

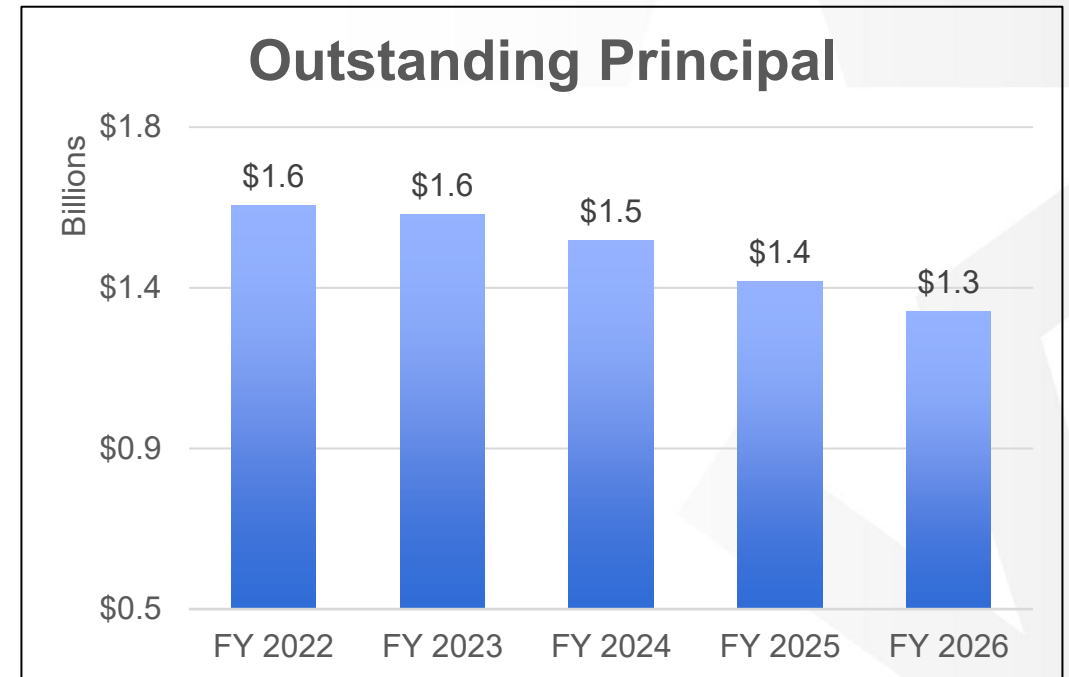
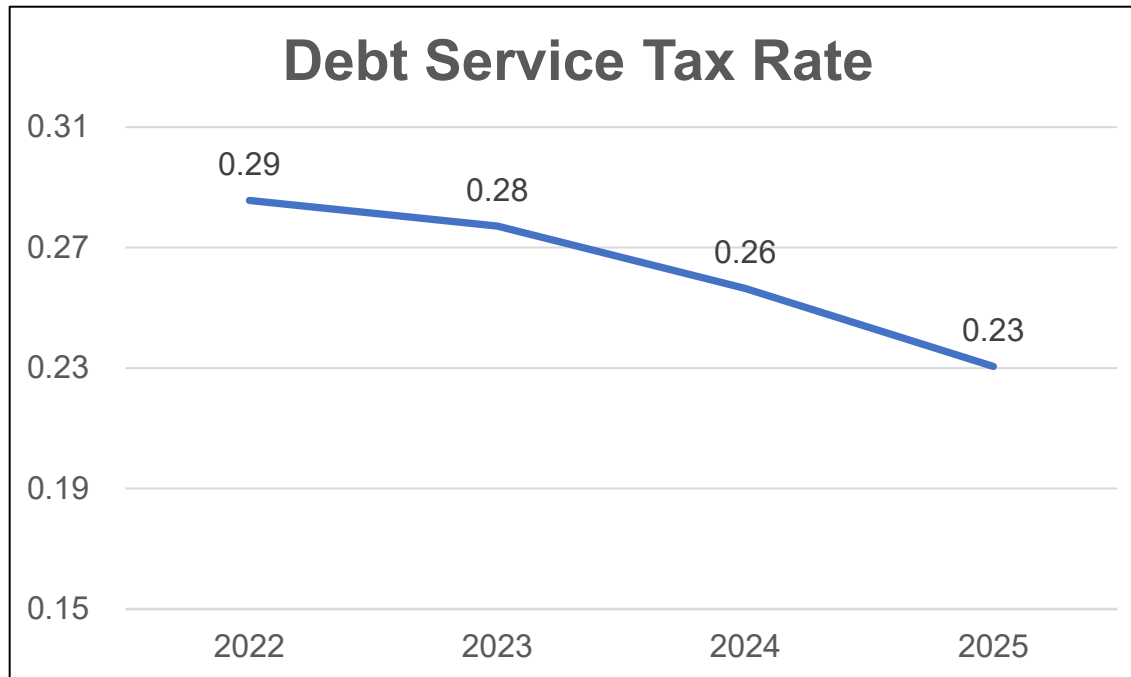


