

DEER★PARK

Birthplace of Texas[®]

City of Deer Park, Texas

Overview of Outstanding Debt Requirements and Future Financing Needs

May 2018

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Overview of Savings from City's Prior Bond Refunding Programs

Summary of Interest Cost Savings – Bond Refunding Programs

Issue/Description	Series Refunded	Principal Amount Refunded	Total Savings
Tax-Supported Debt			
General Obligation Refunding Bonds, Series 2008	1997 GO, 1997 CO	\$ 4,470,000	\$ 268,462
General Obligation Refunding Bonds, Series 2010	1997, 2000, 2001	6,375,000	429,443
General Obligation Refunding Bonds, Series 2011	2002A	3,460,000	528,786
General Obligation Refunding Bonds, Series 2012	2005	4,525,000	485,421
General Obligation & Refunding Bonds, Series 2014	2002, 2005	2,025,000	213,559
Limited Tax Refunding Bonds, Series 2016	2007 C/O, 2007 Bonds	6,480,000	710,601
Totals	---	\$ 27,335,000	\$ 2,636,272

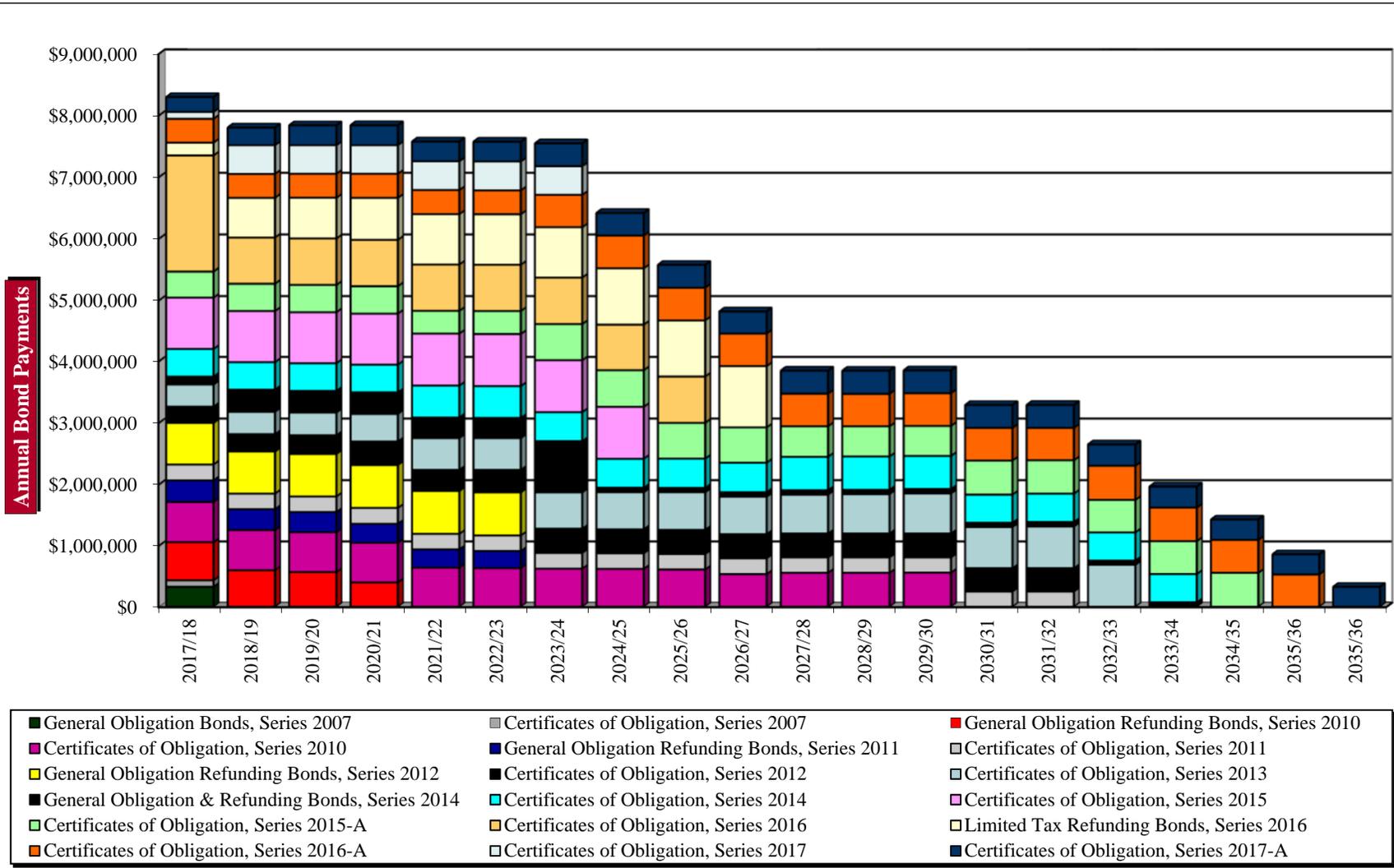
Since 2008, the City's debt management bond refunding strategies have generated \$2,636,272 of savings for City taxpayers!



