

City of Oxnard

2020 Gas Tax Revenue Refunding Bonds Refinancing of the Gas Tax Revenue Certificates of Participation (2007 Street Improvement Program)

PRESENTATION TO CITY COUNCIL

JANUARY 21, 2020

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

Background

- ▶ City issued \$27,675,000 of Gas Tax Revenue Certificates of Participation (2007 Street Improvement Program)
 - Paid by dedicated State gas tax revenues only
 - Outstanding average interest rate of 4.66% and callable at no penalty
- ▶ **July 2019** – City received letter supporting refinancing from State Controller’s office
- ▶ **October 22, 2019** – Finance & Governance Committee approved item 3-0
- ▶ **November 2019** – City forms 4-year underwriting pool (7 firms)
- ▶ **December 2019** – Limited underwriting RFP for Gas Tax Refunding – Ramirez & Co. selected

Refinancing of 2007 COPs

- ▶ Outstanding Principal: \$20,715,000
- ▶ Average 2007 COP Interest Rate: 4.66%
- ▶ Estimated 2019 Bonds New Interest Rate: 2.79%
- ▶ PV Savings: \$3.6 million
 - 17.4% of refunded par
- ▶ Annual Cash Flow Savings: \$350,000
- ▶ Total Cumulative Gross Savings: \$6.3 million

These annual cash flow savings will be available in the gas tax fund and applied towards street projects

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Financing Participants

Municipal Advisor	NHA Advisors
Underwriter	Ramirez & Co.
Bond Counsel	Best, Best & Krieger
Disclosure Counsel	Nixon Peabody
Underwriter's Counsel	Stradling, Yocca, Carlson and Rauth
Rating Agency	Standard and Poor's
Bond Insurer	To be determined
Trustee	Wells Fargo

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Recommendation

- ▶ Approve Resolution No. __
 - ❑ Approves “not-to-exceed” par amounts and minimum savings thresholds
 - ❑ Approves Preliminary Official Statement (POS) and other legal documents (shown below)
 - Indenture of Trust
 - Escrow and Deposit Trust Agreement
 - Bond Purchase Agreement

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Estimated Financing Schedule

October 22: F&GC Presentation

February: Lock Interest Rates and Closing of 2020 Gas Tax Refunding Bonds

January 21: City Council Approval of Refinancing and Bond Documents

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