



CITY OF EL PASO

2026 Debt Issuance, Refunding, and Redemption / Defeasance

Agenda

- Debt Outstanding/Limits
- Bond/Project Expenditure Status
- New Bond Issuance
- Bond Refunding
- Bond Redemption/Defeasance
- Debt Service Tax Rate Impact
- Schedule of Events



Financing Team

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- **City of El Paso**
 - *Dionne Mack – City Manager*
 - *Robert Cortinas – Chief Financial Officer/Deputy City Manager*
 - *Margarita Munoz– Deputy CFO/Comptroller*
 - *Karla Nieman – City Attorney*
- **Municipal Advisor - Hilltop Securities, Inc.**
 - *Maria Fernanda Urbina – Managing Director*
- **Bond Counsel – Norton Rose Fulbright**
 - *Paul Braden - Head of Public Finance, United States*
- **Underwriter Syndicate**
 - *Jeffries (Lead), Piper Sandler & Co., Morgan Stanley, Cabrera Capital Markets, LLC., Ramirez & Co., Inc.*

Debt Management

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

Strong Financial Governance

- Strong financial governance supports future investment capacity
- Strong audit results support market confidence and credit strength
- Credibility can help preserve borrowing capacity for capital projects
- Audit outcome reinforces trust with residents, investors, and stakeholders

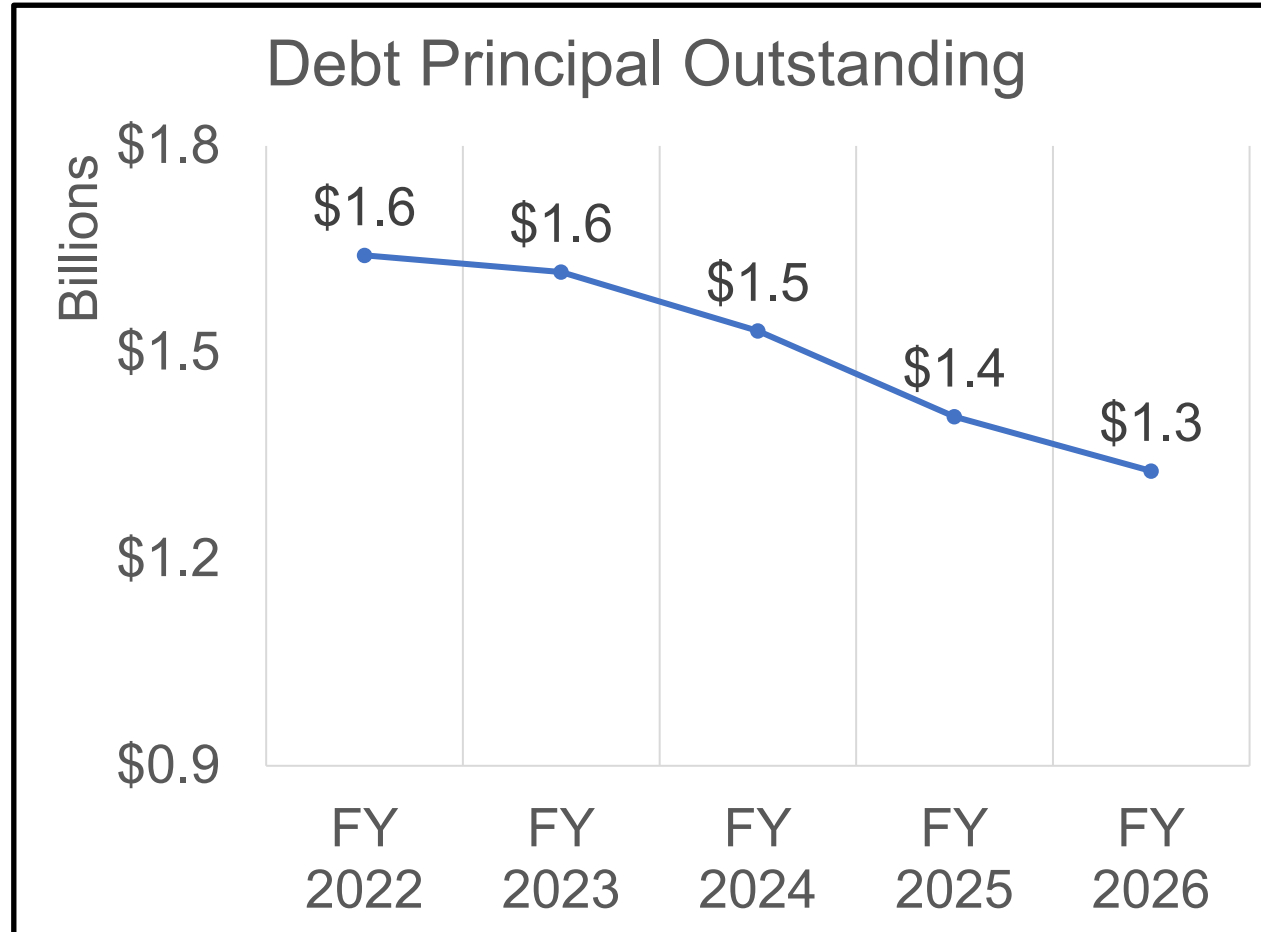
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Long-Term Debt Outstanding

