

JUNE 15, 2021



Summary of Refunding Opportunity & Market Overview



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Potential Refunding Considerations:

- The County has a **potential refunding opportunity** of its outstanding Series 2012 Certificates of Obligation Bonds callable on August 1, 2022.
- The County has the option to execute an **advance refunding on a taxable basis** to capture the low interest rate environment or elect to continue to monitor the refunding and execute it 90-day before the call date as a **tax-exempt current refunding**. Below we illustrate the two options for the County's consideration:

Summary of Potential Refunding Results Taxable Advance Refunding	
Sale Date:	August 4, 2021
Delivery:	August 31, 2021
Par Amt of Refunded Bonds	\$11,470,000
Avg. Coupon of Refunded Bonds	3.45%
Net PV Savings	\$820,007
Net PV Savings %	7.15%
Average Annual Savings	\$82,008
Negative Arbitrage	\$169,322
Negative Arbitrage as % of PV Savings	21%

- ✓ **Lock-in Interest rates now**
- ✓ Execute the refunding at any time.
- ✓ Higher negative arbitrage because the proceeds are in escrow for one year before the 2012 CO's bonds can be paid off.

Summary of Potential Refunding Results Tax-Exempt Current Refunding	
Sale Date:	April 5, 2022
Delivery:	May 3, 2022
Par Amt of Refunded Bonds	\$11,470,000
Avg. Coupon of Refunded Bonds	3.45%
Net PV Savings	\$1,408,229
Net PV Savings %	12.28%
Average Annual Savings	\$136,730
Negative Arbitrage	\$27,528
Negative Arbitrage as % of PV Savings	2%

- ✓ **Subject to Interest rate risk volatility.**
- ✓ Execute the refunding 90-days prior to the call date, ideally beginning of April 2022.
- ✓ Minimum negative arbitrage because the proceeds are in escrow for 90 days before the 2012 CO's bonds are paid off.

The County's Taxable Advance Refunding Opportunity Can Be Executed At Anytime

- The tables provided illustrate the estimated savings associated with a **taxable advance refunding** of the Series 2012 Certificates of Obligation callable on August 1, 2022.

- Assuming current market rates, estimated present value savings are **\$820,007** or **7.15%**.

- Because the call date on this bond is approximately a year from the proposed delivery date, negative arbitrage is at a reasonable level at **\$169K** or **just 21%** of NPV savings.

- The table on the bottom left illustrates how a given change in rates impacts potential savings.

Summary of Potential Refunding Results Taxable Advance Refunding

Rates as of:	6/15/2021
Par Amount	\$11,975,000
Premium/(Discount)	\$0
Transfer from prior debt service fund	\$0
Proceeds	\$11,975,000
Par Amt of Refunded Bonds	\$11,470,000
Avg. Coupon of Refunded Bonds	3.45%
Net PV Savings	\$820,007
Net PV Savings %	7.15%
Average Annual Savings	\$82,008
Negative Arbitrage	\$169,322
Negative Arbitrage as % of PV Savings	21%

Refunding Structure	Level Savings
Escrow Deposit	\$11,848,564
All-In TIC	1.80%
Arbitrage Yield	1.63%
Sale Date:	August 4, 2021
Delivery:	August 31, 2021
Rates and Yields:	June 15, 2021

Potential Savings Sensitivity

Rate Change	Refunding Par	PV Savings	PV Savings %
0.50%	\$11,975,000	\$442,956	3.86%
0.40%	\$11,975,000	\$517,172	4.51%
0.30%	\$11,975,000	\$591,936	5.16%
0.20%	\$11,975,000	\$667,366	5.82%
0.10%	\$11,975,000	\$743,487	6.48%
0.00%	\$11,975,000	\$820,007	7.15%
-0.10%	\$11,975,000	\$897,326	7.82%
-0.20%	\$11,975,000	\$975,070	8.50%

