

Odessa College

Current Market Update, Review of Outstanding Debt, Preliminary Plan of Finance – Revenue Bonds and Preliminary Timetable

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STRICTLY PRIVATE AND CONFIDENTIAL



Capital Markets

RBC Capital Markets, LLC
200 Crescent Court
Suite 1500
Dallas, TX 75201

Matthew Boles
Managing Director
Regional Director

Tel: 214-989-1672
Fax: 214-989-1650
matt.boles@rbccm.com



Capital Markets

RBC Capital Markets, LLC
200 Crescent Court
Suite 1500
Dallas, TX 75201

Julie MacMillan
Vice President

Tel: 214-989-1629
Fax: 214-989-1650
julie.macmillan@rbccm.com

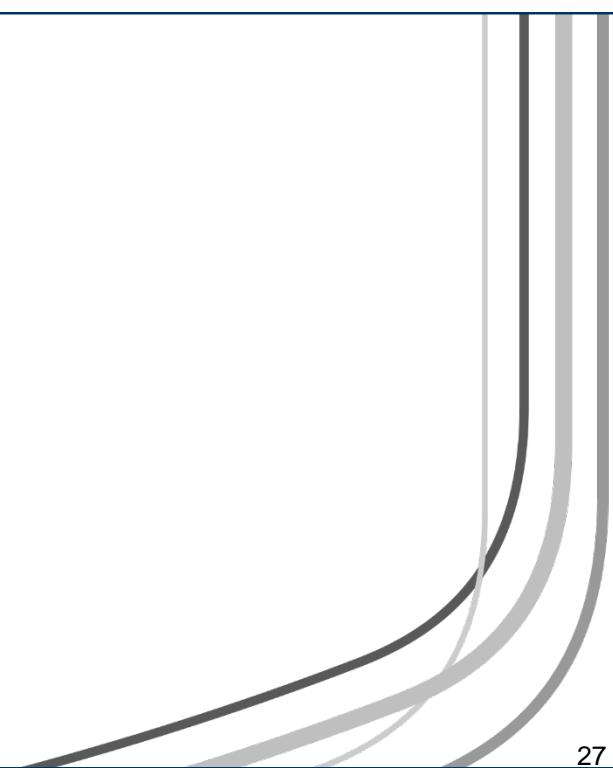


Capital Markets

1. Current Market Review
2. District's Outstanding Debt Profile
3. Preliminary Plan of Finance – Revenue Bonds
4. Preliminary Timetable

Current Market Review

Section 1



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Current Market Review

Key Continuing Areas of Market Focus

\$1.9 Trillion American Rescue Plan Act

- 1) \$1400 stimulus checks for qualifying individuals and extended unemployment aid
- 2) \$350B direct federal aid to state and local governments
- 3) \$170B for education: \$130B for K-12, \$35B for colleges and universities, \$5B for governors
- 4) \$145B for vaccines, testing, and other support for health care providers
- 5) \$36B for housing including rental assistance and \$30B for hardest hit public transit agencies

The Market is trying to determine if the amount of Stimulus funds received will reduce the amount that will be borrowed for capital

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The Market is Awaiting Congressional Action on President Biden's \$2.3 Trillion American Jobs Plan

- 1) **\$650B Home Infrastructure:** \$213B affordable housing, \$137B public schools, \$111B clean drinking water, \$100B high-speed broadband, \$100B electrical infrastructure
- 2) **\$621B Transportation Infrastructure:** \$174B electric vehicles, \$115B highways & bridges, \$85B public transit, \$80B rail, \$42B airports and ports, \$50B infrastructure resilience
- 3) **\$580B Workforce:** \$300B manufacturing, \$180B R&D, \$100B workforce development
- 4) **\$400B Caretaking Economy:** home and community-based care for elderly and disabled people

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President Biden Also Proposed a \$1.8 Trillion American Families Plan

- 1) \$225B toward child-care services
- 2) \$225B to create a national comprehensive paid family and medical leave program
- 3) \$200B for universal preschool for three- and four-year-olds
- 4) \$109B toward ensuring two years of free community college for all students
- 5) \$80B in additional funding for Pell Grants
- 6) Tax credits and cuts for America's families and workers, including \$200 billion to make the expanded Affordable Care Act (ACA) premiums tax credits permanent

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Economic Update

U.S. Economic Overview

- US shares posted mixed results last week; the DJIA and S&P gained 2.7% and 1.2%, respectively, as the Nasdaq declined 1.5%.
- ISM data revealed growth in the manufacturing and services sectors of the economy in April, but both indexes came in below consensus.
- April non-farm payrolls rose 266k and were forecast at +1mm; March non-farm payroll gains were revised down from 916k to 770k.
- The unemployment rate rose from 6.0% to 6.1%, while the consensus called for a decline to 5.8%.
- IG/corporate supply totaled \$25bn last week and is expected to top \$40bn this week; the US Aggregate Index closed at a YTD tight of 87bp on Friday.

