



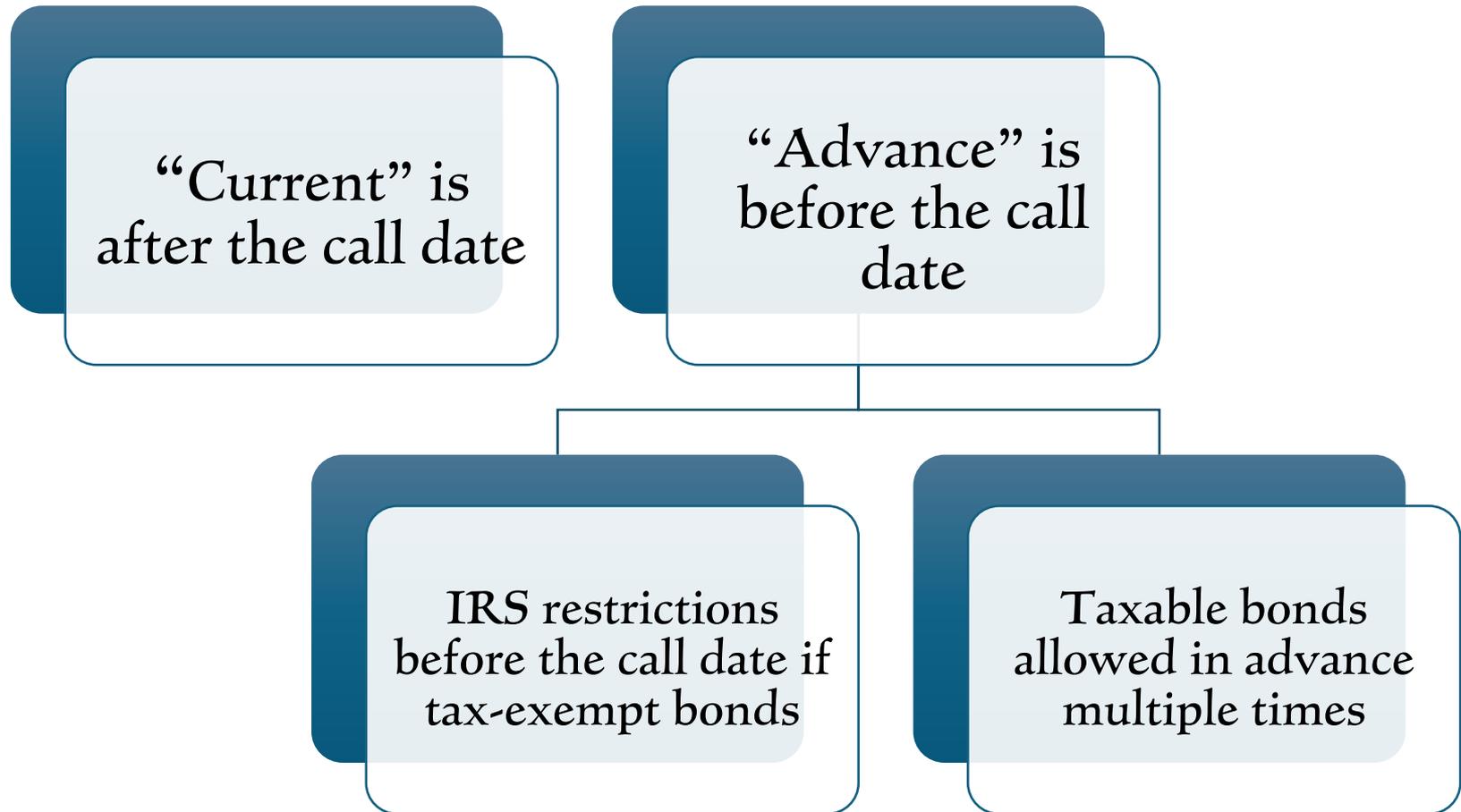
SOUTH WEBER CITY

# MUNICIPAL BOND REFUNDING PRESENTATION

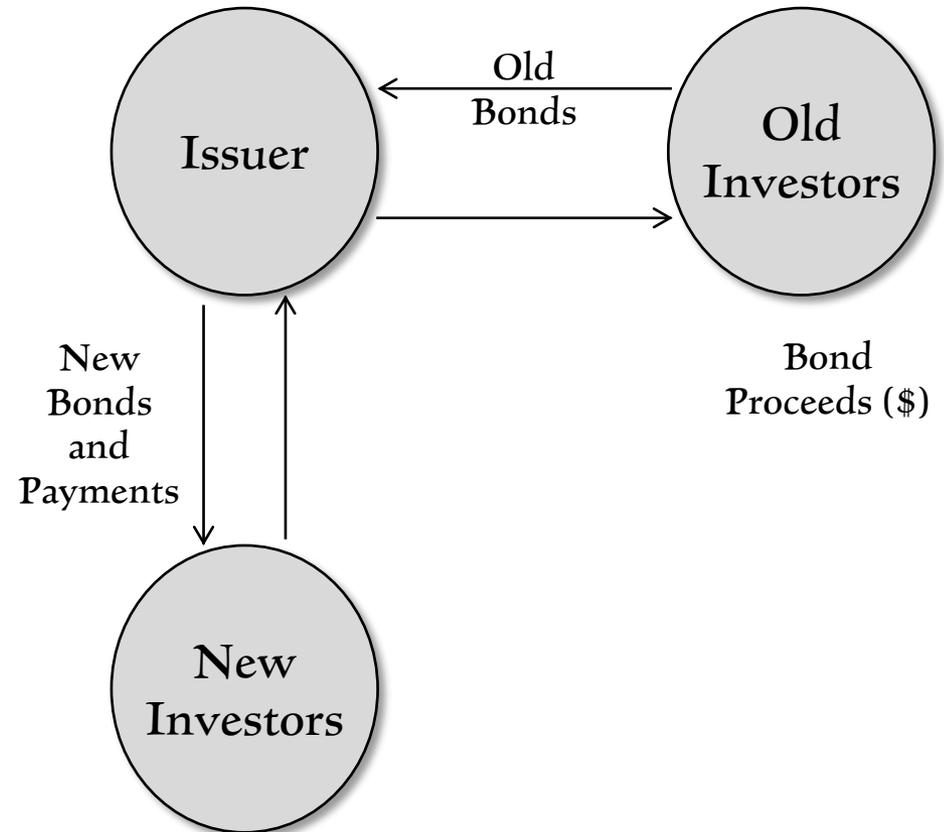
*Municipal Bond Refunding: Paying off one debt obligation with another debt obligation.*

- ❖ Purposes of Refunding:
  - Economic savings
  - Cash flow enhancement
  - Change legal covenants
  - Manage risk
  - Release funds





A current period refunding is similar to a mortgage refinance:



# LBA OF SOUTH WEBER CITY LEASE REVENUE BONDS, SERIES 2023

- ❖ \$9,000,000 of tax-exempt bonds were issued in November 2023 to fund the construction of the City's new Public Works facility.
- ❖ The bonds were directly placed with Bank of Utah as the City Council wanted call flexibility if interest rates were to decline.
- ❖ The bonds have a 20-year term with a true interest cost (TIC) of 4.90%.
- ❖ Annual payments are approximately \$706,000 per year.
- ❖ The bonds are callable at anytime in order of maturity without prepayment penalty.



- ❖ Look for 3% NPV savings. (Net present value (“NPV”) savings after all costs of issuing the bonds should equal or exceed 3% of the principal amount to be refunded).



NPV savings = or > \$33,333 for each  
\$1 million refunded

- ❖ You should save more money than the banker makes on the transaction.



