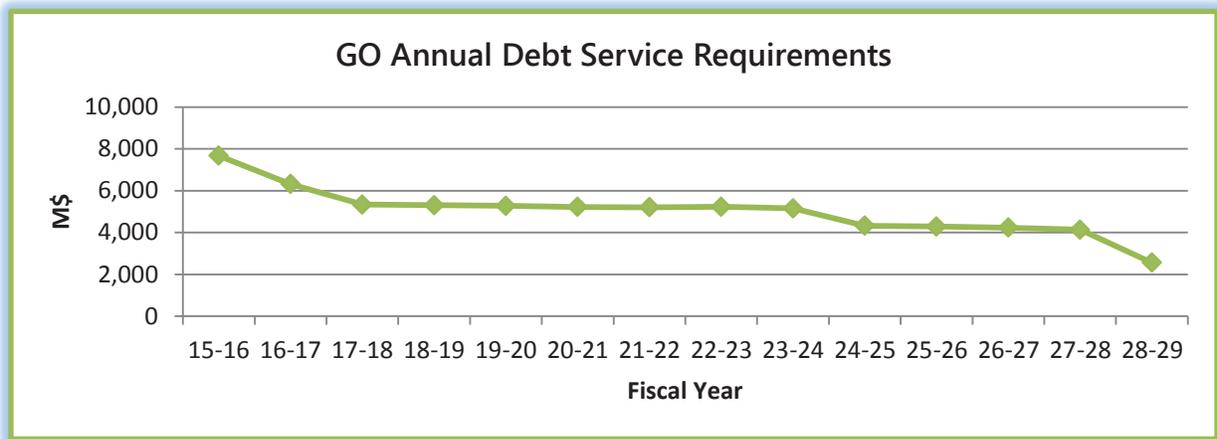


DEBT SERVICE

General Obligation Bonds Program Summary

As of October 1, 2015, the City had \$72,440,000 of General Obligation Bonds and \$0 of Certificate of Obligations for a total of \$72,440,000 of outstanding tax supported debt. The current debt service requirement on existing tax-supported debt is \$7,358,994.

On May 14, 2011, a bond issuance of \$52,600,000 was authorized by the registered voters of the city and will be issued in three separate series referred to as the Street Bond Package. On August 25 2011, the City issued \$21,300,000 of the issue, with planned issuance of 23,300,000 in 2013 and the remaining 8,000,000 in 2016. These bond issuances will be used to construct street and road improvements, including sidewalks and drainage improvements. On September 24, 2014 the City called a redemption of the General Obligation Bonds, Series 2005. This refunding will result in a present value debt service savings of approximately \$238,718.



Maximum Debt Limit

The City of Longview's legal debt limit is established by the Texas Constitution, Article XI, Section 5. This constitutional provision states in part "no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city." Accordingly, the City's tax margin for the year ended September 30, 2013, was

Maximum rate per \$100 valuation	\$2.5000
City of Longview's 2012-2013 rate	<u>0.5009</u>
Margin	\$1.9991
	=====

Bond Rating for Tax Debt

Standard & Poor's raised the City's General Obligation bond rating from A+ to AA- in 2005, and Moody's raised the rating from A1 to Aa3 in 2007. In 2013 Standard and Poor's raised the rating once again to AA+, due to a stable and sound financial environment.

Moody's	Aa3
Standard and Poor's	AA+
Fitch	AA

BUDGET SUMMARY	2013-14	2014-15	2014-15	2015-16
INTEREST AND SINKING FUND	ACTUAL	BUDGET	YR END EST	ADOPTED
Revenues:				
Property Tax	\$ 6,577,015	\$ 7,011,451	\$ 7,151,680	\$ 7,144,994
Transfers	0	0	0	0
Other	26,337	20,000	20,000	20,000
Total	\$ 6,603,352	\$ 7,031,451	\$ 7,171,680	\$ 7,164,994
Expenditures:				
Bond Principal	\$ 4,560,000	\$ 4,600,000	\$ 4,715,000	\$ 4,855,000
Bond Interest	2,514,779	2,825,451	2,659,583	2,503,994
Other	4,051	6,000	3,000	6,000
Total	\$ 7,078,830	\$ 7,431,451	\$ 7,377,583	* \$ 7,364,994

