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## Unlimited Tax Road Bonds

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# Summary



## Discuss Financing of Capital Projects for the District

- Road Projects

## Sources of Funds

- Unlimited Tax Road Bonds
  - Subject to District Voters' Approval in November 2024



## Unlimited Tax Road Bonds

- **Must be subject to an election**
- **2/3s (66.67%) majority affirmative vote required**
  - **Qualified voters of the district voting on the proposition to issue the bonds**
- **Consent and approval of the county commissioner of Collin County in whose commissioner's precinct the district is located**
- **Engineer's Report Required for Bond Election**
  - **Road Project Costs**
  - **Non-Construction Costs**
- ***November 2024 Bond Election Timing***
  - ✓ ***July 20, 2024 – First Day to Call Road Bond Election***
  - ✓ ***August 19, 2024 – Last Day to Call Road Bond Election***
  - ✓ ***November 5, 2024 – Election Day***

# \$6,000,000 Unlimited Tax Road Bonds Scenario



## KEY ASSUMPTIONS

<b>2024 Preliminary Taxable Assessed Valuation<sup>(1)</sup></b>	<b>\$416,000,000</b>
<b>Bond Amortization (same as previous 1994 Road Bonds)</b>	<b>20</b>
<b>Bond Interest Rate (subject to change at any time)</b>	<b>4.50%</b>
<b>2024 Preliminary Average Homestead Taxable Value<sup>(1)</sup></b>	<b>\$613,536</b>

<b>Unlimited Tax Road Bonds<sup>(2)</sup></b>	<b>Project Funds<sup>(3)</sup></b>	<b>Annual Debt Service Payment</b>	<b>Total Debt Service</b>	<b>Projected Road Bond Debt Service Tax Rate<sup>(4)</sup></b>	<b>Projected Annual Tax Levy on Average Homestead</b>	<b>Projected Monthly Tax Levy on Average Homestead</b>
\$6,000,000	\$5,700,000	\$461,257	\$9,225,137	\$0.1143	\$701.32	\$58.44

(1) As provided by the Collin Central Appraisal District on April 29, 2024. Subject to change until certification on July 25, 2024.

(2) As provided by District Staff for discussion purposes only.

(3) Assumes 5% of bond proceeds are allocated to financing costs.

(4) Assumes 97% property tax collections.



# Questions and Discussion



# Appendix A

# Market Update



## Market Observations

### Primary Market:

- 30-Day Visible Supply is approximately \$12.416 billion
- The calendar consists of \$6.1 billion of negotiated deals and \$3.1 billion of competitive deals
- The largest negotiated deal of the week is the \$731 million Harris County General Obligation Bonds

### Secondary Market:

- Municipal Bond Funds reported \$343 million of net inflows, compared with \$498 million of outflows the prior week
- Weekly trade volume of \$42.849 billion represents a decrease of \$30.608 billion from the previous week's \$73.457 billion

### General Market Overview:

- U.S. companies added +206k jobs last month, slightly above the median forecast, but prior month revisions subtracted -111k. For the quarter, nonfarm payroll growth averaged +218k, per month down from +310k in Q1.
- An unexpected increase in inflationary pressure had pushed bonds yields sharply higher in the first quarter and tempered expectations for aggressive Fed easing in 2024. In the second quarter, inflation appeared to settle down again, although both investors and Fed officials are viewing the resumed decrease in price pressure with a cautious eye.

Economic Calendar: EIA Petroleum Status Report, CPI, Jobless Claims, EIA Natural Gas Report, Treasury Statement, Fed Balance Sheet, PPI Final Demand, Consumer Sentiment

