



CITY OF EL PASO

City of El Paso Debt Service

February 12, 2026

Agenda Items

1. Debt Management
2. Outstanding Debt
3. Debt Limits and Bond Ratings
4. Refunding Opportunity
5. Bond Issuance Status and Planned



Importance of Debt Management

Future Financial Planning - Understanding debt structure (maturity, call dates, principal/interest) is critical to plan for future financial obligations and opportunities

Importance of Debt Management

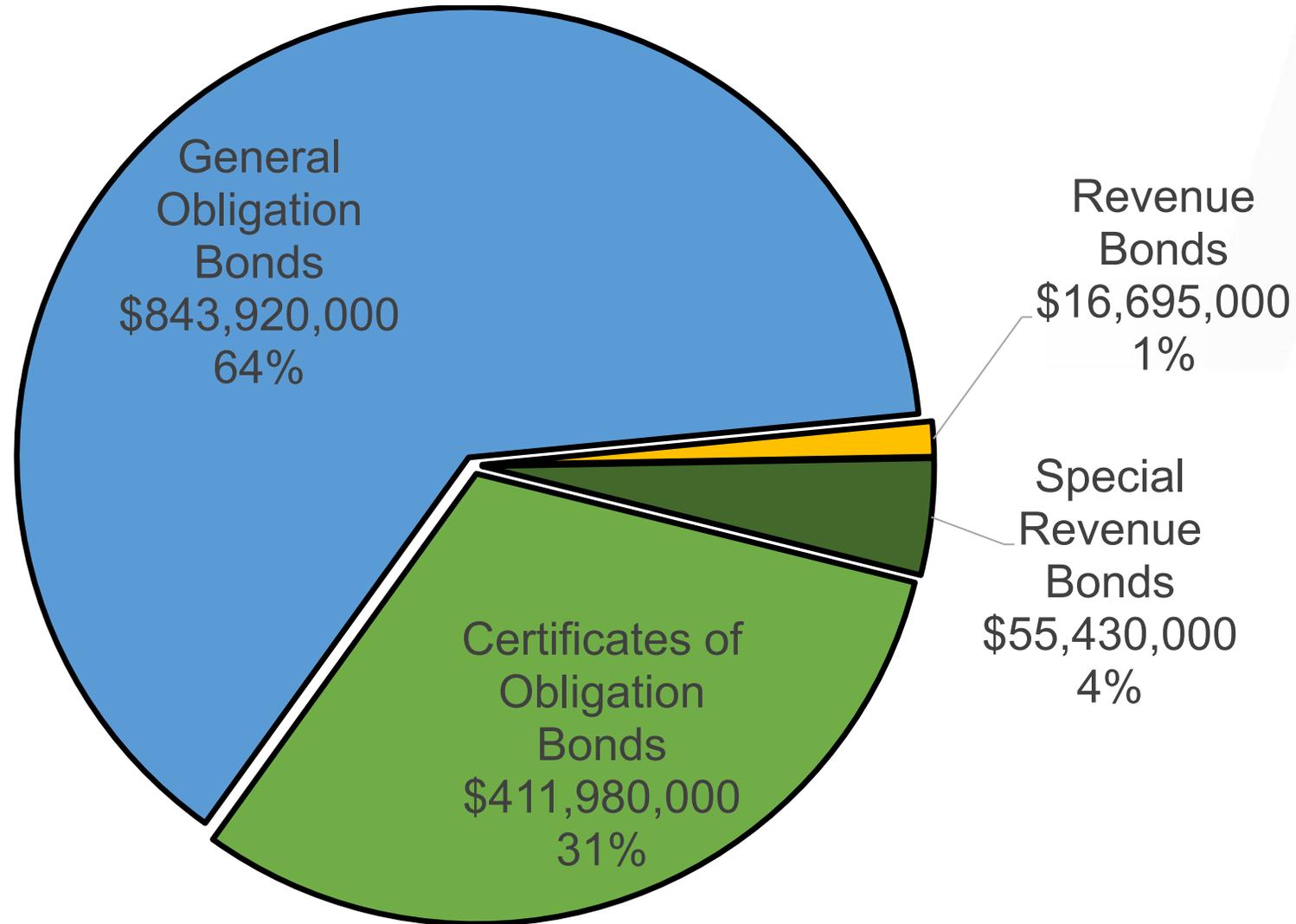
- Provides ability to invest in essential infrastructure and services
- Ensures the City can meet obligations without financial strain
- Sustains and improves the credit rating, which is vital for lower borrowing costs

