

Information Related to Proposed Refunding of Series 2013A

PARAMETER BOND SALE

Same as Series 2009, 2011, 2012,
2013A&B, 2014, 2016ABC&D, 2018,
2019, 2019A and 2020

- ❑ **Board delegates final pricing authority to Pricing Officer(s)**
- ❑ **Board establishes bond sale parameters:**
 - ▶ Maximum Interest Rate
 - ▶ Minimum Savings Threshold for Refunding
 - ▶ Aggregate Principal Amount of Issue
 - ▶ Final Maturity Date
 - ▶ Expiration of Delegated Authority
 - 6 Months
- ❑ **Pricing Officer(s) can only approve sale if Board parameters are met**

Section 1207 of the Government Code allows refunding bonds via a Parameter Sale

Reason for Parameter Bond Sale = FLEXIBILITY

Market Timing – Bond issue is in ‘Day-to-Day’ mode, meaning bonds can be priced at any time and in an interest rate environment that is advantageous rather than being locked into pricing on the date of a Board meeting.

REFUNDING ANALYSIS

Bond Issue to be Refunded – Series 2013A

Unlimited Tax School Building Bonds, Series 2013A

- Original Par Amount: **\$25,350,000**
- Callable Principal Amount: **\$17,775,000**
- Callable Principal Maturity Dates: **2024 - 2043**
- Interest Rates: **3.25 – 5.00%**
- Call Date: **August 15, 2022**

<u>Maturity Date</u>	<u>Par Amount</u>	<u>Interest Rate</u>	<u>Refunded Amount</u>	<u>Call Date</u>
8/15/2021	\$ 435,000	5.00%	\$ -	
8/15/2022	140,000	5.00%	-	
8/15/2023	-	0.00%	-	
8/15/2024	580,000	3.25%	580,000	8/15/2022
8/15/2025	600,000	4.00%	600,000	8/15/2022
8/15/2026	625,000	3.75%	625,000	8/15/2022
8/15/2027	645,000	3.75%	645,000	8/15/2022
8/15/2028	670,000	4.00%	670,000	8/15/2022
8/15/2029	695,000	4.00%	695,000	8/15/2022
8/15/2030	725,000	4.00%	725,000	8/15/2022
8/15/2031	755,000	5.00%	755,000	8/15/2022
8/15/2032	790,000	5.00%	790,000	8/15/2022
8/15/2033	830,000	5.00%	830,000	8/15/2022
8/15/2034	870,000	5.00%	870,000	8/15/2022
8/15/2035	915,000	5.00%	915,000	8/15/2022
8/15/2036	960,000	4.50%	960,000	8/15/2022
8/15/2037	1,005,000	4.50%	1,005,000	8/15/2022
8/15/2038	1,050,000	4.50%	1,050,000	8/15/2022
8/15/2039	1,095,000	5.00%	1,095,000	8/15/2022
8/15/2040	1,150,000	5.00%	1,150,000	8/15/2022
8/15/2041	1,210,000	5.00%	1,210,000	8/15/2022
8/15/2042	1,270,000	5.00%	1,270,000	8/15/2022
8/15/2043	1,335,000	5.00%	1,335,000	8/15/2022
	<u>\$18,350,000</u>		<u>\$17,775,000</u>	

C O P P E L L I S D

Current Refunding– Series 2013A (based on current market rates)

Year	Refunded Debt Service	Unrefunded Debt Service	Refunding Debt Service	Savings	Call Date	8/15/2022
2021	\$ 1,284,500	\$ 463,750	\$ 818,764	\$ 1,986	Maturities	2024-2043
2022	967,750	147,000	614,967	205,783	Refunded Principal	\$ 17,775,000
2023	820,750	-	614,967	205,783	Average Coupon of Refunded Bonds	4.77%
2024	1,400,750	-	1,189,967	210,783	True Interest Cost (TIC) on Refunding Bonds	2.37%
2025	1,401,900	-	1,194,967	206,933	Negative Arbitrage	\$ 738,142
2026	1,402,900	-	1,194,967	207,933	Net Present Value Savings	\$ 3,478,535
2027	1,399,463	-	1,189,454	210,009	Percentage Savings of Refunded Bonds = 19.57%	
2028	1,400,275	-	1,192,646	207,630		
2029	1,398,475	-	1,189,369	209,106		
2030	1,400,675	-	1,190,089	210,587		
2031	1,401,675	-	1,195,125	206,551		
2032	1,398,925	-	1,188,933	209,993		
2033	1,399,425	-	1,191,667	207,759		
2034	1,397,925	-	1,188,558	209,368		
2035	1,399,425	-	1,189,225	210,200		
2036	1,398,675	-	1,189,002	209,673		
2037	1,400,475	-	1,193,719	206,756		
2038	1,400,250	-	1,192,650	207,600		
2039	1,398,000	-	1,190,926	207,074		
2040	1,398,250	-	1,188,547	209,703		
2041	1,400,750	-	1,190,513	210,237		
2042	1,400,250	-	1,191,143	209,107		
2043	1,401,750	-	1,190,972	210,778		
	<u>\$ 31,073,213</u>	<u>\$ 610,750</u>	<u>\$ 25,871,134</u>	<u>\$ 4,591,329</u>		