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- Repayment, refundings, and defeasances has led to:
 - \$300 million, or 19%, reduction in debt principal since 2022
 - Almost \$200 million reduction in interest

Debt Limits

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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 (set by Policy)	40 ¢	21 ¢

Current Bond Ratings

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	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
	BB+, BB, BB-	Substantial credit risk
Non-investment-grade	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

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

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

Bond Status

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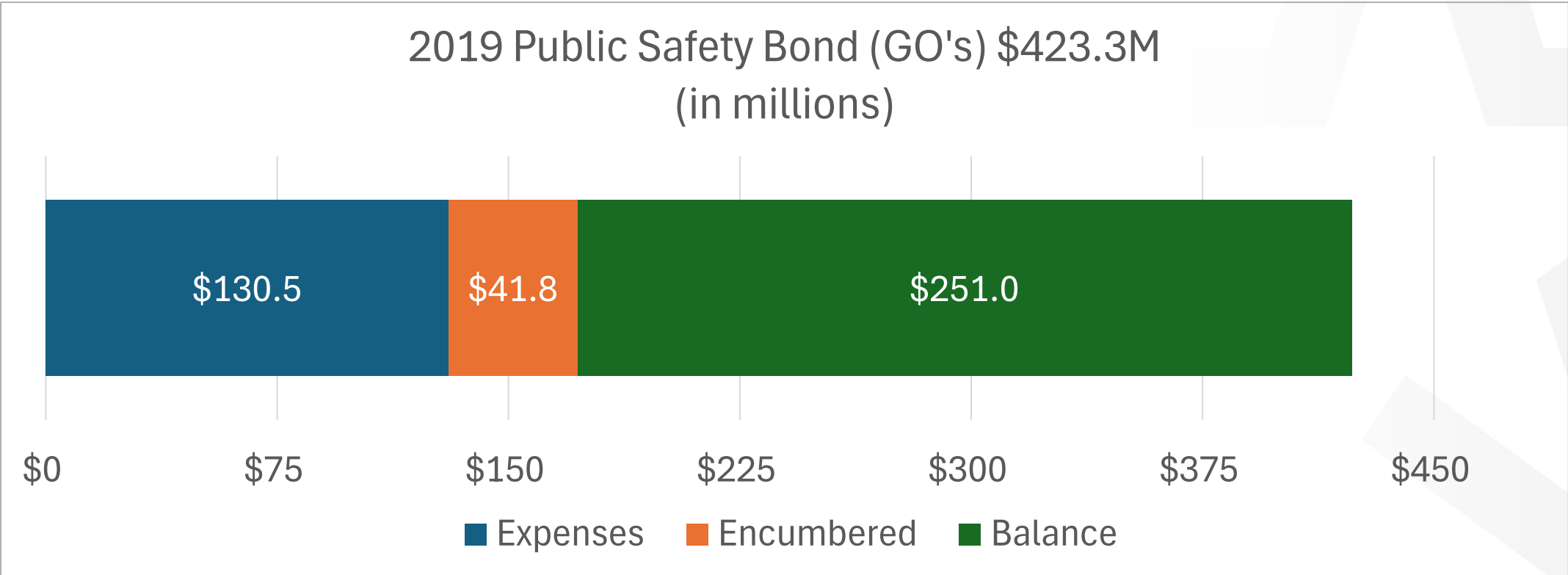
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	Public Safety Bond	Community Progress Bond	SIB Loan	Total
Total Approved Amount	413,122,650	272,480,000	29,087,859	714,690,509
Debt Issued	167,297,200	46,100,000	7,364,726	220,761,926
Remaining to Issue	\$245,825,450	\$226,380,000	\$21,723,133	\$493,928,583

