

Sale Presentation

City of Amarillo, Texas

February 9, 2021



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Steven Adams | Managing Director
Office 214.373.3911 | Cell 214.608.2293
steven@spfmuni.com

Paul Jasin | Managing Director
Office 214.373.3911 | Cell 214.288.7898
paul@spfmuni.com

The City of Amarillo Financings

Overview of the Issuances Priced in January and February 2021



Drainage Revenue Bonds

- Purpose: acquiring, improving and constructing municipal drainage facilities, including the purchase of land, rights-of-way and equipment.
- Amount: Project Fund Deposit of \$10.0 million.
- Timing: Bonds are scheduled to close on March 2nd.
- SPFI received 8 bids, the winning bid was submitted by Citigroup Global Markets Inc. with a TIC of 1.41%.

Waterworks & Sewer System Revenue Bonds

- Purpose: Improvement and extension of the City's waterworks and sewer system.
- Amount: Project Fund Deposit of \$28.35 million.
- Timing: Bonds are scheduled to close on March 2nd.
- SPFI received 11 bids, the winning bid was submitted by Huntington Securities, Inc. with a TIC of 1.38%.

Certificates of Obligation

- Purpose: Finance improvements related to park facilities.
- Amount: \$1.00 million project fund deposit.
- Timing: Certificates are scheduled to close on February 25th.
- SPFI received 5 bids, the winning bid was submitted by Fidelity Capital Markets with a TIC of 1.42%.

General Obligation Bonds

- Purpose: Streets; Approved by Voters at the Nov. 2016 Bond Referendum.
- Amount: \$57.155 million project fund deposit.
- Timing: Bonds are scheduled to close on February 25th.
- SPFI received 12 bids, the winning bid was submitted by Wells Fargo Bank, N.A. with a TIC of 1.60%.

Historical Municipal Interest Rates – General Obligation & Revenue Index Data



Overview of the Tax and Utility Revenue supported Issuances

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



The City's current GO & Utility credit ratings were affirmed despite the current challenging economic climate as follows:

- Standard & Poor's Global Ratings ("S&P") affirmed the "AAA" GO rating, and maintained a 'Negative' outlook

"The negative outlook reflects our view that there is a one-in-three chance that we could lower the rating if the pandemic or recessionary pressures were to result in material depletion of financial flexibility or deterioration of socioeconomic metrics that are already weaker than those of similarly rated peers."

- S&P affirmed the "AAA" Waterworks & Sewer System rating and maintained a 'Negative' outlook

"The negative outlook reflects our view of the city's extremely strong financial risk profile realizing diminished total financial capacity, based on the projected decline in all-in coverage to 1.4x in fiscal 2021 due to rising total debt service requirements that--if it becomes what we view as a "new normal" baseline expectation--would no longer be consistent with a 'AAA' rating."

- S&P affirmed the "AAA" Drainage Utility System rating and maintained a 'Negative' outlook

The City's ratings were affirmed due to very strong management, liquidity, debt and contingent liability position due to good financial policies, and a broad and diverse economy and practices as stated by the rating agencies.

General Obligation Bonds (2016 Referendum Prop 1 & Prop 2)

- At the November 2016 Bond Referendum, voters approved the following propositions:
 - Prop 1: Improvements for Streets (Total Authorized Amount of \$89,495,000).
 - Prop 2: Improvements for Public Safety (Total Authorized Amount of \$20,080,000).

- To date, the City has issued the entire Voter Authorized Amount for Proposition 1 & Proposition 2.

- The table below summarizes the differences between the information originally communicated to voters in 2016 versus the actual (projected) results achieved.

