

2025 CIP DEBT PLAN OF FINANCE

18 February 2025



Blu Kostelich – Assistant City Manager & Chief Financial Officer
Blake Roberts – Managing Director, PFM Financial Advisors LLC
Esther Young – Managing Director, Tijerina Financial Consulting LLC

DISCUSSION AGENDA

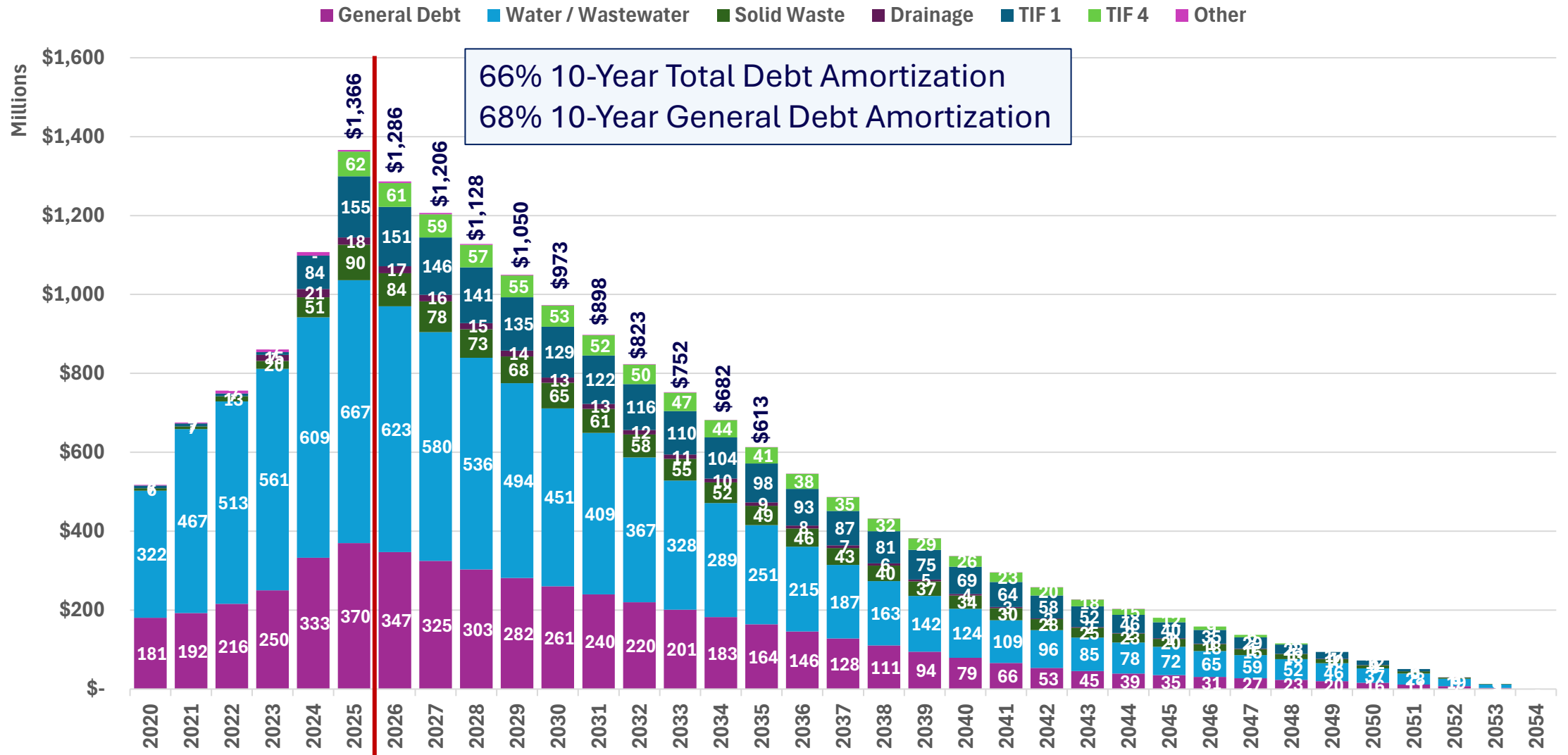
1. Current Debt Profile
2. CIP Sources and Uses
3. 2025 Certificates of Obligation Plan of Finance
4. Rate Impacts



