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City of Crest Hill

Market Update

Plan of Finance Scenarios

Comparative Rating Statistics



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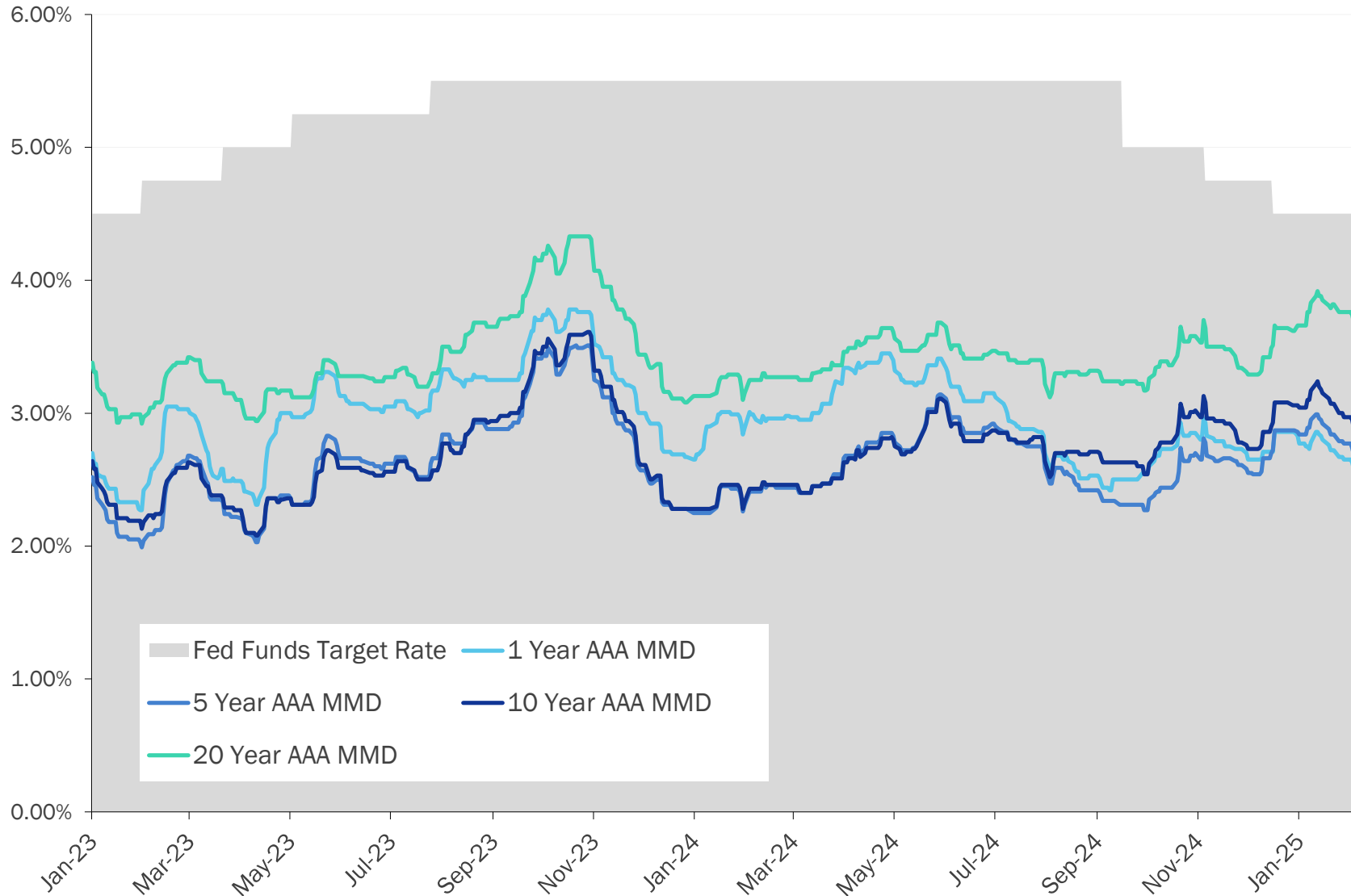
February 10, 2025