Public Safety Bond Project Expenditure Status

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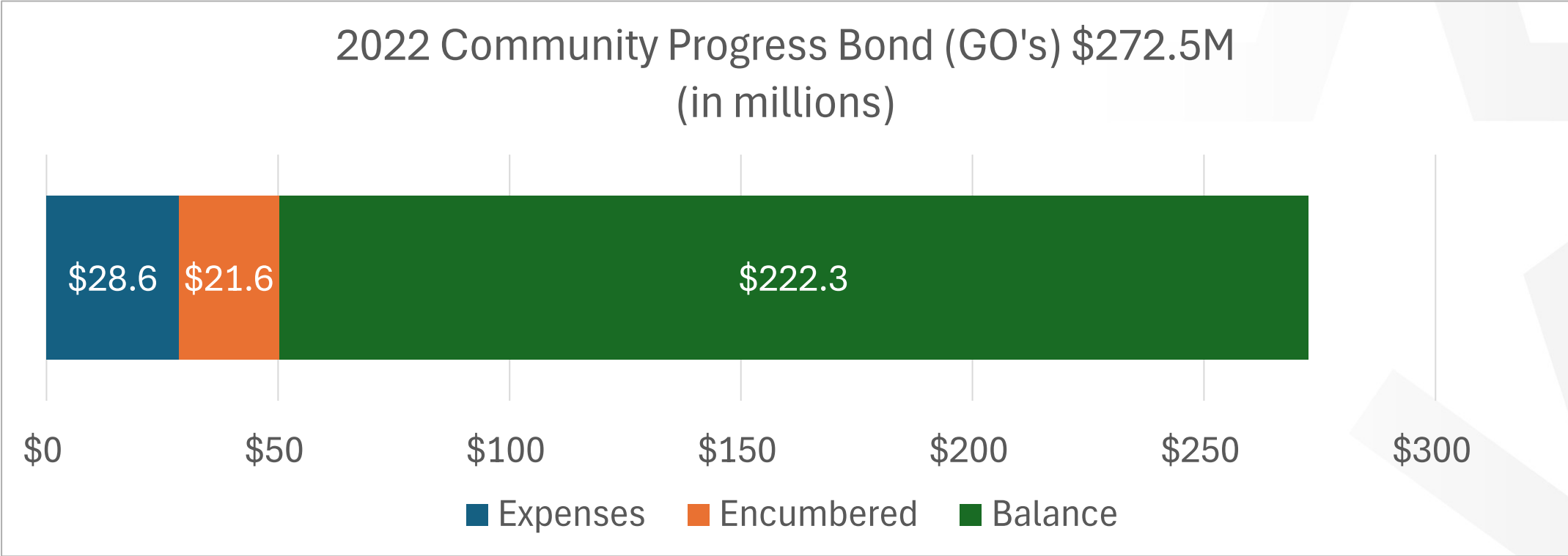
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Community Progress Bond Project Expenditure Status

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Item #22 GO Bond Ordinance

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- New money issuance for the Community Progress Bond projects, approved by the voters on November 8, 2022
- Notice of Introduction and Public Hearing:
 - Published in the El Paso Times on April 3, 2026
 - Posted on the City's website - <https://www.elpasotexas.gov/city-clerk/notices>