# SOUTH WEBER CITY LBA BONDS CURRENTLY OUTSTANDING

Date	Refunded Bonds	Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
05/05/2026	8,396,000.00	4,382.97	8,400,382.97	-	-	-	-	-
11/01/2026	-	-	-	318,000.00	3.500%	197,233.75	515,233.75	-
05/01/2027	-	-	-	-	-	191,668.75	191,668.75	706,902.50
11/01/2027	-	-	-	329,000.00	3.600%	191,668.75	520,668.75	-
05/01/2028	-	-	-	-	-	185,746.75	185,746.75	706,415.50
11/01/2028	-	-	-	342,000.00	3.700%	185,746.75	527,746.75	-
05/01/2029	-	-	-	-	-	179,419.75	179,419.75	707,166.50
11/01/2029	-	-	-	355,000.00	3.800%	179,419.75	534,419.75	-
05/01/2030	-	-	-	-	-	172,674.75	172,674.75	707,094.50
11/01/2030	-	-	-	369,000.00	3.900%	172,674.75	541,674.75	-
05/01/2031	-	-	-	-	-	165,479.25	165,479.25	707,154.00
11/01/2031	-	-	-	384,000.00	4.100%	165,479.25	549,479.25	-
05/01/2032	-	-	-	-	-	157,607.25	157,607.25	707,086.50
11/01/2032	-	-	-	400,000.00	4.200%	157,607.25	557,607.25	-
05/01/2033	-	-	-	-	-	149,207.25	149,207.25	706,814.50
11/01/2033	-	-	-	417,000.00	4.300%	149,207.25	566,207.25	-
05/01/2034	-	-	-	-	-	140,241.75	140,241.75	706,449.00
11/01/2034	-	-	-	436,000.00	4.400%	140,241.75	576,241.75	-
05/01/2035	-	-	-	-	-	130,649.75	130,649.75	706,891.50
11/01/2035	-	-	-	456,000.00	4.500%	130,649.75	586,649.75	-
05/01/2036	-	-	-	-	-	120,389.75	120,389.75	707,039.50
11/01/2036	-	-	-	477,000.00	4.650%	120,389.75	597,389.75	-
05/01/2037	-	-	-	-	-	109,299.50	109,299.50	706,689.25
11/01/2037	-	-	-	500,000.00	4.850%	109,299.50	609,299.50	-
05/01/2038	-	-	-	-	-	97,174.50	97,174.50	706,474.00
11/01/2038	-	-	-	525,000.00	5.000%	97,174.50	622,174.50	-
05/01/2039	-	-	-	-	-	84,049.50	84,049.50	706,224.00
11/01/2039	-	-	-	553,000.00	5.200%	84,049.50	637,049.50	-
05/01/2040	-	-	-	-	-	69,671.50	69,671.50	706,721.00
11/01/2040	-	-	-	583,000.00	5.300%	69,671.50	652,671.50	-
05/01/2041	-	-	-	-	-	54,222.00	54,222.00	706,893.50
11/01/2041	-	-	-	615,000.00	5.400%	54,222.00	669,222.00	-
05/01/2042	-	-	-	-	-	37,617.00	37,617.00	706,839.00
11/01/2042	-	-	-	650,000.00	5.550%	37,617.00	687,617.00	-
05/01/2043	-	-	-	-	-	19,579.50	19,579.50	707,196.50
11/01/2043	-	-	-	687,000.00	5.700%	19,579.50	706,579.50	-
05/01/2044	-	-	-	-	-	-	-	706,579.50
Total	\$8,396,000.00	\$4,382.97	\$8,400,382.97	\$8,396,000.00	-	\$4,326,630.75	\$12,722,630.75	-