Importance of Debt Management

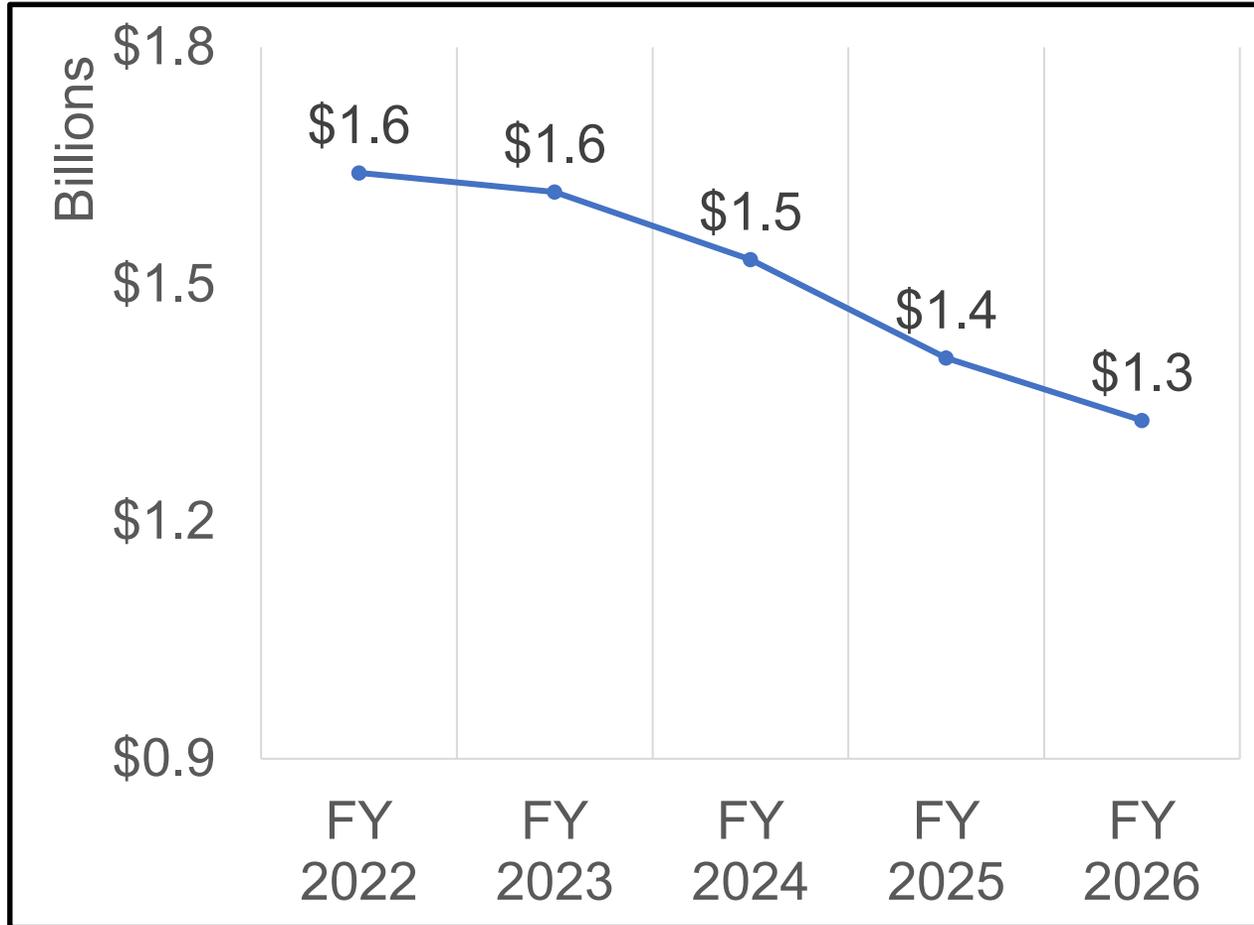
- Current debt – no current debt paid off until 2032
- \$472.2 million GO authorized debt to issue over next 8 years
- Fluctuating interest rate market
- Maintaining high investment grade bond rating

