

# CITY OF MINERAL WELLS, TEXAS



## ANALYSIS OF OUTSTANDING DEBT

AS OF:

**FISCAL YEAR END 2024**

PREPARED BY:





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City of Mineral Wells, Texas

## TAB A: Summary of Outstanding Debt

Summary of Outstanding Debt



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# City of Mineral Wells, Texas

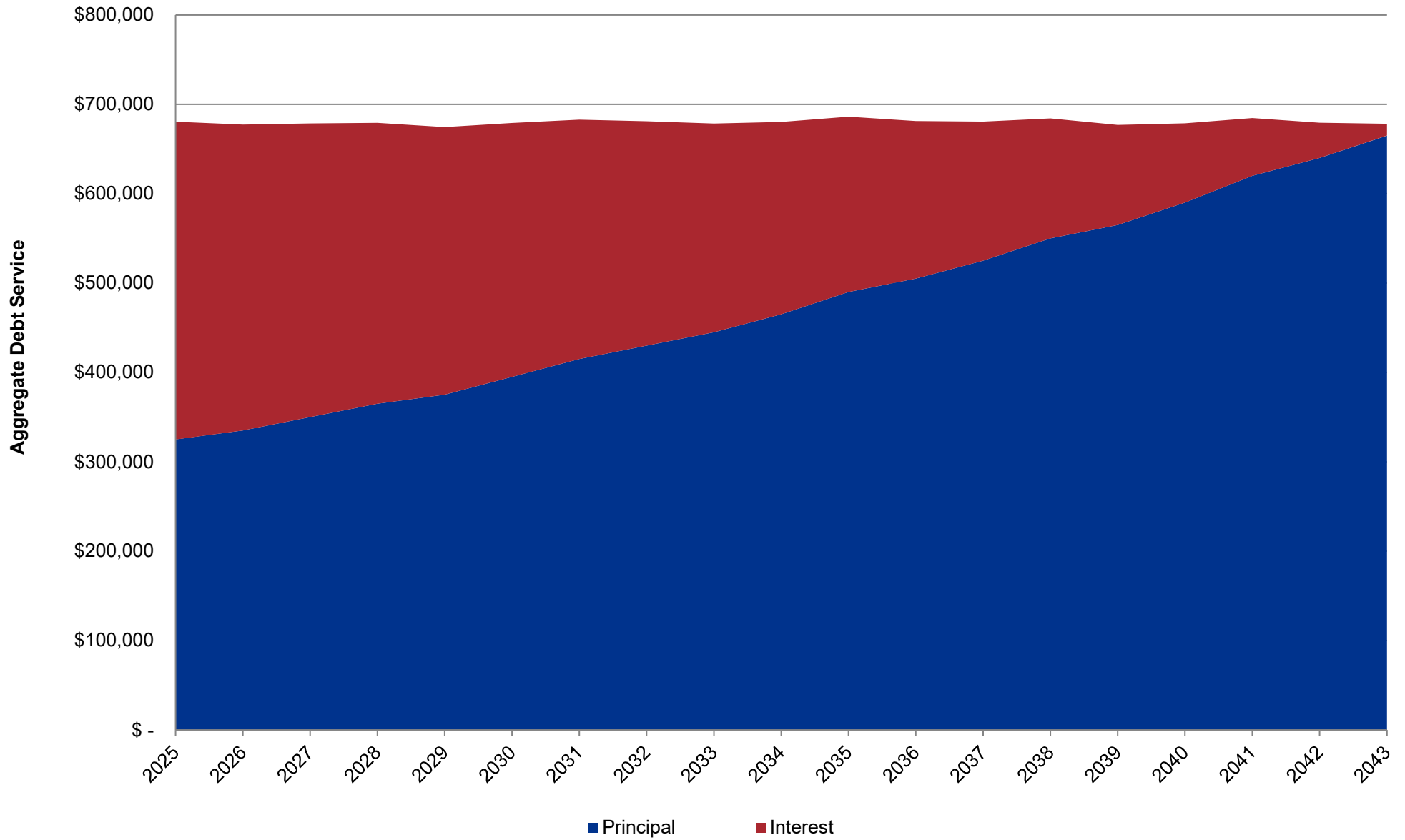
All Outstanding General Obligation Debt

As of September 30, 2024

(000's)

Year Ending September 30	\$10,580,000 General Obligation Bonds Series 2018											
	Principal	Coupon										
2025	325	4.000%										
2026	335	4.000%										
2027	350	4.000%										
2028	365	4.000%										
2029	375	4.000%										
2030	395	4.000%										
2031	415	4.000%										
2032	430	4.000%										
2033	445	4.000%										
2034	465	4.000%										
2035	490	4.000%										
2036	505	4.000%										
2037	525	4.000%										
2038	550	4.000%										
2039	565	4.000%										
2040	590	4.000%										
2041	620	4.000%										
2042	640	4.000%										
2043	665	4.000%										
TOTALS	9,050											
Delivery Date	3/8/2018											
Next Call	2/1/2027 @ Par											
Coupon Dates	February 01	August 01										
Maturity Dates	February 01											
Insurer	None											
Paying Agent	U.S. Bank											
Purpose	New Money											
Color Legend												
Non-Callable                      Callable												