City of Waco Current Debt Profile

CITY OF WACO DEBT PROFILE

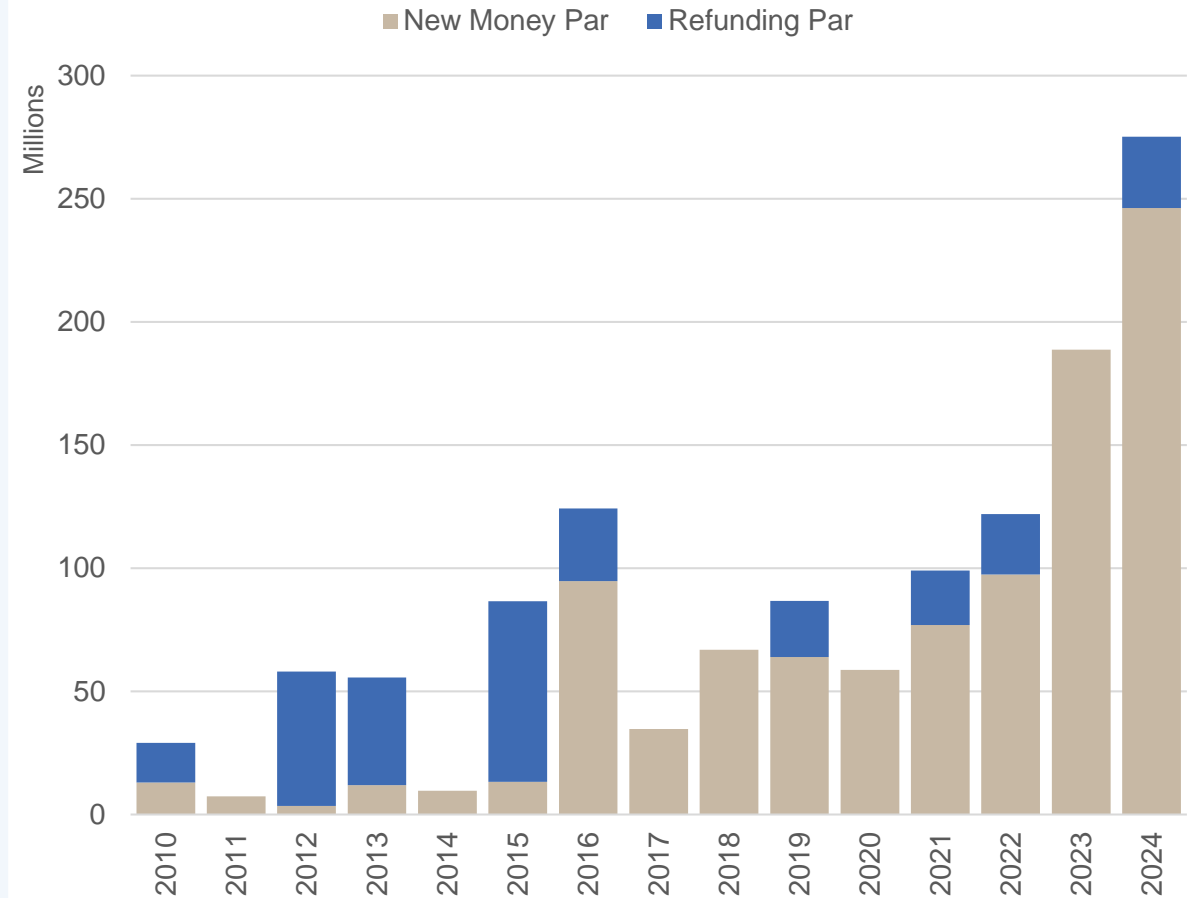
TOTAL DEBT BY FUNDING SOURCE



CITY OF WACO ANNUAL DEBT ISSUANCES

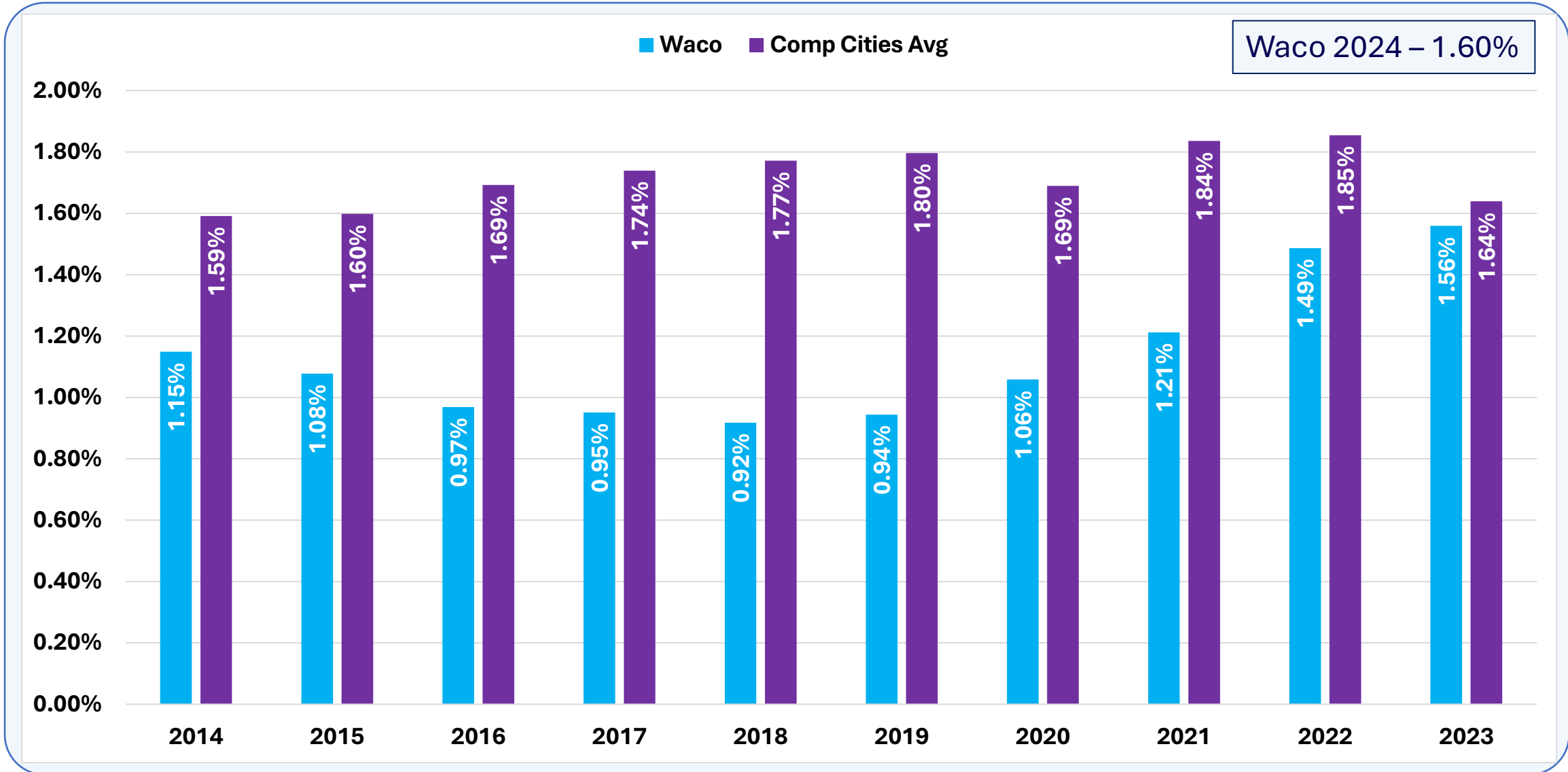
Annual Debt Issuance Amounts by Year

	Total	New Money	Refunding
2024	\$275,145,000	\$246,255,000	\$28,890,000
2023	188,740,000	188,740,000	-
2022	121,970,000	97,400,000	24,570,000
2021	98,980,000	76,830,000	22,150,000
2020	58,710,000	58,710,000	-
2019	86,695,000	63,910,000	22,785,000
2018	66,785,000	66,785,000	-
2017	34,620,000	34,620,000	-
2016	124,160,000	94,690,000	29,470,000
2015	86,545,000	13,235,000	73,310,000
2014	9,650,000	9,650,000	-
2013	55,540,000	11,880,000	43,660,000
2012	58,035,000	3,480,000	54,555,000
2011	7,285,000	7,285,000	-
2010	29,090,000	12,895,000	16,195,000
TOTAL	\$1,301,950,000	\$986,365,000	\$315,585,000



