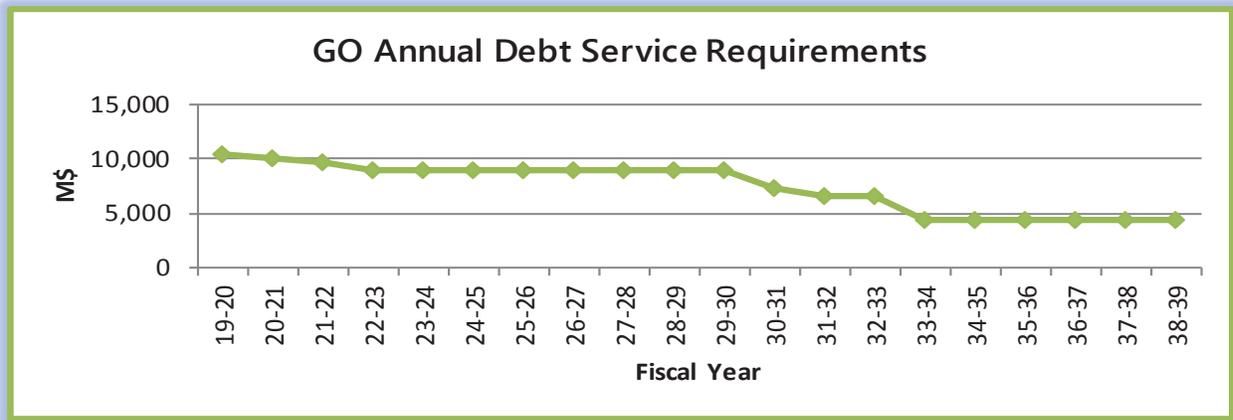


# MANDATORY LOCAL DEBT REPORT

## General Obligation Bonds Program Summary

As of October 1, 2019, the City had \$104,820,000 of General Obligation Bonds and \$0 of Certificate of Obligations for a total of \$104,820,000 of outstanding tax supported debt. The current debt service requirement on existing tax-supported debt is \$10,452,665.

On January 17, 2019 the City issued \$48,705,000 of General Obligation Improvements Bonds to finance costs of (1) public safety facilities for the City's fire and police departments, (2) improvements to streets and roads in the City and related infrastructure, (3) improvements and additions to the City park facilities and related infrastructure, and (4) for payment of costs related to the issuance of the Bonds. This issue will be the first installment from the City's 2018 voter authorization. The remaining authorization is expected to be sold in two separate series in 2021 and 2023.



## Maximum Debt Limit

The Texas Constitution, Article XI, and Section 5 establish the City of Longview's legal debt limit. This constitutional provision states in part, "no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city." Accordingly, the City's tax margin for the year ended September 30, 2019, was

Maximum rate per \$100 valuation	\$2.5000
City of Longview's 2019-2020 rate	<u>0.5589</u>
Margin	\$1.9411
	=====
Per Capita	\$1,271

## Bond Rating for Tax Debt

In January 2019, Standard and Poor's affirmed the City's credit rating of "AA" along with assigning the same rating to the new General Obligation Bonds. Fitch also assigned an "AA" rating with an outlook of stable.

Standard and Poor's	AA
Fitch	AA

<b>BUDGET SUMMARY</b>	<b>2017-18</b>	<b>2018-2019</b>	<b>2018-2019</b>	<b>2019-20</b>
<b>INTEREST AND SINKING FUND</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>YR END EST</b>	<b>ADOPTED</b>
<b>Revenues:</b>				
Property Tax	\$ 6,923,239	\$ 7,139,529	\$ 7,188,792	\$ 10,168,665
Transfers	0	0	0	0
Other	27,924	22,000	50,000	50,000
<b>Total</b>	<b>\$ 6,951,163</b>	<b>\$ 7,161,529</b>	<b>\$ 7,238,792</b>	<b>\$ 10,218,665</b>
<b>Expenditures:</b>				
Bond Principal	\$ 4,930,000	\$ 5,060,000	\$ 5,060,000	\$ 5,185,000
Bond Interest	2,325,450	2,195,579	2,195,579	5,267,665
Other	4,002	6,000	6,000	6,000
<b>Total</b>	<b>\$ 7,259,452</b>	<b>\$ 7,261,579</b>	<b>\$ 7,261,579</b>	<b>\$ 10,458,665</b>