City of Mineral Wells, Texas  
All Outstanding General Obligation Debt  
As of September 30, 2024



**BOND DEBT SERVICE**

**Mineral Wells, TX  
Aggregate Outstanding General Obligation Debt  
Preliminary / Subject to Change**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
09/30/2025	325,000	4.000%	355,500	680,500
09/30/2026	335,000	4.000%	342,300	677,300
09/30/2027	350,000	4.000%	328,600	678,600
09/30/2028	365,000	4.000%	314,300	679,300
09/30/2029	375,000	4.000%	299,500	674,500
09/30/2030	395,000	4.000%	284,100	679,100
09/30/2031	415,000	4.000%	267,900	682,900
09/30/2032	430,000	4.000%	251,000	681,000
09/30/2033	445,000	4.000%	233,500	678,500
09/30/2034	465,000	4.000%	215,300	680,300
09/30/2035	490,000	4.000%	196,200	686,200
09/30/2036	505,000	4.000%	176,300	681,300
09/30/2037	525,000	4.000%	155,700	680,700
09/30/2038	550,000	4.000%	134,200	684,200
09/30/2039	565,000	4.000%	111,900	676,900
09/30/2040	590,000	4.000%	88,800	678,800
09/30/2041	620,000	4.000%	64,600	684,600
09/30/2042	640,000	4.000%	39,400	679,400
09/30/2043	665,000	4.000%	13,300	678,300
	<b>9,050,000</b>		<b>3,872,400</b>	<b>12,922,400</b>

**BOND DEBT SERVICE**

**Mineral Wells, TX  
Aggregate Outstanding General Obligation Debt  
Preliminary / Subject to Change**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2025	325,000	4.000%	181,000	506,000	
08/01/2025			174,500	174,500	
09/30/2025					680,500
02/01/2026	335,000	4.000%	174,500	509,500	
08/01/2026			167,800	167,800	
09/30/2026					677,300
02/01/2027	350,000	4.000%	167,800	517,800	
08/01/2027			160,800	160,800	
09/30/2027					678,600
02/01/2028	365,000	4.000%	160,800	525,800	
08/01/2028			153,500	153,500	
09/30/2028					679,300
02/01/2029	375,000	4.000%	153,500	528,500	
08/01/2029			146,000	146,000	
09/30/2029					674,500
02/01/2030	395,000	4.000%	146,000	541,000	
08/01/2030			138,100	138,100	
09/30/2030					679,100
02/01/2031	415,000	4.000%	138,100	553,100	
08/01/2031			129,800	129,800	
09/30/2031					682,900
02/01/2032	430,000	4.000%	129,800	559,800	
08/01/2032			121,200	121,200	
09/30/2032					681,000
02/01/2033	445,000	4.000%	121,200	566,200	
08/01/2033			112,300	112,300	
09/30/2033					678,500
02/01/2034	465,000	4.000%	112,300	577,300	
08/01/2034			103,000	103,000	
09/30/2034					680,300
02/01/2035	490,000	4.000%	103,000	593,000	
08/01/2035			93,200	93,200	
09/30/2035					686,200
02/01/2036	505,000	4.000%	93,200	598,200	
08/01/2036			83,100	83,100	
09/30/2036					681,300
02/01/2037	525,000	4.000%	83,100	608,100	
08/01/2037			72,600	72,600	
09/30/2037					680,700
02/01/2038	550,000	4.000%	72,600	622,600	
08/01/2038			61,600	61,600	
09/30/2038					684,200
02/01/2039	565,000	4.000%	61,600	626,600	
08/01/2039			50,300	50,300	
09/30/2039					676,900
02/01/2040	590,000	4.000%	50,300	640,300	
08/01/2040			38,500	38,500	
09/30/2040					678,800
02/01/2041	620,000	4.000%	38,500	658,500	
08/01/2041			26,100	26,100	
09/30/2041					684,600
02/01/2042	640,000	4.000%	26,100	666,100	
08/01/2042			13,300	13,300	
09/30/2042					679,400
02/01/2043	665,000	4.000%	13,300	678,300	
09/30/2043					678,300
	<b>9,050,000</b>		<b>3,872,400</b>	<b>12,922,400</b>	<b>12,922,400</b>

City of Mineral Wells, Texas

## TAB B: Details of Outstanding General Obligation Debt

Details of Outstanding General Obligation Debt



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**BOND DEBT SERVICE**

**Mineral Wells, TX  
General Obligation Bonds, Series 2018**

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
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	<b>9,050,000</b>		<b>3,872,400</b>	<b>12,922,400</b>

