

June 5, 2018



Hidalgo County, Texas

Financing Option Summary of Courthouse Project (For Discussion Purposes Only)

ESTRADA • HINOJOSA
INVESTMENT BANKERS

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Existing Debt Profile

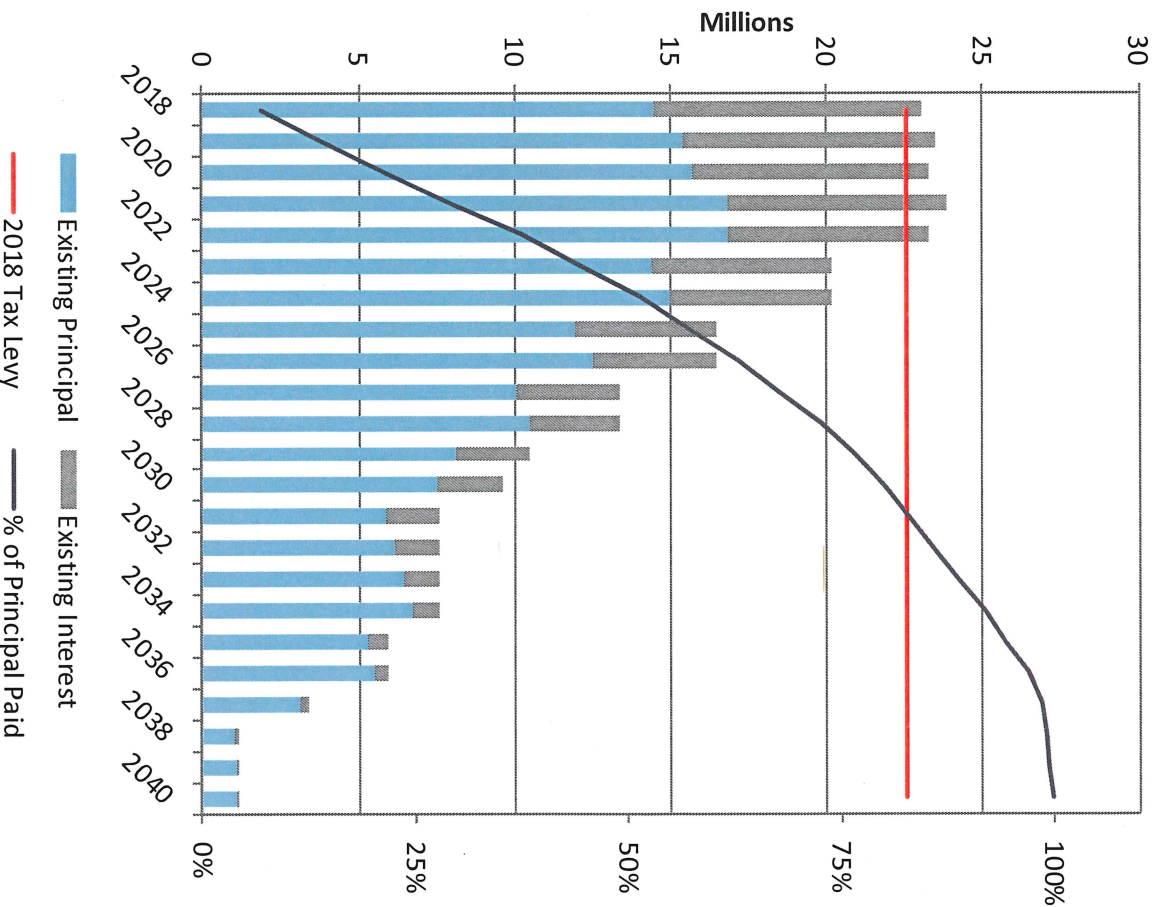


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County Debt Outstanding (as of 5/24/18)