Tax Bond Annual Debt Service Requirements				
Fiscal	Tax Bonds			
Year	Principal	Interest	Total	
15-16	4,855,000	2,503,994	7,358,994	
16-17	4,770,000	2,345,927	7,115,927	
17-18	4,915,000	2,194,488	7,109,488	
18-19	4,900,000	2,049,442	6,949,442	
19-20	4,995,000	1,904,556	6,899,556	
20-21	5,190,000	1,708,976	6,898,976	
21-22	5,395,000	1,504,441	6,899,441	
22-23	4,120,000	1,281,896	5,401,896	
23-24	4,260,000	1,138,026	5,398,026	
24-25	4,400,000	1,002,051	5,402,051	
25-26	3,495,000	844,093	4,339,093	
26-27	3,600,000	737,780	4,337,780	
27-28	3,710,000	626,140	4,336,140	
28-29	3,835,000	501,985	4,336,985	
29-30	3,965,000	373,805	4,338,805	
30-31	1,935,000	241,400	2,176,400	
31-32	2,010,000	164,000	2,174,000	
32-33	2,090,000	83,600	2,173,600	
TOTAL	\$ 72,440,000	\$ 21,206,599	\$ 93,646,599	

Lease Obligations

The City has entered into lease agreements, as lessee, for financing the acquisition of Motorola radio equipment and Public Safety dispatch consoles.

Governmental Lease Obligations				
Fiscal				
Year		Principal	Interest	Total
15-16		404,248	123,003	527,251
16-17		412,907	114,345	527,252
17-18		426,401	100,850	527,251
18-19		440,362	86,889	527,251
19-20		454,806	72,445	527,251
20-21		368,031	57,501	425,532
21-22		381,633	43,899	425,532
22-23		395,738	29,791	425,529
23-24		410,365	15,167	425,532
TOTAL	\$	3,694,491	\$	643,893
				\$ 4,338,384

Debt Service

Revenue Bonds Program Summary

As of October 1, 2015, the City had \$38,204,428 water and \$18,655,572 sewer for a total of \$56,860,000 of Water and Sewer Revenue Bonds outstanding. The current debt service requirement for FY15-16 is \$7,672,413. The Reserve Fund as required in the bond covenants is fully funded. The fund has accumulated the required amount of equal to at least the average annual principal and interest requirements of the Bonds Similarly Secured.

Annual Water & Sewer Revenue Bond Debt Service Requirements For Current and Proposed Issues							
Fiscal Year	Water Revenue		Sewer Revenue		Total Revenue Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
15-16	3,695,978	1,258,871	2,124,023	593,542	5,820,000	1,852,413	7,672,413
16-17	3,184,475	1,126,919	1,475,525	531,568	4,660,000	1,658,488	6,318,488
17-18	2,542,603	1,018,930	1,287,398	484,683	3,830,000	1,503,613	5,333,613
18-19	2,603,156	941,205	1,316,844	447,932	3,920,000	1,389,138	5,309,138
19-20	2,652,569	867,848	1,342,431	411,564	3,995,000	1,279,413	5,274,413
20-21	2,699,292	792,156	1,360,709	373,475	4,060,000	1,165,631	5,225,631
21-22	2,764,734	720,986	1,385,267	336,171	4,150,000	1,057,157	5,207,157
22-23	2,865,540	641,461	1,424,460	295,102	4,290,000	936,563	5,226,563
23-24	2,909,921	554,090	1,440,080	250,515	4,350,000	804,605	5,154,605
24-25	2,566,156	457,623	1,098,845	205,477	3,665,000	663,100	4,328,100
25-26	2,643,189	351,249	1,131,812	159,926	3,775,000	511,175	4,286,175
26-27	2,720,222	239,168	1,164,779	111,932	3,885,000	351,100	4,236,100
27-28	2,763,149	122,501	1,186,851	61,899	3,950,000	184,400	4,134,400
28-29	1,593,449	31,869	916,551	18,331	2,510,000	50,200	2,560,200
TOTAL	\$38,204,429	\$9,124,877	\$18,655,571	\$4,282,116	\$56,860,000	\$13,406,993	\$70,266,993

