

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: _____**Meeting Date:** 04/28/2025**Submitted By:** County Judge's Office**Department:** _____**Signature of Elected Official/Department Head:**
_____**Court Decision:**

This section to be completed by County Judge's Office



4-28-25

Description:Receive Update on the Status of the Transportation Bond by Hilltop Securities

(May attach additional sheets if necessary)

Person to Present: _____

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) ☒ PUBLIC ☐ CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: _____ minutes**Session Requested:** (check one)☐ Action Item ☐ Consent ☒ Workshop ☐ Executive ☐ Other _____**Check All Departments That Have Been Notified:**☐ County Attorney ☐ IT ☐ Purchasing ☐ Auditor☐ Personnel ☐ Public Works ☐ Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**

Approved in CC on 9/11/2023

Contact

Andre Ayala

Managing Director

717 N. Harwood St., Suite 3400

Dallas, TX 75201

Direct: 214.953.4184

andre.ayala@hilltopsecurities.com

Jorge Delgado

Senior Vice President

717 N. Harwood St., Suite 3400

Dallas, TX 75201

Direct: 214.859.1714

jorge.delgado@hilltopsecurities.com

Amber Chien

Associate

717 N. Harwood St., Suite 3400

Dallas, TX 75201

Direct: 214.953.4297

amber.chien@hilltopsecurities.com



Johnson County

Funding of Transportation Bond Program

Final Plan of Finance



On November 5, 2024, the Johnson County voters approved a total of \$60,000,000 to fund Road Improvements (“the Projects”)

- **The County’s goal is to fund the Projects included in the successful November 2024 bond referendum in a phased approach starting in fiscal year 2025**
- **The County has the legal authority to issue Unlimited Tax Road Bonds to fund the Projects**
- **The repayment source for the Bonds would be a continuing ad valorem tax levied against all taxable property within the County**
- **The Bonds would be structured such that the debt service tax rate impact does not exceed \$0.01 cent as communicated to the voters**
- **The Bonds would be issued in phases based on (i) road program funding priorities, (ii) the current opinion of probable cost and (iii) the expected timing of funds needed as provided by the project engineer**

Final Plan of Finance (2 of 2)



- **Debt Instrument:** Unlimited Tax Road Bonds, Series 2025
- **Repayment Source:** County's Debt Service (I&S) Property Tax Rate Revenues
- **Amortization/Repayment Period:** 20 Years
- **Budgeted All-in True Interest Cost:** 4.80%⁽¹⁾
- **Existing Credit Rating:** "AA" by Standard & Poor's and "AAA" by Fitch Ratings
- **Tax Rate Impact:** The Bonds would be structured such that the debt service tax rate impact does not exceed \$0.01 cent as communicated to the voters
- **Growth Assumptions:** Certified totals from the Johnson CAD indicate 7.5% of growth in County's tax base for FYE 2025. Conservative growth assumptions utilized thereafter for illustration purposes
- **New Debt Structure:** New debt would be structured around existing debt service to minimize budgetary impact to the County

(1) Assumes "AA/AAA" Rated Interest Rates + 0.25% as of April 17, 2025. **Subject to intraday changes.**



Johnson County, Texas

Tax Base Growth Assumptions

Tax Year	Fiscal Year		Taxable Assessed Value	Annual Increase	
				\$	%
2024	2025	(1)	\$25,125,528,420	\$1,754,600,473	7.51%
2023	2024	(1)	\$23,370,927,947	\$4,050,581,559	21.0%
2022	2023	(1)	\$19,320,346,388	\$4,833,603,776	33.4%
2021	2022	(1)	\$14,486,742,612	\$1,863,853,124	14.8%
2020	2021	(1)	\$12,622,889,488	\$686,097,550	5.7%
2019	2020	(1)	\$11,936,791,938	\$1,350,402,183	12.8%
2018	2019	(1)	\$10,586,389,755	\$842,895,178	8.7%
2017	2018	(1)	\$9,743,494,577	\$231,688,910	2.4%
2016	2017	(1)	\$9,511,805,667	(\$510,375,450)	-5.1%
2015	2016	(1)	\$10,022,181,117	\$236,819,408	2.4%

Notes

(1) Actual Taxable Assessed Value per Johnson CAD.