At Minimum Recommended Parameter – 10% PV Savings¹

¹ For illustration only, minimum subject to Board direction.

Year	Refunded Debt Service	Unrefunded Debt Service	Refunding Debt Service	Savings
2021	\$ 1,284,500	\$ 463,750	\$ 819,091	\$ 1,659
2022	967,750	147,000	707,130	113,620
2023	820,750	-	707,130	113,620
2024	1,400,750	-	1,287,130	113,620
2025	1,401,900	-	1,287,130	114,770
2026	1,402,900	-	1,287,130	115,770
2027	1,399,463	-	1,282,130	117,333
2028	1,400,275	-	1,285,461	114,814
2029	1,398,475	-	1,282,155	116,320
2030	1,400,675	-	1,287,685	112,990
2031	1,401,675	-	1,287,200	114,475
2032	1,398,925	-	1,285,363	113,562
2033	1,399,425	-	1,282,134	117,291
2034	1,397,925	-	1,282,928	114,997
2035	1,399,425	-	1,282,122	117,303
2036	1,398,675	-	1,285,146	113,529
2037	1,400,475	-	1,287,476	112,999
2038	1,400,250	-	1,283,651	116,599
2039	1,398,000	-	1,283,836	114,164
2040	1,398,250	-	1,282,866	115,384
2041	1,400,750	-	1,285,741	115,009
2042	1,400,250	-	1,286,830	113,420
2043	1,401,750	-	1,286,583	115,167
	<u>\$ 31,073,213</u>	<u>\$ 610,750</u>	<u>\$ 27,934,048</u>	<u>\$ 2,528,415</u>

Call Date	8/15/2022
Maturities	2024-2043
Refunded Principal	\$ 17,775,000
Average Coupon of Refunded Bonds	4.77%
True Interest Cost (TIC) on Refunding Bonds	3.06%
Negative Arbitrage	\$ 962,524
Net Present Value Savings	\$ 1,788,292