RBC Economic Outlook and Interest Rate Forecasts⁽¹⁾

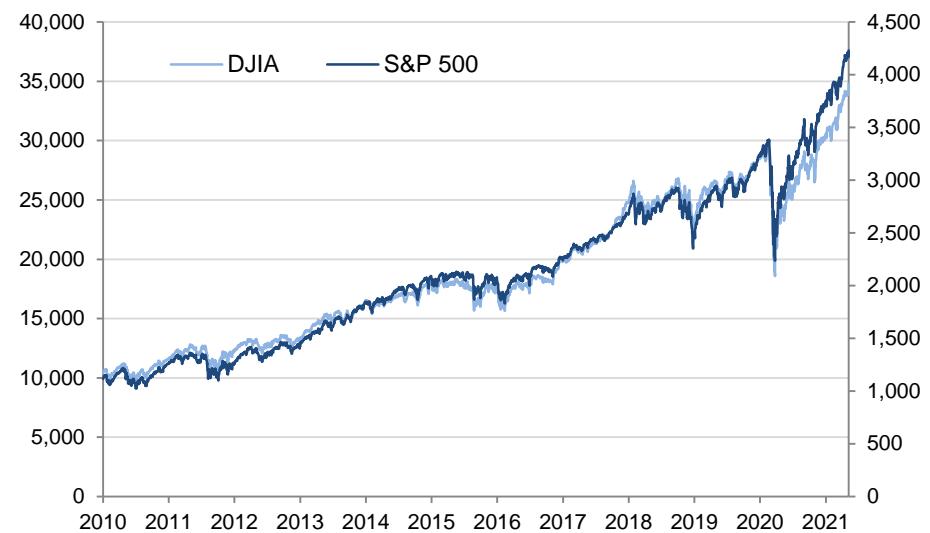
	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22
Real GDP (QoQ)	10.50	5.50	3.00	1.90	1.90
Core Inflation (YoY)	3.60	2.90	2.70	2.20	1.80
Fed Funds*	0.13	0.13	0.13	0.38	0.38
2-Year Notes	0.20	0.40	0.60	0.90	1.10
5-Year Notes	1.20	1.35	1.45	1.50	1.60
10-Year Notes	1.80	1.90	2.00	2.05	2.10
30-Year Bonds	2.40	2.45	2.50	2.60	2.60

(1) RBC Rate and Economic Forecast as of May 6, 2021.

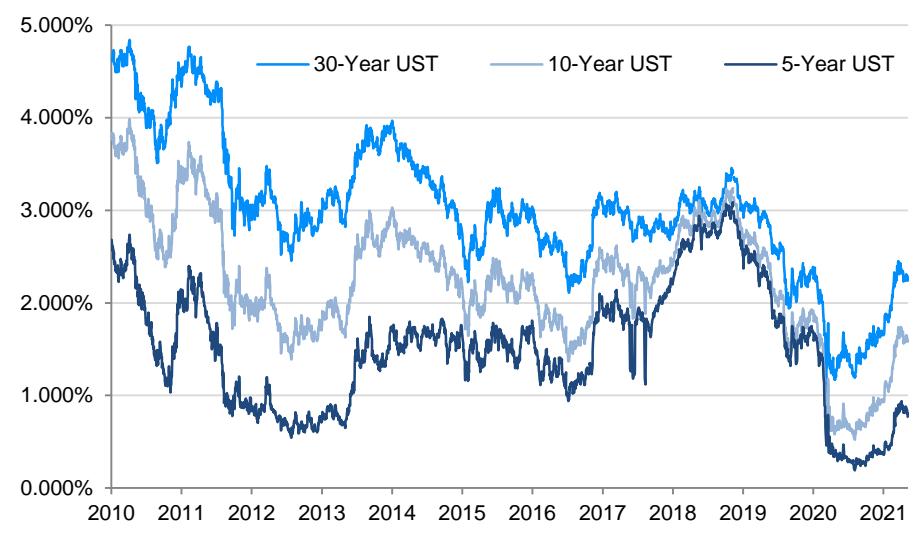
*Top of 25 basis point range.