BUDGET SUMMARY	2013-14	2014-15	2014-15	2015-16
INTEREST AND SINKING FUND	ACTUAL	BUDGET	YR END EST	ADOPTED
Revenues:				
Transfers	\$ 8,912,283	\$ 8,591,594	\$ 8,591,594	\$ 7,652,913
Other	48,013	25,000	25,000	25,000
Total	\$ 8,960,296	\$ 8,616,594	\$ 8,616,594	\$ 7,677,913
Expenditures:				
Bond Principal	\$ 6,090,000	\$ 6,225,000	\$ 6,955,000	\$ 5,820,000
Bond Interest	2,847,284	2,636,094	1,627,435	1,852,413
Other	-	5,500	2,500	5,500
Total	\$ 8,937,284	\$ 8,866,594	\$ 8,584,935	\$ 7,677,913

On January 8, 2015, the City issued \$31,905,000 of Water and Sewer Revenue Refunding Bonds to provide funds sufficient to refund 2004A, 2005, and 2010A WW/SS Revenue Bonds. This issue will provide the city with a net present value savings of \$5,522,473. As a result of this refunding the required reserve fund will be reduced by \$715,562 and transferred back to the Water Fund to be used towards capital improvements.

Bond Rating for Revenue Debt

Standard & Poor's Ratings Services raised its rating one notch to AA from AA- on Longview, Texas' waterworks and sewer system revenue bonds. The upgrade is based on the view that the steady trend of strong and improving financial performance is sustainable by the City.

Standard and Poor's AA

Lease Obligations

The City has entered into lease agreements, as lessee, for financing the acquisition of Refuse Trucks and Motorola radio equipment.

Business Lease Obligations				
Fiscal				
Year	Principal	Interest	Total	
15-16	555,876	53,788	609,664	
16-17	565,260	44,404	609,664	
17-18	574,831	34,832	609,663	
18-19	584,596	25,067	609,663	
19-20	75,909	15,104	91,013	
20-21	78,715	12,298	91,013	
21-22	81,624	9,389	91,013	
22-23	84,641	6,372	91,013	
23-24	87,769	3,244	91,013	
TOTAL	\$ 2,689,221	\$ 204,502	\$ 2,893,723	

**SUMMARY OF OUTSTANDING & PROPOSED DEBT ISSUES
(PRINCIPAL ONLY)
AS OF SEPTEMBER 30, 2015**

ISSUE DATE	PURPOSE	ISSUED & PROPOSED	O/S 10/01/2015
GENERAL OBLIGATION BONDS			
2004	Refunded maturities of 1995 Certificates of Obligation, 1995 GO, 1996 GO, and 1997 Certificates of Obligations	11,810,000	435,000
2005	Improvements to various parks within the City and to renovations to the police and courts building	13,500,000	0
2005A	Refunded maturities of 1999 GO, 1998A GO, 1998 Certificates of Obligation, and 1998 GO Bonds	13,680,000	695,000
2007	Street Improvements, Municipal Park and Building Improvements, Fire Station and Fleet Building Improvements	14,790,000	11,000,000
2009	Street Improvements, Municipal Park and Building Improvements, Fire Station and Fleet Building Improvements	11,250,000	10,850,000
2011	Street Improvements	21,300,000	20,530,000
2013	Street Improvements	23,170,000	23,070,000
2014	Refunding maturities of 2005 GO	5,975,000	5,860,000
TOTAL GENERAL OBLIGATION		\$115,475,000	\$72,440,000
WATERWORKS AND SEWER REVENUE BONDS			
2007	Construct wastewater collection system improvements, water treatment, storage and distribution system improvements	12,540,000	11,250,000
2010	Refunding 1998B WW/SS and 2001 WW/SS Revenue Bonds	4,185,000	1,145,000
2011	Construct wastewater collection system improvements and water distribution system improvements	6,000,000	5,645,000
2012	Refunding 2004 WW/SS Revenue Bonds	8,300,000	7,645,000
2015	Refunding 2004A, 2005, and 2010A WW/SS Revenue Bonds	31,175,000	31,175,000
TOTAL REVENUE DEBT		\$62,200,000	\$56,860,000
TOTAL CITY OF LONGVIEW DEBT		\$177,675,000	\$129,300,000