Percentage Savings of Refunded Bonds = 10.06%

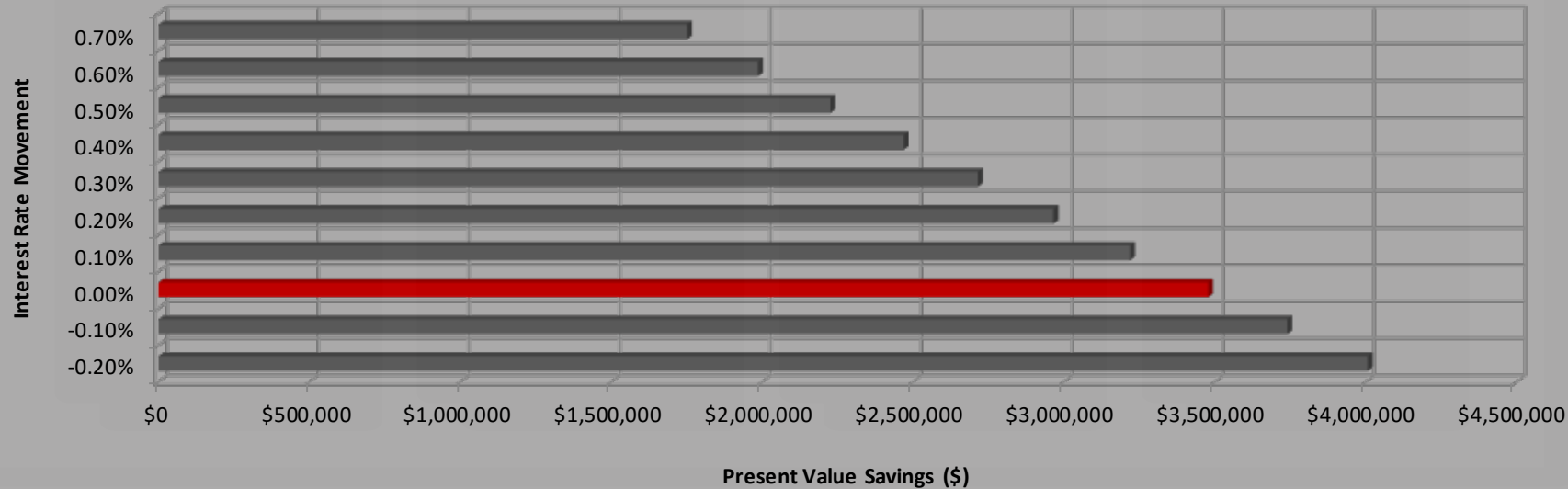
C O P P E L L I S D

Refunding Savings Sensitivity

Recommended
Minimum PV



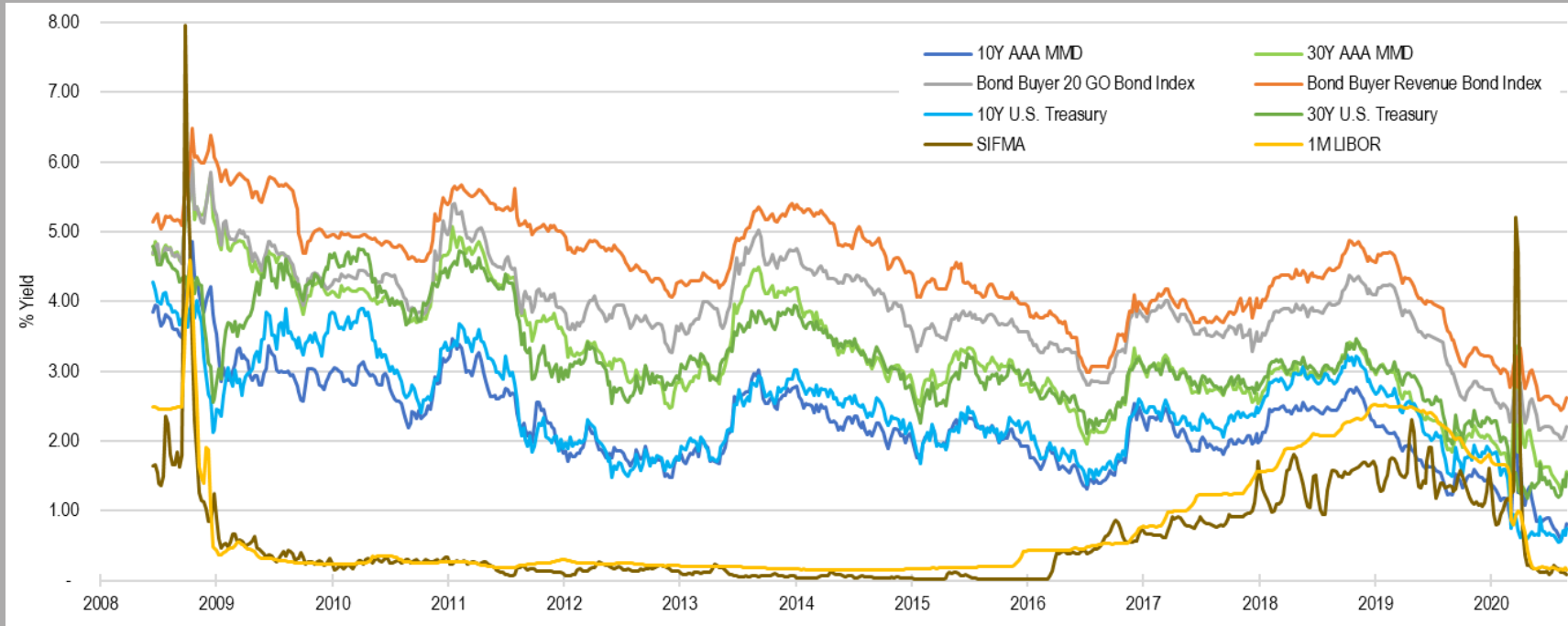
Interest Rate Change	-0.20%	-0.10%	0.00%	0.10%	0.20%	0.30%	0.40%	0.50%	0.60%	0.70%
PV Savings (\$)	4,007,378	3,740,446	3,478,535	3,219,731	2,965,583	2,715,435	2,469,447	2,226,499	1,987,011	1,751,642
PV Savings (%)	22.55%	21.04%	19.57%	18.11%	16.68%	15.28%	13.89%	12.53%	11.18%	9.85%