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U.S. Equity Market



U.S. Treasury Rates

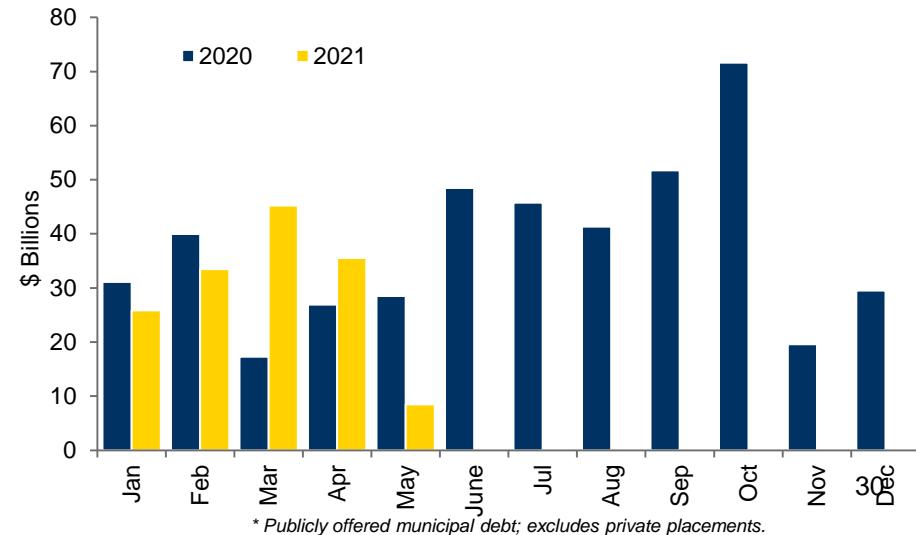


Municipal Market Update

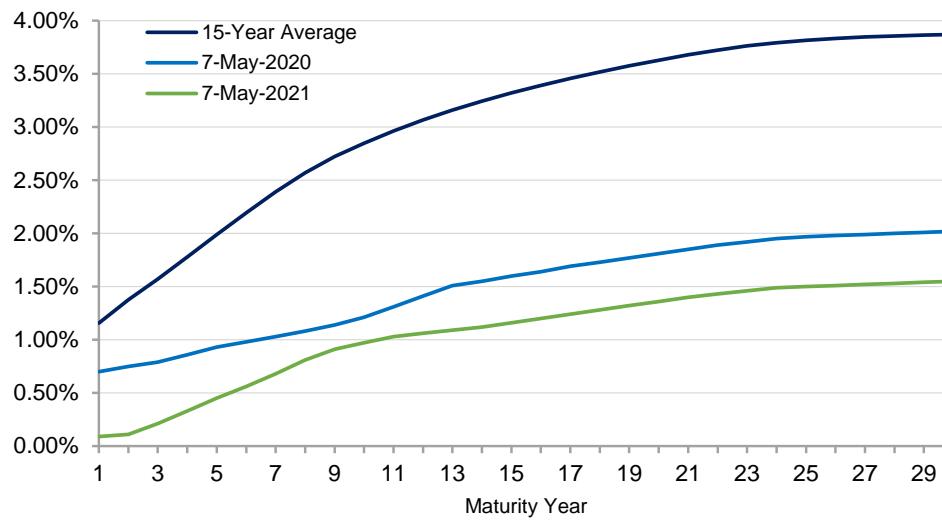
Municipal Market Overview

- **2020 Municipal Supply:** \$452 billion
- **2021 Municipal Supply (Forecast):** \$425 billion
- Treasury auctions include \$58bn 3s on Tuesday, \$41bn 10s on Wednesday, and \$27bn 30s on Thursday.
- Municipal supply totaled \$10.1bn last week, and this week's calendar is expected to total \$6.7bn.
- Last week's primary supply was well-received, as investors turned to tax-exempt and taxable new issues to deploy cash.
- Municipal bond funds reported net cash inflows of \$585mm last week; inflows were skewed to long-end and high-yield funds, while shorter-duration funds saw outflows.

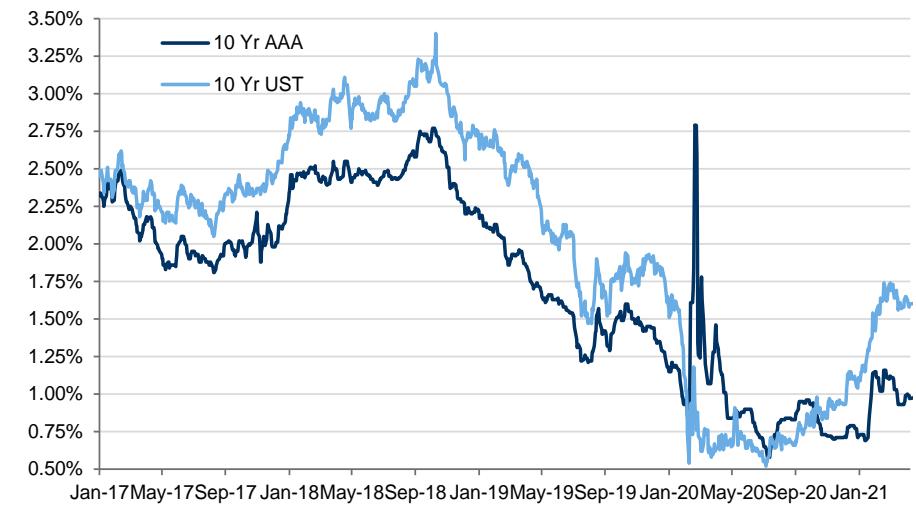
2020 – 2021 Monthly Supply* (\$ Billions)



Today's MMD Curve in Context



Tax-Exempt and Taxable Yield Trends: January 1, 2017 - Present



Current Market Review

BBI 20 Index and Municipal Fund Flows

Bond Buyer 20 GO Bond Index Since 1961



Today's 2.25% level is lower than 98.98% of historical rates since January 1961.

