

Combined Debt Proposal (Adjusted for Inflation by City) (CIP as of 12-6-23)

	2024	2025	2026	2027	2028	2029	Total
Roadways	\$ 509,429	\$ 1,075,253	\$ 2,898,622	\$ 2,994,568	\$ 3,416,075	\$ 3,032,718	\$ 14,027,386
Drainage	187,329	519,444	324,480	523,062	272,331	493,853	2,320,499
	\$ 696,758	\$ 1,594,697	\$ 3,223,102	\$ 3,517,629	\$ 3,688,406	\$ 3,526,571	\$ 16,347,884
							-
Less: Cash/Grant Funding	696,758	249,044	324,480	367,405	272,331	393,854	2,404,593
General Obligation Debt Funding	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
Water System Improvements	\$ 3,051,547	\$ 1,701,332	\$ 4,596,257	\$ 5,100,985	\$ 300,408	\$ -	\$ 14,750,530
Less: Cash Funding	240,000	264,767	193,240	91,743	300,408	-	1,090,157
Debt Funding	\$ 2,811,547	\$ 1,436,566	\$ 4,403,017	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Improvements	\$ -	\$ 2,632,240	\$ 3,154,521	\$ 1,170,736	\$ -	\$ -	\$ 6,957,497
Less: Cash Funding	-	107,626	113,521	179,487	-	-	400,634
Debt Funding	\$ -	\$ 2,524,614	\$ 3,041,000	\$ 991,249	\$ -	\$ -	\$ 6,556,863
Combined Utility Debt Funding	\$ 2,811,547	\$ 3,961,180	\$ 7,444,017	\$ 6,000,491	\$ -	\$ -	\$ 20,217,235

General Obligation Bonds Propositions:

Proposition A: Streets and Drainage	\$ -	\$ 1,345,653	\$ 2,898,622	\$ 3,150,224	\$ 3,416,075	\$ 3,132,717	\$ 13,943,291
-------------------------------------	------	--------------	--------------	--------------	--------------	--------------	---------------

General Obligation Bonds

Civic Center, Streets and Drainage Projects	\$ 1,345,653	\$ -	\$ 6,048,846	\$ -	\$ 6,548,792	\$ -	\$ 13,943,291
<i>Bond Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 1,350,000</i>	<i>\$ -</i>	<i>\$ 6,050,000</i>	<i>\$ -</i>	<i>\$ 6,550,000</i>	<i>\$ -</i>	<i>\$ 13,950,000</i>

Certificates of Obligation

Water System Projects	\$ 4,248,113	\$ 4,403,017	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 13,660,372
Wastewater System Projects	2,524,614	4,032,249	-	-	-	-	6,556,863
Combined Utility System Projects	\$ 6,772,727	\$ 8,435,266	\$ -	\$ 5,009,242	\$ -	\$ -	\$ 20,217,235
<i>CO Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 6,775,000</i>	<i>\$ 8,440,000</i>	<i>\$ -</i>	<i>\$ 5,010,000</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 20,225,000</i>

Total Debt (Bonds and COs)

All Projects	\$ 8,118,380	\$ 8,435,266	\$ 6,048,846	\$ 5,009,242	\$ 6,548,792	\$ -	\$ 34,160,527
<i>Bonds and COs Par Amount (Rounded to \$5,000 Increment)</i>	<i>\$ 8,120,000</i>	<i>\$ 8,440,000</i>	<i>\$ 6,050,000</i>	<i>\$ 5,010,000</i>	<i>\$ 6,550,000</i>	<i>\$ -</i>	<i>\$ 34,170,000</i>