Preliminary Sources & Uses of Funds (Phase I + II)



PRELIMINARY SOURCES & USES OF FUNDS			
	Phase I Series 2025	Phase II Series 2028	TOTAL
Sources of Funds			
Par Amount	\$30,490,000	\$27,335,000	\$57,825,000
Bond Premium	\$1,731,356	\$1,335,120	\$3,066,476
Total Sources of Funds	\$32,221,356	\$28,670,120	\$60,891,476
Uses of Funds			
Project Fund Deposit (Roads)	\$31,753,300	\$28,246,700	\$60,000,000
Budgeted Financing Costs	\$163,156	\$150,070	\$313,226
Underwriter's Discount	\$304,900	\$273,350	\$578,250
Total Uses of Funds	\$32,221,356	\$28,670,120	\$60,891,476

PRELIMINARY SUMMARY STATISTICS			
All-in True Interest Cost ⁽¹⁾	4.80%	4.90%	n/a
Amortization Period	20 Years	20 Years	23 Years
Avg. Annual Debt Service	\$2,601,378	\$2,382,017	\$5,046,307
Total Debt Service	\$52,027,569	\$47,640,338	\$99,667,907
Projected I&S Tax Rate Impact ⁽²⁾⁽³⁾	\$0.0100	\$0.0000	\$0.0100
Pricing / Sale Date	May 2025	May 2028	n/a
Closing / Delivery of Funds	June 2025	June 2028	n/a

Notes:

(1) Assumes "AA" rated tax-exempt interest rates + 0.25% as of April 17, 2025.

Subject to change at any time.

(2) Based on existing \$0.0067 I&S Tax Rate and Tax Year 2024 Certified TAV.

(3) Assumes 7.51% growth in TAV from FY 2026-2028 for purposes of illustration only.

Preliminary Cash Flows (Phase I + II)



