

**To the Mayor and Members of the City Council****April 6, 2021**

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SUBJECT: 2021 DEBT FINANCING PLAN OVERVIEW

This informal report is intended to provide the Mayor and City Council with a concise overview of the City's 2021 debt financing plan.

New Money and Refinancing Opportunities***Series 2021C Tax Notes***

Seven year tax exempt notes in the amount of \$17,000,000 are planned to fund scheduled fire apparatus replacements, partial funding for fire station rehabilitation and renovation work, the Fort Worth Zoological Elephant Springs Phase II improvements, and design and engineering costs associated with the upcoming Forest Park pool replacement project.

Series 2021 Combination Tax and Revenue Certificates of Obligation

Twelve year Combination Tax and Revenue Certificates of Obligation in the amount of \$18,500,000 are planned to fund certain eligible improvements within the Tax Increment Reinvestment Zone No. 14 (Trinity Lakes TIF). The repayment source for this obligation will come from TIF revenues.

Series 2021A (Tax-Exempt) General Purpose Refunding & Improvement Bonds

- Issue the third tranche of the 2018 Bond Program authorization totaling \$83,170,000
- Current refunding and restructuring of the tax exempt portion of the City Hall acquisition and renovation (Series 2021A Tax Notes) over a 20 year term
- Current refunding and partial cash payoff of Series 2011 General Purpose Bonds to achieve debt service savings

Series 2021B (Taxable) General Purpose Refunding Bonds

- Advanced refunding of Series 2013B Certificates of Obligation to achieve debt service savings
- Current refunding and restructuring of the taxable portion of the City Hall acquisition and renovation (Series 2021B Tax Notes) over a 20 year term

Series 2021 Water & Sewer Revenue Refunding & Improvement Bonds

- Fund \$75,000,000 of planned Water & Sewer capital improvements
- Fund the \$51,800,000 SCADA project that was originally planned to be funded through the Texas Water Development Board capital funding program
- Current refunding of Series 2011 Water & Sewer System Revenue Refunding & Improvement Bonds to achieve debt service savings

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In addition, a late fall 2021 bond issue is being planned for the Fort Worth Public Improvement District No.16 (Walsh Ranch/Quail Valley) to reimburse the developer for eligible costs associated with roadway and landscaping improvements. The bonds will be sold through a negotiated sale and will be repaid from assessments charged to the property owners benefiting from the PID infrastructure as outlined in the Service and Assessment Plan for this PID.

Next Steps

Staff will bring forward parameters ordinances relating to the above transactions for Council consideration at the April 13, 2021 Council meeting along with a renewal ordinance for the Water & Sewer Commercial Paper program. Conference calls and/or meetings with the City's Credit Rating Agencies are planned to occur during the week of May 10, 2021 with the bond sales planned on June 8-9, 2021. The final closing and delivery of funds is planned to occur on July 13-14, 2021.

Please refer to the accompanying presentation for additional details. If you have any questions, please contact Reginald Zeno, Chief Financial Officer, at 817-392-8500.

David Cooke
City Manager



2021 DEBT FINANCING PLAN

FY DEBT ACTIVITIES TO DATE

Series 2020 Drainage Revenue Refunding and Improvement Bonds

- **Total Issue Size:** \$103,210,000
- **Term:** 25 years
- **TIC:** 1.95%
- **PV Savings:** 19.13% or \$10,588,381
- **Purpose:** Drainage system improvements and to refinance \$55.33 million of existing stormwater debt obligations to achieve net savings
- Bond Ordinance Approved by Council on September 22, 2020 (M&C 20-0727)
- Bonds Closed and Funds Delivered – November 17, 2020

FY DEBT ACTIVITIES TO DATE

New City Hall Financing Overview

Series 2021A (Tax-Exempt)

- **Total Issue Size:** \$74,000,000
- **Term:** 7 years
- **TIC:** 0.76%

Series 2021B (Taxable)