Overview of Outstanding Debt Service Requirements



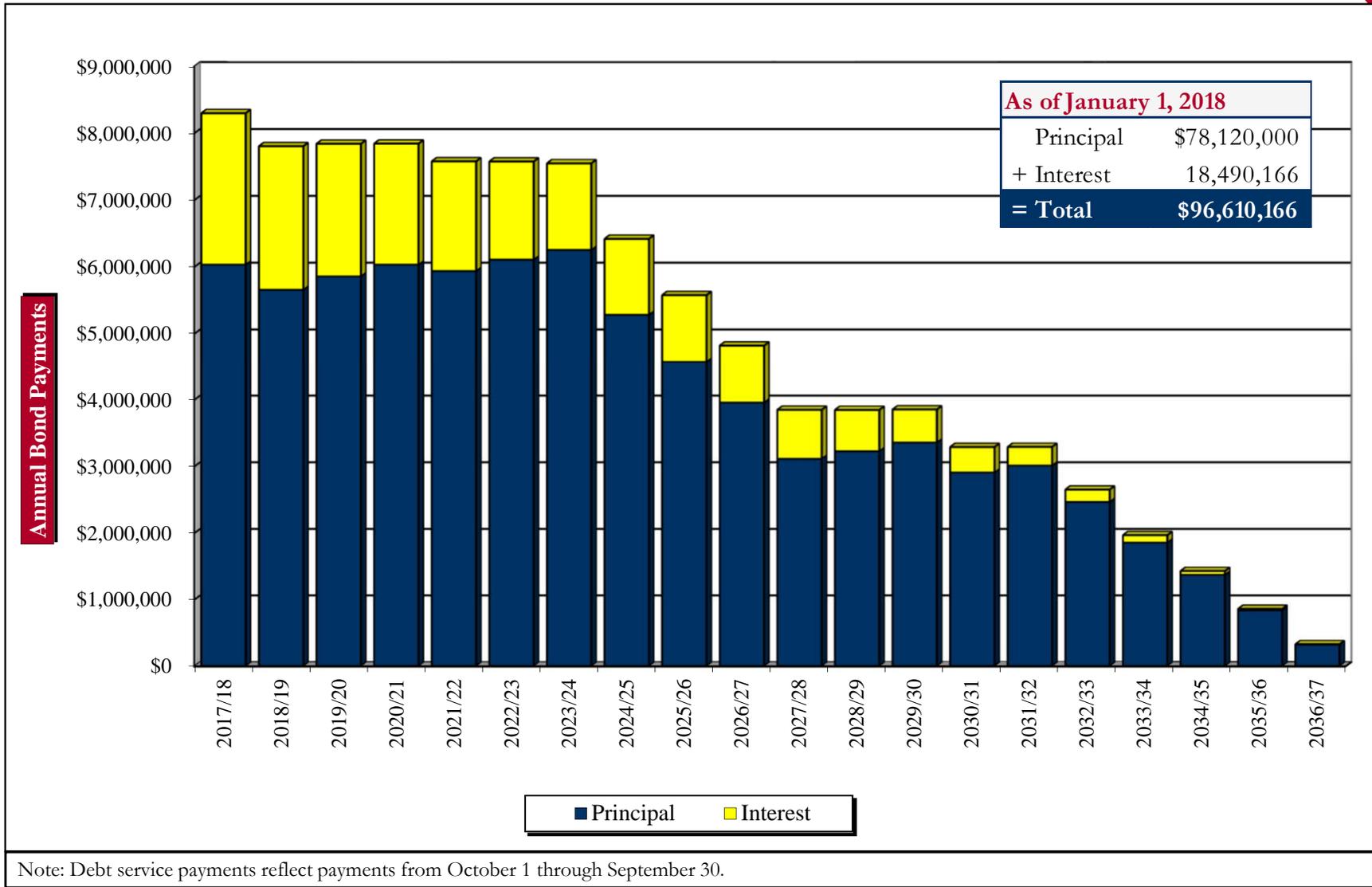
Debt Service Requirements By Series



Note: Debt service payments reflect payments from October 1 through September 30.



Debt Service Requirements By Principal and Interest





Debt Service Requirements By Principal and Interest

City of Deer Park Outstanding General Obligation Debt Service by Principal and Interest As of January 1, 2018

FYE (9/30)	Principal	Interest	Annual Debt Service
2018	\$6,030,000	\$2,265,342	\$8,295,342
2019	5,655,000	2,146,128	7,801,128
2020	5,855,000	1,982,325	7,837,325
2021	6,030,000	1,809,606	7,839,606
2022	5,935,000	1,639,440	7,574,440
2023	6,105,000	1,467,175	7,572,175
2024	6,250,000	1,295,283	7,545,283
2025	5,280,000	1,135,956	6,415,956
2026	4,575,000	998,697	5,573,697
2027	3,955,000	863,689	4,818,689
2028	3,110,000	735,013	3,845,013
2029	3,225,000	618,300	3,843,300
2030	3,355,000	495,054	3,850,054
2031	2,905,000	381,904	3,286,904
2032	3,010,000	278,775	3,288,775
2033	2,465,000	183,794	2,648,794
2034	1,855,000	110,200	1,965,200
2035	1,370,000	56,563	1,426,563
2036	835,000	22,125	857,125
2037	320,000	4,800	324,800
Total	\$78,120,000	\$18,490,166	\$96,610,166

Debt service payments reflect payments from October 1 through September 30. Debt Requirements as of January 1, 2018.



Debt Service Requirements By Source of Payment

City of Deer Park Outstanding General Obligation Debt Service by Source of Payment As of January 1, 2018

