

MEMORANDUM

To: Members of the City Commission

From: Jack Redmon, Acting City Manager

Date: April 17, 2018

Subject: Report and Discussion regarding Issuance of Tax Note for Funding of Capital Improvements

John Martin, Financial Advisor with Hilltop Securities, will be present at the meeting on Thursday to discuss funding for water and wastewater capital improvements of \$750,000.

Tax Note, Series 2018

Proposed Schedule of Events

April 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2018						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Proposed Date	Action
April 26, 2018	City Commission Meeting – Information and discussion on issuance of Tax Note.
May 7, 2018	Hilltop distributes initial draft of Private Placement Term Sheet (bid specifications) to working group for review and comment.
May 10, 2018	Request for Bid with Term Sheet distributed to potential bidders by Placement Agent.
May 24, 2018	Bids due for Note at 10:00 am. City Commission considers Ordinance Authorizing Issuance of Note (6:00 PM Regular Meeting).
May 30, 2018	Bond Counsel submits transcript to Attorney General.
June 11, 2018	Hilltop to notify all parties of closing and delivery instructions.
June 14, 2018	Closing and Delivery.



CITY OF MARSHALL
(Harrison County, Texas)

Tax Notes, Series 2018

Sources and Uses of Funds - Preliminary

March 27, 2018

Sources of Funds:

Tax Note: \$ 787,000.00

Uses of Funds:

Project Fund: \$ 750,000.00

Costs of Issuance: 37,000.00

\$ 787,000.00



CITY OF MARSHALL
(Harrison County, Texas)

Tax Notes, Series 2018

Combined Debt Service Requirements - Preliminary

March 27, 2018

Fisc Year Ending	Existing Payments	Series 2018 Tax Notes				New Combined Payments
		Principal	Int. Rate	Interest	Total	
12/31/2018	\$ 2,519,450			\$ 11,805	\$ 11,805	\$ 2,531,255
12/31/2019	2,526,075	\$ 95,000	3.000%	22,185	117,185	2,643,260
12/31/2020	679,250	129,000	3.000%	18,825	147,825	827,075
12/31/2021	681,688	130,000	3.000%	14,940	144,940	826,628
12/31/2022	521,513	139,000	3.000%	10,905	149,905	671,418
12/31/2023	518,925	146,000	3.000%	6,630	152,630	671,555
12/31/2024		148,000	3.000%	2,220	150,220	150,220
	\$ 7,446,900	\$ 787,000		\$ 87,510	\$ 874,510	\$ 8,321,410

Notes: Existing Payments include only debt payable from water & sewer.
The Tax Notes are dated and delivered June 14, 2018.
Interest on the Tax Notes is payable June 15 and December 15 of each year, beginning December 15, 2018.



CITY OF MARSHALL
 (Harrison County, Texas)

Tax Notes, Series 2018

Costs of Issuance Budget

March 27, 2018

Financial Advisor:	\$ 20,000.00
Bond Counsel:	6,000.00
Bond Counsel Expenses:	2,000.00
Placement Agent:	5,000.00
Attorney General:	800.00
Paying Agent:	500.00 *
Lender Fees:	1,500.00 *
MAC Fee:	400.00 *
Miscellaneous:	800.00
	<u>\$ 37,000.00</u>

** May be as low as \$0.00 depending on bid.*