General Obligation Debt Outstanding				
Series	Par Outstanding	Amount Callable	Call Date	
C/O Ser 2017	\$28,405,000	\$17,880,000	8/15/2027	
C/O Ser 2016	32,760,000	20,835,000	8/15/2026	
C/O Ser 2015A	15,685,000	12,735,000	8/15/2025	
Ltd Tax Ref Bds Ser 2015B	14,760,000	7,920,000	8/15/2025	
Ltd Tax Ref Bds Txble Ser 2015C	23,990,000	-	Non-Callable	
C/O Ser 2014	19,580,000	13,305,000	8/15/2024	
Ltd Tax Ref Bds Ser 2014C	20,855,000	5,725,000	8/15/2024	
Tax Notes Ser 2014	2,335,000	-	Non-Callable	
Ltd Tax Ref Bds Ser 2014A	1,045,000	-	Non-Callable	
Ltd Tax Ref Bds Txble Ser 2014B	21,785,000	-	Non-Callable	
C/O Taxable Ser 2010B (BABs)	17,785,000	16,430,000	8/15/2020	
C/O Ser 2010A	2,560,000	-	Non-Callable	
C/O Taxable Ser 2009C (BABs)	8,195,000	7,040,000	8/15/2019	
Ltd Tax Ref Bds Ser 2009A	335,000	-	Non-Callable	
C/O Ser 2009	1,215,000	-	Non-Callable	
	Total	\$211,290,000	\$101,870,000	
Historical Tax Rate				
Fiscal Year	2015	2016	2017	2018
M&O	\$ 0.5308	\$ 0.5225	\$ 0.5186	\$ 0.5112
I&S	0.0592	0.0675	0.0714	0.0688
Total	\$ 0.5900	\$ 0.5900	\$ 0.5900	\$ 0.5800

- Denotes Future Refunding Candidates
- Denotes Restructuring Candidates





Financing Summary



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Summary of Debt Issuances

Project Funds Summary

C.O. Issues	Courthouse	Sheriff	Roads	Other CIP	Total
2016	\$ 9,000,000	\$2,500,000	\$ 11,524,534	\$16,934,466	\$ 39,959,000
2017	5,000,000	2,500,000	24,000,000	1,000,000	32,500,000
2018	127,000,000		18,000,000	4,000,000	149,000,000
2020	9,000,000*		15,000,000		24,000,000
2022			15,000,000		15,000,000
	\$150,000,000	\$5,000,000	\$ 83,524,534	\$21,934,466	\$260,459,000