<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>			<u>H</u>	<u>I</u>	<u>J</u>	<u>K</u>	<u>L</u>	<u>M</u>	<u>N</u>	<u>O</u>
FYE 9/30	Taxable Growth Factor	Taxable Assessed Valuation ⁽¹⁾	Existing Debt Service	Project Fund = \$31,753,300 Unlimited Tax Bonds, Series 2025 All-in True Interest Cost = 4.80% ⁽²⁾			Project Fund = \$28,246,700 Unlimited Tax Bonds, Series 2028 All-in True Interest Cost = 4.90% ⁽²⁾			Projected Total Debt Service	Less: DS Funds on Hand	Projected NET Total Debt Service	Debt Service I&S Tax Rate Equivalent ⁽³⁾	Debt Service (I&S) Tax Rate Impact
				Principal	Interest	Total D/S	Principal	Interest	Total D/S					
2025	7.51%	\$25,125,528,420	\$1,641,016	\$0	\$0	\$0	\$0	\$0	\$0	\$1,641,016	\$0	\$1,641,016	\$0.0067	
2026	7.51%	27,011,857,630	\$1,640,290	\$1,000,000	\$1,801,244	\$2,801,244	\$0	\$0	\$0	\$4,441,534	\$0	\$4,441,534	\$0.0167	\$0.0100
2027	7.51%	29,039,805,270	\$1,642,790	\$1,290,000	\$1,514,363	\$2,804,363	\$0	\$0	\$0	\$4,447,153	\$0	\$4,447,153	\$0.0167	\$0.0000
2028	7.51%	31,220,003,514	\$1,639,740	\$1,355,000	\$1,444,931	\$2,799,931	\$0	\$0	\$0	\$4,439,671	\$0	\$4,439,671	\$0.0167	\$0.0000
2029	0.00%	31,220,003,514	\$1,641,140	\$195,000	\$1,404,244	\$1,599,244	\$1,230,000	\$1,641,981	\$2,871,981	\$6,112,365	\$1,014,336	\$5,098,029	\$0.0166	\$0.0000
2030	0.00%	31,220,003,514	\$1,636,990	\$210,000	\$1,393,613	\$1,603,613	\$495,000	\$1,357,519	\$1,852,519	\$5,093,121	\$0	\$5,093,121	\$0.0166	\$0.0000
2031	0.00%	31,220,003,514	\$1,642,240	\$215,000	\$1,382,456	\$1,597,456	\$520,000	\$1,330,875	\$1,850,875	\$5,090,571	\$0	\$5,090,571	\$0.0166	\$0.0000
2032	0.00%	31,220,003,514	\$1,638,420	\$230,000	\$1,370,775	\$1,600,775	\$555,000	\$1,302,656	\$1,857,656	\$5,096,851	\$0	\$5,096,851	\$0.0166	\$0.0000
2033	0.00%	31,220,003,514	\$1,639,830	\$245,000	\$1,358,306	\$1,603,306	\$585,000	\$1,272,731	\$1,857,731	\$5,100,868	\$0	\$5,100,868	\$0.0166	\$0.0000
2034	0.00%	31,220,003,514	\$1,639,110	\$255,000	\$1,345,181	\$1,600,181	\$610,000	\$1,241,363	\$1,851,363	\$5,090,654	\$0	\$5,090,654	\$0.0166	\$0.0000
2035	0.00%	31,220,003,514	\$1,636,605	\$275,000	\$1,331,269	\$1,606,269	\$645,000	\$1,208,419	\$1,853,419	\$5,096,293	\$0	\$5,096,293	\$0.0166	\$0.0000
2036	0.00%	31,220,003,514	\$0	\$1,970,000	\$1,272,338	\$3,242,338	\$680,000	\$1,173,638	\$1,853,638	\$5,095,975	\$0	\$5,095,975	\$0.0166	\$0.0000
2037	0.00%	31,220,003,514	\$0	\$2,075,000	\$1,166,156	\$3,241,156	\$720,000	\$1,136,888	\$1,856,888	\$5,098,044	\$0	\$5,098,044	\$0.0166	\$0.0000
2038	0.00%	31,220,003,514	\$0	\$2,185,000	\$1,054,331	\$3,239,331	\$755,000	\$1,098,169	\$1,853,169	\$5,092,500	\$0	\$5,092,500	\$0.0166	\$0.0000
2039	0.00%	31,220,003,514	\$0	\$2,305,000	\$936,469	\$3,241,469	\$795,000	\$1,057,481	\$1,852,481	\$5,093,950	\$0	\$5,093,950	\$0.0166	\$0.0000
2040	0.00%	31,220,003,514	\$0	\$2,430,000	\$812,175	\$3,242,175	\$840,000	\$1,014,563	\$1,854,563	\$5,096,738	\$0	\$5,096,738	\$0.0166	\$0.0000
2041	0.00%	31,220,003,514	\$0	\$2,560,000	\$681,188	\$3,241,188	\$885,000	\$969,281	\$1,854,281	\$5,095,469	\$0	\$5,095,469	\$0.0166	\$0.0000
2042	0.00%	31,220,003,514	\$0	\$2,695,000	\$543,244	\$3,238,244	\$935,000	\$921,506	\$1,856,506	\$5,094,750	\$0	\$5,094,750	\$0.0166	\$0.0000
2043	0.00%	31,220,003,514	\$0	\$2,845,000	\$397,819	\$3,242,819	\$980,000	\$871,238	\$1,851,238	\$5,094,056	\$0	\$5,094,056	\$0.0166	\$0.0000
2044	0.00%	31,220,003,514	\$0	\$2,995,000	\$244,519	\$3,239,519	\$1,035,000	\$818,344	\$1,853,344	\$5,092,863	\$0	\$5,092,863	\$0.0166	\$0.0000
2045	0.00%	31,220,003,514	\$0	\$3,160,000	\$82,950	\$3,242,950	\$1,095,000	\$762,431	\$1,857,431	\$5,100,381	\$0	\$5,100,381	\$0.0166	\$0.0000
2046	0.00%	31,220,003,514	\$0	\$0	\$0	\$0	\$4,415,000	\$617,794	\$5,032,794	\$5,032,794	\$0	\$5,032,794	\$0.0164	\$0.0000
2047	0.00%	31,220,003,514	\$0	\$0	\$0	\$0	\$4,655,000	\$379,706	\$5,034,706	\$5,034,706	\$0	\$5,034,706	\$0.0164	\$0.0000
2048	0.00%	31,220,003,514	\$0	\$0	\$0	\$0	\$4,905,000	\$128,756	\$5,033,756	\$5,033,756	\$1	\$5,033,755	\$0.0164	\$0.0000
\$18,038,171				\$30,490,000	\$21,537,569	\$52,027,569	\$27,335,000	\$20,305,338	\$47,640,338	\$117,706,078	\$1,014,337	\$116,691,741		\$0.0100

Notes:

(1) Fiscal Year 2025 totals actual certified values as provided by Johnson County Appraisal District.

Growth assumptions for purposes of illustration only. Subject to change.