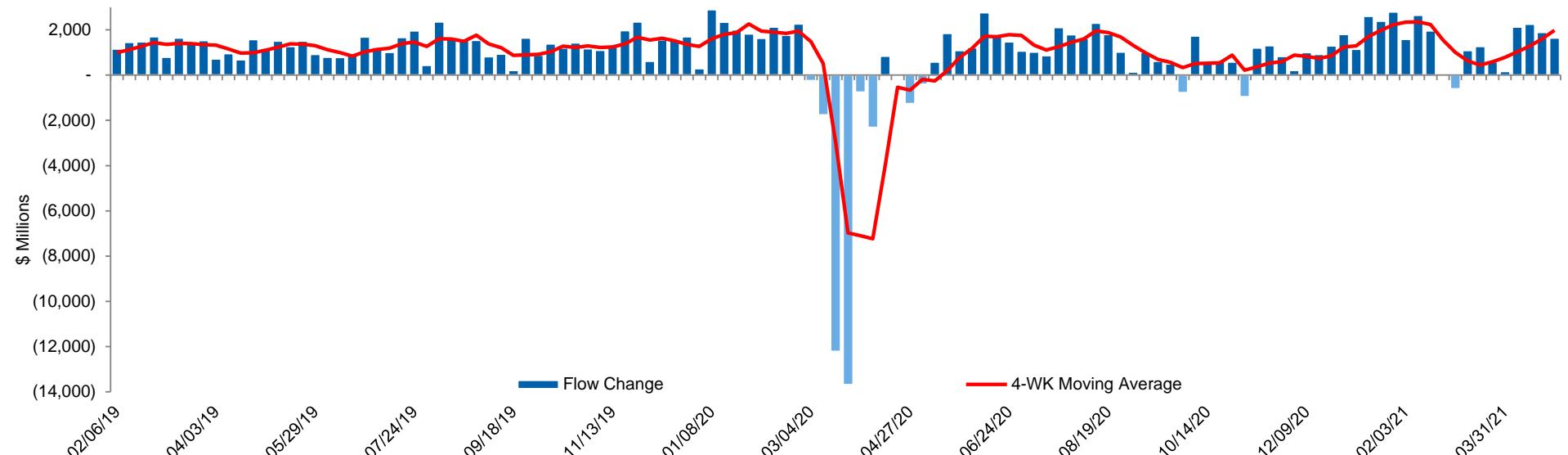
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% of Time in Each Range Since 1961

Yield Range

Less than 3.50%	12.71%
3.50% - 4.00%	10.71%
4.01% - 4.50%	11.15%
4.51% - 5.00%	9.59%
5.01% - 5.50%	13.37%
5.51% - 6.00%	9.31%
6.01% - 6.50%	7.21%
6.51% - 7.00%	6.58%
7.01% - 7.50%	5.94%
7.51% - 8.00%	3.49%
Greater than 8.00%	9.94%
Total	100.00%

Lipper Municipal Fund Flows



Source: Bloomberg as of April 21, 2021.
Thomson Municipal Market Data

Current Market Review

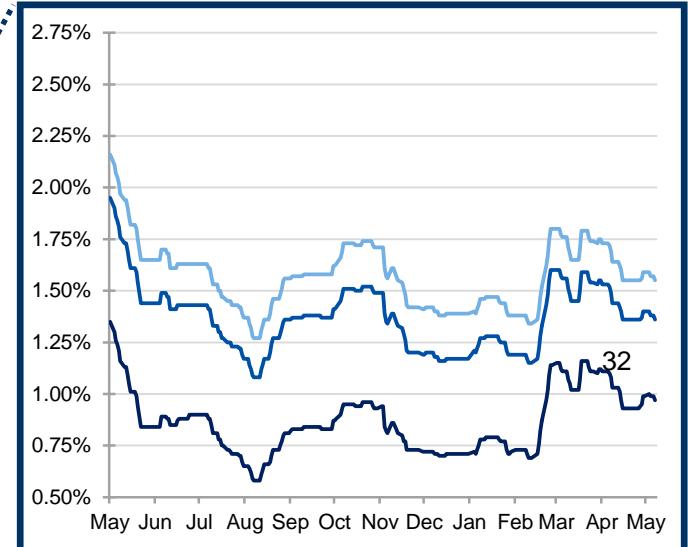
Municipal Market Data – 30 Year "AAA" Rates

- After closing at 1.59% the previous week, the 30-year "AAA" MMD decreased 4bps from April 30 – May 7, closing at the current rate of 1.55%.

"AAA" MMD January 1, 2010 to Present



Shift in "AAA" MMD Since May 2020



January 1, 2010 to Present

	10-Year	20-Year	30-Year
Maximum	3.460%	4.890%	5.080%
Minimum	0.580%	1.080%	1.270%
Current	0.970%	1.360%	1.550%

Shift in 30-year "AAA" MMD

2014	2015	2016	2017	2018	2019	2020
-1.34%	-0.01%	0.27%	-0.51%	0.47%	-0.93%	-0.70%