## Statistics

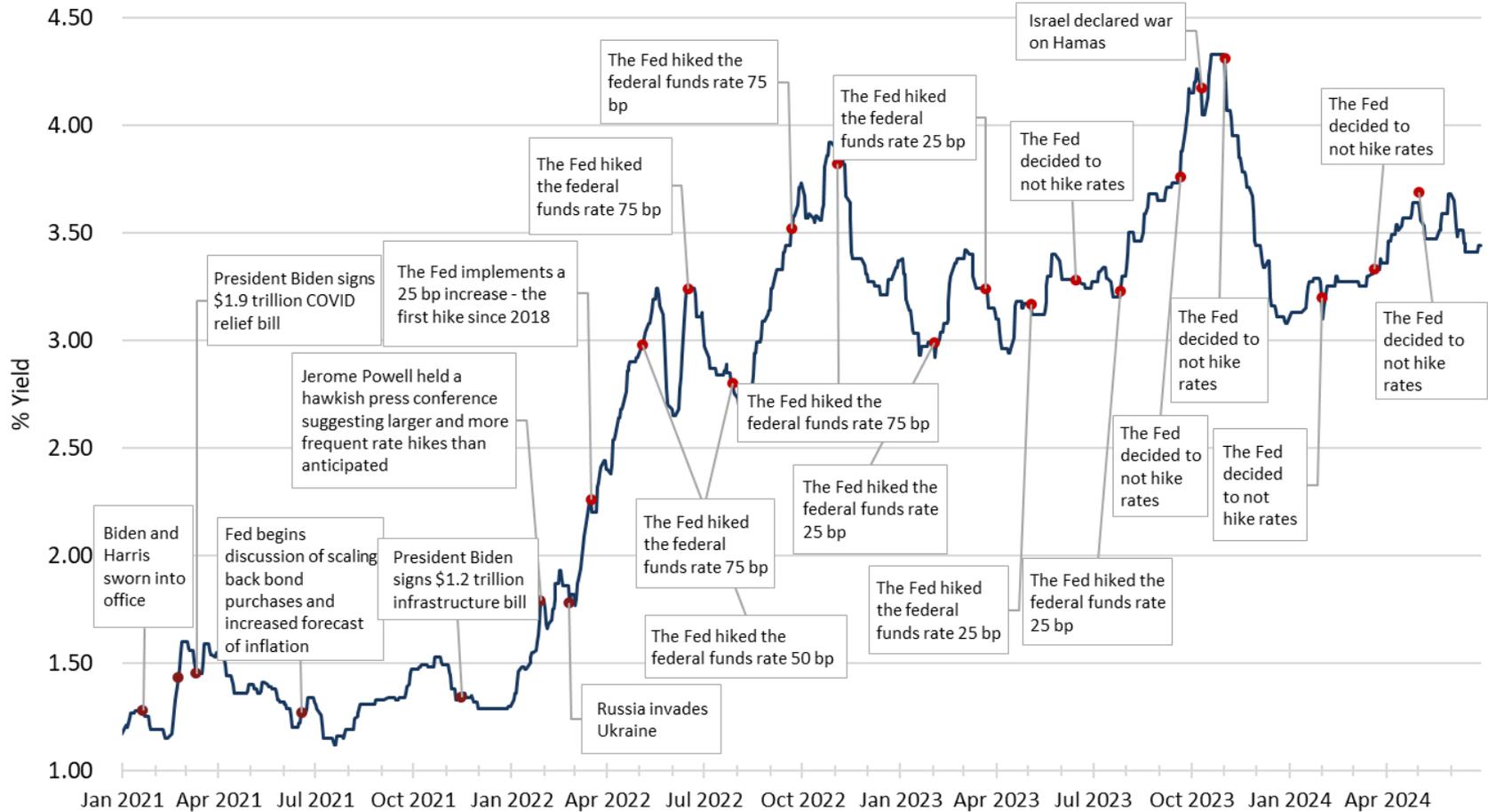
	7/5/2024	6/28/2024	Change
5Y MMD	2.88	2.89	(0.01) ▼
10Y MMD	2.85	2.84	0.01 ▲
15Y MMD	3.09	3.08	0.01 ▲
20Y MMD	3.45	3.44	0.01 ▲
30Y MMD	3.73	3.72	0.01 ▲
MMD 2/30 Yield Curve Steepness	67	61	6 ▲
Bond Buyer 11 GO Bond Index	3.86	3.83	0.03 ▲
Bond Buyer 20 GO Bond Index	3.96	3.93	0.03 ▲
Bond Buyer Revenue Bond Index	4.25	4.22	0.03 ▲
1Y UST	4.98	5.09	(0.11) ▼
5Y UST	4.22	4.33	(0.11) ▼
7Y UST	4.23	4.33	(0.10) ▼
10Y UST	4.28	4.36	(0.08) ▼
30Y UST	4.47	4.51	(0.04) ▼
UST 2/30 Yield Curve Steepness	(13)	(20)	7 ▲
10Y MMD/UST Ratio	60	61	(0.6) ▼
30Y MMD/UST Ratio	81	83	(1.3) ▼
SIFMA	2.98	3.88	(0.90) ▼
1M SOFR	5.33	5.34	(0.007) ▼
30-Day Negotiated Visible Supply	8,454.0	3,136.0	5,318.0 ▲
30-Day Competitive Visible Supply	3,962.0	2,464.0	1,498.0 ▲
Lipper Muni Bond Fund Flows	343	(498)	841 ▲

Source: Ipreo, TM3, Bloomberg, BBC, Wall Street Journal, New York Times, The Bond Buyer, Econoday, CNBC