Potential Annual Savings

Year	Prior Net Debt Service	Refunding Debt Service	Savings	PV Savings
2022	\$382,868	\$304,027	\$78,840	\$78,625
2023	\$1,372,868	\$1,286,982	\$85,886	\$83,922
2024	\$1,373,168	\$1,291,830	\$81,338	\$78,011
2025	\$1,377,568	\$1,294,146	\$83,422	\$78,474
2026	\$1,374,599	\$1,292,860	\$81,739	\$75,451
2027	\$1,375,693	\$1,294,175	\$81,518	\$73,831
2028	\$1,374,293	\$1,292,865	\$81,428	\$72,362
2029	\$1,375,311	\$1,293,985	\$81,326	\$70,911
2030	\$1,374,980	\$1,292,985	\$81,995	\$70,149
2031	\$1,376,755	\$1,295,415	\$81,340	\$68,278
2032	\$1,384,395	\$1,301,138	\$83,258	\$68,558
	\$14,142,495	\$13,240,408	\$902,087	\$818,570

PV savings discounted at the All-In TIC

Savings By Maturity Series 2012 Certificates of Obligation

Maturity	Coupon	Par Amount	PV Savings	PV Savings %
8/1/2023	3.000%	\$990,000	\$10,234	1.03%
8/1/2024	3.000%	\$1,020,000	\$29,140	2.86%
8/1/2025	3.125%	\$1,055,000	\$44,988	4.26%
8/1/2026	3.125%	\$1,085,000	\$57,702	5.32%
8/1/2027	3.250%	\$1,120,000	\$72,855	6.50%
8/1/2028	3.375%	\$1,155,000	\$86,909	7.52%
8/1/2029	3.375%	\$1,195,000	\$95,023	7.95%
8/1/2030	3.500%	\$1,235,000	\$116,475	9.43%
8/1/2031	3.700%	\$1,280,000	\$147,890	11.55%
8/1/2032	3.700%	\$1,335,000	\$160,948	12.06%
Total		\$11,470,000	\$822,164	

The County's Tax-Exempt Refunding Opportunity Can Be Executed As Soon As April 2022

- The tables provided illustrate the estimated savings associated with a **tax-exempt current refunding** of the Series 2012 Certificates of Obligation callable on August 1, 2022.

Summary of Potential Refunding Results Tax-Exempt Current Refunding	
Rates as of:	6/15/2021
Par Amount	\$9,705,000
Premium/(Discount)	\$2,081,259
Accrued Interest Fund	\$0
Proceeds	\$11,786,259
Par Amt of Refunded Bonds	\$11,470,000
Avg. Coupon of Refunded Bonds	3.45%
Net PV Savings	\$1,408,229
Net PV Savings %	12.28%
Average Annual Savings	\$136,730
Negative Arbitrage	\$27,528
Negative Arbitrage as % of PV Savings	2%

- Assuming current market rates and a May 2022 delivery (90-days prior to the call date), estimated present value savings are **\$1,408,229** or **12.28%**.

Refunding Structure	Level Savings
Escrow Deposit	\$11,661,146
All-In TIC	1.17%
Arbitrage Yield	0.98%
Sale Date:	April 5, 2022
Delivery:	May 3, 2022
Rates and Yields:	June 15, 2021

- Negative arbitrage is significantly reduced because of the call date of the bonds is only 90-days from delivery.

Potential Savings Sensitivity			
Rate Change	Refunding Par	PV Savings	PV Savings %
0.50%	\$9,730,000	\$1,052,879	9.18%
0.40%	\$9,725,000	\$1,122,829	9.79%
0.30%	\$9,720,000	\$1,193,348	10.40%
0.20%	\$9,715,000	\$1,264,494	11.02%
0.10%	\$9,710,000	\$1,336,104	11.65%
0.00%	\$9,705,000	\$1,408,229	12.28%
-0.10%	\$9,700,000	\$1,480,870	12.91%
-0.20%	\$9,695,000	\$1,554,143	13.55%

- The table on the bottom left illustrates how a given change in rates impacts potential savings.