Community Progress Bond GO's

Approved Nov. 8, 2022 Bond Election

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	Previously Issued	GO Series 2026	Remaining Issuance
Prop A	37,200,000	52,900,000	156,380,000
Prop B	6,800,000	14,000,000	
Prop C	2,100,000	3,100,000	
Total	\$46,100,000	\$70,000,000	\$156,380,000

Item #22 GO Bond Ordinance

Delegation of Authority to Pricing Officer (Parameters)

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- Pricing Officers - City Manager and Chief Financial Officer
- Aggregate original principal amount of the Bonds shall not exceed \$71,140,000
- Aggregate true interest cost rate for the Bonds shall not exceed 5.25%;
- Maximum maturity date for any series of Bonds issued hereunder shall not exceed December 31, 2051
- Delegation made hereby shall expire if not exercised by the Pricing Officer within 365 days of the date of adoption of this Ordinance

Item #23 Refunding Ordinance

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- Bonds are typically issued with a call date (i.e., prepayment date without penalty) approximately 10-years from the date of issuance
- Allows the City to refinance the outstanding bonds with refunding bonds to achieve debt service savings when interest rates are favorable
- Debt Management Policy requires a minimum net present value savings threshold to be met before any refunding transaction is considered

Item #23 Refunding Ordinance

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- Refunded obligations and debt service savings will be determined closer to pricing date
- Recent market volatility has impacted refunded obligations that could generate debt service savings
- Based on current market conditions, we estimate:
 - Bond par amount of \$227,815,000
 - All-In True Interest Cost of 3.64%
 - Net Present Value Savings of \$12,989,827
 - Percentage of Savings of Refunded Bonds of 5.38%

Item #23 Refunding Ordinance

Delegation of Authority to Pricing Officer (Parameters)

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- Pricing Officers - City Manager and Chief Financial Officer
- Aggregate original principal amount of the Bonds shall not exceed \$435,355,000
- Refunding of the Refunded Obligations must produce present value debt service savings of at least three percent (3.00%)
- Aggregate true interest cost rate for the Bonds shall not exceed 5.00%;
- Maximum maturity date for any series of Bonds issued hereunder shall not exceed December 31, 2042 (no change to current maturity date)
- Delegation made hereby shall expire if not exercised by the Pricing Officer within 365 days of the date of adoption of this Ordinance

Item #24 Redemption of Outstanding Bonds

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- This redemption is essentially an early payoff of General Obligation Refunding and Improvement Bonds, Series 2014 debt obligations
- The City will use existing debt service reserves necessary to redeem the bonds through redemption date
- The redemption reduce the City's aggregate debt service requirements for these bonds

Item #24 Redemption of Outstanding Bonds

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Current Amount Owed on Bonds	\$1,855,684.39
Cash Deposit	1,393,366.67
Cost of Issuance	35,000.00
Amount Necessary for Redemption	\$1,428,366.67
Net Present Value Savings	\$427,317.72

Item #24 Redemption of Outstanding Bonds

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- General Obligation Refunding and Improvement Bonds, Series 2014 Bonds – remaining aggregate principal amount of \$1,375,000
- Authorization to transfer funds of the City to Computershare Trust Company, N.A.(paying agent/registrar) an amount sufficient to pay all interest, principal and associated costs and expenses of redemption
- Upon the making of such deposit, the refunded Bonds will be defeased and, as a result, discharged and no longer considered outstanding obligations of the City