	Tax Rate Impact Communicated to Voters in 2016	Actual (Estimated) Tax Rate Impact	Difference	Aggregate Savings in Debt Service compared to the Propositions Originally Approved by Voters
2016 Referendum Prop 1 (Streets)	5.56 cents	4.11 cents	Lower by 1.45 cents	\$13,819,127
2016 Referendum Prop 2 (Public Safety)	<u>1.21 cents</u>	<u>1.05 cents</u>	Lower by <u>0.16 cents</u>	<u>\$2,498,607</u>
Totals	6.77 cents	5.16 cents	Lower by 1.61 cents	\$16,317,734 aggregate d/s savings from lower than anticipated interest rates

Overview of the Issuances

Sources and Uses of Funds for the Obligations Issued in 2021



Drainage Utility System Revenue Bonds, Series 2021	
Total Sources of Funds	
Par Amount	\$9,160,000
Net Reoffering Premium	932,301
Total Uses of Funds	\$10,092,301
Total Uses of Funds	
Costs of Issuance	\$ 89,900
Deposit to Project Construction Fund	10,000,000
Miscellaneous / Rounding	2,401
Total Uses of Funds	\$ 10,092,301

Waterworks & Sewer System Revenue Bonds, New Series 2021	
Total Sources of Funds	
Par Amount	\$25,900,000
Net Reoffering Premium	2,575,143
Total Uses of Funds	\$28,475,143
Total Uses of Funds	
Costs of Issuance	\$ 124,900
Deposit to Project Construction Fund	28,350,000
Miscellaneous / Rounding	243
Total Uses of Funds	\$ 28,475,143

General Obligation Bonds, Series 2021	
Total Sources of Funds	
Par Amount	\$52,985,000
Net Reoffering Premium	4,356,391
Total Uses of Funds	\$57,341,391
Total Uses of Funds	
Costs of Issuance	\$ 183,750
Deposit to Project Construction Fund	57,155,000
Miscellaneous / Rounding	2,641
Total Uses of Funds	\$ 57,341,391

Combination Tax & Revenue Certificates of Obligation, Series 2021	
Total Sources of Funds	
Par Amount	\$975,000
Net Reoffering Premium	63,424
Total Uses of Funds	\$1,038,424
Total Uses of Funds	
Costs of Issuance	\$ 35,000
Deposit to Project Construction Fund	1,000,000
Miscellaneous / Rounding	3,424
Total Uses of Funds	\$ 1,038,424



DRAINAGE UTILITY SYSTEM REVENUE BONDS, SERIES 2021



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Drainage Utility System Revenue Bonds

Transaction Overview



- On Tuesday, February 2nd at 9:00 A.M., Specialized Public Finance Inc. (“SPFI”) competitively bid \$9,160,000 Drainage Utility System Revenue Bonds, Series 2021 (the “Drainage Revenue Bonds”).
- The City of Amarillo (the “City”) received eight (**8**) bids on the Drainage Revenue Bonds with Citigroup Capital Markets Inc. submitting the winning bid at a true interest cost of **1.41%**.
- The Drainage Revenue Bonds have a total project fund deposit of \$10.0 million with the purpose of acquiring, improving and constructing municipal drainage facilities, including the purchase of land, rights-of-way and equipment.
- The Bonds are rated “AAA” by S&P.
- Closing is scheduled for March 2, 2021.

Overview of the Drainage Utility System Revenue Bonds

Summary of Bids Received



- The spread between the low bid and high bid is approximately 6 basis points.
- All bids were submitted via Parity’s online bidding system.

<i>Summary of Bids Received on the Drainage Revenue Bonds</i>	
1.	Citigroup Capital Markets, Inc.....1.41%
2.	HilltopSecurities.....1.43%
3.	SAMCO Capital Markets.....1.46%
4.	BOK Financial Securities, Inc.....1.46%
5.	UMB Bank, N.A.....1.46%
6.	Robert W. Baird & Co., Inc.....1.46%
7.	Bank of America Merrill Lynch.....1.47%
8.	Fidelity Capital Markets.....1.47%