We have been strategic and proactive to minimize impact on tax rate

Breakdown of Outstanding Debt



Long-Term Debt Outstanding

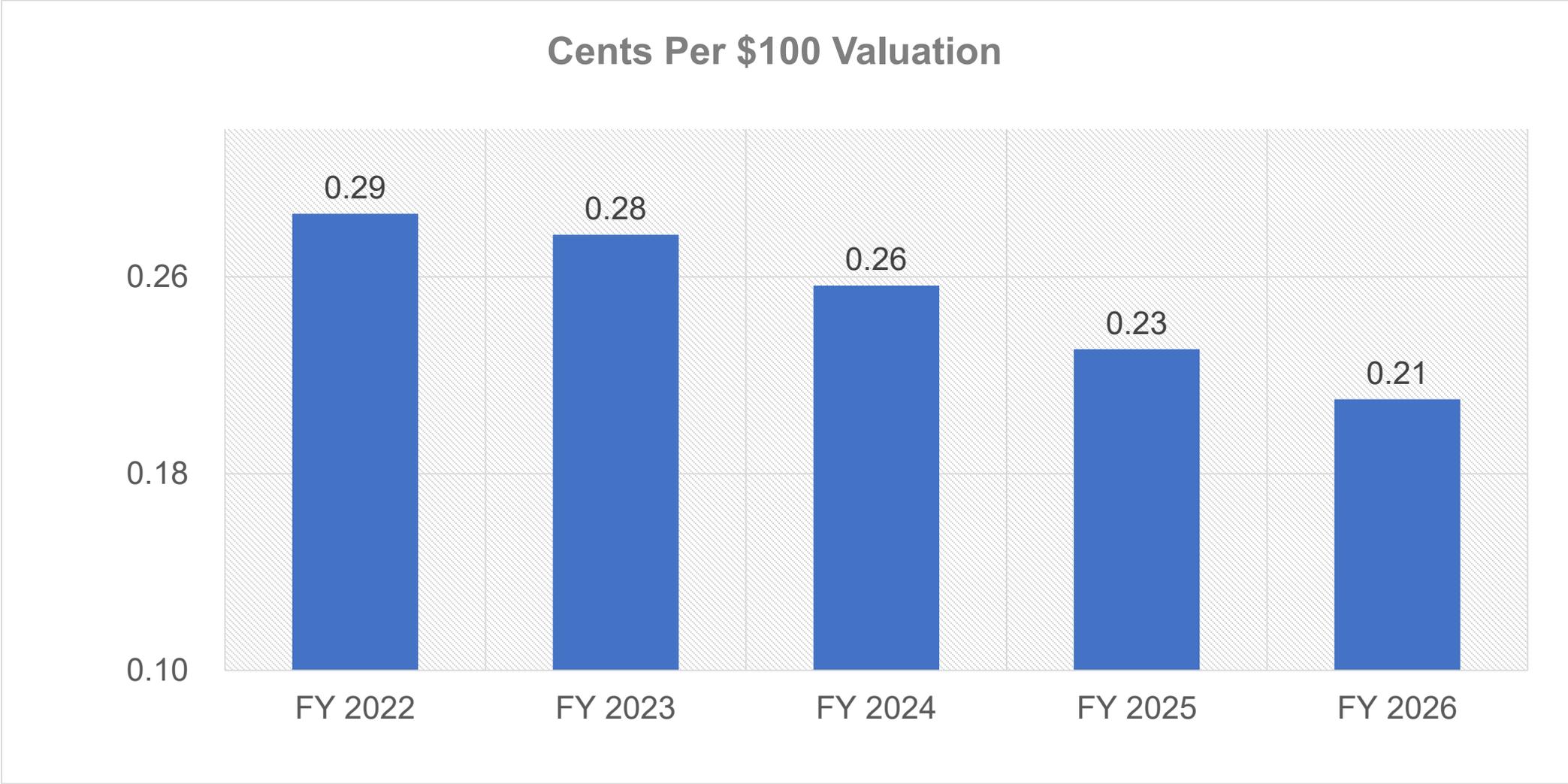


- The City has been able to reduce debt obligations through:
 - Early payoffs: Defeasances
 - Refundings: better interest rate = lower debt payment
 - No debt issuances since 2023

