

Fiscal Year 2025 Financing Plan Presentation

May 13, 2025

City of Corpus Christi, Texas



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FINANCIAL ADVISORY SERVICES

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The Long View on Tax-Exempt Rates: The Bond Buyer's GO Index since 1961



Financing Transactions

Five Transactions for a Total of \$379,825,000

- ***\$259,320,000 = Project Funding***
- ***\$120,505,000 = Refinancing***
- **Transactions by Financing Tool:**
 - I. \$30,000,000 General Obligation Bonds – *I&S Tax Supported*
 - II. \$38,720,000 Certificates of Obligation – *I&S Tax Supported*
 - III. \$4,480,000 Certificates of Obligation (Taxable) – *Solid Waste*
 - IV. \$11,120,000 Tax Notes – *I&S Tax Supported*
 - V. \$295,505,000 Utility System Revenue & Refunding Bonds - *Utility System Supported*
 - *Project Funding Amount: \$175,000,000*
 - *Refinancing Amount: \$120,505,000*

General Obligation Financing Overview per Approved Budget

PLANNED ISSUANCE*

- ▶ \$30,000,000 General Obligation Bonds
 - Authorization from Nov. 2022 Bond Program
- ▶ \$38,720,000 Certificates of Obligation
 - I&S tax-supported projects
- ▶ \$4,480,000 Certificates of Obligation (Taxable)
 - Solid waste projects
- ▶ \$11,120,000 Limited Tax Notes
 - I&S tax-supported issue for street projects

PRELIMINARY USE OF PROCEEDS*

In Millions (\$)

Project	G.O. Bonds	C/Os	Tax Notes
Streets	\$30.0	\$20.1	\$3.7
Parks & Recreation		11.9	0.25
Public Health & Safety		4.2	5.0
Public Facilities		2.5	2.1
Solid Waste		4.5	
Total	\$30.0	\$43.2	\$11.1

METHOD OF SALE

- Open market financing through the competitive or negotiated sale process

** Preliminary, subject to change.*

Utility System Financing Overview per Approved Budget

PLANNED ISSUANCE*

- ▶ \$295,505,000 Utility System Revenue & Refunding Bonds
 - Project Funding: \$175,000,000
 - **Refinancing: \$120,505,000**
 - **Estimated Interest Cost Savings: \$5.7 million**

PRELIMINARY USE OF PROCEEDS*

In Millions (\$)

Project	Revenue Bonds
Water	\$79.0
Wastewater	59.0
Stormwater	30.0
Gas	7.0
Total	\$175.0


METHOD OF SALE




- Open market financing through either the competitive or negotiated sale process

** Preliminary, subject to change.*

Current City Bond Ratings

Rating Agency Analyses	S&P Global Ratings	MOODY'S	Fitch Ratings	
	Highest Possible Rating	Aaa	AAA	
	AA+	Aa1	AA+	
Economy	AA	Aa2	AA	
	AA-	Aa3	AA-	
	A+	A1	A+	
Upper Medium Grade	A	A2	A	
	A-	A3	A-	
	BBB+	Baa1	BBB+	
Lower Medium Grade	BBB	Baa2	BBB	
	BBB-	Baa3	BBB-	
	BB+	Ba1	BB+	
	BB	Ba2	BB	
Speculative Grade	BB-	Ba3	BB-	
	B+	B1	B+	
	B	B2	B	
	B-	B3	B-	
Highly Speculative Grade	CCC (+,-), CC or C	Caa1, Caa2 or Caa3	CCC (+,-), CC or C	
In Default	D	Ca	D	



 Current Corpus Christi General Obligation Bond rating
  Current Corpus Christi Utility System Bond rating
  Minimum Investment Grade

Council Action Timeline

- **May 13** – FY 2025 Financing Plan presentation; Approve CO Notice of Intent
- **June 10** – Approve Utility Revenue Bond Ordinance (1st Reading)
- **June 17** – Approve Utility Revenue Bond Ordinance (2nd Reading)
- **July 15** – Approve GO-Supported Bond Ordinances (1st Reading)
- **July 22** – Approve GO-Supported Bond Ordinances (2nd Reading)

10-Year Refinancing Highlights:

\$529 million GO Bonds refinanced → **\$50 million savings**

\$1.24 billion Utility Bonds refinanced → **\$222 million savings**



Notice of Intention to Issue Certificates of Obligation

City Council Meeting
May 13, 2024



Financing Capital Projects

- Capital Improvement Projects (CIP) and Funding for projects were approved during the annual budget process.
 - Reimbursement Resolutions approved by City Council allowing staff to start projects and defer issuance of debt.
 - Capital Staff assesses funding needs for next 12-18 months to determine what debt needs to be issued to fund current and prior year approved projects.
 - **Today**-City Council is considering an authorization to publish the Notice of Intention to issue the approved Certificate of Obligation debt as required by State law.
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Steps for Issuance

Specific steps must be followed per state law for the issuance of Certificates of Obligation (CO)

- **Today**-Authorization and approval to publish Notice of Intention
 - Notice must be published twice at least 45 days prior to action to give notice to the public of the intention to issue CO debt
 - May 18th and May 25th –Publish dates in the Corpus Christi Caller-Times
 - **July 15, 2025**-First Reading of ordinance 45 days after first notice of intention to authorize delegation of authority
 - **July 22, 2025**-Second reading and adoption of ordinance authorizing delegation of authority
 - **August 20, 2025**-Close on CO Financings
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Projects funded with Certificates of Obligation

	Amount
Solid Waste	\$ 4,478,000 *
Public Health & Safety	4,154,175
Streets	14,050,000
Stormwater	6,000,000
Parks and Recreation	11,943,672
Public Facilities	2,565,415
	<u>\$ 43,191,262</u>

The Notice of Intention sets the limit on the amount of CO's that can be issued. The amount can be reduced prior to issuance but not increased above the amount noticed.

* Self supported project