City of El Paso, Texas General Obligation Refunding Bonds, Series 2025

June 24, 2025

Debt Management

Debt Management plays a critical role in providing the ability to invest in essential infrastructure and services, while minimizing the impact to taxpayers



Financing Team

- City of El Paso
 - Dionne Mack – City Manager
 - Robert Cortinas – Chief Financial Officer
 - Margarita Marin – Deputy CFO
 - Karla Nieman – City Attorney
- Hilltop Securities, Inc. – Financial Advisor
 - Maria Urbina – Managing Director
- Norton Rose Fulbright – Bond Counsel
 - Paul Braden – Head of Public Finance, US.
- Underwriters
 - Jeffries LLC – Senior Manager
 - Raymond James
 - RBC Capital Markets

Transaction Overview

- Authorize the issuance of General Obligation Refunding Bonds, Series 2025 for Debt Service Savings
- Municipal bonds typically include a call feature, which allows the issuer to restructure existing debt payments, bond covenants, or to reduce overall debt payments
- Refinancing or “Refunding” bonds for savings: replace existing debt service payments by paying off “existing” bond with a “new” bond that produces lower overall debt service payments

Series 2025 Bond Ratings

- A bond rating performs the function of credit risk evaluation
- The bond rating is often the single most important factor affecting the interest cost on bonds
- City's bond ratings are investment grade with very low credit risk
 - AA+ bond rating reaffirmed by Kroll Bond Rating Agency
 - AA bond rating reaffirmed by S & P

		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
		B+, B, B-	High credit risk
Non-investment-grade		CCC+, CCC, CCC-	Very high credit risk
		CC	Highly speculative
		C	Highest level of credit risk
		D	Currently in default

Series 2025

Bond Refinancing Overview

Series	Call Date	Callable Principal	Coupon Range	Final Maturity
GO Series 2015	8/15/2025	\$46,005,000	3.625%-5.000%	8/15/2039
CO Series 2015	8/15/2025	\$36,350,000	4.000%-5.000%	8/15/2039
<i>GO Series 2016 (*)</i>	<i>8/15/2026</i>	<i>\$168,405,000</i>	<i>4.000%-5.000%</i>	<i>8/15/2042</i>
<i>CO Series 2016 (*)</i>	<i>8/15/2026</i>	<i>\$77,205,000</i>	<i>4.000%-5.000%</i>	<i>8/15/2042</i>

*GO Series 2016 and CO Series 2016 are not “Currently Callable Bonds”, but will be refinanced for savings through a “Bond Tender Offer”

Transaction Overview

- GO Series 2016 and CO Series 2016 are not “currently callable bonds”, however they may be available for refinancing for savings through a “Bond Tender Offer”
- A “Bond Tender Offer” is a process where an offer is made to existing bondholders to tender (or turn in) their bonds prior to the call for a set price. Bondholders have a right to accept or reject any offers
- This refinancing assumes all currently callable debt is refunded and assumes 15% participation of the Tender Offer for an approximated par amount of bonds to be refunded of \$87,470,000

Refinancing Summary

Key Bond Statistics*	
Total Savings	\$4,644,000
Net Present Value Savings (\$)	\$3,800,000
Net Present Value Savings (%)	4.34%
Estimated Borrowing Cost (TIC)	3.73%

- This analysis is preliminary and subject to change. Actual results will be based on market conditions at the time of pricing.

Parameter Authorization

- Council delegates final pricing authority to the following Pricing Officers: City Manager and Chief Financial Officer
- Council approves following parameters that must be met before sale is approved:
 - Maximum True Interest Cost – 4.75%
 - Minimum Present Value Savings – 3.00%
 - Aggregate Not-to-Exceed Principal Amount - \$285,640,000
 - Final Maturity Date – December 31, 2042
 - Expiration of Delegated Authority – 12 months

Next Steps

- June 24 - Post Series 2025 Preliminary Official Statement to I-Deal and launch invitation to tender
- July 8 – Tentative Pre-pricing call
- July 10 – Tentative Pricing of bonds and execution of sale agreements
- August 7 – Tentative Closing

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

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