# Change in 20-Year MMD



## Change in 20-Year MMD with Market Commentary – 1/1/21 to 7/5/2024

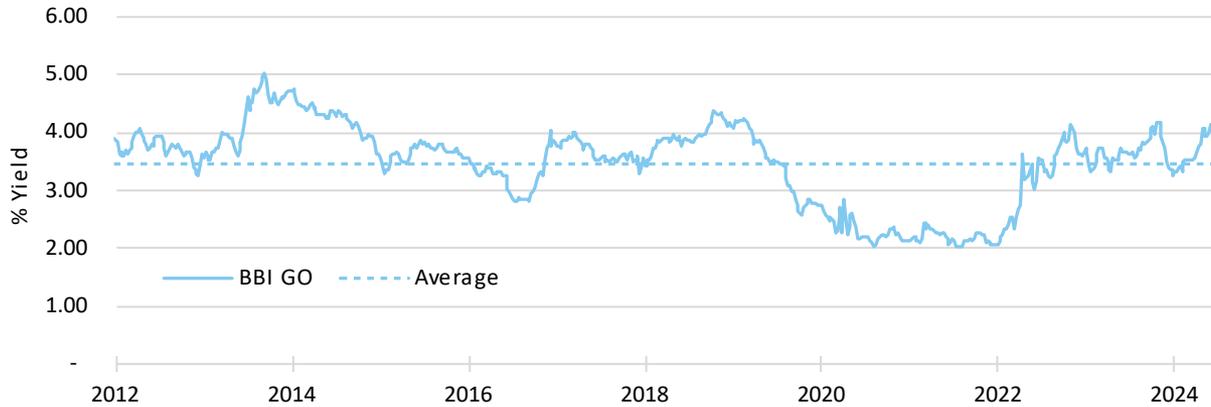


Source: Refinitiv Municipal Market Data and HilltopSecurities

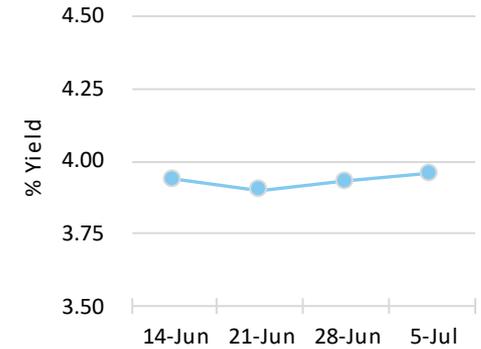
# Tax-Exempt Market Overview | The Bond Buyer



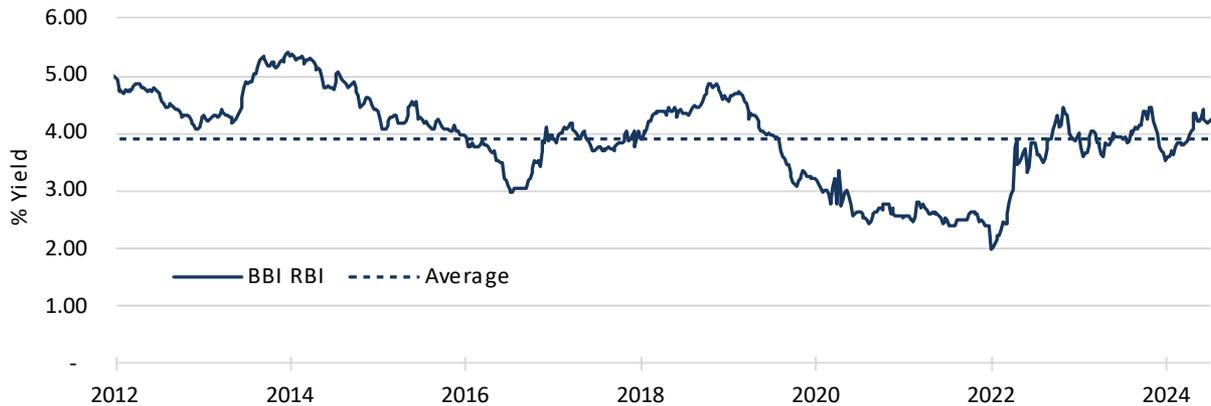
## The Bond Buyer 20-Bond General Obligation Index – 1/1/12 to 7/5/2024



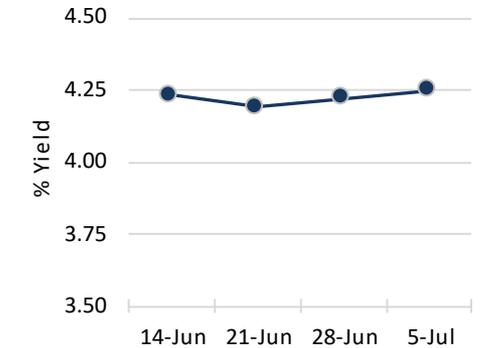
### 4-Week Snapshot



## The Bond Buyer Revenue Bond Index – 1/1/12 to 7/5/2024



### 4-Week Snapshot



Source: The Bond Buyer



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