

Sale Presentation

City of Amarillo, Texas

June 19, 2018



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

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GENERAL OBLIGATION BONDS, SERIES 2018

REGULAR AGENDA ITEM #2:
DISCUSSION AND CONSIDERATION OF ORDINANCE NUMBER 7734



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the General Obligation Bonds

Transaction Overview



- On Tuesday, June 19th at 10:00 A.M., Specialized Public Finance Inc. (“SPFI”) competitively bid \$22,145,000 General Obligation Bonds, Series 2018 (the “Bonds”).
- The City of Amarillo (the “City”) received seven (7) bids on the Bonds with Robert W. Baird & Co., Inc. submitting the winning bid at a true interest cost of 3.466%.
- The Bonds are rated “AAA” by Standard & Poor’s Global Ratings (“S&P”) and “Aa1” by Moody’s Investors Service (“Moody’s”). Both ratings were affirmed as part of the 2018 issuances.
- The Bonds have an aggregate project fund deposit of \$22,400,000 (25 Year Term). The following amounts, which have been previously authorized by voters, are being issued as a part of the Bonds:

<i>Allocation of Bond Proceeds between Propositions</i>	
Bond Proposition #1	Streets.....\$19,440,000
Bond Proposition #2	Public Safety\$2,960,000

- Closing is set to occur on July 18, 2018.

Overview of the General Obligation Bonds

Overview of the City's Tax-Backed Bond Ratings from S&P and Moody's



- The City maintains the highest possible bond rating of AAA from S&P on its General Obligation Bonds and Certificates of Obligation.

- S&P's June 2018 rating report lists the following as credit factors considered in the rating analysis:
 - Strong management, with "good" financial policies and practices,
 - Strong budgetary performance, which closed with an operating surplus in the general fund but a slight operating deficit at the total governmental fund level in fiscal 2017,
 - Very strong budgetary flexibility, and
 - Adequate economy, with access to a broad and diverse metropolitan statistical area.

- Moody's maintains the City's bond rating at the second highest possible rating of Aa1 for the City's General Obligation Bonds and Certificates of Obligation. This rating was affirmed as part of the 2018 issuances.

- Moody's June 2018 rating report lists the following as credit factors considered in the rating analysis:
 - Steadily growing tax base representing the largest economy in its region,
 - Healthy financial position, and
 - Manageable though modestly growing debt burden.

Overview of the General Obligation Bonds

Summary of Bids Received



- The spread between the low bid and high bid is approximately 4 basis points.
- All bids were submitted via Parity's online bidding system.

Summary of Bids Received on the Bonds

1.	Robert W. Baird & Co., Inc.....	3.466%
2.	Citigroup Global Markets Inc.....	3.475%
3.	HilltopSecurities.....	3.490%
4.	George K. Baum & Co.....	3.492%
5.	SAMCO Capital Markets.....	3.498%
6.	Bank of America Merrill Lynch.....	3.505%
7.	Raymond James & Associates, Inc.....	3.506%

Overview of the General Obligation Bonds

Annual Debt Service Schedule for the 2018 General Obligation Bonds



Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	445,000.00	5.000%	905,520.79	1,350,520.79
09/30/2020	535,000.00	5.000%	817,068.76	1,352,068.76
09/30/2021	560,000.00	5.000%	789,693.76	1,349,693.76
09/30/2022	590,000.00	5.000%	760,943.76	1,350,943.76
09/30/2023	620,000.00	5.000%	730,693.76	1,350,693.76
09/30/2024	650,000.00	5.000%	698,943.76	1,348,943.76
09/30/2025	685,000.00	5.000%	665,568.76	1,350,568.76
09/30/2026	720,000.00	5.000%	630,443.76	1,350,443.76
09/30/2027	760,000.00	5.000%	593,443.76	1,353,443.76
09/30/2028	795,000.00	5.000%	554,568.76	1,349,568.76
09/30/2029	830,000.00	3.000%	522,243.76	1,352,243.76
09/30/2030	855,000.00	3.000%	496,968.76	1,351,968.76
09/30/2031	880,000.00	3.000%	470,943.76	1,350,943.76
09/30/2032	910,000.00	3.125%	443,525.01	1,353,525.01
09/30/2033	935,000.00	3.250%	414,112.51	1,349,112.51
09/30/2034	970,000.00	3.375%	382,550.01	1,352,550.01
09/30/2035	1,000,000.00	3.375%	349,306.26	1,349,306.26
09/30/2036	1,035,000.00	3.500%	314,318.76	1,349,318.76
09/30/2037	1,075,000.00	3.500%	277,393.76	1,352,393.76
09/30/2038	1,110,000.00	3.500%	239,156.26	1,349,156.26
09/30/2039	1,150,000.00	3.500%	199,606.26	1,349,606.26
09/30/2040	1,195,000.00	3.500%	158,568.76	1,353,568.76
09/30/2041	1,235,000.00	3.500%	116,043.76	1,351,043.76
09/30/2042	1,280,000.00	3.625%	71,231.26	1,351,231.26
09/30/2043	1,325,000.00	3.625%	24,015.63	1,349,015.63
Total	\$22,145,000.00	-	\$11,626,874.15	\$33,771,874.15