Recent Debt Refunding Savings

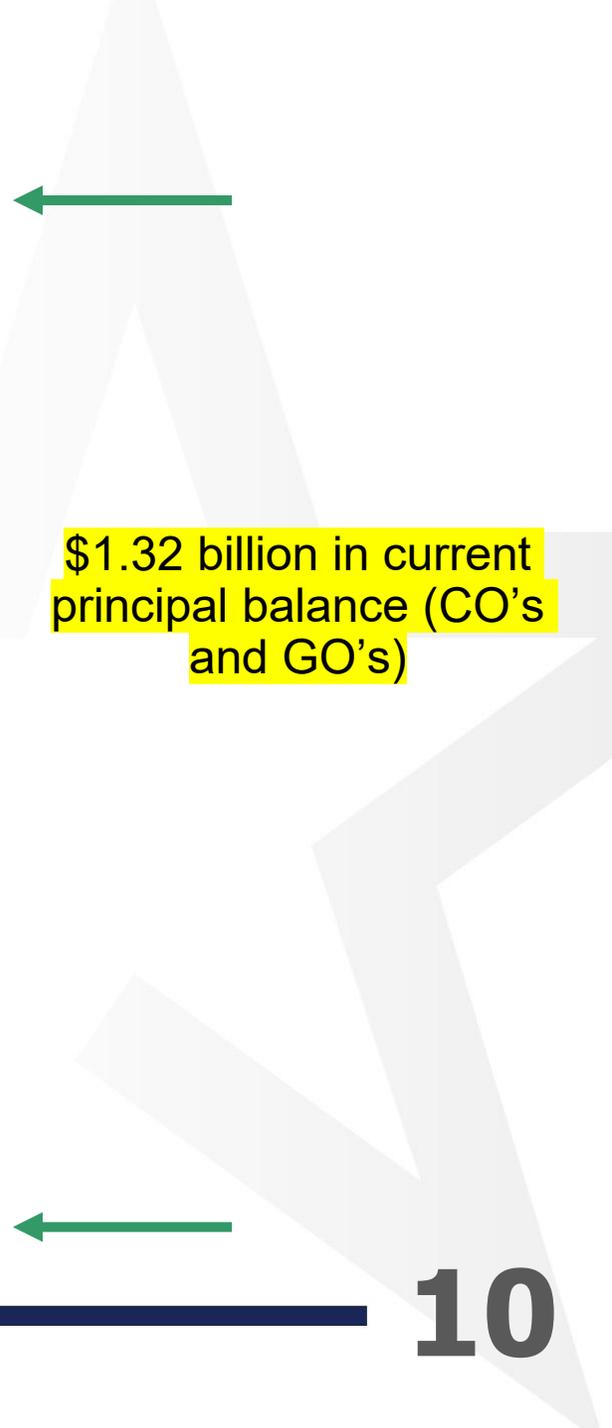
Calendar Year	Refunded Par	Refunding Par	Gross Debt Service Savings	Present Value DS Savings
2021	\$105.29MM	\$96.15MM	\$11.00MM	\$10.31MM
2023	\$14.38MM	\$11.56MM	\$0.40MM	\$0.42MM
2024	\$80.47MM	\$71.37MM	\$8.11MM	\$4.21MM
2025	\$84.72MM	\$79.36MM	\$5.12MM	\$4.49MM
Total			\$24.63MM	\$19.43MM

Debt Service Property Tax Rate



Debt Maturity (# years to payoff)

