

# McLennan Community College

## Current Market Update and Preliminary Refunding Analysis

April 30, 2024  
Board of Trustees Meeting



Capital  
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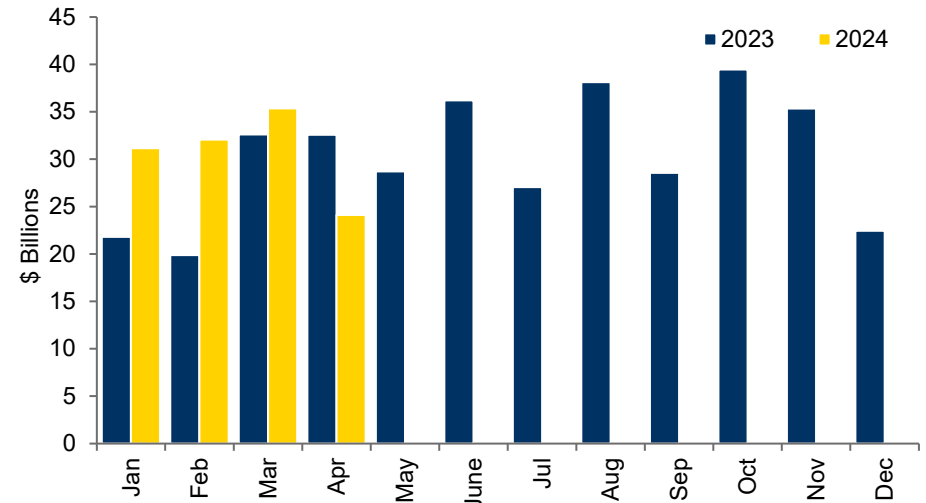
# Current Market Review

## Municipal Market Update

### Municipal Market Overview | As of April 22, 2024

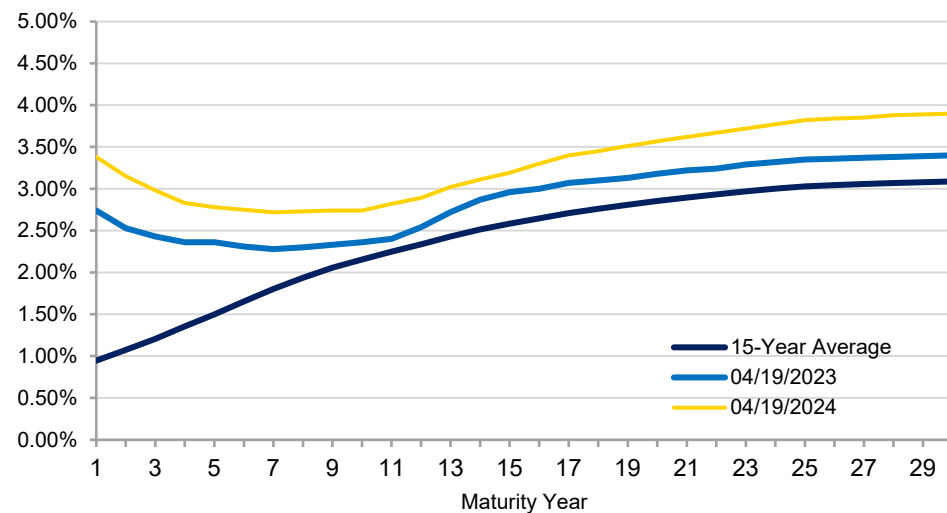
- **2023 Municipal Supply:** \$362 billion
- **2024 Municipal Supply (Forecast):** \$375 billion
- Tax-exempt benchmark yields were unchanged in 2025-32, rose 2bp in 2030-31 and 3bp in 2032-54.
- UST yields rose across the curve as higher than expected payrolls data prompted traders to temper expectations of a July rate cut.
- Municipal secondary trading was firm at the front end but saw weakness in the intermediate range and out long on the back of the treasury selloff.
- EPFR reported \$479MM of inflows with outflows seen in Tax-Exempt Money Market, High-Yield and Intermediate funds.