(2) Assumes "AA" rated tax-exempt interest rates + 0.25% as of April 17, 2025. Subject to change at any time.

(3) Fiscal Year 2025 actual tax rate. Calculated at 98.5% thereafter for purposes of illustration.

Proposed Schedule of Events



JOHNSON COUNTY, TEXAS

\$ _____ * UNLIMITED TAX ROAD BONDS, SERIES 2025

Schedule of Events* as of 4/17/2025

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

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

HOLIDAY

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

HOLIDAY

Date	Event	Responsible Party
Monday, 02/10/25	Presentation of PRELIMINARY Plan of Finance & Bond Method of Sale to Commissioners Court	County / FA
	Commissioners Court considers and approves Preliminary Plan of Finance and directs Staff and Finance Team to Implement	CC
	Commissioners Court selects bond method of sale for proposed Road Bond Program	CC
April 2025	Begin preparation of Preliminary Official Statement	County, BC, FA
Monday, 04/28/25	Presentation of FINAL Plan of Finance to Commissioners Court	County / FA
	Commissioners Court considers and approves Final Plan of Finance and directs Staff and Finance Team to Implement	CC
Wednesday, 04/30/25 (CAD deadline)	Central Appraisal District of Johnson County disseminates preliminary taxable assessed values for Tax Year 2025	County / FA
May 2025	Bond Rating Meetings/Calls, Due Diligence Call, Finalize Preliminary Official Statement	County, BC, FA
Tuesday, 05/27/25	Pricing of Unlimited Tax Road Bonds, Series 2025	FA / UW
	Commissioners Court considers and approves Order Authorizing the Issuance of Unlimited Tax Road Bonds, Series 2025	CC
Prior to Closing	Attorney General Approves Sale	AG, BC
Tuesday, 06/24/25	Closing of Unlimited Tax Road Bonds, Series 2025 and delivery of funds to the County	UW, BC, PA, FA

Key Actions to be Taken by Commissioners Court

*Preliminary, subject to change.

Commissioners Court Key Items



- **Monday, February 10, 2025** *(Completed)*
 - **Commissioners Court considers and approves Preliminary Plan of Finance and directs Staff and Finance Team to Implement**
 - Staff and Finance Team seeking direction from Commissioners Court
 - **Commissioners Court selects bond method of sale for proposed Road Bond Program**
 - Staff and Finance Team seeking direction from Commissioners Court *(could be moved to a subsequent date if needed. Bond plan of finance would continue to be implemented in the meantime)*
- **Monday, April 28, 2025**
 - **Commissioners Court considers and approves Final Plan of Finance and directs Staff and Finance Team to Implement**
 - Staff and Finance Team seeking direction from Commissioners Court
- **Tuesday, May 27, 2025**
 - **Commissioners Court considers and approves Order Authorizing the Issuance of Unlimited Tax Road Bonds, Series 2025**
 - Commissioners Court Official Action Item



Appendix A Financing Team

Financing Team – Series 2025 Unlimited Tax Road Bonds



- **Financial Advisor**
 - Hilltop Securities Inc., Dallas, TX

- **Bond Counsel**
 - McCall, Parkhurst & Horton L.L.P., Dallas, TX

- **Underwriter(s)**
 - BOK Financial Securities, Inc., Richardson, TX (Lead Manager)
 - Stephens Inc., Dallas, TX (Co-Manager)

- **Underwriter's Counsel**
 - Bracewell LLP, Dallas, TX

- **Rating Agencies**
 - Fitch Ratings, Austin, TX; and Standard and Poor's, Dallas, TX

- **Paying Agent**
 - Amegy Bank., Dallas, TX



Appendix B

Week of April 21, 2025

Municipal Market Update

Market Commentary



Market Observations

Primary Market:

- 30-Day Visible Supply is approximately \$20.755 billion
- The calendar consists of \$7.9 billion of negotiated deals and \$945 million of competitive deals
- The largest negotiated deal of the week is the \$1.75 billion New York City Taxable General Obligation Bonds

Secondary Market:

- Municipal Bond Funds reported \$3.3 billion of net outflows, compared with \$244 million of outflows the prior week
- Weekly trade volume of \$115.018 billion represents an increase of \$36.1 billion from the previous week's \$78.891 billion

General Market Overview:

- The MMD curve experienced significant volatility, with 30-year index increasing 65 bps in the previous week,
- Consumer Price Index (CPI) increased 2.4% year-over-year in March, a slowdown from February's 2.8% rise, surpassing economists' expectations of 2.5%; monthly CPI dropped 0.1%, the first decline since May 2020.