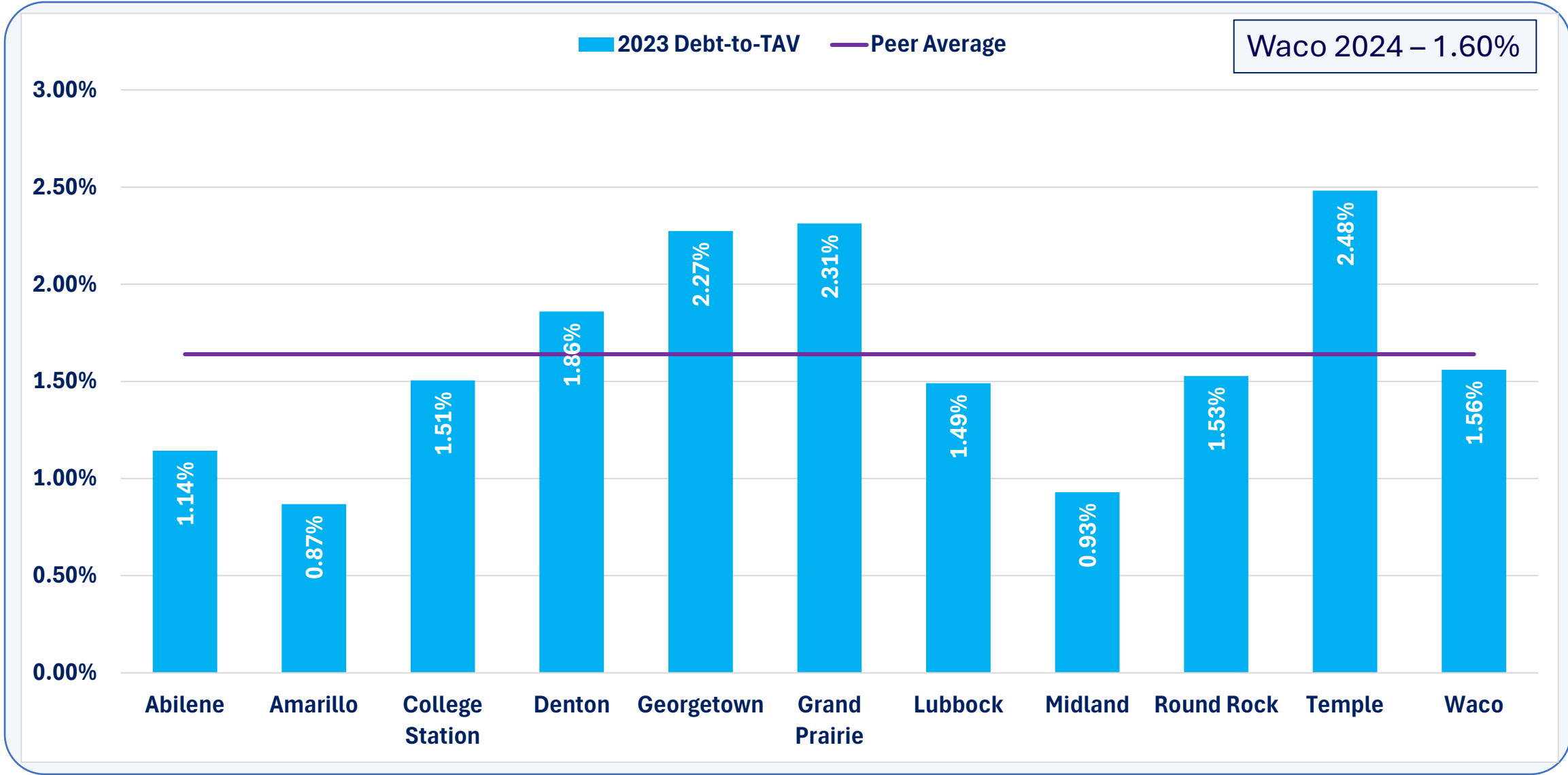
CITY OF WACO DEBT METRICS

TAX-BACKED DEBT-TO-TOTAL ASSESSED VALUATION



CITY OF WACO DEBT METRICS

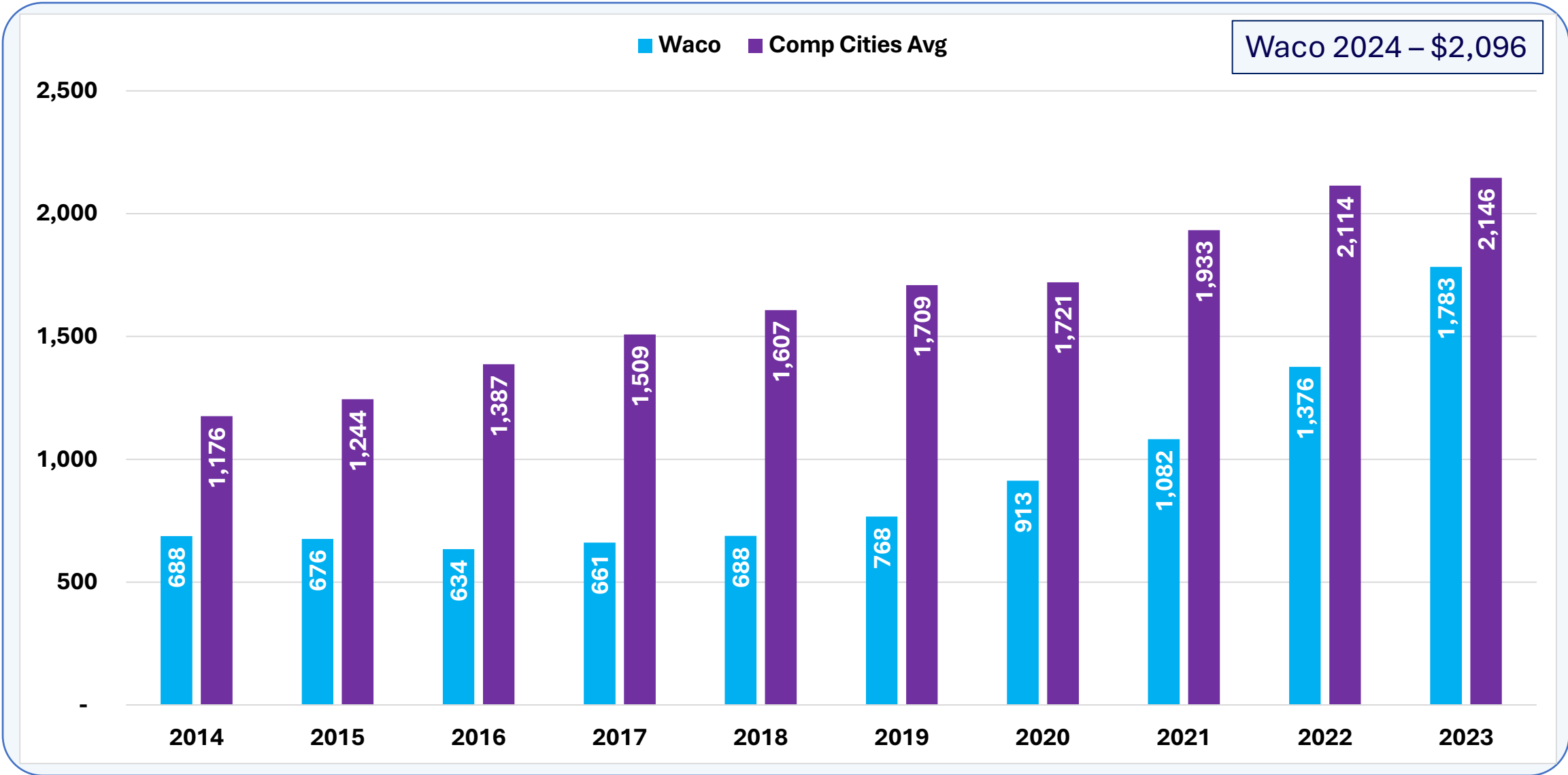
2023 TAX-BACKED DEBT-TO-TAV
PEER CITIES



Comp Cities: Denton, Lubbock, Georgetown, College Station, Round Rock, Amarillo, Grand Prairie, Midland, Abilene, and Temple
Data Sourced from Each City's Annual Comprehensive Financial Report