**Fair Oaks Ranch, City of
Tax Rate Impact Analysis
December 7, 2023**

FYE (9/30)	TAV ⁽¹⁾	\$1,350,000			\$6,050,000		\$6,550,000	
		Existing Debt Service	I&S ⁽³⁾	GO's, Series 2024 ⁽²⁾	GO's, Series 2026 ⁽²⁾	GO's, Series 2028 ⁽²⁾	Projected Debt Service	I&S ⁽³⁾
2023	\$ 2,046,397,330	\$ 552,130	\$ 0.0268				\$ 552,130	\$ 0.0268
2024	2,388,156,944	553,163	0.0229				553,163	0.0229
2025	2,626,972,638	552,475	0.0210	\$ 541,050			1,093,525	0.0425
2026	2,758,321,270	550,950	0.0200	592,450			1,143,400	0.0423
2027	2,896,237,334	548,575	0.0189	17,050	\$ 639,450		1,205,075	0.0425
2028	3,041,049,201	550,888	0.0181	17,050	695,100		1,263,038	0.0424
2029	3,193,101,661	552,825	0.0173	17,050	324,300	\$ 425,750	1,319,925	0.0422
2030	3,193,101,661	548,100	0.0172	17,050	324,300	425,750	1,315,200	0.0420
2031	3,193,101,661	-	-	31,638	523,150	619,250	1,174,038	0.0375
2032	3,193,101,661	-	-	30,813	525,400	615,925	1,172,138	0.0375
2033	3,193,101,661	-	-	29,988	526,750	616,788	1,173,525	0.0375
2034	3,193,101,661	-	-	34,025	527,200	616,675	1,177,900	0.0376
2035	3,193,101,661	-	-	32,925	526,750	615,588	1,175,263	0.0376
2036	3,193,101,661	-	-	31,825	525,400	618,363	1,175,588	0.0376
2037	3,193,101,661	-	-	30,725	528,000	619,838	1,178,563	0.0377
2038	3,193,101,661	-	-	29,625	524,550	615,175	1,169,350	0.0374
2039	3,193,101,661	-	-	33,388	525,050	619,213	1,177,650	0.0376
2040	3,193,101,661	-	-	32,013	524,350	616,788	1,173,150	0.0375
2041	3,193,101,661	-	-	30,638	527,300	617,900	1,175,838	0.0376
2042	3,193,101,661	-	-	34,125	523,900	617,388	1,175,413	0.0376
2043	3,193,101,661	-	-	32,475	524,150	615,250	1,171,875	0.0374
2044	3,193,101,661	-	-	30,825	522,900	616,325	1,170,050	0.0374
2045	3,193,101,661	-	-	-	525,000	615,450	1,140,450	0.0364
2046	3,193,101,661	-	-	-	525,300	617,463	1,142,763	0.0365
2047	3,193,101,661	-	-	-	-	617,200	617,200	0.0197
2048	3,193,101,661	-	-	-	-	619,500	619,500	0.0198
Total		\$ 4,409,105		\$ 1,646,725	\$ 10,388,300	\$ 11,961,575	\$ 28,405,705	

⁽¹⁾ Assumes 10% growth for 1 year and 5% for 4 years and no growth thereafter.

⁽²⁾ Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 6.00% for Series 2026 and 6.5% for Series 2028 for illustrative purposes only.

⁽³⁾ FYE 2025 and beyond assume 100% tax collections.

Homeowner Impact Analysis (I&S Rate Only)				
Taxable Home Value (Net of Exemptions)	I&S Tax Rate Increase from Current (FYE 2024)		Monthly Tax Increase	Annual Tax Increase
\$ 400,000	\$ 0.0196	\$ 6.53	\$ 78.31	
500,000	0.0196	8.16	97.88	
650,000	0.0196	10.60	127.25	
800,000	0.0196	13.05	156.61	
1,000,000	0.0196	16.31	195.76	
1,250,000	0.0196	20.39	244.70	
1,500,000	0.0196	24.47	293.65	