Overview of the Drainage Utility System Revenue Bonds

Annual Debt Service Schedule for the Bonds – TIC: 1.41%



Date	Principal	Coupon	Interest	Total P+I
09/30/2021	-	-	-	-
09/30/2022	275,000.00	2.000%	331,887.08	606,887.08
09/30/2023	385,000.00	2.000%	222,950.00	607,950.00
09/30/2024	390,000.00	2.000%	215,250.00	605,250.00
09/30/2025	400,000.00	2.000%	207,450.00	607,450.00
09/30/2026	410,000.00	3.000%	199,450.00	609,450.00
09/30/2027	420,000.00	3.000%	187,150.00	607,150.00
09/30/2028	435,000.00	4.000%	174,550.00	609,550.00
09/30/2029	450,000.00	4.000%	157,150.00	607,150.00
09/30/2030	470,000.00	4.000%	139,150.00	609,150.00
09/30/2031	485,000.00	3.000%	120,350.00	605,350.00
09/30/2032	500,000.00	3.000%	105,800.00	605,800.00
09/30/2033	465,000.00	2.000%	90,800.00	555,800.00
09/30/2034	475,000.00	2.000%	81,500.00	556,500.00
09/30/2035	485,000.00	2.000%	72,000.00	557,000.00
09/30/2036	495,000.00	2.000%	62,300.00	557,300.00
09/30/2037	505,000.00	2.000%	52,400.00	557,400.00
09/30/2038	515,000.00	2.000%	42,300.00	557,300.00
09/30/2039	525,000.00	2.000%	32,000.00	557,000.00
09/30/2040	535,000.00	2.000%	21,500.00	556,500.00
09/30/2041	540,000.00	2.000%	10,800.00	550,800.00
Total	\$9,160,000.00	-	\$2,526,737.08	\$11,686,737.08



WATERWORKS & SEWER SYSTEM REVENUE BONDS, NEW SERIES 2021



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Waterworks & Sewer System Revenue Bonds



Transaction Overview

- On Tuesday, February 2nd at 9:30 A.M., Specialized Public Finance Inc. (“SPFI”) competitively bid \$25,900,000 Waterworks & Sewer System Revenue Bonds, New Series 2021 (the “W&S Bonds”).
- The City received eleven (**11**) bids on the W&S Bonds with Huntington Securities, Inc. submitting the winning bid at a true interest cost of **1.38%**.
- The Waterworks & Sewer System Revenue Bonds have a total project fund deposit of \$28.35 million with the purpose of the improvement and extension of the City’s waterworks and sewer system.
- The Bonds are rated “AAA” by S&P.
- Closing is scheduled for March 2, 2021.

Overview of the Waterworks & Sewer System Revenue Bonds

Summary of Bids Received



- The spread between the low bid and high bid is approximately 13 basis points.
- All bids were submitted via Parity’s online bidding system.

Summary of Bids Received on the Waterworks and Sewer System Revenue Bonds

1.	Huntington Securities, Inc.....	1.38%
2.	BOK Financial Securities, Inc.....	1.39%
3.	Fidelity Capital Markets.....	1.39%
4.	HilltopSecurities.....	1.40%
5.	Citigroup Global Markets Inc.....	1.43%
6.	SAMCO Capital Markets.....	1.43%
7.	Bank of America Merrill Lynch.....	1.44%
8.	Robert W. Baird & Co., Inc.....	1.45%
9.	KeyBanc Capital Markets.....	1.47%
10.	J.P. Morgan Securities LLC.....	1.47%
11	Mesirow Financial, Inc.....	1.51%

Overview of the Waterworks & Sewer System Revenue Bonds

Annual Debt Service Schedule for the Bonds – TIC: 1.38%



Date	Principal	Coupon	Interest	Total P+I
09/30/2021	-	-	-	-
09/30/2022	980,000.00	4.000%	747,042.08	1,727,042.08
09/30/2023	1,075,000.00	3.000%	652,150.00	1,727,150.00
09/30/2024	1,105,000.00	3.000%	619,900.00	1,724,900.00
09/30/2025	1,125,000.00	3.000%	586,750.00	1,711,750.00
09/30/2026	1,160,000.00	4.000%	553,000.00	1,713,000.00
09/30/2027	1,205,000.00	4.000%	506,600.00	1,711,600.00
09/30/2028	1,250,000.00	4.000%	458,400.00	1,708,400.00
09/30/2029	1,190,000.00	4.000%	408,400.00	1,598,400.00
09/30/2030	1,230,000.00	4.000%	360,800.00	1,590,800.00
09/30/2031	1,280,000.00	2.000%	311,600.00	1,591,600.00
09/30/2032	1,305,000.00	2.000%	286,000.00	1,591,000.00
09/30/2033	1,330,000.00	2.000%	259,900.00	1,589,900.00
09/30/2034	1,360,000.00	2.000%	233,300.00	1,593,300.00
09/30/2035	1,385,000.00	2.000%	206,100.00	1,591,100.00
09/30/2036	1,415,000.00	2.000%	178,400.00	1,593,400.00
09/30/2037	1,440,000.00	2.000%	150,100.00	1,590,100.00
09/30/2038	1,470,000.00	2.000%	121,300.00	1,591,300.00
09/30/2039	1,500,000.00	2.000%	91,900.00	1,591,900.00
09/30/2040	1,530,000.00	2.000%	61,900.00	1,591,900.00
09/30/2041	1,565,000.00	2.000%	31,300.00	1,596,300.00
Total	\$25,900,000.00	-	\$6,824,842.08	\$32,724,842.08



