



# Finance Department

## Presentation to the City of Houston Budget and Fiscal Affairs Committee

### Upcoming Financial Transactions

December 5, 2023

Presented By:  
Melissa Dubowski - Deputy Director



# Agenda

- **General Obligation (GO)**
  - a) Pricing Update: Public Improvement Bonds, Series 2023A
- **Combined Utility System (CUS)**
  - a) Revenue and Refunding Bonds, Series 2024A



# Public Improvement Bonds, Series 2023A – Pricing Update

System: General Obligation

Total Par Amount: \$271.3 million

Refunded Par Amount: N/A

Use: Capital Improvement Program

Series: 2023A

Average Life (Years): 12.798

Present Value Savings: N/A

Percentage Savings: N/A

All-In True Interest Cost (%): 4.481%

Series 2023A Closing Date: October 25, 2023



# CUS Revenue and Refunding Bonds, Series 2024A

## Background:

- The City has used the issuance of commercial paper to provide an expedient, cost-effective method of accessing cash and providing interim financing. The commercial paper (CP) notes are later refinanced into fixed rate bonds that match the useful life of the projects and/or equipment being financed.
- The total size of the Series 2024A bonds is anticipated to be up to approximately \$735 million, which includes approximately \$250 million to refund CP and the balance related to refunding and tender for purchase of eligible existing bonds in order to produce debt service savings.
- Current outstanding CP for CUS is \$180 million.

## Next Steps:

- An RCA is expected to be presented to City Council in March 2024.



# CUS Revenue and Refunding Bonds, Series 2024A

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System:	Combined Utility System
New Money or Refunding?:	Refunding
Par Amount:	\$735 Million
Use of the Debt Proceeds:	CP Takeout and Refunding

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Revenue Source Securing Debt:	Net revenues of the Combined Utility System
Estimated Weighted Average Life of the Debt Being Refunded(Years):	5.188
Estimated Change to the Weighted Average Life of Debt Being Refunded:	(0.676) years
Estimated Present Value Savings:	19.285 Million
Estimated Percentage Savings:	3.80%
Estimated True Interest Cost (%):	3.95%
Anticipated Council Agenda Date:	March 2024
Anticipated Date of Pricing:	April 2024
Anticipated Date Closing:	April 2024

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All figures are as of November 28, 2023 and are subject to market adjustments.

Note: This presentation constitutes the written recommendation of the Finance Working Group.



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**Questions?**