

Discussion Materials | May 13, 2021

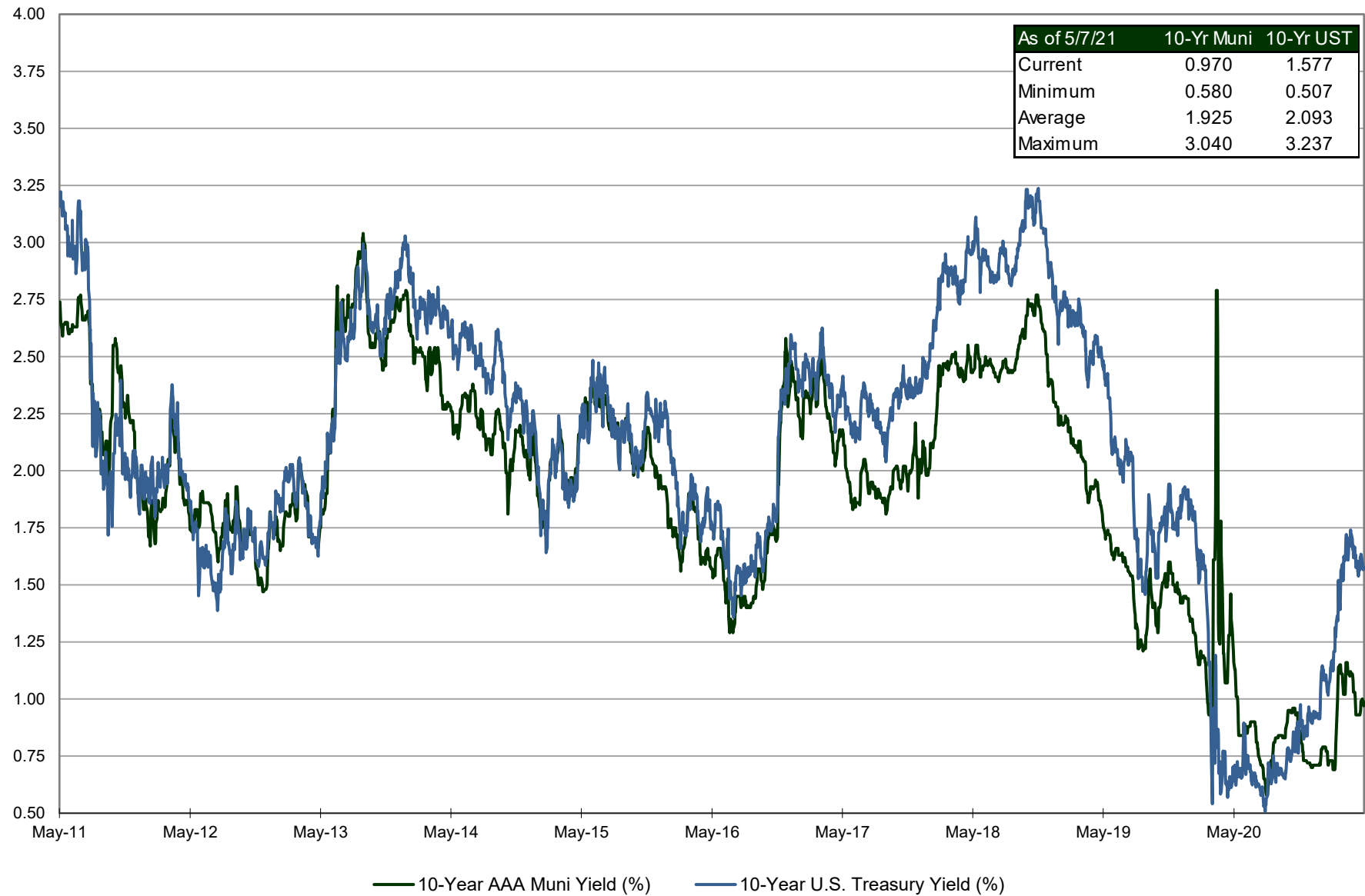
City of San Marcos, Texas



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

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Ten-Year History of Tax-Exempt and Taxable Yields