<b>Tax Bond Annual Debt Service Requirements</b>			
<b>Fiscal Year</b>	<b>Tax Bonds</b>		<b>Total</b>
	<b>Principal</b>	<b>Interest</b>	
19-20	5,185,000	5,267,665	10,452,665
20-21	6,105,000	3,953,363	10,058,363
21-22	5,815,000	3,787,628	9,602,628
22-23	5,385,000	3,600,683	8,985,683
23-24	5,600,000	3,380,813	8,980,813
24-25	5,820,000	3,165,088	8,985,088
25-26	6,005,000	2,925,293	8,930,293
26-27	6,230,000	2,699,580	8,929,580
27-28	6,465,000	2,462,790	8,927,790
28-29	6,720,000	2,207,485	8,927,485
29-30	6,985,000	1,941,955	8,926,955
30-31	5,590,000	1,665,700	7,255,700
31-32	5,070,000	1,413,000	6,483,000
32-33	5,300,000	1,179,600	6,479,600
33-34	3,370,000	935,500	4,305,500
34-35	3,540,000	767,000	4,307,000
35-36	3,680,000	625,400	4,305,400
36-37	3,830,000	478,200	4,308,200
37-38	3,985,000	325,000	4,310,000
38-39	4,140,000	165,600	4,305,600
<b>TOTAL</b>	<b>\$ 104,820,000</b>	<b>\$ 42,947,343</b>	<b>\$ 147,767,343</b>

## Future Debt Plans

The Longview City Council called a general obligation bond election to be held in November 2018. The bond election will be on a number of projects identified by The Longview Comprehensive Planning Committee. The projects to be considered are for constructing, improving, renovating and equipping public safety facilities for the fire and police departments, for improving, renovating, upgrading and reconstructing existing streets and roads, and designing, constructing and equipping improvements and additions to City Parks. Voters in three separate propositions, totaling \$104,210,000, will consider the bond election. For more information, see <http://longviewtexas.gov/Bond>

## Lease Obligations

The City has entered into lease agreements, as lessee, for financing the acquisition of Motorola radio equipment, along with a new Fire Truck.

<b>Governmental Lease Obligations</b>				
<b>Fiscal</b>				
<b>Year</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
19-20		468,279	93,241	561,520
20-21		484,969	76,550	561,519
21-22		502,258	59,261	561,519
22-23		520,167	41,353	561,520
23-24		538,717	22,803	561,520
24-25		116,500	3,588	120,088
<b>TOTAL</b>	<b>\$</b>	<b>2,630,890</b>	<b>\$</b>	<b>296,796</b>
				<b>\$</b>
				<b>2,927,686</b>

## Debt Service

### Revenue Bonds Program Summary

As of October 1, 2019, the City had \$26,367,761 water and \$11,857,239 sewer for a total of \$38,225,000 of Water and Sewer Revenue Bonds outstanding. The current debt service requirement for FY19-20 is \$5,182,175. The Reserve Fund as required in the bond covenants is fully funded. The fund has accumulated the required amount of equal to at least the average annual principal and interest requirements of the Bonds Similarly Secured.

Annual Water & Sewer Revenue Bond Debt Service Requirements For Current and Proposed Issues							
Fiscal Year	Water Revenue		Sewer Revenue		Total Revenue Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
19-20	2,692,758	826,361	1,292,243	370,814	3,985,000	1,197,175	5,182,175
20-21	2,729,559	762,061	1,305,441	338,964	4,035,000	1,101,025	5,136,025
21-22	2,786,528	700,127	1,323,473	307,367	4,110,000	1,007,494	5,117,494
22-23	2,885,545	624,294	1,354,455	270,519	4,240,000	894,813	5,134,813
23-24	2,929,926	534,272	1,370,075	228,333	4,300,000	762,605	5,062,605
24-25	2,589,950	431,461	1,030,050	184,514	3,620,000	615,975	4,235,975
25-26	2,666,983	322,703	1,063,017	141,497	3,730,000	464,200	4,194,200
26-27	2,732,648	218,273	1,092,353	99,527	3,825,000	317,800	4,142,800
27-28	2,760,417	115,460	1,109,583	57,740	3,870,000	173,200	4,043,200
28-29	1,593,449	31,869	916,551	18,331	2,510,000	50,200	2,560,200
<b>TOTAL</b>	<b>\$26,367,761</b>	<b>\$4,566,881</b>	<b>\$11,857,239</b>	<b>\$2,017,606</b>	<b>\$38,225,000</b>	<b>\$6,584,487</b>	<b>\$44,809,487</b>