City of Fair Oaks Ranch, Texas
Water and Sewer Fund Proforma
December 7, 2023

FYE (9/30)	# of Water Connections (1)	# of Wastewater Connections (1)	Revenues (2)	Expenditures (2)	Available for Debt Service	Existing Debt				Rate Increase Calculations (4)						
						Service	Series 2024 (3)	Series 2025 (3)	Series 2027 (3)	Total	Total Water Debt Service	Revenue Surplus/ (Deficit)	Monthly Water Increase	Total Wastewater Debt Service	Monthly Wastewater Increase	
2023	3197	1977	\$ 6,552,783	\$ 5,121,832	\$ 1,430,951	\$ 339,746					\$ 339,746	\$ 285,386	\$ 1,091,206	\$ -	\$ 45,662	\$ -
2024	3213	1989	6,552,783	5,121,832	1,430,951	336,514					336,514	282,671	1,094,438	(0.07)	45,227	(0.02)
2025	3229	1999	6,552,783	5,121,832	1,430,951	338,256	\$ 603,238				941,494	662,509	489,457	9.73	270,326	9.37
2026	3245	2009	6,552,783	5,121,832	1,430,951	334,974	600,300	\$ 438,125			1,373,399	886,600	57,552	15.44	478,223	17.94
2027	3261	2019	6,552,783	5,121,832	1,430,951	336,666	383,113	440,106			1,159,885	752,828	271,066	11.95	398,438	14.56
2028	3278	2029	6,552,783	5,121,832	1,430,951	338,308	372,250	383,525	\$ 313,125		1,407,208	1,030,984	23,743	18.95	367,563	13.22
2029	3294	2039	6,552,783	5,121,832	1,430,951	160,808	599,919	383,525	342,188		1,486,439	1,053,750	(55,488)	19.44	428,573	15.65
2030	3294	2039	6,552,783	5,121,832	1,430,951	-	600,400	636,050	480,781		1,717,231	1,189,379	(286,280)	22.87	527,853	19.71
2031	3294	2039	6,552,783	5,121,832	1,430,951	-	600,019	635,669	460,156		1,695,844	1,168,316	(264,893)	22.34	527,528	19.69
2032	3294	2039	6,552,783	5,121,832	1,430,951	-	603,631	639,281	459,531		1,702,444	1,171,842	(271,493)	22.43	530,602	19.82
2033	3294	2039	6,552,783	5,121,832	1,430,951	-	601,238	636,888	458,281		1,696,406	1,167,841	(265,455)	22.32	528,565	19.74
2034	3294	2039	6,552,783	5,121,832	1,430,951	-	602,838	638,488	456,406		1,697,731	1,167,805	(266,780)	22.32	529,926	19.79
2035	3294	2039	6,552,783	5,121,832	1,430,951	-	603,288	638,938	458,750		1,700,975	1,170,666	(270,024)	22.40	530,309	19.81
2036	3294	2039	6,552,783	5,121,832	1,430,951	-	602,588	638,238	460,156		1,700,981	1,171,268	(270,030)	22.41	529,714	19.78
2037	3294	2039	6,552,783	5,121,832	1,430,951	-	600,738	636,388	460,625		1,697,750	1,169,610	(266,799)	22.37	528,140	19.72
2038	3294	2039	6,552,783	5,121,832	1,430,951	-	602,594	638,244	460,156		1,700,994	1,171,275	(270,043)	22.41	529,719	19.78
2039	3294	2039	6,552,783	5,121,832	1,430,951	-	603,013	638,663	458,750		1,700,425	1,170,350	(269,474)	22.39	530,075	19.80
2040	3294	2039	6,552,783	5,121,832	1,430,951	-	601,994	637,644	456,406		1,696,044	1,166,835	(265,093)	22.30	529,208	19.76
2041	3294	2039	6,552,783	5,121,832	1,430,951	-	604,394	640,044	457,969		1,702,406	1,171,156	(271,455)	22.41	531,250	19.85
2042	3294	2039	6,552,783	5,121,832	1,430,951	-	600,213	635,863	458,281		1,694,356	1,166,663	(263,405)	22.30	527,693	19.70
2043	3294	2039	6,552,783	5,121,832	1,430,951	-	599,450	635,100	457,344		1,691,894	1,164,849	(260,943)	22.25	527,044	19.67
2044	3294	2039	6,552,783	5,121,832	1,430,951	-	601,819	637,469	460,000		1,699,288	1,170,228	(268,337)	22.39	529,060	19.76
2045	3294	2039	6,552,783	5,121,832	1,430,951	-	-	637,825	456,250		1,094,075	789,180	336,876	12.75	304,895	10.59
2046	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	460,938		460,938	460,938	970,014	4.44	-	(1.87)
2047	3294	2039	6,552,783	5,121,832	1,430,951	-	-	-	458,906		458,906	458,906	972,045	4.39	-	(1.87)
Total							\$ 2,185,271	\$ 11,587,031	\$ 11,846,069	\$ 8,935,000	\$ 34,553,371	\$ 24,221,835			\$ 10,275,593	

(1) Provided by the City.

(2) Based on FYE 2022 audited results. Revenues include Interest Income and exclude Grant Income. Expenditures exclude depreciation and debt service.

(3) Preliminary, subject to change. Interest calculated to be 5.50% for Series 2024, 5.75% for Series 2025 and 6.25% for Series 2027 for illustrative purposes only.

(4) Maximum projected shortfall would require a \$22.87 and \$19.85 per connection per month increase for water and wastewater services, respectively, to support financed projects. Calculated by subtracting FYE2023 debt service payment from total debt service payment in future years and dividing by the number of customers in that year and then by 12 months.

Costs of Issuance Analysis

Costs of Issuance (Assuming General Obligation Bonds and Certificates of Obligation - as contemplated above) ⁽¹⁾

City Cost of Conducting an Election ⁽²⁾	\$ 30,000
General Obligation Bonds, Series 2024	79,775
General Obligation Bonds, Series 2026	93,850
General Obligation Bonds, Series 2028	95,850
Certificates of Obligation, Series 2024	105,700
Certificates of Obligation, Series 2025	113,195
Certificates of Obligation, Series 2027	97,760
Total	\$ 616,130

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ Pertains to the cost to the City to conduct a bond election (ballot machines, etc.) as provided by City Staff.

Costs of Issuance (Assuming All Certificates of Obligation) ⁽¹⁾⁽²⁾

Certificates of Obligation, Series 2024	\$ 111,800
Certificates of Obligation, Series 2025	113,195
Certificates of Obligation, Series 2026	93,850
Certificates of Obligation, Series 2027	97,760
Certificates of Obligation, Series 2028	104,690
Total	\$ 521,295

⁽¹⁾ Costs of issuance includes financial advisor fee, bond counsel fee, rating agency fee, Texas Attorney General review fee, and paying agent fee.

⁽²⁾ It may be feasible, depending upon timing of projects to further reduce the number of financings by one series to achieve greater efficiency.

Comparison of Costs of Issuance Based Between General Obligation Bonds & Certificates of Obligation versus Certificates of Obligation

Total Cost of GO and CO Issuance Program	\$ 616,130
Total Cost of All CO Issuance Program	521,295
Potential Economic Benefit to City	\$ 94,835