



Legislation Details (With Text)

**File #:** 21-0534      **Version:** 1      **Name:** MUD No. 44 Bond Sale  
**Type:** Agenda Item      **Status:** Approved  
**File created:** 9/14/2021      **In control:** Budget  
**On agenda:** 9/28/2021      **Final action:** 9/28/2021  
**Title:** Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax Bonds, Series 2021 for the Galveston County Municipal Utility District No. 44 in an amount not to exceed \$4,650,000 and authorizing the Mayor to execute and the City Secretary to attest same for and on behalf of the City of League City (Interim Director of Finance)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Data Sheet, 2. Proposed Resolution, 3. Letter to League City, 4. Draft Preliminary Official Statement, 5. Letter of Compliance, 6. Existing Debt Service Schedule, 7. Proposed Debt Service Schedule, 8. Debt Service Cashflow Worksheet, 9. Schedule of Events, 10. Engineering Report with Summary of Costs, 11. Engineer Approval Letter, 12. TCEQ Order and Staff Memo

Date	Ver.	Action By	Action	Result
9/28/2021	1	City Council	Approved	Pass

Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax Bonds, Series 2021 for the Galveston County Municipal Utility District No. 44 in an amount not to exceed \$4,650,000 and authorizing the Mayor to execute and the City Secretary to attest same for and on behalf of the City of League City (Interim Director of Finance)

Approval of this item will authorize the sale of bonds to finance water, sanitary sewer, and drainage facilities to serve various Sections of Tuscan Lakes, as well as an entry road in the Villages at Tuscan Lakes. Proceeds will also be used to pay for the engineering survey and testing of said facilities, as well as the cost of issuance of the bonds. The District met on August 3, 2021 to authorize its consultants to proceed with the issuance of its Unlimited Tax Bonds, Series 2021, subject to receipt of the Order and Staff Memo from the TCEQ. The TCEQ completed their review process, and provided their Order and Staff Memo on August 23, 2021. The Bonds are the eighth installment of new money bonds issued by the District. The District has also previously issued two series of refunding bonds.

The bonds are structured with the same maturity schedule as their current debt service so there will be no extension of the District's debt with this issuance. The District's 2021 adopted tax rate is \$0.760 per \$100 assessed valuation. The \$0.760 tax rate is composed of \$0.705 for debt service and \$0.055 for maintenance and operations. It is anticipated that the issuance of the Bonds will result in no increase to the District's tax rate for the 2021 tax year. The District's certified taxable value as of January 1, 2021, as certified by the Galveston Central Appraisal District, is \$283,914,008, and the District's Estimate of Value as of March 1, 2021, as provided by the Galveston Central Appraisal District, is \$339,470,692.

The District will have \$29,465,000 in outstanding debt after the issuance of the Bonds, which is 8.68% of March 1, 2021 Estimate of Value. Overlapping debt is estimated at \$27,955,463; overlapping and direct debt represent 16.91% of the March 1, 2021 Estimate of Value. After this issuance, the District will have \$35,855,000 in Water, Sewer, and Drainage authorization, and \$32,865,000 in Refunding authorization.

Under the terms of the Utility Agreement between the District and the City, bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the bonds are in compliance with the Utility Agreement.

Please see attachments for additional information.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Letter to League City
4. Draft Preliminary Official Statement
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FUNDING

- Funds are available from Account # \_\_\_\_\_
- Requires Budget Amendment to transfer from Account # \_\_\_\_\_ to Account # \_\_\_\_\_
- NOT APPLICABLE

STRATEGIC PLANNING

- Addresses Strategic Planning Critical Success Factor # \_\_\_\_\_ and Initiative # \_\_\_\_\_
- NOT APPLICABLE