



Colonial Heights, VA

Series 2022 Bond Issuance Overview

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Summary of Series 2022 Issuance

- Under current market conditions with a 25bps cushion, the preliminary sizing for Series 2022 indicates \$18.79 million of par and \$3.667 million of premium, for a total of \$22.743 million of proceeds
- This produces NPV savings of \$1.01 million (5.6%) assuming frontloaded savings on the refunding component, level debt service on the new money component and a first principal and interest payment of 12/1/2022
- The refunding component currently includes all callable maturities of Series 2012 and Series 2018
- The issuance is structured so that savings are frontloaded through FY2027 in order to smooth the City's aggregate debt service
- This scenario assumes the City would like to borrow \$1.78m of new money proceeds over 15 years for general purposes and \$2.188m of new money proceeds over 20 years for schools

Series 2022 Preliminary Summary				
	New Money Component General Purposes	New Money Component Schools	Refunding Component	Total
Par Amount (\$)	\$1.485 million	\$1.8 million	\$15.505 million	\$18.79 million
True Interest Cost (%)	2.21%	2.66%	1.73%	1.99%
Refunded Par (\$)			\$18.025 million	\$18.025 million
NPV Savings (\$)			\$1.01 million	\$1.01 million
NPV Savings (%)			5.6%	5.6%

- Assumes market conditions as of February 2, 2021 + 25 basis points.
- Assumed delivery date of April 26, 2021
- Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond
- New money project fund of \$3,968,088



Effect of Additional Schools New Money Component

- Below is an analysis comparing the potential savings achieved by a refunding (shaded green) vs. the new debt service from a City general purpose borrowing without (no shading) or with additional school needs (red shading)
- The savings reflects a frontloaded structure and assume an equity contribution matching FY2022 savings (\$287k)
- Frontloaded savings maximize savings through FY2027 and then are marginal after, as a way to smooth the City's aggregate debt service

Summary of Options		
	Without Schools	With Schools
Delivery Date	4/26/2022	4/26/2022
Final Maturity	12/1/2036	12/1/2041
Project Fund	\$1,780,000	\$3,968,088
Total Par Amount	\$16,990,000	\$18,790,000
Equity Contribution		\$286,918
Refunded Maturities	All callable maturities for 2012 and 2018	
Refunded Par		\$18,025,000
NPV Savings (\$)		\$1,008,929
NPV Savings (%)		5.60%

Annual Cash Flow			
	Frontloaded Savings	New Money DS (No Schools)	New Money DS (With Schools)
6/30/2022	\$0	\$0	\$0
6/30/2023	\$211,779	\$139,969	\$282,594
6/30/2024	\$207,958	\$139,500	\$280,875
6/30/2025	\$212,548	\$140,875	\$284,375
6/30/2026	\$213,561	\$142,000	\$282,500
6/30/2027	\$215,945	\$142,875	\$285,250
6/30/2028	\$14,977	\$143,500	\$287,500
6/30/2029	\$11,321	\$143,875	\$284,375
6/30/2030	\$15,037	\$139,125	\$281,000
6/30/2031	\$16,125	\$139,250	\$282,250
6/30/2032	\$19,875	\$139,125	\$283,000
6/30/2033	\$8,136	\$143,625	\$288,125
6/30/2034	\$4,435	\$142,750	\$287,625
6/30/2035	\$6,384	\$141,625	\$286,625
6/30/2036	\$0	\$140,250	\$285,125
6/30/2037	\$0	\$143,500	\$288,000
6/30/2038	\$0	\$0	\$143,875
6/30/2039	\$0	\$0	\$143,000
6/30/2040	\$0	\$0	\$141,875
6/30/2041	\$0	\$0	\$145,375
6/30/2042	\$0	\$0	\$143,500
Total	\$1,158,079	\$2,121,844	\$4,986,844

- Assumes market conditions as of February 2, 2021 + 25 basis points.
 - Assumed delivery date of April 26, 2021
 - Cost of issuance of \$200K and underwriters' discount is assumed at \$5 per bond
- * Negated by equity contribution



Existing and Projected Debt Service

- The chart below shows the City's existing debt by year
- Red indicates debt service that will be refunded by Series 2022 (as thus retired), and the green indicates additional debt service created by Series 2022 (both refunding and new money needs)