### 2023 – 2024 Monthly Supply\* (\$ Billions)

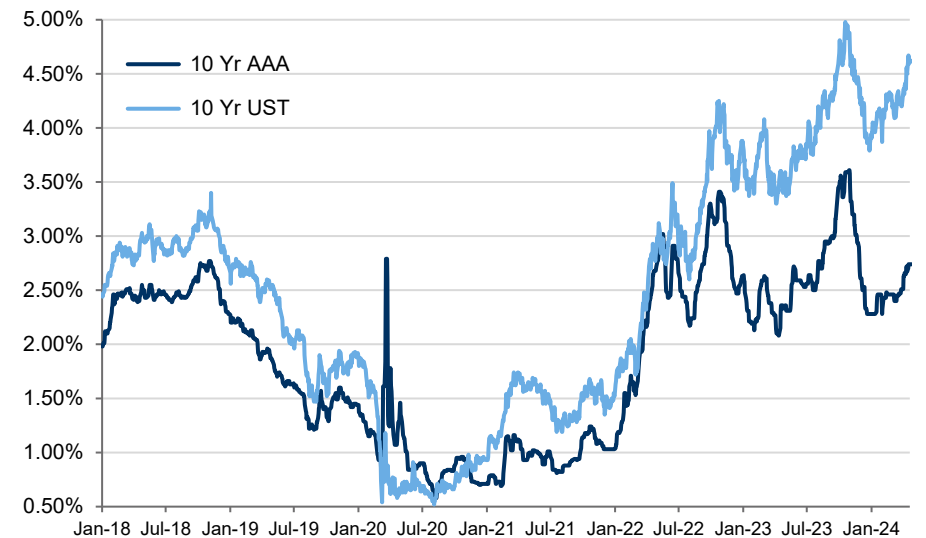


\* Publicly offered municipal debt; excludes private placements.

### Current MMD Curve in Context



### Tax-Exempt and Taxable Yield Trends: January 1, 2018 - Present



# District Debt Profile and Preliminary Refunding Analysis

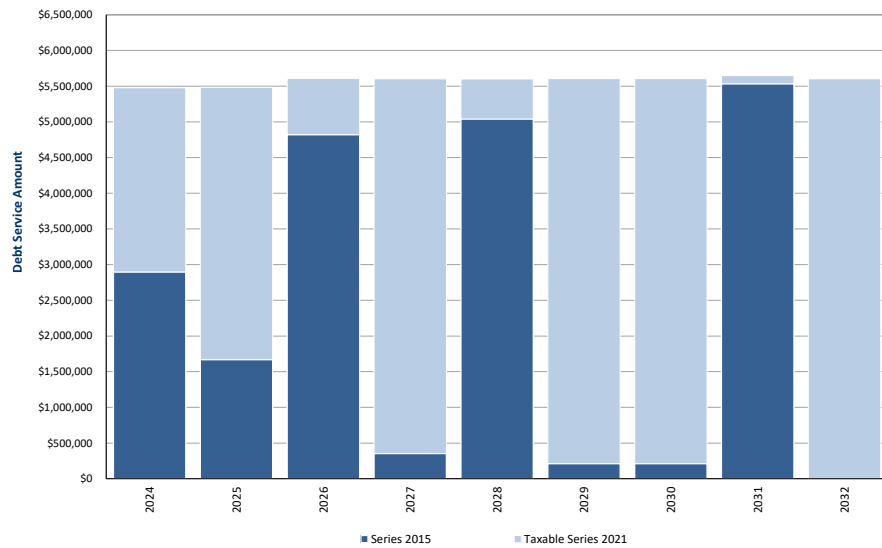
## Combined Debt Profile

### MCC Combined Outstanding GO and Revenue Debt Profile

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure	Security	Use of Proceeds
Ltd Tax Ref Bds Ser 2015	\$52,765,000	\$17,500,000	3.000% - 5.000%	08/15/2024	08/15/2031	Fixed Rate	I&S Taxes	Refunding
Ltd Tax Ref Bds Taxable Ser 2021	24,505,000	23,710,000	2.070%	08/15/2031	08/15/2032	Fixed Rate	I&S Taxes	Refunding
Rev Ref Bds Ser 2017	9,050,000	6,135,000	4.000%	04/15/2027	04/15/2030	Fixed Rate	Revenue	Refunding
Rev Bds Ser 2019	6,600,000	5,195,000	4.000%	04/15/2029	04/15/2034	Fixed Rate	Revenue	College Facility
Rev Ref Bds Ser 2021	2,135,000	2,005,000	N.A.	N.A.	04/15/2030	Fixed Rate	Revenue	Refunding
<b>Total</b>	<b>\$95,055,000</b>	<b>\$54,545,000</b>						

