

City of Laredo

City Council

Meeting Date: 2/17/2026

Public Hearing & Introductory Ordinance 22.

SUBJECT

Public Hearing and Introductory Ordinance of the City of Laredo, Texas, amending the City of Laredo's FY 2026 annual budget by appropriating revenues and expenses in the amount of \$2,024,582.00 in the Sewer System Fund - 2015B and 2020A Revenue Bond and Waterworks Fund - 2020A Revenue Bond. The interest earnings being appropriated are for the arbitrage liability payment due to the US Treasury.

PREVIOUS COUNCIL ACTION

N/A

BACKGROUND

Interest earnings are being appropriated in order to refund the US Treasury for the arbitrage rebate liability on bonds that earned more than what the fixed rate arbitrage bond yield is through the 11/30/2025 computation date. After 5-year installment rebate calculations were done this bond had a positive liability. Therefore, since the liability is positive at their 5-year report it must be paid to the US Treasury no later than Thursday, January 29, 2026.

VIVA LAREDO PLAN ALIGNMENT

Alignment Rating:

Supporting goal(s)/policy(ies):

Summary of alignment:

COMMITTEE RECOMMENDATION

None.

STAFF RECOMMENDATION

Conduct public hearing and introduce this ordinance.

Fiscal Impact

| | |
|------------------|--|
| Fiscal Year: | 2026 |
| Budgeted Y/N?: | Y |
| Source of Funds: | 2015B Sewer Revenue Bond & 2020A Water and Sewer Revenue Bond |

Account #: 557 & 559
Change Order: Exceeds 25% Y/N: N/A

FINANCIAL IMPACT:

| | Budget | Proposed Amendment | Amended Budget |
|--------------------------|---------|--------------------|----------------|
| Revenues: | | | |
| Interest Earnings | | | |
| 559-4292-363-2001 S15BIN | 162,403 | 18,565 | 180,968 |
| 559-9877-363-2001 S20RAI | 373,150 | 1,019,643 | 1,392,793 |
| 557-9877-363-2001 W20RIN | 322,700 | 986,374 | 1,309,074 |
| Expenditures | | | |
| Arbitrage Rebate | | | |
| 559-4292-534-9818 SW18CS | - | 18,565 | 18,565 |
| 559-9877-534-9818 SW18CS | - | 1,019,643 | 1,019,643 |
| 557-9877-534-9818 WP18CS | - | 986,374 | 986,374 |