<u>Issuance</u>	Years to Maturity (Paid Off)
General Obligation Refunding Bonds Series 2020B	7
General Obligation Refunding Bonds Taxable Series 2014	9
General Obligation Refunding Bonds Series 2016	9
Taxable General Obligation Pension Bonds Series 2007	10
General Obligation Refunding Bonds, Series 2025	11
General Obligation Refunding Bonds Series 2023A	12
Combination Tax and Airport Revenue Certificates of Obligation Taxable Series 2014	13
General Obligation Refunding Bonds Series 2024	13
General Obligation Refunding and Improvement Bonds Series 2014	14
General Obligation Refunding Bonds Taxable Series 2021A	14
Combination Tax and Revenue Certificates of Obligation Series 2014	15
General Obligation Refunding and Improvement Bonds Series 2015	16
Combination Tax and Revenue Certificates of Obligation Series 2015	16
General Obligation Bonds Series 2016	17
Combination Tax and Revenue Certificates of Obligation Series 2016	17
General Obligation Refunding and Improvement Bonds Series 2019A	19
General Obligation Bonds Series 2019B	19
Combination Tax and Revenue Certificates of Obligation Series 2019	19
General Obligation Refunding and Improvement Bonds Series 2020A	20
Combination Tax and Revenue Certificates of Obligation Series 2020	20
General Obligation Bonds Series 2021	22
Combination Tax and Revenue Certificates of Obligation Series 2021A	22
Combination Tax and Revenue Certificates of Obligation Series 2021B	22
General Obligation Bonds Series 2021B	22
Combination Tax and Revenue Certificates of Obligation Series 2021C	22
General Obligation Bonds Series 2023	23
Average	16



\$1.32 billion in current principal balance (CO's and GO's)

Debt Limits

Measure	Maximum	Actual
Total principal amount of tax-supported indebtedness to total taxable assessed valuation	10%	2.3%
Net direct debt service as a percent of Net Operating Revenues	20%	8.9%
Council shall annually adopt the necessary debt service tax rate in order to meet debt service requirement	40 ¢	21 ¢