C O P P E L L I S D

MARKET UPDATE

Weekly Benchmark Interest Rates

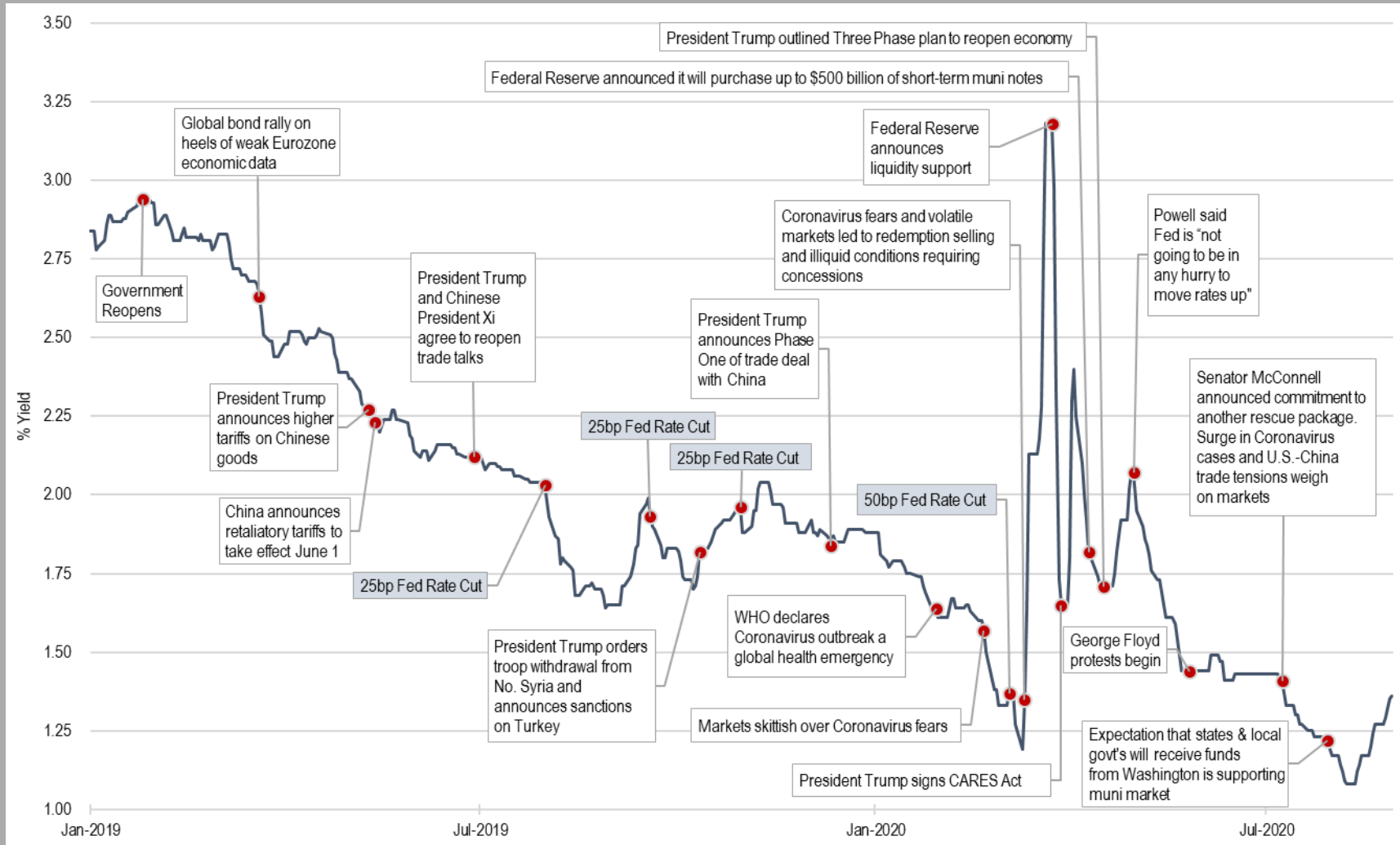


	10Y AAA MMD	30Y AAA MMD	Bond Buyer 20 GO Bond Index	Bond Buyer Revenue Bond Index	10Y U.S. Treasury	30Y U.S. Treasury	SIFMA	1M LIBOR
Current	0.81	1.56	2.20	2.62	0.74	1.52	0.09	0.16
Maximum	4.86	5.92	6.01	6.48	4.27	4.79	7.96	4.59
Minimum	0.58	1.27	2.02	2.44	0.55	1.17	0.01	0.15
Average	2.31	3.37	3.95	4.50	2.49	3.26	0.64	0.84
% Time Lower	0.9%	1.4%	1.5%	1.5%	3.2%	3.3%	21.9%	6.5%

