



Finance Department

Presentation to the City of Houston Budget and Fiscal Affairs Committee

Upcoming Financial Transactions

March 3rd 2015

Presented By:
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Agenda

- Pricing Update - Convention & Entertainment Facilities Series 2015
- Combined Utility System First Lien Revenue Refunding Bonds, Series 2015C
- Combined Utility System First Lien Revenue and Refunding Bonds, Series 2012A



Convention & Entertainment Facilities Series 2015

System: Convention & Entertainment Facilities
Par Amount: \$71 Million*
Use: Capital Improvement Program

Average Life (Years): 10.77
Present Value Savings: \$9,242,788
Percentage Savings: 13.07%
All-In True Interest Cost (%): 3.32%

Anticipated Closing: March 19, 2015
Council Agenda Date: January 28, 2015

* Par amount of refunded bonds, total deal size was \$132,590,000



Annual Financing Plan

Department	Series	Size (\$ millions)	Anticipated Closing	PV Savings (\$ millions)	True Interest Cost (%)
GO	TRANS 2014	200	July 2, 2014	N/A	0.10
CUS	2014D	548	July 9, 2014	24.37	3.21
GO	PIB 2014	257	August 19, 2014	5.94	2.84
CEF	2014	74	August 20, 2014	4.58	4.04
HAS	2014 CONRAC	38	September 4, 2014	5.08	3.12
CUS	TWDB ⁽¹⁾ 2015AB	103	January 29, 2015	N/A	1.46
CEF	2015	133	March 19, 2015	9.24	3.31
Subtotal		\$1,353		\$49.21	2.60
CUS	2015C	200	April /May 2015	---	---
GO	TRANS 2015	TBD	July 2015	---	---
GO	PIB 2015	TBD	August 2015	---	---
Subtotal		\$1,553		\$---	
FY2014	Total	\$2,390		\$209.23	
FY2013	Total	\$1,143		\$22.31	

1. Texas Water Development Board



Combined Utility System Series 2015C

- Since 1993, the City has used the issuance of commercial paper to provide an expedient, cost-effective method of accessing cash and providing interim financing. The commercial paper notes are later refinanced to fixed rate bonds that match the useful life of the projects and/or equipment being financed.
- This transaction represents the normal refunding of these commercial paper notes held by the Combined Utility System. The anticipated size of the Series 2015C Bonds will be approximately \$200 million.
- As standard course of business, in conjunction with this transaction, the FWG will review possibilities to refinance existing debt if prudent opportunities to achieve present value savings exists.
- An RCA is expected to be brought before Council in April / May.

* This presentation constitutes the written recommendation of the Finance Working Group.



CUS Variable Rate Exposure Summary

Liquidity Type	Series	Size (\$ millions)	Bank / Dealer	Expiration	Requires Bank Facility
Commercial Paper	B-1	100.00	JPMorgan Chase	12/16/2015	Y
	B-2	75.00	Wells Fargo	3/16/2015	Y
	B-3	75.00	Bank of Tokyo-Mitsubishi	1/16/2018	Y
	B-4	100.00	State Street	7/15/2016	Y
	B-5	250.00	RBC ⁽¹⁾	10/30/2018	Y
	B-6	100.00	US Bank	7/15/2016	Y
Subtotal		700.00			
Variable Rate Demand Bonds	2004B-2	100.00	Bank of New York Mellon	4/4/2016	Y
	2004B-3	75.00	Sumitomo	4/3/2015	Y
	2004B-4	75.00	Bank of Tokyo	4/6/2016	Y
	2004B-5	100.00	Wells Fargo	4/6/2016	Y
	2004B-6	78.33	Sumitomo	4/3/2015	Y
Subtotal		428.33			
Total		\$1,128.33			
SIFMA Index Floater	2012A	125.00	Loop Capital Markets	6/1/2015	N
	2012B	100.00	Wells Fargo Securities	6/1/2017	N
	2012C	249.08	RBC ⁽¹⁾	8/1/2016	N
Subtotal		474.08	Total Debt Outstanding⁽²⁾		\$6,080,135
Total		\$1,602.41			

⁽¹⁾ The RBC facility is a Forward Purchase Agreement.

⁽²⁾ As of December 31, 2014 Monthly Financial Report.



Combined Utility System Series 2012A

- The City has identified approximately \$125 million of the Combined Utility System First Lien Revenue and Refunding Bonds, Series 2012A (SIFMA Index Floating Rate Bonds) that have a mandatory tender date of June 1, 2015.
- The Series 2012A Bonds will need to be remarketed or refunded by June 1, 2015.
- In anticipation, the City has issued a request for proposal to renew /remarket at the current structure.
- The Finance Working Group recommends the issuance of these bonds as they comes due.
- An RCA will be presented to City Council in April / May.



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Questions?