Market Update



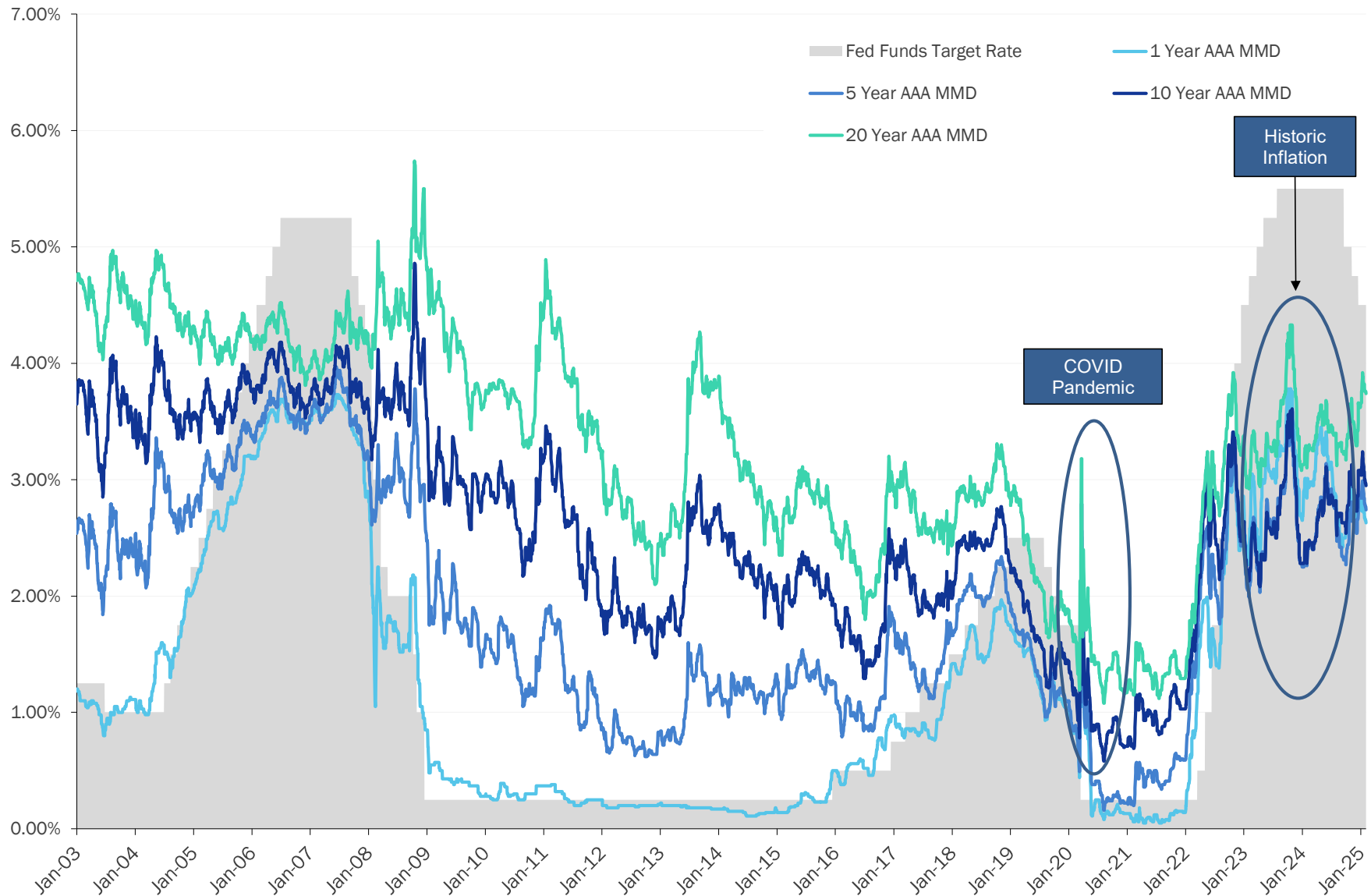
Interest Rates* Since Jan. 2023



*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of February 4, 2025.



Historical Interest Rates* (Jan. 2003 – Current)



*The Municipal Market Data “MMD” is a AAA municipal bond market index produced by TM3. As of February 4, 2025.

