



City of Laredo, Texas

Debt Overview 2019-2020

ESTRADA • HINOJOSA
INVESTMENT BANKERS

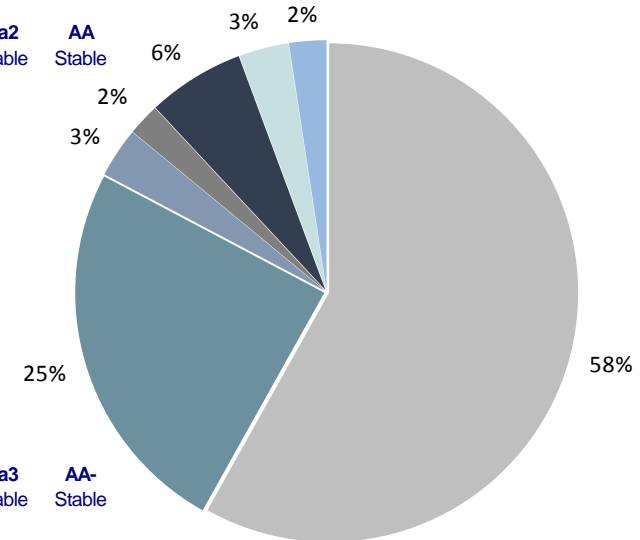
Debt Overview



Laredo Debt Portfolio (Historical and Current)

Debt by Category (Principal Only)

| OUTSTANDING BONDS [Principal Only] | | | | | RATINGS ⁽²⁾ | |
|--|-----------------------|-----------------------|-----------------------|--------------------------|------------------------|-----------------------|
| | 9/30/2016 | 9/30/2017 | 9/30/2018 | 8/20/2019 ⁽³⁾ | Moody's | S&P |
| Total Property Tax Debt (CO's and GO) | \$ 171,108,516 | \$ 146,773,794 | \$ 151,746,404 | \$ 155,246,381 | Aa2 Stable | AA Stable |
| Self-Supporting G.O. Debt by Enterprise⁽¹⁾ | | | | | | |
| Waterworks System | \$ 68,436,342 | \$ 66,575,344 | \$ 63,065,209 | \$ 62,941,527 | | |
| Sewer System | 23,585,930 | 21,684,589 | 19,681,348 | 19,819,936 | | |
| Solid Waste | 28,068,599 | 23,434,844 | 21,960,633 | 20,430,840 | | |
| Mass Transit | 6,808,358 | 5,730,265 | 4,611,022 | 3,446,340 | | |
| Airport | 4,770,000 | 4,500,000 | 1,410,000 | 1,315,000 | | |
| Parking | 1,195,771 | 1,046,696 | 888,703 | 727,068 | | |
| Bridge CIF | 3,530,323 | 2,869,163 | 2,188,954 | 1,486,750 | | |
| Environmental Services | 5,177,751 | 7,044,163 | 4,610,000 | 4,400,000 | | |
| Storm Water | 17,233,925 | 15,922,941 | 14,558,403 | 13,135,502 | | |
| Police | 5,199,485 | 4,758,202 | 4,324,324 | 3,870,656 | | |
| Total Self-Supporting [Enterprise Systems] | \$ 164,006,484 | \$ 153,566,207 | \$ 137,298,596 | \$ 131,573,619 | | |
| Total G. O. Debt [Property Tax + Self-Supporting] | \$ 335,115,000 | \$ 300,340,001 | \$ 289,045,000 | \$ 286,820,000 | | |
| Waterworks & Sewer System Revenue | | | | | Aa3 Stable | AA- Stable |
| Senior Lien | \$ 215,370,000 | \$ 209,025,000 | \$ 220,250,000 | \$ 213,325,000 | | |
| Junior Lien | 80,582,000 | 77,708,000 | 73,523,000 | 70,674,000 | | |
| Total Waterworks & Sewer System Debt | \$ 295,952,000 | \$ 286,733,000 | \$ 293,773,000 | \$ 283,999,000 | | |
| International Bridge System Revenue | | | | | A2/A3 Stable | A+/A Stable |
| Senior Lien | \$ 44,640,000 | \$ 38,990,000 | \$ 33,070,000 | \$ 26,945,000 | | |
| Junior Lien | 15,480,000 | 14,615,000 | 13,720,000 | 12,795,000 | | |
| Total International Bridge System Debt | \$ 60,120,000 | \$ 53,605,000 | \$ 46,790,000 | \$ 39,740,000 | | |
| Sales Tax Revenue Debt | \$ 27,475,000 | \$ 25,230,000 | \$ 22,890,000 | \$ 20,445,000 | A1 Stable | A+ Stable |
| TOTAL | \$ 718,662,000 | \$ 665,908,001 | \$ 652,498,000 | \$ 631,004,000 | | |



- Water & Sewer Debt - \$366,760,463
- Property Tax Debt - \$155,246,381
- Solid Waste Debt - \$20,430,840
- Storm Water Debt - \$13,135,502
- Int'l Bridge Debt - \$39,740,000
- Sales Tax Debt - \$20,445,000
- Other Debt - \$15,245,814

WW&SS Debt Outstanding FYE

2016: \$387.9mm
 2017: \$374.9mm
 2018: \$376.5mm

⁽¹⁾ Supported by user-fee net revenues of the various City Enterprise Systems
 i.e: Water, Sewer, Landfill, Mass Transit, Airport, Parking, Bridge CIF, Environmental Services, NPDES, Police Trust.



FYE 2020 Projects – Funding Plans

| Category | Purpose | Instrument | Source | Amount |
|----------|----------------------------|----------------------------|------------------|----------------|
| City | List of Needs to Come | Certificates of Obligation | Property Tax | \$ 20,000,000 |
| City | Solid Waste Land Purchase | Certificates of Obligation | Solid Waste Fund | 12,000,000 |
| WW&SS | Manadas Creek Sewer Plant | TWDB Loan | System Revenue | 48,800,000 |
| WW&SS | WW&SS Improvements | Revenue Bonds (Open Mrkt) | System Revenue | 40,000,000 |
| Bridge | Connectors and overpasses | SIB Loan | Bridge Revenue | 4,000,000 |
| Env Serv | Environmental Service Proj | Certificates of Obligation | Drainage Fund | 15,000,000 |
| Metro | Local Match for Grant | TBD | TBD | TBD |
| | | | | \$ 139,800,000 |



General Obligation



General Obligation Debt Outstanding

| Issue | Par Amount Outstanding | Par Amount Callable | Next Call Date | Security |
|--------------------------------------|------------------------|-----------------------|----------------|--|
| General Obligation | | | | |
| PPF C/Os Ser 2008 | \$ 365,000 | \$ - | N/A | 100% Mass Transit |
| Comb Tax & Airport Rev C/O Ser 2010B | 1,315,000 | 1,315,000 | 2/15/2019 | 100% Airport |
| GO Ref Bds Ser 2010 | 1,560,000 | 705,000 | 2/15/2020 | 30%WWSS / 36%Landfill / 7%Parking / 17%Bridge / 10%Property Tax |
| Comb Tax & Rev C/O Ser 2010 | 3,645,000 | 2,805,000 | 8/15/2020 | 100% Property Tax |
| Comb Tax & Rev C/O Ser 2012 | 5,400,000 | 4,685,000 | 2/15/2021 | 20%NPDES / 80% Property Tax |
| GO Ref Bds Ser 2012 | 4,095,000 | 1,490,000 | 2/15/2022 | 22%WWSS / 51%Mass Transit / 12%Parking / 15%Property Tax |
| PPF C/O Ser 2012 | 1,215,000 | - | N/A | 100% Property Tax |
| Comb Tax & Rev C/O Ser 2012A | 855,000 | - | N/A | 100% Landfill |
| Comb Tax & Rev C/O Taxable Ser 2012B | 3,245,000 | 2,620,000 | 2/15/2022 | 100% Landfill |
| PPF C/O Ser 2013 | 2,860,000 | - | N/A | 91%WWSS / 9% Environmental |
| Comb Tax & Rev C/O Ser 2013 | 5,605,000 | 2,055,000 | 2/15/2023 | 28%Landfill / 31%Mass Transit / 41% Property Tax |
| GO Ref Bds Ser 2013 | 7,975,000 | 2,730,000 | 2/15/2023 | 5%WWSS / 2% Transit / 1%Parking / 11%Bridge / 24%NPDES / 57%Property Tax |
| PPF C/O Ser 2014 | 2,815,000 | - | N/A | 40% Landfill / 60% Property Tax |
| Comb Tax & Rev C/O Ser 2014 | 4,545,000 | 3,345,000 | 2/15/2024 | 100% Property Tax |
| GO Ref Bds Ser 2015 | 51,870,000 | 13,080,000 | 2/15/2025 | 7%WWSS / 7%Landfill / 4%Bridge / 18%NPDES / 64%Property Tax |
| Comb Tax & Rev C/O Ser 2015 | 14,085,000 | 10,730,000 | 2/15/2025 | 40% Landfill / 60% Property Tax |
| GO Ref Bds Ser 2016 | 50,535,000 | 23,995,000 | 2/15/2026 | 68% WWSS / 32% Property Tax |
| PPF C/O Ser 2016 | 6,015,000 | - | N/A | 35% Landfill / 65% Police |
| Comb Tax & Rev C/O Ser 2016A | 20,810,000 | 15,395,000 | 2/15/2026 | 19% Environmental / 81% Property Tax |
| Comb Tax & Rev C/O Taxable Ser 2016B | 2,205,000 | - | N/A | 100% Property Tax |
| GO Ref Bds Ser 2017 | 12,115,000 | 1,930,000 | 2/15/2027 | 21%WWSS / 6%Solid Waste / 73%Property Tax |
| Comb Tax & Rev C/O Ser 2017 | 13,285,000 | 11,020,000 | 2/15/2027 | 100% Property Tax |
| PPF C/O Ser 2017 | 3,095,000 | 415,000 | 2/15/2027 | 100% Solid Waste |
| GO Ref Bds Ser 2018 | 46,635,000 | 27,675,000 | 2/15/2028 | 22% Property Tax / 78% WWSS |
| PPF C/O Ser 2018 | 10,225,000 | - | N/A | 28% Property Tax/ 39% WWSS/ 33% Solid Waste |
| Comb Tax & Rev C/O Ser 2018 | 10,450,000 | 9,070,000 | 2/15/2028 | 100% Property Tax |
| | <u>\$ 286,820,000</u> | <u>\$ 135,060,000</u> | | |

Denotes refunding candidate



Tax Rate Impact - Pre

| | A | B | C | D | E | F | G | H | I | J | K | L | | |
|--------------|---|-----------|-----------------------|------------------------------------|--|---|---|--|---|--------------------------------------|-------------------------------------|-----------------------------------|---------------------|--------------|
| | Collections Rate | | Par Amount: | | | Refunded Par: | | | =SUM((C):[J]) | | =[K] | | | |
| | 97.00% | | Project Fund: | | | PV Savings: | | | | | | | | |
| | | | Delivery Date: | | | Delivery Date: | | | | | | | | |
| | | | TIC: | | | TIC: | | | | | | | | |
| FYE 9/30 | [NAV] Net Assessed Valuation ⁽¹⁾ | NAV Grwth | Existing Debt Service | Less: Self-Supporting Debt Service | 2019 Tax Exempt Certificates of Obligation | 2019A Tax Exempt Certificates of Obligation | 2019B Tax Exempt Certificates of Obligation | Less: 2019A Solid Waste Self-Supporting Debt | Less: 2019B Drainage Self-Supporting Debt Service | Less: 2019 Taxable Refunding Savings | Total Net Debt Service Requirements | Total I&S Tax Rate ⁽²⁾ | I&S Tax Rate Change | FYE 9/30 |
| 2018 | 13,229,014,940 | | \$ 38,687,851 | \$ (20,654,332) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,033,519 | 0.14511 | | 2018 |
| 2019 | 14,196,478,064 | 7.3% | 39,525,538 | (19,930,415) | - | - | - | - | - | - | 19,595,124 | 0.14527 | 0.0002 | 2019 |
| 2020 | 14,689,847,446 | 3.5% | 37,100,439 | (18,654,450) | - | - | - | - | - | - | 18,445,989 | 0.12945 | - 0.0158 | 2020 |
| 2021 | 14,689,847,446 | 0.0% | 35,598,415 | (17,458,573) | - | - | - | - | - | - | 18,139,842 | 0.12730 | | 2021 |
| 2022 | 14,689,847,446 | 0.0% | 33,300,895 | (16,095,200) | - | - | - | - | - | - | 17,205,694 | 0.12075 | | 2022 |
| 2023 | 14,689,847,446 | 0.0% | 31,758,337 | (14,512,930) | - | - | - | - | - | - | 17,245,407 | 0.12103 | | 2023 |
| 2024 | 14,689,847,446 | 0.0% | 30,799,909 | (13,529,655) | - | - | - | - | - | - | 17,270,253 | 0.12120 | | 2024 |
| 2025 | 14,689,847,446 | 0.0% | 30,352,485 | (12,923,545) | - | - | - | - | - | - | 17,428,940 | 0.12232 | | 2025 |
| 2026 | 14,689,847,446 | 0.0% | 27,969,529 | (10,492,133) | - | - | - | - | - | - | 17,477,395 | 0.12266 | | 2026 |
| 2027 | 14,689,847,446 | 0.0% | 26,003,534 | (9,469,909) | - | - | - | - | - | - | 16,533,625 | 0.11603 | | 2027 |
| 2028 | 14,689,847,446 | 0.0% | 19,509,280 | (7,547,320) | - | - | - | - | - | - | 11,961,960 | 0.08395 | | 2028 |
| 2029 | 14,689,847,446 | 0.0% | 16,486,193 | (7,113,857) | - | - | - | - | - | - | 9,372,336 | 0.06577 | | 2029 |
| 2030 | 14,689,847,446 | 0.0% | 13,869,499 | (6,932,545) | - | - | - | - | - | - | 6,936,954 | 0.04868 | | 2030 |
| 2031 | 14,689,847,446 | 0.0% | 13,147,285 | (6,938,128) | - | - | - | - | - | - | 6,209,157 | 0.04358 | | 2031 |
| 2032 | 14,689,847,446 | 0.0% | 13,139,788 | (6,931,263) | - | - | - | - | - | - | 6,208,524 | 0.04357 | | 2032 |
| 2033 | 14,689,847,446 | 0.0% | 12,324,913 | (6,515,250) | - | - | - | - | - | - | 5,809,663 | 0.04077 | | 2033 |
| 2034 | 14,689,847,446 | 0.0% | 9,178,013 | (3,369,025) | - | - | - | - | - | - | 5,808,988 | 0.04077 | | 2034 |
| 2035 | 14,689,847,446 | 0.0% | 8,765,675 | (3,363,400) | - | - | - | - | - | - | 5,402,275 | 0.03791 | | 2035 |
| 2036 | 14,689,847,446 | 0.0% | 7,443,275 | (3,356,525) | - | - | - | - | - | - | 4,086,750 | 0.02868 | | 2036 |
| 2037 | 14,689,847,446 | 0.0% | 5,537,850 | (3,029,625) | - | - | - | - | - | - | 2,508,225 | 0.01760 | | 2037 |
| 2038 | 14,689,847,446 | 0.0% | 4,129,100 | (3,027,500) | - | - | - | - | - | - | 1,101,600 | 0.00773 | | 2038 |
| 2039 | 14,689,847,446 | 0.0% | 3,018,625 | (3,018,625) | - | - | - | - | - | - | - | - | | 2039 |
| 2040 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2040 |
| 2041 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2041 |
| 2042 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2042 |
| 2043 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2043 |
| Total | | | \$ 457,646,425 | \$ (214,864,206) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 242,782,219 | | | Total |