Potential Annual Savings				
Year	Prior Net Debt Service	Refunding Debt Service	Savings	PV Savings
2022	\$191,434	\$157,933	\$33,500	\$33,405
2023	\$1,372,868	\$1,224,750	\$148,118	\$145,755
2024	\$1,373,168	\$1,226,500	\$146,668	\$142,672
2025	\$1,377,568	\$1,231,250	\$146,318	\$140,703
2026	\$1,374,599	\$1,228,750	\$145,849	\$138,648
2027	\$1,375,693	\$1,229,250	\$146,443	\$137,623
2028	\$1,374,293	\$1,227,500	\$146,793	\$136,376
2029	\$1,375,311	\$1,228,500	\$146,811	\$134,835
2030	\$1,374,980	\$1,227,000	\$147,980	\$134,358
2031	\$1,376,755	\$1,228,000	\$148,755	\$133,519
2032	\$1,384,395	\$1,237,600	\$146,795	\$130,223
	\$13,951,061	\$12,447,033	\$1,504,028	\$1,408,116

PV savings discounted at the All-In TIC

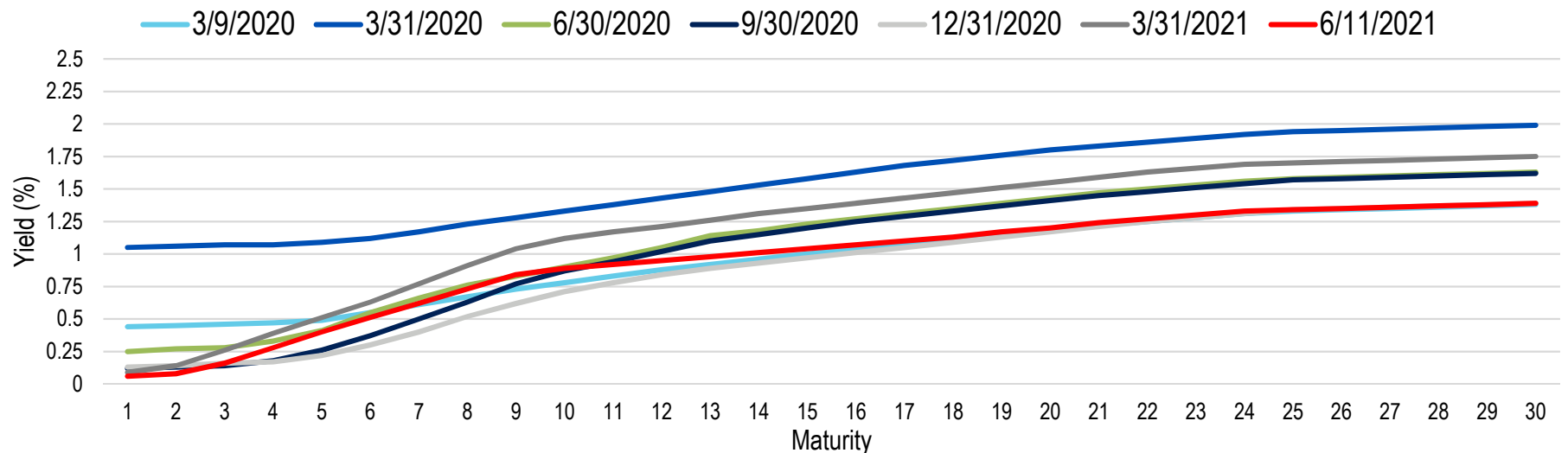
Series 2012 Certificates of Obligation				
Maturity	Coupon	Par Amount	PV Savings	PV Savings %
8/1/2023	3.000%	\$990,000	\$15,854	1.60%
8/1/2024	3.000%	\$1,020,000	\$40,354	3.96%
8/1/2025	3.125%	\$1,055,000	\$68,069	6.45%
8/1/2026	3.125%	\$1,085,000	\$91,833	8.46%
8/1/2027	3.250%	\$1,120,000	\$121,064	10.81%
8/1/2028	3.375%	\$1,155,000	\$151,806	13.14%
8/1/2029	3.375%	\$1,195,000	\$173,365	14.51%
8/1/2030	3.500%	\$1,235,000	\$205,962	16.68%
8/1/2031	3.700%	\$1,280,000	\$252,604	19.73%
8/1/2032	3.700%	\$1,335,000	\$282,188	21.14%
Total		\$11,470,000	\$1,403,099	