FYE Year	Ad Valorem Taxes			Waterworks and Sewer System			Sales Tax (DPCDC)		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2018	\$2,438,787	\$938,011	\$3,376,798	\$1,751,213	\$1,172,882	\$2,924,095	\$1,840,000	\$154,449	\$1,994,449
2019	2,525,213	839,888	3,365,100	2,044,787	1,175,765	3,220,552	1,085,000	130,475	1,215,475
2020	2,634,010	727,900	3,361,910	2,115,990	1,142,628	3,258,618	1,105,000	111,797	1,216,797
2021	2,748,827	614,175	3,363,002	2,156,173	1,102,653	3,258,825	1,125,000	92,779	1,217,779
2022	2,589,100	508,450	3,097,550	2,200,900	1,057,578	3,258,478	1,145,000	73,412	1,218,412
2023	2,694,555	401,950	3,096,505	2,245,445	1,011,528	3,256,972	1,165,000	53,698	1,218,698
2024	2,805,000	306,288	3,111,288	2,260,000	955,353	3,215,353	1,185,000	33,643	1,218,643
2025	2,215,000	231,944	2,446,944	2,330,000	886,324	3,216,324	735,000	17,689	752,689
2026	1,425,000	178,594	1,603,594	2,405,000	814,180	3,219,180	745,000	5,923	750,923
2027	1,475,000	126,288	1,601,288	2,480,000	737,401	3,217,401			
2028	545,000	81,350	626,350	2,565,000	653,663	3,218,663			
2029	570,000	54,025	624,025	2,655,000	564,275	3,219,275			
2030	605,000	25,225	630,225	2,750,000	469,829	3,219,829			
2031	60,000	9,200	69,200	2,845,000	372,704	3,217,704			
2032	65,000	6,700	71,700	2,945,000	272,075	3,217,075			
2033	65,000	4,100	69,100	2,400,000	179,694	2,579,694			
2034	70,000	1,400	71,400	1,785,000	108,800	1,893,800			
2035				1,370,000	56,563	1,426,563			
2036				835,000	22,125	857,125			
2037				320,000	4,800	324,800			
Total	\$25,530,492	\$5,055,486	\$30,585,978	\$42,459,508	\$12,760,815	\$55,220,324	\$10,130,000	\$673,865	\$10,803,865