Planned Future Issuances

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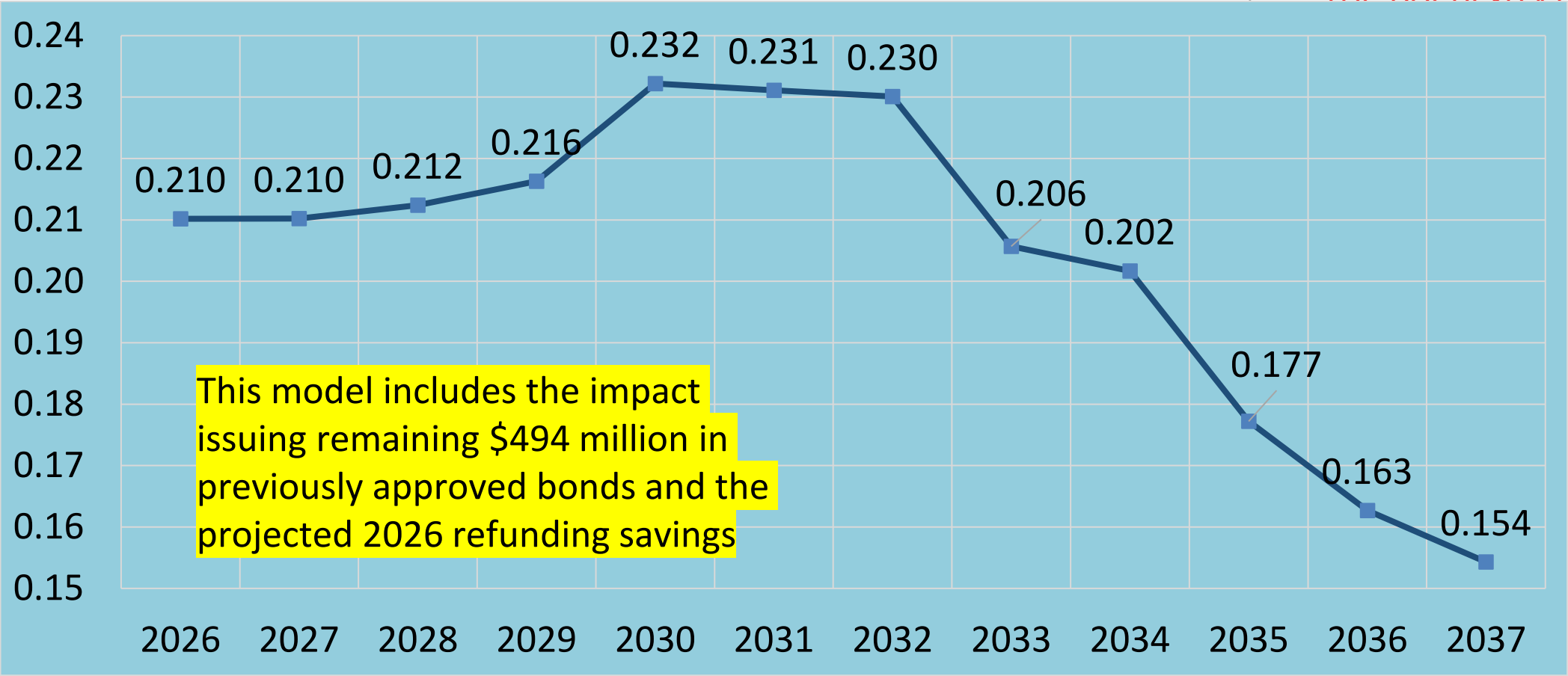
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Fiscal Year	Public Safety Bond	Community Progress Bond	SIB Loan	Total
FY 2026	-	70,000,000	15,000,000	85,000,000
FY 2027	90,000,000	40,000,000	6,723,133	136,723,133
FY 2028	90,000,000	40,000,000		130,000,000
FY 2029-2033	65,825,450	76,380,000		142,205,450
Total	\$245,825,450	\$226,380,000	\$21,723,133	\$493,928,583

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

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This model includes the impact issuing remaining \$494 million in previously approved bonds and the projected 2026 refunding savings

Schedule of Events

- April 14 – Council approves Ordinances
- April 23 – Bond Rating Agency Meetings
- May 19 – Pricing of Bonds (tentative)
- June 23 – Closing. Proceeds received by the City

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Requested Action

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- Approve the following
 - Ordinance - General Obligation Refunding Bonds, Series 2026
 - Resolution – Bond Resolution
 - Ordinance - General Obligation Bonds – Community Progress Bond

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