### General Obligation Debt by Series

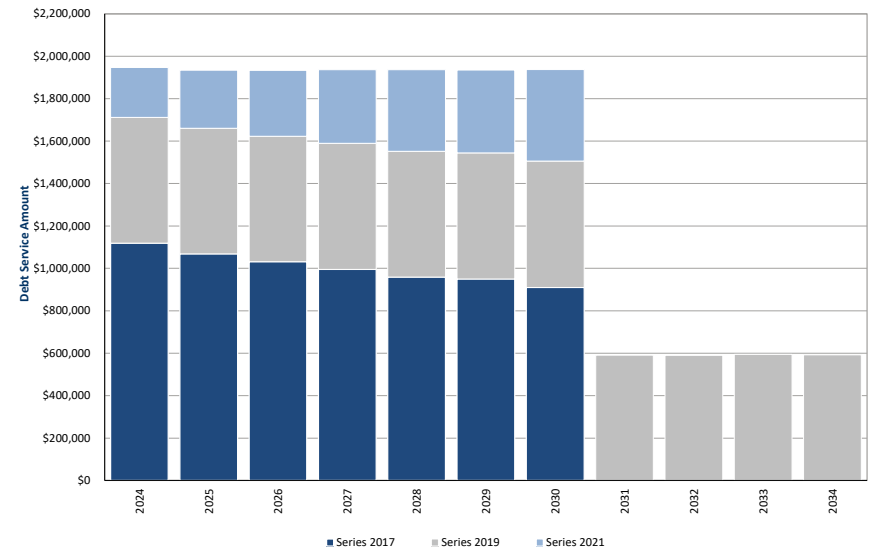
McLennan County Junior College District  
Outstanding Limited Tax Debt by Series



Fiscal Year Ending August 31

### Revenue Debt by Series

McLennan County Junior College District  
Outstanding Revenue Debt Service by Series



Fiscal Year Ending August 31

# District Debt Profile and Preliminary Refunding Analysis

## Current Refunding | Ltd Tax Bonds\*

### Tax-Exempt Current Refunding

McLennan College has the opportunity to refund the remaining outstanding maturities of its Limited Tax Refunding Bonds, Series 2015, which are callable on August 15, 2024, for debt service savings. The following preliminary refunding analysis assumes current market “AA” rates as of April 26, 2024. The refunding bonds are assumed to be sold with a uniform savings target and with a delivery date of June 12, 2024.

### Summary of Bonds Considered In Refunding Analysis

Series	Maturities to be Refunded	Par Amount to be Refunded	Coupon Range	Redemption Date
Ltd Tax Ref Bonds, Series 2015	2025, 2026, 2028, 2031	\$15,320,000	3.000% - 5.000%	08/15/24
<b>Total</b>		<b>\$15,320,000</b>		

### Summary of Refunding Results

Description	Past Analysis	Current Analysis
Rates as of	26-Feb-24	<b>26-Apr-24</b>
Delivery Date of Refunding Bonds	12-Jun-24	12-Jun-24
Par Amount Refunded Bonds	\$15,320,000	\$15,320,000
Avg Coupon of Refunded Bonds	3.849%	3.849%
Total Debt Service Savings	\$279,993	\$198,400
Average Annual Savings (FY2025 - FY20)	\$78,000	\$58,538
<b>Net PV of Debt Service Savings</b>	<b>\$249,050</b>	<b>\$176,793</b>
<b>PV SAV as % of Refunded Bonds</b>	<b>1.620%</b>	<b>1.154%</b>
All-in TIC of Refunding Bonds	3.417%	3.536%

### Summary of Projected Debt Service Savings

Date 8/31	Prior Net Cash Flow*	Refunding Debt Service	Savings	PV Savings 3.2257%
2024	\$114,250	\$113,750	\$500	(\$564)
2025	1,668,500	1,610,000	58,500	56,019
2026	4,821,100	4,762,000	59,100	54,857
2027	353,350	394,000	(40,650)	(37,019)
2028	5,038,350	4,979,000	59,350	51,641
2029	212,800	210,600	2,200	1,879
2030	212,800	210,600	2,200	1,820
2031	5,532,800	5,475,600	57,200	45,480
<b>Total</b>	<b>\$17,953,950</b>	<b>\$17,755,550</b>	<b>\$198,400</b>	<b>\$174,113</b>

### Savings Summary

Average Annual Savings (FY2025 - FY2031)	\$58,538
PV of Savings from Cash Flow	\$174,113
Additional Proceeds	\$2,681
<b>Net PV of Savings</b>	<b>\$176,793</b>

\*Includes an issuer contribution to the refunding.

