

QUESTION FROM COUNCILMEMBER HINES TO HILLTOP SECURITIES:

Could we pay off the remaining existing tax note rather than roll it into the Bond debt?

We anticipated this year's payment being made per the usual process and then rolling the final payment for 2023-2024 into the Bond. However, could we just make BOTH payments? We could utilize the small excess funds in our debt service account that have been carried over year to year in addition to some of the General Fund Reserves.

The goal being to avoid rolling that remaining tax note debt into a higher interest rate and extending the debt (thus the overall payment) on that portion.

This would also free up more of the Bond funds to go directly towards the road improvements.

RESPONSE FROM ANDRE ALAYA, HILLTOP SECURITIES:

Yes, if the City has the funds to payoff the existing tax note we can organize an early payoff. Please advise.

...We don't have to wait until there's an interest or principal payment on the existing tax note, the payoff can occur at any time after Council formally approves the payoff and we give the bank 30 days' notice (such notice period could be negotiated shorter with this specific bank).

I'll defer to Julie on the necessary Council steps and documentation if this is something the City would like to do. We'll take care of the numbers and negotiating a shorter notice period for Woodcreek.

TAX NOTE DEBT REMAINING AND CURRENT DEBT SERVICE FUND BALANCE:

Debt Pay Off Remaining:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 207,000	\$ 9,195	\$ 216,195
2023	219,000	5,793	224,793
2024	217,830	1,982	219,812
	<u>\$ 643,830</u>	<u>\$ 16,970</u>	<u>\$ 660,800</u>

Fund Balance:

For the year ended September 30, 2021

	Major Funds		Total Governmental Funds
	General Fund	Debt Service Fund	
REVENUES			
Taxes:			
Property taxes	\$ 336,920	\$ 215,427	\$ 552,347
Sales tax	88,351	-	88,351
Franchise and local taxes	133,657	-	133,657
Grant revenue	12,883	-	12,883
Investment income	1,259	-	1,259
Other revenue	<u>104,008</u>	<u>-</u>	<u>104,008</u>
Total revenues	<u>677,078</u>	<u>215,427</u>	<u>892,505</u>
EXPENDITURES			
Current:			
General government	577,023	-	577,023
Capital outlay	109,549	-	109,549
Debt service:			
Principal	-	195,000	195,000
Interest and fiscal charges	<u>-</u>	<u>12,553</u>	<u>12,553</u>
Total expenditures	<u>686,572</u>	<u>207,553</u>	<u>894,125</u>
Net change in fund balances	(9,494)	7,874	(1,620)
Fund balance - beginning	<u>1,401,973</u>	<u>17,174</u>	<u>1,419,147</u>
Fund balance - ending	<u>\$ 1,392,479</u>	<u>\$ 25,048</u>	<u>\$ 1,417,527</u>

SOURCE:

https://www.woodcreektx.gov/sites/default/files/fileattachments/finance/page/2021/audit_report_fye_9-30-21.pdf