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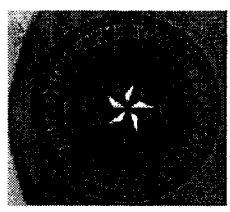
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Funding Program for Renovation and Expansion of County Jail

Johnson County, Texas

November 24, 2014

Table of Contents

Funding Program for Renovation and Expansion of County Jail

	<u>Page</u>
Strategy and Financial Goals	2
Financing Summary – Project Funds & Repayment Term	3
Financing Summary – Cost and Tax Impact	4
Financing Summary – Cash Flows	5
Proposed Timeframe	6

J O H N S O N C O U N T Y , T E X A S

Strategy and Financial Goals

Funding Program for Renovation and Expansion of County Jail

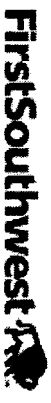
- 1) Strategy = Fund \$22,500,000 and minimize impact on taxpayers
 - a) Jail Expansion - \$18,000,000
 - b) Jail Renovation - \$4,500,000
- 2) Financial Goals – Minimize impact on County Tax Payers
 - a) Utilize the County's high credit ratings (Aa2/AA+/AA+) and competitively bid the Certificates of Obligation
 - b) Take advantage of market conditions and reduce interest rate risk by locking project debt with fixed interest rates
 - c) Take advantage of current low spread between taxable and tax exempt interest, and issue taxable debt to provide maximum flexibility for jail operations (current "Aa2/AA" spread as of 11/20/14 is less than 50 basis points, or 0.50%)
 - d) Wrap new debt around the County's existing debt
- 3) Conservatively Assumptions for Budgeting and Planning
 - a) Budget flat (0% growth) future Taxable Assessed Valuation – currently \$10,645,660,952 as of Tax Year 2014

Financing Summary - Project Funds & Repayment Term

Funding Program for Renovation and Expansion of County Jail

		Certificates of Obligation, Taxable Series 2015
Tax Status		Taxable
Jail Expansion Project Funds		\$18,000,000
Jail Renovation Project Funds		\$4,500,000
Total Project Funds		\$22,500,000
Funding – April 2015		\$22,500,000
Repayment Term		20 Years (2035)

JOHNSON COUNTY, TEXAS



Financing Summary - Cost and Tax Impact

Funding Program for Renovation and Expansion of County Jail

	Certificates of Obligation, Taxable Series 2015
All-in True Interest Cost (current rates + 0.25%)	4.32%
Estimated Par Amount of Bonds	\$22,810,000
Total Debt Service thru 2035	\$36,204,305
Average Annual D/S (2016-2035)	\$1,810,215
Estimated Tax Rate Impact of new debt	\$0.0071
Existing Debt Tax Rate	\$0.0252
Total New Estimated Debt Tax Rate	\$0.0323
Estimated Impact of New Debt on a \$100,00 Home	\$7.10/year

JOHNSON COUNTY, TEXAS

Financing Summary – Cash Flows

Funding Program for Renovation and Expansion of County Jail – Certificates of Obligation, Series 2015