Source: Refinitiv Municipal Market Data, U.S. Treasury and Bloomberg

Change in 20-Year MMD

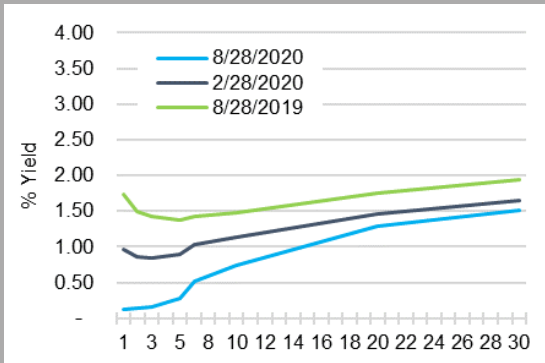
Change in 20-Year MMD with Market Commentary



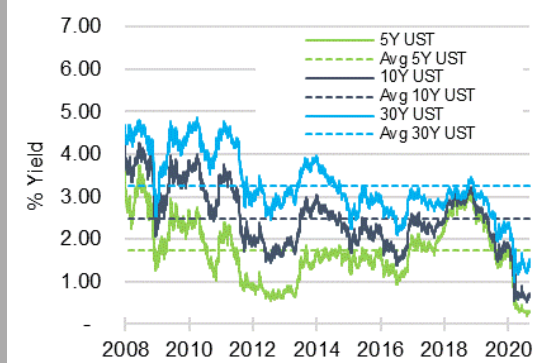
Source: Refinitiv Municipal Market Data and HilltopSecurities

Taxable Market Overview | U.S. Treasuries

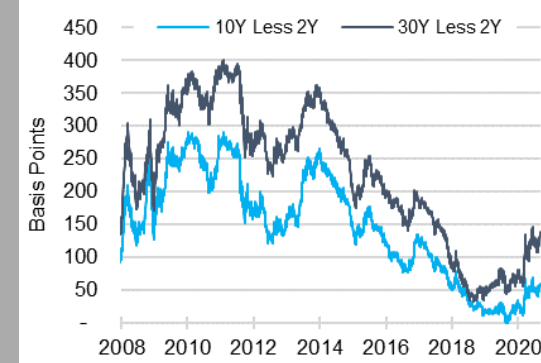
UST Yield Curve Comparison



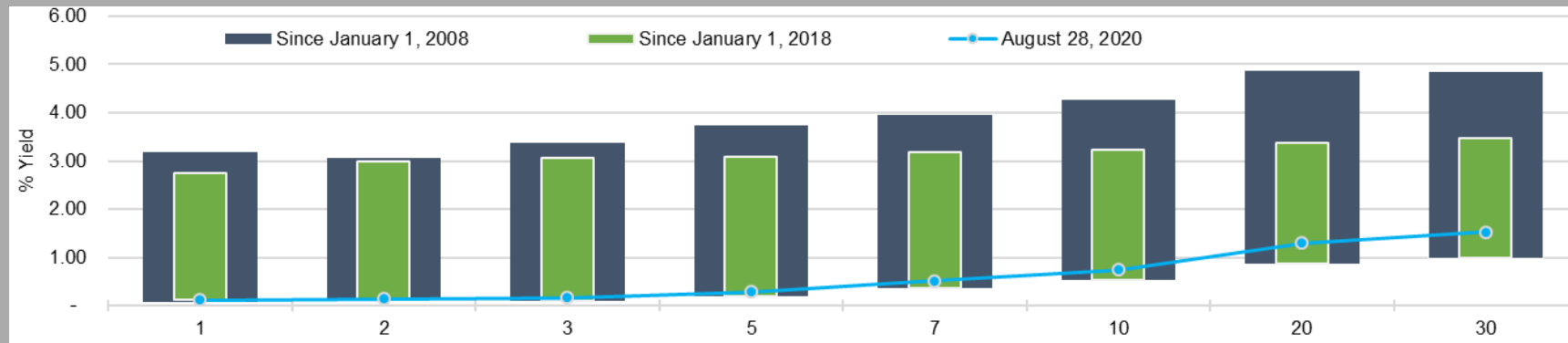
UST Rates – 1/1/08 to 8/28/20



UST Yield Curve Steepness - 1/1/08 to 8/28/20



Maximum and Minimum UST Yields



Source: U.S. Treasury Department