Preliminary General Obligation Taxable Refunding Opportunity

Preliminary Refunded Bonds				
Issue	Maturities	Interest Rates	Amount	Callable Beginning
Series 2012 GO Ref Bds	2023 - 2024	5.00%	\$ 3,435,000	8/15/2022
Series 2013 C/O	2024 - 2033	3.375% - 4.00%	7,225,000	8/15/2022
Series 2013 GO Ref Bds	2030 - 2031	5.00%	5,240,000	8/15/2023
Series 2014A GO Ref Bds	2027	5.00%	8,190,000	8/15/2024
Series 2014 GO Ref Bds	2031 - 2032	5.00%	1,470,000	8/15/2024
Series 2015 C/O	2027 - 2028, 2031 - 2035	5.00%	7,820,000	8/15/2024
			\$ 33,380,000	

Preliminary Summary of Results	
Est. Par Amount of Refunding Bonds	\$ 37,195,000
Est. True Interest Cost (TIC)	2.310%
Est. Total Debt Service Savings	\$ 2,490,657
Est. Net Present Value Savings (\$)	\$ 2,161,347
Net Present Value Savings (%)	6.475%
Negative Arbitrage in the Refunding Escrow	\$ 1,393,767
Captured Benefit = NPV Savings / (NPV Savings + Negative Arbitrage)	60.795%

Projected Annual Savings			
FYE 9/30	Existing Net D/S	Post-Ref Net D/S	Est. Savings
2021	\$ -	\$ (839)	\$ 839
2022	13,297,800	13,096,821	200,979
2023	12,766,850	12,571,367	195,483
2024	13,459,500	13,262,226	197,274
2025	14,343,450	14,146,590	196,860
2026	13,920,950	13,724,553	196,397
2027	13,064,850	12,857,741	207,109
2028	7,259,700	7,055,917	203,784
2029	7,260,200	7,064,900	195,300
2030	7,285,369	7,089,806	195,563
2031	6,416,525	6,214,054	202,471
2032	4,047,788	3,915,119	132,669
2033	3,259,300	3,136,270	123,030
2034	2,397,400	2,280,920	116,480
2035	1,375,500	1,249,081	126,419
	\$ 120,155,182	\$ 117,664,525	\$ 2,490,657

Note: Preliminary refunding analysis based on market conditions as of May 13, 2021 plus 25bps for purposes of illustration only. Analysis assumes a September 2021 delivery.

Preliminary General Obligation Taxable Refunding Savings

Projected Annual Savings by Purpose							
FYE 9/30	General Fund Savings	Drainage Savings	W&WW Savings	HOT Savings	Electric Savings	Pass-Through Savings	Total Savings
2021	\$ 2,921	\$ (2,533)	\$ (206)	\$ 518	\$ 4,131	\$ (3,993)	\$ 839
2022	41,417	10,393	51,684	12,458	21,694	63,334	200,979
2023	36,784	10,657	48,904	13,484	18,517	67,138	195,483
2024	36,787	10,875	49,241	13,617	18,850	67,905	197,274
2025	36,936	9,708	53,113	13,799	19,357	63,949	196,860
2026	38,220	8,892	49,174	14,062	20,521	65,528	196,397
2027	39,725	13,211	50,731	14,355	21,799	67,287	207,109
2028	39,571	12,277	53,484	14,734	17,770	65,948	203,784
2029	38,448	9,087	51,801	10,143	18,853	66,970	195,300
2030	36,716	8,583	49,285	10,706	22,176	68,097	195,563
2031	40,077	13,089	52,018	11,295	20,489	65,505	202,471
2032	38,026	10,426	52,517	13,712	17,989	-	132,669
2033	37,779	12,659	52,307	-	20,286	-	123,030
2034	37,422	9,791	51,818	-	17,450	-	116,480
2035	38,963	12,476	53,634	-	21,347	-	126,419
	\$ 539,790	\$ 149,590	\$ 719,503	\$ 142,881	\$ 281,227	\$ 657,667	\$ 2,490,657