

# **City of Texas City, Texas**

## **Certificates of Obligation, Series 2025**

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Plan of Finance

January 2, 2025

# Summary of Certificates

Project	Total
Municipal Complex	75,000,000
Engineering & Public Works Building Expansion	20,000,000
<b>Total</b>	<b>95,000,000</b>

Preliminary Statistics - Rates as of December 31, 2024 + 50 bps	
Total Par Amount*	\$95,000,000
Total Debt Service*	\$146,070,795
All-in True Interest Cost*	4.4890%

FY	Outstanding Debt Service	Series 2025 \$95,000,000 Debt Service @ 4.49%	Total Debt Service After Issuances
2024	8,624,764		8,624,764
2025	2,746,062	-	2,746,062
2026	1,131,162	7,305,608	8,436,770
2027	1,123,562	7,306,155	8,429,717
2028	1,129,262	7,304,429	8,433,691
2029	1,128,437	7,305,804	8,434,241
2030	1,067,437	7,303,804	8,371,241
2031	703,337	7,303,054	8,006,391
2032	700,197	7,303,054	8,003,251
2033	700,769	7,303,304	8,004,073
2034	700,294	7,303,304	8,003,598
2035	704,031	7,302,554	8,006,585
2036	701,581	7,302,756	8,004,337
2037	702,928	7,303,916	8,006,844
2038	702,938	7,303,784	8,006,721
2039	-	7,301,209	7,301,209
2040	-	7,305,322	7,305,322
2041	-	7,304,592	7,304,592
2042	-	7,301,956	7,301,956
2043	-	7,301,494	7,301,494
2044	-	7,302,153	7,302,153
2045	-	7,302,546	7,302,546
	<b>22,566,764</b>	<b>146,070,795</b>	<b>168,637,559</b>

\*Preliminary, subject to change.

# Timeline

Jan-25						
S	M	T	W	Th	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	

Feb-25						
S	M	T	W	Th	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	

Mar-25						
S	M	T	W	Th	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					

Apr-25						
S	M	T	W	Th	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			

Date	Action	Responsible Party
January	» Distribute Information Request for Offering Document	FA
<b>Wed - Jan 8</b>	<b>» Commission Meeting - Present Plan of Finance, adopt Notice of Intent Resolution</b>	<b>City</b>
Tue - Jan 14	» Publish 1st Notice of Intent. Post Notice of Intent on City Website	City
Tue - Jan 21	» Publish 2nd Notice of Intent	City
Tue - Feb 4	» Distribute Bond Documents	FA
Wed - Feb 26	» Provide Bond Documents for inclusion in Board Packets	FA
<b>Wed - Mar 5</b>	<b>» Commission Meeting - Approve the Preliminary Official Statement (POS) and adopt Parameter Ordinance</b>	<b>City</b>
Tue - Mar 18	» Receive Rating	FA
Thu - Mar 20	» Electronically Distribute Offering Documents	FA
<i>Mon - Mar 31</i>	<i>» Continuing Disclosure Report Filing Deadline</i>	<i>FA</i>
<b>Tue - Apr 1</b>	<b>» Pricing</b>	<b>FWG</b>
Thu - Apr 24	» Closing	FWG

Abbreviation	Name of Participant	Role
City	City of Texas City	City
FA	Masterson Advisors LLC	Financial Advisor
BC	Greenberg Traurig	Bond Counsel
PA	Bank of New York Mellon	Paying Agent
FWG	Finance Working Group	All Participants

Preliminary, subject to change.

# Methods of Sale & Decision Process

There are many factors to consider, and each bond sale will have different needs, structures, complexity, market conditions, etc.

## Negotiated Sale

Issuer directly selects underwriter(s) upfront.  
Primary points of negotiation are interest rate, call features and purchase price.

### Considerations:

- ✓ Unusually Large Issue
- ✓ New Entity / First time Issuer
- ✓ **Priority for MWBE Participation**
- ✓ Unusual Financing Terms
- ✓ Complex Refunding
- ✓ Market Volatility
- ✓ Unrated/Lower Rated Credit
- ✓ Retail Order Period

## Competitive Sale

Underwriters submit a bid to purchase the entire bond issue. Issuer awards the bonds to the lowest interest cost bidder.

### Considerations:

- ✓ High Grade Credit
- ✓ General Obligation
- ✓ Stable Market
- ✓ Straight Forward Structure
- ✓ Legal / Statutory Requirements

# Method of Sale | Pros & Cons

## Negotiated

## Competitive

### Advantages

- ✓ Ability to negotiate
- ✓ The underwriter can do more presale marketing
- ✓ The issuer and underwriter can respond to changing market conditions or change sale date
- ✓ Can maximize investor structuring preferences and accommodate reverse inquiries
- ✓ Have Retail Order period
- ✓ **The issuer has greater control over the composition of the underwriting syndicate to include regional firms and/or minority owned firms**
- ✓ Competition is driven by order flow and investor appetite

