

Proposed Parameter Overview

2025 Bond Issuance

Collin County

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June 9, 2025



Topics of Discussion



- Bond Sale Results/Recap – Series 2024
- Plan of Finance for Series 2025
- Market Conditions
- Parameter Order
- Proposed Parameters
- Timetable

Bond Sale Results/Recap – Series 2024



On May 13, 2024 Commissioner's Court approved a Parameter Order authorizing the issuance and sale of up to \$203,595,685 of prior bond authorization and refunding prior bonds for debt service savings.

	Parameter	Final / Actual	Parameter Met?
Max Principal (New Money)	\$ 203,595,685	\$ 184,660,000*	✓
Max Principal (Refunding)	22,500,000	14,065,000	✓
Max True Interest Cost	4.65%	3.713%	✓
Minimum NPV Savings on Refunding	3.00%	4.815%	✓
Max Final Maturity (New Money)	2/15/2044	2/15/2044	✓

Highlights:

- Collin County maintained the highest possible level of bond ratings of 'Aaa' (Moody's) and 'AAA' (S&P)
- The bonds were sold via competitive sale, and the County received 5 bids. The winning bidder was JPMorgan.
- The refunding saved the County \$877,030 in future interest costs and did not extend the final term of the original debt issue.

* - Series 2024 was sold with premium that will result in a **\$198,235,000** deposit into the County's Project Fund at closing.

Plan of Finance – Series 2025 Limited Tax Bonds and Tax Notes



▪ Limited Tax Permanent Improvement and Refunding Bonds, Series 2025

- Issue \$212,607,000 from voter authorization (New Money)

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued	Unissued Balance
Proposition A - Court & Detention Facilities	11/7/2023	\$ 261,864,179	\$ 130,935,000	\$ 90,357,000	\$ 40,572,179
Proposition B - Animal Shelter Facility	11/7/2023	5,700,000	2,850,000	2,850,000	-
Proposition C - Medical Examiner Facility	11/7/2023	13,360,685	8,000,000	1,500,000	3,860,685
Proposition D - Park and Open Space	11/7/2023	22,450,000	6,450,000	4,000,000	12,000,000
Proposition E - Road and Bridge	11/7/2023	380,000,000	50,000,000	113,900,000	216,100,000
Total		\$ 683,374,864	\$ 198,235,000	\$ 212,607,000	\$ 272,532,864

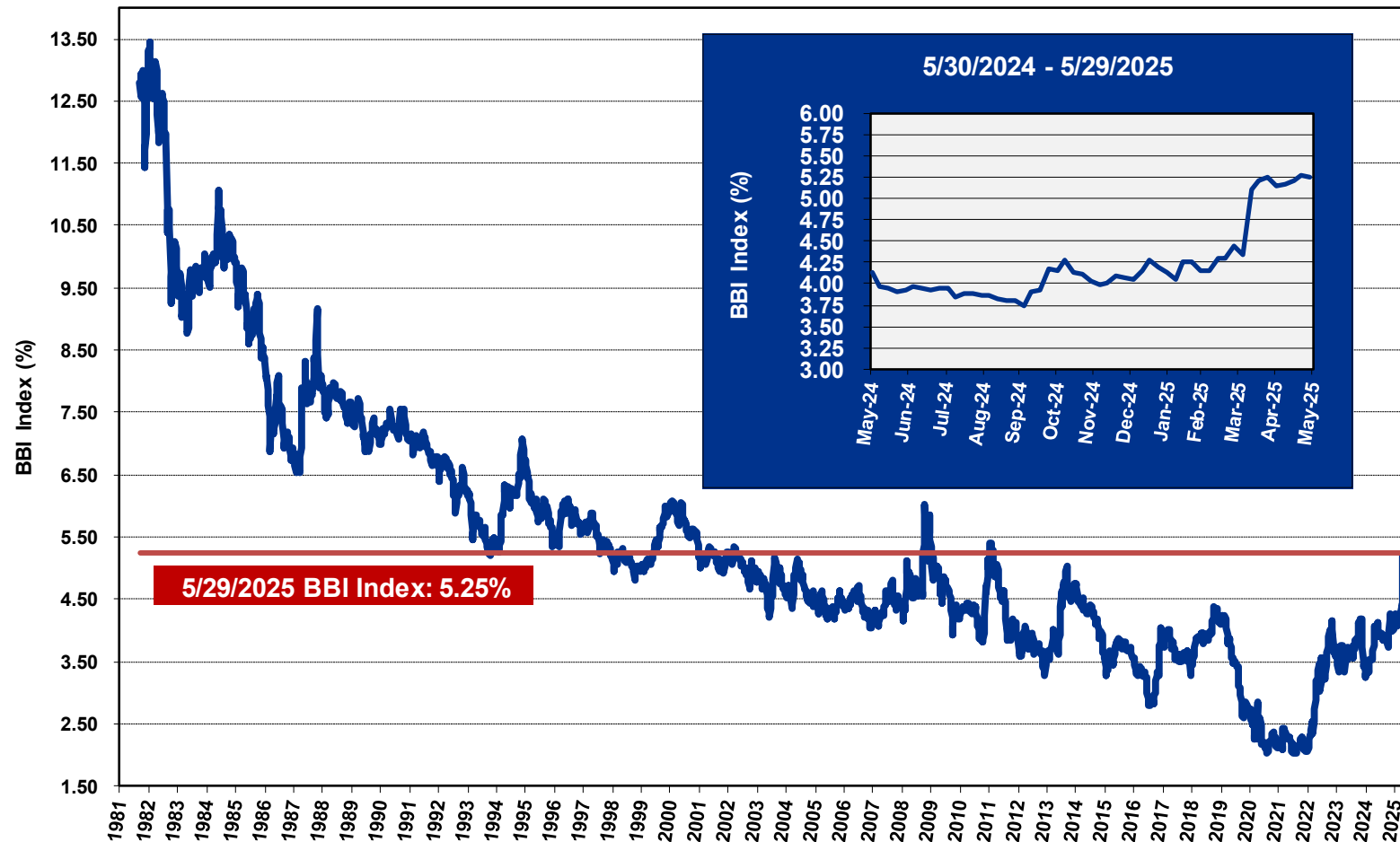
- 20 Year Level Debt Service; accelerated principal repayment in FYE 2026
- Estimated interest rate (“True Interest Cost”) is 4.48%⁽¹⁾
- Potential Refunding (Refinancing) of 2014 and 2015 Limited Tax and 2015 Unlimited Tax bond issues for debt service savings
 - \$31,415,000 of callable par; outstanding at an average rate of 4.07%; final maturity of 2/15/2035
 - Refunding portion estimated rate of 3.43%; estimated total savings of \$778,000 (\$77,800 on average, annually from 2026-2035). Original term will not be extended.