Municipal (MMD) Yield Curve “Range-Bound” Despite Poor Valuations in Current Market

Changes in AAA MMD by Maturity

Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
03/09/2020*	0.44	0.45	0.46	0.47	0.49	0.55	0.61	0.67	0.73	0.78	0.83	0.88	0.92	0.96	1.00	1.04	1.08	1.12	1.16	1.19	1.22	1.25	1.28	1.31	1.33	1.34	1.35	1.36	1.37	1.38
03/31/2020	1.05	1.06	1.07	1.07	1.09	1.12	1.17	1.23	1.28	1.33	1.38	1.43	1.48	1.53	1.58	1.63	1.68	1.72	1.76	1.80	1.83	1.86	1.89	1.92	1.94	1.95	1.96	1.97	1.98	1.99
06/30/2020	0.55	0.66	0.76	0.83	0.90	0.97	1.05	1.14	1.18	1.23	1.27	1.31	1.35	1.39	1.43	1.47	1.50	1.53	1.56	1.58	1.59	1.60	1.61	1.62	1.63	0.55	0.66	0.76	0.83	0.90
09/30/2020	0.37	0.50	0.63	0.77	0.87	0.94	1.02	1.10	1.15	1.20	1.25	1.29	1.33	1.37	1.41	1.45	1.48	1.51	1.54	1.57	1.58	1.59	1.60	1.61	1.62	0.37	0.50	0.63	0.77	0.87
12/31/2020	0.13	0.14	0.16	0.17	0.22	0.30	0.40	0.52	0.62	0.71	0.78	0.84	0.89	0.93	0.97	1.01	1.05	1.09	1.13	1.17	1.21	1.25	1.28	1.31	1.34	1.35	1.36	1.37	1.38	1.39
03/31/2021	0.09	0.14	0.26	0.39	0.51	0.63	0.77	0.91	1.04	1.12	1.17	1.21	1.26	1.31	1.35	1.39	1.43	1.47	1.51	1.55	1.59	1.63	1.66	1.69	1.70	1.71	1.72	1.73	1.74	1.75
06/11/2021	0.06	0.08	0.16	0.28	0.40	0.51	0.62	0.73	0.84	0.89	0.92	0.95	0.98	1.01	1.04	1.07	1.10	1.13	1.17	1.20	1.24	1.27	1.30	1.33	1.34	1.35	1.36	1.37	1.38	1.39
Current Change from 3/9* low (bps)	-38	-37	-30	-19	-9	-4	1	6	11	11	9	7	6	5	4	3	2	1	1	1	2	2	2	2	1	1	1	1	1	1

