

**To the Mayor and Members of the City Council****February 15, 2022**

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SUBJECT: 2022 DEBT FINANCING PLAN OVERVIEW

This informal report is intended to provide the Mayor and City Council with an overview of the City's 2022 debt financing plan.

New Money and Refinancing Overview**Cash Defeasance (Payoff) - Series 2012 Water & Sewer System Refunding bonds ("Water Defeasance") – Total Estimated Cash Contribution = \$9,955,972**

- Full payoff of Series 2012 Water & Sewer System Refunding bonds using available cash onhand to achieve debt service savings

Series 2022 Tax Notes ("Tax Notes") - Total Estimated Principal = \$72,195,000

- Seven-year tax-exempt notes in the amount of \$72,195,000 are planned to fund (i) facility improvements to New City Hall and (ii) scheduled fire apparatus replacements.

Series 2022A&B General Purpose Refunding & Improvement Bonds (General Obligation or "GO Bonds") – Total Estimated Principal = \$203,230,000

- Series 2022A
 - Issue the fourth installment of the 2018 Bond Program authorization totaling \$83,165,000
 - Current refunding and restructuring of Series 2022 Tax Notes over a 15 year term (Fire Apparatus) and 20-year term (New City Hall Improvements)
 - Current tax-exempt refunding of various existing General Obligation bonds to achieve debt service savings
- Series 2022B
 - Taxable advanced refunding of certain General Obligation bonds to achieve debt service savings

Series 2022A&B Water & Sewer Revenue Refunding & Improvement Bonds ("Water & Sewer Bonds") - Total Estimated Principal = \$187,745,000

- Series 2022A
 - Fund \$100,000,000 of planned Water & Sewer capital improvements
- Series 2022B
 - Taxable advanced refunding of an existing series of Water & Sewer System Bonds to achieve debt service savings

Series 2022 Special Assessment Revenue Bonds for Fort Worth Public Improvement District No. 16 ("Quail Valley/Walsh Ranch PID") - Total Estimated Principal = \$5,749,000

- Fund \$5,749,000 to reimburse the developer for eligible costs associated with roadway and landscaping improvements in the Quail Valley/Walsh Ranch PID
- The bonds will be sold through a negotiated sale and will be repaid from assessments charged to the property owners benefiting from the Quail Valley/Walsh Ranch PID infrastructure as outlined in the Service and Assessment Plan for the PID



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Next Steps

Please refer to the accompanying attached handout, which summarizes the planned transactions along with key activity dates. If you have any questions, please contact Reginald Zeno, Chief Financial Officer, at 817-392-8500.

**David Cooke
City Manager**

2022 Debt Plan – Financings Summary



	Water Defeasance	Tax Notes ¹	General Obligation Bonds	Water & Sewer Bonds	Quail Valley/ Walsh Ranch PID
Estimated Principal	\$9,955,972 (Cash Contribution)	\$72,195,000	\$203,230,000 ²	\$187,745,000 ^{2,3}	\$5,749,000
Purpose	Cash Payoff	New Money	New Money/ Refunding	New Money/ Refunding	New Money
Term	3 Years	7 Years	20 Years	30 Years	20 Years
Repayment Source	Water & Sewer System Revenue	Interest & Sinking Tax Rate	Interest & Sinking Tax Rate	Water & Sewer System Revenue	PID Assessments
Estimated Net Present Value Savings (%)⁴	\$677,187 (6.8%)	N/A	\$12,776,126 (9.8%)	\$7,742,539 (9.4%)	N/A
Ordinance Dates	2/8/22	3/8/22	3/8/22	3/8/22	4/12/22
Rating Agency Meeting Dates	Week of April 11 (Tentative)				
Bond Sale/Pricing Dates	2/9/22	3/8/22	5/17/22 (Tentative)	5/24/22 (Tentative)	4/12/2022 (Tentative)
Bond Closing Dates	3/14/22 (Tentative)	4/6/22 (Tentative)	6/14/22 (Tentative)	6/21/22 (Tentative)	5/5/22 (Tentative)

- 1) Includes City Hall Improvements (59.759M), annual Fire Apparatus replacements (12.25M), issuance costs, and estimated final pricing
- 2) Includes estimated combined par amount for new money, refunding, issuance costs; and estimated final pricing; may be issued in multiple series
- 3) Total project amount subject to change as project costs are finalized
- 4) Net Present Value savings are all estimated to exceed the City's policy of 3.5% minimum savings threshold for bond refunding