



# Bond Sale

---

*PRESENTED TO THE CITY COUNCIL ON AUGUST 19, 2024*

*NOTE: THE INTEREST RATE AND OTHER NUMBERS IN THE PRESENTATION WILL BE UPDATED ON AUGUST 19, 2024, AFTER THE BONDS ARE SOLD.*

# Bond Sale

---

- Bond Sale to issue General Obligation Bonds, Series 2024 not to exceed \$19,610,000
  - Bond program approved by voters on May 7, 2022
  - The amount of bonds include the refinancing of 2014 GO and CO debt
- Issue Certificate of Obligation Bonds, Series 2024 not to exceed \$39,000,000
  - Issue covers tax-supported, 4A, 4B, and TIF2
  - \$ 9,482,942 – Tax-supported debt
  - \$11,603,019 – 4A Economic Development Corporation
  - \$ 17,077,172 – 4B Community Service Development Corporation
  - \$ 500,000 – TIF 2 Fund
- Bond issues aligned with the Capital Improvement Plan
- We anticipate a refinancing that would produce an estimated total savings of \$697,573, translating to an average annual savings of about \$70K or 4.39% PV savings.
- The ordinances authorize the issuance of General Obligation Bonds and Certificate of Obligation Bonds.
  - Reimbursement resolution approved by Council on October 2, 2023, November 13, 2023, and April 15, 2024
  - Resolution of notice of intentions to issue Certificates of Obligation approved on June 17, 2024

# Credit Rating Information

---

Bond credit rating represents the credit worthiness of the bonds issued- (FICO score)

| Moody's    | S&P       | Credit worthiness   |
|------------|-----------|---|
| Aaa        | AAA       | An obligor has extreme strong capacity to meet its financial commitments.   |
| Aa1        | AA+       | An obligor has very strong capacity to meet its financial commitments. It differs from the highest rated obligors only to a small degree. |
| <b>Aa2</b> | <b>AA</b> |   |
| Aa3        | AA-       |   |

These are the top for ratings given by Rating Agency.

Other ratings below these four range from single A down to D.

*Note: Information provided by the City's financial advisors, Hilltop Securities Inc. - **Moody's rates 22,789 cities throughout the country, and only 1,090 are at or above Aa2 rating. That puts the City of Burleson in the top 5% in the country. In Texas, Moody's rates 1,134 cities and only 73 are at or above Aa2. That puts the City in the top 6%.***

# City's GO Credit Rating

| Fiscal Year | S&P | Moody's |
|-------------|-----|---------|
| 2024        | AA  | Aa2     |
| 2023        | AA  | Aa2     |
| 2022        | AA  | Aa2     |
| 2021        | AA  | Aa3     |
| 2020        | AA  | Aa3     |
| 2019        | AA  | Aa3     |
| 2018        | AA  | Aa3     |
| 2017        | AA  | Aa3     |
| 2016        | AA  | Aa3     |
| 2015        | AA  | Aa3     |
| 2014        | AA  | Aa3     |

- Growing tax base
- Good financial management policies
- Stable financial performance
- Healthy financial position
- Planning for future growth
- City Pension liability is manageable

## General Government CIP Plan FY 2024 Only

| <b>GO Bond Projects</b>  |                      | <b>2024</b>        |
|--|----------------------|--------------------|
| Neighborhood Street Rebuilds   |                      | \$750,000          |
| Alsbury Ph. 2 -Hulen to CR1020 (Bridge)                              |                      | \$788,236          |
| Sidewalk Program   |                      | \$770,000          |
| Police Expansion   |                      | \$2,800,000        |
| Elk, Hillside, & FM731- Ped. & Int. Improvements                     |                      | \$427,804          |
| Wilshire Blvd. (SH174) Construction Documents (Hulen to City Limits) |                      | \$500,000          |
| <b>Additional Projects</b>   |                      |                    |
| Fire Station #1  |                      | \$3,533,235        |
| Police Expansion   |                      | \$1,200,000        |
| Traffic Signal Improvements (ITS) SH174                              |                      | \$1,500,000        |
| Alsbury Ph. 1B -Candler to Hulen Outside Lanes                       |                      | \$1,165,055        |
| Traffic Signal - Hidden Creek & Gardens                              |                      | \$550,000          |
| Public Safety Radios   |                      | \$1,534,652        |
|  | <b>GO BOND TOTAL</b> | <b>\$6,036,040</b> |
|  | <b>CO BOND TOTAL</b> | <b>\$9,482,942</b> |
| <b>TOTAL \$</b>  |                      | <b>15,518,982</b>  |