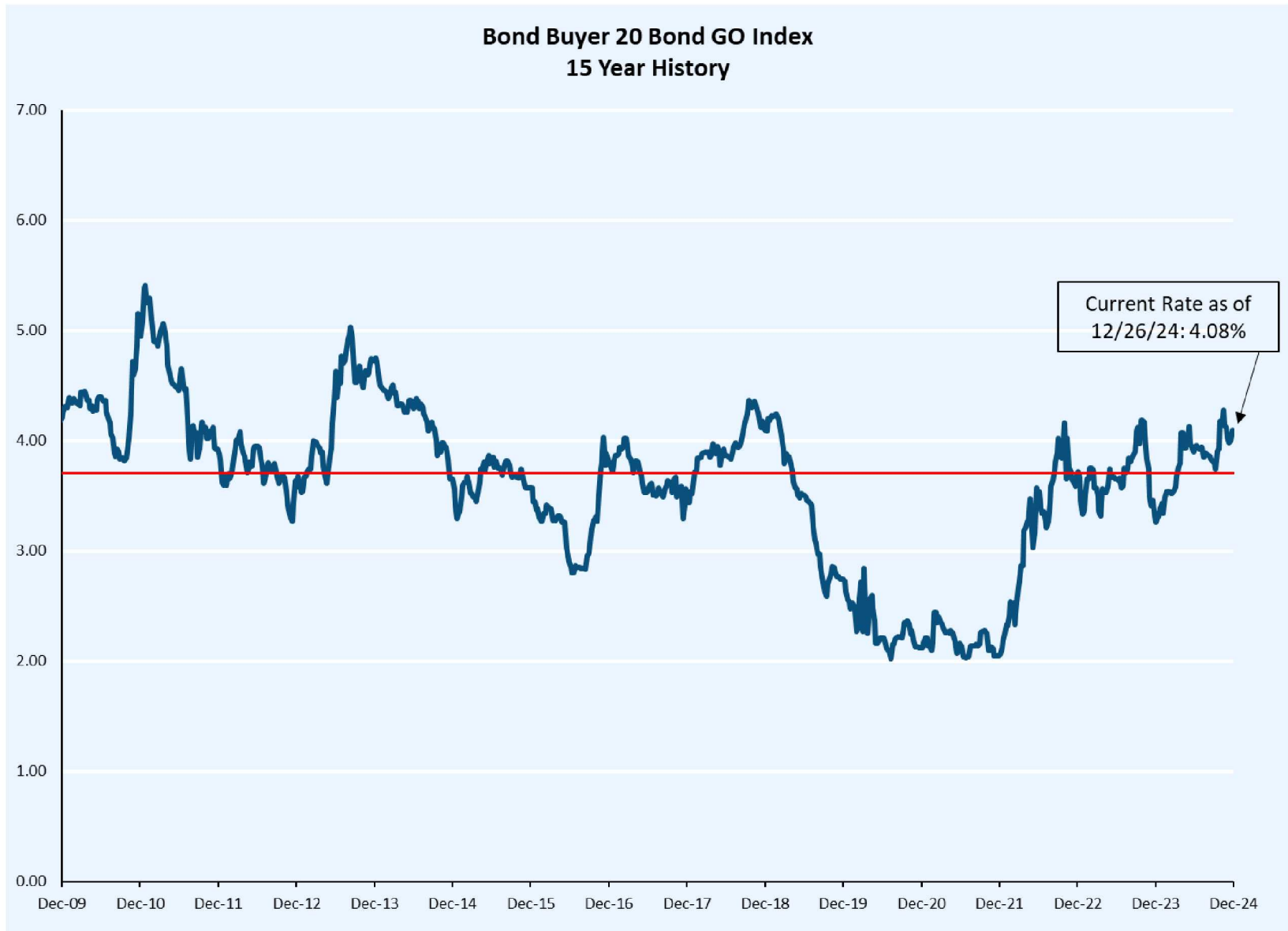
- ✓ Avoids the procurement process of underwriter selection
- ✓ Underwriters may bid aggressively to help secure a future negotiated underwriting
- ✓ With flexible “Notice of Sale”, sale date can be rescheduled
- ✓ Outliers often bid well through other firms
- ✓ Required by law: New money MUD bonds in Texas
- ✓ Emphasis on lowest True Interest Cost drives lower couponing structure

### Disadvantages

- ✗ There is no direct competition among underwriters in setting the terms of the offering
- ✗ The gross underwriting spread covers additional services that may differ from one issuer to another
- ✗ Municipal officials may be open to accusations of favoritism toward the selected underwriter
- ✗ Can place too much emphasis on underwriters discount (i.e. limit takedown)

- ✗ Bidders may factor in a risk premium – especially in turbulent markets
- ✗ An issuer has little control over the composition of the underwriting syndicate
- ✗ Focus on lowest rate ignores considerations like optionality
- ✗ Some small firms are less likely to participate because of the higher risk

# Bond Buyer Index



## DISCLOSURE

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### Conflicts of Interest

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[www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Masterson Advisors LLC, Masterson Advisors LLC will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Masterson Advisors LLC, its management and personnel.

