

**NOTICE:**

- *Savings to be updated at the City Council meeting on 11/1/2022 based on the market.*
- *Interest rate locks on 11/2/2022.*

CITY OF MANTECA REFINANCING OF OUTSTANDING WATER AND SEWER REVENUE BONDS

CITY COUNCIL MEETING – NOVEMBER 1, 2022



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WHO IS ON THE CITY'S TEAM?

Municipal Advisor

Urban Futures Inc.

Placement Agent

Oppenheimer &
Co. Inc.

Bond Council

Jones Hall

WHAT ARE WE REFUNDING (REFINANCING)?

Water Revenue Refunding Bonds, Series 2012

Refunded 2003A WQCF	Original Par \$35.8M	Current Balance \$23.1M	Interest Rate 5.000%	Callable: Any Date
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Sewer Revenue Refunding Bonds, Series 2009

Phase III Expansion WQCF	Original Par \$19.0M	Current Balance \$19.0M	Interest Rate 4.875 – 5.750%	Callable: 12/1 or 6/1
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Sewer Revenue Refunding Bonds, Series 2012

Refunded 2003A & 2003B WQCF	Original Par \$22.7M	Current Balance \$11.2M	Interest Rate 2.625 – 5.000%	Callable: 12/1 or after
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HOW ARE WE REFINANCING THE BONDS?

Private Placement

Loan Agreement

Advantages

Lower Cost
Streamlined
Lock Rate Early
No Debt Service
Reserve Fund

RFP Results

Sent to 14 Banks
Six Banks Responded
1st: J.P. Morgan Chase
2nd: California Bank &
Trust

HOW MUCH IS THE CITY EXPECTING TO SAVE?

Water Revenue Refunding Bonds, Series 2012

Average Annual Savings	Total Savings	Net Present Value
\$244,813	\$2,448,129	\$1,985,677 8.57%

Sewer Revenue Refunding Bonds, Series 2009 & 2012

Average Annual Savings	Total Savings	Net Present Value
\$325,722	\$4,885,830	\$3,515,067 11.61%

Combined Total

Average Annual Savings	Total Savings	Net Present Value
\$570,535	\$7,333,959	\$5,467,744

WHAT ACTION IS CITY COUNCIL CONSIDERING?

Resolution

Authorize Refinancing
Approved Related
Documents
Authorize City
Manager to Sign

Loan Agreement

Water 2012 Refunding
Sewer 2009 Refunding
Sewer 2012 Refunding

Irrevocable Refunding Instructions

Dictates Process

WHAT HAPPENS NEXT?

- 1 November 1, 2022 Council Adopts Resolution
- 2 November 2, 2022 Finalize Financing Numbers
- 3 November 2-4, 2022 Finalize Loan Agreement
- 4 November 17, 2022 Close Loan Agreement
- 5 December 1, 2022 Call Prior Obligations

QUESTIONS?



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