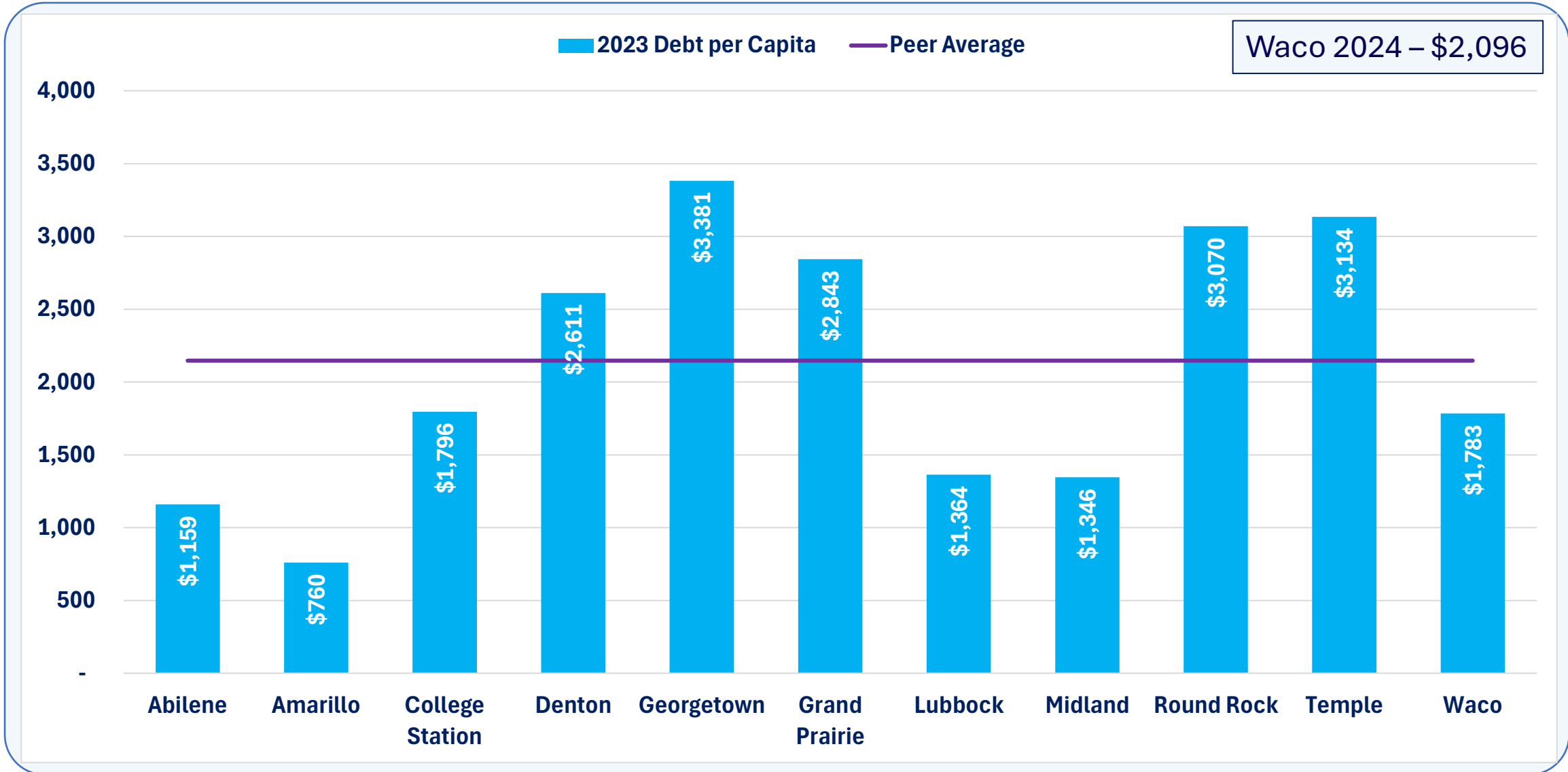
CITY OF WACO DEBT METRICS

TAX-BACKED DEBT PER CAPITA



CITY OF WACO DEBT METRICS

2023 TAX-BACKED DEBT PER CAPITA – PEER CITIES





2025 Debt Funded CIP

2025 CERTIFICATES OF OBLIGATION

Department	Project Number	Request Title	Original	Funding Source	Self-Supporting Pledge
General					
Fire Services	New Project	FY 24/25 Replacement Fire Apparatus	3,602,000	Certificates of Obligation	Street Maintenance Fee
Police Services	23PD2202 & 23PD2201	Police Department Crime Lab & Property Room	1,895,000	Certificates of Obligation	
Engineering Services	18ST2403	W. Warren Road Reconstruction	950,000	Certificates of Obligation	
Engineering Services	18ST2306A	Chapel Road Capacity	8,000,000	Certificates of Obligation	
Engineering Services	18ST2210	Bridge Maintenance Program	2,000,000	Certificates of Obligation	
Engineering Services	18ST2323/18ST2213	Bridge Reconstruction Program	7,500,000	Certificates of Obligation	
Streets - Capital	18ST2502	BSW Program - Rehabilitation (Fair to Good)	30,000,000	Certificates of Obligation	
Streets - Capital	18ST25XX	BSW Program - Reconstruction (Poor to Good)	3,000,000	Certificates of Obligation	
Total General Capital			\$ 56,947,000		
TIF 1					
Engineering Services	18ST2106	Downtown Quiet Zone	10,750,000	Certificates of Obligation	TIF 1
Total TIF			\$ 10,750,000		
Drainage (Tentative - Looking for Cash)					
Stormwater Department	75DR2500	Geegleville Road Regional Drainage Improvements	5,700,000	Certificates of Obligation	Drainage System Revenues
Total Drainage			\$ 5,700,000		
Water/Wastewater/WMARSS					
Waco Metro Area Sewer Sys	62WM2102	WMARSS Bull Hide Creek Wastewater Treatment Plant Expansion	35,000,000	Certificates of Obligation	WMARSS System Revenues
Waco Metro Area Sewer Sys	62WM2001	WMARSS Plant Improvements	3,000,000	Certificates of Obligation	WMARSS System Revenues
Wastewater Department	New Project	Wastewater System Improvements	5,000,000	Certificates of Obligation	Wastewater System Revenues
Wastewater Department	New Project	West Side Lake - Wastewater	6,000,000	Certificates of Obligation	Wastewater System Revenues
Water Department	New Project	Water System Improvements - Streets	3,000,000	Certificates of Obligation	Water System Revenues
Water Department	New Project	Water Transmission Improvements	6,500,000	Certificates of Obligation	Water System Revenues
Water Department	60WA2102	Water System Improvements	2,500,000	Certificates of Obligation	Water System Revenues
Engineering Services	18ST2106	Downtown Quiet Zone	2,100,000	Certificates of Obligation	Water System Revenues
Water Department	60WA2101	Water Plant Improvements - Mt. Carmel, Riverside, DAF	8,900,000	Certificates of Obligation	Water System Revenues
Water Department	New Project	West Side of Lake - Water	13,000,000	Certificates of Obligation	Water System Revenues
Total Water/Wastewater/WMARSS			\$ 85,000,000		
Total Series 2025 Issuance			\$ 158,397,000		

2025 CERTIFICATES OF OBLIGATION

Department	Project Number	Request Title	Original	Updated	Difference	Funding Source	Self-Supporting Pledge
General							
Fire Services	New Project	FY 24/25 Replacement Fire Apparatus	3,602,000	3,602,000	-	Certificates of Obligation	
Police Services	23PD2202 & 23PD2201	Police Department Crime Lab & Property Room	1,895,000	-	(1,895,000)	\$1.25M Cash A&E from unspent project	
Engineering Services	18ST2403	W. Warren Road Reconstruction	950,000	950,000	-	Certificates of Obligation	
Engineering Services	18ST2210	Bridge Maintenance Program	2,000,000	1,300,000	(700,000)	Certificates of Obligation	
Engineering Services	18ST2323/18ST2213	Bridge Reconstruction Program	7,500,000	4,000,000	(3,500,000)	Certificates of Obligation	
Streets - Capital	18ST2502	BSW Program - Rehabilitation (Fair to Good)	30,000,000	30,000,000	-	Certificates of Obligation	
Streets - Capital	18ST25XX	BSW Program - Reconstruction (Poor to Good)	3,000,000	-	(3,000,000)	Certificates of Obligation	
Total General Capital			\$ 48,947,000	\$ 39,852,000	\$ (9,095,000)		
Street Maintenance Fee							
Engineering Services	18ST2306A	Chapel Road Capacity	8,000,000	8,000,000	-	Certificates of Obligation	Street Maintenance Fee
Total Street Maintenance Fee			\$ 8,000,000	\$ 8,000,000	\$ -		
TIF 1							
Engineering Services	18ST2106	Downtown Quiet Zone	10,750,000	10,750,000	-	Certificates of Obligation	TIF 1
Total TIF			\$ 10,750,000	\$ 10,750,000	\$ -		
Drainage (Tentative - Looking for Cash Funding)							
Stormwater Department	75DR2503	Speegleville Road Regional Drainage Improvements	5,700,000	-	(5,700,000)	Cash	Drainage System Revenues
Total Drainage			\$ 5,700,000	\$ -	\$ (5,700,000)		
Water/Wastewater/WMARSS							
Waco Metro Area Sewer Sys	62WM2102	WMARSS Bull Hide Creek Wastewater Treatment Plant Expansion	35,000,000	35,000,000	-	Certificates of Obligation	WMARSS System Revenues
Waco Metro Area Sewer Sys	62WM2001	WMARSS Plant Improvements	3,000,000	3,000,000	-	Certificates of Obligation	WMARSS System Revenues
Wastewater Department	New Project	Wastewater System Improvements	5,000,000	1,000,000	(4,000,000)	\$1.0M CO / \$4M Cash	Wastewater System Revenues
Wastewater Department	New Project	West Side Lake - Wastewater	6,000,000	6,000,000	-	Certificates of Obligation	Wastewater System Revenues
Water Department	New Project	Water System Improvements - Streets	3,000,000	3,000,000	-	Certificates of Obligation	Water System Revenues
Water Department	New Project	Water Transmission Improvements	6,500,000	2,500,000	(4,000,000)	\$2.5M CO / \$4M Cash	Water System Revenues
Water Department	60WA2102	Water System Improvements	2,500,000	2,500,000	-	Certificates of Obligation	Water System Revenues
Engineering Services	18ST2106	Downtown Quiet Zone	2,100,000	2,100,000	-	Certificates of Obligation	Water System Revenues
Water Department	60WA2101	Water Plant Improvements - Mt. Carmel, Riverside, DAF	8,900,000	8,900,000	-	Certificates of Obligation	Water System Revenues
Water Department	New Project	West Side of Lake - Water	13,000,000	13,000,000	-	Certificates of Obligation	Water System Revenues
Total Water/Wastewater/WMARSS			\$ 85,000,000	\$ 77,000,000	\$ (8,000,000)		
Total Series 2025 Issuance			\$ 158,397,000	\$ 135,602,000	\$ (22,795,000)		



2025 Certificates of Obligation Plan of Finance



City of Waco

2025 Capital Improvement Program & Bond Financing Discussion

PFM Financial Advisors LLC
Tijerina Financial Consulting LLC

February 18, 2025

PFM Financial Advisors LLC
101 Congress Ave
Austin, TX 78701
512.614.5324
pfm.com

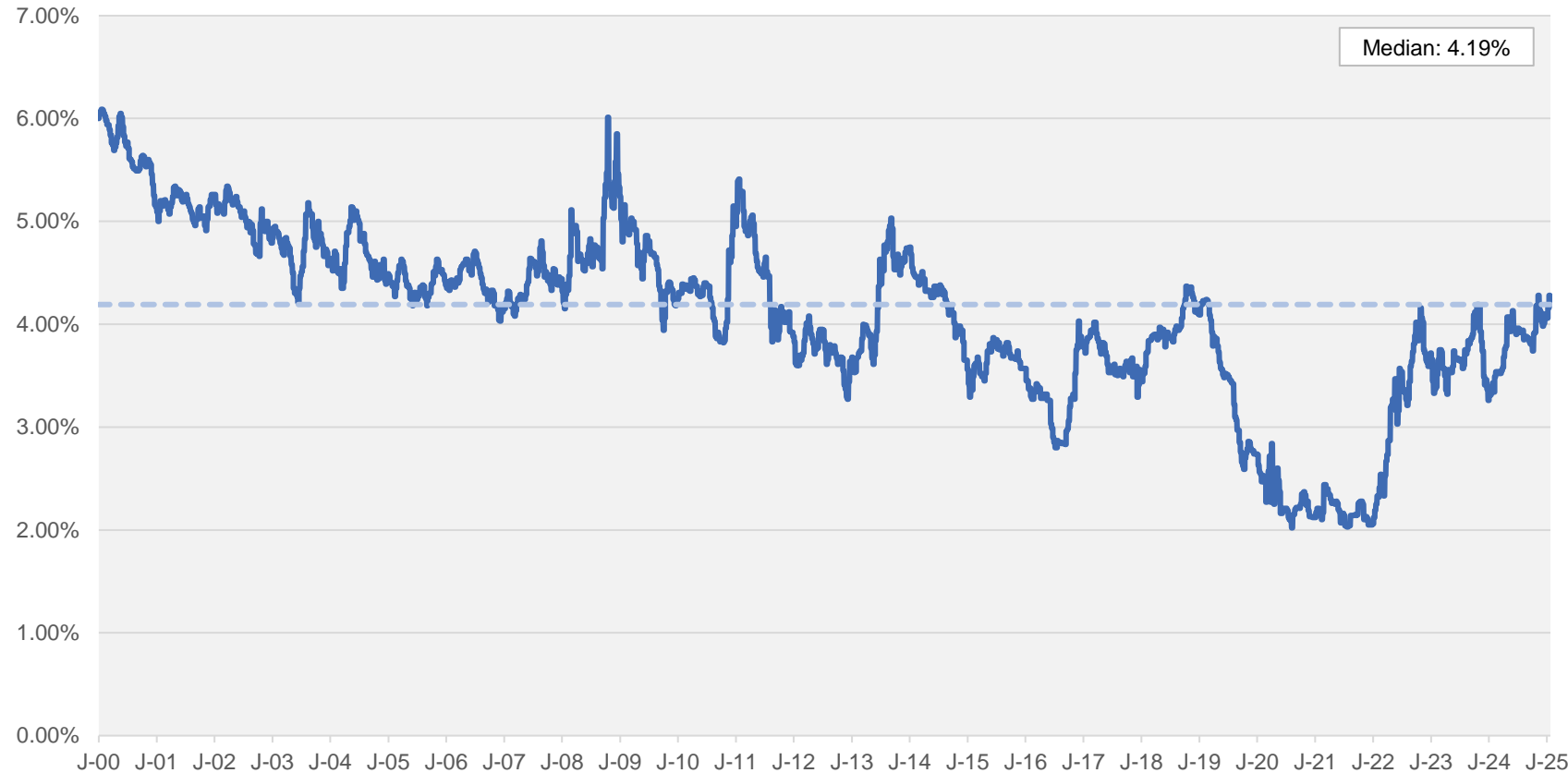
6301 Gaston Ave
West Tower, Suite 1238
Dallas, TX 75214
214.974.8949
tfcma.com