Yield Statistics

True Interest Cost (TIC)	3.4660248%
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Overview of the General Obligation Bonds

Sources and Uses of Funds for the 2018 General Obligation Bonds



Sources & Uses

Delivered 07/18/2018

Sources Of Funds

Par Amount of Bonds	\$22,145,000.00
Reoffering Premium	384,771.13
Total Sources	\$22,529,771.13

Uses Of Funds

Costs of Issuance	126,000.00
Deposit to Project Construction Fund	22,400,000.00
Rounding Amount	3,771.13
Total Uses	\$22,529,771.13

Overview of the General Obligation Bonds

Recommendation - Ordinance Number 7734



Specialized Public Finance Inc., recommends the City of Amarillo award

the \$22,145,000 General Obligation Bonds, Series 2018 to

Robert W. Baird & Co., Inc.



COMB. TAX & REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018

REGULAR AGENDA ITEM #3:
DISCUSSION AND CONSIDERATION OF ORDINANCE NUMBER 7735



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Combination Tax and Revenue Certificates of Obligation

Transaction Overview



- On Tuesday, June 19th at 10:30 A.M., SPFI competitively bid \$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2018 (the “Certificates”).
- The City received seven (7) bids on the Certificates with HilltopSecurities submitting the winning bid at a true interest cost of 3.267%.
- The Certificates are rated “AAA” by S&P and “Aa1” by Moody’s.
- The Certificates have an aggregate project fund of \$3,000,000 and a term of 20 years.
- Closing is set to occur on July 18, 2018.

Overview of the Combination Tax and Revenue Certificates of Obligation

Summary of Bids Received



- The spread between the low bid and high bid is approximately 10 basis points.
- All bids were submitted via Parity's online bidding system.

Summary of Bids Received on the Certificates

1.	HilltopSecurities.....	3.267%
2.	Robert W. Baird & Co., Inc.....	3.311%
3.	Raymond James & Associates, Inc.....	3.314%
4.	George K. Baum & Co.....	3.328%
5.	SAMCO Capital Markets.....	3.345%
6.	Citigroup Global Markets Inc.....	3.364%
7.	BOK Financial Securities, Inc.....	3.365%

Overview of the Combination Tax and Revenue Certificates of Obligation

Annual Debt Service Schedule for the 2018 Certificates



Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	95,000.00	2.000%	110,883.60	205,883.60
09/30/2020	110,000.00	3.000%	100,481.26	210,481.26
09/30/2021	110,000.00	4.000%	96,631.26	206,631.26
09/30/2022	115,000.00	4.000%	92,131.26	207,131.26
09/30/2023	120,000.00	4.000%	87,431.26	207,431.26
09/30/2024	125,000.00	4.000%	82,531.26	207,531.26
09/30/2025	130,000.00	4.000%	77,431.26	207,431.26
09/30/2026	135,000.00	4.000%	72,131.26	207,131.26
09/30/2027	140,000.00	4.000%	66,631.26	206,631.26
09/30/2028	150,000.00	4.000%	60,831.26	210,831.26
09/30/2029	155,000.00	3.000%	55,506.26	210,506.26
09/30/2030	155,000.00	3.000%	50,856.26	205,856.26
09/30/2031	160,000.00	3.000%	46,131.26	206,131.26
09/30/2032	165,000.00	3.250%	41,050.01	206,050.01
09/30/2033	175,000.00	3.250%	35,525.01	210,525.01
09/30/2034	180,000.00	3.250%	29,756.26	209,756.26
09/30/2035	185,000.00	3.375%	23,709.38	208,709.38
09/30/2036	190,000.00	3.375%	17,381.25	207,381.25
09/30/2037	200,000.00	3.500%	10,675.00	210,675.00
09/30/2038	205,000.00	3.500%	3,587.50	208,587.50
Total	\$3,000,000.00	-	\$1,161,293.13	\$4,161,293.13
Yield Statistics				
True Interest Cost (TIC)				3.2678463%