**BOND DEBT SERVICE**

**Mineral Wells, TX  
General Obligation Bonds, Series 2018**

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08/01/2026			167,800	167,800	
09/30/2026					677,300
02/01/2027	350,000	4.000%	167,800	517,800	
08/01/2027			160,800	160,800	
09/30/2027					678,600
02/01/2028	365,000	4.000%	160,800	525,800	
08/01/2028			153,500	153,500	
09/30/2028					679,300
02/01/2029	375,000	4.000%	153,500	528,500	
08/01/2029			146,000	146,000	
09/30/2029					674,500
02/01/2030	395,000	4.000%	146,000	541,000	
08/01/2030			138,100	138,100	
09/30/2030					679,100
02/01/2031	415,000	4.000%	138,100	553,100	
08/01/2031			129,800	129,800	
09/30/2031					682,900
02/01/2032	430,000	4.000%	129,800	559,800	
08/01/2032			121,200	121,200	
09/30/2032					681,000
02/01/2033	445,000	4.000%	121,200	566,200	
08/01/2033			112,300	112,300	
09/30/2033					678,500
02/01/2034	465,000	4.000%	112,300	577,300	
08/01/2034			103,000	103,000	
09/30/2034					680,300
02/01/2035	490,000	4.000%	103,000	593,000	
08/01/2035			93,200	93,200	
09/30/2035					686,200
02/01/2036	505,000	4.000%	93,200	598,200	
08/01/2036			83,100	83,100	
09/30/2036					681,300
02/01/2037	525,000	4.000%	83,100	608,100	
08/01/2037			72,600	72,600	
09/30/2037					680,700
02/01/2038	550,000	4.000%	72,600	622,600	
08/01/2038			61,600	61,600	
09/30/2038					684,200
02/01/2039	565,000	4.000%	61,600	626,600	
08/01/2039			50,300	50,300	
09/30/2039					676,900
02/01/2040	590,000	4.000%	50,300	640,300	
08/01/2040			38,500	38,500	
09/30/2040					678,800
02/01/2041	620,000	4.000%	38,500	658,500	
08/01/2041			26,100	26,100	
09/30/2041					684,600
02/01/2042	640,000	4.000%	26,100	666,100	
08/01/2042			13,300	13,300	
09/30/2042					679,400
02/01/2043	665,000	4.000%	13,300	678,300	
09/30/2043					678,300
	<b>9,050,000</b>		<b>3,872,400</b>	<b>12,922,400</b>	<b>12,922,400</b>

City of Mineral Wells, Texas

## TAB C: Miscellaneous

Miscellaneous



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City of Mineral Wells, Texas

# TAB C1: Rating Report

Rating Report



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06 SEP 2024

## **Fitch Affirms Mineral Wells, TX's IDR and GOs at 'AA-'; Outlook Positive; Removes UCO**

Fitch Ratings - Austin - 06 Sep 2024: Fitch Ratings has affirmed the following Mineral Wells, TX ratings at 'AA-':

--Issuer Default Rating (IDR);

--Approximately \$9.05 million in outstanding general obligation (GO) bonds.

The Rating Outlook has been revised from Stable to Positive. The ratings have been removed from Under Criteria Observation.

The 'AA-' IDR rating reflects a financial resilience assessment of 'aaa'. This is based on a 'low midrange' level of budgetary flexibility and on Fitch's expectation that the city will maintain unrestricted general fund reserves of at least 20% of spending. Reserves have equaled 25% or higher for more than a decade. The rating also incorporates the city's 'weak' population trend and demographic and economic level metrics, and 'weakest' concentration and size metrics.

The rating also incorporates a -1 notch model deviation. The Outlook revision reflects the trend of improvement across key metrics, particularly those associated with the city's already 'strong' long-term liability burden. If sustained, this could support an upgrade to 'AA' within the next 12 to 24 months.

### **Rating Sensitivities**

#### **Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade**

--A decline in available general fund reserve levels below 10% of spending, which would lower Fitch's assessment of financial resilience to below 'aaa';

--An approximate 50% increase in long-term liabilities assuming current levels of personal income and governmental resources and spending would likely preclude consideration of an upgrade and result in a revision of the city's outlook back to Stable;

--Weakened underlying demographic and economic performance.

#### **Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade**

--Sustained or improved long-term liabilities factoring in future capital demands and debt issuance plans;

--Improved underlying demographic and economic performance.

## **SECURITY**

The GO bonds are payable from an annual property tax levy on all taxable property within the city, limited to \$2.50 per \$100 assessed valuation (AV).

## **Fitch's Local Government Rating Model**

The Local Government Rating Model generates Model Implied Ratings, which communicate the issuer's credit quality relative to Fitch's local government rating portfolio. (The Model Implied Rating will be the Issuer Default Rating except in certain circumstances explained in the applicable criteria.) The Model Implied Rating is expressed via a numerical value calibrated to Fitch's long-term rating scale that ranges from 10.0 or higher (AAA), 9.0 (AA+), 8.0 (AA), and so forth down to 1.0 (BBB- and below).

Model Implied Ratings reflect the combination of issuer-specific metrics and assessments to generate a Metric Profile and a structured framework to account for Additional Analytical Factors not captured in the Metric Profile that can either mitigate or exacerbate credit risks. Additional Analytical Factors are reflected in notching from the Metric Profile and are capped at +/-3 notches.

## **Ratings Headroom & Positioning**

Mineral Wells Model Implied Rating: 'AA' (Numerical Value: 8.21)

-- Metric Profile: 'AA' (Numerical Value: 8.21)

-- Net Additional Analytical Factor Notching: 0.0

Mineral Wells' Model Implied Rating is 'AA'. The associated numerical value of 8.21 is at the lower end of the 8.0 to 9.0 range for its current 'AA' rating.