*Denotes PPFCO funded by M&O Budget

Courthouse Project & CIP with No Tax

FYE	Taxable Assessed	TAV	Gr.	Service	Courthouse			CIP COs, Series 2018B ⁽³⁾			Series 2018C ⁽³⁾			2020 and 2022 COs for CIP ⁽⁶⁾	Normal	M&O	Additional	Total Debt	Required I&S Tax Rate ⁽⁸⁾	Tax Change	FYE
					Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total								
2018	31,448,791,968 ⁽¹⁾	4.1%	23,063,202	-	4,872,708	4,872,708	(1,250,000)	-	3,622,708	-	820,107	820,107	(3,024,368)	-	(455,722)	-	(468,347)	23,063,202	0.0688	0.0000	2018
2019	32,736,788,545 ⁽²⁾	4.1%	23,517,405	-	6,155,000	6,155,000	(1,250,000)	4,905,000	-	1,035,925	1,390,925	(3,950,096)	-	(1,000,000)	-	(467,897)	24,149,941	0.0688	0.0000	2019	
2020	33,718,892,201	3.0%	23,902,009	-	6,155,000	6,155,000	(1,250,000)	4,905,000	-	1,023,500	1,813,500	(5,451,006)	-	(1,000,000)	-	(479,970)	24,733,669	0.0688	0.0000	2020	
2021	34,561,864,506	2.5%	23,960,462	-	6,150,500	6,250,500	(1,250,000)	5,005,500	-	987,950	1,397,950	(4,468,238)	-	(1,000,000)	-	(319,970)	25,212,326	0.0688	0.0000	2021	
2022	35,253,101,797	2.0%	23,246,987	-	6,141,500	6,441,500	(1,250,000)	5,191,500	-	840,000	1,809,500	(2,235,669)	-	(1,000,000)	-	(410,333)	25,578,498	0.0688	0.0000	2022	
2023	35,781,898,323	1.5%	20,163,218	-	6,128,000	6,628,000	(1,250,000)	5,378,000	-	931,700	1,406,700	(2,248,589)	-	(1,000,000)	-	(257,989)	25,826,275	0.0688	0.0000	2023	
2024	36,139,717,307	1.0%	20,164,162	-	6,105,500	6,605,500	(1,250,000)	5,355,500	-	910,325	1,810,325	1,203,793	-	(1,000,000)	-	(152,502)	26,049,524	0.0688	0.0000	2024	
2025	36,501,114,480	1.0%	16,458,863	-	6,083,000	6,833,000	(1,250,000)	5,583,000	-	869,825	1,414,825	2,953,793	-	(1,000,000)	-	(706,950)	26,049,524	0.0680	-0.0008	2025	
2026	36,866,125,625	1.0%	16,464,956	-	6,061,750	7,541,750	(1,250,000)	6,291,750	-	830,850	1,809,850	3,129,418	-	(1,000,000)	-	(706,200)	25,832,038	0.0674	-0.0006	2026	
2027	36,866,125,625	0.0%	13,991,945	-	6,041,750	7,709,250	(1,250,000)	6,459,250	-	786,500	1,431,500	3,129,418	-	(1,000,000)	-	(706,200)	25,788,708	0.0673	-0.0001	2027	
2028	36,866,125,625	0.0%	13,384,940	-	5,863,000	7,963,000	(1,250,000)	6,613,000	-	751,025	1,811,025	6,142,418	-	(1,000,000)	-	(706,400)	26,435,796	0.0691	0.0018	2028	
2029	36,866,125,625	0.0%	10,484,253	-	5,753,000	8,753,000	(1,250,000)	7,503,000	-	692,725	1,812,725	6,450,468	-	(1,000,000)	-	(710,400)	26,771,205	0.0701	0.0009	2029	
2030	36,866,125,625	0.0%	9,617,112	-	5,588,000	9,033,000	(1,250,000)	7,783,000	-	631,125	1,811,125	6,454,076	-	(1,000,000)	-	(707,900)	25,042,616	0.0652	-0.0048	2030	
2031	36,866,125,625	0.0%	7,607,675	-	5,398,525	9,033,525	(1,250,000)	7,783,525	-	566,225	1,811,225	6,452,906	-	(1,000,000)	-	(709,200)	25,031,231	0.0652	0.0000	2031	
2032	36,866,125,625	0.0%	7,605,325	-	5,198,600	9,033,600	(1,250,000)	7,783,600	-	497,750	1,812,750	6,452,906	-	(1,000,000)	-	(709,000)	18,587,475	0.0472	-0.0180	2032	