Sources & Uses

Delivered 07/18/2018

Sources Of Funds

Par Amount of Bonds	\$3,000,000.00
Reoffering Premium	46,056.40
Total Sources	\$3,046,056.40

Uses Of Funds

Costs of Issuance	46,056.40
Deposit to Project Construction Fund	3,000,000.00
Total Uses	\$3,046,056.40

Overview of the Combination Tax and Revenue Certificates of Obligation

Recommendation - Ordinance Number 7735



Specialized Public Finance Inc., recommends the City of Amarillo award
the \$3,000,000 Combination Tax and Revenue Certificates of Obligation, Series 2018 to
HilltopSecurities.



WATERWORKS AND SEWER SYSTEM REVENUE BONDS, NEW SERIES 2018A

REGULAR AGENDA ITEM #4:
DISCUSSION AND CONSIDERATION OF ORDINANCE NUMBER 7736



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Waterworks & Sewer System Revenue Bonds, 2018A (TWDB)

Texas Water Development Board's Clean Water State Revolving Fund Bonds



- On Thursday, June 14th, SPFI worked with the Texas Water Development Board (“TWDB”) to set interest rates for the City’s \$12,500,000 Waterworks & Sewer System Revenue Bonds, New Series 2018A issued through the Clean Water State Revolving Fund (the “CWSRF Bonds”).
- On October 17, 2013, the TWDB approved financial assistance from the Clean Water State Revolving Fund (“CWSRF”) for planning, design and construction of a new lift station and force and gravity mains.
- The City’s current request was approved March 1, 2018 and will be used for construction funds to complete the project.
- The CWSRF Bonds hold a True Interest Cost of 1.336% and a term of 20 years.
- Closing is set to occur on July 19, 2018.

Overview of the Waterworks & Sewer System Revenue Bonds, 2018A (TWDB)

Annual Debt Service Schedule for the CWSRF Bonds



- The initial payment on the CWSRF Bonds will occur on April 1, 2019.

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	615,000.00	0.170%	97,945.40	712,945.40
09/30/2020	575,000.00	0.360%	138,876.50	713,876.50
09/30/2021	575,000.00	0.510%	136,806.50	711,806.50
09/30/2022	580,000.00	0.600%	133,874.00	713,874.00
09/30/2023	585,000.00	0.700%	130,394.00	715,394.00
09/30/2024	585,000.00	0.830%	126,299.00	711,299.00
09/30/2025	590,000.00	0.950%	121,443.50	711,443.50
09/30/2026	600,000.00	1.060%	115,838.50	715,838.50
09/30/2027	605,000.00	1.130%	109,478.50	714,478.50
09/30/2028	610,000.00	1.200%	102,642.00	712,642.00
09/30/2029	620,000.00	1.250%	95,322.00	715,322.00
09/30/2030	625,000.00	1.300%	87,572.00	712,572.00
09/30/2031	635,000.00	1.340%	79,447.00	714,447.00
09/30/2032	645,000.00	1.380%	70,938.00	715,938.00
09/30/2033	650,000.00	1.430%	62,037.00	712,037.00
09/30/2034	660,000.00	1.480%	52,742.00	712,742.00
09/30/2035	670,000.00	1.520%	42,974.00	712,974.00
09/30/2036	680,000.00	1.560%	32,790.00	712,790.00
09/30/2037	690,000.00	1.580%	22,182.00	712,182.00
09/30/2038	705,000.00	1.600%	11,280.00	716,280.00
Total	\$12,500,000.00	-	\$1,770,881.90	\$14,270,881.90
Yield Statistics				
True Interest Cost (TIC)				1.3360382%

Overview of the Waterworks & Sewer System Revenue Bonds, 2018A (TWDB)

Sources and Uses of Funds for the CWSRF Bonds



Sources & Uses

Dated 07/19/2018 | Delivered 07/19/2018

Sources Of Funds

Par Amount of Bonds	\$12,500,000.00
Planned Issuer Equity contribution - COI	78,500.00
Planned Issuer Equity contribution - DSRF	687,068.66
Total Sources	\$13,265,568.66

Uses Of Funds

Costs of Issuance	78,500.00
Deposit to Debt Service Reserve Fund (DSRF)	687,068.66
Deposit to Project Construction Fund	12,285,012.00
TWDB Loan Origination Fee	214,988.00
Total Uses	\$13,265,568.66

Specialized Public Finance Inc., recommends the City of Amarillo award
the \$12,500,000 Waterworks and Sewer System Revenue Bonds, New Series 2018A to
the Texas Water Development Board.