## **Key Rating Drivers**

### **Variations to Model Implied Rating**

A -1 model deviation is applied to the 'AA' MIR with the anticipation that the city will issue certificates of obligations within the next few years that could substantially alter the long-term liability composite and thus cause a decrease in the overall model implied rating. However, a positive rating action could take place if the issuance does not occur and the city's long-term liability metrics are sustained.

## **Financial Profile**

### **Financial Resilience - 'aaa'**

Mineral Wells' financial resilience is driven by the combination of its 'Low' revenue control assessment and 'High' expenditure control assessment, culminating in a 'Low Midrange' budgetary flexibility assessment.

- Revenue control assessment: Low
- Expenditure control assessment: High
- Budgetary flexibility assessment: Low Midrange
- Minimum fund balance for current financial resilience assessment:  $\geq 20.0\%$
- Current year fund balance to expenditure ratio: 56.2% (2023)
- Five-year low fund balance to expenditure ratio: 32.4% (2023)

### **Revenue Volatility - 'Weak'**

Mineral Wells' weakest historic three-year revenue performance has a modest negative impact on the Model Implied Rating.

The revenue volatility metric is an estimate of potential revenue volatility based on the issuer's historical experience relative to the median for the Fitch-rated local government portfolio. The metric helps to differentiate issuers by the scale of revenue loss that would have to be addressed through revenue raising, cost controls or utilization of reserves through economic cycles.

- Lowest three-year revenue performance (based on revenues dating back to 2005): 9.9% decrease for the three-year period ending fiscal 2011
- Median issuer decline: -4.5% (2023)

### **Demographic and Economic Strength**

#### **Population Trend - 'Weak'**

Based on the median of 10-year annual percentage change in population, Mineral Wells' population trend is assessed as 'Weak'.

Population trend: 0.7% Analyst Input (39th percentile) (vs. 0.6% 2022 median of 10-year annual percentage change in population)

#### **Unemployment, Educational Attainment and MHI Level - 'Weak'**

The overall strength of Mineral Wells' demographic and economic level indicators (unemployment rate, educational attainment, median household income [MHI]) in 2023 are assessed as 'Weak' on a composite basis, performing at the 25th percentile of Fitch's local government rating portfolio. This is due to relatively very low education attainment levels, low median-issuer indexed adjusted MHI, and midrange unemployment rate.

- Unemployment rate as a percentage of national rate: 102.8% 2023 (43rd percentile), relative to the national rate of 3.6%

- Percent of population with a bachelor's degree or higher: 12.7% (2022) (5th percentile)
- MHI as a percent of the portfolio median: 86.2% (2022) (28th percentile)

### **Economic Concentration and Population Size - 'Weakest'**

Mineral Wells' population in 2022 was of a limited size and the economy was somewhat concentrated.

The composite metric acts asymmetrically, with most issuers (above the 15th percentile for each metric) sufficiently diversified to minimize risks associated with small population and economic concentration. Downward effects of the metric on the Metric Profile are most pronounced for the least economically diverse issuers (in the 5th percentile for the metric or lower). The economic concentration percentage shown below is defined as the sum of the absolute deviation of the percentage of personal income by major economic sectors relative to the U.S. distribution.

- Population size: 15,454 Analyst Input (from 5th to 10th percentile) (vs. 15,211 2022 Actual)
- Economic concentration: 68.9% Analyst Input (from 5th to 10th percentile) (vs. 69.2% 2023 Actual)

### **Analyst Inputs to the Model**

Analyst inputs to the model reflect metric adjustments to account for historical data anomalies, forward-looking performance shifts, or non-recurring events that may otherwise skew the time series.

Fitch used 2023 population data from the U.S. Census for the population trend and size metrics. 2022 economic concentration was also used as 2023 data is incomplete.

### **Long-Term Liability Burden**

#### **Long-Term Liability Burden - 'Strongest'**

Mineral Wells' liabilities to personal income has deteriorated while carrying costs to governmental expenditures and liabilities to governmental revenue remain broadly strong. The long-term liability composite metric in 2023 is at the 87th percentile, indicating a low liability burden relative to the Fitch's local government rating portfolio.

- Liabilities to personal income: 2.9% Analyst Input (77th percentile) (vs. 2.9% 2023 Actual)
- Liabilities to governmental revenue: 95.7% Analyst Input (87th percentile) (vs. 97.7% 2023 Actual)
- Carrying costs to governmental expenditures: 6.5% Analyst Input (96th percentile) (vs. 8.2% 2023 Actual)

Direct net debt was adjusted for 2024 amortized debt, and debt service was adjusted for self-supporting debt.

