

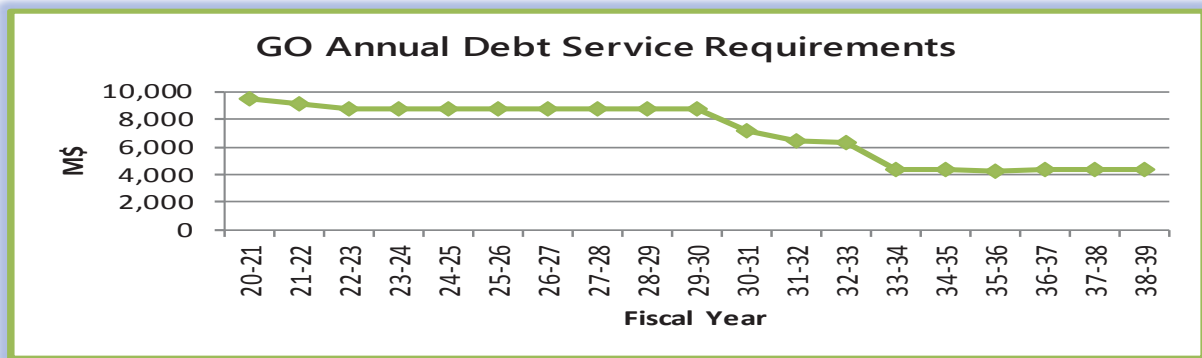
MANDATORY LOCAL DEBT REPORT

General Obligation Bonds Program Summary

As of October 1, 2020, the City had \$101,360,000 of General Obligation Bonds and \$0 of Certificate of Obligations for a total of \$101,360,000 of outstanding tax supported debt. The current debt service requirement on existing tax-supported debt is \$9,475,226.

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.

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.



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, 2020, was

Maximum rate per \$100 valuation	\$2.5000
City of Longview's 2019-2020 rate	<u>0.5589</u>
Margin	\$1.9411
	=====
Per Capita	\$1,224

Bond Rating for Tax Debt

In July 2020, Standard and Poor has 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

BUDGET SUMMARY	2018-19	2019-20	2019-20	2020-21
INTEREST AND SINKING FUND	ACTUAL	BUDGET	YR END EST	ADOPTED
Revenues:				
Property Tax	\$ 7,269,958	\$ 10,168,665	\$ 10,168,665	\$ 9,481,226
Transfers	0	0	0	0
Other	30,672	50,000	0	0
Total	\$ 7,300,630	\$ 10,218,665	\$ 10,168,665	\$ 9,481,226
Expenditures:				
Bond Principal	\$ 5,060,000	\$ 5,185,000	\$ 5,385,000	\$ 6,210,000
Bond Interest	2,119,579	5,267,665	5,063,825	3,265,226
Other	414	6,000	300	6,000
Total	\$ 7,179,993	\$ 10,458,665	\$ 10,449,125	\$ 9,481,226

Tax Bond Annual Debt Service Requirements			
Fiscal Year	Tax Bonds		Total
	Principal	Interest	
20-21	6,210,000	3,265,226	9,475,226
21-22	5,910,000	3,173,469	9,083,469
22-23	5,745,000	3,001,305	8,746,305
23-24	5,935,000	2,802,399	8,737,399
24-25	6,140,000	2,606,326	8,746,326
25-26	6,255,000	2,436,402	8,691,402
26-27	6,415,000	2,274,628	8,689,628
27-28	6,585,000	2,103,202	8,688,202
28-29	6,770,000	1,921,595	8,691,595
29-30	6,960,000	1,730,691	8,690,691
30-31	5,610,000	1,530,562	7,140,562
31-32	5,050,000	1,322,281	6,372,281
32-33	5,230,000	1,134,117	6,364,117
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
TOTAL	\$ 101,360,000	\$ 32,598,901	\$ 133,958,901

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.