WATERWORKS AND SEWER SYSTEM REVENUE BONDS, NEW SERIES 2018B

REGULAR AGENDA ITEM #5:
DISCUSSION AND CONSIDERATION OF ORDINANCE NUMBER 7737



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Waterworks & Sewer System Revenue Bonds, 2018B (Open Mkt)

Transaction Overview



- On Tuesday, June 19th at 9:00 A.M., SPFI competitively bid \$14,610,000 Waterworks and Sewer System Revenue Bonds, New Series 2018B (the “Bonds”).
- The City received nine (9) bids on the Bonds with UMB Bank, N.A. submitting the winning bid at a true interest cost of 3.237%.
- The Bonds are rated “AAA” by S&P.
- The Bonds have an aggregate project fund deposit of \$15,500,000 and are amortized over a 20 Year Term.
- Closing is set to occur on July 19, 2018.

Overview of the Waterworks & Sewer System Revenue Bonds, 2018B (Open Mkt)

Summary of Bids Received



- The spread between the low bid and high bid is approximately 7 basis points.
- All bids were submitted via Parity’s online bidding system.

Summary of Bids Received on the Bonds

1.	UMB Bank, N.A.....	3.237%
2.	Citigroup Global Markets Inc.....	3.249%
3.	J.P. Morgan Securities LLC.....	3.252%
4.	SAMCO Capital Markets.....	3.255%
5.	Robert W. Baird & Co., Inc.....	3.258%
6.	HilltopSecurities.....	3.269%
7.	BOK Financial Securities, Inc.....	3.278%
8.	Raymond James & Associates, Inc.....	3.289%
9.	Bank of America Merrill Lynch.....	3.309%

Overview of the Waterworks & Sewer System Revenue Bonds, 2018B (Open Mkt)

Annual Debt Service Schedule for the Bonds



Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
09/30/2018	-	-	-	-
09/30/2019	675,000.00	3.000%	411,932.50	1,086,932.50
09/30/2020	520,000.00	3.000%	568,225.00	1,088,225.00
09/30/2021	535,000.00	4.000%	552,625.00	1,087,625.00
09/30/2022	555,000.00	4.000%	531,225.00	1,086,225.00
09/30/2023	580,000.00	4.000%	509,025.00	1,089,025.00
09/30/2024	600,000.00	4.000%	485,825.00	1,085,825.00
09/30/2025	625,000.00	5.000%	461,825.00	1,086,825.00
09/30/2026	655,000.00	5.000%	430,575.00	1,085,575.00
09/30/2027	690,000.00	5.000%	397,825.00	1,087,825.00
09/30/2028	725,000.00	5.000%	363,325.00	1,088,325.00
09/30/2029	760,000.00	5.000%	327,075.00	1,087,075.00
09/30/2030	800,000.00	4.000%	289,075.00	1,089,075.00
09/30/2031	750,000.00	4.000%	257,075.00	1,007,075.00
09/30/2032	780,000.00	4.000%	227,075.00	1,007,075.00
09/30/2033	810,000.00	4.000%	195,875.00	1,005,875.00
09/30/2034	845,000.00	4.000%	163,475.00	1,008,475.00
09/30/2035	880,000.00	3.500%	129,675.00	1,009,675.00
09/30/2036	910,000.00	3.500%	98,875.00	1,008,875.00
09/30/2037	940,000.00	3.500%	67,025.00	1,007,025.00
09/30/2038	975,000.00	3.500%	34,125.00	1,009,125.00
Total	\$14,610,000.00	-	\$6,501,757.50	\$21,111,757.50

Yield Statistics

True Interest Cost (TIC)	3.2379800%
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Sources & Uses

Delivered 07/19/2018

Sources Of Funds

Par Amount of Bonds	\$14,610,000.00
Reoffering Premium	991,601.24
Total Sources	\$15,601,601.24

Uses Of Funds

Costs of Issuance	101,601.24
Deposit to Project Construction Fund	15,500,000.00
Total Uses	\$15,601,601.24

Specialized Public Finance Inc., recommends the City of Amarillo award
the \$14,610,000 Waterworks and Sewer System Revenue Bonds, New Series 2018B to

UMB Bank, N.A.