



September 25, 2024

***Report:
Early Payoff of the
General Obligation Refunding Bonds, Series 2017***

FINANCIAL ADVISORY CONTACT

Victor Quiroga
Managing Director
10010 San Pedro Avenue, Suite 301
San Antonio, Texas 78216
Cell: 210.887.1810
victor@spfmuni.com



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Summary and Next Steps

Summary:

- The City Administration contacted Specialized Public Finance, Inc. (“SPFI”) to coordinate the payoff of the remaining principal on the General Obligation Refunding Bonds, Series 2017.
- SPFI will oversee the process by liaising with the City’s Administration, Bond Counsel and Bondholder.
- The City Council must first approve a “Redemption Resolution” before funds can be released to pay off the remaining principal balance.

Next Steps:

- **Sept 24, 2024:** Preliminary Redemption numbers sent to Bondholder for verification.
- **Oct 3, 2024:** Bond Counsel sends City the required agenda, motion language and Redemption Resolution.
- **Oct 10, 2024:** City Council considers for action the approval of the Redemption Resolution.
- **Oct 11, 2024:** Bondholder sends an invoice to the City for the prepayment amount.
- **Oct 16, 2024:** City wires the prepayment to the Bondholder.
- **Oct 17, 2024:** Official closing and redemption date of the S-2017 Bonds.

Participants Involved

Series 2017 Bond Issuer: City of La Vernia

Series 2017 Bondholder: Broadway Bank

Bond Counsel: McCall, Parkhurst & Horton

Financial Advisor: Specialized Public Finance Inc.

Estimated Costs and Total Interest Cost Savings

Funds Needed to Pay Off the GO Refunding Bonds, Series 2017	
Purpose:	Amount:
Principal Paid Early	\$313,000.00
Accrued Interest Due (9/1/24 to 10/17/24)	1,024.72
Redemption Fee due Bondholder	500.00
Bond Counsel (Legal)	2,500.00
<u>Financial Advisor (Fiscal)</u>	<u>1,500.00</u>
Total:	\$318,524.72

Redeemed Bonds						
Closed	Issue	Maturities	Call Date	Interest Rates	Principal Paid Early	Net D/S Savings
Est. 10/17/24	GO Refunding Bonds, Series 2017	2025 - 2030	10/17/24	2.258% - 2.840%	313,000	20,141
					\$ 313,000	\$ 20,141

Debt Service Savings

City of La Vernia, Texas

Prepayment of Series 2017 Refunding

Debt Service Comparison

Date	Net New D/S	Old Net D/S	Savings
09/30/2025	318,524.72	56,466.33	(262,058.39)
09/30/2026	-	56,316.37	56,316.37
09/30/2027	-	57,071.44	57,071.44
09/30/2028	-	56,730.81	56,730.81
09/30/2029	-	56,300.18	56,300.18
09/30/2030	-	55,781.00	55,781.00
Total	\$318,524.72	\$338,666.13	\$20,141.41