



To the Mayor and Members of the City Council

June 7, 2022

Page 1 of 3

**SUBJECT: FINAL RESULTS OF PRICING ON BONDS WITHIN THE
2022 DEBT PLAN****Overview**

This informal report is intended to provide the Mayor and City Council with a summary of the final pricing results on bonds issued in connection with the City's 2022 Debt Plan. These were authorized by City Council on April 26, 2022.

Executive Summary

With the assistance of the City's co-financial advisors, PFM Financial Advisors LLC, and Tijerina Galvan Lawrence Financial Consulting LLC, the City took bids on the bonds on May 17th and May 24th. As the following bid results will demonstrate, the sales were a significant success as evidenced by the number of bids received and the final borrowing costs (as measured by the True Interest Cost or "TIC"). The City used separate competitive sale processes for each of the debt offerings.

Below is a summary of the bid results:

Bond Issue	Principal Amount Sold	Final True Interest Cost (TIC)	Number of Bids Received	Winning Bidder
GO Bonds (Tax-Exempt)	\$130,770,000	3.7774%	4	Jefferies LLC
GO Bonds (Taxable)	\$21,340,000	3.6209%	7	BOK Financial Securities, Inc.
W&S Revenue Bonds	\$145,740,000	3.8823%	7	Citigroup Global Markets Inc.

The bid results are based on the bidder's original TIC offering. The winning bid is re-sized in order to re-level debt service, preserving future debt capacity. This re-sizing would have a similar impact on all bids.

Detailed Sale Results***Series 2022 General Purpose Refunding & Improvement Bonds***

The City's General Purpose (General Obligation or "GO") issue (Aa3/AA/AA+) priced with an average life of 7.966 years and a TIC of 3.65%. To summarize the transaction, the City sold a total of \$81,380,000 in bonds to fund projects authorized under the 2018 Bond Programs totaling \$83,165,000. Additionally, bonds were sold for the purpose of refunding \$52,545,000 of existing bonds, which resulted in present value debt service savings of \$2,876,246 or 5.47% of the refunded principal amount. The Series 2022 bonds were sold with a premium such that the total proceeds generated was \$135,903,946.40.



To the Mayor and Members of the City Council

June 7, 2022

Page 2 of 3

**SUBJECT: FINAL RESULTS OF PRICING ON BONDS WITHIN THE
2022 DEBT PLAN**

Bids were received from four firms. The chart below depicts the firm and the associated true interest cost:

Bidder	TIC
Jefferies LLC	3.6562%*
Citigroup Global Markets Inc.	3.6873%
Wells Fargo Bank, National Association	3.7300%
HilltopSecurities	3.7402%

* Original bid – final numbers were adjusted due to post bid award re-size.

Jefferies LLC was the winning bidder.

Series 2022 General Purpose Refunding Bonds (Taxable)

The City's General Purpose Taxable (General Obligation or "GO") issue (Aa3/AA/AA+) priced with an average life of 4.059 years and a TIC of 3.62%. To summarize the transaction, the bonds were sold for the purpose of refunding \$21,050,000 of existing taxable bonds, which resulted in present value debt service savings of \$1,205,835 or 5.72% of the refunded principal amount. The Series 2022 bonds were sold with a premium such that the total proceeds generated was \$21,636,368.13.

Bids were received from seven firms. The chart below depicts the firm and the associated true interest cost:

Bidder	TIC
BOK Financial Securities, Inc.	3.6214%*
PNC Capital Markets	3.7739%
Wells Fargo Bank, National Association	3.7941%
Robert W. Baird & Co., Inc.	3.8083%
Piper Sandler & Co.	3.8646%
Raymond James & Associates, Inc.	3.8818%
HilltopSecurities	4.1226%

* Original bid – final numbers were adjusted due to post bid award re-size.

BOK Financial Securities, Inc. was the winning bidder.



To the Mayor and Members of the City Council

June 7, 2022

Page 3 of 3

**SUBJECT: FINAL RESULTS OF PRICING ON BONDS WITHIN THE
2022 DEBT PLAN**

Series 2022 Water & Sewer Revenue Bonds

The City's Water and Sewer System issue (Aa1/AA) priced with an average life of 18.414 years and a TIC of 3.88%. To summarize the transaction, the City sold a total of \$145,740,000.00 in bonds to fund various improvements to the water and sewer system totaling \$150,000,000. The Series 2022 bonds were sold with a premium such that the total proceeds generated was \$150,477,391.10.

Bids were received from seven firms. The chart below depicts the firm and the associated true interest cost:

Bidder	TIC
Citigroup Global Markets Inc.	3.8748%*
HilltopSecurities	3.8808%
Mesirow Financial, Inc.	3.9100%
Jefferies LLC	3.9384%
Raymond James & Associates, Inc.	3.9487%
Frost Bank	3.9524%
FHN Financial Capital Markets	4.1437%

* Original bid – final numbers were adjusted due to post bid award re-size.

Citigroup Global Markets Inc. was the winning bidder.

Next Steps

We are pleased to share excellent bond pricing results. Special thanks to city staff, the City's financial advisors, and outside counsel for their hard work and dedication to these successful debt transactions. The City will continue the 2022 debt plan and related bond sales with final closing and delivery of funds scheduled to occur on June 14th (GO) and June 21st (Water).

If you have any questions, please contact Reginald Zeno, Interim Assistant City Manager & CFO, at 817-392-8500.

David Cooke
City Manager