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February 4, 2019



Proposed Parameter Authorization  
**Collin County, Texas**

# Topics of Discussion

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- Plan of Finance
- Parameter Order
- Proposed Parameters
- Timetable

# Plan of Finance – Series 2019 Limited Tax Bonds

- County will be issuing \$156,455,000 from voter authorization

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Court Buildings <sup>(1)</sup>	11/6/2007	\$ 76,300,000	\$30,500,000	\$ 45,800,000	\$ -
Proposition A - Freeways (Non-Tolled)	11/6/2018	600,000,000	-	100,155,000	499,845,000
Proposition B - Thoroughfares (Cities)	11/6/2018	140,000,000	-	8,500,000	131,500,000
Proposition C - Parks & Open Space	11/6/2018	10,000,000	-	2,000,000	8,000,000
<b>Total</b>		<b>\$ 826,300,000</b>	<b>\$ 30,500,000</b>	<b>\$ 156,455,000</b>	<b>\$ 639,345,000</b>

- Structure of the Bonds:
  - 20 Year level debt service (except for FY 2020 where principal has been accelerated)
  - Estimated current interest rate is **3.50%**
- The Bonds are expected to be competitively sold on **February 20, 2019**

**Note:** All numbers shown above are preliminary and subject to change. Based on (AAA/Aaa) tax-exempt rates as of January 22, 2019.

(1) Amount being issued is for the adult jail expansion.

# Parameter Bond Order

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- Primary benefit of using a parameter bond order is **market timing/flexibility**
  - The bond issue is in “Day-to-Day” mode, meaning that bonds can be priced at any time and in an interest rate environment that is advantageous to the County rather than being locked into pricing on the date of a Commissioners court meeting.
- **Allowed Under Section 1371 of Texas Government Code**
- Commissioners Court delegates final pricing authority to Court selected Pricing Officers
- Commissioners Court establishes and approves bond sale parameters in Bond Order:
  - Maximum Aggregate Principal Amount of the Issue
  - Maximum Interest Rate
  - Final Maturity Date
  - Expiration of Delegated Authority
- The Pricing Officers can only approve the sale if all parameters that are set by the Commissioners Court have been met
- Collin County has utilized this option for several of its past transactions

# Proposed Parameters for Commissioners Court Consideration

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## ***Included in the Bond Order for the Commissioners Court Consideration/Action:***

- Delegated Pricing Officers: **County Judge** or **County Administrator**
- Maximum Interest Rate: **4.25%** (current market is 3.50%<sup>(1)</sup>)
- Maximum Principal Amount: **\$156,455,000**
- Maximum Maturity Date: **February 15, 2039**
- Expiration of Parameter Authority: **August 3, 2019** (180 days; which is the maximum allowed by law)

(1) Based on (AAA/Aaa) tax-exempt rates as of January 22, 2019. Preliminary, subject to change.

# Timetable

## Schedule of Events

Jan-19						
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		

Feb-19						
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		

Mar-18						
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						

<u>Complete By</u>	<u>Day</u>	<u>Event</u>
9-Jan-19	Wednesday	Provide initial draft of Preliminary Official Statement and send to County and Bond Counsel for comments and modifications
16-Jan-19	Wednesday	Receive information from County, including unaudited information and bond counsel comments
18-Jan-19	Friday	Distribution Preliminary Official Statement to Rating Agencies
28-Jan-19	Week of	Ratings Calls
4-Feb-19	Monday	<b>Court approves Parameters Order</b>
11-Feb-19	Monday	Receive credit ratings
12-Feb-19	Tuesday	Final comments due on Preliminary Official Statement
13-Feb-19	Wednesday	Finalize Preliminary Official Statement Send Official Statement to i-Deal Prospectus for Electronic Distribution to Underwriters
20-Feb-19	Wednesday	<b>Pricing: Adopt Order and Purchase Agreement and Award the Bonds</b>
27-Feb-19	Wednesday	Print Final Official Statement
20-Mar-19	Wednesday	<b>Bond closing and delivery of funds</b>