Debt service payments reflect payments from October 1 through September 30. Debt Requirements as of January 1, 2018.



Overview of Capital Improvement Plans

Water and Sewer Capital Improvement Plan Debt
Deer Park Community Development Corporation Debt
General Obligation Capacity Analysis



Waterworks and Sewer System Capital Improvement Plan

City of Deer Park Waterworks and Sewer System Capital Improvement Plan (a)

Issued as Certificates of Obligations, but Paid with Net Revenues of the Waterworks and Sewer System

Fiscal Year Ending (9/30)	Current Debt Service Paid by Waterworks and Sewer System	Series 2018		Series 2019		Series 2020		Total Debt Service Paid by Waterworks and Sewer System
		Certificates of Obligation (b)		Certificates of Obligation (c)		Certificates of Obligation (d)		
		Principal	Interest	Principal	Interest	Principal	Interest	
2018	\$2,924,095							\$2,924,095
2019	3,220,552	\$160,000	\$249,800					3,630,352
2020	3,258,618	165,000	274,163	\$80,000	\$123,827			3,901,608
2021	3,258,825	170,000	266,625	85,000	125,756	\$50,000	\$82,361	4,038,568
2022	3,258,478	180,000	258,750	90,000	121,600	45,000	83,875	4,037,703
2023	3,256,972	190,000	250,425	90,000	117,325	55,000	81,375	4,041,097
2024	3,215,353	240,000	240,750	100,000	112,813	50,000	78,750	4,037,665
2025	3,216,324	250,000	229,725	100,000	108,063	60,000	76,000	4,040,111
2026	3,219,180	260,000	218,250	105,000	103,194	60,000	73,000	4,038,624
2027	3,217,401	275,000	206,213	110,000	98,088	65,000	69,875	4,041,576
2028	3,218,663	285,000	193,613	115,000	92,744	70,000	66,500	4,041,519
2029	3,219,275	300,000	180,450	120,000	87,163	70,000	63,000	4,039,888
2030	3,219,829	310,000	166,725	130,000	81,225	70,000	59,500	4,037,279
2031	3,217,704	325,000	152,438	135,000	74,931	80,000	55,750	4,040,823
2032	3,217,075	345,000	137,363	140,000	68,400	80,000	51,750	4,039,588
2033	2,579,694	395,000	120,713	140,000	61,750	105,000	47,125	3,449,281
2034	1,893,800	425,000	102,263	170,000	54,388	110,000	41,750	2,797,200
2035	1,426,563	465,000	82,238	175,000	46,194	115,000	36,125	2,346,119
2036	857,125	505,000	60,413	185,000	37,644	120,000	30,250	1,795,431
2037	324,800	535,000	37,013	225,000	27,906	125,000	24,125	1,298,844
2038		555,000	12,488	235,000	16,981	135,000	17,625	972,094
2039				240,000	5,700	140,000	10,750	396,450
2040						145,000	3,625	148,625
Total	\$55,220,324	\$6,335,000	\$3,440,413	\$2,770,000	\$1,565,690	\$1,750,000	\$1,053,111	\$72,134,537

(a) Based on 10-Year Capital Improvement Plan. Subject to change.

(b) Generates \$6,335,000 in proceeds for the City. Interest rate estimated at 4.50%, for illustrative purposes only. Scheduled to be sold in October.

(c) Generates \$2,770,000 in proceeds for the City. Interest rate estimated at 4.75%, for illustrative purposes only. Scheduled to be sold in October.

