



MEMORANDUM

To: Mayor and Council

From: Kim Tiehen, Director of Strategic Financial Engagement

Date: June 9, 2026

Reference: Coppell, Texas, General Obligation Refunding Bonds” in one or more series, establishing sale parameters, providing for the security for and payment of said bonds; repealing ordinance No. 2026-1646; and enacting other provisions related to the subject.

2040: Sustainable Government

Introduction:

The purpose of this agenda item is to repeal the existing bond refunding parameter sale ordinance and approve a new ordinance with the parameters recommended by the City’s Financial Advisor.

Background:

A parameter sale ordinance allows the City to move forward with a bond refunding only if specific financial parameters are met. This provides flexibility because refunding opportunities can open and close quickly based on market conditions.

Council previously authorized a bond refunding parameter sale; however, no refunding has occurred because the parameters approved by Council have not been met. The current ordinance requires a true interest cost not to exceed 2.75% and debt service savings of at least 5%. The current parameters are very conservative and have not been attainable in the current market environment. As a result, no action has been taken under the existing ordinance.

Staff and the City’s Financial Advisor recommend a true interest cost not to exceed 3.25% and debt service savings of at least 3% (see below), as they provide a better balance between fiscal discipline and market flexibility. Additionally, a 3.25% true interest cost limit still controls the cost of borrowing, and a 3% savings requirement still ensures the refunding must produce a financial benefit before bonds may be sold.

Parameter	Current Ordinance	Recommended Ordinance
True interest cost	Not to exceed 2.75%	Not to exceed 3.25%
Debt service savings	At least 5%	At least 3%

The recommended parameters continue to protect the City because no refunding may occur unless the established financial requirements are met. The change does not require the City to issue refunding bonds. It only allows the City to act if market conditions create an opportunity that meets the revised parameters and produces measurable debt service savings.

Legal Review:

The agenda item was reviewed by legal as part of the agenda packet. The ordinance was prepared by Bond Counsel.

Fiscal Impact:

There is no immediate fiscal impact from repealing the existing ordinance and approving a new ordinance.

No refunding bonds will be sold unless the parameters in the new ordinance are met. If the parameters are met and the refunding is executed, the City will realize debt service savings of at least the amount required by the ordinance.

Recommendation:

The Strategic Financial Engagement Department recommends approval of the ordinance repealing the existing bond refunding parameter sale ordinance and approving a new ordinance with the parameters originally recommended by the City's Financial Advisor: a true interest cost not to exceed 3.25% and debt service savings of at least 3%.