

*Overview of General Obligation Refunding Bond Analysis*

**Lubbock County, Texas**

*September 27, 2021*



**SPECIALIZED PUBLIC FINANCE INC.**  
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## Overview of Refunding Opportunity

- The County could refinance the Series 2013 General Obligation Bonds for a lower interest rate and approximately \$158,741 in savings.
- The Series 2013 Bonds have interest rates between 3.00% and 4.00%. The refunding analysis reflects assumes the bonds could be refinanced at a rate of 1.00% which reflects interest rates as of September 22<sup>nd</sup> plus 20 basis points (subject to change with market movements).
- Due to the Federal Tax Reform in 2017, the earliest the Series 2013 Bonds may be refinanced on a tax-exempt basis is November 18, 2021.

<b>Refunded Obligations</b>					<b>Projected Annual Savings</b>			
Issue	Maturities	Interest Rate	Amount	Callable	FYE 9/30	Existing D/S	Post-Refunding Net D/S	Savings
Series 2013 Bonds	2023-2026	3.00%-4.00%	\$3,405,000	2/15/2022	2022	\$ 795,550	\$ 790,434	\$ 5,116
					2023	793,850	755,750	38,100
					2024	962,125	925,000	37,125
					2025	960,900	922,250	38,650
					2026	963,900	924,150	39,750
<b>Summary of Results</b>								
Par Amount of Refunding Bonds								
				\$3,465,000				
Est. True Interest Cost (TIC)					1.00%			
						\$ 4,476,325	\$ 4,317,584	\$ 158,741
<b>Total Debt Service Savings</b>								
				\$	<b>158,741</b>			
<b>Net Present Value Savings (\$)</b>								
				\$	<b>150,286</b>			
<b>Net Present Value Savings (%)</b>								
								<b>4.414%</b>

Note: Interest Rates as of September 22, 2021 and include a 20 basis point cushion to account for unexpected market movements. Preliminary, subject to change. Assumes the refunding bonds close on December 16, 2021.



## Sources and Uses of Funds

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<b>Estimated Sources and Uses of Funds</b>	
<b>General Obligation Refunding Bonds, Series 2021</b>	
Par Amount of Bonds	\$3,465,000
Net Reoffering Premium	90,425
<b>Total Sources</b>	<b>\$3,555,425</b>
Costs of Issuance	\$85,000
Deposit to Current Refunding Fund	3,468,551
Rounding Amount	1,874
<b>Total Uses</b>	<b>\$3,555,425</b>
Notes:	
Note: Preliminary, subject to change. Assumes the refunding bonds close on December 16, 2021.	







## Overview of Refunding Opportunity

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An overview of a parameters bond sale for the Series 2021 Bonds:

- The proposed parameters are designed to provide the City with flexibility to access the bond market in a timely and efficient manner with the goal of achieving the lowest possible cost of funds.
- In a parameters sale, the Court delegates final pricing authority to the selected pricing officer(s).