May 1, 2020 to Present

	10 Yr	20 Yr	30 Yr
Maximum	1.350%	1.950%	2.160%
Minimum	0.580%	1.080%	1.270%
Average	0.866%	1.370%	1.574%

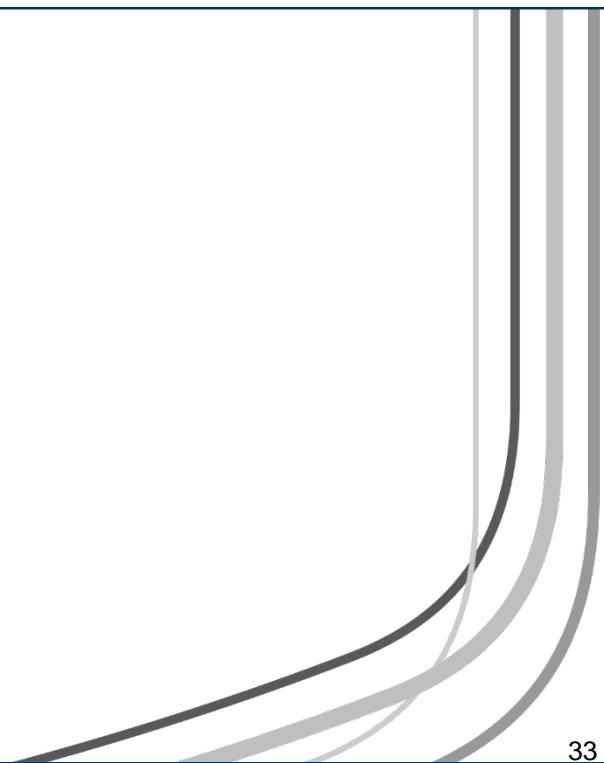
Source: TM3, Thomson Reuters

10, 20, and 30 year "AAA" MMD shown to represent different average lives of municipal transactions

Rates as of May 7, 2021

District's Outstanding Debt Profile

Section 2



District's Outstanding Debt Profile

District Debt Profile

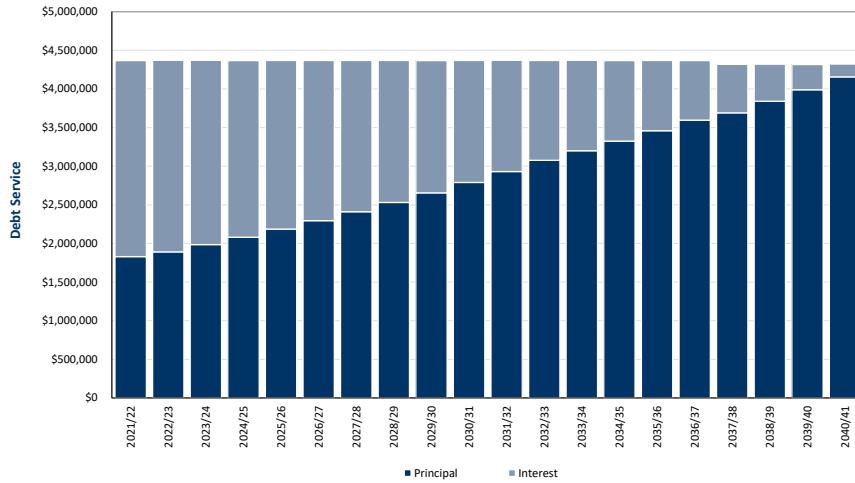
Odessa College Debt Profile – Limited Tax Bonds and Revenue Bonds

Issue	Issued Par Amount	Outstanding Par Amount*	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure	Use of Proceeds
Consolidated Fund Revenue Bonds, Ser 2012	\$6,315,000	\$4,420,000	4.000%	07/01/2022	07/01/2034	Fixed	College Facility
Limited Tax Refunding Bonds, Ser 2017	57,910,000	57,910,000	4.000% - 5.000%	08/15/2027	08/15/2041	Fixed	Refunding
Total	\$64,225,000	\$62,330,000					

*As of 8/31/2021.

Odessa College Limited Tax Debt Series 2017

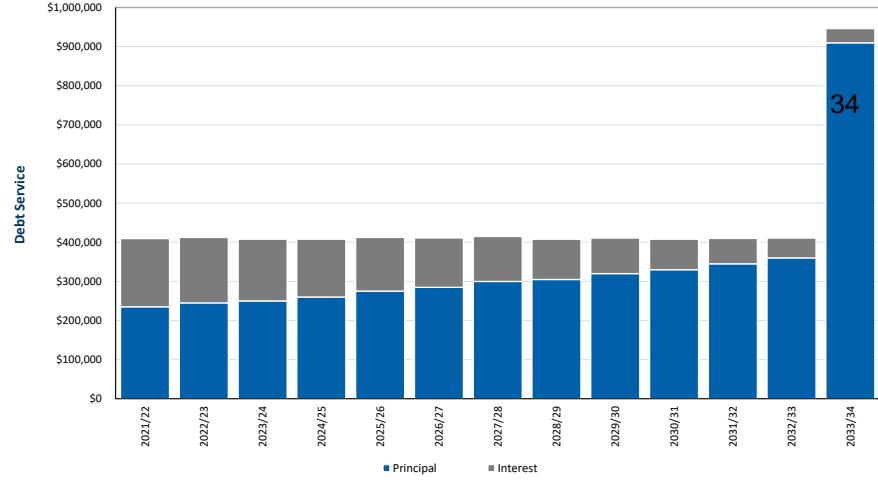
Odessa College
Outstanding Limited Tax Debt Service Series 2017



Note: Debt service payments reflect payments from September 1 through August 31.