### **PROFILE**



Mineral Wells is the largest city and principal commercial center in Palo Pinto County, located about 45 miles west of Fort Worth. The local economic resource base is limited but relatively stable. In 2023, the city had an estimated population of 15,454. Although population growth has shown sizable gain in recent years, the overall trend reflects a near 8% population loss since 2010. Additionally, the city's taxable assessed value (TAV) was \$1.1 billion in fiscal 2023, which was a 21.8% increase from prior year.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## **ESG Considerations**

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY		PRIOR
Mineral Wells (TX) [General Government]	LT IDR	AA- 	Affirmed		AA- 
• Mineral Wells (TX) /Issuer Default Rating - General Government/ 1 LT	LT	AA- 	Affirmed		AA- 
• Mineral Wells (TX) /Limited Ad Valorem Tax Revenues/ 1 LT	LT	AA- 	Affirmed		AA- 

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

[U.S. Public Finance Local Government Rating Criteria \(pub.02 Apr 2024\) \(including rating](#)

assumption sensitivity)

## Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

U.S. Local Government Rating Model, v1.2.0 [\(1\)](#)

## Additional Disclosures

### Solicitation Status

## Endorsement Status

Mineral Wells (TX)    EU Endorsed, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

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City of Mineral Wells, Texas

## TAB C2: Texas Municipal Report

Texas Municipal Report



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**FINANCIAL STATEMENT**

FOR OPERATING DATA OF THE WATERWORKS & SEWER SYSTEM, SEE SEPARATE TEXAS MUNICIPAL REPORT.

FINANCIAL STATEMENT (As of January 31, 2020)

Net Taxable Assessed Valuation ("A.V."), 2019	\$759,895,460
Total General Obligation Debt	\$10,490,000
Less: Self-Supporting (a)	
Water & Sewer	5,319,479
	-----
GO Debt payable from Ad Valorem Taxes	\$5,170,521
Less: I&S Fund	47,115
	-----
Net Debt	\$5,123,406
	=====

(a) The September 30, 2019 Audit reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.

Net Debt Per Net Taxable Assessed Valuation - 0.67%  
 Net Debt Per Sq mile - \$241,670.09  
 Net Debt Per Capita - \$301.38

Net Taxable Assessed Valuation Per Capita - \$44,699.73

Bureau of Census Pop: 2000 - 16,946  
 Bureau of Census Pop: 2010 - 16,788  
 2020 Estimated Population - 17,000  
 Area: 21.20 Sq mile

**PAYMENT RECORD**

The City has never defaulted on its Revenue Bonds and has not defaulted on General Obligation Bonds since 1935 when bonds were refunded at par with a reduction in interest rate.

**TAX DATA**

Tax Year	A.V.*	Tax Rate	Adjusted Levy	% Collections Current	% Collections Total	Year Ended
2014	\$695,755,946	\$0.5100	\$2,937,708	98.05	101.34	09/30/2015
2015	667,165,627	0.5300	3,535,978	97.80	100.67	09/30/2016
2016	665,484,745	0.5700	3,793,263	92.92	96.26	09/30/2017
2017	733,228,192	0.6050	3,289,279	94.37	94.37	09/30/2018
2018	718,844,193	0.6591	4,737,902	94.86	94.86	09/30/2019
2019	759,895,460	0.6912	5,252,397	87.22**	87.22**	09/30/2019

\* Fluctuations in value due to Industrial valuations.

\*\*Collections through January 31, 2020.

Tax Rate Distribution	2019	2018	2017	2016
Operations	\$0.6392	\$0.6050	\$0.6050	\$0.5700
I&S	0.0520	0.0541	0.0000	0.0000
	-----	-----	-----	-----
Totals	\$0.6912	\$0.6591	\$0.6050	\$0.5700

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population \$2.50 per \$100 assessed valuation. City operates under a Home Rule Charter which adopts constitutional provisions.

**SALES TAX**

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A., Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Voters approved an additional sales and use tax of 1/2 of 1% for property tax reduction, effective January of 1990. The property tax reduction was decreased to 3/8 of 1% effective October 1, 2014. Voters approved an additional sales and use tax of 1/8 of 1% for Economic Development (Type B), effective October 1, 2014. Net allocations on calendar year basis are as follows:

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2016	1.500%	\$3,216,113	84.78%	\$0.48
2017	1.500	3,175,659	96.54	0.58
2018	1.500	3,320,048	70.07	0.46
2019	1.500	3,666,133	69.79	0.48

**DETAILS OF OUTSTANDING DEBT****Details of Limited Tax Debt (Outstanding 1/31/2020)****GO Bds Ser 2018**

Tax Treatment: Tax Exempt  
 Original Issue Amount: \$10,580,000.00  
 Dated Date: 03/08/2018  
 Sale Date: 02/06/2018  
 Delivery Date: 03/08/2018  
 Sale Type: Competitive  
 TIC: 3.5164%  
 Record Date: MSRB  
 Bond Form: BE  
 Denomination: \$5,000  
 Interest pays: Semi-Annually: 08/01, 02/01  
 1st Coupon Date: 02/01/2019

Paying Agent: U.S. Bank N.A., Dallas, TX  
 Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX  
 Financial Advisor: Hilltop Securities Inc., Dallas, TX  
 Lead Manager: UBS Securities LLC  
 Co-Manager: Benchmark Bank  
 Co-Manager: Wiley Bros. Aintree Capital

