



AMMAR RIZKI

CHIEF FINANCIAL OFFICER

118 N. CLARK STREET • Chicago, Illinois 60602 • (312) 603-6846

TONI PRECKWINKLE

PRESIDENT

**Cook County Board
of Commissioners**

BRANDON JOHNSON

1st District

DENNIS DEER

2nd District

BILL LOWRY

3rd District

STANLEY MOORE

4th District

DEBORAH SIMS

5th District

DONNA MILLER

6th District

ALMA E. ANAYA

7th District

LUIS ARROYO JR

8th District

PETER N. SILVESTRI

9th District

BRIDGET GAINER

10th District

JOHN P. DALEY

11th District

BRIDGET DEGNEN

12th District

LARRY SUFFREDIN

13th District

SCOTT R. BRITTON

14th District

KEVIN B. MORRISON

15th District

FRANK J. AGUILAR

16th District

SEAN MORRISON

17th District

MEMORANDUM

To: Cook County Board of Commissioners

From: Ammar M Rizki, Chief Financial Officer

Cc: Lanetta Haynes Turner, Chief of Staff
John Roberson, Director of Governmental and Legislative Affairs
Ty Cratic, Legislative Coordinator

Subject: Series 2021A General Obligation Refunding Bonds and Sales Tax Revenue Bonds Transactions

Attachments: Cook County Outstanding Bond Schedule

Date: January 29, 2021

This memorandum is intended to provide a brief update on the refunding issuance of approximately \$330 million of the County's General Obligation Refunding Bonds Series 2021A and the issuance of \$169 million of the County's Sales Tax Revenue Bonds authorized by the Board of Commissioners through Ordinances 20-4882 and 20-4979 approved at the December 17, 2020, board meeting.

The General Obligation Refunding Bonds Series 2021A were issued in order to refund (refinance) the outstanding Series 2010A and 2020G Bonds. The 2010A and 2010G bonds were subject to an average interest cost of 5.2%. Following the resoundingly positive reception from the market the refunding bonds will have a blended interest cost around 1.32%. Given the structure of the new bonds, there is a reduced interest cost savings of approximately \$104 million in today's dollars (referred to as net present value basis), which equates to 26.2% of the value of the bonds that were refinanced. The new bonds have the same maturity as the original refunded bonds of 2033.

The new money issuance of approximately \$169 million of 2021A Sales Tax Revenue Bonds, will be used to repay the County's Tax-Exempt Revolving Line of Credit (the "Revolving LOC"), Series 2014D and Series 2018 in order to finance upcoming capital projects. Sales Tax Revenue Bonds Series 2021A consists of \$175 million to repay the Revolving LOC and \$35 million will fund capital purchase that occurred between October 18, 2020, through the end of the Fiscal Year 2020. These bonds have a final maturity of 2041.

Both transactions will be allowing us to continue to meet our long-term capital plan goal of judiciously managing our debt burden so our debt service costs don't rise by more than 2% with a maximum of \$400 million per year. The saving we achieved on our outstanding GO Series 2010A and 2010G bonds will be used to create future capacity for our capital budget, rather than to solve for operating budgetary deficits. The additional debt issuance capacity will help the County increase the affordability of its Capital Plan, specifically, when it comes to planned new facilities like the new Provident Hospital and replacement of our County's Correction Center.

We had an overwhelming response from the investor community. We saw major investment firms like Vanguard, Blackrock and Fidelity just to name a few, participate in both transactions. Whenever we are issuing bonds, we ensure our they are sold to buy and hold investors, rather than hedge funds who are looking to make a quick buck. To that end, we also market our bonds to insurance companies like Allstate and local banks like Northern Trust, along with other local governments like the Metropolitan Water Reclamation District, all of whom also invested in the County's bonds and will be holding those bonds to their maturity dates. As a result, while we were issuing a little under \$500 million in bonds through the two transactions combined, we received over \$6 billion in orders for them, which is testament to the confidence investors have shown in the County's credit worthiness.

A summary table of General Obligation Refunding Bond, Series 2021A is provided for your reference below:

Delivery Date:	1/28/2021
General Obligation, 2021A Refunding Bond Par Amount:	\$330,495,000
Premium	\$74,374,406
Interest Cost:	1.32%
Useful Life of bonds:	6.43 years
Net PV Savings:	\$104,070,670
Savings as percent of par:	26.2%
Final Maturity	2033
Cost of Issuance	\$2.80/bond (\$925,094)
Underwriter's Fee	\$2.83/bond (\$935,849)

A summary table of Sales Tax Revenue Bond, Series 2021A is provided for your reference below:

Delivery Date:	1/26/2021
Sales Tax, 2021A Par Amount:	\$169,280,000
Premium	\$41,922,787
Interest Cost:	2.41%
Average Coupon:	4.3%
Final Maturity	2041
Cost of Issuance	\$3.48/bond (\$589,608)
Underwriter's Fee	\$3.88/bond (\$658,177)

Both transactions met or surpassed the County's MBE/WBE 35% participation goals and the updated outstanding bond schedule is attached for your review. I hope this is some good news to start this year. If you have any questions, please do not hesitate to contact me directly at (312) 603-6486.

Sincerely,

Ammar M. Rizki
 Ammar M. Rizki
 Chief Financial Officer