<b>BUDGET SUMMARY</b>	<b>2017-18</b>		<b>2018-2019</b>		<b>2018-2019</b>		<b>2019-20</b>
<b>INTEREST AND SINKING FUND</b>	<b>ACTUAL</b>		<b>BUDGET</b>		<b>YR END EST</b>		<b>ADOPTED</b>
<b>Revenues:</b>							
Transfers	\$	4,633,613	\$	4,685,850	\$	4,685,850	\$ 4,737,675
Other		46,504		35,000		65,000	50,000
<b>Total</b>	<b>\$</b>	<b>4,680,117</b>	<b>\$</b>	<b>4,720,850</b>	<b>\$</b>	<b>4,750,850</b>	<b>\$ 4,787,675</b>
<b>Expenditures:</b>							
Bond Principal	\$	3,830,000	\$	3,925,000	\$	3,925,000	\$ 3,985,000
Bond Interest		1,396,625		1,290,350		1,290,350	1,197,175
Other		-		5,500		5,500	5,500
<b>Total</b>	<b>\$</b>	<b>5,226,625</b>	<b>\$</b>	<b>5,220,850</b>	<b>\$</b>	<b>5,220,850</b>	<b>\$ 5,187,675</b>

### Bond Rating for Revenue Debt

Standard & Poor's Ratings Services raised its rating one notch to AA from AA- on Longview, Texas' waterworks and sewer system revenue bonds. The upgrade is based on the view that the steady trend of strong and improving financial performance is sustainable by the City.

Standard and Poor's                      AA

### Lease Obligations

The City has entered into lease agreements, as lessee, for financing the acquisition of Refuse Trucks and Motorola radio equipment.

<b>Business Lease Obligations</b>			
<b>Fiscal</b>			
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
19-20	212,596	31,548	244,144
20-21	219,470	24,674	244,144
21-22	226,568	17,576	244,144
22-23	233,898	10,246	244,144
23-24	72,437	2,677	75,114
<b>TOTAL</b>	<b>\$ 964,969</b>	<b>\$ 86,724</b>	<b>\$ 1,051,690</b>

**SUMMARY OF OUTSTANDING & PROPOSED DEBT ISSUES  
(PRINCIPLE ONLY)  
AS OF SEPTEMBER 30, 2019**

<b>ISSUE DATE</b>	<b>PURPOSE</b>	<b>ISSUED &amp; PROPOSED</b>	<b>O/S 10/1/2019</b>	<b>UNISSUED 10/1/2019</b>	<b>UNSPENT 10/1/2019</b>
<b>GENERAL OBLIGATION BONDS</b>					
	and Fleet Building Improvements				
2011	Street Improvements	21,300,000	17,040,000	0	0
2013	Street Improvements	23,170,000	22,460,000	0	0
2015	Refunding maturities of 2004, 2005A, and 2007	9,660,000	5,975,000	0	0
2016	Street Improvements and Refunding maturities of 2009	14,875,000	13,675,000	0	0
2019	Public Safety Facilities, Parks and Street Improvements	45,670,000	45,670,000	0	45,670,000
<b>TOTAL GENERAL OBLIGATION BONDED DEBT</b>		<b>\$114,675,000</b>	<b>\$104,820,000</b>	<b>\$0</b>	<b>\$45,670,000</b>
<b>LEASE OBLIGATIONS</b>					
2009	Motorola Radio Tower	5,230,139	1,982,070	0	0
2017	Fire Truck	745,934	648,820		
<b>TOTAL GOVERNMENT LEASE OBLIGATIONS</b>		<b>\$ 5,230,139</b>	<b>\$ 2,630,890</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL TAX DEBT</b>		<b>\$119,905,139</b>	<b>\$107,450,890</b>	<b>\$0</b>	<b>\$45,670,000</b>
<b>All General Obligation Bonds are secured by property taxes.</b>					
			<b>Debt Per Capita</b>	<b>1,271</b>	
<b>WATERWORKS AND SEWER REVENUE BONDS</b>					
2007	Construct wastewater collection system improvements, water treatment, storage and distribution system improvements	\$12,540,000	\$0	\$0	\$0
2011	Construct wastewater collection system improvements and water distribution system improvements	6,000,000	4,725,000	0	0
2012	Refunding 2004 WW/SS Revenue Bonds	8,300,000	4,535,000	0	0
2015	Refunding 2004A, 2005, 2010 WW/SS Revenue Bonds	31,175,000	20,795,000	0	0
2016	Refunding 2007 WW/SS Revenue Bonds	9,025,000	8,170,000	0	0
<b>TOTAL REVENUE BONDED DEBT</b>		<b>\$67,040,000</b>	<b>\$38,225,000</b>	<b>\$0</b>	<b>\$0</b>
<b>LEASE OBLIGATIONS</b>					
2009	Motorola Radio Tower	1,118,658	337,269	0	0
2018	Refuse Trucks	773,223	627,699	0	0
<b>TOTAL LEASE OBLIGATIONS</b>		<b>\$ 1,891,881</b>	<b>\$ 964,968</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL REVENUE DEBT</b>		<b>\$68,931,881</b>	<b>\$39,189,968</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL CITY OF LONGVIEW DEBT</b>		<b>\$188,837,020</b>	<b>\$146,640,858</b>	<b>\$0</b>	<b>\$45,670,000</b>