2033	36,866,125,625	0.0%	3,831,800	-	4,750,000	9,035,500	(1,250,000)	7,782,575	-	268,950	1,813,975	6,452,906	-	(1,000,000)	-	(707,300)	16,921,400	0.0354	0.0425	2033	
2034	36,866,125,625	0.0%	7,602,950	-	4,987,675	9,032,675	(1,250,000)	7,782,675	-	425,425	1,810,425	6,452,906	-	(1,000,000)	-	(707,300)	18,581,950	0.0472	0.0042	2034	
2035	36,866,125,625	0.0%	5,939,700	-	4,765,200	9,035,200	(1,250,000)	7,785,200	-	349,250	1,809,250	6,452,906	-	(1,000,000)	-	(709,100)	16,920,090	0.0425	0.0042	2035	
2036	36,866,125,625	0.0%	5,396,600	-	4,530,350	9,035,500	(1,250,000)	7,785,350	-	268,950	1,813,950	6,452,906	-	(1,000,000)	-	(707,300)	14,362,750	0.0354	0.0042	2036	
2037	36,866,125,625	0.0%	3,891,800	-	4,282,575	9,032,575	(1,250,000)	7,782,575	-	183,975	1,813,975	6,452,906	-	(1,000,000)	-	(708,700)	12,119,550	0.0291	0.0042	2037	
2038	36,866,125,625	0.0%	1,141,500	-	4,021,325	9,036,325	(1,250,000)	7,786,325	-	1,715,000	1,809,325	6,452,906	-	(1,000,000)	-	(708,000)	10,310,400	0.0240	0.0042	2038	
2039	36,866,125,625	0.0%	1,141,000	-	3,745,500	9,035,500	(1,250,000)	7,785,500	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	10,306,950	0.0240	0.0042	2039	
2040	36,866,125,625	0.0%	1,138,800	-	3,454,550	9,032,550	(1,250,000)	7,784,550	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	10,306,950	0.0240	0.0042	2040	
2041	36,866,125,625	0.0%	-	-	5,885,000	9,032,650	(1,250,000)	7,782,650	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	7,973,750	0.0175	0.0142	2041	
2042	36,866,125,625	0.0%	-	-	6,210,000	9,033,975	(1,250,000)	7,783,975	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	7,976,475	0.0175	0.0142	2042	
2043	36,866,125,625	0.0%	-	-	6,560,000	9,032,425	(1,250,000)	7,782,425	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,782,425	0.0142	0.0142	2043	
2044	36,866,125,625	0.0%	-	-	6,915,000	9,037,175	(1,250,000)	7,787,175	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,787,175	0.0142	0.0142	2044	
2045	36,866,125,625	0.0%	-	-	7,295,000	9,036,850	(1,250,000)	7,786,850	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,786,850	0.0142	0.0142	2045	
2046	36,866,125,625	0.0%	-	-	7,695,000	9,035,625	(1,250,000)	7,785,625	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,785,625	0.0142	0.0142	2046	
2047	36,866,125,625	0.0%	-	-	8,115,000	9,032,400	(1,250,000)	7,782,400	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,782,400	0.0142	0.0142	2047	
2048	36,866,125,625	0.0%	-	-	8,585,000	9,036,075	(1,250,000)	7,786,075	-	-	-	6,452,906	-	(1,000,000)	-	(710,200)	6,786,075	0.0142	0.0142	2048	
2049	36,866,125,625	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2049	
2050	36,866,125,625	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2050	
Total					286,212,588	132,427,683	244,627,693	19,585,000	13,635,957	33,220,957	14,168,257	47,048,464	(30,455,722)	(14,188,257)	(2,423,310)	553,819,073					
					Project Funds: 127,000,000		Project Funds: 22,000,000														