Insurance: Build America Mutual

Water & Sewer 50.71%

Use of Proceeds: Streets & Roads.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/01/2020	265,000.00	4.0000%	1.650%
02/01/2021	275,000.00	4.0000%	1.770%
02/01/2022	285,000.00	4.0000%	1.860%
02/01/2023	300,000.00	4.0000%	2.040%
02/01/2024	315,000.00	4.0000%	2.180%
02/01/2025	325,000.00	4.0000%	2.330%
02/01/2026	335,000.00	4.0000%	2.470%
02/01/2027	350,000.00	4.0000%	2.580%
02/01/2028	365,000.00	4.0000%	2.680%
02/01/2029	375,000.00	4.0000%	2.790%
02/01/2030	395,000.00	4.0000%	2.900%
02/01/2031	415,000.00	4.0000%	3.000%
02/01/2032	430,000.00	4.0000%	3.100%
02/01/2033	445,000.00	4.0000%	3.150%
02/01/2034	465,000.00	4.0000%	3.200%
02/01/2035	490,000.00	4.0000%	3.250%
02/01/2036	505,000.00	4.0000%	3.300%
02/01/2037	525,000.00	4.0000%	3.350%

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# Mineral Wells, City of

(General Obligation Debt)

Palo Pinto, Parker Counties

# Texas Municipal Reports

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02/01/2038	550,000.00	4.0000%	3.380%
02/01/2039	565,000.00	4.0000%	3.400%
02/01/2040	590,000.00	4.0000%	3.420%
02/01/2041	620,000.00	4.0000%	3.440%
02/01/2043T	1,305,000.00	4.0000%	3.450%
-----\$10,490,000.00			

Call Option: Bonds maturing on 02/01/2028 to 02/01/2041 and term bonds maturing on 02/01/2043 callable in whole or in part on any date beginning 02/01/2027 @ par.

Term Call: Term bonds maturing on 02/01/2043 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
02/01/2042	\$640,000
02/01/2043	\$665,000
-----	
	\$1,305,000

**Grand Total =====> \$10,490,000.00**

## Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/20	265,000.00	414,300.00	679,300.00
09/30/21	275,000.00	403,500.00	678,500.00
09/30/22	285,000.00	392,300.00	677,300.00
09/30/23	300,000.00	380,600.00	680,600.00
09/30/24	315,000.00	368,300.00	683,300.00
09/30/25	325,000.00	355,500.00	680,500.00
09/30/26	335,000.00	342,300.00	677,300.00
09/30/27	350,000.00	328,600.00	678,600.00
09/30/28	365,000.00	314,300.00	679,300.00
09/30/29	375,000.00	299,500.00	674,500.00
09/30/30	395,000.00	284,100.00	679,100.00
09/30/31	415,000.00	267,900.00	682,900.00
09/30/32	430,000.00	251,000.00	681,000.00
09/30/33	445,000.00	233,500.00	678,500.00
09/30/34	465,000.00	215,300.00	680,300.00
09/30/35	490,000.00	196,200.00	686,200.00
09/30/36	505,000.00	176,300.00	681,300.00
09/30/37	525,000.00	155,700.00	680,700.00
09/30/38	550,000.00	134,200.00	684,200.00
09/30/39	565,000.00	111,900.00	676,900.00
09/30/40	590,000.00	88,800.00	678,800.00
09/30/41	620,000.00	64,600.00	684,600.00
09/30/42	640,000.00	39,400.00	679,400.00
09/30/43	665,000.00	13,300.00	678,300.00
-----			
	10,490,000.00	5,831,400.00	16,321,400.00
=====			

COMPUTED ON BASIS OF MANDATORY REDEMPTION

## Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2020	265,000.00	02.53%
09/30/2021	275,000.00	05.15%
09/30/2022	285,000.00	07.86%
09/30/2023	300,000.00	10.72%
09/30/2024	315,000.00	13.73%
09/30/2025	325,000.00	16.83%
09/30/2026	335,000.00	20.02%
09/30/2027	350,000.00	23.36%

09/30/2028	365,000.00	26.84%
09/30/2029	375,000.00	30.41%
09/30/2030	395,000.00	34.18%
09/30/2031	415,000.00	38.13%
09/30/2032	430,000.00	42.23%
09/30/2033	445,000.00	46.47%
09/30/2034	465,000.00	50.91%
09/30/2035	490,000.00	55.58%
09/30/2036	505,000.00	60.39%
09/30/2037	525,000.00	65.40%
09/30/2038	550,000.00	70.64%
09/30/2039	565,000.00	76.02%
09/30/2040	590,000.00	81.65%
09/30/2041	620,000.00	87.56%
09/30/2042	640,000.00	93.66%
09/30/2043	665,000.00	100.00%

## DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2020	\$679,300
I&S Fds all G.O. issues 09/30/2019	\$33,460
2019 I&S Fund Tax Levy @ 90%	355,631
Water & Sewer	344,473

## AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED\*

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
11/07/17	Streets & Roads	\$7,500,000	\$7,222,184	\$277,816
11/07/17	Water	3,960,000	3,850,091	109,909
Total:		\$11,460,000	\$11,072,275	\$387,725

\* Excludes authorizations from the following election proposition(s) because the remaining authorization is deemed too small or too old:

05/27/1969 - \$700,000	Street, Drainage, Parks
02/02/2002 - \$100,000	Fire Improvements

## PENSION FUND LIABILITY

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.TMRS.com](http://www.TMRS.com).

