



Bond Sale

PRESENTED TO THE CITY COUNCIL ON AUGUST 21, 2023

Bond Sale

- Bond Sale to issue General Obligation Bonds, Series 2023 not to exceed \$9,447,547
 - Bond program approved by voters on May 7, 2022
- Issue Certificate of Obligation Bonds, Series 2023 not to exceed \$32,941,551
 - Issue covers tax supported, 4A, 4B, TIF2, and Water& Sewer
 - \$ 392,674 – Tax supported debt
 - \$ 9,143,886 – Water & Sewer Fund
 - \$15,176,900 – 4A Fund (Lakewood Drive)
 - \$ 7,767,052 – 4B Fund (Park projects) -5 year CIP Plan
 - \$ 461,039 – TIF 2 Fund (Old Town parking)
- Bond issues aligned with Capital Improvement Plan
- August 21, 2023, Regular Council meeting, staff will present an ordinance authorizing issuance of General Obligation Bonds and Certificate of Obligation Bonds.
 - Reimbursement resolution approved by Council on October 3, 2022
 - Resolution of notice of intentions to issue Certificates of Obligation approved on June 20, 2023

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.
Aa2	AA	
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
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

Bond Sale - Market

- The morning of August 21, 2023, Hilltop Financials will begin taking bids:
 - Until 10:00am CDT for the City's General Obligation Bonds, Series 2023
 - Until 10:30am CDT for the City's Combination Tax and Revenue Certificates of Obligation, Series 2023
- Hilltop will submit results and recommendation to the City of Burleson, no later than 11:30am CDT
- Staff will update presentation prior to the August 21, 2023 Council meeting.

2023 General Obligation Bonds- (Preliminary)

Sources:

Bond Proceeds:

Par Amount	9,020,000.00
Net Premium	427,546.65

9,447,546.65

Uses:

Project Fund Deposits:

Project Fund	9,286,956.00
--------------	--------------

Delivery Date Expenses:

Cost of Issuance	97,450.65
Underwriter's Discount	63,140.00
	<hr/>
	160,590.65

9,447,546.65

2023 Certificate of Obligations (Preliminary)

Sources:	Tax Supported	4B Supported	4A Supported	Water & Wastewater Supported	TIF #2 Supported	Total
Bond Proceeds:						
Par Amount	375,000.00	7,415,000.00	14,490,000.00	8,730,000.00	440,000.00	31,450,000.00
Net Premium	17,674.15	352,052.10	686,899.80	413,885.50	21,039.35	1,491,550.90
	<u>392,674.15</u>	<u>7,767,052.10</u>	<u>15,176,899.80</u>	<u>9,143,885.50</u>	<u>461,039.35</u>	<u>32,941,550.90</u>
Uses:						
	Tax Supported	4B Supported	4A Supported	Water & Wastewater Supported	TIF #2 Supported	Total
Project Fund Deposits:						
Project Fund	385,000.00	7,675,000.00	15,000,000.00	9,035,000.00	455,000.00	32,550,000.00
Delivery Date Expenses:						
Cost of Issuance	5,049.15	40,147.10	75,469.80	47,775.50	2,959.35	171,400.90
Underwriter's Discount	2,625.00	51,905.00	101,430.00	61,110.00	3,080.00	220,150.00
	<u>7,674.15</u>	<u>92,052.10</u>	<u>176,899.80</u>	<u>108,885.50</u>	<u>6,039.35</u>	<u>391,550.90</u>
	<u>392,674.15</u>	<u>7,767,052.10</u>	<u>15,176,899.80</u>	<u>9,143,885.50</u>	<u>461,039.35</u>	<u>32,941,550.90</u>

Tax Supported GO and CO Projects

GO Bond Projects	2023
SH174 TRAFFIC SIGNAL IMPROVEMENTS	\$ 1,861,123
NEIGHBORHOOD STREET REBUILDS	\$ 825,833
POLICE EXPANSION	\$ 3,600,000
CR 1020 (ALSBUARY) WIDENING (DESIGN) (Ph.3)	\$ 2,500,000
SH174 WIDENING (SCHEMATIC AND ENVIRONMENTAL)	\$ 500,000
Additional Project	
FIRE STATION 1	\$ 300,000
ALSBUARY PH. 1 WIDENING - CANDLER TO HULEN (Ph. 1B)_	\$ 323,545
Total	\$ 9,910,501
GO BOND TOTAL	\$ 9,286,956
CO TOTAL	\$ 381,674
OTHER	\$ 241,871
Total	\$ 9,910,501

Water and Waste Water Supported Projects

Water Project	2023
Water Line Rehabilitation	\$ 2,000,000
Industrial Blvd Pump Station Expansion & Alsbury Pump Station Decommission	\$ 1,288,380
12" Willow Creek Waterline Looping	\$ 154,625
TOTAL	\$ 3,443,005
Sewer Project	
Sewer Line Rehabilitation	\$ 3,000,000
Trunk Relief Line (Town Creek Basin Parallel Buildout Interceptors)	\$ 2,493,569
Gateway Station Lift Station Rehabilitation	\$ 97,266
TOTAL	\$ 5,590,835
Total Bond Issue	\$ 9,033,840

4B Supported Projects

Parks	FY23
Park Refurbishments	
Clark	\$223,588.00
Elk Ridge	\$220,000.00
Oak Valley	\$500,000.00
Wakefield	\$200,000.00
Bartlett Field Regrading	\$1,102,968.00
Chisenhall Field Turf and Lighting	\$549,675.00
Hidden Creek Softball Relocation	\$250,000.00
Chisenhall and Bailey Lake Parking	\$1,792,594.00
Oak Valley South Connector Trail	\$260,000.00
Park Monument Signs	\$65,000.00
Community Park	\$3,200,000.00
Unplanned Park Improvements	\$50,000.00
Upgrade A/C Control system and ventilation	\$175,000.00
Bunkers	\$303,000.00
Tree Removal and Limb up (Creek, 4,14)	\$49,000.00
Drainage Improvements	\$145,000.00
Cart Path Repairs	\$100,000.00
Contingency/Escalation 5%	\$459,291.25
Total	\$9,645,116.25
Available Funding	\$1,975,000.00
Debt Sale	\$7,670,116.25
Total	\$9,645,116.25

4A Supported Project – Lakewood Drive - \$15,000,000

TIF#2 Supported Project – Lot Purchase - \$450,000

Options

- Approve or Deny Ordinance
- Staff recommends approval of Ordinance

QUESTIONS/COMMENTS