⁽¹⁾ 2020 NAV estimate provided by the City

⁽²⁾ Bolded Tax Rate set by the City. All others calculated



Tax Rate Impact – Post Issuances + Refunding

| A | B | C | D | E | F | G | H | I | J | K | L | |
|------------------|---|---|----------------------------|------------|------------|------------|------------|------------|------------|------------------|-------------|---------------|
| Collections Rate | | | Par Amount: ⁽³⁾ | \$ | 20,000,000 | \$ | 10,185,000 | \$ | 12,720,000 | Refunded Par: \$ | 3,510,000 | =SUM([C]:[J]) |
| 97.00% | | | Project Fund: \$ | 23,640,538 | \$ | 12,000,000 | \$ | 15,000,000 | | PV Savings: | \$268K (7%) | = [K] |
| | | | Delivery Date: | 12/04/19 | | 12/04/19 | | 12/04/19 | | Delivery Date: | 11/15/2019 | |
| | | | TIC: ⁽⁴⁾ | 2.847% | | 2.847% | | 2.847% | | TIC: | 2.68% | |

| FYE 9/30 | [NAV] Net Assessed Valuation ⁽¹⁾ | NAV Grwth | Existing Debt Service | Less: Self-Supporting Debt Service | 2019 Tax Exempt Certificates of Obligation | 2019A Tax Exempt Certificates of Obligation | 2019B Tax Exempt Certificates of Obligation | Less: 2019A Solid Waste Self-Supporting Debt | Less: 2019B Drainage Self-Supporting Debt Service | Less: 2019 Taxable Refunding Savings | Total Net Debt Service Requirements | Total Required I&S Tax Rate ⁽²⁾ | I&S Tax Rate Change | FYE 9/30 |
|--------------|---|-------------|-----------------------|------------------------------------|--|---|---|--|---|--------------------------------------|-------------------------------------|--|---------------------|--------------|
| 2018 | 13,229,014,940 | | \$ 38,687,851 | \$ (20,654,332) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,033,519 | 0.14511 | | 2018 |
| 2019 | 14,196,478,064 | 7.3% | 39,525,538 | (19,930,415) | - | - | - | - | - | - | 19,595,124 | 0.14527 | | 2019 |
| 2020 | 14,689,847,446 | 3.5% | 37,100,439 | (18,654,450) | 1,301,722 | 650,881 | 813,262 | (650,881) | (813,262) | (25,426) | 19,722,285 | 0.13841 | - 0.0002 | 2020 |
| 2021 | 14,689,847,446 | 0.0% | 35,598,415 | (17,458,573) | 1,578,375 | 799,250 | 999,800 | (799,250) | (999,800) | (29,793) | 19,688,424 | 0.13817 | | 2021 |
| 2022 | 14,689,847,446 | 0.0% | 33,300,895 | (16,095,200) | 1,581,250 | 800,550 | 997,700 | (800,550) | (997,700) | (33,919) | 18,753,025 | 0.13161 | | 2022 |
| 2023 | 14,689,847,446 | 0.0% | 31,758,337 | (14,512,930) | 1,582,375 | 801,250 | 999,900 | (801,250) | (999,900) | (29,556) | 18,798,226 | 0.13193 | | 2023 |
| 2024 | 14,689,847,446 | 0.0% | 30,799,909 | (13,529,655) | 1,581,750 | 796,450 | 996,400 | (796,450) | (996,400) | (33,382) | 18,818,621 | 0.13207 | | 2024 |
| 2025 | 14,689,847,446 | 0.0% | 30,352,485 | (12,923,545) | 1,579,375 | 801,050 | 997,200 | (801,050) | (997,200) | (31,915) | 18,976,400 | 0.13318 | | 2025 |
| 2026 | 14,689,847,446 | 0.0% | 27,969,529 | (10,492,133) | 1,580,125 | 799,950 | 997,200 | (799,950) | (997,200) | (30,479) | 19,027,041 | 0.13353 | | 2026 |
| 2027 | 14,689,847,446 | 0.0% | 26,003,534 | (9,469,909) | 1,578,875 | 801,000 | 998,625 | (801,000) | (998,625) | (33,801) | 18,078,699 | 0.12688 | | 2027 |
| 2028 | 14,689,847,446 | 0.0% | 19,509,280 | (7,547,320) | 1,580,500 | 799,000 | 996,250 | (799,000) | (996,250) | (31,898) | 13,510,562 | 0.09482 | | 2028 |
| 2029 | 14,689,847,446 | 0.0% | 16,486,193 | (7,113,857) | 1,579,875 | 800,875 | 997,500 | (800,875) | (997,500) | (29,826) | 10,922,385 | 0.07665 | | 2029 |
| 2030 | 14,689,847,446 | 0.0% | 13,869,499 | (6,932,545) | 1,581,875 | 796,625 | 997,250 | (796,625) | (997,250) | (32,531) | 8,486,298 | 0.05956 | | 2030 |
| 2031 | 14,689,847,446 | 0.0% | 13,147,285 | (6,938,128) | 1,581,375 | 796,250 | 1,000,375 | (796,250) | (1,000,375) | - | 7,790,532 | 0.05467 | | 2031 |
| 2032 | 14,689,847,446 | 0.0% | 13,139,788 | (6,931,263) | 1,578,375 | 799,500 | 996,875 | (799,500) | (996,875) | - | 7,786,899 | 0.05465 | | 2032 |
| 2033 | 14,689,847,446 | 0.0% | 12,324,913 | (6,515,250) | 1,577,750 | 796,375 | 996,750 | (796,375) | (996,750) | - | 7,387,413 | 0.05184 | | 2033 |
| 2034 | 14,689,847,446 | 0.0% | 9,178,013 | (3,369,025) | 1,579,250 | 796,875 | 999,750 | (796,875) | (999,750) | - | 7,388,238 | 0.05185 | | 2034 |
| 2035 | 14,689,847,446 | 0.0% | 8,765,675 | (3,363,400) | 1,577,750 | 800,750 | 995,875 | (800,750) | (995,875) | - | 6,980,025 | 0.04899 | | 2035 |
| 2036 | 14,689,847,446 | 0.0% | 7,443,275 | (3,356,525) | 1,578,125 | 798,000 | 1,000,000 | (798,000) | (1,000,000) | - | 5,664,875 | 0.03976 | | 2036 |
| 2037 | 14,689,847,446 | 0.0% | 5,537,850 | (3,029,625) | 1,580,125 | 798,625 | 997,000 | (798,625) | (997,000) | - | 4,088,350 | 0.02869 | | 2037 |
| 2038 | 14,689,847,446 | 0.0% | 4,129,100 | (3,027,500) | 1,578,625 | 797,500 | 996,875 | (797,500) | (996,875) | - | 2,680,225 | 0.01881 | | 2038 |
| 2039 | 14,689,847,446 | 0.0% | 3,018,625 | (3,018,625) | 1,578,500 | 799,500 | 999,375 | (799,500) | (999,375) | - | 1,578,500 | 0.01108 | | 2039 |
| 2040 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2040 |
| 2041 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2041 |
| 2042 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2042 |
| 2043 | 14,689,847,446 | 0.0% | - | - | - | - | - | - | - | - | - | - | | 2043 |
| Total | | | \$ 457,646,425 | \$ (214,864,206) | \$ 31,315,972 | \$ 15,830,256 | \$ 19,773,962 | \$ (15,830,256) | \$ (19,773,962) | \$ (342,527) | \$ 273,755,664 | | | Total |

⁽¹⁾ 2020 NAV estimate provided by the City

⁽²⁾ Bolded Tax Rate set by the City. All others calculated

⁽³⁾ Preliminary, subject to change.

⁽⁴⁾ Estimated rate used for illustration purposes only. Preliminary, subject to change.



Proposed Refunding Analysis Summary

- Based on current market taxable rates as of 8/20/2019, Net Present Value and annual savings can be realized by refunding the following outstanding obligations:

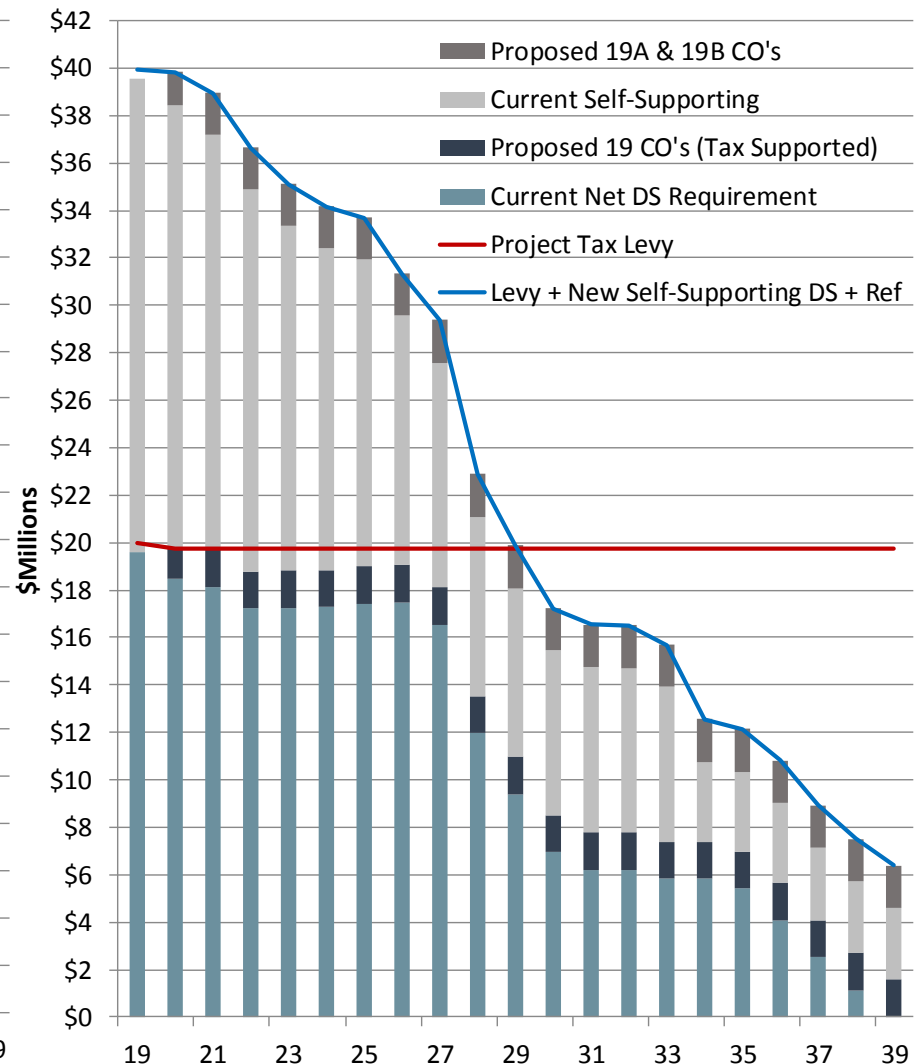
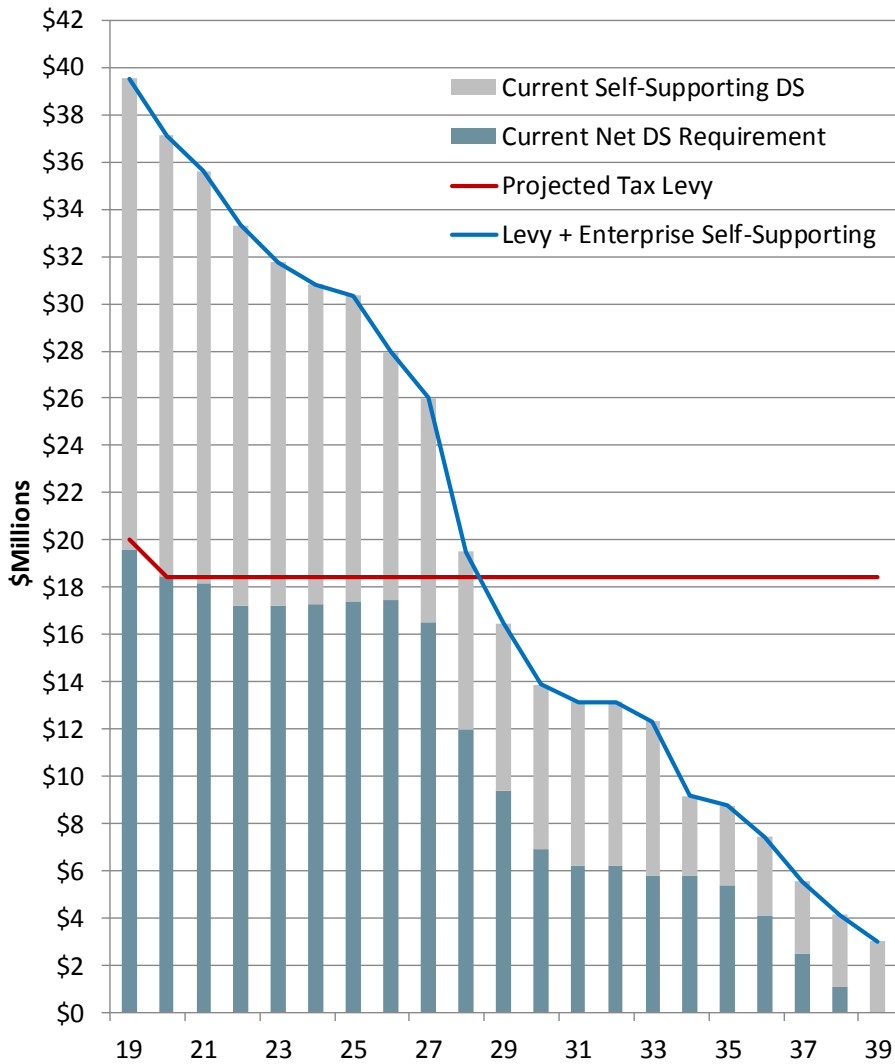
| Refunding Candidates | Par | Call Date |
|--------------------------|---------------------|-----------|
| Comb Tax & Rev CO's 2010 | \$ 2,805,000 | 8/15/2020 |
| GO Refunding Bonds 2010 | \$ 705,000 | 2/15/2020 |
| Total | \$ 3,510,000 | |

| Refunding Summary | |
|--------------------------------------|-------------|
| Delivered: | 11/15/2019 |
| Par Amount of Refunding Bonds: | \$3,710,000 |
| Par Amount of Refunded Bonds: | \$3,510,000 |
| NPV Savings: | \$268,018 |
| % Savings of Refunded Bonds: | 7.636% |
| Avg. Annual Savings (FYE 2020-2030): | \$31,139 |
| Avg. Coupon of Refunded Bonds: | 4.921% |
| True Interest Cost (TIC): | 2.689% |
| Rates as of: | 8/20/2019 |
| Negative Arbitrage: | \$12,308 |

| FYE 9/30 | Prior Debt Service | Refunding Debt Service | Savings | Net Present Value Savings |
|----------|--------------------|------------------------|------------------|---------------------------|
| 2020 | \$165,863 | \$140,436 | \$25,426 | \$24,769 |
| 2021 | 725,256 | 695,463 | 29,793 | 25,678 |
| 2022 | 731,450 | 697,531 | 33,919 | 28,823 |
| 2023 | 362,500 | 332,944 | 29,556 | 24,001 |
| 2024 | 365,250 | 331,868 | 33,382 | 26,697 |
| 2025 | 362,250 | 330,335 | 31,915 | 24,667 |
| 2026 | 363,750 | 333,271 | 30,479 | 22,695 |
| 2027 | 364,500 | 330,699 | 33,801 | 24,764 |
| 2028 | 364,500 | 332,602 | 31,898 | 22,480 |
| 2029 | 363,750 | 333,924 | 29,826 | 20,162 |
| 2030 | 362,250 | 329,719 | 32,531 | 21,629 |
| | \$4,531,319 | \$4,188,791 | \$342,527 | \$266,366 |