▪ Tax Notes, Series 2025

- Funds \$8 million and amortized over 2 years; \$5 million amortized in FYE 2026, \$3 million in FYE 2027
- Estimated interest rate is 4.04%⁽¹⁾



Bond Buyer 20 Year GO Index September 1981 - May 29, 2025



Bond Buyer 20 Year GO Index is a weekly index estimating the composite yield on 20 year general obligation bonds rated "A" or better.

This graph depicts historical interest rates. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.



- 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 Sections 1207 and 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 the Bond Orders:
 - Maximum Aggregate Principal Amount of the Issue
 - Maximum Interest Rate
 - Minimum Savings for Refundings
 - Final Maturity Date
 - Expiration of Delegated Authority
- The Pricing Officer(s) can only approve the sale if all parameters that are set by the Commissioners Court have been met
- Collin County has utilized this sale method for its recent transactions

Proposed Parameters for Commissioners Court Consideration



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

- Delegated Pricing Officers: **County Judge, County Administrator, or Director of Budget and Finance**
- Expiration of Parameter Authority: **August 15, 2025** (maximum allowed by law is 180 days)

Limited Tax Permanent Improvement and Refunding Bonds, Series 2025

- Maximum Interest Rate: **5.25%** (current market is 4.48%⁽¹⁾)
- Maximum Principal Amount: **\$244,022,000** (new money max = \$212,607,000; refunding max = \$31,415,000)
- Maximum Maturity Date: **New Money = February 15, 2045; Refunding = not to exceed final maturity on prior bonds**
- Minimum Savings on Refunding: **3.00% Net Present Value Savings** (current market is 3.18% NPV savings)

Tax Notes, Series 2025

- Maximum Interest Rate: **4.75%** (current market is 4.04%⁽¹⁾)
- Maximum Principal Amount: **\$8,100,000**
- Maximum Maturity Date: **February 15, 2027**

(1) Based on (AAA/Aaa) tax-exempt rates as of May 30, 2025 plus 0.25%. Preliminary, subject to change.

Estimated Timetable



May-25						
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

Jun-25						
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					

Jul-25						
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		

Aug-25						
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						

Complete

By	Day	Event
2-May-25	Friday	Provide initial draft of Preliminary Official Statement (POS) and send to County and Bond Counsel for comments and modifications
16-May-25	Friday	Receive information from County and bond counsel comments
19-May-25	Monday	Distribution Preliminary Official Statement to Rating Agencies and working group for additional comments.
9-Jun-25	Week of	Ratings Calls
9-Jun-25	Monday	Court approves Parameters Order
16-Jun-25	Week of	Due Diligence Calls
18-Jun-25	Wednesday	Receive additional comments from working group to 2nd draft of POS
20-Jun-25	Friday	Receive ratings and send out 3rd draft of POS to working group for final sign off
23-Jun-25	Monday	Receive additional comments from working group to 3rd draft of POS
24-Jun-25	Tuesday	Finalize Preliminary Official Statement Send Official Statement to i-Deal Prospectus for Electronic Distribution to Potential Purchasers
9-Jul-25	Wednesday	Potential Pricing: Adopt Order and Award the Bonds
16-Jul-25	Wednesday	Print Final Official Statement
6-Aug-25	Wednesday	Bond closing and delivery of funds