*03/09/2020 high point of the pre-COVID market



Monday	Tuesday	Wednesday	Thursday	Friday
<p>2</p> <p>09:45 Markit US Manufacturing PMI 10:00 Construction Spending MoM 10:00 ISM Manufacturing 10:00 ISM Prices Paid 11:30 U.S. to Sell 13-Week Bills 11:30 U.S. to Sell 26-Week Bills</p>	<p>3</p> <p>10:00 Factory Orders 10:00 Durable Goods Orders ★ 10:00 Durable Goods Ex Transport</p>	<p>4</p> <p>07:00 MBA Mortgage Applications 08:15 ADP Employment Change 09:45 Markit US Services PMI 09:45 Markit US Composite PMI 10:00 ISM Services Index</p>	<p>5</p> <p>08:30 Initial Jobless & Continuing Claims 08:30 Trade Balance ★ 11:30 U.S. to Sell 4-Week Bills 11:30 U.S. to Sell 8-Week Bills</p>	<p>6</p> <p>08:30 Unemployment Rate ★ 08:30 Change in Nonfarm Payrolls ★ 08:30 Change in Manufact. Payrolls 10:00 Wholesale Inventories MoM</p>
<p>9</p> <p>11:30 U.S. to Sell 13-Week Bills 11:30 U.S. to Sell 26-Week Bills</p>	<p>10</p> <p>11:30 U.S. to Sell 52-Week Bills 13:00 U.S. to Sell 3-Year Notes</p>	<p>11</p> <p>07:00 MBA Mortgage Applications 08:30 CPI MoM ★ 08:30 CPI Ex Food and Energy MoM 08:30 CPI YoY 14:00 Monthly Budget Statement 13:00 U.S. to Sell 10-Year Notes</p>	<p>12</p> <p>08:30 Initial Jobless & Continuing Claims 08:30 PPI Final Demand MoM 08:30 PPI Final Demand YoY 08:30 PPI Ex Food and Energy YoY 11:30 U.S. to Sell 4-Week Bills 11:30 U.S. to Sell 8-Week Bills 13:00 U.S. to Sell 30-Year Bonds</p>	<p>13</p> <p>08:30 Import Price Index MoM 10:00 U. of Mich. Sentiment ★</p>
<p>16</p> <p>08:30 Empire Manufacturing 16:00 Net Long-term TIC Flows 11:30 U.S. to Sell 13-Week Bills 11:30 U.S. to Sell 26-Week Bills</p>	<p>17</p> <p>08:30 Retail Sales Advance MoM 09:15 Industrial Production MoM</p>	<p>18</p> <p>07:00 MBA Mortgage Applications 08:30 Housing Starts ★ 13:00 U.S. to Sell 20-Year Bonds 14:00 FOMC Meeting Minutes</p>	<p>19</p> <p>08:30 Philadelphia Fed Business Outlook 08:30 Initial Jobless & Continuing Claims 10:00 Leading Index 11:30 U.S. to Sell 4-Week Bills 11:30 U.S. to Sell 8-Week Bills 13:00 U.S. to Sell 30-Year TIPS</p>	<p>20</p>
<p>23</p> <p>09:45 Markit US Manufacturing PMI 09:45 Markit US Services PMI 09:45 Markit US Composite PMI 10:00 Existing Home Sales 11:30 U.S. to Sell 13-Week Bills 11:30 U.S. to Sell 26-Week Bills</p>	<p>24</p> <p>10:00 New Home Sales 10:00 Richmond Fed Manufact. Index 13:00 U.S. to Sell 2-Year Notes</p>	<p>25</p> <p>07:00 MBA Mortgage Applications 08:30 Durable Goods Orders 08:30 Durables Ex Transportation 13:00 U.S. to Sell 2-Year FRNs 13:00 U.S. to Sell 5-Year Notes</p>	<p>26</p> <p>08:30 GDP Annualized QoQ ★ 08:30 Initial Jobless & Continuing Claims 08:30 Personal Consumption 08:30 GDP Price Index 11:30 U.S. to Sell 4-Week Bills 11:30 U.S. to Sell 8-Week Bills 13:00 U.S. to Sell 7-Year Notes</p>	<p>27</p> <p>08:30 Wholesale Inventories MoM 08:30 Personal Income 08:30 Personal Spending 10:00 U. of Mich. Sentiment ★</p>
<p>30</p> <p>10:00 Pending Home Sales MoM 10:30 Dallas Fed Manufact. Index 11:30 U.S. to Sell 13-Week Bills 11:30 U.S. to Sell 26-Week Bills</p>	<p>31</p> <p>09:45 MNI Chicago PMI 10:00 Conf. Board Consumer Confidence</p>		<p>Fed Treasury Auction Federal Reserve Market Moving Indicator ★ State-Level Activities</p>	<p>Institutional Investor and Issuer Customer Use Only</p> <p>Source: Bloomberg All times are presented in Eastern Time.</p>

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