(1) Certified Freeze Adjusted TAV. Average annual growth rate of 4.39% over the last 5 years and 3.45% over the last 10 years.
 (2) Preliminary Freeze Adjusted TAV.
 (3) Assumes current market rates plus 50 bps (5/30/18).
 (4) Assumes \$1,250,000 per year and that legislation is reauthorized so that fees are levied for the life of the COs.
 (5) Assumes current market rates plus 100 bps (5/30/18).
 (6) Calculated approximate I&S tax rate except 2018. Includes estimated freeze adjustment starting at \$1,578,964.

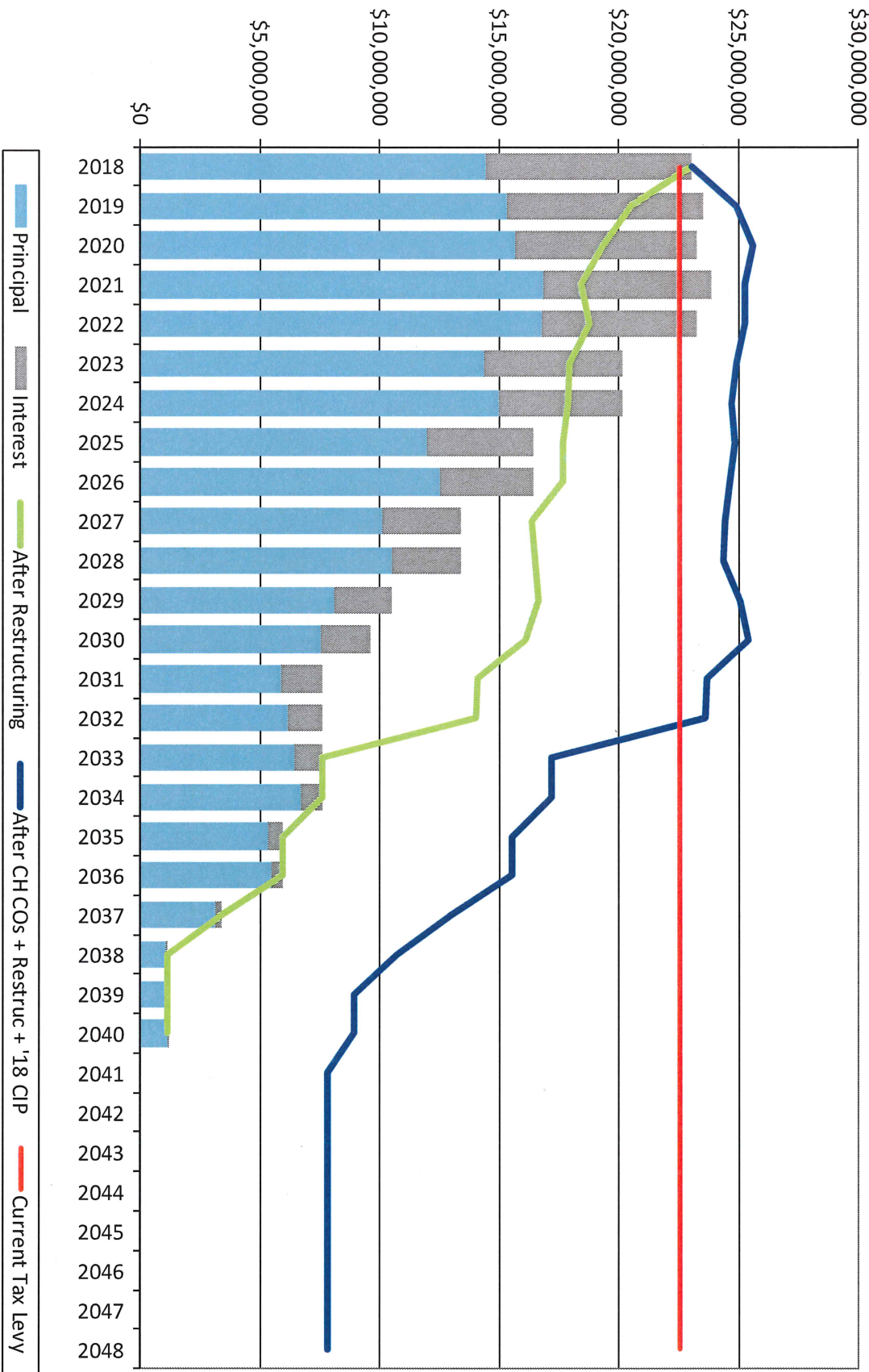
Taxable Restructuring	
New Principal	26,545,000
Old Principal	25,710,000
Cash Flow Cost	12,632,689
PV Cost	1,856,071
PV Cost %	-7.2084%

Fund Balances as of 4/27/18	
I&S Fund	4,904,465
Court Filing Fee Fund	2,464,328
Total	7,368,793
Funds Used	(2,423,310)
Balance	4,945,483