Fiscal Year Ending 30-Sep	Projected Growth Factor	Taxable Assessed Valuation ⁽¹⁾	Existing General Obligation Debt Service	Certificates of Obligation, Taxable Series 2015 ⁽²⁾ <i>All-in True Interest Cost = 4.32%</i>			Contribution from Excess Debt Service Fund Balance	NEW General Obligation Debt Service	Projected 18S Tax Rate ⁽³⁾	Jail Project Tax Rate Impact
				Principal	Interest	Total D/S				
2015	0.00%	\$ 10,645,660,952	\$ 2,432,442	\$ -	\$ -	\$ -	\$ 2,432,442	0.0252	0.0071	
2016	0.00%	10,645,660,952	2,435,323	-	1,174,511	1,174,511	3,368,709	0.0323	-	
2017	0.00%	10,645,660,952	2,435,121	-	933,386	933,386	3,368,507	0.0323	-	
2018	0.00%	10,645,660,952	2,434,367	-	933,386	933,386	3,367,753	0.0323	-	
2019	0.00%	10,645,660,952	2,434,873	-	933,386	933,386	3,368,259	0.0323	-	
2020	0.00%	10,645,660,952	2,437,262	-	933,386	933,386	3,370,648	0.0323	-	
2021	0.00%	10,645,660,952	2,436,977	-	933,386	933,386	3,370,363	0.0323	-	
2022	0.00%	10,645,660,952	-	1,255,000	914,122	2,169,122	2,169,122	0.0208	-	
2023	0.00%	10,645,660,952	-	1,295,000	873,425	2,168,425	2,168,425	0.0208	-	
2024	0.00%	10,645,660,952	-	1,340,000	828,811	2,168,811	2,168,811	0.0208	-	
2025	0.00%	10,645,660,952	-	1,390,000	780,540	2,170,540	2,170,540	0.0208	-	
2026	0.00%	10,645,660,952	-	1,440,000	728,378	2,168,378	2,168,378	0.0208	-	
2027	0.00%	10,645,660,952	-	1,495,000	671,705	2,166,705	2,166,705	0.0208	-	
2028	0.00%	10,645,660,952	-	1,560,000	610,436	2,170,436	2,170,436	0.0208	-	
2029	0.00%	10,645,660,952	-	1,625,000	544,968	2,169,968	2,169,968	0.0208	-	
2030	0.00%	10,645,660,952	-	1,695,000	473,200	2,168,200	2,168,200	0.0208	-	
2031	0.00%	10,645,660,952	-	1,770,000	395,584	2,165,584	2,165,584	0.0208	-	
2032	0.00%	10,645,660,952	-	1,855,000	314,384	2,169,384	2,169,384	0.0208	-	
2033	0.00%	10,645,660,952	-	1,940,000	229,376	2,169,376	2,169,376	0.0208	-	
2034	0.00%	10,645,660,952	-	2,030,000	140,448	2,170,448	2,170,448	0.0208	-	
2035	0.00%	10,645,660,952	-	2,120,000	47,488	2,167,488	2,167,488	0.0208	-	
				\$ 17,046,364	\$ 22,810,000	\$ 13,394,305	\$ 36,204,305	\$ 241,125	\$ 553,009,544	\$ 0.0071

(1) As reported by the Central Appraisal District of Johnson County.

(2) Assumes issuance on April 13, 2015 for settlement on May 12, 2015. Taxable Rates as of 11/20/14 + 0.25%.

(3) Calculated at 98% collections. Tax Rate for Fiscal Year 2015 is actual.

JOHNSON COUNTY, TEXAS



Proposed Timeframe

Funding Program for Renovation and Expansion of County Jail

- 1) **November 24, 2014 – Commissioners Court Meeting**
 - a) Presentation to Commissioners Court
- 2) **December 8, 2014 – Commissioners Court Meeting**
 - a) Court considers and approves Reimbursement Resolution for County Jail Expansion Project in an amount not to exceed \$4 million. County to be repaid from certificate proceeds prior to fiscal year end 2015 (9/30/2015).
- 3) **February 23, 2015 – Commissioners Court Meeting**
 - a) Court considers and approves a resolution authorizing publication of a Notice of Intent to issue Certificates of Obligation
Timing of Notice of Intent and debt issuance will be adjusted to match the construction bidding process
- 1) **April 13, 2015 – Commissioners Court Meeting**
 - a) Court approves Construction Contract
 - b) Bond issue size adjusted to match construction cost
 - c) Competitive Sale of Certificates of Obligation
 - d) Court approves Resolution authorizing Issuance of Certificates of Obligation, Taxable Series 2015
- 2) **May 12, 2015 – Closing of Certificates of Obligation, Taxable Series 2015**
 - a) County receives \$4 million for reimbursements and \$18.5 million for the Jail Expansion and Renovation Projects
- 3) **February 15, 2016 – 1st Interest payment on Certificates of Obligation, Taxable Series 2015**

JOHNSON COUNTY, TEXAS