Executive summary – Waco 2025 Bond Financing Plan

- ◆ Issuance of approximately \$135.6* million of tax-exempt Certificates of Obligation in April 2025 will fund city-wide capital improvements
- ◆ Tax-exempt bonds to be issued will fund capital improvements for general government, street maintenance, TIF 1, and Water
- ◆ Financial Advisor is also monitoring an issuance of General Obligation Refunding Bonds to refinance certain outstanding callable bonds for interest cost savings – would only be issued if there are savings that benefit the City of Waco
- ◆ Issuance of COs will take place in April
- ◆ Waco maintains bond ratings of Aa1 and AA+
- ◆ Key Dates:
 - February 18 – City Council approval of notice of intent to issue
 - April 15* - City Council approval of bond sale
 - April 23* – Bond pricing, lock-in interest rates
 - May 15* – bond closing, receive bond proceeds

Interest rates from an historical perspective (2000-Present)

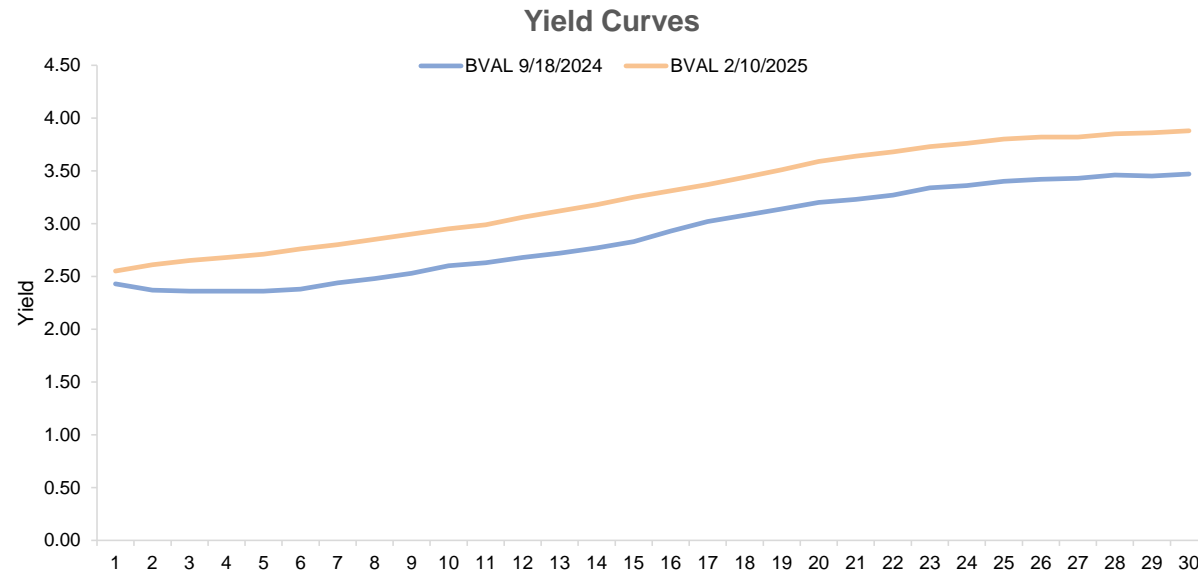
Historical Tax-Exempt Interest Rates - 2000 to Present
Bond Buyer - 20 GO Bond Index



Source: The Bond Buyer. The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.

A new market paradigm: tax-exempt interest rates have climbed as Fed cuts short-term rates

- Tax-exempt and taxable interest rates have been climbing since the Fed began its rate cutting cycle in September 2024
- Following release of a run of strong US economic data, the market has begun to reduce its expectations for rate cuts in 2025
- If new administration comes out quickly and aggressively on trade, negative impacts on both domestic and foreign growth could push the Fed towards additional adjustment cuts.



Source: BVAL, PFM Municipal Market Data.

Summary of projects to be funded by 2025 COs

Department	Project	Project Fund Amount
General Government		\$39,852,000.00
Fire Services	FY 24/25 Replacement Fire Apparatus	\$3,602,000.00
Engineering Services	W. Warren Road Reconstruction	\$950,000.00
Engineering Services	Bridge Maintenance Program	\$1,300,000.00
Engineering Services	Bridge Reconstruction Program	\$4,000,000.00
Streets - Capital	BSW Program - Rehabilitation	\$30,000,000.00
Street Maintenance Fee		\$8,000,000.00
Engineering Services	Chapel Road Capacity	\$8,000,000.00
TIF 1		\$10,750,000.00
Engineering Services	Downtown Quiet Zone	\$10,750,000.00
Water		\$77,000,000.00
Waco Metro Area Sewer Sys	Bull Hide Creek Wastewater Treatment Plant Expansion	\$35,000,000.00
Waco Metro Area Sewer Sys	Plant Improvements	\$3,000,000.00
Wastewater Department	Wastewater System Improvements	\$1,000,000.00
Wastewater Department	West Side Lake - Wastewater	\$6,000,000.00
Water Department	Water System Improvements - Streets	\$3,000,000.00
Water Department	Water Transmission Improvements	\$2,500,000.00
Water Department	Water System Improvements	\$2,500,000.00
Engineering Services	Downtown Quiet Zone	\$2,100,000.00
Water Department	Water Plant Improvements - Mt. Carmel, Riverside, DAF	\$8,900,000.00
Water Department	West Side of Lake - Water	\$13,000,000.00
TOTAL		\$135,602,000.00

Summary of existing and new principal balances outstanding

Summary of Principal Outstanding by Department														
		I&S Tax- Supported		Water		Sewer ⁽¹⁾		Solid Waste		Drainage		TIF	Street Maintenance Fee	Total
Existing	\$	268,800,000	\$	251,090,000	\$	249,540,000	\$	56,140,000	\$	12,940,000	\$	120,080,000	-	958,590,000
Proposed '25 C/Os		36,540,000		29,380,000		41,955,000		-		-		9,800,000	7,345,000	125,020,000
Total	\$	305,340,000	\$	280,470,000	\$	291,495,000	\$	56,140,000	\$	12,940,000	\$	129,880,000	\$ 7,345,000	\$ 1,083,610,000

Summary of callable bonds in 2025

- The City of Waco has currently callable bonds that are eligible to be refinanced, dependent upon market conditions
- PFM is monitoring the net present value savings produced by refunding the currently callable bonds shown below
- A bond refunding transaction would only be brought back to City Council for approval if prevailing interest rates would generate savings for the City

Refunding Candidates				
Series	Currently Callable Principal	Final Maturity	Interest Rate Range	Call Date
2014 C/Os	2,635,000	2/1/2030	3.000 - 3.500%	2/1/2023
2015 GO Ref Bds	2,110,000	2/1/2030	3.000%	2/1/2024
2015 C/Os	4,845,000	2/1/2035	3.000 - 4.000%	2/1/2024
2016 GO Ref Bds	25,010,000	2/1/2037	3.000 - 4.000%	2/1/2025
2016 C/Os	54,690,000	2/1/2036	3.000 - 5.000%	2/1/2025
	\$89,290,000			

Illustrative* financing results for 2025 COs

2025 Certificates of Obligation – Indicative bond summary statistics	
Final Maturity	February 1, 2055
Average Life (years)	13.8 years
Assumed Ratings	Aa1 (Moody's) / AA+ (S&P)
Net Interest Cost	4.35%
True Interest Cost	4.09%
All-in True Interest Cost	4.14%
Optional Redemption Date	TBD
Total Project Fund Deposit (\$000s)	\$135,602
Total Estimated Debt Service (\$000s)	\$211,275
Average Annual Debt Service (\$000s)	\$7,111

**All figures are preliminary and subject to change. Assumes interest rates as of February 11, 2025. Scale assumes Aa1/AA+ ratings. Assumes \$10.00 for combined COI/UWD (issuance expenses).*

