

MANDATORY LOCAL DEBT REPORT

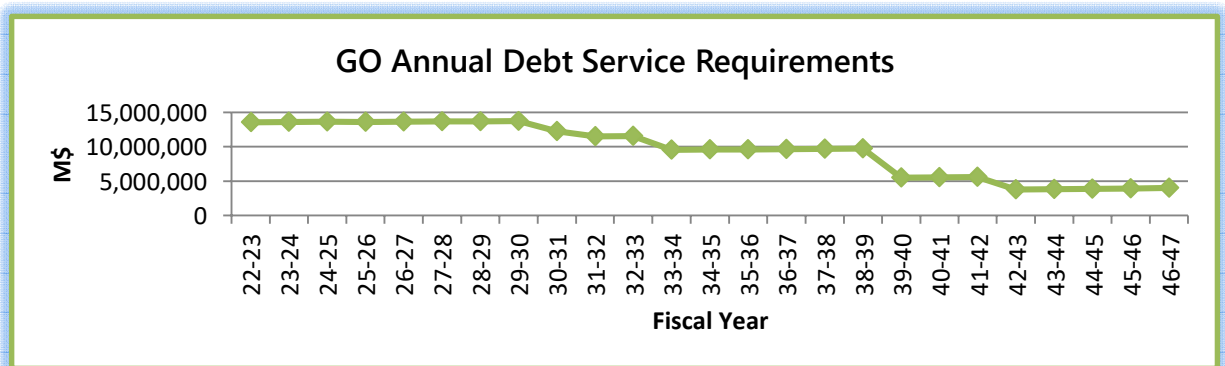
General Obligation Bonds Program Summary

As of October 1, 2022, the City had \$160,725,000 of General Obligation Bonds and \$0 of Certificate of Obligations for a total of \$160,725,000 of outstanding tax supported debt. The current debt service requirement on existing tax-supported debt is \$13,584,894.

In 2018 the City elected to issue General Obligation Improvements Bond totaling \$104,210,000 in three separate issuances 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. The first series was issued in 2019 for \$48,705,000, with the second series being issued in November of 2021 for \$25,885,000. The remaining authorization is expected to be sold in 2023.

In 2020, the City issued two general obligation refunding series. The first was \$16,475,000, dated on May 7, 2020 for refunding the General Obligation Improvement and Refunding Bonds, Series 2011. This issue has a net present value savings of \$1,190,885 and was issued at a true interest cost of 1.23%. The second series was a taxable issue dated August 24, 2020 at \$18,440,000. This issue has a net present value savings of \$1,950,800 with a true interest cost of 1.52%, and refunded a portion of the General Obligation Bonds, Series 2013.

In 2022, the City hired a pension consultant to develop a plan to increase the funding ratio of the Longview Firemen's Relief and Retirement Pension Fund. The consultant recommended an infusion of funds through a Pension Obligation Bond issuance. The City issued \$45,600,000 in July 2022 and is anticipated to bring the amortization period of the long-term liability from infinite to 23.6 years.



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, 2021, was

Maximum rate per \$100 valuation	\$2.5000
City of Longview's 2021-2022 rate	<u>0.5589</u>
Margin	\$1.9411
	=====

Population: 84,042 **Source:** Longview Economic Development Corp (LEDSCO) 2021 Official

Total authorize debt obligations secured by ad valorem taxation

Per Capital: \$2,838

Total principal of outstanding debt obligations secured by ad valorem taxation

Per Capital: \$1,912

Combined principal and interest required to pay all outstanding debt obligations secured by ad valorem taxation