General Obligation Debt (Pre and Post Issuance)



Enterprises



Waterworks and Sewer System



System Overview

Waterworks & Sewer System Debt Outstanding

| Series | Amount Outstanding | Amount Callable | Next Call Date |
|--|-----------------------|-----------------------|----------------|
| WW & SS Rev Bds New Ser 2017 | \$ 17,365,000 | \$ 14,570,000 | 3/1/2027 |
| WW & SS Rev Imp & Ref Bds New Ser 2016 | 75,395,000 | 64,655,000 | 3/1/2026 |
| WW & SS Rev Ref Bds New Ser 2016 | 8,240,000 | 1,310,000 | 3/1/2026 |
| Sub WW & SS Rev Bds Ser 2015 | 4,865,000 | 3,755,000 | 3/1/2026 |
| Sub WW & SS Rev Bds Ser 2015A | 4,045,000 | 3,095,000 | 3/1/2026 |
| Sub WW & SS Rev Bds Ser 2015B | 19,375,000 | 14,710,000 | 3/1/2026 |
| WW & SS Rev Bds New Ser 2015 | 14,035,000 | 11,880,000 | 3/1/2025 |
| WW & SS Rev Bds New Ser 2014 | 8,425,000 | 7,230,000 | 3/1/2024 |
| WW & SS Rev Bds New Ser 2013 | 16,020,000 | 14,310,000 | 3/1/2023 |
| WW & SS Rev Ref Bds New Series 2013 | 11,465,000 | 4,425,000 | 3/1/2023 |
| WW & SS Rev Bds New Ser 2012 | 35,025,000 | 32,050,000 | 3/1/2022 |
| Sub WW & SS Rev Bds Ser 2012 | 38,830,000 | 34,495,000 | 3/1/2022 |
| WW & SS Rev Bds New Ser 2011 | 25,495,000 | 23,985,000 | 3/1/2021 |
| WW & SS Rev Bds New Ser 2010 | 1,860,000 | - | Non-Callable |
| Sub WW & SS Rev Bds Ser 2009 | 2,485,000 | 2,105,000 | 3/1/2020 |
| Sub WW & SS Rev Bds Ser 2008 | 520,000 | 520,000 | Non-Callable |
| Sub SS Rev Bds Ser 2002 | 261,000 | - | Non-Callable |
| Sub WW Sys Rev Bds Ser 2002 | 293,000 | - | Non-Callable |
| | \$ 283,999,000 | \$ 233,095,000 | |

Waterworks & Sewer Net Revenues for DS

| Fiscal Year | 2016 | 2017 | 2018 |
|-------------------------|----------------------|----------------------|----------------------|
| Water System | \$ 21,059,581 | \$ 20,972,488 | \$ 23,278,820 |
| Sewer System | 13,235,382 | 13,294,842 | 15,135,288 |
| Available for DS | \$ 34,294,963 | \$ 34,267,330 | \$ 38,414,108 |

Ratings

| | |
|---------|-----|
| S&P | AA- |
| Moody's | Aa3 |
| Fitch | AA- |



Denotes refunding candidate

Waterworks & Sewer System Pro-Forma

Waterworks System and Sewer System Debt Service Requirements

Net Revenue Available for Debt Service [FYE 2018]: \$38,414,108

Par Amount:
Project Fund:
Delivery Date:
TIC:

| Fiscal Year Ended 9/30 | Total Combined First Lien Revenue Debt | 2019 WW&S Sr Lien Rev Open Market Debt Service | 2020 WW&S Sr Lien Rev TWDB Debt Service | Total Combined First Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Total Combined Subordinate Lien Revenue Debt | Total Combined First Lien & Subordinate Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Plus: Combined Self-Supporting Debt | Grand Total Debt Service | 1.10x Desired Coverage Ratio ⁽¹⁾ | Fiscal Year Ended 9/30 |
|------------------------|--|--|---|--|--|--|---|--|-------------------------------------|--------------------------|---|------------------------|
| 2018 | \$ 16,073,052 | | | \$ 16,073,052 | 2.39x | \$ 3,992,408 | \$ 20,065,460 | 1.91x | \$ 7,738,331 | \$ 27,803,792 | 1.38x | 2018 |
| 2019 | 16,065,776 | | | 16,065,776 | 2.39x | 3,994,917 | 20,060,693 | 1.91x | 8,518,691 | 28,579,384 | 1.34x | 2019 |
| 2020 | 16,064,326 | | | 16,064,326 | 2.39x | 3,994,960 | 20,059,286 | 1.92x | 8,520,472 | 28,579,758 | 1.34x | 2020 |
| 2021 | 15,544,276 | | | 15,544,276 | 2.47x | 3,993,210 | 19,537,486 | 1.97x | 8,509,093 | 28,046,579 | 1.37x | 2021 |
| 2022 | 15,542,059 | | | 15,542,059 | 2.47x | 3,994,895 | 19,536,954 | 1.97x | 8,512,489 | 28,049,443 | 1.37x | 2022 |
| 2023 | 15,778,519 | | | 15,778,519 | 2.43x | 3,995,686 | 19,774,205 | 1.94x | 8,098,834 | 27,873,039 | 1.38x | 2023 |
| 2024 | 15,754,385 | | | 15,754,385 | 2.44x | 3,992,810 | 19,747,195 | 1.95x | 7,993,237 | 27,740,432 | 1.38x | 2024 |
| 2025 | 15,180,448 | | | 15,180,448 | 2.53x | 3,865,925 | 19,046,373 | 2.02x | 7,972,731 | 27,019,103 | 1.42x | 2025 |
| 2026 | 15,989,973 | | | 15,989,973 | 2.40x | 3,696,482 | 19,686,455 | 1.95x | 6,209,991 | 25,896,445 | 1.48x | 2026 |
| 2027 | 14,947,623 | | | 14,947,623 | 2.57x | 3,494,858 | 18,442,481 | 2.08x | 6,206,297 | 24,648,777 | 1.56x | 2027 |
| 2028 | 13,614,048 | | | 13,614,048 | 2.82x | 3,495,253 | 17,109,301 | 2.25x | 6,209,452 | 23,318,753 | 1.65x | 2028 |
| 2029 | 13,600,569 | | | 13,600,569 | 2.82x | 3,419,865 | 17,020,434 | 2.26x | 6,201,772 | 23,222,207 | 1.65x | 2029 |
| 2030 | 13,609,006 | | | 13,609,006 | 2.82x | 3,419,832 | 17,028,838 | 2.26x | 6,192,925 | 23,221,763 | 1.65x | 2030 |
| 2031 | 13,612,064 | | | 13,612,064 | 2.82x | 3,427,218 | 17,039,282 | 2.25x | 6,193,000 | 23,232,282 | 1.65x | 2031 |
| 2032 | 13,607,109 | | | 13,607,109 | 2.82x | 3,422,196 | 17,029,305 | 2.26x | 6,190,600 | 23,219,905 | 1.65x | 2032 |
| 2033 | 13,610,163 | | | 13,610,163 | 2.82x | 3,424,899 | 17,035,062 | 2.26x | 6,187,750 | 23,222,812 | 1.65x | 2033 |
| 2034 | 13,606,843 | | | 13,606,843 | 2.82x | 3,425,236 | 17,032,079 | 2.26x | 3,043,125 | 20,075,204 | 1.91x | 2034 |
| 2035 | 13,610,550 | | | 13,610,550 | 2.82x | 3,423,076 | 17,033,626 | 2.26x | 3,039,500 | 20,073,126 | 1.91x | 2035 |
| 2036 | 13,613,394 | | | 13,613,394 | 2.82x | 3,418,371 | 17,031,765 | 2.26x | 3,030,125 | 20,061,890 | 1.91x | 2036 |
| 2037 | 13,616,188 | | | 13,616,188 | 2.82x | 3,421,206 | 17,037,394 | 2.25x | 3,029,625 | 20,067,019 | 1.91x | 2037 |
| 2038 | 13,612,650 | | | 13,612,650 | 2.82x | 3,416,901 | 17,029,551 | 2.26x | 3,027,500 | 20,057,051 | 1.92x | 2038 |
| 2039 | 13,612,534 | | | 13,612,534 | 2.82x | 3,420,706 | 17,033,240 | 2.26x | 3,018,625 | 20,051,865 | 1.92x | 2039 |
| 2040 | 13,611,050 | | | 13,611,050 | 2.82x | 3,427,609 | 17,038,659 | 2.25x | - | 17,038,659 | 2.25x | 2040 |
| 2041 | 8,272,709 | | | 8,272,709 | 4.64x | 3,412,795 | 11,685,504 | 3.29x | - | 11,685,504 | 3.29x | 2041 |
| 2042 | 6,425,556 | | | 6,425,556 | 5.98x | 3,416,307 | 9,841,863 | 3.90x | - | 9,841,863 | 3.90x | 2042 |
| 2043 | 4,235,847 | | | 4,235,847 | 9.07x | 1,330,778 | 5,566,625 | 6.90x | - | 5,566,625 | 6.90x | 2043 |
| 2044 | 3,080,675 | | | 3,080,675 | 12.47x | 1,331,849 | 4,412,524 | 8.71x | - | 4,412,524 | 8.71x | 2044 |
| 2045 | 2,562,284 | | | 2,562,284 | 14.99x | 1,327,367 | 3,889,651 | 9.88x | - | 3,889,651 | 9.88x | 2045 |
| 2046 | 1,706,516 | | | 1,706,516 | 22.51x | - | 1,706,516 | 22.51x | - | 1,706,516 | 22.51x | 2046 |
| 2047 | 1,153,125 | | | 1,153,125 | 33.31x | - | 1,153,125 | 33.31x | - | 1,153,125 | 33.31x | 2047 |
| 2048 | - | | | - | - | - | - | - | - | - | - | 2048 |
| 2049 | - | | | - | - | - | - | - | - | - | - | 2049 |
| | <u>\$ 361,313,315</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 361,313,315</u> | | <u>\$ 94,397,615</u> | <u>\$ 455,710,930</u> | | <u>\$ 133,644,166</u> | <u>\$ 589,355,096</u> | | |

(1) Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2018] figure of \$38,414,108.



Waterworks & Sewer System Pro-Forma: Post 2019 Issues

Waterworks System and Sewer System Debt Service Requirements

Net Revenue Available for Debt Service [FYE 2018]: \$38,414,108

Par Amount: \$ 36,260,000 \$ 52,000,000
 Project Fund: \$ 40,000,000 \$ 48,850,331
 Delivery Date: 12/4/2019 4/4/2020
 TIC: 3.29% 0.90% ⁽²⁾

