



Contact

James S. Sabonis
Managing Director

325 N. St. Paul Street, Suite 800

Dallas, Texas 75201

Direct 214.953.4195

Fax 214.953.4050

jim.sabonis@firstsw.com

Andre Ayala
Vice President

325 N. St. Paul Street, Suite 800

Dallas, Texas 75201

Direct 214.953.4184

Fax 214.953.4050

andre.ayala@firstsw.com



Update and Status Report of
Plan of Finance for Renovation and Expansion of County Jail

April 27, 2015

Johnson County, Texas

Table of Contents

Plan of Finance 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
Funding Process	6

Strategy and Financial Goals

Plan of Finance for Renovation and Expansion of County Jail

- 1) Fund \$25,000,000 for Renovation and Expansion of County Jail Project
- 2) Financial Goals – Mitigate impact on County Taxpayers
 - 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 is less than 50 basis points, or 0.50%)
 - d) Wrap new debt around the County's existing debt
- 3) Conservative Assumptions for Budgeting and Planning
 - a) Budget flat (0% growth) future Taxable Assessed Valuation – currently \$10,889,581,459 as of Tax Year 2014 (as reported by the Central Appraisal District of Johnson County)

Financing Summary - Project Funds & Repayment Term
Plan of Finance for Renovation and Expansion of County Jail

**Certificates of Obligation,
Series 2015**

Tax Status

Taxable

Total Amount of Debt Issues

\$25,000,000

Budgeted Cost of Issuance

\$345,000

Project Funds for Jail Renovation and Expansion

\$24,655,000

Repayment Term

20 Years (2035)

Financing Summary - Cost and Tax Impact

Plan of Finance for Renovation and Expansion of County Jail

Certificates of Obligation,
Taxable Series 2015

Debt Issue

Par Amount of Certificates \$25,000,000
All-in True Interest Cost (current rates + 0.30%) 4.01%

Debt Payments

Total Debt Service thru 2035 \$36,905,239
Average Annual D/S (2016-2035) \$1,845,262

Tax Rate

Estimated Tax Rate Impact of New Debt \$0.0116
Existing Debt Tax Rate (FY 2015) \$0.0252
Total New Estimated Debt Tax Rate (FY 2016) \$0.0368
Estimated Impact of New Debt on a \$100,00 Home \$11.60 / year

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

Financing Summary – Cash Flows

Plan of Finance 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⁾			Contribution from Excess Debt Service Fund Balance	NEW General Obligation Debt Service	Projected 185 Tax Rate ⁽³⁾	Jail Project Tax Rate Impact
				All-in True Interest Cost = 4.01%	Principal	Interest				
2015	0.00%	\$ 10,889,581,459	\$ 2,432,442	\$ -	\$ -	\$ -	\$ -	0.0252		
2016	0.00%	10,889,581,459	2,435,323	500,000	989,832	1,489,832	-	0.0368	0.0116	
2017	0.00%	10,889,581,459	2,435,121	615,000	876,188	1,491,188	-	0.0368	-	
2018	0.00%	10,889,581,459	2,434,367	625,000	867,590	1,492,590	-	0.0368	-	
2019	0.00%	10,889,581,459	2,434,873	635,000	855,732	1,490,732	-	0.0368	-	
2020	0.00%	10,889,581,459	2,437,262	650,000	841,106	1,491,106	-	0.0368	-	
2021	0.00%	10,889,581,459	2,436,977	665,000	824,728	1,489,728	-	0.0368	-	
2022	0.00%	10,889,581,459	-	1,200,000	799,469	1,999,469	-	0.0187	-	
2023	0.00%	10,889,581,459	-	1,235,000	764,264	1,999,264	-	0.0187	-	
2024	0.00%	10,889,581,459	-	1,270,000	725,737	1,995,737	-	0.0187	-	
2025	0.00%	10,889,581,459	-	1,315,000	684,365	1,999,365	-	0.0187	-	
2026	0.00%	10,889,581,459	-	1,355,000	639,623	1,994,623	-	0.0187	-	
2027	0.00%	10,889,581,459	-	1,405,000	590,959	1,995,959	-	0.0187	-	
2028	0.00%	10,889,581,459	-	1,460,000	538,294	1,998,294	-	0.0187	-	
2029	0.00%	10,889,581,459	-	1,515,000	481,377	1,996,377	-	0.0187	-	
2030	0.00%	10,889,581,459	-	1,575,000	420,334	1,995,334	-	0.0187	-	
2031	0.00%	10,889,581,459	-	1,645,000	353,220	1,998,220	-	0.0187	-	
2032	0.00%	10,889,581,459	-	1,715,000	280,476	1,995,476	-	0.0187	-	
2033	0.00%	10,889,581,459	-	1,795,000	204,484	1,999,484	-	0.0187	-	
2034	0.00%	10,889,581,459	-	1,870,000	125,137	1,995,137	-	0.0187	-	
2035	0.00%	10,889,581,459	-	1,955,000	42,326	1,997,326	-	0.0187	-	
				\$ 17,046,364	\$ 25,000,000	\$ 11,905,239	\$ 36,905,239	\$ -	\$ 53,951,602	\$ 0.0116

(1) As reported by the Central Appraisal District of Johnson County.
 (2) Assumes issuance on June 8, 2015 for settlement on July 1, 2015. Taxable Rates as of 4/10/15 + 0.30%.
 (3) Calculated at 98% collections. Tax Rate for Fiscal Year 2015 is actual.



JOHNSON COUNTY, TEXAS

Proposed Timeframe

Plan of Finance for Renovation and Expansion of County Jail

- 1) **Commissioners Court Meeting - April 27, 2015**
 - a) Status Report
 - b) Updated Plan of Finance
- 2) **Texas Attorney General's Office of Municipal Finance**
 - a) Preapproval of Debt Issuance
- 3) **Commissioners Court Meeting - TBD**
 - a) Presentation of Approved Plan of Finance to Commissioners Court
 - b) Court directs staff and consultants to implement financing
- 4) **Commissioners Court Meeting - TBD**
 - a) Bids Received for Renovation and Expansion
 - b) Court selects Best Bid
- 5) **Staff and Consultants**
 - a) Right size debt issue to match Best Bid
- 6) **Commissioners Court Meeting - TBD**
 - a) Competitive Sale of Certificates of Obligation Court approves Resolution authorizing Issuance of Certificates of Obligation, Taxable Series 2015
- 7) **Staff and Consultants**
 - a) Closing of Certificates of Obligation, Taxable Series 2015
 - b) County receives reimbursements and project funding for the Renovation and Expansion of County Jail Project

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