Per Capital: \$2,838

Bond Rating for Tax Debt

Standard and Poor's
Fitch

AA
AA

BUDGET SUMMARY	2020-21	2021-22	2021-22	2022-23
INTEREST AND SINKING FUND	ACTUAL	BUDGET	YR END EST	ADOPTED
Revenues:				
Property Tax	\$ 9,682,918	\$ 9,089,469	\$ 9,089,469	\$ 12,564,766
Transfers	0	0	0	0
Other	421	0	0	1,026,128
Total	\$ 9,683,339	\$ 9,089,469	\$ 9,089,469	\$ 13,590,894
Expenditures:				
Bond Principal	\$ 6,210,000	\$ 5,910,000	\$ 5,910,000	\$ 6,225,000
Bond Interest	3,265,227	3,173,469	3,173,469	7,359,894
Other	421	6,000	500	6,000
Total	\$ 9,475,648	\$ 9,089,469	\$ 9,083,969	\$ 13,590,894

Tax Bond Annual Debt Service Requirements			
Fiscal Year	Tax Bonds		Total
	Principal	Interest	
21-22	6,225,000	7,359,894	13,584,894
22-23	7,525,000	6,078,195	13,603,195
23-24	7,835,000	5,813,939	13,648,939
24-25	8,055,000	5,569,560	13,624,560
25-26	8,330,000	5,327,381	13,657,381
26-27	8,620,000	5,069,209	13,689,209
27-28	8,930,000	4,794,431	13,724,431
28-29	9,260,000	4,503,732	13,763,732
29-30	8,055,000	4,196,533	12,251,533
30-31	7,650,000	3,873,328	11,523,328
31-32	7,990,000	3,561,118	11,551,118
32-33	6,310,000	3,229,495	9,539,495
33-34	6,635,000	2,946,578	9,581,578
34-35	6,940,000	2,682,288	9,622,288
35-36	7,265,000	2,403,497	9,668,497
36-37	7,625,000	2,094,347	9,719,347
37-38	7,995,000	1,768,403	9,763,403
38-39	4,070,000	1,438,920	5,508,920
39-40	4,290,000	1,264,902	5,554,902
40-41	4,530,000	1,080,489	5,610,489
41-42	2,875,000	884,745	3,759,745
42-43	3,080,000	731,421	3,811,421
44-45	3,305,000	567,165	3,872,165
45-46	3,540,000	390,909	3,930,909
46-47	3,790,000	202,121	3,992,121
TOTAL	\$ 160,725,000	\$ 77,832,600	\$ 238,557,600

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 in 2018 and 2021.

Governmental Lease Obligations				
Fiscal				
Year		Principal	Interest	Total
22-23		778,032	52,249	830,281
23-24		799,263	31,017	830,280
24-25		379,757	9,092	388,849
25-26		265,994	2,766	268,760
TOTAL	\$	2,223,046	\$	95,124
				\$
				2,318,170

Debt Service

Revenue Bonds Program Summary

As of October 1, 2022, the City had \$17,713,733 water and \$8,116,268 sewer for a total of \$25,830,000 of Water and Sewer Revenue Bonds outstanding. The current debt service requirement for FY22-23 is \$5,085,588. 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.

In 2020, the city issued refunding bonds dated December 1, 2019 for the purpose of refunding Waterworks and Sewer System Revenue Bonds, Series 2011. The amount of the issue was \$4,180,000, saving the city a net present value of \$402,492.

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
22-23	2,819,513	601,551	1,395,488	269,037	4,215,000	870,588	5,085,588
23-24	2,861,688	515,945	1,408,313	226,835	4,270,000	742,780	5,012,780
24-25	2,519,217	418,196	1,065,783	183,179	3,585,000	601,375	4,186,375
25-26	2,594,045	314,606	1,095,956	141,069	3,690,000	455,675	4,145,675
26-27	2,658,372	213,873	1,121,628	99,427	3,780,000	313,300	4,093,300
27-28	2,687,300	113,470	1,137,701	57,030	3,825,000	170,500	3,995,500
28-29	1,573,600	31,472	891,401	17,828	2,465,000	49,300	2,514,300
TOTAL	\$17,713,733	\$2,209,113	\$8,116,268	\$994,405	\$25,830,000	\$3,203,518	\$29,033,518

