



For Immediate Release

Contact: David Marino, Public Information Officer

512-523-1052 (Office) 520-576-4975 (Cell)

BUDA CITY COUNCIL APPROVES BOND SALE AND AWARDS BONDS TO HILLTOP SECURITIES INC.

BUDA, TX – Nov. 9, 2017 — The Buda City Council approved \$27,825,000.00 in bonds (certificates of obligation) for capital improvement projects (CIP). Council also approved the bond sale to Hilltop Securities Inc., through a competitive process.

The bonds were sold to Hilltop Securities with an average interest rate of 2.93%. The low rates will save the City approximately \$2.5 million over the life of the bonds (25 years).

Hilltop Securities was one of 9 banks competing for the City’s bonds. The City was able to secure a low interest rate in large part to our AA bond rating through Standard & Poor’s Rating Agency. An AA bond rating assigned by Standard & Poor’s means the obligor (City of Buda) has a very strong capacity to meet its financial commitments. This is validation of the City’s efforts in planning and financial prudence.

Ultimately, the lower interest rate means taxpayers will pay less in rates over the life of the bonds.

The City-issued bonds will pay for the following capital improvement projects:

- Wastewater Treatment Plant Expansion \$20,326,000.00
- Effluent Force Main \$6,312,000.00
- Garison Rd. Wastewater Interceptor \$770,000.00
- Aquifer Storage Recovery Pilot Project \$1,896,000.00

The bonds will be paid from utility funds which are funded through user fees and capital impact fees. All projects are about expanding capacity to meet needs due to growth. Impact fees are fees paid by growth to help offset their impact on our water and wastewater systems.