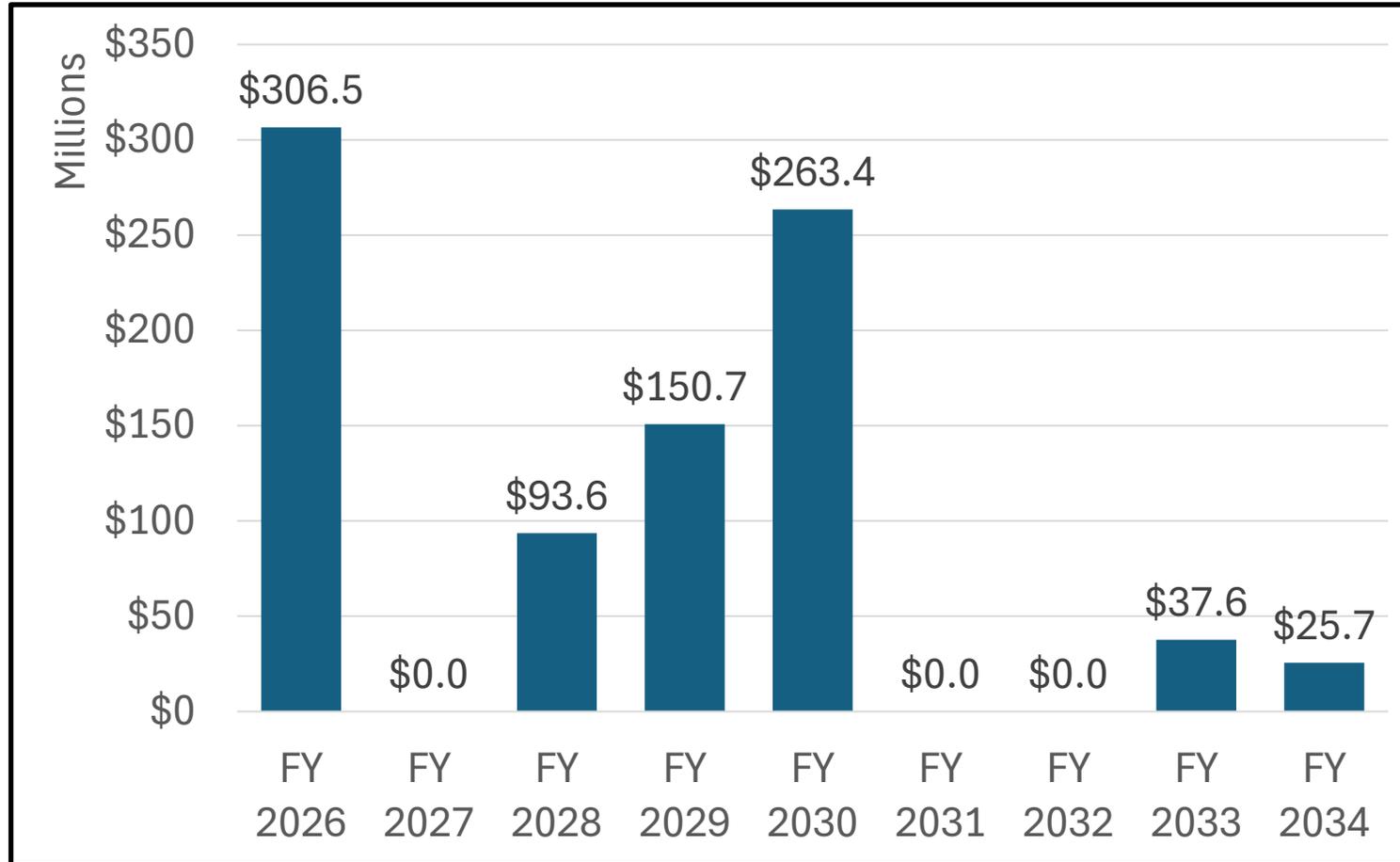
Bond Ratings

City's Ratings are investment grade with very low credit risk:

- S&P = AA
- Fitch = AA
- Kroll = AA+

	Rating	Description
Investment-grade	AAA	Lowest level of credit risk
	AA+, AA, AA-	Very low credit risk
	A+, A, A-	Low credit risk
	BBB+, BBB, BBB-	Moderate credit risk
Non-investment-grade	BB+, BB, BB-	Substantial credit risk
	B+, B, B-	High credit risk
	CCC+, CCC, CCC-	Very high credit risk
	CC	Highly speculative
	C	Highest level of credit risk
	D	Currently in default

Annual Callable Schedule (Refunding Opportunities)



- Refundings: Replace existing debt service payments by paying off an “Existing” bond with a “New” bond that produces LOWER overall debt service payments

Tax-Exempt Current Refunding Candidates

<u>Issuance</u>	<u>Amount Callable</u>	<u>Next Call Date</u>	<u>Final Maturity</u>
General Obligation Refunding Bonds Series 2016	86,145,000	08/15/2026	08/15/2034
General Obligation Bonds Series 2016	143,180,000	08/15/2026	08/15/2042
Certificates of Obligation Series 2016	77,205,000	08/15/2026	08/15/2042
Total	\$306,530,000		