| Fiscal Year Ended 9/30 | Total Combined First Lien Revenue Debt | 2019 WW&S Sr Lien Rev Open Market Debt Service | 2020 WW&S Sr Lien Rev TWDB Debt Service | Total Combined First Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Total Combined Subordinate Lien Revenue Debt | Total Combined First Lien & Subordinate Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Plus: Combined Self-Supporting Debt | Grand Total Debt Service | 1.10x Desired Coverage Ratio ⁽¹⁾ | Fiscal Year Ended 9/30 |
|------------------------|--|--|---|--|--|--|---|--|-------------------------------------|--------------------------|---|------------------------|
| 2018 | \$ 16,073,052 | \$ - | \$ - | \$ 16,073,052 | 2.39x | \$ 3,992,408 | \$ 20,065,460 | 1.91x | \$ 7,738,331 | \$ 27,803,792 | 1.38x | 2018 |
| 2019 | 16,065,776 | - | - | 16,065,776 | 2.39x | 3,994,917 | 20,060,693 | 1.91x | 8,518,691 | 28,579,384 | 1.34x | 2019 |
| 2020 | 16,064,326 | 1,835,085 | 191,100 | 18,090,511 | 2.12x | 3,994,960 | 22,085,471 | 1.74x | 8,520,472 | 30,605,943 | 1.26x | 2020 |
| 2021 | 15,544,276 | 2,233,675 | 2,035,913 | 19,813,864 | 1.94x | 3,993,210 | 23,807,074 | 1.61x | 8,509,093 | 32,316,167 | 1.19x | 2021 |
| 2022 | 15,542,059 | 2,234,675 | 2,036,670 | 19,813,404 | 1.94x | 3,994,895 | 23,808,299 | 1.61x | 8,512,489 | 32,320,788 | 1.19x | 2022 |
| 2023 | 15,778,519 | 2,234,175 | 2,037,293 | 20,049,987 | 1.92x | 3,995,686 | 24,045,673 | 1.60x | 8,098,834 | 32,144,507 | 1.20x | 2023 |
| 2024 | 15,754,385 | 2,232,175 | 2,037,780 | 20,024,340 | 1.92x | 3,992,810 | 24,017,150 | 1.60x | 7,993,237 | 32,010,387 | 1.20x | 2024 |
| 2025 | 15,180,448 | 2,233,550 | 2,038,133 | 19,452,130 | 1.97x | 3,865,925 | 23,318,055 | 1.65x | 7,972,731 | 31,290,786 | 1.23x | 2025 |
| 2026 | 15,989,973 | 2,233,175 | 2,038,350 | 20,261,498 | 1.90x | 3,696,482 | 23,957,980 | 1.60x | 6,209,991 | 30,167,970 | 1.27x | 2026 |
| 2027 | 14,947,623 | 2,235,925 | 2,038,433 | 19,221,980 | 2.00x | 3,494,858 | 22,716,838 | 1.69x | 6,206,297 | 28,923,135 | 1.33x | 2027 |
| 2028 | 13,614,048 | 2,231,800 | 2,038,380 | 17,884,228 | 2.15x | 3,495,253 | 21,379,481 | 1.80x | 6,209,452 | 27,588,933 | 1.39x | 2028 |
| 2029 | 13,600,569 | 2,235,675 | 2,038,193 | 17,874,437 | 2.15x | 3,419,865 | 21,294,302 | 1.80x | 6,201,772 | 27,496,074 | 1.40x | 2029 |
| 2030 | 13,609,006 | 2,232,425 | 2,037,870 | 17,879,301 | 2.15x | 3,419,832 | 21,299,133 | 1.80x | 6,192,925 | 27,492,058 | 1.40x | 2030 |
| 2031 | 13,612,064 | 2,232,050 | 2,037,413 | 17,881,526 | 2.15x | 3,427,218 | 21,308,744 | 1.80x | 6,193,000 | 27,501,744 | 1.40x | 2031 |
| 2032 | 13,607,109 | 2,234,300 | 2,036,820 | 17,878,229 | 2.15x | 3,422,196 | 21,300,425 | 1.80x | 6,190,600 | 27,491,025 | 1.40x | 2032 |
| 2033 | 13,610,163 | 2,234,050 | 2,036,093 | 17,880,306 | 2.15x | 3,424,899 | 21,305,205 | 1.80x | 6,187,750 | 27,492,955 | 1.40x | 2033 |
| 2034 | 13,606,843 | 2,231,300 | 2,035,230 | 17,873,373 | 2.15x | 3,425,236 | 21,298,609 | 1.80x | 3,043,125 | 24,341,734 | 1.58x | 2034 |
| 2035 | 13,610,550 | 2,235,800 | 2,039,210 | 17,885,560 | 2.15x | 3,423,076 | 21,308,636 | 1.80x | 3,039,500 | 24,348,136 | 1.58x | 2035 |
| 2036 | 13,613,394 | 2,232,425 | 2,038,033 | 17,883,851 | 2.15x | 3,418,371 | 21,302,222 | 1.80x | 3,030,125 | 24,332,347 | 1.58x | 2036 |
| 2037 | 13,616,188 | 2,231,175 | 2,036,720 | 17,884,083 | 2.15x | 3,421,206 | 21,305,289 | 1.80x | 3,029,625 | 24,334,914 | 1.58x | 2037 |
| 2038 | 13,612,650 | 2,231,800 | 2,035,273 | 17,879,723 | 2.15x | 3,416,901 | 21,296,624 | 1.80x | 3,027,500 | 24,324,124 | 1.58x | 2038 |
| 2039 | 13,612,534 | 2,234,050 | 2,038,668 | 17,885,252 | 2.15x | 3,420,706 | 21,305,958 | 1.80x | 3,018,625 | 24,324,583 | 1.58x | 2039 |
| 2040 | 13,611,050 | 2,232,800 | 2,036,905 | 17,880,755 | 2.15x | 3,427,609 | 21,308,364 | 1.80x | - | 21,308,364 | 1.80x | 2040 |
| 2041 | 8,272,709 | 2,232,925 | 2,035,008 | 12,540,642 | 3.06x | 3,412,795 | 15,953,437 | 2.41x | - | 15,953,437 | 2.41x | 2041 |
| 2042 | 6,425,556 | 2,234,175 | 2,037,953 | 10,697,684 | 3.59x | 3,416,307 | 14,113,991 | 2.72x | - | 14,113,991 | 2.72x | 2042 |
| 2043 | 4,235,847 | 2,231,425 | 2,035,740 | 8,503,012 | 4.52x | 1,330,778 | 9,833,790 | 3.91x | - | 9,833,790 | 3.91x | 2043 |
| 2044 | 3,080,675 | 2,234,425 | 2,038,370 | 7,353,470 | 5.22x | 1,331,849 | 8,685,319 | 4.42x | - | 8,685,319 | 4.42x | 2044 |
| 2045 | 2,562,284 | 2,232,500 | 2,035,843 | 6,830,627 | 5.62x | 1,327,367 | 8,157,994 | 4.71x | - | 8,157,994 | 4.71x | 2045 |
| 2046 | 1,706,516 | 2,231,400 | 2,038,158 | 5,976,073 | 6.43x | - | 5,976,073 | 6.43x | - | 5,976,073 | 6.43x | 2046 |
| 2047 | 1,153,125 | 2,232,200 | 2,035,315 | 5,420,640 | 7.09x | - | 5,420,640 | 7.09x | - | 5,420,640 | 7.09x | 2047 |
| 2048 | - | 2,234,700 | 2,037,315 | 4,272,015 | 8.99x | - | 4,272,015 | 8.99x | - | 4,272,015 | 8.99x | 2048 |
| 2049 | - | 2,233,800 | 2,039,135 | 4,272,935 | 8.99x | - | 4,272,935 | 8.99x | - | 4,272,935 | 8.99x | 2049 |
| | \$ 361,313,315 | \$ 66,599,635 | \$ 59,271,310 | \$ 487,184,260 | | \$ 94,397,615 | \$ 581,581,875 | | \$ 133,644,166 | \$ 715,226,041 | | |

⁽¹⁾ Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2018] figure of \$38,414,108.

⁽²⁾ Shown at an assumed rate for illustration purposes. Preliminary, subject to change.



Waterworks & Sewer System Pro-Forma: Post 2019 + Refunding

Waterworks System and Sewer System Debt Service Requirements

Par Amount: \$ 36,260,000 \$ 52,000,000
 Project Fund: \$ 40,000,000 \$ 48,850,331
 Delivery Date: 12/4/2019 4/4/2020
 TIC: 3.29% 0.90% ⁽²⁾

Net Revenue Available for Debt Service [FYE 2018]: \$38,414,108

Refunded Par: \$ 26,125,000
 PV Savings: \$3.1mm (12%)
 Delivery Date: 11/6/2019
 TIC: 3.08% ⁽²⁾

| Fiscal Year Ended 9/30 | Total Combined First Lien Revenue Debt | 2019 WW&S Sr Lien Rev Open Market Debt Service | 2020 WW&S Sr Lien Rev TWDB Debt Service | Total Combined First Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Total Combined Subordinate Lien Revenue Debt | Total Combined First Lien & Subordinate Lien Revenue Debt | 1.25x Required Coverage Ratio ⁽¹⁾ | Plus: Combined Self-Supporting Debt | Plus: Savings from Taxable Refunding of 2011 & 2012 WW&S Bonds | Grand Total Debt Service | 1.10x Desired Coverage Ratio ⁽¹⁾ | Fiscal Year Ended 9/30 |
|------------------------|--|--|---|--|--|--|---|--|-------------------------------------|--|--------------------------|---|------------------------|
| 2018 | \$ 16,073,052 | \$ - | \$ - | \$ 16,073,052 | 2.39x | \$ 3,992,408 | \$ 20,065,460 | 1.91x | \$ 7,738,331 | - | \$ 27,803,792 | 1.38x | 2018 |
| 2019 | 16,065,776 | - | - | 16,065,776 | 2.39x | 3,994,917 | 20,060,693 | 1.91x | 8,518,691 | - | 28,579,384 | 1.34x | 2019 |
| 2020 | 16,064,326 | 1,835,085 | 191,100 | 18,090,511 | 2.12x | 3,994,960 | 22,085,471 | 1.74x | 8,520,472 | (552,628) | 30,053,315 | 1.28x | 2020 |
| 2021 | 15,544,276 | 2,233,675 | 2,035,913 | 19,813,864 | 1.94x | 3,993,210 | 23,807,074 | 1.61x | 8,509,093 | (408,236) | 31,907,931 | 1.20x | 2021 |
| 2022 | 15,542,059 | 2,234,675 | 2,036,670 | 19,813,404 | 1.94x | 3,994,895 | 23,808,299 | 1.61x | 8,512,489 | (408,236) | 31,912,552 | 1.20x | 2022 |
| 2023 | 15,778,519 | 2,234,175 | 2,037,293 | 20,049,987 | 1.92x | 3,995,686 | 24,045,673 | 1.60x | 8,098,834 | (408,236) | 31,736,271 | 1.21x | 2023 |
| 2024 | 15,754,385 | 2,232,175 | 2,037,780 | 20,024,340 | 1.92x | 3,992,810 | 24,017,150 | 1.60x | 7,993,237 | (1,233,536) | 30,776,852 | 1.25x | 2024 |
| 2025 | 15,180,448 | 2,233,550 | 2,038,133 | 19,452,130 | 1.97x | 3,865,925 | 23,318,055 | 1.65x | 7,972,731 | (444,863) | 30,845,923 | 1.25x | 2025 |
| 2026 | 15,989,973 | 2,233,175 | 2,038,350 | 20,261,498 | 1.90x | 3,696,482 | 23,957,980 | 1.60x | 6,209,991 | (4,726) | 30,163,245 | 1.27x | 2026 |
| 2027 | 14,947,623 | 2,235,925 | 2,038,433 | 19,221,980 | 2.00x | 3,494,858 | 22,716,838 | 1.69x | 6,206,297 | (1,522) | 28,921,613 | 1.33x | 2027 |
| 2028 | 13,614,048 | 2,231,800 | 2,038,380 | 17,884,228 | 2.15x | 3,495,253 | 21,379,481 | 1.80x | 6,209,452 | (4,727) | 27,584,206 | 1.39x | 2028 |
| 2029 | 13,600,569 | 2,235,675 | 2,038,193 | 17,874,437 | 2.15x | 3,419,865 | 21,294,302 | 1.80x | 6,201,772 | (4,808) | 27,491,266 | 1.40x | 2029 |
| 2030 | 13,609,006 | 2,232,425 | 2,037,870 | 17,879,301 | 2.15x | 3,419,832 | 21,299,133 | 1.80x | 6,192,925 | (4,200) | 27,487,857 | 1.40x | 2030 |
| 2031 | 13,612,064 | 2,232,050 | 2,037,413 | 17,881,526 | 2.15x | 3,427,218 | 21,308,744 | 1.80x | 6,193,000 | (2,934) | 27,498,810 | 1.40x | 2031 |
| 2032 | 13,607,109 | 2,234,300 | 2,036,820 | 17,878,229 | 2.15x | 3,422,196 | 21,300,425 | 1.80x | 6,190,600 | (1,957) | 27,489,068 | 1.40x | 2032 |
| 2033 | 13,610,163 | 2,234,050 | 2,036,093 | 17,880,306 | 2.15x | 3,424,899 | 21,305,205 | 1.80x | 6,187,750 | (1,055) | 27,491,899 | 1.40x | 2033 |
| 2034 | 13,606,843 | 2,231,300 | 2,035,230 | 17,873,373 | 2.15x | 3,425,236 | 21,298,609 | 1.80x | 3,043,125 | (2,204) | 24,339,530 | 1.58x | 2034 |
| 2035 | 13,610,550 | 2,235,800 | 2,039,210 | 17,885,560 | 2.15x | 3,423,076 | 21,308,636 | 1.80x | 3,039,500 | (3,849) | 24,344,288 | 1.58x | 2035 |
| 2036 | 13,613,394 | 2,232,425 | 2,038,033 | 17,883,851 | 2.15x | 3,418,371 | 21,302,222 | 1.80x | 3,030,125 | (2,815) | 24,329,533 | 1.58x | 2036 |
| 2037 | 13,616,188 | 2,231,175 | 2,036,720 | 17,884,083 | 2.15x | 3,421,206 | 21,305,289 | 1.80x | 3,029,625 | (1,902) | 24,333,012 | 1.58x | 2037 |
| 2038 | 13,612,650 | 2,231,800 | 2,035,273 | 17,879,723 | 2.15x | 3,416,901 | 21,296,624 | 1.80x | 3,027,500 | (699) | 24,323,425 | 1.58x | 2038 |
| 2039 | 13,612,534 | 2,234,050 | 2,038,668 | 17,885,252 | 2.15x | 3,420,706 | 21,305,958 | 1.80x | 3,018,625 | (2,479) | 24,322,104 | 1.58x | 2039 |
| 2040 | 13,611,050 | 2,232,800 | 2,036,905 | 17,880,755 | 2.15x | 3,427,609 | 21,308,364 | 1.80x | - | (2,119) | 21,306,246 | 1.80x | 2040 |
| 2041 | 8,272,709 | 2,232,925 | 2,035,008 | 12,540,642 | 3.06x | 3,412,795 | 15,953,437 | 2.41x | - | (4,452) | 15,948,985 | 2.41x | 2041 |
| 2042 | 6,425,556 | 2,234,175 | 2,037,953 | 10,697,684 | 3.59x | 3,416,307 | 14,113,991 | 2.72x | - | - | 14,113,991 | 2.72x | 2042 |
| 2043 | 4,235,847 | 2,231,425 | 2,035,740 | 8,503,012 | 4.52x | 1,330,778 | 9,833,790 | 3.91x | - | - | 9,833,790 | 3.91x | 2043 |
| 2044 | 3,080,675 | 2,234,425 | 2,038,370 | 7,353,470 | 5.22x | 1,331,849 | 8,685,319 | 4.42x | - | - | 8,685,319 | 4.42x | 2044 |
| 2045 | 2,562,284 | 2,232,500 | 2,035,843 | 6,830,627 | 5.62x | 1,327,367 | 8,157,994 | 4.71x | - | - | 8,157,994 | 4.71x | 2045 |
| 2046 | 1,706,516 | 2,231,400 | 2,038,158 | 5,976,073 | 6.43x | - | 5,976,073 | 6.43x | - | - | 5,976,073 | 6.43x | 2046 |
| 2047 | 1,153,125 | 2,232,200 | 2,035,315 | 5,420,640 | 7.09x | - | 5,420,640 | 7.09x | - | - | 5,420,640 | 7.09x | 2047 |
| 2048 | - | 2,234,700 | 2,037,315 | 4,272,015 | 8.99x | - | 4,272,015 | 8.99x | - | - | 4,272,015 | 8.99x | 2048 |
| 2049 | - | 2,233,800 | 2,039,135 | 4,272,935 | 8.99x | - | 4,272,935 | 8.99x | - | - | 4,272,935 | 8.99x | 2049 |
| | \$ 361,313,315 | \$ 66,599,635 | \$ 59,271,310 | \$ 487,184,260 | | \$ 94,397,615 | \$ 581,581,875 | | \$ 133,644,166 | \$ (3,502,178) | \$ 711,723,863 | | |

⁽¹⁾ Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2018] figure of \$38,414,108.

⁽²⁾ Shown at an assumed rate for illustration purposes. Preliminary, subject to change.