# 4A Capital Projects Plan – FY 2023-2024 Only

| Project # | Project Name                        | 2023         | 2024        |
|-----------|-------------------------------------|--------------|-------------|
| DV2301    | LAKWOOD DRIVE CONSTRUCTION          | \$45,000     |             |
| DV2302    | LAKWOOD DRIVE EXTENSION - DESIGN    |              | \$100,000   |
| DV2304    | LAKWOOD DRIVE - LANDSCAPING         | \$1,958,019  |             |
| DV2201    | HOOPER BUSINESS PARK RETENTION POND |              | \$6,500,000 |
| DV2401    | HOOPER BUSINESS PARK SEWER          |              | \$3,000,000 |
|           | <b>FUNDING NEEDED</b>               | \$2,003,019  | \$9,600,000 |
|           | <b>DEBT ISSUANCE AUGUST 2024</b>    | \$11,603,019 |             |

# 4B Capital Projects Plan - FY 2023-2024 Only

| Project #     | Project Name  | 2023        | 2024        |
|---------------|---|-------------|-------------|
| PK0711        | Village Creek Trail                                       | \$712,180   |             |
| PK2010        | ELK RIDGE   | \$212,578   |             |
| PK2015        | Chisenhall and Bailey Lake Parking                        | \$456,351   |             |
| PK2103        | Shannon Creek Park  | \$574,055   |             |
| PK2205        | City Wide Monument Signs                                  | \$19,654    |             |
| PK2207        | BARTLETT FIELD REGRADING                                  | \$1,105,626 |             |
| PK2301/PK2402 | Park Monument Signs                                       | \$62,075    |             |
| PK2302/PK2410 | CHISENHALL FIELD TURF                                     | \$512,885   | \$2,125,000 |
| PK2303        | Upgrade A/C Control system and ventilation                | \$175,000   |             |
| PK2304        | Remodel of entryway (Admin, Kiosk, Rockwall and lighting) |             | \$511,350   |
| PK2304        | Replacement of indoor pool sandfilter                     |             | \$162,750   |
| PK2304        | Replaster Indoor Pool                                     |             | \$315,000   |
| PK2304        | Desert Aire   |             | \$1,575,000 |

# 4B Capital Projects Plan - FY 2023-2024 Only

| Project #                        | Project Name                            | 2023                | 2024               |
|----------------------------------|---|---------------------|--------------------|
| PK2304                           | HVAC Unit                               |                     | \$2,887,500        |
| PK2305                           | WAKEFIELD                               | \$195,641           |                    |
| PK2307                           | Oak Valley South Connector Trail        |                     | \$150,000          |
| PK2311                           | Community Park                          | \$3,217,689         |                    |
| PK2403                           | West End Master Plan                    |                     | \$250,000          |
| PK2405                           | BAILEY LAKE                             |                     | \$100,000          |
| PK2406                           | CEDAR RIDGE                             |                     | \$280,000          |
| PK2407                           | MEADOWCREST                             |                     | \$400,000          |
| PK2408                           | OAK VALLEY                              | \$499,438           | \$150,000          |
| PK2409                           | Oak Valley Trail-Scott Street Trailhead |                     | \$427,400          |
| <b>FUNDING NEEDED</b>            |   | <b>\$7,743,172</b>  | <b>\$9,334,000</b> |
| <b>DEBT ISSUANCE AUGUST 2024</b> |   | <b>\$17,077,172</b> |                    |



# TIF 2 Capital Projects Plan - FY 2024 Only

---

| <b>TIF 2 Projects</b>               | <b>2024</b>      |
|-------------------------------------|------------------|
| Old Town- 116 S. Warren Parking Lot | \$500,000        |
| <b>TIF 2 Total</b>                  | <b>\$500,000</b> |

# Bond Sale - Market

---

- The morning of August 19, 2024, Hilltop Financials will begin taking bids:
  - Until 10:00am CDT for the City's General Obligation Bonds, Series 2024
  - Until 10:30am CDT for the City's Combination Tax and Revenue Certificates of Obligation, Series 2024
- Hilltop will submit results and recommendations to the City of Burleson, no later than 11:30 am CDT
- Hilltop Financials will provide the Council with updated bid information at the August 19, 2024 Council meeting.