# OPTION 1 – REFUND BONDS AND REDUCE ANNUAL PAYMENT WITH SAVINGS

Debt Service Schedule					
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/05/2026	-	-	-	-	-
11/01/2026	\$270,000.00	5.000%	\$179,520.00	\$449,520.00	-
05/01/2027	-	-	176,850.00	176,850.00	626,370.00
11/01/2027	280,000.00	5.000%	176,850.00	456,850.00	-
05/01/2028	-	-	169,850.00	169,850.00	626,700.00
11/01/2028	295,000.00	5.000%	169,850.00	464,850.00	-
05/01/2029	-	-	162,475.00	162,475.00	627,325.00
11/01/2029	310,000.00	5.000%	162,475.00	472,475.00	-
05/01/2030	-	-	154,725.00	154,725.00	627,200.00
11/01/2030	325,000.00	5.000%	154,725.00	479,725.00	-
05/01/2031	-	-	146,600.00	146,600.00	626,325.00
11/01/2031	345,000.00	5.000%	146,600.00	491,600.00	-
05/01/2032	-	-	137,975.00	137,975.00	629,575.00
11/01/2032	360,000.00	5.000%	137,975.00	497,975.00	-
05/01/2033	-	-	128,975.00	128,975.00	626,950.00
11/01/2033	380,000.00	5.000%	128,975.00	508,975.00	-
05/01/2034	-	-	119,475.00	119,475.00	628,450.00
11/01/2034	400,000.00	5.000%	119,475.00	519,475.00	-
05/01/2035	-	-	109,475.00	109,475.00	628,950.00
11/01/2035	420,000.00	5.000%	109,475.00	529,475.00	-
05/01/2036	-	-	98,975.00	98,975.00	628,450.00
11/01/2036	440,000.00	5.000%	98,975.00	538,975.00	-
05/01/2037	-	-	87,975.00	87,975.00	626,950.00
11/01/2037	460,000.00	5.000%	87,975.00	547,975.00	-
05/01/2038	-	-	76,475.00	76,475.00	624,450.00
11/01/2038	485,000.00	5.000%	76,475.00	561,475.00	-
05/01/2039	-	-	64,350.00	64,350.00	625,825.00
11/01/2039	510,000.00	5.000%	64,350.00	574,350.00	-
05/01/2040	-	-	51,600.00	51,600.00	625,950.00
11/01/2040	535,000.00	5.000%	51,600.00	586,600.00	-
05/01/2041	-	-	38,225.00	38,225.00	624,825.00
11/01/2041	565,000.00	5.000%	38,225.00	603,225.00	-
05/01/2042	-	-	24,100.00	24,100.00	627,325.00
11/01/2042	590,000.00	4.000%	24,100.00	614,100.00	-
05/01/2043	-	-	12,300.00	12,300.00	626,400.00
11/01/2043	615,000.00	4.000%	12,300.00	627,300.00	-
05/01/2044	-	-	-	-	627,300.00
Total	7,585,000.00	-	3,700,320.00	11,285,320.00	-

# OPTION 2 – PAY DOWN BONDS \$800,000 AND REDUCE ANNUAL PAYMENT

Debt Service Schedule					
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/05/2026	-	-	-	-	-
11/01/2026	245,000.00	5.000%	162,604.44	407,604.44	-
05/01/2027	-	-	160,175.00	160,175.00	567,779.44
11/01/2027	255,000.00	5.000%	160,175.00	415,175.00	-
05/01/2028	-	-	153,800.00	153,800.00	568,975.00
11/01/2028	265,000.00	5.000%	153,800.00	418,800.00	-
05/01/2029	-	-	147,175.00	147,175.00	565,975.00
11/01/2029	280,000.00	5.000%	147,175.00	427,175.00	-
05/01/2030	-	-	140,175.00	140,175.00	567,350.00
11/01/2030	295,000.00	5.000%	140,175.00	435,175.00	-
05/01/2031	-	-	132,800.00	132,800.00	567,975.00
11/01/2031	310,000.00	5.000%	132,800.00	442,800.00	-
05/01/2032	-	-	125,050.00	125,050.00	567,850.00
11/01/2032	325,000.00	5.000%	125,050.00	450,050.00	-
05/01/2033	-	-	116,925.00	116,925.00	566,975.00
11/01/2033	345,000.00	5.000%	116,925.00	461,925.00	-
05/01/2034	-	-	108,300.00	108,300.00	570,225.00
11/01/2034	360,000.00	5.000%	108,300.00	468,300.00	-
05/01/2035	-	-	99,300.00	99,300.00	567,600.00
11/01/2035	380,000.00	5.000%	99,300.00	479,300.00	-
05/01/2036	-	-	89,800.00	89,800.00	569,100.00
11/01/2036	400,000.00	5.000%	89,800.00	489,800.00	-
05/01/2037	-	-	79,800.00	79,800.00	569,600.00
11/01/2037	420,000.00	5.000%	79,800.00	499,800.00	-
05/01/2038	-	-	69,300.00	69,300.00	569,100.00
11/01/2038	440,000.00	5.000%	69,300.00	509,300.00	-
05/01/2039	-	-	58,300.00	58,300.00	567,600.00
11/01/2039	465,000.00	5.000%	58,300.00	523,300.00	-
05/01/2040	-	-	46,675.00	46,675.00	569,975.00
11/01/2040	485,000.00	5.000%	46,675.00	531,675.00	-
05/01/2041	-	-	34,550.00	34,550.00	566,225.00
11/01/2041	510,000.00	5.000%	34,550.00	544,550.00	-
05/01/2042	-	-	21,800.00	21,800.00	566,350.00
11/01/2042	535,000.00	4.000%	21,800.00	556,800.00	-
05/01/2043	-	-	11,100.00	11,100.00	567,900.00
11/01/2043	555,000.00	4.000%	11,100.00	566,100.00	-
05/01/2044	-	-	-	-	566,100.00
Total	6,870,000.00	-	3,352,654.44	10,222,654.44	-