Proposed Refunding Analysis Summary

- Based on current market taxable rates as of 8/20/2019, Net Present Value and annual savings can be realized by refunding the following outstanding obligations:

| Refunding Candidates | Par | Call Date |
|-----------------------------|----------------------|-----------|
| WW&SS Rev Bonds Series 2012 | \$ 3,745,000 | 3/1/2022 |
| WW&SS Rev Bonds Series 2011 | \$ 22,380,000 | 3/1/2021 |
| Total | \$ 26,125,000 | |

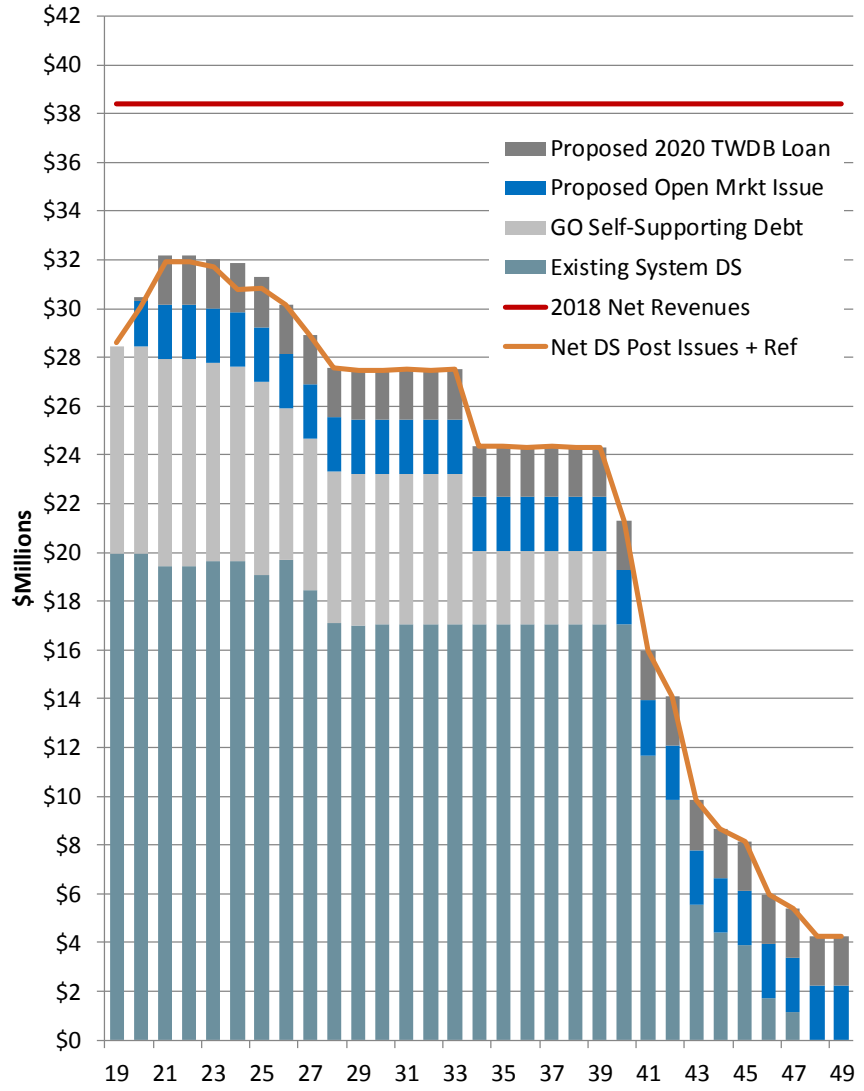
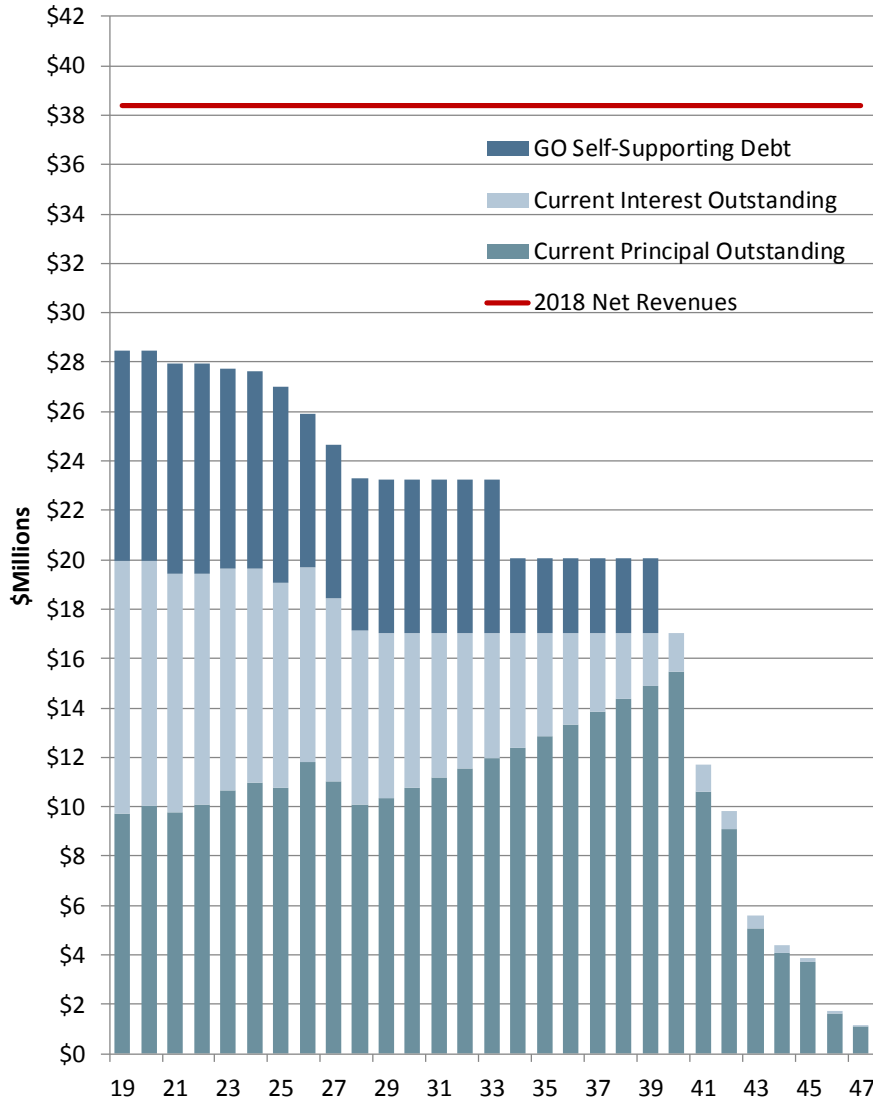
| Refunding Summary | |
|--------------------------------------|--------------|
| Delivered: | 11/6/2019 |
| Par Amount of Refunding Bonds: | \$27,730,000 |
| Par Amount of Refunded Bonds: | \$26,125,000 |
| NPV Savings: | \$3,158,561 |
| % Savings of Refunded Bonds: | 12.090% |
| Avg. Annual Savings (FYE 2020-2041): | \$159,190 |
| Avg. Coupon of Refunded Bonds: | 4.735% |
| True Interest Cost (TIC): | 3.082% |
| Rates as of: | 8/20/2019 |
| Negative Arbitrage: | \$456,486 |

| FYE 9/30 | Prior Debt Service | Refunding Debt Service | Savings | Net Present Value Savings |
|---------------------|---------------------|------------------------|--------------------|---------------------------|
| 2020 | \$1,207,948 | \$655,319 | \$552,628 | \$544,317 |
| 2021 | 1,207,948 | 799,712 | 408,236 | 389,402 |
| 2022 | 1,207,948 | 799,712 | 408,236 | 377,851 |
| 2023 | 1,207,948 | 799,712 | 408,236 | 366,643 |
| 2024 | 2,033,248 | 799,712 | 1,233,536 | 1,080,602 |
| 2025 | 3,192,954 | 2,748,091 | 444,863 | 376,912 |
| 2026 | 3,197,910 | 3,193,184 | 4,726 | 2,124 |
| 2027 | 3,191,810 | 3,190,289 | 1,522 | (245) |
| 2028 | 1,850,460 | 1,845,734 | 4,727 | 2,313 |
| 2029 | 1,844,723 | 1,839,915 | 4,808 | 2,364 |
| 2030 | 1,851,215 | 1,847,015 | 4,200 | 1,908 |
| 2031 | 1,849,773 | 1,846,839 | 2,934 | 1,013 |
| 2032 | 1,846,675 | 1,844,719 | 1,957 | 413 |
| 2033 | 1,846,925 | 1,845,870 | 1,055 | (95) |
| 2034 | 1,847,388 | 1,845,184 | 2,204 | 732 |
| 2035 | 1,848,213 | 1,844,364 | 3,849 | 1,797 |
| 2036 | 1,851,225 | 1,848,411 | 2,815 | 1,164 |
| 2037 | 1,852,500 | 1,850,598 | 1,902 | 678 |
| 2038 | 1,851,625 | 1,850,927 | 699 | 60 |
| 2039 | 1,851,875 | 1,849,396 | 2,479 | 1,154 |
| 2040 | 1,848,125 | 1,846,007 | 2,119 | 1,032 |
| 2041 | 1,850,125 | 1,845,674 | 4,452 | 2,343 |
| \$42,338,556 | \$38,836,379 | \$3,502,178 | \$3,158,561 | \$3,158,561 |

⁽¹⁾ Includes refunding funds on hand of \$4,080.11



Utility System (Pre and Post Issuance)

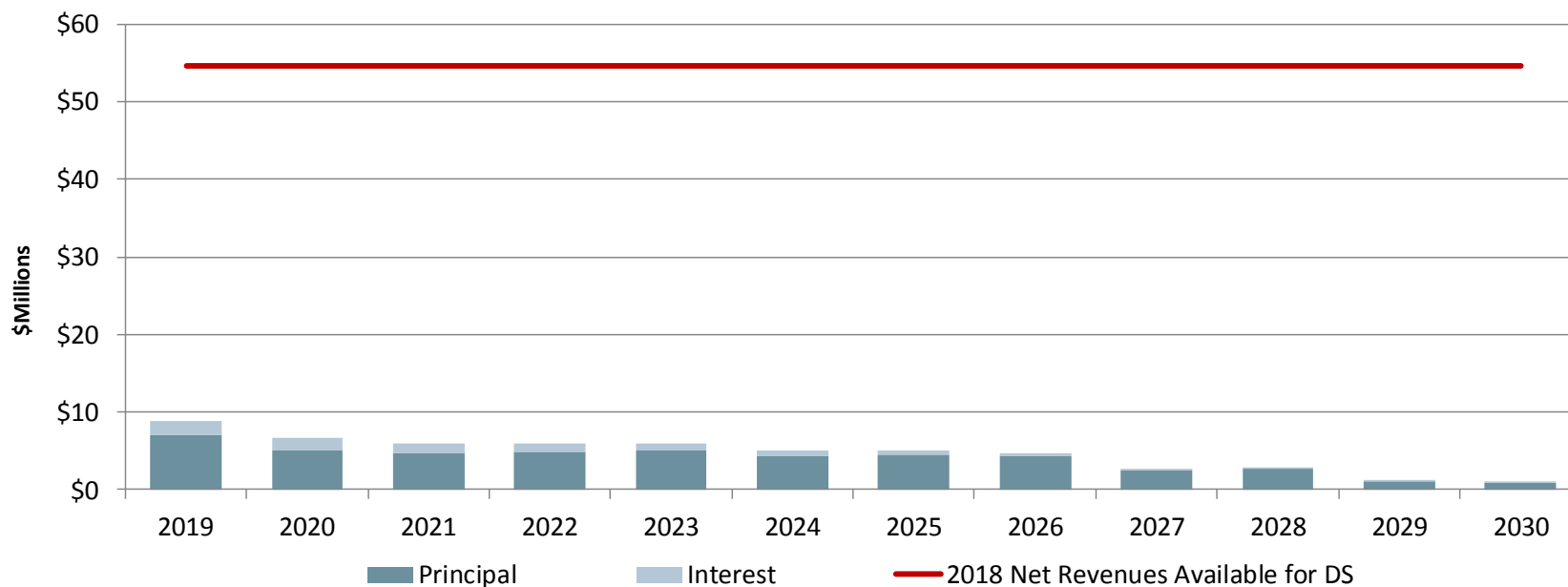


International Toll Bridge System



System Overview

| International Bridge System Debt Outstanding | | | | International Toll Bridge Revenues (Millions) | | | | | | | | | | | |
|--|----------------------|----------------------|--------------|---|-----------------|-----------------|-----------------|--------|--|--------------|------|------------------|-------|----------------|-------|
| Series | Par Outstanding | Callable | Call Date | Fiscal Year | 2016 | 2017 | 2018 | | | | | | | | |
| Intl Toll Bridge Sys Rev Ref Bds Ser 2016 | \$ 2,095,000 | \$ 330,000 | 10/1/2026 | Revenues | \$ 60.19 | \$ 61.14 | \$ 68.35 | | | | | | | | |
| Intl Toll Bridge Sys Rev Bds Ser 2014 | 7,580,000 | 1,825,000 | 10/1/2024 | Expenses | 14.33 | 13.90 | 13.77 | | | | | | | | |
| Sub Intl Toll Bridge Sys Rev Ref Bds Ser 2014 | 12,795,000 | 4,835,000 | 10/1/2024 | Avail for DS | \$ 45.86 | \$ 47.25 | \$ 54.58 | | | | | | | | |
| Intl Toll Bridge Sys Rev Ref Bds Ser 2014 | 11,160,000 | 3,955,000 | 10/1/2024 | Coverage | 4.88x | 5.25x | 6.04x | | | | | | | | |
| Intl Toll Bridge Sys Rev Ref Bds Txble Ser 201 | 2,650,000 | - | Non-Callable | <table border="1"> <thead> <tr> <th colspan="2">Rating</th> </tr> </thead> <tbody> <tr> <td>S&P (Sr/Sub)</td> <td>A+/A</td> </tr> <tr> <td>Moody's (Sr/Sub)</td> <td>A2/A3</td> </tr> <tr> <td>Fitch (Sr/Sub)</td> <td>A+/NR</td> </tr> </tbody> </table> | | | | Rating | | S&P (Sr/Sub) | A+/A | Moody's (Sr/Sub) | A2/A3 | Fitch (Sr/Sub) | A+/NR |
| Rating | | | | | | | | | | | | | | | |
| S&P (Sr/Sub) | A+/A | | | | | | | | | | | | | | |
| Moody's (Sr/Sub) | A2/A3 | | | | | | | | | | | | | | |
| Fitch (Sr/Sub) | A+/NR | | | | | | | | | | | | | | |
| Intl Toll Bridge Sys Rev Ref Bds Ser 2012 | 3,460,000 | - | Non-Callable | | | | | | | | | | | | |
| | \$ 39,740,000 | \$ 10,945,000 | | | | | | | | | | | | | |



CITY OF LAREDO, TEXAS

Debt Service Requirements of the International Toll Bridge System

Net Revenue Available for Debt Service [FYE 2018]: \$ 54,583,726

| Fiscal Year Ended 9/30 | First Lien Revenue Existing Debt Total | Total Outstanding Senior Lien Debt | 1.40x Required Senior Lien Coverage | Junior Lien Total | Total Outstanding Debt | 1.40x Required All-In Coverage | Fiscal Year Ended 9/30 |
|------------------------|--|------------------------------------|-------------------------------------|----------------------|------------------------|--------------------------------|------------------------|
| 2019 | \$ 7,401,152 | \$ 7,401,152 | 7.38x | \$ 1,500,850 | \$ 8,902,002 | 6.13x | 2019 |
| 2020 | 4,986,013 | 4,986,013 | 10.95x | 1,693,225 | 6,679,238 | 8.17x | 2020 |
| 2021 | 4,334,913 | 4,334,913 | 12.59x | 1,693,475 | 6,028,388 | 9.05x | 2021 |
| 2022 | 4,336,263 | 4,336,263 | 12.59x | 1,695,600 | 6,031,863 | 9.05x | 2022 |
| 2023 | 4,334,613 | 4,334,613 | 12.59x | 1,694,475 | 6,029,088 | 9.05x | 2023 |
| 2024 | 3,419,038 | 3,419,038 | 15.96x | 1,694,975 | 5,114,013 | 10.67x | 2024 |
| 2025 | 3,410,388 | 3,410,388 | 16.01x | 1,696,850 | 5,107,238 | 10.69x | 2025 |
| 2026 | 2,913,663 | 2,913,663 | 18.73x | 1,694,975 | 4,608,638 | 11.84x | 2026 |
| 2027 | 1,063,463 | 1,063,463 | 51.33x | 1,694,438 | 2,757,900 | 19.79x | 2027 |
| 2028 | 1,065,113 | 1,065,113 | 51.25x | 1,694,138 | 2,759,250 | 19.78x | 2028 |
| 2029 | 1,061,106 | 1,061,106 | 51.44x | | 1,061,106 | 51.44x | 2029 |
| 2030 | 891,750 | 891,750 | 61.21x | | 891,750 | 61.21x | 2030 |
| 2031 | | | | | | | 2031 |
| | <u>\$ 39,217,471</u> | <u>\$ 39,217,471</u> | | <u>\$ 16,753,000</u> | <u>\$ 55,970,471</u> | | |

⁽¹⁾ Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2018] figure of \$54,583,726.