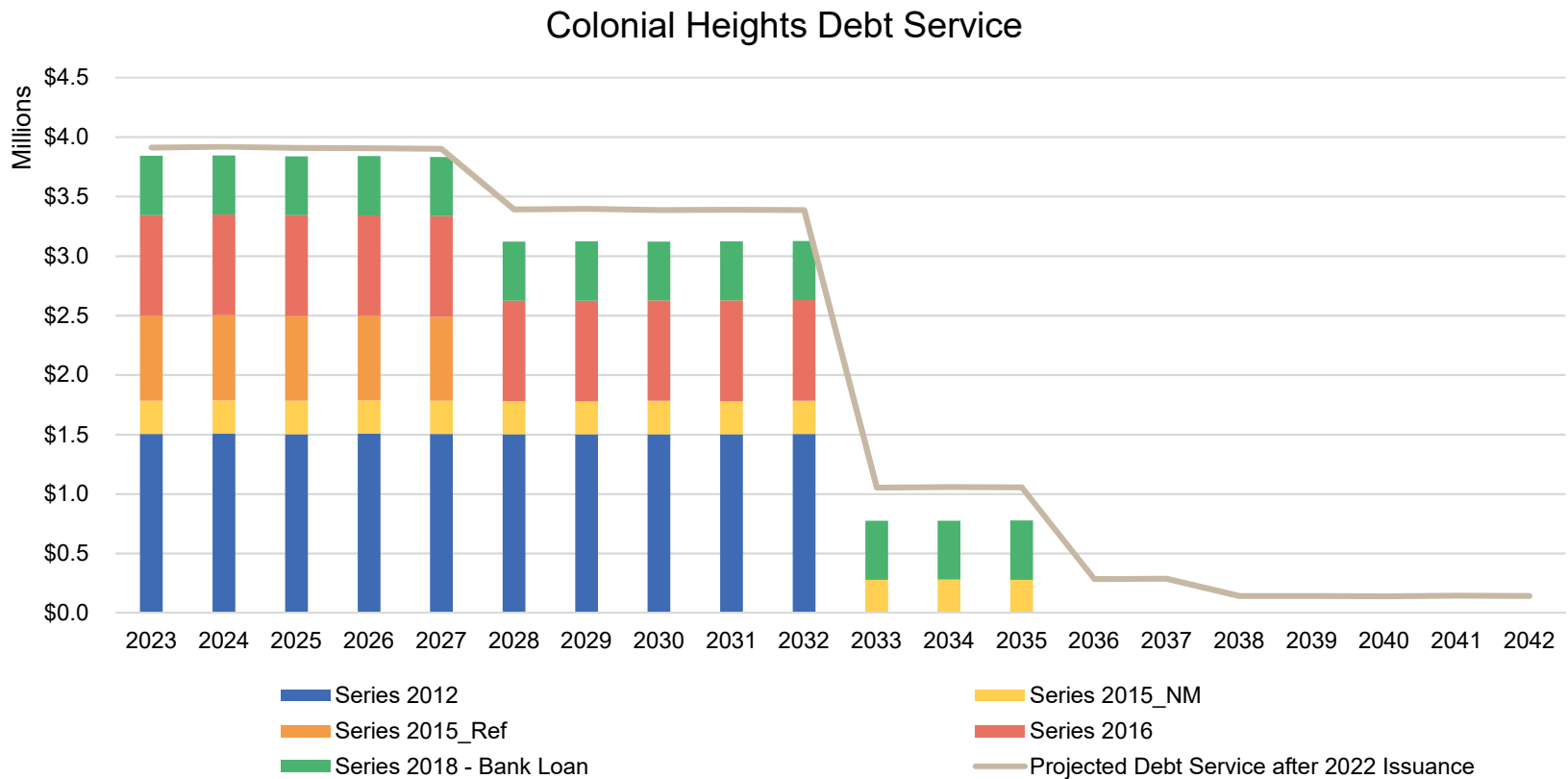
Debt Service							
Year	Series 2012	Series 2015_NM	Series 2015_Ref	Series 2016	Series 2018 - Bank Loan	Series 2022	Total after Series 2022
2022	\$1,284,075	\$232,400	\$652,700	\$110,781	\$89,143	\$0	\$2,369,099
2023	\$1,505,550	\$279,250	\$712,550	\$847,038	\$497,725	\$2,074,090	\$3,912,928
2024	\$1,506,150	\$280,450	\$715,250	\$847,688	\$496,433	\$2,075,500	\$3,918,888
2025	\$1,501,500	\$281,550	\$712,650	\$847,738	\$494,798	\$2,068,125	\$3,910,063
2026	\$1,505,950	\$281,550	\$710,650	\$843,713	\$497,736	\$2,072,625	\$3,908,538
2027	\$1,504,200	\$280,250	\$705,550	\$846,563	\$495,245	\$2,068,750	\$3,901,113
2028	\$1,501,400	\$278,800		\$843,113	\$497,327	\$2,271,250	\$3,393,163
2029	\$1,502,550	\$277,200		\$845,063	\$498,896	\$2,274,500	\$3,396,763
2030	\$1,502,500	\$280,450		\$844,213	\$495,037	\$2,263,500	\$3,388,163
2031	\$1,501,250	\$278,400		\$847,500	\$495,750	\$2,263,125	\$3,389,025
2032	\$1,503,800	\$281,200		\$844,394	\$495,950	\$2,262,875	\$3,388,469
2033		\$278,700			\$495,636	\$775,625	\$1,054,325
2034		\$281,050			\$494,810	\$778,000	\$1,059,050
2035		\$278,100			\$498,384	\$778,625	\$1,056,725
2036						\$285,125	\$285,125
2037						\$288,000	\$288,000
2038						\$143,875	\$143,875
2039						\$143,000	\$143,000
2040						\$141,875	\$141,875
2041						\$145,375	\$145,375
2042						\$143,500	\$143,500
Total	\$16,318,925	\$3,869,350	\$4,209,350	\$8,567,800	\$6,542,869	\$25,317,340	\$43,337,058

1. Assumes school component is included
2. FY 2022 debt service does not include payments prior to 2/1/22. Total annual debt service is approximately \$3.91 million.
3. \$3.91 million.



Existing and Projected Debt Service

- The graph below shows the City's aggregate debt service before and after the 2022 bond sale
- The bar shows current debt service, the line shows projected debt service with a planned smoothing after FY2027



1. Assumes school component is included