# OPTION 3 – PAY DOWN BONDS \$800,000 AND KEEP SIMILAR ANNUAL PAYMENT

Debt Service Schedule					
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/05/2026	-	-	-	-	-
11/01/2026	380,000.00	5.000%	165,122.22	545,122.22	-
05/01/2027	-	-	159,375.00	159,375.00	704,497.22
11/01/2027	395,000.00	5.000%	159,375.00	554,375.00	-
05/01/2028	-	-	149,500.00	149,500.00	703,875.00
11/01/2028	415,000.00	5.000%	149,500.00	564,500.00	-
05/01/2029	-	-	139,125.00	139,125.00	703,625.00
11/01/2029	435,000.00	5.000%	139,125.00	574,125.00	-
05/01/2030	-	-	128,250.00	128,250.00	702,375.00
11/01/2030	460,000.00	5.000%	128,250.00	588,250.00	-
05/01/2031	-	-	116,750.00	116,750.00	705,000.00
11/01/2031	485,000.00	5.000%	116,750.00	601,750.00	-
05/01/2032	-	-	104,625.00	104,625.00	706,375.00
11/01/2032	510,000.00	5.000%	104,625.00	614,625.00	-
05/01/2033	-	-	91,875.00	91,875.00	706,500.00
11/01/2033	535,000.00	5.000%	91,875.00	626,875.00	-
05/01/2034	-	-	78,500.00	78,500.00	705,375.00
11/01/2034	560,000.00	5.000%	78,500.00	638,500.00	-
05/01/2035	-	-	64,500.00	64,500.00	703,000.00
11/01/2035	590,000.00	5.000%	64,500.00	654,500.00	-
05/01/2036	-	-	49,750.00	49,750.00	704,250.00
11/01/2036	620,000.00	5.000%	49,750.00	669,750.00	-
05/01/2037	-	-	34,250.00	34,250.00	704,000.00
11/01/2037	650,000.00	5.000%	34,250.00	684,250.00	-
05/01/2038	-	-	18,000.00	18,000.00	702,250.00
11/01/2038	685,000.00	5.000%	18,000.00	703,000.00	-
05/01/2039	-	-	875.00	875.00	703,875.00
11/01/2039	35,000.00	5.000%	875.00	35,875.00	-
05/01/2040	-	-	-	-	35,875.00
<b>Total</b>	<b>6,755,000.00</b>	<b>-</b>	<b>2,435,872.22</b>	<b>9,190,872.22</b>	<b>-</b>

# BOND REFUNDING OPTION SUMMARY

Option #	Estimated TIC	Estimated NPV Savings	NPV Savings	Average Annual Payment	Total P&I	Bond Maturity
Wait	5.04%	-	0.00%	\$706,813	\$12,722,631	2043
1	3.35%	\$1,060,218	13.09%	\$626,962	\$11,285,320	2043
2	3.35%	\$1,101,090	13.11%	\$567,925	\$10,222,654	2043
3	2.85%	\$1,506,189	17.94%	\$656,491	\$9,190,872	2039

## ❖ Public Market Refunding Steps (Approximately 60-days)

- Adoption of Bond Resolution by City Council
- Preparation and approval of draft Preliminary Official Statement (“POS”)
- Bond rating presentation
- Bond rating received
- Posting of Preliminary Official Statement with bond rating
- Competitive bond sale
- Drafting of bond documents by bond counsel
- Closing of bonds

*\*Bonds are typically call protected/non-refundable for 10-years*





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