Economic Calendar:

Empire State Manufacturing Index, Import and Export Prices, Retail Sales, Industrial Production, Business Inventories, Treasury International Capital, Housing Starts and Permits, Jobless Claims, Philadelphia Fed Manufacturing Index

Source: Ipreo, TM3, Bloomberg, BBC, Wall Street Journal, New York Times, The Bond Buyer, Econoday, CNBC

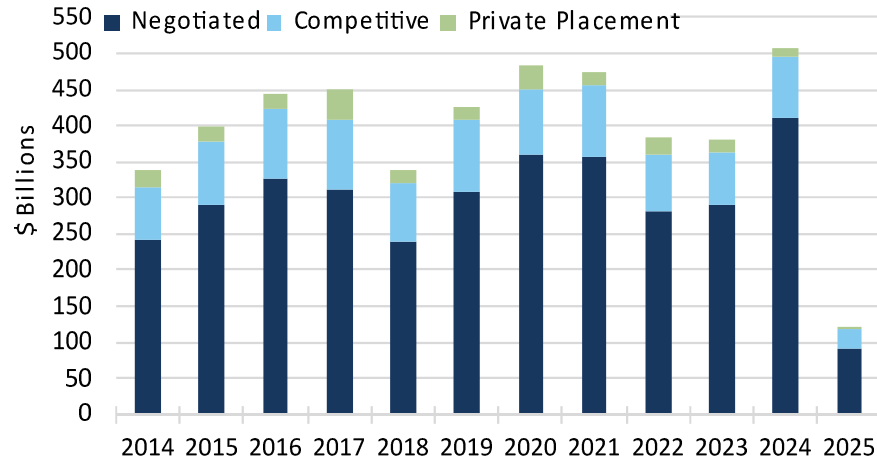
Statistics

	4/11/2025	4/4/2025	Change
5Y MMD	3.37	2.59	0.78 ▲
10Y MMD	3.66	2.97	0.69 ▲
15Y MMD	4.01	3.34	0.67 ▲
20Y MMD	4.43	3.81	0.62 ▲
30Y MMD	4.64	3.99	0.65 ▲
MMD 2/30 Yield Curve Steepness	141	154	(13) ▼
Bond Buyer 11 GO Bond Index	5.01	4.24	0.77 ▲
Bond Buyer 20 GO Bond Index	5.11	4.34	0.77 ▲
Bond Buyer Revenue Bond Index	5.40	4.63	0.77 ▲
1Y UST	4.04	3.86	0.18 ▲
5Y UST	4.15	3.72	0.43 ▲
7Y UST	4.32	3.84	0.48 ▲
10Y UST	4.48	4.01	0.47 ▲
30Y UST	4.85	4.41	0.44 ▲
UST 2/30 Yield Curve Steepness	89	73	16 ▲
10Y MMD/UST Ratio	82	74	7.6 ▲
30Y MMD/UST Ratio	96	90	5.2 ▲
SIFMA	4.41	2.72	1.69 ▲
1M SOFR	4.32	4.33	(0.005) ▼
30-Day Negotiated Visible Supply	17,544.0	15,184.0	2,360.0 ▲
30-Day Competitive Visible Supply	3,211.0	3,944.0	(733.0) ▼
Lipper Muni Bond Fund Flows	(3,302)	(244)	(3,058) ▼

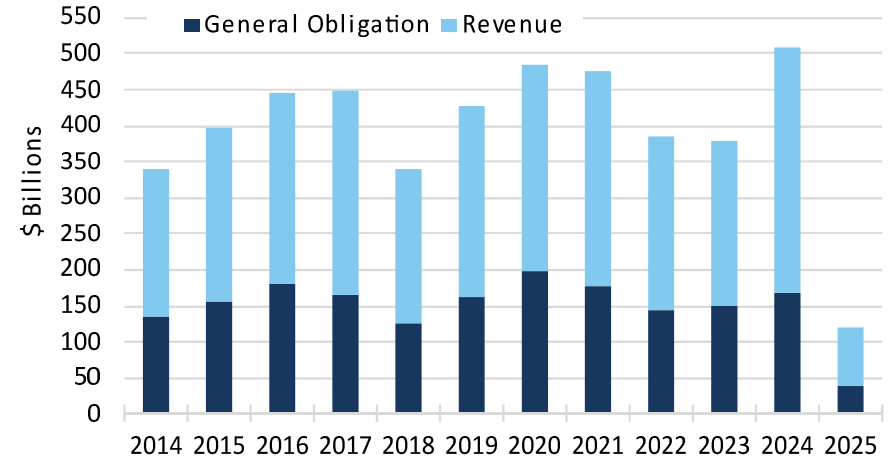
Municipal Issuance Statistics | Analysis by Issuance Type