Required Contribution Rates (Percentage of gross covered salary)

	2020	2019
Employee:	5.00%	5.00%
Maximum Rate:	11.50%	11.50%

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# Mineral Wells, City of

(General Obligation Debt)

Palo Pinto, Parker Counties

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City:	9.06%	9.09%
Actuarial Valuation as of	12/31/2018	12/31/2017
Assets	\$31,855,926	\$30,831,905
Accrued Liabilities	\$33,878,675	\$32,663,917
(Unfunded)/Overfunded Liab.	(\$2,022,749)	(\$1,832,012)
Funded Ratio	94.03%	94.39%
Annual Covered Payroll	\$8,049,224	\$7,750,836
(Unfunded)/Overfunded Liability as a % of Covered Payroll	(25.13)%	(23.64)%
Pension Liability - Beginning	\$32,663,917	\$31,162,321
Pension Liability - Ending (a)	\$33,878,675	\$32,663,917
Contributions Employer	\$701,890	\$692,142
Contributions Employee	\$402,461	\$387,542
Plan Fiduciary Net Position Beg	\$32,170,194	\$28,630,697
Plan Fiduciary Net Position End (b)	\$30,389,038	\$32,170,194
Net Pension Liability (a) - (b) (Pension Liab - Fiduciary Position)	\$3,489,637	\$493,723
Plan Fiduciary Net Position as a % of Total Pension Liability	89.70%	98.49%
Covered Employee Payroll	8,049,224	7,750,836
Net Pension Liability as a % of Covered Payroll	43.35%	6.37%
Membership Data		
Inactive employees or beneficiaries currently receiving benefits	118	107
Inactive employees entitled to but not yet receiving benefits	114	106
Active employees	164	168
Total	396	381

Source: Texas Municipal Retirement System

OPEB Benefits - Supplemental Death Benefits Fund  
Texas Municipal Retirement System ("TMR") administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund ("SDBF"). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated). The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

	12/31/2018	12/31/2017
Covered Payroll	\$8,049,224	\$7,750,836
Changes in the Total OPEB Liability		
Total OPEB Liability - BOY	\$462,483	\$388,174
Changes for the year		
Service Cost	\$35,417	\$31,003
Interest on Total OPEB Liability	\$15,814	\$15,156
Changes of benefit terms including		

TMRs plan participation	\$0	\$0
Differences between expected and actual experience	\$137,581	\$0
Changes in assumptions or other inputs	(\$31,206)	\$33,576
Benefit payments	(\$4,830)	(\$5,426)
Net changes	\$152,776	\$74,309
Total OPEB Liability - EOY	\$615,259	\$462,483
Total OPEB Liability as a Percentage of Covered Payroll	7.6400%	5.9700%
OPEB Expense (Benefit)	76,585	52,242
Number of		
Inactive employees currently receiving benefits	79	70
Inactive employees entitled to but not yet receiving benefits	19	17
Active employees	164	168
Total	262	255

Source: Texas Municipal Retirement System

## NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2019)

The City reports additional debt in the principal amount of \$6,095,611 under Govt Activities as follows:

	Amount Outstanding	Int Rate	Next Year's Requirements	Reported Under
Sales Tax Refund	\$812,988	N/A	\$73,908*	Govt Activities
Note Payable-FFB-PD 2017	\$32,675	1.99%	\$33,069	Govt Activities
Note Payable-FFB-PD 2018	\$107,240	1.99%	\$73,490	Govt Activities
Note Payable-FFB-PD 2019	\$183,446	3.39%	\$77,169	Govt Activities
Compensated Absences	\$105,020	N/A	N/A	Govt Activities
TX Cap'l Fund Loan	\$1,935,452	N/A	\$13,603*	Govt Activities
Pension Liability**	\$2,496,618	N/A	N/A	Govt Activities
OPEB**	\$422,172	N/A	N/A	Govt Activities

\* Amount excludes interest

\*\* See PENSION FUND LIABILITY section for details of this obligation.

## OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of	%Ovlp	Ovlp Amt
Garner ISD	\$1,020,000	* 03/31/20	20.89	\$213,078
Mineral Wells ISD	47,155,000	* 03/31/20	51.58	24,322,549
Palo Pinto Co	500,000	* 03/31/20	21.74	108,700
Parker Co	144,375,000	* 03/31/20	0.52	750,750
Parker Co JCD	3,720,000	* 03/31/20	0.52	19,344
Total Overlapping Debt:				\$25,414,421
Mineral Wells, City of		01/31/20		\$5,123,406
Total Direct and Overlapping Debt:				\$30,537,827
Total Direct and Overlapping Debt % of A.V.:				4.02%
Total Direct and Overlapping Debt per Capita:				\$1,796

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\* Gross Debt

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This section contains excerpt(s) from or a summary of filings made by or on behalf of the issuer. The information below is an extract or summary only. The complete filing should be viewed on the Texas MAC website ([www.mactexas.com](http://www.mactexas.com)) or the Electronic Municipal Market Access (EMMA) System of the Municipal Securities Rulemaking Board (<https://emma.msrb.org/>). See TMR disclaimer at the bottom of this page.