COMBINATION TAX & REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the Combination Tax & Revenue Certificates of Obligation



Transaction Overview

- On Thursday, January 28th at 9:00 A.M., Specialized Public Finance Inc. (“SPFI”) competitively bid \$975,000 Combination Tax & Revenue Certificates of Obligation, Series 2021 (the “Certificates”).
- The City received five **(5)** bids on the Certificates with Fidelity Capital Markets submitting the winning bid at a true interest cost of **1.42%**.
- The Combination Tax & Revenue Certificates of Obligation have a total project fund deposit of \$1.00 million for the purpose of acquiring, constructing, improving and equipping park facilities and the professional services rendered in connection therewith.
- The Certificates are rated “AAA” by S&P.
- Closing is scheduled for February 25, 2021.

Overview of the Combination Tax & Revenue Certificates of Obligation

Summary of Bids Received



- The spread between the low bid and high bid is approximately 28 basis points.
- All bids were submitted via Parity’s online bidding system.

Summary of Bids Received on the Certificates

1.	Fidelity Capital Markets.....	1.42%
2.	HilltopSecurities.....	1.49%
3.	Robert W. Baird & Co., Inc.....	1.59%
4.	FHN Financial Capital Markets.....	1.64%
5.	Citigroup Capital Markets Inc.....	1.70%

Overview of the Combination Tax & Revenue Certificates of Obligation

Annual Debt Service Schedule for the Certificates – TIC: 1.42%



Date	Principal	Coupon	Interest	Total P+I
09/30/2021	-	-	-	-
09/30/2022	30,000.00	3.000%	32,564.58	62,564.58
09/30/2023	40,000.00	3.000%	20,925.00	60,925.00
09/30/2024	40,000.00	3.000%	19,725.00	59,725.00
09/30/2025	40,000.00	3.000%	18,525.00	58,525.00
09/30/2026	45,000.00	3.000%	17,250.00	62,250.00
09/30/2027	45,000.00	3.000%	15,900.00	60,900.00
09/30/2028	45,000.00	3.000%	14,550.00	59,550.00
09/30/2029	45,000.00	3.000%	13,200.00	58,200.00
09/30/2030	50,000.00	3.000%	11,775.00	61,775.00
09/30/2031	50,000.00	3.000%	10,275.00	60,275.00
09/30/2032	50,000.00	3.000%	8,775.00	58,775.00
09/30/2033	50,000.00	1.000%	7,775.00	57,775.00
09/30/2034	55,000.00	1.250%	7,181.25	62,181.25
09/30/2035	55,000.00	1.250%	6,493.75	61,493.75
09/30/2036	55,000.00	1.500%	5,737.50	60,737.50
09/30/2037	55,000.00	1.500%	4,912.50	59,912.50
09/30/2038	55,000.00	2.000%	3,950.00	58,950.00
09/30/2039	55,000.00	2.000%	2,850.00	57,850.00
09/30/2040	60,000.00	2.000%	1,700.00	61,700.00
09/30/2041	55,000.00	2.000%	550.00	55,550.00
Total	\$975,000.00	-	\$224,614.58	\$1,199,614.58



GENERAL OBLIGATION BONDS, SERIES 2021



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Overview of the General Obligation Bonds