Interest Rate Sensitivity	- 50 bps	- 25 bps
PV of Debt Service Savings	\$484,249	\$329,385
PV Savings as a % of Refunded Bonds	3.161%	2.150%

## Timetable

2024

MARCH							APRIL							MAY							JUNE										
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				1	2	3	4	5	6					1	2	3	4			1						
3	4	5	6	7	8	9	7	8	9	10	11	12	13					5	6	7	8	9	10	11	2	3	4	5	6	7	8
10	11	12	13	14	15	16	14	15	16	17	18	19	20					12	13	14	15	16	17	18	9	10	11	12	13	14	15
17	18	19	20	21	22	23	21	22	23	24	25	26	27					19	20	21	22	23	24	25	16	17	18	19	20	21	22
24	25	26	27	28	29	30	28	29	30									26	27	28	29	30	31								
31																															

<b>Financing Team Members</b>	MCC   McLennan College - Issuer	<b>1</b> Holidays <b>1</b> Bond Activities
	RBCCM   RBC Capital Markets, LLC - Financial Advisor	
	JW   Jackson Walker L.L.P. - Bond Counsel	
	TBD   TBD - Underwriter	

Date	Action	Responsibility
19-Mar-24	Staff Review Preliminary Refunding Analysis	RBCCM
26-Mar-24	<b>Regular Board Meeting   Preliminary Plan of Finance Refunding</b>	<b>MCC, RBCCM</b>
25-Mar-24	Request information for the POS	RBCCM
01-Apr-24	Provide updated information for the POS	MCC
04-Apr-24	Distribute 1st Draft POS Documents for comments to MCC & JW	RBCCM
09-Apr-24	Selection of Underwriter(s) and UW Counsel	MCC, RBCCM
10-Apr-24	Distribute Draft Parameters Order for comments to MCC & RBCCM	JW
11-Apr-24	Comments due on 1st Draft POS	MCC, JW, RBCCM
16-Apr-24	Distribute 2nd Draft POS and Credit Information to Rating Agency	RBCCM
16-Apr-24	Distribute 2nd Draft POS for comments	All Parties
23-Apr-24	Comments due on 2nd Draft POS	All Parties
23-Apr-24	Deadline for agenda items for 4/30 BOT Meeting	JW, RBCCM
25-Apr-24	<b>Rating Agency Conference Call</b>	<b>MCC, RBCCM</b>
26-Apr-24	Distribute 3rd Draft POS	RBCCM
30-Apr-24	<b>Regular Board Meeting   Action Item (Approve Parameters Order Authorizing Issuance of the Bonds)</b>	<b>MCC, RBCCM, JW</b>
02-May-24	Receive S&P Credit Rating	MCC, RBCCM
02-May-24	<b>Due Diligence Call with Underwriters</b>	<b>All Parties</b>
03-May-24	Final comments due on Draft POS	RBCCM
08-May-24	Finalize and Distribute POS to Potential Investors	RBCCM
15-May-24	<b>Negotiated Sale   Bonds Marketed to Investors</b>	<b>All Parties</b>
15-May-24	<b>Pricing Certificate Executed by Authorized District Representative   Interest Rates Locked</b>	<b>All Parties</b>
16-May-24	Distribute Draft of Final Official Statement ("FOS") for Comments	MCC, RBCCM
17-May-24	Submit Documents to Attorney General for Approval	OHS
22-May-24	Receive Comments, Finalize & Distribute FOS	All Parties
12-Jun-24	<b>Closing (Funds Transferred and Bonds Delivered)</b>	<b>All Parties</b>
15-Aug-24	Refunded Bonds Redeemed	

\*Preliminary, subject to change. As of March 21, 2024

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