



Legislation Text

File #: 21-0214, **Version:** 1

Consider and take action on a resolution consenting to the sale and issuance of Unlimited Tax Refunding Bonds, Series 2021 (the "Bonds") for the Galveston County Municipal Utility District No. 44 in an amount not to exceed \$3,300,000 (Director of Finance)

Approval of this item will authorize the Galveston County Municipal Utility District 44 to issue refunding bonds that will save an estimated \$420,722 in future debt service payments over the remaining term of the refunded bonds.

On March 2, 2021, the MUD Board authorized the District's consultants to proceed with the preparation of the various documents related to the issuance of a proposed refunding bond issue. To accommodate potential market fluctuations, the Board is requesting approval of the sale of Unlimited Tax Refunding Bonds, Series 2021 in an amount not to exceed \$3,300,000.

The Bonds are to be used to currently refund and defease portions of the District's Unlimited Tax Refunding Bonds, Series 2009 and Series 2012. The proposed bonds are structured with the same maturity schedule as the bonds being refunded (through 2039), so there will be no extension of the debt. The financing, as projected on February 26, 2021, will provide 13.92% net present value savings (\$339,563) and \$420,722 of gross savings, after all issuance costs. The District's 2020 Certified Taxable Assessed Valuation as provided by the Galveston Central Appraisal District is \$264,775,672 and the 2020 tax rate is \$0.78 per \$100 assessed valuation. The estimate of value as of January 1, 2021, as provided by the Galveston Central Appraisal District, was \$289,348,698.

Direct debt, as a percentage of the 2021 estimate of value, is 8.63%; direct and overlapping debt is estimated at 16.83%.

Under the terms of the Utility Agreement between the District and the City, bonds may be sold by the District only with the approval of the City Council. The terms and conditions of the bonds are in compliance with the Utility Agreement. This refunding will not extend the term of the debt, currently 2039.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Letter from RBC Capital Markets, LLC
4. Letter of attestation from Board President
5. Refunding Analysis/ Preliminary Numbers (includes debt service schedule)
6. Preliminary Official Statement cover page
7. Schedule of Activities
8. Utility Agreement and Amendments
9. SMLB Letter and Resolution
10. Map

FUNDING

{ } Funds are available from Account # _____
{ } Requires Budget Amendment to transfer from Account # _____ to Account # _____
{ X } NOT APPLICABLE

STRATEGIC PLANNING

{ } Addresses Strategic Planning Critical Success Factor # _____ and Initiative # _____
{X } NOT APPLICABLE