Possible New Money Scenarios Payable from Non-Home Rule (NHR) Sales Tax



Debt Service Payable from NHR Sales Tax

ISSUE NAME:
PURPOSE(S):
ORIGINAL PAR:
DATED DATE:
DUE*:
EARLIEST CALL:

GO Bonds (Sales Tax Alt Rev Source), Series 2019B
City Hall and Police Station
\$11,640,000
December 3, 2019
May 1
May 1, 2027 @ 100

Total Annual Payments

Payment Dates	Principal	Coupon	Interest	Total	FY Total*	Principal	Interest	Total	FY Total*
05/01/2025	\$515,000	5.000%	\$170,425	\$685,425	\$855,850	\$515,000	\$170,425	\$685,425	\$855,850
11/01/2025			\$157,550	\$157,550			\$157,550	\$157,550	
05/01/2026	\$545,000	5.000%	\$157,550	\$702,550	\$860,100	\$545,000	\$157,550	\$702,550	\$860,100
11/01/2026			\$143,925	\$143,925			\$143,925	\$143,925	
05/01/2027	\$570,000	5.000%	\$143,925	\$713,925	\$857,850	\$570,000	\$143,925	\$713,925	\$857,850
11/01/2027			\$129,675	\$129,675			\$129,675	\$129,675	
05/01/2028	\$600,000	3.000%	\$129,675	\$729,675	\$859,350	\$600,000	\$129,675	\$729,675	\$859,350
11/01/2028			\$120,675	\$120,675			\$120,675	\$120,675	
05/01/2029	\$615,000	3.000%	\$120,675	\$735,675	\$856,350	\$615,000	\$120,675	\$735,675	\$856,350
11/01/2029			\$111,450	\$111,450			\$111,450	\$111,450	
05/01/2030	\$635,000	3.000%	\$111,450	\$746,450	\$857,900	\$635,000	\$111,450	\$746,450	\$857,900
11/01/2030			\$101,925	\$101,925			\$101,925	\$101,925	
05/01/2031	\$655,000	3.000%	\$101,925	\$756,925	\$858,850	\$655,000	\$101,925	\$756,925	\$858,850
11/01/2031			\$92,100	\$92,100			\$92,100	\$92,100	
05/01/2032	\$690,000	3.000%	\$92,100	\$782,100	\$874,200	\$690,000	\$92,100	\$782,100	\$874,200
11/01/2032			\$81,750	\$81,750			\$81,750	\$81,750	
05/01/2033	\$710,000	3.000%	\$81,750	\$791,750	\$873,500	\$710,000	\$81,750	\$791,750	\$873,500
11/01/2033			\$71,100	\$71,100			\$71,100	\$71,100	
05/01/2034	\$735,000	3.000%	\$71,100	\$806,100	\$877,200	\$735,000	\$71,100	\$806,100	\$877,200
11/01/2034			\$60,075	\$60,075			\$60,075	\$60,075	
05/01/2035	\$755,000	3.000%	\$60,075	\$815,075	\$875,150	\$755,000	\$60,075	\$815,075	\$875,150
11/01/2035			\$48,750	\$48,750			\$48,750	\$48,750	
05/01/2036	\$775,000	3.000%	\$48,750	\$823,750	\$872,500	\$775,000	\$48,750	\$823,750	\$872,500
11/01/2036			\$37,125	\$37,125			\$37,125	\$37,125	
05/01/2037	\$800,000	3.000%	\$37,125	\$837,125	\$874,250	\$800,000	\$37,125	\$837,125	\$874,250
11/01/2037			\$25,125	\$25,125			\$25,125	\$25,125	
05/01/2038	\$825,000	3.000%	\$25,125	\$850,125	\$875,250	\$825,000	\$25,125	\$850,125	\$875,250
11/01/2038			\$12,750	\$12,750			\$12,750	\$12,750	
05/01/2039	\$850,000	3.000%	\$12,750	\$862,750	\$875,500	\$850,000	\$12,750	\$862,750	\$875,500
11/01/2039						\$0	\$0	\$0	
OUTSTANDING:	\$10,275,000		\$2,558,375	\$12,833,375	\$13,003,800	\$10,275,000	\$2,558,375	\$12,833,375	\$13,003,800
CALLABLE:	\$8,645,000					\$8,645,000			