Proposed Refunding Analysis Summary

■ Based on current market taxable rates as of 8/20/2019:

| Refunding Candidates | Par Outstanding | Call Date |
|---|----------------------|--------------|
| Intl Toll Bridge Sys Rev Ref Bds Ser 2016 | \$ 2,635,000 | 10/1/2026 |
| Intl Toll Bridge Sys Rev Bds Ser 2014 | 7,040,000 | 10/1/2024 |
| Sub Intl Toll Bridge Sys Rev Ref Bds Ser 2014 | 11,630,000 | 10/1/2024 |
| Intl Toll Bridge Sys Rev Ref Bds Ser 2014 | 9,795,000 | 10/1/2024 |
| Intl Toll Bridge Sys Rev Ref Bds Txble Ser 2014 | 1,325,000 | Non-Callable |
| Intl Toll Bridge Sys Rev Ref Bds Ser 2012 | 2,250,000 | Non-Callable |
| | <u>\$ 34,675,000</u> | |

| Refunding Summary | |
|--------------------------------------|--------------|
| Delivered: | 10/1/2019 |
| Par Amount of Refunding Bonds: | \$40,355,000 |
| Par Amount of Refunded Bonds: | \$34,675,000 |
| NPV Savings: | -\$1,504,768 |
| % Savings of Refunded Bonds: | -4.339% |
| Avg. Annual Savings (FYE 2020-2029): | -\$340,221 |
| Avg. Coupon of Refunded Bonds: | 4.271% |
| True Interest Cost (TIC): | 2.509% |
| Rates as of: | 8/20/2019 |
| Negative Arbitrage: | \$1,152,965 |

| Date 10/1 | Prior Debt Service | Refunding Debt Service | Savings | Net Present Value Savings |
|-----------|---------------------|------------------------|----------------------|---------------------------|
| 2020 | \$6,126,413 | \$6,464,844 | \$ (338,431) | \$ (326,536) |
| 2021 | 6,140,363 | 6,481,856 | (341,493) | (321,842) |
| 2022 | 6,143,363 | 6,486,440 | (343,077) | (315,946) |
| 2023 | 5,219,813 | 5,561,632 | (341,820) | (307,615) |
| 2024 | 5,218,213 | 5,559,020 | (340,807) | (299,692) |
| 2025 | 4,681,263 | 5,020,352 | (339,089) | (291,389) |
| 2026 | 2,806,013 | 3,144,080 | (338,068) | (283,533) |
| 2027 | 2,809,788 | 3,152,295 | (342,508) | (280,311) |
| 2028 | 1,083,713 | 1,422,045 | (338,333) | (270,200) |
| 2029 | 913,500 | 1,252,086 | (338,586) | (263,792) |
| | <u>\$41,142,438</u> | <u>\$44,544,648</u> | <u>(\$3,402,210)</u> | <u>(\$2,960,856)</u> |

⁽¹⁾ (-\$2,960,856) PV - Less Prior Funds on Hand of \$3,000,000 + Refunding Funds on Hand of \$4,456,088 = (\$1,504,768)



Sports Venue/Sales Tax

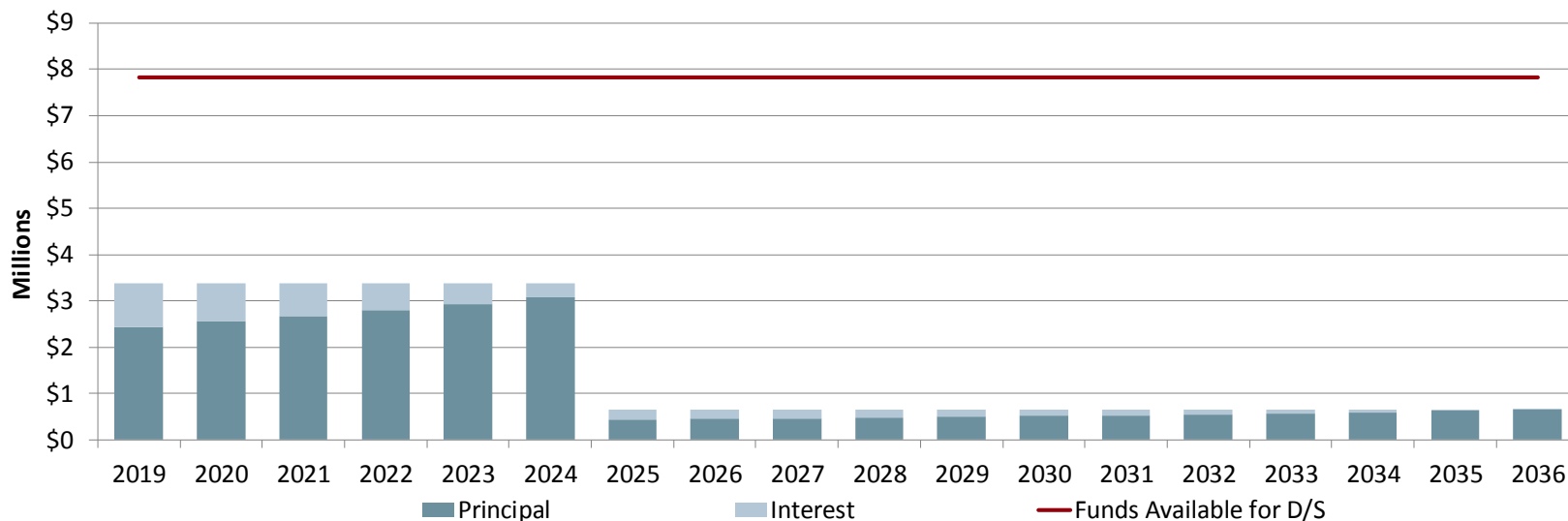


System Overview

| Sports Venue/Sales Tax Outstanding | | | | |
|---|-----------|--------------------|---------------------|--------------|
| Series | | Amount Outstanding | Amount Callable | Call Date |
| Sports Venue Sales Tax Rev Ref Bds Taxable Ser 2016 | \$ | 8,420,000 | \$ 5,495,000 | 3/15/2026 |
| Sports Venue Sales Tax Rev Ref Bds Ser 2014 | | 12,025,000 | - | Non-Callable |
| | \$ | 20,445,000 | \$ 5,495,000 | |

| Historical Sports Venue Revenues | | | | |
|----------------------------------|---------------------|---------------------|---------------------|--|
| Fiscal Year | 2016 | 2017 | 2018 | |
| Revenues | \$ 7,865,883 | \$ 8,128,168 | \$ 8,794,830 | |
| Expenses | 2,069,960 | 684,885 | 967,782 | |
| Available for DS | \$ 5,795,923 | \$ 7,443,283 | \$ 7,827,048 | |
| Coverage | 1.50x | 2.20x | 2.32x | |

| Ratings | |
|---------|----|
| S&P | A1 |
| Moody's | A+ |



CITY OF LAREDO, TEXAS

Solid Waste

Net Revenue Available for Debt Service [FYE 2018]: \$ 7,827,048

| Fiscal Year Ended 9/30 | Existing Self-Supporting DS | Net Revenue Available for Debt Service | 1.40x Required Coverage Ratio | Excess Revenue after payments of Debt Service | Fiscal Year Ended 9/30 |
|------------------------|-----------------------------|--|-------------------------------|---|------------------------|
| 2019 | \$ 3,375,333 | \$ 7,827,048 | 2.32x | \$ 4,451,715 | 2019 |
| 2020 | 3,378,012 | 7,827,048 | 2.32x | 4,449,037 | 2020 |
| 2021 | 3,374,164 | 7,827,048 | 2.32x | 4,452,884 | 2021 |
| 2022 | 3,373,663 | 7,827,048 | 2.32x | 4,453,385 | 2022 |
| 2023 | 3,380,962 | 7,827,048 | 2.32x | 4,446,086 | 2023 |
| 2024 | 3,385,660 | 7,827,048 | 2.31x | 4,441,388 | 2024 |
| 2025 | 662,538 | 7,827,048 | 11.81x | 7,164,511 | 2025 |
| 2026 | 660,075 | 7,827,048 | 11.86x | 7,166,973 | 2026 |
| 2027 | 661,571 | 7,827,048 | 11.83x | 7,165,477 | 2027 |
| 2028 | 660,840 | 7,827,048 | 11.84x | 7,166,208 | 2028 |
| 2029 | 663,200 | 7,827,048 | 11.80x | 7,163,848 | 2029 |
| 2030 | 659,930 | 7,827,048 | 11.86x | 7,167,118 | 2030 |
| 2031 | 661,030 | 7,827,048 | 11.84x | 7,166,018 | 2031 |
| 2032 | 660,633 | 7,827,048 | 11.85x | 7,166,415 | 2032 |
| 2033 | 658,711 | 7,827,048 | 11.88x | 7,168,337 | 2033 |
| 2034 | 660,916 | 7,827,048 | 11.84x | 7,166,132 | 2034 |
| 2035 | 662,151 | 7,827,048 | 11.82x | 7,164,897 | 2035 |
| 2036 | 657,513 | 7,827,048 | 11.90x | 7,169,535 | 2036 |
| | <u>\$ 28,196,902</u> | | | | |

⁽¹⁾ Coverage Ratio Calculation based on Net Revenue Available for Debt Service [FYE 2018] figure of \$7,827,048.



City Credit Summary



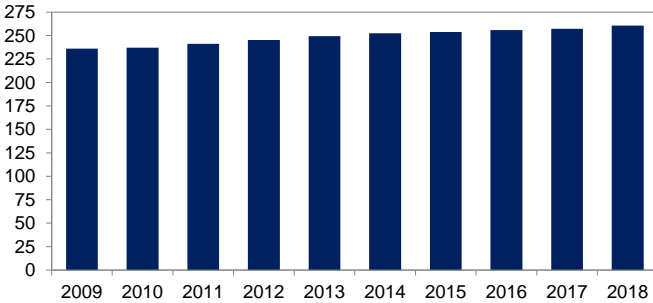
At a Glance

City Population: 263,000 **2019 Assessed Valuation:** \$14.1 bn **Total GO Debt:** \$286.8 mm
Reg. Unemployment Rate: 3.7% **2019 Tax Rate:** \$0.6340 **Rating (M/S/F):** Aa2/AA/AA

City Data

Population Has Steadily Increased Over Time

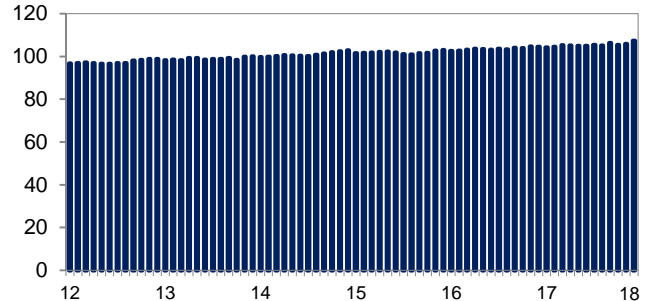
Laredo Population Over Past Ten Years (*Thousands*)



Source: 2018 Audit

Employment Has Grown Gradually Since 2012

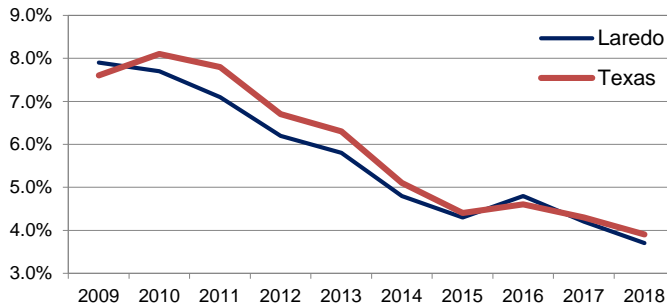
Laredo Area Employed Workforce (*Thousands*)



Source: Labor Market Conditions Index (LMCI)

Unemployment Is Lowest in a Decade

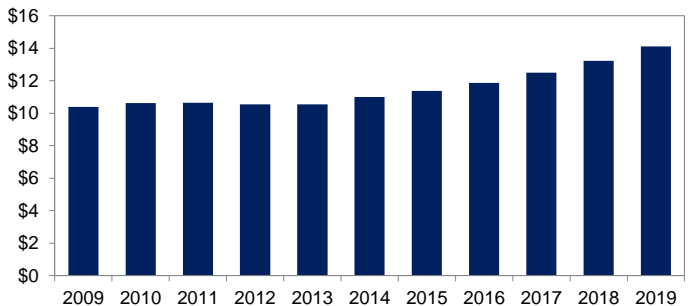
City of Laredo Unemployment Rate Over Past Ten Years (%)



Source: Labor Market Conditions Index (LMCI)

Assessments Continue Upward Trend

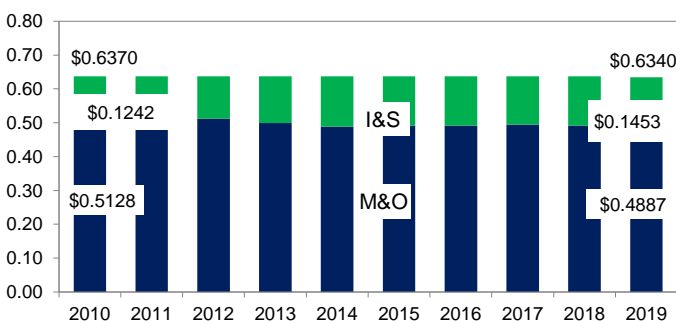
Taxable Assessed Valuation By Fiscal Year (*\$Billions*)



Source: Texas MAC

Property Tax Rate Drops First Time Since 2010

City of Laredo Property Tax Rates by Fiscal Year (*\$/100*)



Source: Texas MAC

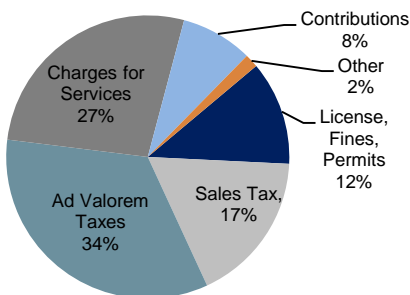
Top 10 Employers/Taxpayers in Laredo in 2018

| # | Employer | #Emp. (000's) | # Taxpayer | AV (\$MM) |
|----|---------------------------|---------------|-----------------------|-----------|
| 1 | United ISD | 7.4 | 1 AEP Texas Central | 195.9 |
| 2 | Laredo ISD | 4.2 | 2 Laredo TX Hospital | 96.1 |
| 3 | City of Laredo | 2.7 | 3 Laredo Outlet Shops | 63.6 |
| 4 | Wal-Mart | 2.1 | 4 Mall Del Norte | 58.1 |
| 5 | U.S. CBP | 2.0 | 5 The Geo Group, Inc. | 56.7 |
| 6 | HEB Grocery | 1.8 | 6 Farias Development | 53.3 |
| 7 | McDonald's | 1.5 | 7 Laredo Regional Med | 48.9 |
| 8 | Webb County | 1.5 | 8 Killam Development | 41.4 |
| 9 | Laredo Medical Center | 1.5 | 9 AEP Transmission | 40.9 |
| 10 | Laredo Sctr Border Patrol | 1.4 | 10 Card Border, LLC | 37.5 |