Total Existing Debt Service

Fiscal Year End 9/30	Water System	Sewer System ⁽¹⁾	Solid Waste System	Tax Increment Reinvestment Zones	Drainage System	Street Maintenance Fee	Total Self-Supported Debt Service Requirements	Net Tax-Supported Debt Service Requirements	Total
2025	\$ 24,009,163	\$ 21,579,083	\$ 5,846,767	\$ 6,964,754	\$ 960,250	\$ -	\$ 59,360,018	\$ 22,677,252	\$ 82,037,270
2026	22,137,432	21,271,650	5,849,769	6,600,463	962,525	-	56,821,839	22,669,996	79,491,835
2027	22,035,252	21,150,500	5,838,291	6,599,338	959,075	-	56,582,456	22,503,096	79,085,552
2028	22,229,418	21,298,500	5,314,737	6,591,588	962,700	-	56,396,944	21,562,996	77,959,940
2029	21,632,644	21,202,988	4,635,183	7,470,738	958,200	-	55,899,753	21,534,221	77,433,973
2030	21,634,253	21,190,738	3,232,279	8,349,763	962,450	-	55,369,482	20,993,558	76,363,040
2031	20,797,259	20,982,338	3,232,190	8,352,613	960,325	-	54,324,725	20,665,417	74,990,142
2032	20,849,884	20,932,684	3,125,149	8,343,738	956,950	-	54,208,406	20,163,361	74,371,767
2033	20,873,443	18,737,081	3,117,804	8,714,001	962,075	-	52,404,404	18,798,133	71,202,537
2034	20,309,724	18,265,759	3,121,615	8,718,985	958,500	-	51,374,583	18,389,798	69,764,381
2035	20,001,972	17,885,447	3,089,319	8,716,225	961,475	-	50,654,437	18,304,717	68,959,155
2036	18,801,034	17,495,269	3,103,438	8,722,925	958,325	-	49,080,991	18,195,346	67,276,337
2037	14,290,154	13,836,638	3,094,002	8,708,883	957,300	-	40,886,976	18,048,359	58,935,335
2038	11,095,603	12,982,859	3,101,124	8,717,076	960,600	-	36,857,262	17,350,086	54,207,348
2039	9,751,709	11,000,925	3,099,237	8,717,031	960,000	-	33,528,903	16,387,172	49,916,074
2040	8,324,147	9,323,731	3,098,227	8,710,371	958,200	-	30,414,676	15,142,699	45,557,375
2041	7,071,838	8,396,200	3,093,329	8,716,484	960,100	-	28,237,950	13,391,040	41,628,990
2042	5,749,563	7,098,475	2,782,923	8,719,740	960,600	-	25,311,300	12,278,660	37,589,960
2043	4,321,763	6,463,500	2,457,188	8,714,725	175,700	-	22,132,876	8,139,068	30,271,943
2044	2,522,763	4,268,425	2,457,449	8,715,202	176,000	-	18,139,839	5,962,968	24,102,806
2045	2,403,863	4,110,325	2,447,984	8,714,790	176,100	-	17,853,062	4,283,258	22,136,320
2046	2,409,663	4,111,075	2,448,887	8,718,198	176,000	-	17,863,822	4,284,034	22,147,856
2047	2,407,163	4,106,650	2,450,078	8,715,117	175,700	-	17,854,708	3,695,952	21,550,659
2048	2,406,338	4,121,600	2,456,151	8,705,032	180,100	-	17,869,220	3,694,293	21,563,514
2049	2,406,963	4,120,600	2,451,860	8,711,685	179,200	-	17,870,308	3,687,434	21,557,742
2050	3,361,244	5,620,619	2,476,358	5,781,988	178,100	-	17,418,309	4,131,880	21,550,189
2051	3,401,344	5,433,850	2,552,246	5,783,833	176,800	-	17,348,073	4,194,716	21,542,789
2052	3,354,188	5,508,700	2,476,820	5,781,939	175,300	-	17,296,947	4,256,299	21,553,246
2053	3,934,813	6,095,344	1,492,771	-	178,500	-	11,701,427	4,520,612	16,222,040
2054	3,720,156	5,295,450	1,464,778	-	-	-	10,480,384	2,607,257	13,087,641
	\$ 348,244,747	\$ 363,887,002	\$ 95,407,953	\$ 224,777,225	\$ 19,227,150	\$ -	\$ 1,051,544,077	\$ 392,513,676	\$ 1,444,057,753

(1) Sewer includes WMARSS and Wastewater

2025 CO Debt Service*

Fiscal Year End 9/30	Water System	Sewer System ⁽¹⁾	Solid Waste System	Tax Increment Reinvestment Zones	Drainage System	Street Maintenance Fee	Total Self-Supported Debt Service Requirements	Total Tax-Supported Debt Service Requirements	Total
2025	\$ -	\$ -		\$ -		\$ -	\$ -	\$ -	\$ -
2026	2,349,497	2,867,233		593,444		586,156	6,396,331	2,212,700	8,609,031
2027	2,346,500	2,870,750		490,000		589,125	6,296,375	3,221,250	9,517,625
2028	2,348,750	2,864,375		490,000		587,125	6,290,250	3,218,000	9,508,250
2029	2,348,500	2,861,125		490,000		584,625	6,284,250	3,221,000	9,505,250
2030	2,345,750	2,865,625		490,000		586,500	6,287,875	3,215,125	9,503,000
2031	2,345,375	2,862,750		928,750		587,625	6,724,500	3,210,375	9,934,875
2032	2,352,000	2,862,500		930,625		588,000	6,733,125	3,216,250	9,949,375
2033	2,355,375	2,864,625		926,375		587,625	6,734,000	3,207,625	9,941,625
2034	2,350,625	2,859,125		930,875		586,500	6,727,125	3,209,375	9,936,500
2035	2,347,750	2,865,750		929,000		584,625	6,727,125	3,215,875	9,943,000
2036	2,346,500	2,864,250		930,750		586,875	6,728,375	2,636,750	9,365,125
2037	2,346,625	2,864,625		926,125		588,125	6,725,500	2,637,625	9,363,125
2038	2,343,000	2,861,750		930,000		588,375	6,723,125	2,634,250	9,357,375
2039	2,340,500	2,865,375		927,250		587,625	6,720,750	2,636,375	9,357,125
2040	2,348,625	2,865,250		927,875		585,875	6,727,625	2,638,625	9,366,250
2041	2,342,250	2,861,375		926,750		588,000	6,718,375	2,635,875	9,354,250
2042	2,351,125	2,863,500		928,750		584,000	6,727,375	2,637,875	9,365,250
2043	2,340,125	2,866,250		928,750		588,750	6,723,875	2,639,250	9,363,125
2044	2,349,000	2,869,375		926,750		587,125	6,732,250	2,634,875	9,367,125
2045	2,347,250	2,862,875		927,625		584,250	6,722,000	2,639,375	9,361,375
2046	-	2,130,375		-		-	2,130,375	-	2,130,375
2047	-	2,132,375		-		-	2,132,375	-	2,132,375
2048	-	2,130,875		-		-	2,130,875	-	2,130,875
2049	-	2,130,750		-		-	2,130,750	-	2,130,750
2050	-	2,131,750		-		-	2,131,750	-	2,131,750
2051	-	2,128,750		-		-	2,128,750	-	2,128,750
2052	-	2,131,500		-		-	2,131,500	-	2,131,500
2053	-	2,129,750		-		-	2,129,750	-	2,129,750
2054	-	2,128,375		-		-	2,128,375	-	2,128,375
2055	-	2,132,000		-		-	2,132,000	-	2,132,000
	\$ 46,945,122	\$ 78,594,983	\$ -	\$ 16,479,694	\$ -	\$ 11,736,906	\$ 153,756,706	\$ 57,518,450	\$ 211,275,156