(d) Generates \$1,750,000 in proceeds for the City. Interest rate estimated at 5.00%, for illustrative purposes only. Scheduled to be sold in October.



Deer Park Community Development Corporation

Deer Park Community Development Corporation Proposed Series 2018 Bond Issue

Issued By City of Deer Park, Texas

Year Ending 9/30	Total Sales Tax Collections (a)	Operating Expenses (b)	Existing Debt Requirements	Series 2018 Bonds (c)			Total Debt Requirements	Less: Pay Go Program	Remaining Funds	Cummulative Remaining Funds (d)
				Principal	Interest	Total				
2016	\$3,272,296	\$80,106	\$87,231				\$87,231	\$62,269	\$3,042,690	\$3,042,690
2017	3,208,766	62,213	2,184,105				2,184,105	793,174	169,274	3,211,964
2018	3,000,000	75,000	1,994,449				1,994,449	400,000	530,551	3,742,515
2019	3,000,000	10,000	1,215,475	\$1,225,000	\$142,013	\$1,367,013	2,582,488	344,557	62,955	3,805,470
2020	3,000,000	10,000	1,216,797	1,495,000	116,325	1,611,325	2,828,122	100,000	61,878	3,867,348
2021	3,000,000	10,000	1,217,779	1,540,000	70,800	1,610,800	2,828,579	100,000	61,421	3,928,769
2022	3,000,000	10,000	1,218,412	1,590,000	23,850	1,613,850	2,832,262	100,000	57,738	3,986,507
2023	3,000,000	10,000	1,218,698				1,218,698	100,000	1,671,302	5,657,809
2024	3,000,000		1,218,643				1,218,643		1,781,357	7,439,166
2025	3,000,000		752,689				752,689		2,247,311	9,686,478
2026	3,000,000		750,923				750,923		2,249,077	11,935,555
		\$267,319	\$13,075,201	\$5,850,000	\$352,988	\$6,202,988	\$19,278,189	\$2,000,000	\$11,935,555	

(a) Actual sales tax collections and interest earnings for fiscal years ending 2016 and 2017. Estimated future sales tax collections of \$3,000,000.

(b) Operating expenses include bond fees, audit fees, public notice fees and printing fees.

(c) Generates \$5,850,000 in proceeds to the DPCDC. Sold and Delivered in October 2018. Interest estimated at 3.00% for illustrative purposes only.

(d) The CDC intends to payoff outstanding debt service with excess sales tax collections on an annual basis beginning in 2019.