# General Obligation Refunding & Improvement Bonds, Series 2024- (Preliminary; For Illustration Purposes)

| Sources:              | General<br>Obligation<br>Bonds, Series<br>2024 | Refunding 14<br>GO | Refunding 14<br>CO | Total         |
|-----------------------|--|--------------------|--------------------|---------------|
| <b>Bond Proceeds:</b> |  |                    |                    |               |
| Par Amount            | 5,540,000.00                                   | 6,700,000.00       | 5,720,000.00       | 17,960,000.00 |
| Premium               | 574,966.25                                     | 552,584.15         | 520,872.90         | 1,648,423.30  |
|                       | 6,114,966.25                                   | 7,252,584.15       | 6,240,872.90       | 19,608,423.30 |

| Uses:                         | General<br>Obligation<br>Bonds, Series<br>2024 | Refunding 14<br>GO | Refunding 14<br>CO | Total        |
|-------------------------------|--|--------------------|--------------------|--------------|
| <b>Project Fund Deposits:</b> |  |                    |                    |              |
| Project Fund                  | 6,036,040.00                                   |                    |                    | 6,036,040.00 |

# 2024 Certificate of Obligations (Preliminary)

| Sources:              | General<br>Government<br>(Tax<br>Supported) | 4A EDC               | 4B CDC               | TIF #2            | Total                |
|-----------------------|---|----------------------|----------------------|-------------------|----------------------|
| <b>Bond Proceeds:</b> |   |                      |                      |                   |                      |
| Par Amount            | 9,035,000.00                                | 10,635,000.00        | 15,650,000.00        | 460,000.00        | 35,780,000.00        |
| Premium               | 563,727.95                                  | 1,104,306.90         | 1,625,592.85         | 47,796.40         | 3,341,424.10         |
|                       | <b>9,598,727.95</b>                         | <b>11,739,306.90</b> | <b>17,275,592.85</b> | <b>507,796.40</b> | <b>39,121,424.10</b> |

| Uses:                          | General<br>Government<br>(Tax<br>Supported) | 4A EDC               | 4B CDC               | TIF #2            | Total                |
|--------------------------------|---|----------------------|----------------------|-------------------|----------------------|
| <b>Project Fund Deposits:</b>  |   |                      |                      |                   |                      |
| Project Fund                   | 9,482,942.00                                | 11,603,019.00        | 17,077,172.00        | 500,000.00        | 38,663,133.00        |
| <b>Delivery Date Expenses:</b> |   |                      |                      |                   |                      |
| Cost of Issuance               | 52,540.95                                   | 61,842.90            | 88,870.85            | 4,576.40          | 207,831.10           |
| Underwriter's Discount         | 63,245.00                                   | 74,445.00            | 109,550.00           | 3,220.00          | 250,460.00           |
|                                | <b>115,785.95</b>                           | <b>136,287.90</b>    | <b>198,420.85</b>    | <b>7,796.40</b>   | <b>458,291.10</b>    |
|                                | <b>9,598,727.95</b>                         | <b>11,739,306.90</b> | <b>17,275,592.85</b> | <b>507,796.40</b> | <b>39,121,424.10</b> |

# Action Requested

---

**There are two items on today's agenda related to the issuance of debt obligations that require City Council action:**

- 1. Move approval of the ordinance authorizing the issuance and sale of City of Burleson, Texas General Obligation Refunding and Improvement Bonds, Series 2024; levying an annual ad valorem tax and providing for the security for and payment of said bonds; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.**  
Staff recommends approval
- 2. Move approval of the ordinance authorizing the issuance and sale of City of Burleson, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2024; levying an annual ad valorem tax and providing for the security for and payment of said certificates; approving the official statement; providing an effective date; and enacting other provisions relating to the subject.**  
Staff recommends approval

# QUESTIONS/COMMENTS