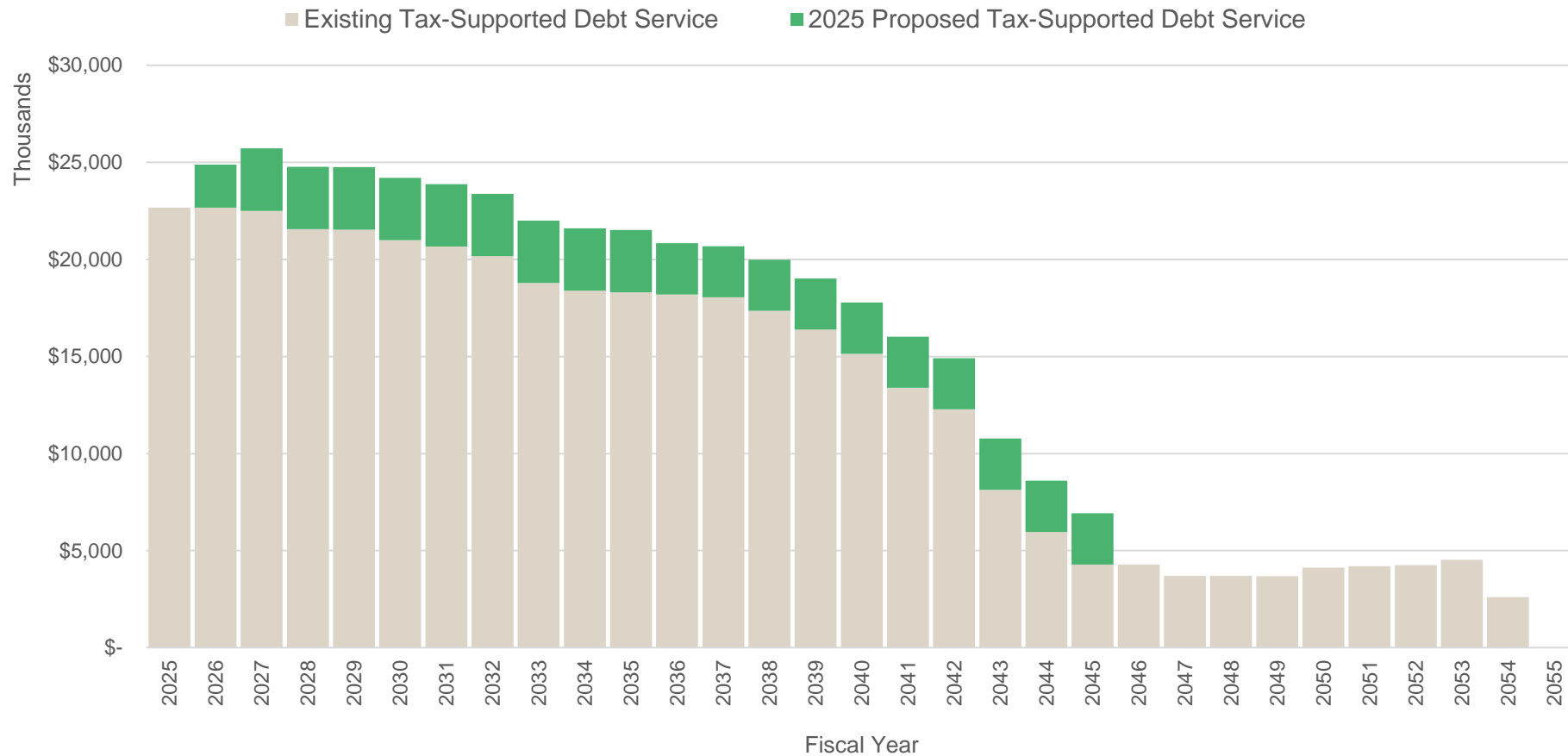
Existing Debt Service Plus Proposed 2025 CO's*

Fiscal Year End	Water System	Sewer System ⁽¹⁾	Solid Waste System	Tax Increment Reinvestment Zones	Drainage System	Street Maintenance Fee	Total Self-Supported Debt Service Requirements	Total Tax-Supported Debt Service Requirements	Total
2025	\$ 24,009,163	\$ 21,579,083	\$ 5,846,767	\$ 6,964,754	\$ 960,250	\$ -	\$ 59,360,018	\$ 22,677,252	\$ 82,037,270
2026	24,486,929	24,138,883	5,849,769	7,193,908	962,525	586,156	63,218,170	24,882,696	88,100,865
2027	24,381,752	24,021,250	5,838,291	7,089,338	959,075	589,125	62,878,831	25,724,346	88,603,177
2028	24,578,168	24,162,875	5,314,737	7,081,588	962,700	587,125	62,687,194	24,780,996	87,468,190
2029	23,981,144	24,064,113	4,635,183	7,960,738	958,200	584,625	62,184,003	24,755,221	86,939,223
2030	23,980,003	24,056,363	3,232,279	8,839,763	962,450	586,500	61,657,357	24,208,683	85,866,040
2031	23,142,634	23,845,088	3,232,190	9,281,363	960,325	587,625	61,049,225	23,875,792	84,925,017
2032	23,201,884	23,795,184	3,125,149	9,274,363	956,950	588,000	60,941,531	23,379,611	84,321,142
2033	23,228,818	21,601,706	3,117,804	9,640,376	962,075	587,625	59,138,404	22,005,758	81,144,162
2034	22,660,349	21,124,884	3,121,615	9,649,860	958,500	586,500	58,101,708	21,599,173	79,700,881
2035	22,349,722	20,751,197	3,089,319	9,645,225	961,475	584,625	57,381,562	21,520,592	78,902,155
2036	21,147,534	20,359,519	3,103,438	9,653,675	958,325	586,875	55,809,366	20,832,096	76,641,462
2037	16,636,779	16,701,263	3,094,002	9,635,008	957,300	588,125	47,612,476	20,685,984	68,298,460
2038	13,438,603	15,844,609	3,101,124	9,647,076	960,600	588,375	43,580,387	19,984,336	63,564,723
2039	12,092,209	13,866,300	3,099,237	9,644,281	960,000	587,625	40,249,653	19,023,547	59,273,199
2040	10,672,772	12,188,981	3,098,227	9,638,246	958,200	585,875	37,142,301	17,781,324	54,923,625
2041	9,414,088	11,257,575	3,093,329	9,643,234	960,100	588,000	34,956,325	16,026,915	50,983,240
2042	8,100,688	9,961,975	2,782,923	9,648,490	960,600	584,000	32,038,675	14,916,535	46,955,210
2043	6,661,888	9,329,750	2,457,188	9,643,475	175,700	588,750	28,856,751	10,778,318	39,635,068
2044	4,871,763	7,137,800	2,457,449	9,641,952	176,000	587,125	24,872,089	8,597,843	33,469,931
2045	4,751,113	6,973,200	2,447,984	9,642,415	176,100	584,250	24,575,062	6,922,633	31,497,695
2046	2,409,663	6,241,450	2,448,887	8,718,198	176,000	-	19,994,197	4,284,034	24,278,231
2047	2,407,163	6,239,025	2,450,078	8,715,117	175,700	-	19,987,083	3,695,952	23,683,034
2048	2,406,338	6,252,475	2,456,151	8,705,032	180,100	-	20,000,095	3,694,293	23,694,389
2049	2,406,963	6,251,350	2,451,860	8,711,685	179,200	-	20,001,058	3,687,434	23,688,492
2050	3,361,244	7,752,369	2,476,358	5,781,988	178,100	-	19,550,059	4,131,880	23,681,939
2051	3,401,344	7,562,600	2,552,246	5,783,833	176,800	-	19,476,823	4,194,716	23,671,539
2052	3,354,188	7,640,200	2,476,820	5,781,939	175,300	-	19,428,447	4,256,299	23,684,746
2053	3,934,813	8,225,094	1,492,771	-	178,500	-	13,831,177	4,520,612	18,351,790
2054	3,720,156	7,423,825	1,464,778	-	-	-	12,608,759	2,607,257	15,216,016
2055	-	2,132,000	-	-	-	-	2,132,000	-	2,132,000
	\$ 395,189,869	\$ 442,481,986	\$ 95,407,953	\$ 241,256,920	\$ 19,227,150	\$ 11,736,906	\$ 1,205,300,782	\$ 450,032,126	\$ 1,655,332,909