I&S Tax Rate Change from 2018: 97.00%
 Collections Rate: 0.0013



Courthouse Project & CIP with No Tax



Proposed County Debt Outstanding – Post 2018 Issues

General Obligation Debt Outstanding - Post Issuance

Series	Par Outstanding	Amount Callable	Call Date
CH C/O Ser 2018A *	\$112,200,000	\$106,600,000	NA
CIP C/Os Ser 2018B *	19,585,000	13,655,000	NA
C/O Taxable Ser 2018C *	26,545,000	-	NA
C/O Ser 2017	28,405,000	17,880,000	8/15/2027
C/O Ser 2016	32,760,000	20,835,000	8/15/2026
C/O Ser 2015A	15,685,000	12,735,000	8/15/2025
Ltd Tax Ref Bds Ser 2015B	14,760,000	7,920,000	8/15/2025
Ltd Tax Ref Bds Txble Ser 2015C	4,680,000	-	Non-Callable
C/O Ser 2014	19,580,000	13,305,000	8/15/2024
Ltd Tax Ref Bds Ser 2014C	20,855,000	5,725,000	8/15/2024
Tax Notes Ser 2014	2,335,000	-	Non-Callable
Ltd Tax Ref Bds Ser 2014A	1,045,000	-	Non-Callable
Ltd Tax Ref Bds Txble Ser 2014B	15,385,000	-	Non-Callable
C/O Taxable Ser 2010B (BABs)	17,785,000	16,430,000	8/15/2020
C/O Ser 2010A	2,560,000	-	Non-Callable
C/O Taxable Ser 2009C (BABs)	8,195,000	7,040,000	8/15/2019
Ltd Tax Ref Bds Ser 2009A	335,000	-	Non-Callable
C/O Ser 2009	1,215,000	-	Non-Callable
Total	\$343,910,000	\$222,125,000	

Historical Tax Rate - Projected

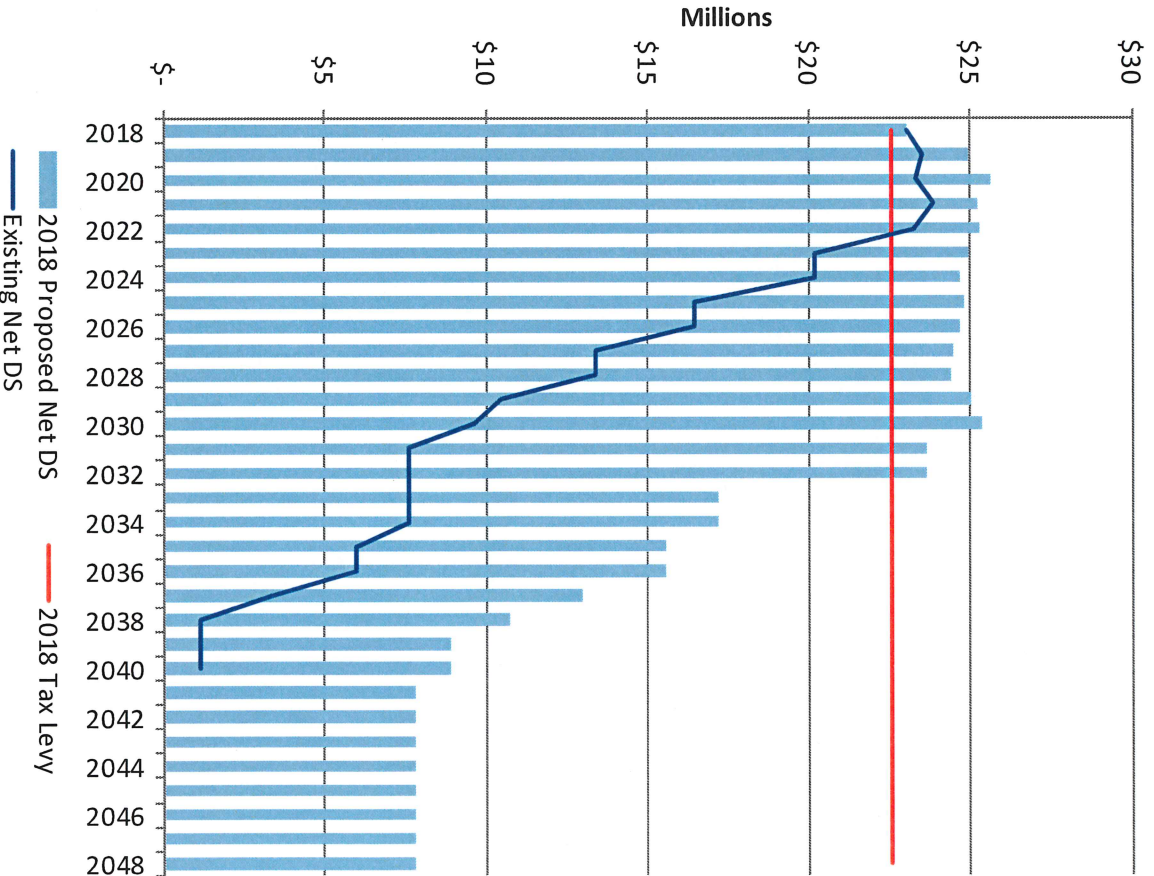
Fiscal Year	2016	2017	2018	2019*
M&O	\$ 0.52225	\$ 0.5186	\$ 0.5112	\$ 0.5112
I&S	0.0675	0.0714	0.0688	0.0688
Total	\$ 0.5900	\$ 0.5900	\$ 0.5800	\$ 0.5800