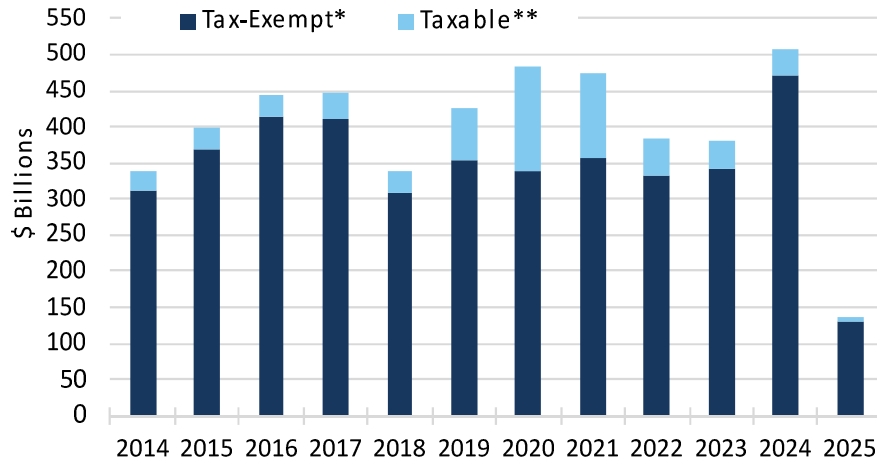
Negotiated vs Competitive vs Private Placement