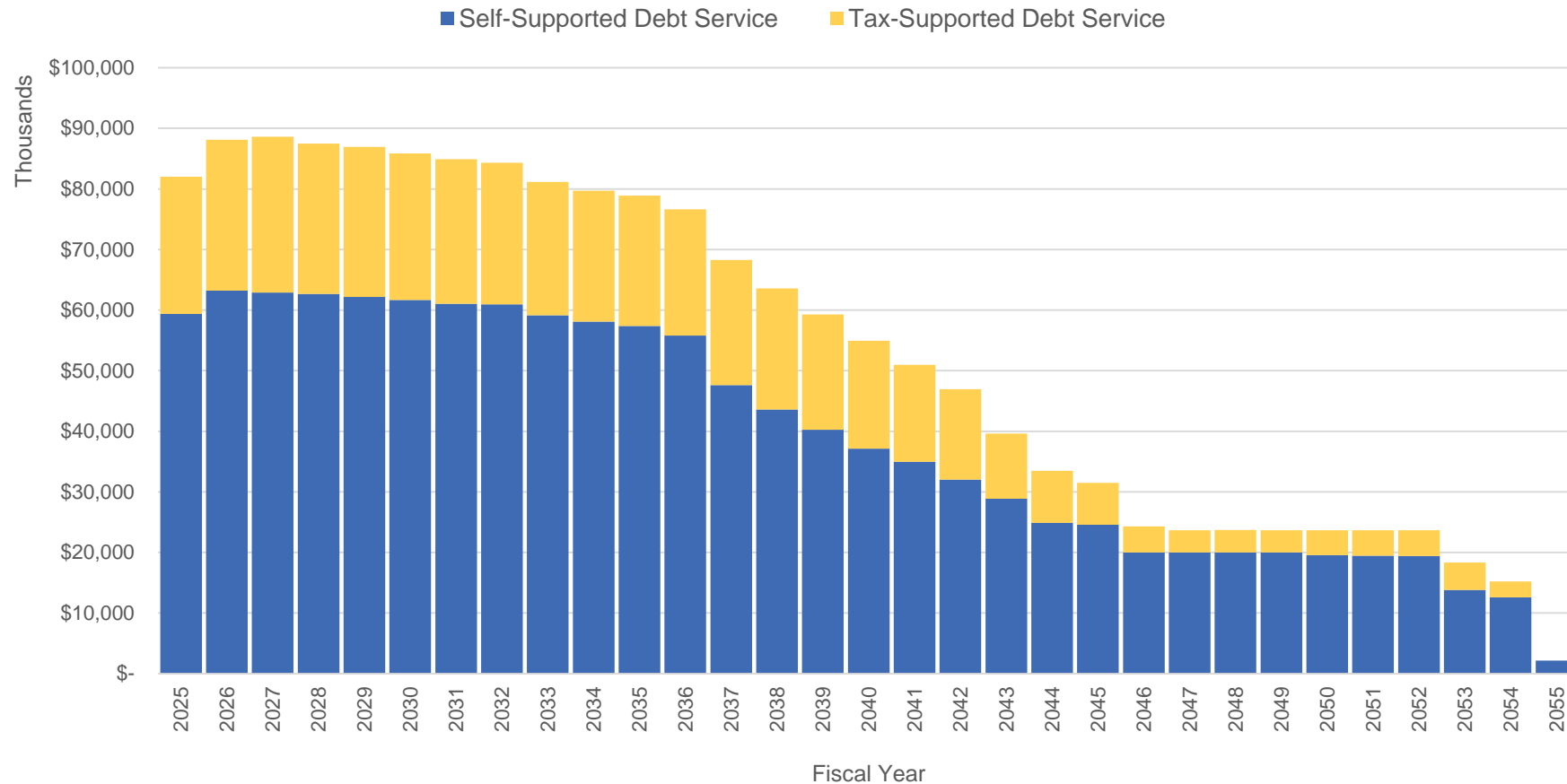
*2025 C/O component of numbers is preliminary and subject to change. Preliminary figures calculated based on current market rates as of 2/11/2025

(1) Sewer includes WMARSS and Wastewater

City's debt service repaid from ad valorem tax rate following 2025 CO issuance



City's total debt service following 2025 CO issue (tax-supported and self-supported from enterprise funds)



2025 Financing Timeline

Date	Key Action
February 18	City Council Meeting Approve plan of finance and bond underwriting syndicate
February 22*	Publish first public notice of intention to issue COs
March 1*	Publish second public notice of intention to issue COs
Week of March 24*	Rating Agency meetings with Moody's & S&P
April 15*	City Council approval of paramaters bond sale
April 23*	Bond pricing
May 15*	Bond closing

Waco maintains strong bond ratings of Aa1/AA+

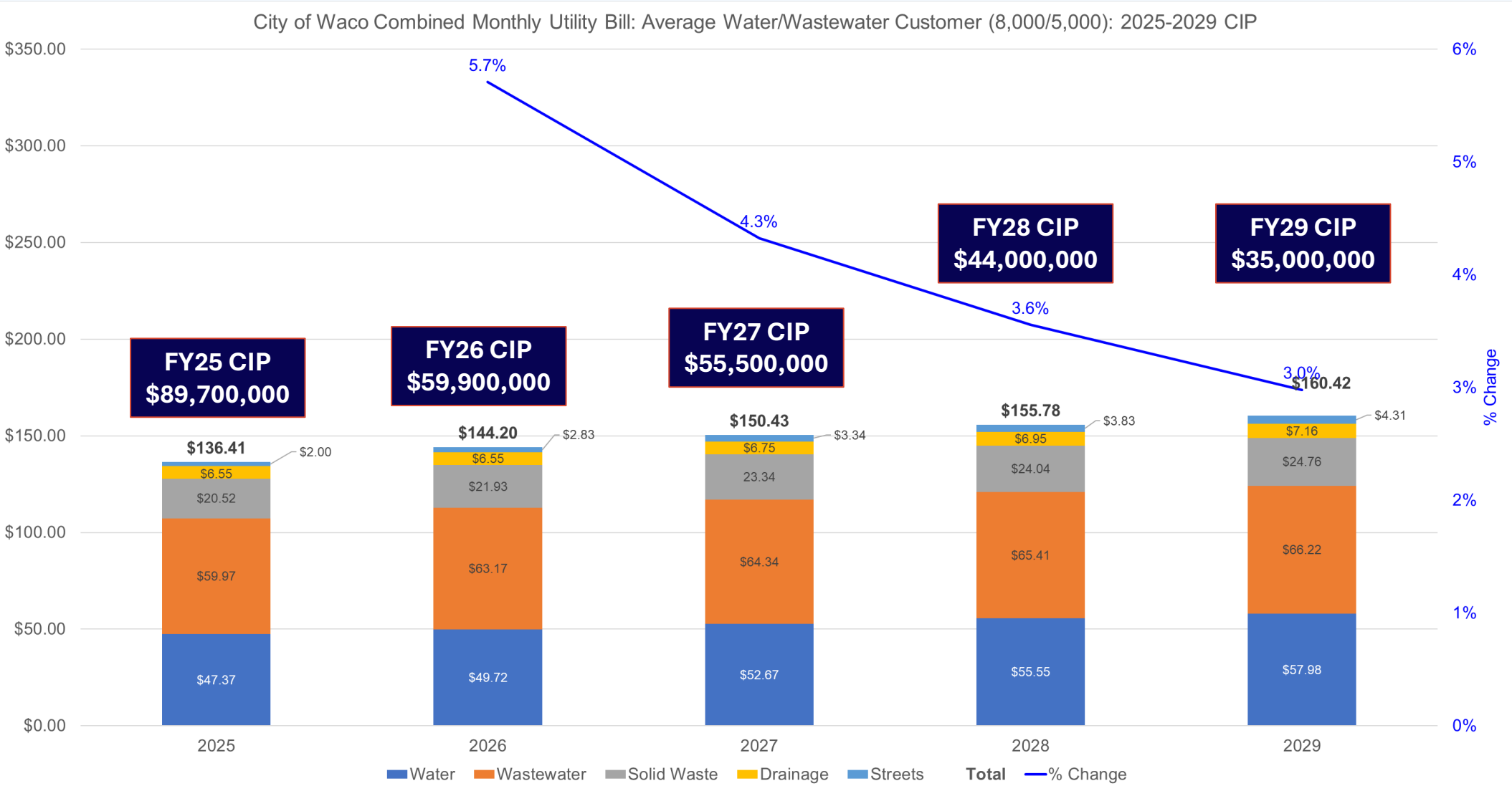
Credit Rating Scale		Credit Rating Commentary	
Moody's and S&P's Ratings on Waco	Aaa/AAA	Highest Quality Credit (Lowest default risk)	
	Aa1/AA+		+ Strong, growing economy
	Aa2/AA	High Grade / High Quality	
	Aa3/AA-		+ Well-managed financial operations
	A1/A+		
	A2/A	Upper Medium Grade	
	A3/A-		+ Strong financial reserves
	Baa1/BBB+		• Weak income indices
	Baa2/BBB	Minimum Investment Grade	• Elevated outstanding debt compared to peers
	Baa3/BBB-		
Non-Investment Grade / Speculative			
Ba/BB			
C	Highly Speculative		
D	Imminent or in Default		

- + Strong, growing economy
- + Well-managed financial operations
- + Strong financial reserves
- Weak income indices
- Elevated outstanding debt compared to peers



CIP Utility Rate Impacts

RATE IMPACT: 2025 RECOMMENDED CIP, 2026-2029 REQUESTED CIP



FINAL REVIEW

1. CIP Plan - \$176.7 million
 1. General CIP - \$65,848,767
 1. Cash - \$19,996,767
 2. Debt - \$39,852,000
 3. Street Fee Debt - \$8,000,000
 2. Water/Wastewater CIP - \$89.7 million
 1. Cash - \$12,700,000
 2. Debt - \$77,000,000
 3. Other Funds CIP - \$21.1 million
 1. Cash - \$10,354,335
 2. Debt - \$10,750,000 (TIF1)
2. 2025 Certificates of Obligation Plan of Finance estimated at 3.97% all-in True Interest Cost
3. Utility rate impact of 5.7%, or \$7.79 per month in FY 2026
4. Current debt metrics trending towards peers; future planning geared towards leveling Waco's trend

Questions & Discussion