Odessa College Revenue Debt Series 2012

Odessa College
Outstanding Revenue Debt Service Series 2012



Note: Debt service payments reflect payments from September 1 through August 31.

Odessa College – Ratings

- “AA/AA-” (Fitch/S&P) - The limited tax bond rating reflects the district's ample revenue-raising ability, sound expenditure flexibility, strong reserves, and limited historical revenue volatility. These factors combine to provide the district with a high level of operating flexibility and anticipated financial resilience throughout the economic cycle.
- “A+” (S&P) – The revenue bond rating reflects S&P's view of the district's healthy full-accrual operating surpluses aided by favorable enrollment trends and state appropriation increases, coupled with improved revenue-debt only financial resource ratios.

Preliminary Plan of Finance – Revenue Bonds

Section 3

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New Money Bonds | Structuring and Bond Sale Assumptions*

New Money Revenue Bond Assumptions

- Odessa College (the “College”) has plans to construct a new Health Science Building (the “HSB”). Currently the cost of the HSB is estimated at \$39.7MM.
- The College has dedicated \$5,050,678 in institutional funds toward the project.
- The College has also been raising private donations for the HSB and currently has \$1,021,500 in gifts in hand and \$16,100,000 in grants and pledges that will be paid over multiple years.
- In order to move forward with the construction of the HSB, the College is planning to issue Consolidated Fund Revenue Bonds, Series 2021 (the “New Money Bonds”) with the intention of paying the debt service on the New Money Bonds with a combination of institutional resources and private donations.
- The preliminary analysis for the New Money Bonds is based on the following:
 - Assumes the College will generate a maximum of \$35MM in project fund proceeds from the New Money Bonds for the HSB. The remaining \$4.7MM will be provided from funds already on hand.
 - Assumes the New Money Bonds will be structured with a maximum maturity of 15-years and with annual payments that are greater than the pledge payments projected to be received during the respective fiscal year.
 - Assumes the pricing of the New Money Bonds will be based on the College’s underlying rating of “A+” by S&P with enhancement from a bond insurance policy for an enhanced rating for “AA”.
 - Assumes the College will meet the debt service reserve requirement for the New Money Bonds with bond proceeds.
 - Assumes an initial interest payment on January 1, 2022 and an initial principal payment on July 1, 2022.
 - Assumes the New Money Bonds have a ten-year optional par call feature.
 - Assumes cost of issuance of \$200,000 (*preliminary*) and underwriters’ discount of \$7.00 per bond (*preliminary*).
 - Assumes cost for bond insurance premium is 0.45% of total debt service (*preliminary, subject to change*).
 - Assumes the preliminary numbers are based current market tax-exempt market rates as of May 4, 2021, plus 40 basis points (0.40%) (*preliminary subject to change*).
 - Assumes a pricing date of July 8, 2021 and a delivery date of August 4, 2021.

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*Preliminary, subject to change.

Preliminary Plan of Finance – Revenue Bonds



New Money Bonds | Summary Statistics, Sources and Uses, and Debt Service*

Summary Statistics	
Consolidated Fund Revenue Bonds, Series 2021	
Dated Date	08/04/2021
Delivery Date	08/04/2021
First Coupon	01/01/2022
Last Maturity	07/01/2036
Arbitrage Yield	1.784413%
True Interest Cost (TIC)	2.195404%
All-In TIC	2.267474%
Average Coupon	4.000000%
Average Life (years)	8.523
Duration of Issue (years)	7.367
Par Amount	\$ 33,635,000
Project Fund Deposit	\$ 35,000,000
Bond Proceeds	\$ 38,664,175
Total Interest	\$ 11,466,672
Net Debt Service	\$ 6,672,942
Total Debt Service	\$ 45,101,672
Maximum Annual Debt Service	\$ 3,372,072
Average Annual Debt Service	\$ 3,025,266

Sources and Uses	
Consolidated Revenue Bonds, Series 2021	
Sources:	
Bond Proceeds:	
Par Amount	\$ 33,635,000.00
Premium	5,029,175.00
	\$ 38,664,175.00
Uses:	
Project Fund Deposits:	
Project Fund	\$ 35,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	3,025,265.85
Delivery Date Expenses:	
Cost of Issuance	200,000.00
Underwriter's Discount	235,445.00
Bond Insurance	202,957.52
	\$ 638,402.52
Other Uses of Funds:	
Additional Proceeds	506.63
	\$ 38,664,175.00