*Preliminary, subject to change

2018 Proposed Issues

Denotes Future Refunding Candidates

Denotes Restructured Issues



Summary of Previous Refundings – 2018 Proposed

Series	Refunded Par Amount	NPV Savings as a %	NPV Savings (\$)
Limited Tax Ref Bonds, Series 2014A	\$ 4,685,000	5.26%	\$ 246,519
Limited Tax Ref Bonds, Taxable Series 2014B	30,850,000	5.28%	1,627,508
Limited Tax Ref Bonds, Series 2014C	24,270,000	6.06%	1,471,637
Limited Tax Ref Bonds, Series 2015B	15,505,000	1.31%	203,352
Limited Tax Ref Bonds, Taxable Series 2015C	23,915,000	1.57%	376,645
2018 Proposed Restructuring*	25,710,000	-7.21%	(1,856,071)

Total NPV Savings (2014-2015) **\$ 3,925,661**

Less: 2018 Restructuring **(1,856,071)**

Total NPV Savings (2014-2018) **\$ 2,069,590**

*Preliminary, subject to change



Preliminary Schedule



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Preliminary Schedule

JUNE						
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

JULY						
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				

AUGUST						
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	

SEPTEMBER						
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 ⁹⁰	24	25	26	27	28	29

OCTOBER						
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			

Date	Day	Event
June 5, 2018	(Tuesday)	Present preliminary plan of finance for Courthouse project at Commissioners Court.
July 31, 2018	(Tuesday)	Commissioners Court adopts a resolution to publish notice of intent to issue the Certificates of Obligation, Series 2018.
August 7, 2018	(Tuesday)	Publish first Notice of Intent to issue Certificates.
August 14, 2018	(Tuesday)	Publish second Notice of Intent to issue Certificates.
September 4, 2018	(Tuesday)	Receive 50% Construction Documents.
Week of August 27, 2018		Conference calls with rating agencies.
September 11, 2018	(Tuesday)	Receive ratings.
September 25, 2018	(Tuesday)	Commissioners Court adopts an order to sell the Certificates.
September 26, 2018	(Wednesday)	Submit final documents to Texas Attorney General.
October 11, 2018	(Thursday)	Receive Full GMP.
October 23, 2018	(Tuesday)	Obtain Texas Attorney General Approval of the Certificates.
October 30, 2018	(Tuesday)	Close, deliver Certificates and receive funds.
October 30, 2018	(Tuesday)	County issues NTP for Full GMP.

Disclaimer

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