- **Total Issue Size:** \$26,000,000
- **Term:** 7 years
- **TIC:** 0.99%

- Purchase, construction, and renovation of the former Pier 1 Building, which the City has designated as the new City Hall facility
- Bond Ordinance Approved by Council on December 15, 2020 (M&C 20-0908 and M&C 20-0909)
- Bonds Closed and Funds Delivered – January 21, 2021
- Callable 9/1/21 - plan to refinance to a 20 year term

WHAT'S NEXT – NEW MONEY

Property Tax Supported Debt

Tax Notes – \$17,000,000

- Fire Apparatus (\$11,766,000)
- Fire Station Rehabilitation & Renovation – Partial Funding (\$3,004,000)
- Fort Worth Zoological Association Elephant Springs Phase II (\$1,330,000)
- Forest Park Pool (\$900,000)

Certificates of Obligation – \$18,500,000

- Trinity Lakes TIF Project
- Self-supporting (paid from TIF revenues)

General Purpose GO Bonds - \$83,170,000

- 2018 Bond Program Authorization
 - Prop 1: Streets (\$49,400,000)
 - Prop 2: Park & Recreation (\$20,000,000)
 - Prop 5: Animal Care and Shelter Facility (\$13,770,000)

Water & Sewer

Water & Sewer Rev Bonds - \$126,800,000

- \$75 million for Water CIP projects
- \$51.8 million for SCADA project
- Restore Appropriation Authority (maximum of \$150 million) to the Commercial Paper Fund
- Annual Renewal of Ordinance Authorizing Refinancing of Commercial Paper
 - Expires May 31, 2021

GO Refunding Opportunities

General Purpose Refunding Bonds, Series 2021A

- Current refunding and restructuring of Series 2021A Tax Notes
- Current refunding of Series 2011 General Purpose Bonds
- Total Principal to be Refunded: \$82,625,000
- *Series 2011 Projected PV Savings – 3.08% or \$266,328*
- Utilize \$7,100,000 of excess debt service fund balance to reduce amount of refunding bonds issued

General Purpose Refunding Bonds, Series 2021B (Taxable)

- Advanced refunding of Series 2013B CO's
- Current refunding and restructuring of Series 2021B Tax Notes
- Total Principal to be Refunded: \$32,635,000
- *Series 2013B Projected PV Savings – 9.96% or \$660,790*



Water Refunding and Cash Defeasance Opportunities

Water & Sewer Refunding Bonds, Series 2021

- Current Refunding of Series 2011 Water & Sewer System Revenue Refunding & Improvement Bonds
- Total Principal to be Refunded: \$42,985,000
- Projected NPV Savings – 12.14% or \$5,220,342

Partial Cash Defeasance (Pay Off with Existing Resources):

- Series 2011 Water & Sewer System Revenue Refunding & Improvement Bonds
- Total Principal to be Paid Off: \$24,730,000
- Estimated interest savings of \$8,048,265





GO DEBT CAPACITY

GO Debt Capacity Analysis

Key assumptions in the model left unchanged from a year ago:

