recreation Development Corporation Debt Service Fund.

Recommendation:
The Strategic Financial Engagement Department recommends approval of this resolution.