Source: 2018 Audit

Taxes Represent 51% of General Fund Revenues

FY 2018 General Fund Revenue Breakdown

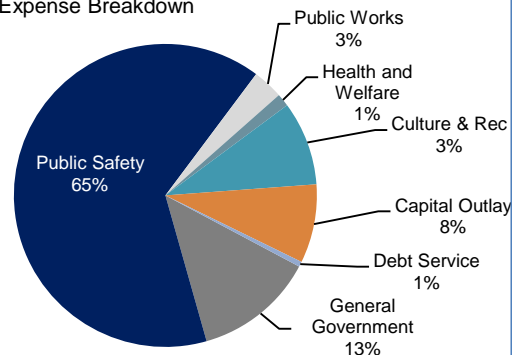


Total FY 2018 General Fund Revenue: \$194.9 million

Source: 2018 Audit

Public Safety Represents 65% Expenses

FY 2018 General Fund Expense Breakdown



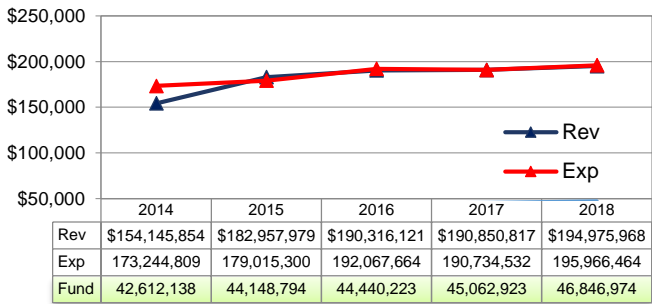
Total FY 2018 General Fund Expenses: \$195.9 million

Page 1 Source: 2018 Audit

City Data

Fund Balance Has Remained Steady

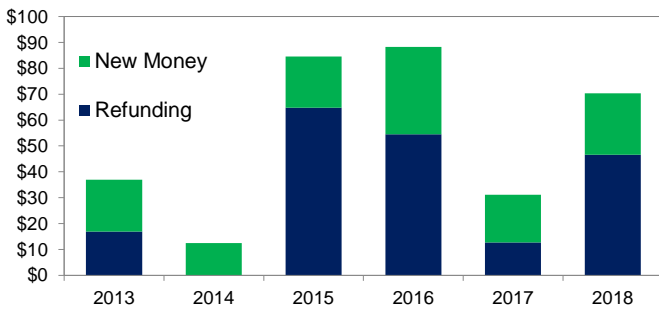
General Fund Revenue and Expenses by Fiscal Year (\$Thousands)



Source: 2018 Audit

Laredo General Obligation Issuance Since 2013

New Money, Refunding GO Bond Issues By CY (\$Millions)



Source: MAC

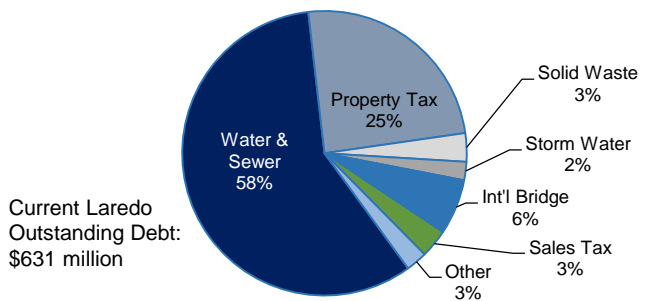
City of Laredo Credit Ratings

| Credit | Par (\$MM) | Moody's | S&P | Fitch |
|--------------------------|------------|---------|-----|-------|
| General Obligation | \$ 286.8 | Aa2 | AA | AA |
| Water & Sewer System | 283.4 | Aa3 | AA- | AA- |
| Int'l Bridge System | 39.7 | A2 | A+ | A+ |
| Sports Venue - Sales Tax | 20.4 | A1 | A+ | NR |

Source: MAC

Water & Sewer Debt Make Up 58% of all Debt

Current Outstanding Debt Breakdown

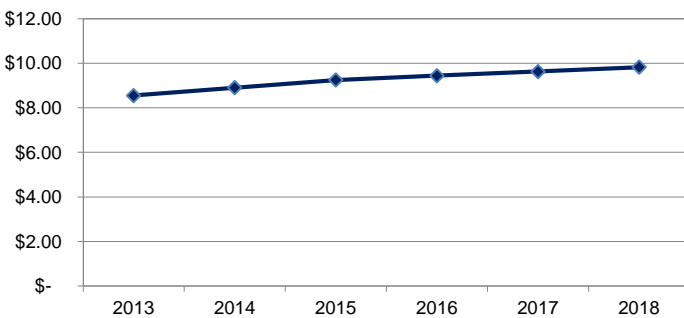


Source: MAC

Water and Sewer System Data

Water Rates Have Increased Over Time

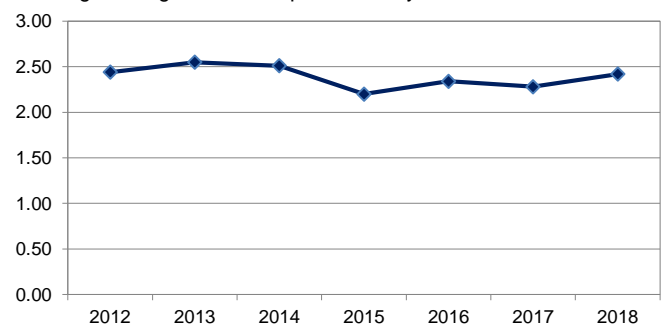
5/8 Meter Monthly Residential Customer Charge (\$)



Source: 2018 Audit

Coverage Has Varied Over Time

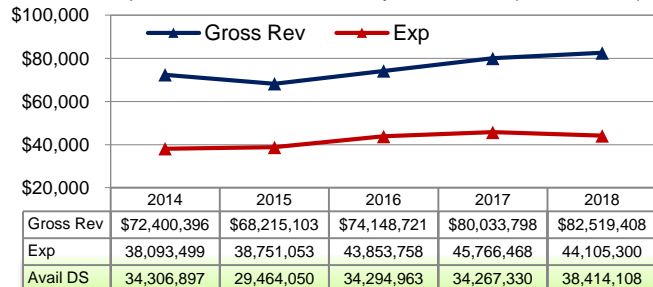
Coverage of Avg. Annual Requirements by Funds for Debt Service



Source: 2018 Audit - Required Coverage "1.40x"

Funds Available for DS Regained After 2015 Dip

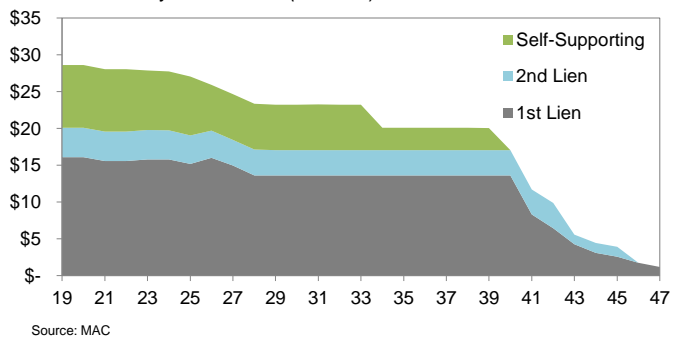
Revenue, Expense, and Debt Service by Fiscal Year (\$Thousands)



Source: 2018 Audit

W/WW Debt Service Declines Over Time

Debt Service By Fiscal Year (\$Million)

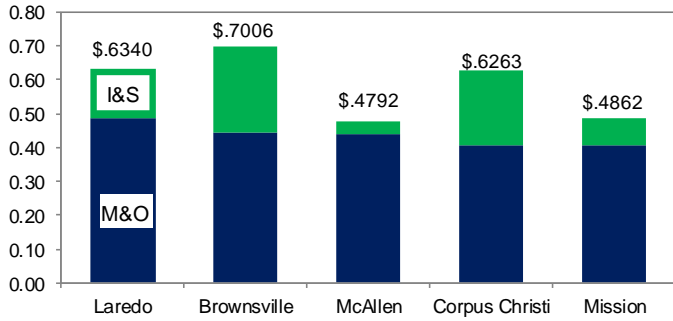


Source: MAC

City/Metropolitan Area Comparisons

Laredo Rates Compared to Other Cities

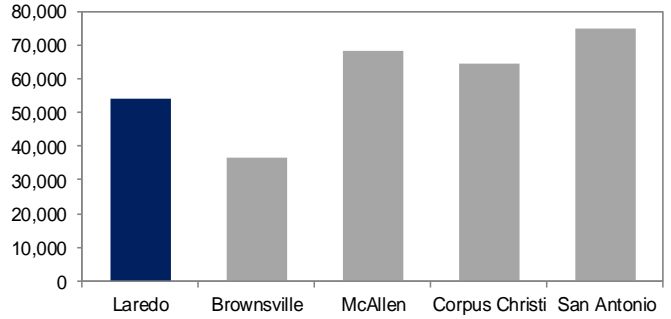
Property Tax Rates Comparison (\$/100)



Source: Texas MAC

Laredo Has the Second Lowest AV Per Capita

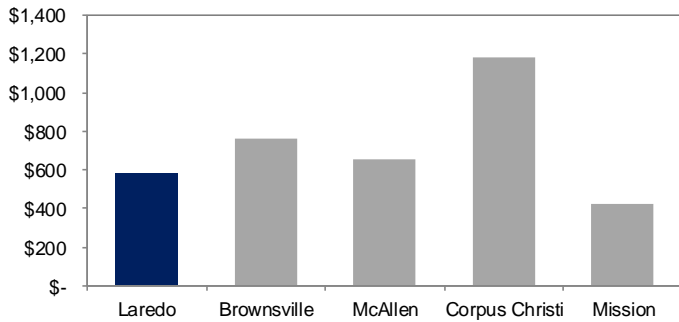
Assessed Values Per Capita Comparison (\$)



Source: Texas MAC

Net GO Debt Per Capita 2nd Lowest amongst Comps

General Obligation Debt Per Capita Comparison (\$)



Source: Texas MAC

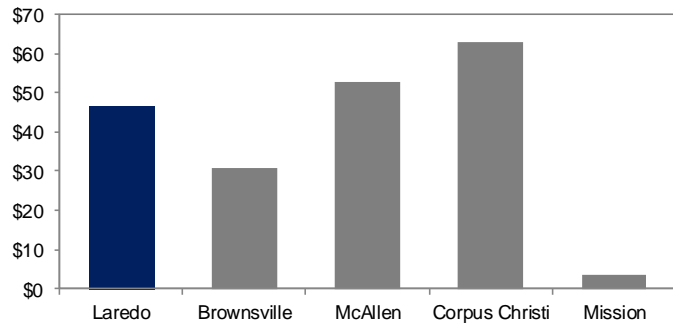
GO Credit Ratings of Comparable Texas Cities

| City | Moody's | S&P | Fitch |
|---------------|---------|-----|-------|
| Laredo | Aa2 | AA | AA |
| Brownsville | Aa3 | AA | AA- |
| McAllen | - | AA+ | AA+ |
| Copus Christi | Aa2 | AA | AA |
| Mission | A3 | A | - |

Source: Texas MAC

City of Laredo General Fund Balance Against Peers

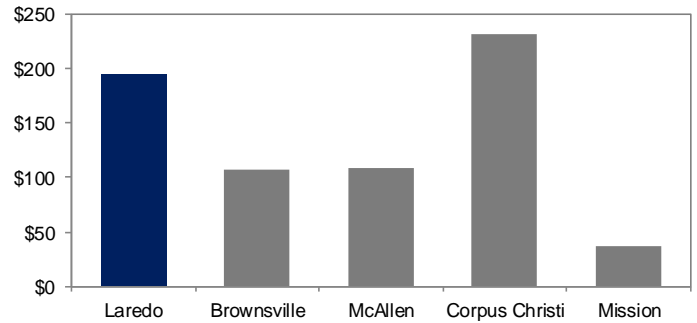
General Fund Balance FYE2018 Comparison (\$Millions)



Source: FY18 Audit

City of Laredo General Fund Revenues vs. Peers

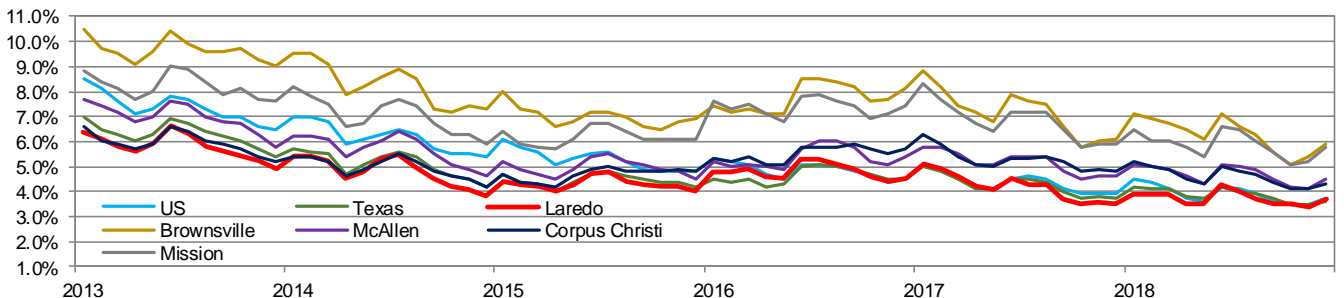
General Fund Revenues FYE2018 (\$Millions)



Source: FY18 Audit

Drops in Unemployment Rate Are Similar to Comparable Texas Cities

City Unemployment Rate (%)



Source: Labor Market Information (LMI)

