



# Series 2021 Bond Ordinances

April 13, 2021



# Three Bond Ordinances



- General Obligation Bonds, Series 2021 and General Obligation Refunding Bonds, Taxable Series 2021A
- Special Revenue Refunding Bonds, Taxable Series 2021 (Downtown Ballpark Venue Project)
- Combination Tax and Revenue Certificates of Obligation, Series 2021A and Series 2021B

# Financing Team



## **City of El Paso**

Tommy Gonzalez – City Manager

Robert Cortinas – Chief Financial Officer

Margarita Munoz– Comptroller

Karla Nieman – City Attorney

## **Hilltop Securities**

George Williford – Managing Director

Maria Fernanda Urbina – Sr. Vice President

## **Norton Rose Fulbright**

Paul Braden – Bond Counsel

## **Selected Underwriters**

JP Morgan

Citigroup

Ramirez & Co., Inc.

Raymond James

# Strong Fiscal Management

## Favorable Market Conditions

- Financial analysis and timing is critical, however rates are beginning to change
- New GO/CO
  - Estimating 2.81% true interest cost
  - Ex. a 4.0% true interest cost, similar to prior years, would add \$30 million to total cost
  - Includes final issuance for 2012 Street CIP, \$15 million under budget
- Refinancing Existing Debt
  - GO/CO – estimating \$6.0 million in gross savings
  - Ballpark – estimating \$6.9 million in gross savings

# Issuance Process



- Notice of Intention
  - February 15 - Council approves resolution to approve publication of notice of intention to issue certificates of obligation
  - Feb. 18 & 25 - Notices published in the El Paso Times on Feb. 18, 2021 Notice posted on City website since February 17, 2021
- April 6, 2021 - Notice of Introduction and Public Hearing published in the El Paso Times
- April 13, 2021 - Council acts on parameter Ordinances authorizing issuance of certificates of obligation, general obligation bonds, and special revenue refunding bonds

# Parameter Authorization



- Parameter authorization will enable sale of at optimum timing and structure within 6 month period
- Council delegates final pricing authority to Pricing Officer(s) (Pricing Officers will be City Manager and City Chief Finance Officer)
- Refunding Bonds must produce present value debt service savings of at least three percent (3%), net of any issuer contribution
- Pricing Officer can only approve sale if Council parameters are met

# Parameter Authorization



	Taxable GO Refunding	Tax-Exempt GO	Tax-Exempt CO	Ballpark Taxable Refunding
Not-To-Exceed Par	\$105,825,000	\$48,745,000	\$93,000,000	\$27,250,000
Max. True Interest Cost	3.50%	3.75%	3.75%	4.0%
Maturity Date	12/31/2039	12/31/2047	12/31/2047	12/31/2038
Min. Present Value %	3.00%			

# Cost Savings and Avoidance

## Series 2021 Issuances



Description	Amount
Favorable Interest Rates	\$30.0 million
2012 Streets CIP savings	\$15.1 million
Ballpark refinancing	\$6.9 million
GO/CO refinancing	\$6.0 million
<b>Total</b>	<b>\$58.0 million</b>



# 2021 Capital Project Financing



CIP	Type	Amount
2012 Street CIP	CO	\$30,000,000
2017 CIP	CO	\$6,000,000
2018 CIP	CO	\$20,000,000
2018 CIP – Eastside Sports Complex Phase 2	CO	\$5,000,000
2019 CIP	CO	\$32,000,000
2019 Public Safety Bond	GO	\$48,297,200
<b>Total</b>		<b>\$141,297,200</b>

# 2021 Capital Project Financing

## Making Priorities a Priority

CIP	Amount	% of Total
Public Safety	\$48,297,200	34%
Streets	\$33,500,217	24%
Street Lights	\$14,636,588	10%
Leveraged Street Projects (MPO)	\$10,586,668	7%
Public Health Lab	\$6,640,788	5%
Children's Museum	\$20,000,000	14%
Flat Fields (Eastside Sports Complex)	\$5,000,000	4%
Leo Cancellare Pool	\$2,635,739	2%
<b>Total</b>	<b>\$141,297,200</b>	<b>100%</b>

- 80% for:
  - Public Safety
  - Streets
  - Public Health
- Children's Museum:
  - When completed, City will only be required to pay 1/3 operating cost

# Requested Action

## Approve 3 Bond Ordinances

- General Obligation Bonds, Series 2021 and General Obligation Refunding Bonds, Taxable Series 2021A
- Special Revenue Refunding Bonds, Taxable Series 2021 (Downtown Ballpark Venue Project)
- Combination Tax and Revenue Certificates of Obligation, Series 2021A and Series 2021B



## 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, Respect, Excellence, Accountability, People