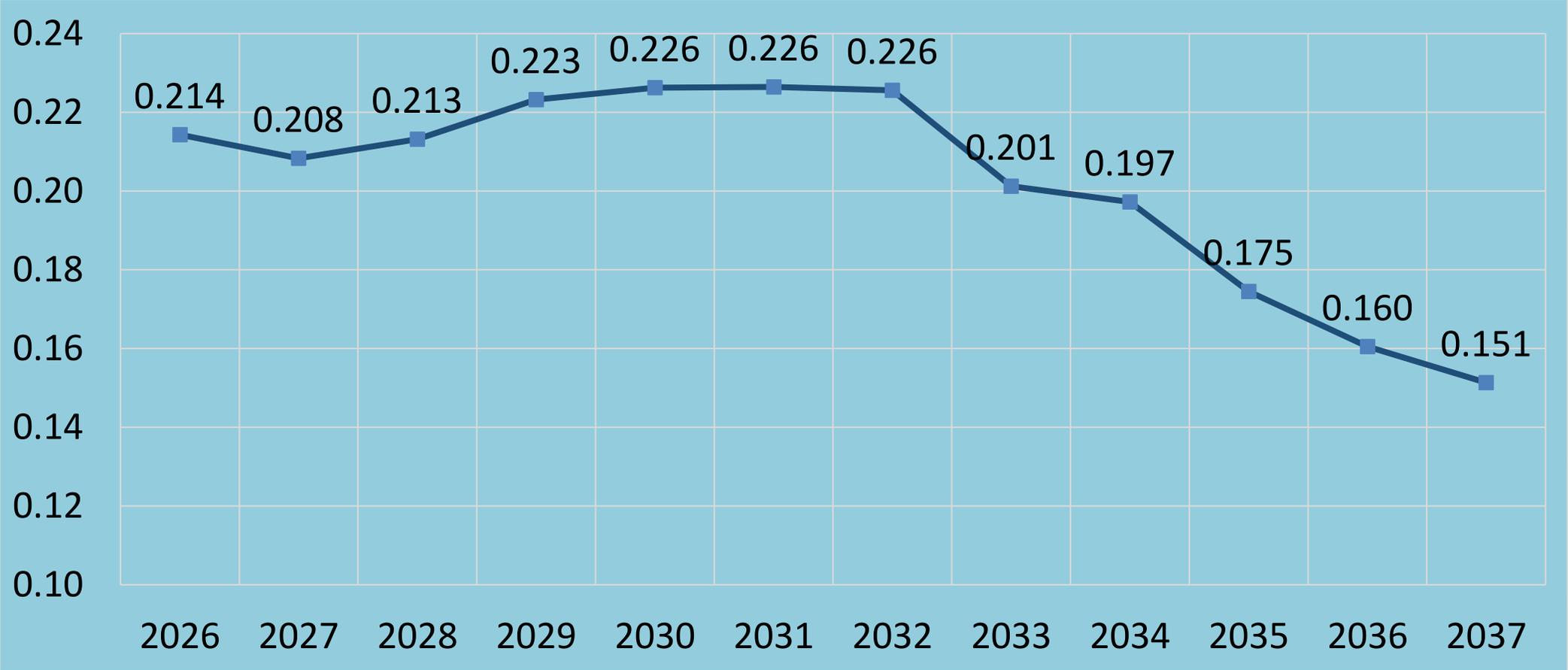
Tax-Exempt Refunding

- The City 2016 Bonds/Certificates will become callable on August 15, 2026 and can be current refunded as early as May 2026
- A current refunding of these bonds, structured to generate uniform annual debt service savings (on a series-by-series basis), generates:
 - Present value savings of ~\$18.1 million (5.9% of refunded par)
 - Average annual savings of \$1.1 million (FY 2027 to FY 2042)

Bond Issuance Status and Planned Issuances

	Public Safety Bond	Community Progress	SIB Loans	Total
Total Budget	413,122,650	272,480,000	29,087,857	714,690,507
Debt Issued	167,297,200	46,100,000	7,364,726	220,761,926
Remaining to Issue	\$245,825,450	\$226,380,000	\$21,723,131	\$493,928,581
FY 2027	75,000,000	50,000,000	14,723,131	139,723,131
FY 2028	85,000,000	60,000,000	7,000,000	152,000,000
FY 2029	80,000,000	40,000,000		120,000,000
FY 2030-2033	5,825,650	76,380,000		82,205,650
Remaining to Issue	\$245,825,650	\$226,380,000	\$21,723,131	\$493,928,781

Projected Debt Service Tax Rate (cents per \$100 valuation)



Estimated Debt Service Amounts (\$ Millions)



Next Steps

- Begin work on Preliminary Official Statements - provides potential investors with essential details about the issuer and the bonds
- Develop “pricing parameters” to be included in Bond Ordinance
- April 2026 – City Council considers approval of Bond Ordinance for Refunding and new issuance for Public Safety and Community Progress Bonds

MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople