

City of Waco, Texas

2020 Bond Transaction Discussion

January 7, 2020

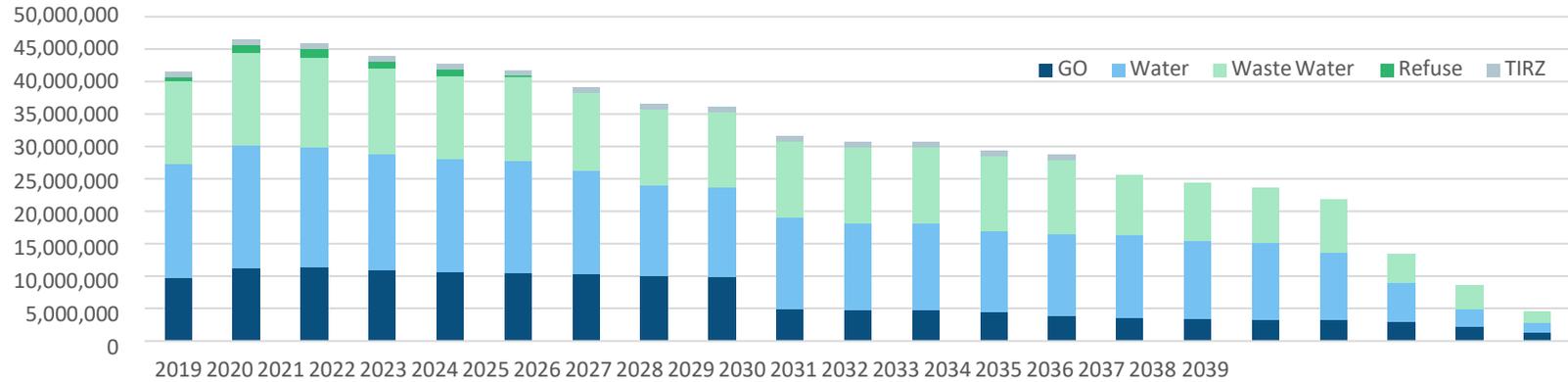


Summary of Certificates of Obligation

Preliminary Statistics - Rates as of January 6, 2020		Fiscal Year	General Gov	Water System	WMARSS	Waste Water	
		(9/30)	Projects	Projects	Projects	Projects	Total
Par Amount*	59,440,000	2021	1,827,435	1,311,786	352,429	607,135	4,098,785
Total Debt Service*	81,918,210	2022	1,828,050	1,310,675	350,650	604,650	4,094,025
Average Annual Debt Service*	4,095,910	2023	1,829,800	1,306,175	351,400	608,650	4,096,025
All-in True Interest Cost*	2.450%	2024	1,829,050	1,309,925	351,650	606,775	4,097,400
Summary of Projects		2025	1,831,250	1,310,700	352,450	605,950	4,100,350
Government Projects	28,630,000	2026	1,826,850	1,308,900	353,850	606,250	4,095,850
Water System Projects	20,500,000	2027	1,830,650	1,310,800	349,950	605,950	4,097,350
WMARSS Projects (Water System)	5,500,000	2028	1,827,550	1,306,400	350,750	605,050	4,089,750
Waste Water System Projects	9,500,000	2029	1,827,550	1,310,600	351,150	608,450	4,097,750
Total Project Fund Amount	64,130,000	2030	1,830,450	1,308,300	351,150	606,150	4,096,050
		2031	1,828,225	1,309,525	352,075	605,525	4,095,350
		2032	1,826,375	1,309,525	353,975	606,650	4,096,525
		2033	1,828,250	1,308,625	350,650	607,325	4,094,850
		2034	1,828,775	1,306,825	352,100	607,550	4,095,250
		2035	1,827,950	1,309,050	353,250	607,325	4,097,575
		2036	1,830,700	1,310,225	349,175	606,650	4,096,750
		2037	1,827,025	1,310,350	349,875	605,525	4,092,775
		2038	1,826,925	1,309,425	350,275	608,875	4,095,500
		2039	1,830,250	1,307,450	350,375	606,700	4,094,775
		2040	1,827,000	1,309,350	350,175	609,000	4,095,525
			36,570,110	26,184,611	7,027,354	12,136,135	81,918,210

*Preliminary, subject to change. Rates as of January 6, 2020.

Debt Service - Outstanding



	GO	Water	Waste Water	Refuse	TIRZ	Total Debt Service
2019	9,709,665	17,568,805	12,767,617	629,867	858,852	41,534,805
2020	11,275,588	18,856,867	14,277,102	1,258,164	865,200	46,532,921
2021	11,356,413	18,485,531	13,770,519	1,329,325	864,900	45,806,687
2022	10,909,913	17,870,562	13,271,669	1,006,250	780,725	43,839,119
2023	10,649,819	17,309,496	12,883,794	999,250	780,350	42,622,708
2024	10,450,263	17,314,566	12,881,244	312,625	783,600	41,742,298
2025	10,264,600	15,952,323	12,112,844	0	780,475	39,110,241
2026	10,033,531	13,924,638	11,783,369	0	780,975	36,522,513
2027	9,839,138	13,827,471	11,667,919	0	784,850	36,119,377
2028	4,955,288	14,026,612	11,809,494	0	782,100	31,573,493
2029	4,699,234	13,431,297	11,716,456	0	781,350	30,628,338
2030	4,697,531	13,426,847	11,714,156	0	781,475	30,620,009
2031	4,359,266	12,609,556	11,503,844	0	784,350	29,257,015
2032	3,854,875	12,644,125	11,441,619	0	781,550	28,722,169
2033	3,631,575	12,667,665	9,251,069	0	0	25,550,309
2034	3,469,459	12,050,746	8,907,253	0	0	24,427,458
2035	3,362,259	11,725,987	8,496,541	0	0	23,584,787
2036	3,245,666	10,440,390	8,106,431	0	0	21,792,487
2037	2,975,550	5,900,448	4,459,319	0	0	13,335,316
2038	2,163,934	2,766,544	3,669,678	0	0	8,600,156
2039	1,342,275	1,423,625	1,677,844	0	0	4,443,744
Total	137,245,841	274,224,098	218,169,779	5,535,481	11,190,752	646,365,950

Method of Sale/Parameter Approval

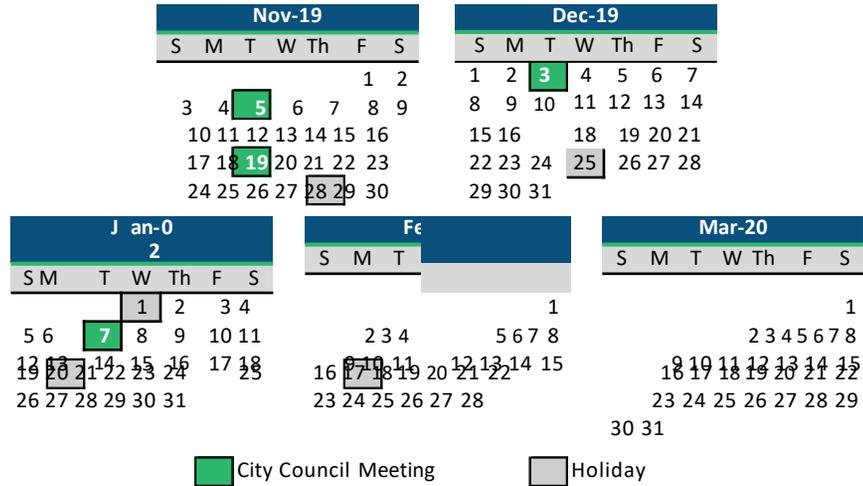
❖ **Competitive Sale**

- The bid that results in the lowest effective cost for the issuer is chosen.
 - Highly rated, well known, frequent issuers
 - General Obligation or Strong System Revenues
 - Traditional bond structures
 - Stable, predictable market conditions with light issuance

❖ **Parameters:**

- Maximum Rate: 3.75%
- Maximum Par Amount: \$65,000,000

Timeline



Date	Action	Responsible Party
Tue - Nov 5	» Council Meeting - Adopt Notice of Intent and Discuss Plan of Finance	City
Thu - Nov 7	» Publish First Notice of Intent	City
Mon - Jan 7	» Council Meeting - Adopt Ordinance & Sale Parameters, Approve Preliminary Official Statement and Notice of Sale	City
Thu - Jan 30	» Electronically Distribute POS	FA
Wed - Feb 5	» Receive Ratings	FA
Thu - Feb 13	» PRICING	City/FA
Fri - Feb 21	» Print Final Official Statement	FA
Thu - Mar 5	» Closing Memo Distributed	FA
Thu - Mar 12	» CLOSING	FWG

*Preliminary, subject to change.

DISCLOSURE

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Masterson Advisors LLC and its associated persons.

Conflicts of Interest

Masterson Advisors LLC represents that in connection with the issuance of municipal securities, Masterson Advisors LLC may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Masterson Advisors LLC hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Masterson Advisors LLC’s ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Masterson Advisors LLC’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

If Masterson Advisors LLC becomes aware of any additional potential or actual conflict of interest after this disclosure, Masterson Advisors LLC will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

Masterson Advisors LLC does not have any legal events or disciplinary history on Masterson Advisors LLC’s Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access Masterson Advisors LLC’s most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html. - ^w

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Masterson Advisors LLC, Masterson Advisors LLC will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Masterson Advisors LLC, its management and personnel.



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