### *Parameters Overview (2021 Bonds – Refunding)*

Maximum Allowable Par Amount.....\$4,000,000 Par Amount of Bonds

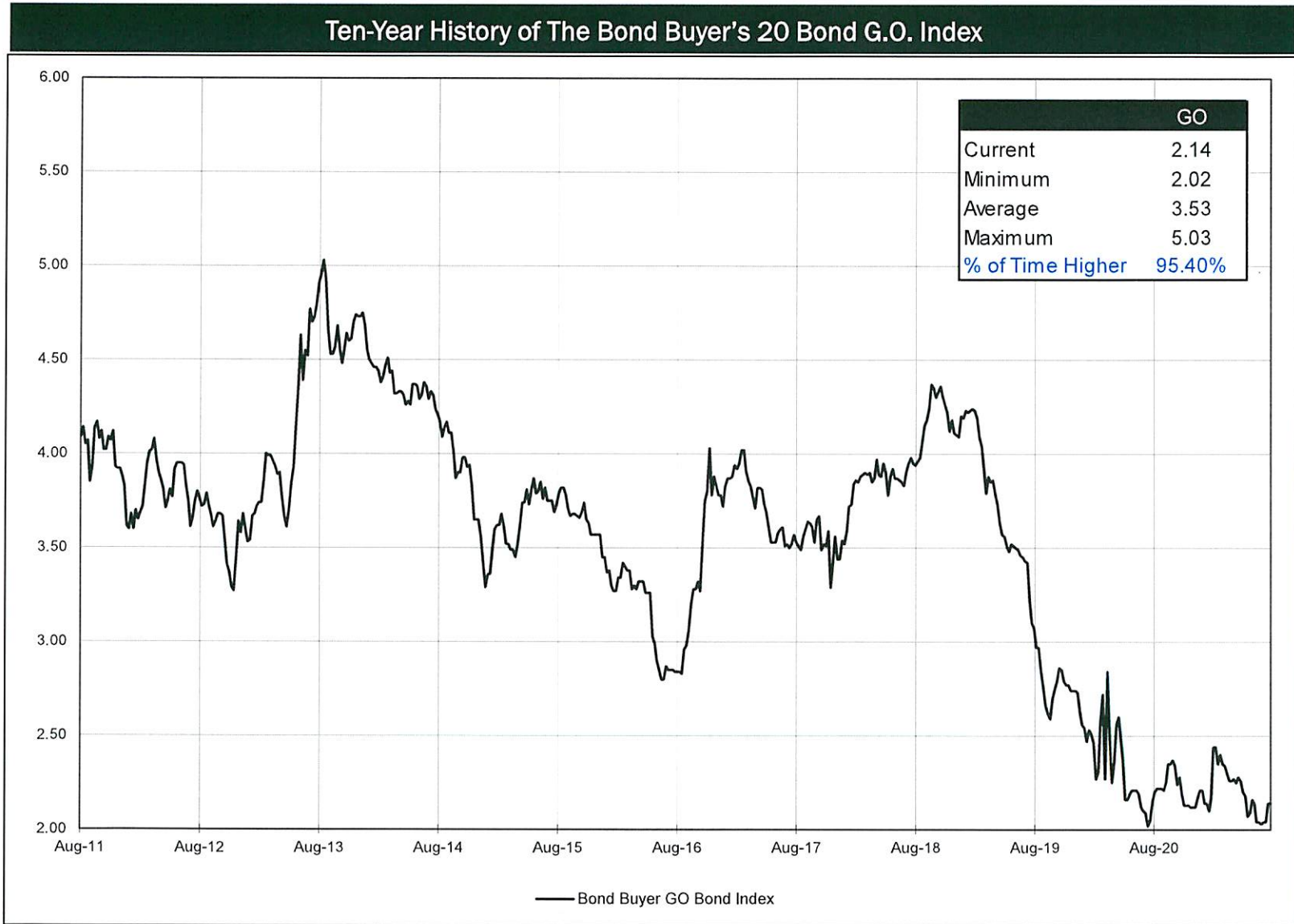
Net Present Value Savings.....Minimum NPV Savings: 3.00%

Maximum Allowable Interest Rate.....True Interest Cost: 1.65%

Maximum Final Maturity.....February 15, 2026



# Historical Interest Rates - Bond Buyer Index





# Preliminary Refunding Timeline

September							October							November							December						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4						1	2		1	2	3	4	5	6				1	2	3	4
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
26	27	28	29	30			24	25	26	27	28	29	30	28	29	30					26	27	28	29	30	31	
							31																				

Denotes Commissioners Court Meeting Date  
 Denotes Closing Date

Date	Task
<b>Monday, September 27, 2021</b>	<u>Court Meeting</u> - Financing update to the Court from Specialized Public Finance Inc. ("SPFI") for the Refunding Bonds. The Court will consider an Order authorizing a Parameters Sale of the Bonds. (10:00 am).
<b>Week of: Monday, October 4, 2021</b>	SPFI to distribute the Preliminary Official Statement ("POS") for comment and requests the rating from S&P's Global Ratings ("S&P").
<b>Week of: Monday, October 18, 2021</b>	Rating call with S&P.
<b>Friday, November 5, 2021</b>	Rating is received from S&P. SPFI to post the POS for potential investors.
<b>Tuesday, November 16, 2021</b>	<u>Competitive Sale</u> - Bids are received from broker/dealers. Bids are tabulated and verified by SPFI. Pricing Officer executes the bond documents.
<b>Monday, November 22, 2021</b>	<u>Court Meeting</u> – If necessary, SPFI will update the Court on the financing. (10:00 am)
<b>Thursday, December 16, 2021</b>	<u>Closing</u> – The County receives the Bond proceeds into the escrow to pay off the outstanding obligations.