Governmental Lease Obligations				
Fiscal Year		Principal	Interest	Total
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
TOTAL	\$	2,162,611	\$	203,555
				\$ 2,366,166

Debt Service

Revenue Bonds Program Summary

As of October 1, 2020, the City had \$23,116,819 water and \$10,823,181 sewer for a total of \$33,940,000 of Water and Sewer Revenue Bonds outstanding. The current debt service requirement for FY20-21 is \$5,088,825. 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
20-21	2,675,175	732,728	1,344,825	336,097	4,020,000	1,068,825	5,088,825
21-22	2,727,912	673,717	1,362,089	305,427	4,090,000	979,144	5,069,144
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	\$23,116,819	\$3,615,558	\$10,823,181	\$1,635,929	\$33,940,000	\$5,251,487	\$39,191,487

BUDGET SUMMARY	2018-19		2019-20		2019-20		2020-21
INTEREST AND SINKING FUND	ACTUAL		BUDGET		YR END EST		ADOPTED
Revenues:							
Transfers	\$	4,685,850	\$	4,737,675	\$	4,737,675	\$ 5,054,325
Other		70,729		50,000		40,000	40,000
Total	\$	4,756,579	\$	4,787,675	\$	4,777,675	\$ 5,094,325
Expenditures:							
Bond Principal	\$	3,925,000	\$	3,985,000	\$	4,050,000	\$ 4,020,000
Bond Interest		1,290,350		1,197,175		1,127,975	1,068,825
Other		-		5,500		121,000	5,500
Total	\$	5,215,350	\$	5,187,675	\$	5,298,975	\$ 5,094,325

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.

Fiscal					
Year		Principal		Interest	Total
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
TOTAL	\$	752,373	\$	55,176	\$ 807,546

SUMMARY OF OUTSTANDING & PROPOSED DEBT ISSUES
(PRINCIPLE ONLY)
AS OF SEPTEMBER 30, 2020

ISSUE DATE	PURPOSE	ISSUED & PROPOSED	O/S 10/1/2020	UNISSUED 10/1/2020	UNSPENT 10/1/2020
GENERAL OBLIGATION BONDS					
	and Fleet Building Improvements				
2013	Street Improvements	23,170,000	4,740,000	0	0
2015	Refunding maturities of 2004, 2005A, and 2007	9,660,000	3,980,000	0	0
2016	Street Improvements and Refunding maturities of 2009	14,875,000	12,255,000	0	0
2019	Public Safety Facilities, Parks and Street Improvements	45,670,000	45,670,000	0	44,794,381
2020	Refunding maturities of 2011 Street Improvement Bonds	16,475,000	16,275,000	0	0
2020A	Advanced Refunding maturities of 2013 Street Improvement Bonds, Taxable	18,440,000	18,440,000	0	0
TOTAL GENERAL OBLIGATION BONDED DEBT		\$128,290,000	\$101,360,000	\$0	\$44,794,381
LEASE OBLIGATIONS					
2009	Motorola Radio Tower	5,230,139	1,613,896	0	0
2017	Fire Truck	745,934	548,716	0	0
TOTAL GOVERNMENT LEASE OBLIGATIONS		\$ 5,976,073	\$ 2,162,612	\$ -	\$ -
TOTAL TAX DEBT		\$134,266,073	\$103,522,612	\$0	\$44,794,381
All General Obligation Bonds are secured by property taxes.					
			Debt Per Capita	1,224	
WATERWORKS AND SEWER REVENUE BONDS					
	system improvements				
2012	Refunding 2004 WW/SS Revenue Bonds	8,300,000	3,595,000	0	0
2015	Refunding 2004A, 2005, 2010 WW/SS Revenue Bonds	31,175,000	18,875,000	0	0
2016	Refunding 2007 WW/SS Revenue Bonds	9,025,000	7,355,000	0	0
2019	Refunding 2011 WW/SS Revenue Bonds	4,180,000	4,115,000	0	0
TOTAL REVENUE BONDED DEBT		\$52,680,000	\$33,940,000	\$0	\$0
LEASE OBLIGATIONS					
2009	Motorola Radio Tower	1,118,658	274,621	0	0
2018	Refuse Trucks	773,223	477,752	0	0
TOTAL LEASE OBLIGATIONS		\$ 1,891,881	\$ 752,373	\$ -	\$ -
TOTAL REVENUE DEBT		\$54,571,881	\$34,692,373	\$0	\$0
TOTAL CITY OF LONGVIEW DEBT		\$188,837,954	\$138,214,985	\$0	\$44,794,381