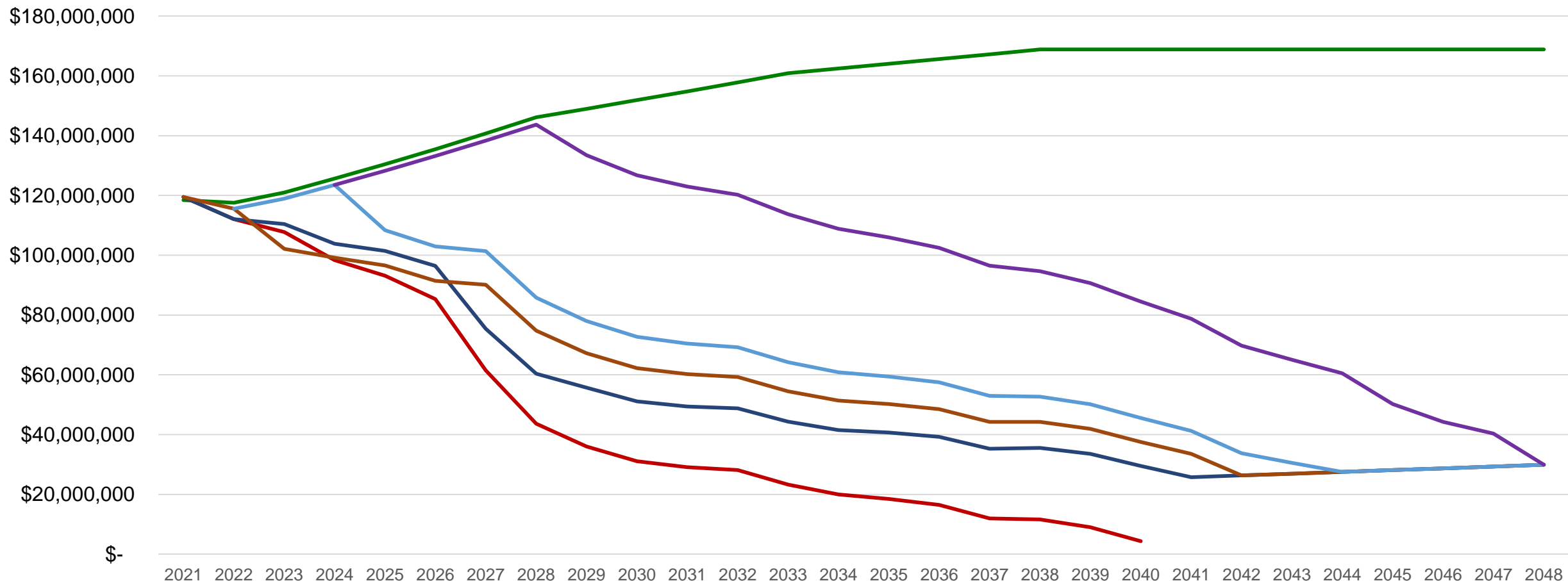
- Includes \$4,675,000 for delinquents, penalties and interest on delinquents and interest earnings each year
- Some debt paid from CCPD funds, C&T revenues, Solid Waste revenues, Parking system revenues, and car rental taxes
- Tax Note Program revised forecast: \$17,000,000 in 2021 through 2027 growing by 3% each year thereafter
- Remaining 2018 bond program authorization issued in 2022 and 2023

Changes to the model input:

- Revised property tax growth rate assumptions consistent with P&DA long term financial forecast
- Projected debt service revenues updated based on final levy: \$0.1525 I&S Rate and \$116,440,101 current property tax levy
- Assumes cash defeasance and refunding opportunities, previously discussed
- Updated market rates through March 5, 2021 + 0.25% cushion

Changes to the model output:

- Resulting bonding capacity equal to \$599.52 million





2018 BOND PROGRAM SUMMARY



2018 BOND PROGRAM PROPOSITION SUMMARY

Purpose	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Streets & Mobility Infrastructure	\$261,630,080	\$105,000,000	\$49,400,000	\$107,230,185
Parks & Recreation	84,180,600	26,000,000	20,000,000	38,180,600
Public Library	9,868,500	-	-	9,868,500
Fire Safety	11,975,820	4,000,000	-	7,975,820
Animal Care and Shelter Facility	13,770,000	-	13,770,000	-
Police Facility	18,075,000	15,000,000	-	3,075,000
	<u>\$399,500,000</u>	<u>\$150,000,000</u>	<u>\$83,170,000</u>	<u>\$166,330,000</u>

2018 BOND PROGRAM DEBT ISSUANCE

Fiscal Year	Original Plan	Revised Plan
2019	\$166,800,000	\$30,000,000
2020	\$75,500,000	\$120,000,000
2021	\$77,875,000	\$83,170,000
2022	\$79,325,000	\$83,165,000
2023	\$0	\$83,165,000
Totals	\$399,500,000	\$399,500,000



Water & Sewer Issuance



WATER AND SEWER FUTURE NEW MONEY

Fiscal Year	TWDB	SWIFT	Revenue Bonds
2021	-\$0-	-\$0-	\$126,800,000
2022	-\$0-	-\$0-	\$100,000,000
2023	-\$0-	-\$0-	\$75,000,000
2024	\$44,000,000	-\$0-	\$161,000,000
2025	-\$0-	-\$0-	\$100,000,000

Note: subject to change

Thank you!