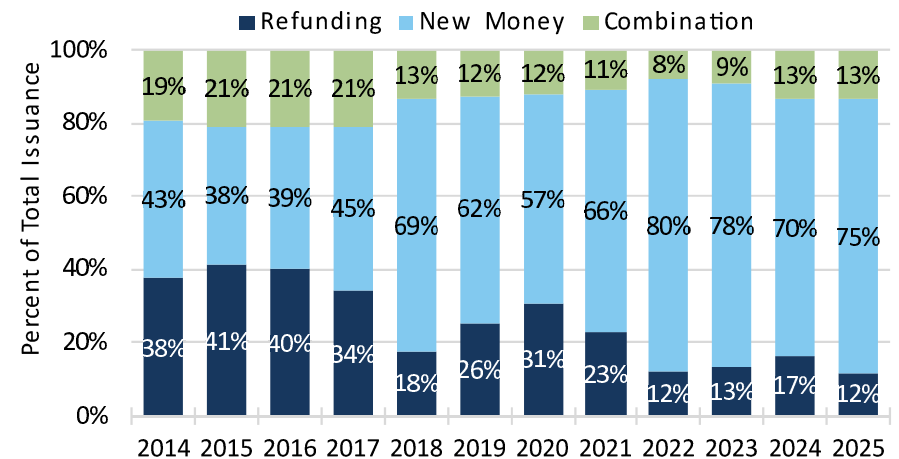
Revenue vs General Obligation



Taxable vs Tax-Exempt



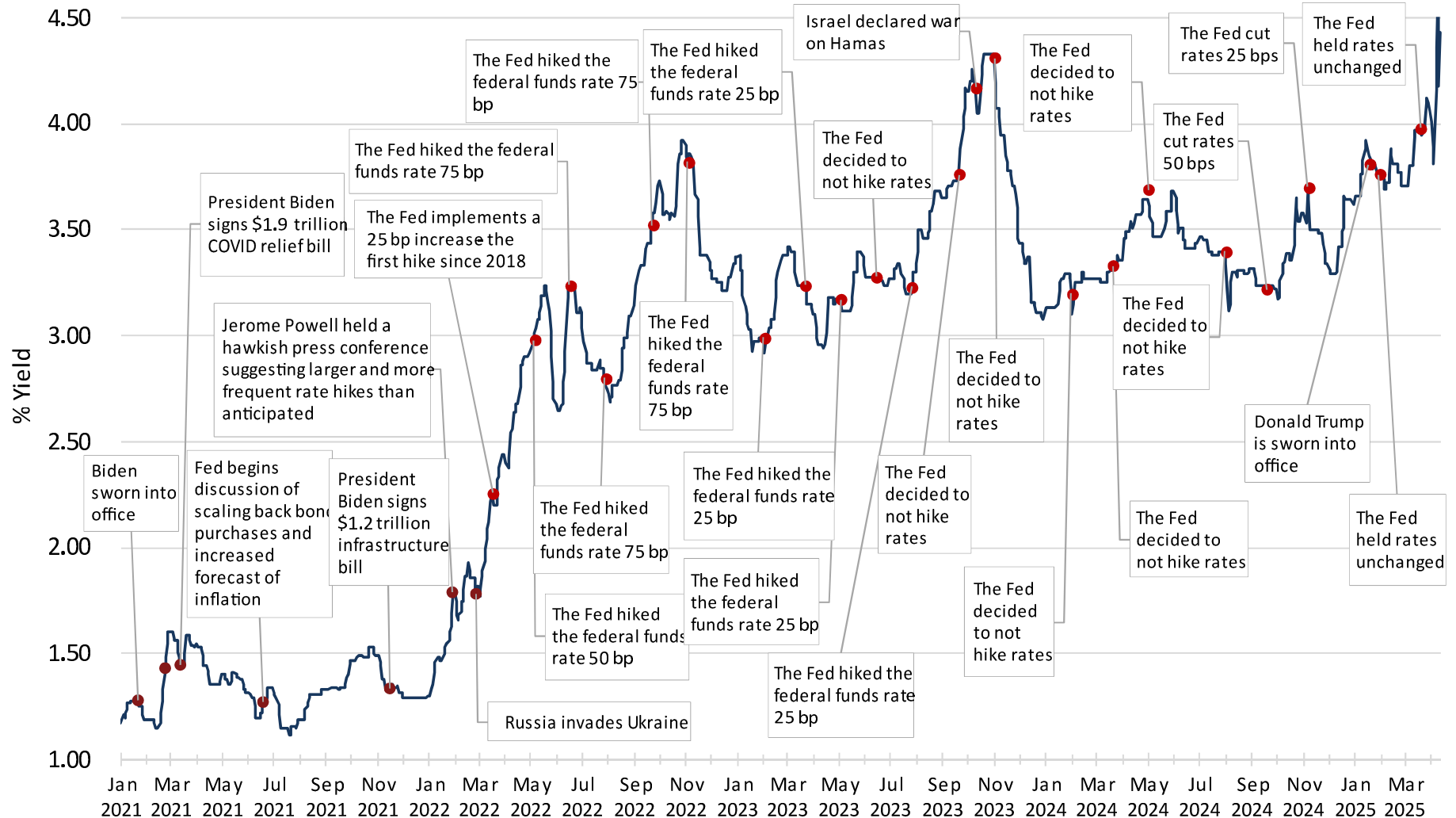
Refunding vs New Money



* Tax-Exempt Includes AMT Bonds **Taxable Includes Stimulus Bonds

Source: The Bond Buyer "A Decade of Bond Finance" and Thomson Reuters (based on data available through December 31, 2024) Excludes Notes