09/30/2019 - Annual Financial Report

COVID-19 UPDATE: "In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the City. As of the financial statement reporting date, the City does not expect to close any locations or to terminate any employees; there are no supply or worker shortages or issues accessing locations. However, impacts to the City's operations will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, (v) the effects on the economy overall, and (vi) the effects of the City's access to federal and state legislative actions and programs enacted to promote business stabilization due to the pandemic, all of which are uncertain. While we expect this matter to possibly have a negative impact on the City and its operations, the related financial impacts cannot be reasonably estimated at this time."

09/22/2015 - On 9/18/2015 Fitch Downgraded Underlying Rating

"On September 18, 2015 the underlying rating for the above referenced debt of the issuer, as assigned by Fitch's Ratings Services, has been downgraded to A- from AA."

## ECONOMIC BACKGROUND

The City of Mineral Wells is located 48 miles west of Fort Worth at the intersection of U.S. Highways 180 and 281. The City's 2010 population was 6,788, a decrease of less than 1% since 2000. As the largest city and principal commercial center of the County, Mineral Wells has producers of plastic pipe, precision film resistors, and flowmeters.

## COUNTY CHARACTERISTICS

Palo Pinto County is a north Texas county created in 1856 from Bosque and Navarro Counties. The county is traversed by the Brazos River, which connects to Possum Kingdom Lake and Lake Palo Pinto.

COUNTY SEAT: Palo Pinto

2020 census: 28,409 increasing 1.1% since 2010  
2010 census: 28,111 increasing 4.0% since 2000  
2000 census: 27,026

### ECONOMIC BASE

Mineral: oil, gas and clay.

Industry: varied manufacturing, tourism, petroleum and agribusiness.

Agricultural: wheat, nursery crops, hay, dairy and cattle.

### OIL AND GAS - 2021

The county ranks 157 out of all the counties in Texas for oil production. The gas production for this county accounts for 0.06% of the total state production. The county ranks 84 out of all the counties in Texas for gas production.

### OIL PRODUCTION (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2018	Oil	102,190 BBL	-3.24
2019	Oil	91,633 BBL	-10.33
2020	Oil	74,121 BBL	-19.11
2021	Oil	63,369 BBL	-14.51

### CASINGHEAD (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2018	Casinghead	1,946,761 MCF	-20.10
2019	Casinghead	1,843,397 MCF	-5.31
2020	Casinghead	1,287,675 MCF	-30.15
2021	Casinghead	907,314 MCF	-29.54

### GAS WELL PRODUCTION (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2018	GW Gas	6,934,766 MCF	-3.71
2019	GW Gas	5,875,607 MCF	-15.27
2020	GW Gas	4,267,247 MCF	-27.37
2021	GW Gas	3,631,564 MCF	-14.90

### CONDENSATE (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2018	Condensate	39,893 BBL	-27.16
2019	Condensate	36,423 BBL	-8.70
2020	Condensate	31,539 BBL	-13.41
2021	Condensate	20,021 BBL	-36.52

### PARKS (Texas Parks & Wildlife)

Year	Description	Volume
2018	Possum Kingdom State Park	58,750 Visitors
2019	Possum Kingdom State Park	75,660 Visitors
2020	Possum Kingdom State Park	27,503 Visitors

### RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2018	2017	2016
Retail Sales	\$257.0M	\$269.4M	\$436.6M
Effective Buying Income (EBI)	\$574.8M	\$564.8M	\$557.6M
County Median Household Income	\$38,890	\$38,284	\$37,989
State Median Household Income	\$61,175	\$57,227	\$55,352
% of Households with EBI below \$25K	28.9%	29.9%	13.2%
% of Households with EBI above \$25K	65.2%	64.1%	63.6%

### EMPLOYMENT DATA (Texas Workforce Commission)

	2021		2020		2019	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	7,494	\$82.1M	8,485	\$100.3M	8,683	\$102.4M
2nd Q:	7,749	\$83.6M	8,105	\$89.6M	8,878	\$98.7M
3rd Q:	7,731	\$86.5M	7,994	\$89.8M	8,753	\$100.6M
4th Q:	N/A	N/A	7,770	\$91.9M	8,683	\$101.8M

## TOP TAXPAYERS

Principal Taxpayers	2019 A.V.	% of A.V.
1. CanTex Inc. Industrial Manufacturing	\$39,445,240	5.19%
2. Meridian Brick LLC Industrial Manufacturing	19,664,910	2.59%
3. Pecofacet US Industrial Manufacturing	18,917,560	2.49%
4. NSC Properties LP Residential	17,601,784	2.32%
5. Southwire Corp. Industrial Manufacturing	10,726,770	1.41%
6. Wal-Mart Real Estate Business Trust Retail Store	7,963,510	1.05%
7. Oncor Electric Delivery Co. Electric Utility/Power Plant	6,126,000	0.81%
8. Suddenlink Telephone Utility	5,055,970	0.67%

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.



9. Walmart Supercenter Retail Store	5,046,710	0.66%
10. Innovex Downhole Solutions Oil & Gas	4,201,530	0.55%
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Total:	\$134,749,984	17.74%

**FINANCE CONNECTED OFFICIALS**

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**CH**