*Payments made on 5/1 are included with the prior fiscal year



Scenario 1: 10-Year Final Term Capacity

Fiscal Year	Total Available Sales Tax Revenue ⁽¹⁾	Prologis Fee	Series 2019B Annual Debt Service	PROPOSED Series 2025 Debt Service ⁽²⁾	Excess Revenue Over Debt Service	Coverage Ratio
2025	\$ 1,375,000	\$ -	\$ 855,850	\$ -	\$ 519,150	1.61x
2026	1,375,000	250,000	860,100	762,000	2,900	1.00x
2027	1,375,000	250,000	857,850	765,750	1,400	1.00x
2028	1,375,000	250,000	859,350	763,125	2,525	1.00x
2029	1,375,000	250,000	856,350	764,125	4,525	1.00x
2030	1,375,000	250,000	857,900	763,625	3,475	1.00x
2031	1,375,000	250,000	858,850	761,625	4,525	1.00x
2032	1,375,000	-	874,200	499,750	1,050	1.00x
2033	1,375,000	-	873,500	498,250	3,250	1.00x
2034	1,375,000	-	877,200	495,750	2,050	1.00x
2035	1,375,000	-	875,150	497,125	2,725	1.00x
2036	1,375,000	-	872,500	-	502,500	1.58x
2037	1,375,000	-	874,250	-	500,750	1.57x
2038	1,375,000	-	875,250	-	499,750	1.57x
2039	1,375,000	-	875,500	-	499,500	1.57x
2040	1,375,000	-	-	-	1,375,000	N/A
2041	1,375,000	-	-	-	1,375,000	N/A
2042	1,375,000	-	-	-	1,375,000	N/A
2043	1,375,000	-	-	-	1,375,000	N/A
2044	1,375,000	-	-	-	1,375,000	N/A
2045	1,375,000	-	-	-	1,375,000	N/A
			<u>\$ 13,003,800</u>	<u>\$ 6,571,125</u>	<u>\$ 10,800,075</u>	

Estimated Net Proceeds: **\$ 5,530,000**

Estimated TIC⁽²⁾: 3.55%

- ❑ Alternate Revenue Source (ARS) Bonds require a revenue pledge that provides 1.25x coverage over annual debt service payments. Therefore, an additional revenue stream would be needed to provide sufficient coverage for this structure.
- ❑ This 10-Year structure would require pledging approximately \$405,000 of additional revenue in FY 2026-2031 and approximately \$350,000 of additional revenue in FY 2032-2035.
- ❑ The additional dedicated revenue can be used for other purposes and will only be utilized if the non-home rule sales tax is insufficient to repay the Bonds

Payments made on 5/1 are included with prior fiscal year.

(1) Available revenues reflect approximate Non-Home Rule Sales Tax revenue after payments for property tax rebate (\$250,000) and PAYGO expenditures.

(2) Rates based upon market conditions as of February 4, 2025 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



