
Agenda Item 6A

January 15, 2019

SUBJECT:

Authorization for the Administration to Proceed with the Issuance and Sale of Revenue Bonds, Series 2019

RECOMMENDATION:

That the Board of Trustees authorize the Administration to proceed with the issuance and sale of Revenue Bonds, Series 2019.

RATIONALE:

The Administration recommends the issuance and sale of Revenue Bonds, Series 2019. The Administration will use the Bond monies to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administrative facilities. The College District will use its cash reserves to fund a Bond Reserve Fund and pay the cost of issuance of Bonds.

BUDGETARY CONSIDERATIONS:

The Budget for Debt Service will increase for each of the next 25 years. The College District will apply its cash reserves to fund the Bond Reserve Fund and pay the cost of issuance of Bonds.

RESOURCE PERSONNEL:

Mr. Steven Adams, CFA, Specialized Public Finance, Inc.

Mr. Richard O'Malley, Assistant Vice Chancellor, Facilities, Planning, and Construction

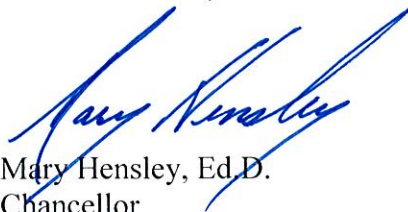
ATTACHMENTS:

Attachment A: Specialized Public Finance, Inc. – Pro Forma Debt Service Amortization Schedule and Financing Timeline

Respectfully Submitted by:



Richard Cervantes, CPA
Vice Chancellor, Business and Finance/CFO

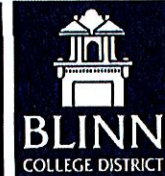


Mary Hensley, Ed.D.
Chancellor

Pro Forma Debt Service Amortization Schedule and Financing Timeline

**Washington County Junior College District
Blinn College**

January 15, 2019



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

Steven Adams | Managing Director
Office 214 373 3911 | Cell 214 603 2293
staven@sprmunr.com

Paul Jasin | Managing Director
Office 214 373 3911 | Cell 214 288 7998
paul@sprmunr.com

Pro Forma Debt Service Amortization Schedule
\$30,000,000 Project Fund Deposit to be Amortized over 25 Years



FYE 8/31	A Total Pledged Revenues (FY17)	B Existing Debt Service	Proposed Revenue Bonds, 2019				G = B + F Existing and Proposed Debt Service	K = A / G Estimated Debt Service Coverage
			C April '19 Principal	D Est. Rate	E TIC: 4.43% Interest	F Total D/S		
2019	\$36,446,301	\$6,261,156	\$ -	-	\$ -	-	\$ 6,261,156	5.82 x
2020	36,446,301	6,224,231	-	-	1,273,131	1,273,131	7,497,362	4.86 x
2021	36,446,301	5,925,169	750,000	2.52%	1,222,812	1,972,812	7,897,781	4.61 x
2022	36,446,301	5,892,856	770,000	2.78%	1,202,459	1,972,459	7,865,315	4.63 x
2023	36,446,301	5,823,906	790,000	2.89%	1,180,341	1,970,341	7,794,247	4.68 x
2024	36,446,301	5,043,719	815,000	3.00%	1,156,700	1,971,700	7,015,419	5.20 x
2025	36,446,301	5,022,031	840,000	3.13%	1,131,329	1,971,329	6,993,360	5.21 x
2026	36,446,301	5,000,406	870,000	3.24%	1,104,089	1,974,089	6,974,495	5.23 x
2027	36,446,301	5,004,709	895,000	3.37%	1,074,914	1,969,914	6,974,624	5.23 x
2028	36,446,301	5,014,069	930,000	3.49%	1,043,605	1,973,605	6,987,674	5.22 x
2029	36,446,301	5,027,775	960,000	3.62%	1,010,001	1,970,001	6,997,776	5.21 x
2030	36,446,301	5,043,631	1,000,000	3.73%	973,975	1,973,975	7,017,606	5.19 x
2031	36,446,301	5,054,750	1,035,000	3.82%	935,556	1,970,556	7,025,308	5.19 x
2032	36,446,301	5,063,950	1,075,000	3.89%	894,879	1,969,879	7,033,829	5.18 x
2033	36,446,301	3,550,700	1,120,000	4.04%	851,346	1,971,346	5,522,046	6.60 x
2034	36,446,301	3,551,372	1,170,000	4.24%	803,918	1,973,918	5,525,290	6.60 x
2035	36,446,301	3,557,319	1,220,000	4.29%	752,945	1,972,945	5,530,264	6.59 x
2036	36,446,301	3,552,522	1,270,000	4.34%	699,217	1,969,217	5,521,739	6.60 x
2037	36,446,301	3,553,341	1,330,000	4.39%	642,465	1,972,465	5,525,805	6.60 x
2038	36,446,301	3,554,394	1,390,000	4.60%	581,301	1,971,301	5,525,695	6.60 x
2039	36,446,301	3,554,181	1,455,000	4.60%	515,866	1,970,866	5,525,047	6.60 x
2040	36,446,301	3,553,716	1,525,000	4.60%	447,326	1,972,326	5,526,042	6.60 x
2041	36,446,301	2,920,581	1,595,000	4.69%	374,848	1,969,848	4,890,430	7.45 x
2042	36,446,301	2,325,600	1,675,000	4.69%	298,167	1,973,167	4,298,767	8.48 x
2043	36,446,301	-	1,755,000	4.69%	217,733	1,972,733	1,972,733	18.48 x
2044	36,446,301	-	1,840,000	4.69%	133,431	1,973,431	1,973,431	18.47 x
2045	36,446,301	-	1,925,000	4.69%	45,141	1,970,141	1,970,141	18.50 x
		\$109,076,085	\$30,000,000		\$20,567,293	\$50,567,293	\$159,643,377	

Assumptions:
Estimated market interest rate as of December 2018 plus 20 basis points; subject to change.
Total Pledged Revenues reflect those included within the FY2017 Audited Financial Statements.

Financing Timeline



January							February							March							April						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2						1	2		1	2	3	4	5	6
6	7	8	9	10	11	12	3	4	5	6	7	8	9	3	4	5	6	7	8	9	7	8	9	10	11	12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	10	11	12	13	14	15	16	14	15	16	17	18	19	20
20	21	22	23	24	25	26	17	18	19	20	21	22	23	17	18	19	20	21	22	23	21	22	23	24	25	26	27
27	28	29	30	31			24	25	26	27	28			24	25	26	27	28	29	30	28	29	30				
														31													

- Tuesday, January 15, 2019 **Board Meeting** – The Blinn College Board of Trustees (the “Board”) authorizes Specialized Public Finance Inc. (“SPFI”) to proceed with the sale of the Bonds (6:00 pm).
- Monday, February 11, 2019 Distribute the Preliminary Official Statement for comments to the working group and rating agencies.
- Week of:
Tuesday, February 19, 2019 Rating conference calls with Standard & Poor’s Global Ratings (“S&P”) and Moody’s Investors Service (“Moody’s”).
- Friday, March 8, 2019 Receive Ratings from S&P and Moody’s.
- Tuesday, March 19, 2019 **Competitive Sale** - Receive bids on the Bonds from Broker/Dealers. Bids are tabulated and verified by SPFI.

Board Meeting - The Board will consider the Sale of the Series 2019 Bonds and awarding the bonds to the winning bidder (6:00 pm).
- Wednesday, April 17, 2019 **Closing/Delivery Date** - Bond proceeds delivered to construction fund.



Denotes Board Meeting
 Denotes Closing Date