

# FY24 Bond Issuance

City of McKinney, Texas

Financial Services

Mark Holloway – Chief Financial Officer

Kelvin Bryant – Investment & Treasury Manager



## 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



# General Obligation Summary

- **New Money**

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2019 Voter Authorized - Streets & Infrastructure	\$ 34,915,000
2019 Voter Authorized - Public Safety – Fire Headquarters	27,000,000
<u>2024 Voter Authorized – Parks &amp; Recreation</u>	<u>20,000,000</u>
Total GO Bonds to be Issued	\$ 81,915,000

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- **Refunding Bonds**

- \$6,185,000 of 2014 General Obligation and Refunding Bonds currently callable

- **Savings**

- Estimated net present value savings of over \$184 thousand / 10.7% of refunded bonds

- **20-year amortization**

- **Conservative level debt service**



## Certificates of Obligation

- Amount: \$4.5 million
- Proceeds to be used for construction, improvement and extension of drainage projects throughout the City.
- 20 – Year amortization
- Conservative level debt service



## Water & Sewer Revenue Bonds Summary

- New Money

Water Improvement Projects	\$24,300,000
- Ex:	
SH 5 Utility Relocations - Phase 2	
Stonebridge 30" Water Line	
Wastewater Projects	<u>15,650,000</u>
- Ex:	
Wastewater Main CIPP Lining	
Stonebridge Lift Station Abandonment	
<u>Total Revenue Bonds to be Issued</u>	<u>\$39,950,000</u>



## Bond Ratings

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



## Timetable – 2024 Bonds & Obligation

- May 30 & June 05      Rating Conference Calls
- **June 17**                      **Ratings Received**
- June 25                      Council Action (Parameters)
- July 10                      Competitive Bond Sales – GO & CO
- July 11                      Competitive Bond Sale – Water Sewer
- August 06                      Closing