Top 25 City Comparable Rankings



Top 25 Texas Comparable Cities Ranked by Population*

| | FYE | Population | Ratings- Underlying | | | Taxable Assessed Valuation | T.A.V RATIO TAV / Population | Total G.O Debt | Net Debt | Debt As % of T.A.V | Dept Per Capita | Net Debt Per Capita | Total Direct and Overlapping Debt | As % of T.A.V |
|------------------|----------|------------|---------------------|---------|-----|-------------------------------|---------------------------------|-------------------|------------------|-----------------------|--------------------|------------------------|--------------------------------------|------------------|
| | | | Fitch | Moody's | S&P | | | | | | | | | |
| 1 Houston | 06/30/18 | 2,312,717 | AA | Aa3 | AA | \$ 230,828,401,000 | \$ 99,808 | \$ 3,742,955,000 | \$ 3,560,740,748 | 1.62% | \$ 1,618 | \$ 1,540 | \$ 9,893,692,100 | 4.29% |
| 2 San Antonio | 09/30/18 | 1,496,547 | AA+ | Aaa | AAA | 105,670,285,216 | 70,609 | 1,915,155,000 | 1,657,472,720 | 1.81% | 1,280 | 1,108 | 9,213,865,000 | 8.72% |
| 3 Dallas | 09/30/18 | 1,286,380 | AA | A1 | AA- | 118,314,677,000 | 91,975 | 1,822,867,437 | 1,822,867,437 | 1.54% | 1,417 | 1,417 | 6,170,196,000 | 5.22% |
| 4 Austin | 09/30/18 | 963,797 | AAA | Aaa | AAA | 138,418,647,260 | 143,618 | 1,529,599,000 | 1,139,672,000 | 1.11% | 1,587 | 1,182 | 4,168,228,000 | 3.01% |
| 5 Fort Worth | 09/30/18 | 829,560 | AA+ | Aa3 | AA | 61,244,653,468 | 73,828 | 715,295,000 | 615,541,667 | 1.17% | 862 | 742 | 3,987,560,000 | 6.51% |
| 6 El Paso | 08/31/18 | 683,577 | AA | NR | AA | 34,300,055,358 | 50,177 | 1,195,750,000 | 1,079,477,927 | 3.49% | 1,749 | 1,579 | 3,455,493,000 | 10.07% |
| 7 Arlington | 09/30/18 | 383,950 | AAA | Aa1 | AAA | 23,503,192,007 | 61,214 | 408,365,000 | 407,092,200 | 1.74% | 1,064 | 1,060 | 2,063,991,576 | 8.78% |
| 8 Corpus Christi | 09/30/18 | 325,605 | AA | Aa2 | AA | 18,455,627,894 | 56,681 | 479,495,000 | 384,222,923 | 1.95% | 1,473 | 1,180 | 1,538,458,342 | 8.34% |
| 9 Plano | 09/30/18 | 282,700 | AAA | Aaa | AAA | 39,066,059,755 | 138,189 | 377,085,000 | 377,085,000 | 0.97% | 1,334 | 1,334 | 1,695,615,612 | 4.34% |
| 10 Laredo | 09/30/18 | 260,654 | AA | Aa2 | AA | 13,229,014,940 | 50,753 | 289,045,000 | 151,746,404 | 1.18% | 1,109 | 582 | 1,119,556,525 | 8.46% |
| 11 Lubbock | 09/30/18 | 254,565 | AA+ | Aa2 | AA+ | 17,041,610,175 | 66,944 | 1,001,210,000 | 216,535,557 | 5.88% | 3,933 | 851 | 924,806,206 | 5.43% |
| 12 Garland | 09/30/18 | 236,786 | AAA | NR | AA+ | 13,637,777,356 | 57,595 | 430,160,000 | 247,600,000 | 3.15% | 1,817 | 1,046 | 789,393,280 | 5.79% |
| 13 Irving | 09/30/18 | 234,710 | NR | Aaa | AAA | 24,270,243,319 | 103,405 | 423,280,000 | 234,009,739 | 1.74% | 1,803 | 997 | 1,495,580,558 | 6.16% |
| 14 Amarillo | 09/30/18 | 202,800 | NR | Aa1 | AAA | 12,787,774,041 | 63,056 | 154,345,733 | 66,054,000 | 1.21% | 761 | 326 | 495,444,392 | 3.87% |
| 15 Grand Prairie | 09/30/18 | 187,000 | AA+ | Aa2 | AAA | 13,521,607,208 | 72,308 | 285,310,000 | 211,985,000 | 2.11% | 1,526 | 1,134 | 1,046,117,009 | 7.74% |
| 16 Brownsville | 09/30/18 | 185,848 | AA- | Aa3 | AA | 6,463,646,684 | 34,779 | 167,925,000 | 141,309,914 | 2.60% | 904 | 760 | 414,289,408 | 6.41% |
| 17 Frisco | 09/30/18 | 180,000 | NR | Aaa | AA+ | 26,532,840,000 | 147,405 | 779,130,000 | 365,409,997 | 2.94% | 4,329 | 2,030 | 2,417,591,057 | 9.11% |
| 18 McKinney | 09/30/18 | 179,804 | NR | Aaa | AAA | 19,689,744,789 | 109,507 | 244,840,000 | 244,840,000 | 1.24% | 1,362 | 1,362 | 1,314,595,355 | 6.68% |
| 19 Pasadena | 09/30/18 | 153,520 | AA | NR | AA | 8,948,820,714 | 58,291 | 176,150,000 | 103,918,968 | 1.97% | 1,147 | 677 | 684,548,489 | 7.65% |
| 20 McAllen | 09/30/18 | 147,717 | AA+ | NR | AA+ | 8,529,744,630 | 57,744 | 114,405,000 | 96,950,000 | 1.34% | 774 | 656 | 423,407,723 | 4.96% |
| 21 Mesquite | 09/30/18 | 143,350 | NR | Aa2 | AA | 7,095,832,439 | 49,500 | 185,140,000 | 171,070,000 | 2.61% | 1,292 | 1,193 | 776,565,672 | 10.94% |
| 22 Waco | 09/30/18 | 137,048 | NR | Aa1 | AA+ | 9,204,761,450 | 67,165 | 399,445,000 | 87,165,000 | 4.34% | 2,915 | 636 | 710,444,596 | 7.72% |
| 23 Midland | 09/30/18 | 134,610 | AAA | Aa2 | AA+ | 12,236,624,318 | 90,904 | 185,745,000 | 97,052,227 | 1.52% | 1,380 | 721 | 251,653,537 | 2.06% |
| 24 Carrollton | 09/30/18 | 130,820 | AAA | Aa1 | AAA | 13,004,287,702 | 99,406 | 174,275,000 | 174,275,000 | 1.34% | 1,332 | 1,332 | 542,680,036 | 4.17% |
| 25 Denton | 09/30/18 | 127,093 | AA+ | Aa2 | AA+ | 10,332,106,452 | 81,296 | 767,245,000 | 208,847,936 | 7.43% | 6,037 | 1,643 | 1,579,292,705 | 15.29% |

Ranking: 10 15 16 22 10 7 4 6 2 12 19

Source: Municipal Advisory Council - TMR Reports and Issuer's CAFR

*Listed in descending order.

**Top 25 Texas
Comparable Cities
Ranked by Population***

| | 17-18 M & O | 17-18 I & S | Total Tax Rate | General Fund Actual Revenue | General Fund Balance | Fund Balance As % of Revenue | Unfunded Pension Liability * | % Funded (Funded Ratio) | Water & Sewer System Debt | WW&SS Debt Per Capita | Full-Time Eqv Gov't Employees |
|------------------|----------------|----------------|-------------------|--------------------------------|-------------------------|---------------------------------|---------------------------------|----------------------------|------------------------------|--------------------------|----------------------------------|
| 1 Houston | 0.4202 | 0.1640 | 0.5842 | \$ 2,429,734,000 | \$ 394,475,000 | 16.24% | \$ 2,124,494,000 | 58.45% | \$ 6,727,382,865 | \$ 2,909 | 22,586 |
| 2 San Antonio | 0.3468 | 0.2115 | 0.5583 | 1,183,014,758 | 350,140,278 | 29.60% | 422,433,000 | 77.93% | 2,464,950,000 | 1,647 | 11,099 |
| 3 Dallas | 0.5580 | 0.2224 | 0.7804 | 1,290,999,000 | 222,997,000 | 17.27% | 765,586,000 | 82.51% | 2,284,021,000 | 1,776 | 12,518 |
| 4 Austin | 0.3393 | 0.1055 | 0.4448 | 886,026,000 | 212,934,000 | 24.03% | 1,147,385,000 | 69.79% | 2,264,653,000 | 2,350 | 14,038 |
| 5 Fort Worth | 0.6415 | 0.1635 | 0.8050 | 634,378,000 | 152,701,000 | 24.07% | 3,084,178,000 | 42.40% | 838,505,000 | 1,011 | 7,094 |
| 6 El Paso | 0.5230 | 0.2805 | 0.8034 | 383,338,226 | 46,379,368 | 12.10% | 199,857,869 | 79.52% | 812,664,000 | 1,189 | 5,556 |
| 7 Arlington | 0.4409 | 0.1989 | 0.6398 | 231,220,000 | 66,306,000 | 28.68% | 108,242,635 | 90.92% | 246,835,000 | 643 | 2,617 |
| 8 Corpus Christi | 0.3768 | 0.2295 | 0.6063 | 230,844,796 | 63,127,399 | 27.35% | 174,722,818 | 80.66% | 787,360,000 | 2,418 | 3,071 |
| 9 Plano | 0.3500 | 0.1186 | 0.4686 | 291,520,534 | 52,213,524 | 17.91% | 66,797,634 | 93.34% | 49,905,000 | 177 | 2,688 |
| 10 Laredo | 0.4919 | 0.1451 | 0.6370 | 195,966,464 | 46,846,974 | 23.91% | 130,599,609 | 78.93% | 293,773,000 | 1,115 | 3,137 |
| 11 Lubbock | 0.4114 | 0.1266 | 0.5380 | 173,148,270 | 53,093,013 | 30.66% | 86,450,251 | 87.76% | 542,398,745 | 2,131 | 2,511 |
| 12 Garland | 0.3940 | 0.3106 | 0.7046 | 144,275,125 | 34,933,337 | 24.21% | (1,499,435) | 100.21% | 190,815,000 | 806 | 2,147 |
| 13 Irving | 0.4650 | 0.1291 | 0.5941 | 224,095,253 | 70,024,383 | 31.25% | 35,245,572 | 95.20% | 176,905,000 | 754 | 2,336 |
| 14 Amarillo | 0.3270 | 0.0367 | 0.3637 | 178,108,929 | 48,087,220 | 27.00% | 41,500,872 | 91.26% | 111,645,000 | 551 | 2,539 |
| 15 Grand Prairie | 0.4712 | 0.1988 | 0.6700 | 134,912,713 | 33,745,051 | 25.01% | 50,925,919 | 90.81% | 54,435,000 | 291 | 1,575 |
| 16 Brownsville | 0.4496 | 0.2510 | 0.7006 | 106,511,791 | 30,909,295 | 29.02% | 38,041,557 | 89.44% | 251,245,000 | 1,352 | 1,216 |
| 17 Frisco | 0.2904 | 0.1562 | 0.4466 | 158,506,355 | 67,513,718 | 42.59% | 32,927,311 | 86.83% | 146,561,947 | 814 | 1,584 |
| 18 McKinney | 0.3756 | 0.1646 | 0.5402 | 141,871,127 | 76,892,614 | 54.20% | 34,333,328 | 87.50% | 107,590,000 | 598 | 1,188 |
| 19 Pasadena | 0.4601 | 0.1153 | 0.5754 | 111,929,037 | 51,716,919 | 46.21% | 13,498,379 | 97.05% | 72,231,033 | 470 | 1,092 |
| 20 McAllen | 0.4401 | 0.0362 | 0.4763 | 109,017,151 | 52,747,641 | 48.38% | 9,880,221 | 96.28% | 115,827,000 | 784 | 1,878 |
| 21 Mesquite | 0.4497 | 0.2373 | 0.6870 | 110,088,274 | 20,913,458 | 19.00% | 103,953,582 | 80.85% | 77,700,000 | 542 | 1,205 |
| 22 Waco | 0.6607 | 0.1155 | 0.7762 | 132,498,510 | 70,092,416 | 52.90% | 44,303,151 | 90.93% | 360,569,884 | 2,631 | 1,601 |
| 23 Midland | 0.3675 | 0.0409 | 0.4084 | 128,668,785 | 83,384,563 | 64.81% | 57,751,765 | 58.90% | 63,700,000 | 473 | 976 |
| 24 Carrollton | 0.4278 | 0.1719 | 0.5997 | 108,793,289 | 21,189,960 | 19.48% | 4,654,975 | 98.88% | 5,625,000 | 43 | 830 |
| 25 Denton | 0.4303 | 0.2075 | 0.6378 | 113,323,761 | 30,317,385 | 26.75% | 61,606,802 | 86.83% | 214,890,000 | 1,691 | 1,644 |
| | 21 | 10 | 15 | 11 | 18 | 19 | 18 | 20 | 16 | 15 | 19 |

Source: Municipal Advisory Council - TMR Reports and Issuer's CAFR

* Liability shown represents portion of unfunded liability related to Municipal Employee or TMRS Pensions except for Fort Worth which shows a combined Municipal, Fire and Police Pension

Estrada Hinojosa is a Leader with a Growing National Footprint...

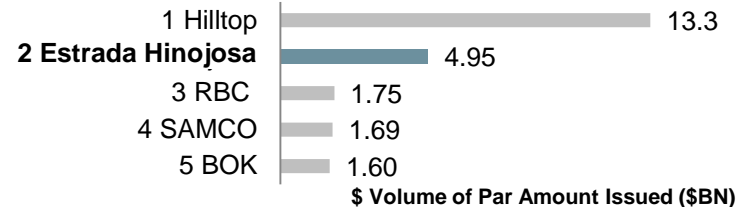
- **In 27 years the Firm has completed:**

- ✓ 5,478 transactions totaling \$488 billion.

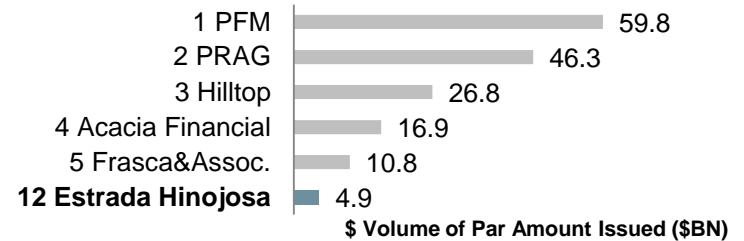
- **For calendar year ended 2018, the Firm completed:**

- ✓ Financial Advisory 84 financings totaling \$7.3 billion
 - ✓ Negotiated Underwriting 66 financings totaling \$13.1 billion
 - ✓ Competitive Underwriting 113 financings totaling \$6.5 billion
 - ✓ 263 transactions totaling \$26.9 billion

2018 Texas Financial Advisory Rankings (Par Amount)



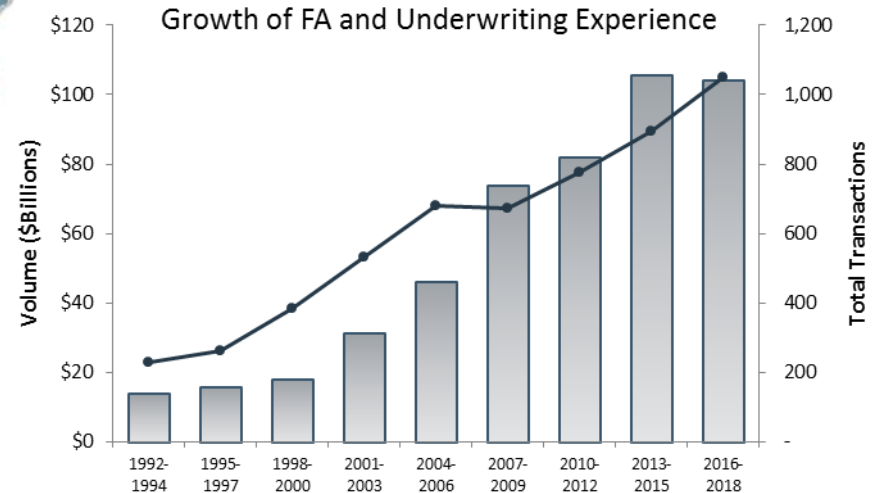
2018 U.S. Financial Advisory Rankings (Par Amount)



Map of Estrada Hinojosa Offices



Estrada Hinojosa



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