

# Capital Improvement Funding Plan and 2022 Bond Issuance

May 16<sup>th</sup>, 2022

The logo for Addison, featuring the word "ADDISON" in a bold, blue, sans-serif font centered within a white circle. The circle is set against a blue background that is part of a larger graphic design on the right side of the slide, which includes a white diagonal line and a grey triangle in the top right corner.

# Proposed 2022 Bond Issuance

- Total issuance in the amount of \$23,518,000
  - General Obligation (GO) Bonds in the amount of \$10,518,000
  - Certificates of Obligation (CO) in the amount of \$13,00,000
    - \$10,000,000 supported by property tax
    - \$3,000,000 supported by Utility Fund Revenue

# Proposed 2022 General Obligation Bonds

- Total GO issuance in the amount of \$10,518,000
- Proposition 1 (Approved By Voters in 2012) - \$5,000,000 for the reconstruction of Midway Road
  - Council approved a contract for construction on December 8<sup>th</sup>, 2020 and construction is currently in process.

# Proposed 2022 General Obligation Bonds

- Proposition C (Approved By Voters in 2019) - \$3,213,000
  - Les Lacs Pond Improvements
- Proposition D (Approved By Voters in 2019) - \$2,305,000
  - Issuance includes:
    - \$800,000 for roof replacements
    - \$255,000 for HVAC replacements
    - \$1,250,000 for ADA improvements

# 2022 GO Bonds Tax Rate Impact

Tax Rate Impact	Total	2022 GO's Per Bond Election	2022 GO's Projected	Savings (Deficit)
<b>Proposition A</b>	\$ 0.0353	\$ -	\$ -	\$ -
<b>Proposition B</b>	\$ 0.0450	\$ -	\$ -	\$ -
<b>Proposition C</b>	\$ 0.0100	\$ 0.0048	\$ 0.0045	\$ 0.0003
<b>Proposition D</b>	\$ 0.0113	\$ 0.0035	\$ 0.0033	\$ 0.0002
<b>Proposition E</b>	\$ 0.0015	\$ -	\$ -	\$ -
<b>Totals</b>	\$ 0.1031	\$ 0.0083	\$ 0.0078	\$ 0.0005
	<b>Savings compared to 2019 bond election projections =</b>			<b>6.04%</b>

# 2022 Proposed Certificates of Obligation

- Total CO issuance in the amount of \$13,000,000
- \$10,000,000 for the reconstruction of Midway Road supported by property tax revenue
  - On November 13, 2018 Council directed the City Manager to proceed with the issuance of Certificates of Obligation for this project.
- \$3,000,000 for Utility Fund Capital Improvement Projects supported by Utility Rate revenue

# Tax Rate Impact from Bond Committee in 2019

## Estimated I&S Tax Rate Impact<sup>(1)(2)(3)</sup>

FYE	Existing		2019 Bond Propositions					Total All Props	Total Projected
	Existing	"Committed"	Prop A	Prop B	Prop C	Prop D	Prop E		
2019	\$ 0.1428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1428
2020	0.1240	0.0258	-	-	-	-	-	-	0.1497
2021	0.1200	0.0435	0.0026	-	0.0007	0.0028	0.0016	0.0077	0.1712
2022	0.1146	0.0602	0.0212	-	0.0055	0.0093	0.0015	0.0375	0.2122
2023	0.1108	0.0628	0.0351	0.0042	0.0053	0.0114	0.0015	0.0574	0.2311

### Assumptions:

(1) Future Taxable Assessed Values assume 3.5% growth through 2038 as supplied by Town officials.

(2) Tax Collection Percentage: 96.5%

(3) Interest Rate Assumptions:

2019 Sales assume 3.00% (current rates plus 0.25%)

2020 Sales assume current rates plus 1.00% = 4.75%

2021 Sales and beyond assume current rates plus 1.25% = 5.00%

# Tax Rate Impact Current Estimate

## Estimated I&S Tax Rate Impact<sup>(1)(2)(3)</sup>

FYE	Existing	"Committed"	Remaining 2019 Bond Propositions					Total All Props	Total Projected
			Prop A	Prop B	Prop C	Prop D			
2022	\$ 0.1735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.1735	
2023	0.1663	0.0215	-	-	0.0046	0.0033	0.0078	0.1957	

Assumptions:

(1) FYE 2022 is the Town's final Taxable Assessed Value as provided by Dallas Central Appraisal District. Future values assume 3.5% growth from FY's 2023 through 2038 as supplied by Town officials.

(2) Tax Collection Percentage: 96.5% Tax Rate for FYE 2022 is actual. All other years are projections.

(3) Interest Rate Assumptions:

2022 Sales assume 3.95%. Based on AAA Tax-Exempt Rates as of 05/09/2022 plus 25 bps.

2023 Sales assume 4.50%

2024 Sales and beyond assume 5.00%



# Timeline

- May 16th - Present plan to the Council
- June 14th - City Council considers Ordinance authorizing Notice of Intent Publication for Certificates of Obligation
- June 20th - First Publication of Notice of Intent to Issue Certificates of Obligation
- June 27th - Second Publication of Notice of Intent to Issue Certificates of Obligation
- Week of July 11th– Ratings calls
- July 27th - Receive ratings
- August 9th - Hold competitive sale for the bonds (both GO and CO)
- August 9th - Present ordinance authorizing the sale to Council
- September 7th – Receive proceeds from bond sale