Scenario 2: 20-Year Final Term Capacity

Fiscal Year	Total Available Sales Tax Revenue ⁽¹⁾	Prologis Fee	Series 2019B Annual Debt Service	PROPOSED Series 2025 Debt Service ⁽²⁾	Excess Revenue Over Debt Service	Coverage Ratio
2025	\$ 1,375,000	\$ -	\$ 855,850	\$ -	\$ 519,150	1.61x
2026	1,375,000	250,000	860,100	762,688	2,213	1.00x
2027	1,375,000	250,000	857,850	764,063	3,088	1.00x
2028	1,375,000	250,000	859,350	764,688	963	1.00x
2029	1,375,000	250,000	856,350	764,563	4,088	1.00x
2030	1,375,000	250,000	857,900	763,688	3,413	1.00x
2031	1,375,000	250,000	858,850	762,063	4,088	1.00x
2032	1,375,000	-	874,200	496,438	4,363	1.00x
2033	1,375,000	-	873,500	497,063	4,438	1.00x
2034	1,375,000	-	877,200	497,438	363	1.00x
2035	1,375,000	-	875,150	497,563	2,288	1.00x
2036	1,375,000	-	872,500	502,175	325	1.00x
2037	1,375,000	-	874,250	496,400	4,350	1.00x
2038	1,375,000	-	875,250	495,494	4,256	1.00x
2039	1,375,000	-	875,500	499,194	306	1.00x
2040	1,375,000	-	-	1,373,875	1,125	1.00x
2041	1,375,000	-	-	1,373,356	1,644	1.00x
2042	1,375,000	-	-	1,369,950	5,050	1.00x
2043	1,375,000	-	-	1,373,394	1,606	1.00x
2044	1,375,000	-	-	1,373,425	1,575	1.00x
2045	1,375,000	-	-	1,370,044	4,956	1.00x
			<u>\$ 13,003,800</u>	<u>\$ 16,797,556</u>	<u>\$ 573,644</u>	

Estimated Net Proceeds: **\$ 10,230,000**

Estimated TIC⁽²⁾: 4.51%

- ❑ ARS Bonds require a revenue pledge that provides 1.25x coverage over annual debt service payments. Therefore, an additional revenue stream would be needed to provide sufficient coverage for this structure.
- ❑ This 20-Year structure would require pledging approximately \$405,000 of additional revenue in FY 2026-2031 and approximately \$350,000 of additional revenue in FY 2032-2045.
- ❑ The additional dedicated revenue can be used for other purposes and will only be utilized if the non-home rule sales tax is insufficient to repay the Bonds

Payments made on 5/1 are included with prior fiscal year.

(1) Available revenues reflect approximate Non-Home Rule Sales Tax revenue after payments for property tax rebate (\$250,000) and PAYGO expenditures.

(2) Rates based upon market conditions as of February 4, 2025 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



Comparative Rating Statistics



Credit Rating Scales and Definitions

City's 2009 Bonds were rated by Moody's (no longer applies)		City's S&P Credit Rating as of 2019	
Investment Grade	Moody's	S&P	
	Aaa	AAA	Extremely strong capacity to meet financial obligations.
	Aa1	AA+	
	Aa2	AA	Very strong capacity to meet obligations.
	Aa3	AA-	
	A1	A+	
	A2	A	Strong financial capacity but susceptible to adversity.
	A3	A-	
	Baa1	BBB+	
	Baa2	BBB	Adequate financial capacity but adverse conditions will lead to weakness.
	Baa3	BBB-	
Non-Investment Grade	Ba1	BB+	
	Ba2	BB	Non-Investment Grade Speculative
	Ba3	BB-	
	B1	B+	
	B2	B	Highly Speculative
	B3	B-	
	Caa	CCC+	
	Ca	CCC	Extremely Speculative
	C	CCC-	
		D	Default