Change in 20-Year MMD with Market Commentary – 1/1/21 to 4/11/2025

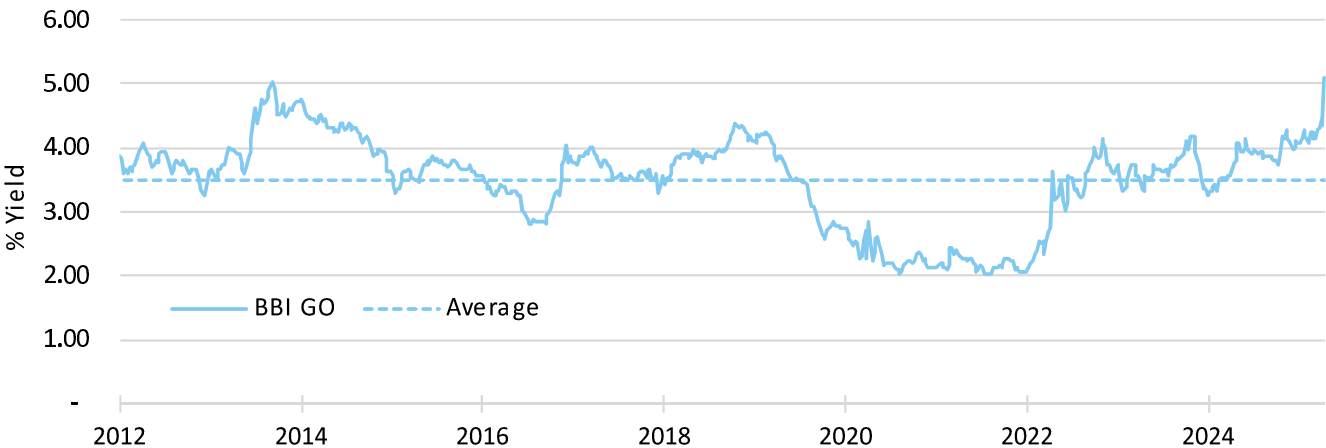


Source: Refinitiv Municipal Market Data and HilltopSecurities

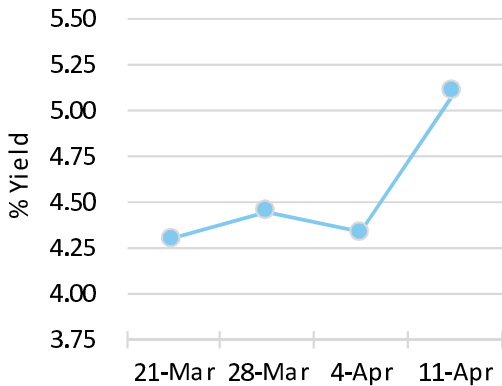
Tax-Exempt Market Overview | The Bond Buyer



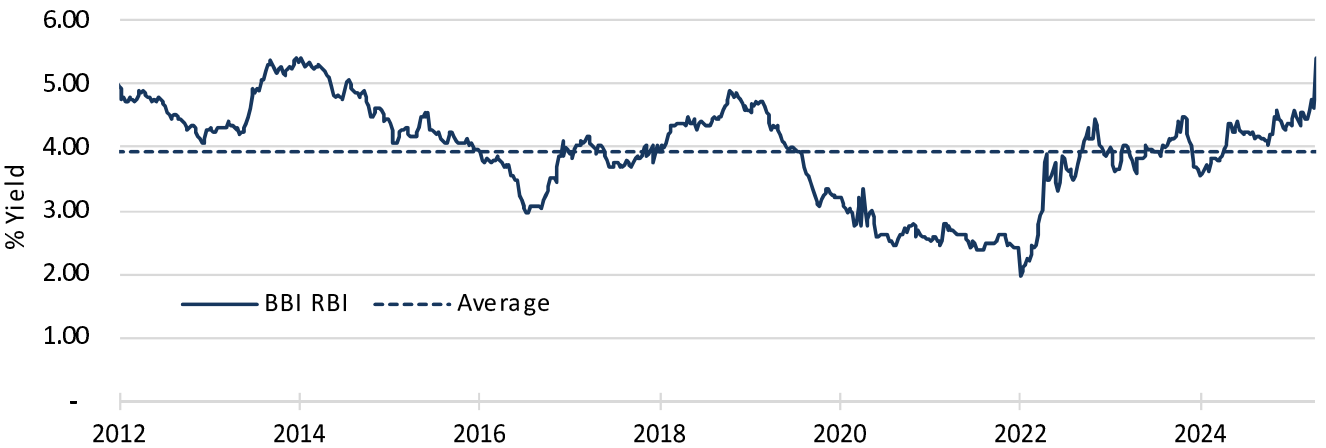
The Bond Buyer 20-Bond General Obligation Index – 1/1/12 to 4/11/2025



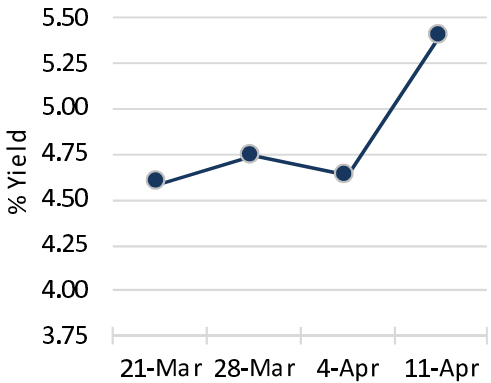
4-Week Snapshot



The Bond Buyer Revenue Bond Index – 1/1/12 to 4/11/2025



4-Week Snapshot



Source: The Bond Buyer