FY26 Bond Issuance

City of McKinney, Texas

Financial Services

Mark Holloway – Chief Financial Officer

Kelvin Bryant – Investment & Treasury Manager

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Debt Sales – Parameters Authorizations

- Council to designate the City Manager, Chief Financial Officer and the Director of Finance as pricing officers to execute the transactions for issuing debt

- Pricing officers will go to market at future dates

- Because of market volatility, the Council is authorizing the pricing officers to transact at designated not to exceed levels

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General Obligation Summary

- New Money

2019 Voter Authorized – Public Safety	$ 5,050,000
2024 Voter Authorized – Public Safety	$ 4,250,000
2024 Voter Authorized – Parks & Recreation	$ 27,000,000
2024 Voter Authorized – Streets	$ 38,700,000
Total New Money Authorization	$ 75,000,000

- Refunding Bonds
- $4,540,000 of 2014 GO and Refunding Bonds and 2016 GO and Refunding Bonds currently callable
- Savings
  - Estimated net present value savings of over $181 thousand / 3.52% of refunded bonds
- 20-year amortization
- Conservative level debt service

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Water & Sewer Revenue and Refunding Bonds Summary

- New Money

Water Improvement Projects	$ 7,500,000
- Ex:	
University Pump Station Improvements	
Redbud Pump Station – Ground Storage Tank No 2	
Wastewater Projects	$ 15,850,000
- Ex:	
Couch Drive WW Capacity Improvements	
Comegys Creek WW Improvements	
Combined Water & Wastewater Projects	$ 1,650,000
- Ex:	
Florence St & North St Infrastructure Improvements	
Total Revenue Bonds to be Issued	$25,000,000

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Water & Sewer Revenue and Refunding Bonds Summary (continued)

- Refunding
  - $7.72 million of 2016 WWSS Revenue Refunding Bonds currently callable
- Savings
  - Estimated net present value savings of over $387 thousand / 4.66% of refunded bonds
- 20-year amortization
- Conservative level debt service

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Bond Ratings

The City is in the process of obtaining the ratings for the 2026 issuances. The current ratings are shown below:

- Standard & Poor's
  - General Obligation/Certificates of Obligation affirmed rating of AAA
  - Water Sewer Revenue Bond affirmed rating AA+ with a stable outlook
- Moody's
  - General Obligation/Certificate of Obligation affirmed rating of Aaa
  - Water Sewer Revenue affirmed rating of Aa1

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Timetable – 2026 Bonds & Obligation

▪ March 17	Council Action (Parameters)
▪ April 16	Rating Conference Calls
▪ **April 27**	**Ratings Received**
▪ May 19	Competitive Bond Sales
▪ June 17	Closing

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