Bond Debt Service					
Consolidated Fund Revenue Bonds, Series 2021					
Period Ending	Principal	Coupon	Interest	Debt Service	
08/31/2022	\$ 2,150,000	4.000%	\$ 1,222,072	\$ 3,372,072	
08/31/2023	1,720,000	4.000%	1,259,400	2,979,400	
08/31/2024	1,790,000	4.000%	1,190,600	2,980,600	
08/31/2025	1,860,000	4.000%	1,119,000	2,979,000	
08/31/2026	1,935,000	4.000%	1,044,600	2,979,600	
08/31/2027	2,015,000	4.000%	967,200	2,982,200	
08/31/2028	2,095,000	4.000%	886,600	2,981,600	
08/31/2029	2,180,000	4.000%	802,800	2,982,800	
08/31/2030	2,265,000	4.000%	715,600	2,980,600	37
08/31/2031	2,355,000	4.000%	625,000	2,980,000	
08/31/2032	2,450,000	4.000%	530,800	2,980,800	
08/31/2033	2,550,000	4.000%	432,800	2,982,800	
08/31/2034	2,650,000	4.000%	330,800	2,980,800	
08/31/2035	2,755,000	4.000%	224,800	2,979,800	
08/31/2036	2,865,000	4.000%	114,600	2,979,600	
Total	\$ 33,635,000		\$11,466,672	\$ 45,101,672	

*Preliminary, subject to change. Based on tax-exempt rates as of May 4, 2021 + 40 bps (0.40%).

Refunding Bonds | Advance Refunding Scenario*

Taxable Advance Refunding

The College's Consolidated Fund Revenue Bonds, Series 2012 have a call date of July 1, 2022. \$4,420,000 of the outstanding principal can be advance refunded on a taxable basis for projected debt service savings.

Summary of Assumptions

- Assumes current market taxable rates as May 4, 2021 with a pricing date on the Consolidated Fund Revenue Refunding Bonds, Taxable Series 2021 (the "Refunding Bonds") in July 2021. *(Subject to change.)*
- Assumes the Refunding Bonds are sold with the following ratings: "A+" Underlying / "AA" Insured.
- Assumes the Refunding Bonds are sold with a standard 10-year optional par call.
- Assumes the College will contribute a portion of the debt service reserve from the Series 2012 Bonds to the refunding and assumes the College will fund the Refunding Bonds debt service requirement with bond proceeds.
- Assumes the Refunding Bonds deliver on August 4, 2021 with the first interest payment due on January 1, 2022.
- Assumes the Refunding Bonds are structured to provide uniform savings.
- Assumes the Refunding Bonds are sold concurrently with the New Money Bonds, taking advantage of some cost of issuance efficiencies.

Summary of Projected Debt Service Savings

Description	Current Analysis
Taxable Rates as of	1-Mar-21
Delivery Date of Refunding Bonds	4-Aug-21
Par Amount Refunded Bonds	\$4,420,000
Avg Coupon of Refunded Bonds	4.000%
Total Debt Service Savings	\$349,616
Average Annual Savings (2022 - 2034)	\$26,728 ³⁸
Net PV of Debt Service Savings	\$297,975
PV SAV as % of Refunded Bonds	6.742%
All-in TIC of Refunding Bonds	2.567%
Negative Arbitrage	\$89,822
Negative Arb. / Net PV of Savings	30.14%
Interest Rate Sensitivity	- 25 bps + 25 bps
PV of Debt Service Savings	\$386,597
PV Savings as a % of Refunded Bonds	8.747% 4.775%

Summary of Bonds Considered In Refunding Analysis

Series	Maturities to be Refunded	Par Amount to be Refunded	Coupon Range	Call Date
Cons Fund Revenue Bonds, Ser 2012	2022 -2034*	\$4,420,000	3.00% - 4.00%	07/01/22
Total		\$4,420,000		

*Includes term bond with mandatory sinking fund installments.

Refunding Bonds | Advance Refunding Projected Cash Flows*

Summary of Projected Cash Flow Savings

Date 8/31	Prior Debt Service	Refunding Debt Service	Savings	PV Savings 2.2498%
2022	\$409,450	\$380,574	\$28,876	\$28,858
2023	412,400	387,055	25,345	24,719
2024	407,600	380,105	27,495	26,145
2025	407,600	382,686	24,914	23,163
2026	412,200	384,686	27,514	24,942
2027	411,200	385,416	25,784	22,842
2028	414,800	389,960	24,840	21,499
2029	407,800	383,688	24,112	20,386
2030	410,600	381,712	28,888	23,824
2031	407,800	379,302	28,498	22,960
2032	409,600	381,448	28,152	22,158
2033	410,800	383,016	27,784	21,362
2034	946,400	918,986	27,414	20,590
Total	\$5,868,250	\$5,518,634	\$349,616	\$303,448

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Savings Summary

Average Annual Savings (2022 - 2034)	\$26,728
PV of Savings from Cash Flow	\$303,448
Less: Prior funds on hand	(\$435,000)
Plus: Refunding funds on hand	\$427,525
Additional Proceeds	\$2,003
Net PV of Savings	\$297,975

Authorization | Bond Issuance Process

Authorization | Bond Issuance Process

- The strategy for effecting the sale of the New Money Bonds and the Refunding Bonds would be for the Board to authorize the Administration to move forward with the transactions given certain Board approved parameters are met. Those parameters are memorialized in a Resolution.
- The Resolution would authorize District administration (the President of Odessa College or the Chief Financial Officer) to approve the new Money Bonds and the Refunding Bonds and execute the necessary documents when the transaction terms have been set for each series of bonds, assuming the terms meet or exceed the stated parameters, respectively.
- The District has utilized a parameters order on refunding bonds in the past. This authorization method allows the District to proceed with preparing for the transaction on a schedule that can be responsive to market conditions, but that does not allow the transaction to be completed unless the stated and approved parameters are met or exceeded.
- The parameters for the New Money Bonds and the Refunding Bonds are listed below.