General Obligation Capacity Analysis

City of Deer Park General Obligation Capacity Analysis - No Tax Rate Increase

Year Ending 9/30	Beginning DS Fund Balance	Prior Year/ Estimated Assessed Valuation	Assessed Valuation Growth Rate (%)	Tax Rate per \$100 of Assessed Value	Tax Collections 99.00%	Debt Service Interest Earnings(a)	Total Funds Available for Debt Service	Debt Service Paid by Ad Valorem Taxes (b)	Plus: \$15,000,000 Series 2018 @ 4.50%	Plus: \$15,000,000 Series 2019 @ 4.75%	Plus: \$15,000,000 Series 2020 @ 5.00%	Plus: \$10,500,000 Series 2021 @ 5.00%	Total Debt Service Paid by Ad Valorem Taxes	Less: Capitalized Interest	Ending DS Fund Balance	Debt Service Coverage (%)
2018	\$4,634,050	\$2,680,071,926	4.26%	0.1865	\$4,948,351	\$69,511	\$9,651,912	\$3,376,798					\$3,376,798		\$6,275,113	122.065%
2019	6,275,113	2,733,673,365	2.00%	0.1865	5,047,318	94,127	11,416,558	3,365,100	\$1,775,717				5,140,817		6,275,741	120.106%
2020	6,275,741	2,788,346,832	2.00%	0.1865	5,148,264	94,136	11,518,141	3,361,910	1,035,988	\$827,271			5,225,168		6,292,973	104.677%
2021	6,292,973	2,844,113,768	2.00%	0.1865	5,251,229	94,395	11,638,597	3,363,002	1,036,413	895,744	\$716,667		6,011,825	\$716,667	6,343,439	95.011%
2022	6,343,439	2,900,996,044	2.00%	0.1865	5,356,254	95,152	11,794,844	3,097,550	1,050,600	1,047,563	979,125	\$501,667	6,676,504	501,667	5,620,007	81.773%
2025	2,948,373	2,959,015,965		0.1865	5,463,379	44,226	8,455,978	2,446,944	1,051,975	1,300,931	998,000	626,375	6,424,225		2,031,753	34.303%
2026	2,031,753	2,959,015,965		0.1865	5,463,379	30,476	7,525,608	1,603,594	1,144,525	1,346,969	1,202,375	625,500	5,922,963		1,602,646	27.072%
2027	1,602,646	2,959,015,965		0.1865	5,463,379	24,040	7,090,065	1,601,288	1,143,700	1,350,156	1,200,500	624,375	5,920,019		1,170,046	23.805%
2028	1,170,046	2,959,015,965		0.1700	4,980,024	17,551	6,167,620	626,350	1,121,975	1,248,938	1,299,750	618,125	4,915,138		1,252,483	25.466%
2029	1,252,483	2,959,015,965		0.1650	4,833,553	18,787	6,104,823	624,025	1,124,238	1,248,431	1,299,875	621,625	4,918,194		1,186,629	24.121%
2030	1,186,629	2,959,015,965		0.1650	4,833,553	17,799	6,037,981	630,225	1,115,150	1,251,144	1,303,125	619,750	4,919,394		1,118,587	23.180%
2031	1,118,587	2,959,015,965		0.1650	4,833,553	16,779	5,968,919	69,200	1,051,175	1,227,550	1,348,250	1,129,500	4,825,675		1,143,244	23.685%
2032	1,143,244	2,959,015,965		0.1650	4,833,553	17,149	5,993,945	71,700	1,052,088	1,222,769	1,350,125	1,130,125	4,826,806		1,167,139	24.188%
2033	1,167,139	2,959,015,965		0.1650	4,833,553	17,507	6,018,198	69,100	1,051,425	1,226,088	1,349,750	1,129,000	4,825,363		1,192,836	24.717%
2034	1,192,836	2,959,015,965		0.1650	4,833,553	17,893	6,044,281	71,400	1,049,188	1,227,269	1,347,125	1,131,000	4,825,981		1,218,300	25.234%
2035	1,218,300	2,959,015,965		0.1650	4,833,553	18,274	6,070,127		1,123,575	1,226,313	1,347,125	1,131,000	4,828,013		1,242,114	25.738%
2036	1,242,114	2,959,015,965		0.1650	4,833,553	18,632	6,094,298		1,124,363	1,223,219	1,349,500	1,129,000	4,826,081		1,268,217	26.258%
2037	1,268,217	2,959,015,965		0.1650	4,833,553	19,023	6,120,793		1,123,125	1,222,869	1,354,000	1,129,875	4,829,869		1,290,924	26.733%
2038	1,290,924	2,959,015,965		0.1525	4,467,374	19,364	5,777,662		1,124,750	1,225,025	1,345,750	1,133,375	4,828,900		948,762	25.583%
2039	948,762	2,959,015,965		0.1150	3,368,840	14,231	4,331,834			1,248,975	1,349,625	1,110,000	3,708,600		623,234	25.899%
2040	623,234	2,959,015,965		0.0700	2,050,598	9,349	2,683,180				1,296,625	1,109,750	2,406,375		276,805	25.005%
2041	276,805	2,959,015,965		0.0350	1,025,299	4,152	1,306,256					1,107,000	1,107,000		199,256	0.000%
Totals								\$30,585,978	\$22,384,342	\$23,668,671	\$24,536,417	\$17,861,417	\$119,036,824			

Average Tax Rate: \$0.1368

Tax Rate Increase: \$0.0000

- (a) Interest earnings on Debt Service Fund Balance estimated at 1.50%.
- (b) Does not include debt service paid by the Waterworks and Sewer System or the Community Development Corporation.

Based on our analysis, the City can issue approximately \$55,500,000 in General Obligation tax-supported debt over the next 4 years without a tax rate increase!