Rating Statistics Relative to Other AA and AA+ Communities

Comparative Rating Statistics

	City of Crest Hill ⁽²⁾	City of Yorkville ⁽²⁾	Village of Minooka ⁽²⁾	Village of Bensenville ⁽²⁾	Village of Villa Park ⁽²⁾	City of Lockport ⁽²⁾	Village of Shorewood ⁽²⁾	Village of Homer Glen ⁽²⁾	Village of New Lenox ⁽²⁾	Village of Mokena ⁽²⁾
General Obligation Credit Metrics										
S&P Rating	AA	AA	AA	AA	AA	AA+	AA+	AA+	AA+	AA+
GF Available Fund Balance	\$19,852,305	\$11,317,511	\$8,742,468	\$26,176,408	\$21,813,869	\$17,403,924	\$9,427,835	\$14,142,348	\$29,295,028	\$11,492,853
General Fund Revenue	\$17,683,343	\$24,249,567	\$12,838,338	\$26,637,854	\$32,404,563	\$24,412,977	\$19,282,848	\$19,574,731	\$38,560,808	\$18,703,205
Available General Fund Balance (% of revenue)	112.27%	46.67%	68.10%	98.27%	67.32%	71.29%	48.89%	72.25%	75.97%	61.45%
GF Cash & Investments Balance	\$12,665,695	\$8,690,503	\$8,127,290	\$23,557,215	\$17,940,121	\$19,107,790	\$8,935,070	\$12,865,525	\$21,860,361	\$11,359,576
GF Expenses	\$13,198,491	\$17,749,575	\$9,278,557	\$21,095,673	\$25,280,225	\$17,907,310	\$18,144,663	\$11,771,153	\$25,373,943	\$15,469,204
GF Cash as % of Expenses	95.96%	48.96%	87.59%	111.67%	70.97%	106.70%	49.24%	109.30%	86.15%	73.43%
Gen Fund Local Tax Revenue	\$5,764,037	\$15,541,954	\$2,340,652	\$8,042,126	\$7,120,654	\$12,369,748	\$10,350,834	\$1,494,832	\$17,319,168	\$13,712,395
Gen Fund Intergovernmental Revenue	\$8,537,292	\$4,679,896	\$8,708,507	\$12,360,690	\$14,945,931	\$5,576,024	\$4,176,090	\$15,434,546	\$13,809,403	\$14,615,196
Tax & Intergov Revenue as a % of Total Revenue	80.87%	83.39%	86.06%	76.59%	68.10%	73.51%	75.34%	86.49%	80.73%	151.46%
Total Pension Liability (all pensions)	\$52,675,569	\$49,171,139	\$22,177,218	\$96,487,434	\$158,145,554	\$70,545,158	\$44,238,851	\$4,421,497	\$97,050,072	\$66,373,526
Plan Fiduciary Net Position (all pensions)	\$41,146,326	\$35,751,079	\$19,524,563	\$79,467,047	\$111,088,965	\$56,646,404	\$36,901,520	\$3,521,591	\$72,288,027	\$54,487,202
Pension Funding Level %	78.11%	72.71%	88.04%	82.36%	70.24%	80.30%	83.41%	79.65%	74.49%	82.09%
Per Capita Earnings (full-time year-round workers) ⁽¹⁾	\$53,740	\$72,328	\$72,218	\$49,947	\$66,374	\$76,496	\$77,365	\$77,929	\$83,571	\$79,434
Population ⁽¹⁾	19,754	22,350	12,632	18,576	22,456	26,228	18,218	24,516	27,456	19,906
Market Value	\$1,416,640,881	\$2,385,253,965	\$1,492,474,092	\$2,221,715,895	\$2,268,844,647	\$3,060,542,739	\$2,293,408,494	\$3,565,286,550	\$3,558,901,683	\$3,007,057,932
MV per capita	\$71,714	\$106,723	\$118,150	\$119,601	\$101,035	\$116,690	\$125,887	\$145,427	\$129,622	\$151,063

Enterprise Credit Metrics										
Current Cash & Investments (C&I)	\$5,807,904	\$10,444,218	\$8,736,765	\$11,994,856	\$6,160,424	\$17,665,524	\$48,603,365	\$183,853	\$36,473,544	\$10,387,982
Total Current Assets	\$8,492,869	\$16,013,217	\$10,291,742	\$13,359,766	\$7,183,871	\$20,066,331	\$52,568,296	\$232,163	\$39,707,257	\$10,387,982
C&I as % of Total Current Assets	68.39%	65.22%	84.89%	89.78%	85.75%	88.04%	92.46%	79.19%	91.86%	100.00%

(1) Per Capita Income and Population are sourced from the American Community Survey 2019-2023 Estimates
(2) Source: Most recent Annual Comprehensive Financial Report or Annual Financial Report of respective municipality



Takeaways from Rating Metrics

- ▶ Credit Strengths
 - ▶ Available Fund Balance as % of GF Revenue is highest among all peers at 112%
 - ▶ GF Revenue is second lowest, and Available Fund Balance is third highest
 - ▶ GF Cash as % of GF Expenses also strong relative to most peers
- ▶ Credit Challenges
 - ▶ Market Value per Capita and Per Capita Earnings lower than most peers
 - ▶ Very little, if anything, the City can do from a management perspective to impact both of these metrics
- ▶ The City's finances have been managed well, which will allow the City to access the bond market from a position of strength



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