New Money Bond Parameters

1)	the aggregate principal amount of the New Money Bonds shall not exceed \$35,000,000
2)	proceeds of the New Money Bonds may include funding a debt service reserve fund associated with the issuance of the New Money Bonds, if deemed in the best interest of the financing by the Pricing Officer, and to pay the costs of issuing the New Money Bonds;
3)	the sale price of the New Money Bonds shall be not less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon, if any;
4)	the latest date for a stated maturity of the New Money Bonds shall not be later than July 1, 2036; and
5)	the true interest rate for the New Money Bonds as a series shall not exceed 4.00%.

Refunding Bond Parameters

1)	the aggregate principal amount of the Refunding Bonds shall not exceed \$5,000,000;
2)	proceeds of the Refunding Bonds may include funding a debt service reserve fund associated with the issuance of the Refunding Bonds, if deemed in the best interest of the financing by the Pricing Officer, and to pay the costs of issuing the Refunding Bonds;
3)	the sale price of the Refunding Bonds shall be not less than 95% of the initial aggregate principal amount thereof plus accrued interest thereon, if any;
4)	the latest date for a stated maturity of the Refunding Bonds shall not be later than July 1, 2034;
5)	the true interest rate for the Refunding Bonds as a series shall not exceed 3.00%; and
6)	the refunding must produce net present value savings of at least 4.0%; calculated by netting out any issuer contribution and including back in additional proceeds that are generated by the refunding transaction.

Preliminary Timetable

Section 4

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Timetable

2021														
MAY						JUNE			JULY			AUGUST		
S	M	T	W	T	F	S	S	M	T	W	T	F	S	
						1	1	2	3	4	5	1	2	3
2	3	4	5	6	7	8	6	7	8	9	10	11	12	13
9	10	11	12	13	14	15	13	14	15	16	17	18	19	20
16	17	18	19	20	21	22	20	21	22	23	24	25	26	27
23	24	25	26	27	28	29	27	28	29	30	31	25	26	27
30	31											29	30	31

Financing Team Members

OC - Odessa College - Issuer
RBCCM - RBC Capital Markets, LLC - Financial Advisor
MPH - McCall, Parkhurst & Horton, LLP - Bond Counsel
TBD - Underwriter(s)

Calendar Color Legend

1	Holiday
1	BOT Mtg
1	Debt Sale Activity

Date	Action	Responsibility
29-Apr-21	Request Information for Preliminary Official Statement ("POS")	RBCCM
12-May-21	Information for POS returned to RBCCM	OC, RBCCM
13-May-21	Deadline for Agenda Items for 5/19 Finance Comm Meeting	OC
18-May-21	Finance Committee Meeting - Review Plan of Finance and Parameters Resolution Authorizing Issuance of Bonds	OC, RBCCM, MPH
25-May-21	Distribute Draft POS for Comments	RBCCM
25-May-21	Regular Board Meeting - Action Item Review Plan of Finance and Approve Parameters Resolution Authorizing Issuance of the Bonds	OC, RBCCM, MPH
01-Jun-21	Post TEFRA Notice on College website	OC
02-Jun-21	Receive comments on Draft POS	RBCCM
04-Jun-21	Selection of Underwriter(s)	OC
08-Jun-21	Distribute Draft POS and Credit Information to Rating Agency	RBCCM
08-Jun-21	Distribute Revised Draft POS	RBCCM
10-Jun-21	TEFRA Hearing	OC, MPH
08-Jun-21	Distribute Preliminary Documents for Insurance Bid (if needed)	RBCCM
15-Jun-21	Rating Agency Conference Call	OC, RBCCM
15-Jun-21	Receive Comments on Draft POS	RBCCM
18-Jun-21	Distribute Revised Draft POS	RBCCM
23-Jun-21	Due Diligence Call with Underwriters	All Parties
25-Jun-21	Receive Final Comments on Draft POS	RBCCM
29-Jun-21	Receive S&P Credit Rating	OC, RBCCM
29-Jun-21	Receive Insuance Bid (if needed)	OC, RBCCM
30-Jun-21	Finalize documents with Bond Insurer (if needed)	MPH, RBCCM
01-Jul-21	Finalize and Distribute POS to Potential Investors	RBCCM
08-Jul-21	Negotiated Sale - Bonds Marketed to Investors	All Parties
08-Jul-21	Pricing Certificate Executed by Authorized District Representative - Interest Rates Locked In	All Parties
09-Jul-21	Distribute Draft of Final Official Statement ("FOS") for Comments	RBCCM
12-Jul-21	Submit Documents to Attorney General for Approval	MPH
14-Jul-21	Receive Comments, Finalize & Distribute FOS	All Parties
04-Aug-21	Closing (Funds Transferred - Bonds Delivered)	All Parties

*Preliminary, subject to change. As of May 12, 2021.

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