

To: President and Members of the Munster Town Council

From: Patricia Abbott
Controller

Date: June 16, 2025

Re: Letter of Engagement: 2025 G.O. Bond

The Town has long issued bonds on a rolling basis for the purposes of road resurfacing, vehicle and equipment replacement, and completion of necessary capital projects. Each bond had a four-year term with one bond being issued and another bond being retired each year. This has allowed the Town to maintain a fairly steady tax levy while keeping up with necessary infrastructure work.

Senate Enrolled Act 1 makes numerous changes to property taxes and tax levies. One of the changes relates to the tax levy rate for debt service. The Town needs to consider the tax rate when issuing the bond(s). There is now a threshold which, if exceeded, leads to additional steps and potentially a referendum which can only be held in certain years. To address these changes, keep a steady tax rate, and continue to accomplish the work needed in Town, Staff recommends working with Financial Advisor Baker Tilly for the structuring of the 2025 bond issue(s).

Baker Tilly has presented an engagement letter to provide these services. The cost will be billed hourly with a not-to-exceed amount of \$20,000.00 and will be paid from the bond proceeds. Staff anticipates issuing the bond(s) on the same timeline as in the past which leads to closing by mid-November.

Recommendation:

By motion and roll call vote, approve the letter of engagement with Baker Tilly for issuance of the 2025 General Obligation Bond.