BUDGET SUMMARY	2020-21	2021-22	2021-22	2022-23
INTEREST AND SINKING FUND	ACTUAL	BUDGET	YR END EST	ADOPTED
Revenues:				
Transfers	\$ 4,737,675	\$ 5,054,325	\$ 5,054,325	\$ 5,085,588
Other	34,566	40,000	7,000	100,000
Total	\$ 4,772,241	\$ 5,094,325	\$ 5,061,325	\$ 5,185,588
Expenditures:				
Bond Principal	\$ 3,961,700	\$ 4,050,000	\$ 4,020,000	\$ 4,215,000
Bond Interest	1,275,215	1,068,825	1,068,825	870,588
Other	120,059	5,500	500	5,500
Total	\$ 5,356,974	\$ 5,124,325	\$ 5,089,325	\$ 5,091,088

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, Enterprise Vehicle, and Motorola radio equipment.

Business Lease Obligations				
Fiscal				
Year		Principal	Interest	Total
22-23		794,587	82,589	877,176
23-24		515,616	51,889	567,505
24-25		318,047	27,459	345,506
25-26		197,087	7,587	204,674
TOTAL	\$	1,825,337	\$	1,994,861

**SUMMARY OF OUTSTANDING & PROPOSED DEBT ISSUES
(PRINCIPLE ONLY)
AS OF SEPTEMBER 30, 2022**

ISSUE DATE	PURPOSE	ISSUED & PROPOSED	O/S 10/1/2021	UNSPENT 10/1/2021
GENERAL OBLIGATION BONDS				
	and Fleet Building Improvements			
2013	Street Improvements	23,170,000	2,695,000	0
2015	Refunding maturities of 2004, 2005A, and 2007	9,660,000	0	0
2016	Street Improvements and Refunding maturities of 2009	14,875,000	9,485,000	0
2019	Public Safety Facilities, Parks and Street Improvements	45,670,000	44,635,000	2,721,059
2020	Refunding maturities of 2011 Street Improvement Bonds	16,475,000	13,985,000	0
2020A	Advanced Refunding maturities of 2013 Street Improvement Bonds, Taxable	18,440,000	18,440,000	0
2021	Public Safety Facilities, Parks and Street Improvem	25,885,000	25,885,000	25,885,000
2022	Pension Obligation Bonds	45,600,000	45,600,000	0
TOTAL GENERAL OBLIGATION BONDED DEBT		\$199,775,000	\$160,725,000	\$28,606,059
LEASE OBLIGATIONS				
2009	Motorola Radio Tower	5,230,139	836,222	0
2018	Fire Truck	745,934	339,162	0
2021	Fire Truck	1,302,874	1,047,663	0
TOTAL GOVERNMENT LEASE OBLIGATIONS		\$ 7,278,947	\$ 2,223,047	\$ -
TOTAL TAX DEBT		\$207,053,947	\$162,948,047	\$28,606,059
All General Obligation Bonds are secured by property taxes.				
WATERWORKS AND SEWER REVENUE BONDS				
2012	Refunding 2004 WW/SS Revenue Bonds	8,300,000	1,765,000	
2015	Refunding 2004A, 2005, 2010 WW/SS Revenue Bonds	31,175,000	14,910,000	0
2016	Refunding 2007 WW/SS Revenue Bonds	9,025,000	5,670,000	0
2019	Refunding 2011 WW/SS Revenue Bonds	4,180,000	3,485,000	0
TOTAL REVENUE BONDED DEBT		\$52,680,000	\$25,830,000	\$0
LEASE OBLIGATIONS				
2009	Motorola Radio Tower	1,118,658	142,292	0
2018	Refuse Trucks	773,223	164,043	0
2021	Refuse Trucks	833,880	670,536	0
2020	Enterprise Vehicle Equipment	845,679	300,403	0
2021	Enterprise Vehicle Equipment	519,423	350,071	0
2022	Enterprise Vehicle Equipment	229,429	197,992	
TOTAL LEASE OBLIGATIONS		\$ 4,320,292	\$ 1,825,337	\$ -
TOTAL REVENUE DEBT		\$57,000,292	\$27,655,337	\$0
TOTAL CITY OF LONGVIEW DEBT		\$264,054,239	\$190,603,384	\$28,606,059