Transaction Overview



- On Thursday, January 28th at 9:30 A.M., Specialized Public Finance Inc. (“SPFI”) competitively bid \$52,985,000 General Obligation Bonds, Series 2021 (the “G.O. Bonds”).
- The City received twelve (**12**) bids on the G.O. Bonds with Wells Fargo Bank, N.A. submitting the winning bid at a true interest cost of **1.60%**.
- The General Obligation Bonds have a total project fund deposit of \$57.155 million with the purpose of acquiring, constructing, improving and maintaining streets, thoroughfares, alleyways and sidewalks within the City including related storm drainage improvements, traffic signalization and signage, street lighting, traffic management equipment, creek erosion, bridge and culvert improvements and utility relocations and the acquisition of land therefor.
- The Bonds are rated “AAA” by S&P.
- Closing is scheduled for February 25, 2021.

Overview of the General Obligation Bonds

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.

<i>Summary of Bids Received on the General Obligation Bonds</i>		
1.	Wells Fargo Bank, N.A.....	1.60%
2.	Citigroup Capital Markets Inc.....	1.62%
3.	Robert W. Baird & Co., Inc.....	1.62%
4.	KeyBanc Capital Markets.....	1.63%
5.	Mesirow Financial, Inc.....	1.63%
6.	Piper Sandler & Co.....	1.63%
7.	FHN Financial Capital Markets.....	1.64%
8.	HilltopSecurities	1.64%
9.	Bank of America Merrill Lynch.....	1.64%
10.	Huntington Securities, Inc.....	1.64%
11.	Fidelity Capital Markets.....	1.65%
12.	J.P. Morgan Securities LLC.....	1.67%

Overview of the General Obligation Bonds

Annual Debt Service Schedule for the Bonds – TIC: 1.60%



Date	Principal	Coupon	Interest	Total P+I
09/30/2021	-	-	-	-
09/30/2022	800,000.00	4.000%	2,004,256.94	2,804,256.94
09/30/2023	1,495,000.00	4.000%	1,310,350.00	2,805,350.00
09/30/2024	1,555,000.00	4.000%	1,249,350.00	2,804,350.00
09/30/2025	1,620,000.00	4.000%	1,185,850.00	2,805,850.00
09/30/2026	1,685,000.00	4.000%	1,119,750.00	2,804,750.00
09/30/2027	1,750,000.00	4.000%	1,051,050.00	2,801,050.00
09/30/2028	1,825,000.00	4.000%	979,550.00	2,804,550.00
09/30/2029	1,900,000.00	4.000%	905,050.00	2,805,050.00
09/30/2030	1,975,000.00	4.000%	827,550.00	2,802,550.00
09/30/2031	2,045,000.00	3.000%	757,375.00	2,802,375.00
09/30/2032	2,100,000.00	2.000%	705,700.00	2,805,700.00
09/30/2033	2,140,000.00	2.000%	663,300.00	2,803,300.00
09/30/2034	2,185,000.00	2.000%	620,050.00	2,805,050.00
09/30/2035	2,230,000.00	2.000%	575,900.00	2,805,900.00
09/30/2036	2,275,000.00	2.000%	530,850.00	2,805,850.00
09/30/2037	2,320,000.00	2.000%	484,900.00	2,804,900.00
09/30/2038	2,365,000.00	2.000%	438,050.00	2,803,050.00
09/30/2039	2,415,000.00	2.000%	390,250.00	2,805,250.00
09/30/2040	2,460,000.00	2.000%	341,500.00	2,801,500.00
09/30/2041	2,510,000.00	2.000%	291,800.00	2,801,800.00
09/30/2042	2,560,000.00	2.000%	241,100.00	2,801,100.00
09/30/2043	2,615,000.00	2.000%	189,350.00	2,804,350.00
09/30/2044	2,665,000.00	2.000%	136,550.00	2,801,550.00
09/30/2045	2,720,000.00	2.000%	82,700.00	2,802,700.00
09/30/2046	2,775,000.00	2.000%	27,750.00	2,802,750.00
Total	\$52,985,000.00	-	\$17,109,881.94	\$70,094,881.94