



## **AGENDA FOR THE FINANCIAL OVERSIGHT AND AUDIT COMMITTEE**

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**April 10, 2025**  
**COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL - FIRST FLOOR**  
**2:00 PM**

Notice is hereby given that a meeting of the Financial Oversight and Audit Committee (FOAC) will be conducted on the above date and time.

Members of the public may view the meeting via the following means:

Via the City's website. <http://www.elpasotexas.gov/videos>  
Via television on City15,  
YouTube: <https://www.youtube.com/user/cityofelpasotx/videos>

In compliance with the requirement that the City provide two-way communication for members of the public, members of the public may communicate with the Financial Oversight and Audit Committee during public comment, and regarding agenda items by calling the following number:

1-915-213-4096 or Toll Free Number: 1-833-664-9267

**At the prompt please enter the corresponding Conference ID: 482-858-447#**

If you wish to sign up to speak please contact Miguel Montiel at [MontielMA@elpasotexas.gov](mailto:MontielMA@elpasotexas.gov) no later than one day prior to the meeting date. please provide your name, phone number, email address and the agenda item(s) you wish to speak on.

**A quorum of the Financial Oversight and Audit Committee must be present and participate in the meeting.**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

## **AGENDA**

1. Approval of Minutes for the Financial Oversight and Audit Committee meeting of March 13, 2025. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-525](#)
2. Discussion and Action on Texas Department of Transportation State Infrastructure Bank loan options for local match requirements for federally funded transportation projects funded through the Metropolitan Planning Organization. [City Manager's Office, Robert Cortinas, (915) 212-1067] [BC-548](#)
3. Discussion and Presentation on the City of El Paso's FY 2026 - 2030 Debt Service. [City Manager's Office, Robert Cortinas, (915) 212-1067] [BC-547](#)
4. Discussion on Types of Engagements. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-526](#)
5. Discussion and Action on the FY 2024-2025 Annual Audit Plan Replacement Audits. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-527](#)

## **ADJOURN**

## **CLOSED MEETING**

The Financial Oversight and Audit Committee of the City of El Paso may retire into CLOSED MEETING pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss any of the following: (The items listed below are matters of the sort routinely discussed in Closed Meeting, but the Financial Oversight and Audit Committee of the City of El Paso may move to Closed Meeting any of the items on this agenda, consistent with the terms of the Open Meetings Act.) The Financial Oversight and Audit Committee will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071 CONSULTATION WITH ATTORNEY

Section 551.072 DELIBERATION REGARDING REAL PROPERTY

Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFTS

Section 551.074 PERSONNEL MATTERS

Section 551.076 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS

Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Section 551.089 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS;  
CLOSED MEETING

## **NOTICE TO THE PUBLIC**

This is a meeting of the Financial Oversight and Audit Committee of the El Paso City Council. The committee ordinarily consists of 4 Council members for purposes of establishing a quorum and the voting membership on the committee. However, any other member of the City Council may, on an ad hoc basis, join the meeting and participate in the discussions.

Sign language interpreters will be provided for this meeting upon request. Requests must be made to Miguel Montiel at [MontielMA@elpasotexas.gov](mailto:MontielMA@elpasotexas.gov) a minimum of 48 hours prior to the date and time of this hearing.

If you need Spanish Translation Services, please email [MontielMA@elpasotexas.gov](mailto:MontielMA@elpasotexas.gov) at least 48 hours in advance of the meeting.

Posted this 7th day of April, 2025 at 12:21 p.m., at City Hall, 300 N. Campbell Street by Sergio Carrillo.



El Paso, TX

300 N. Campbell  
El Paso, TX

Legislation Text

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**File #: BC-525, Version: 1**

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**CITY OF EL PASO, TEXAS  
LEGISTAR AGENDA ITEM SUMMARY FORM**

**AGENDA LANGUAGE:**

*This is the language that will be posted to the agenda. Please use ARIAL 11 Font.*

Approval of Minutes for the Financial Oversight and Audit Committee meeting of March 13, 2025. [Internal Audit, Edmundo Calderon, (915) 212-1365]



**FINANCIAL OVERSIGHT AND AUDIT COMMITTEE MINUTES**  
**March 13, 2025**  
**COUNCIL CHAMBERS, CITY HALL**  
**2:00 PM**

.....  
The Financial and Oversight and Audit Committee members of the City of El Paso met at the above place and date. Meeting was called to order at 2:00 p.m. Committee Chair Dr. Josh Acevedo was present and presiding and the following Committee Members answered roll call: Dr. Josh Acevedo, Alejandra Chávez, Deanna Maldonado-Rocha, Ivan Niño, Edmundo S. Calderon – Chief Internal Auditor, and Dionne Mack – City Manager.

.....  
**PLEDGE OF ALLEGIANCE**  
.....

**AGENDA**  
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1. Motion made by Committee member Maldonado-Rocha, seconded by Committee member Chávez, and unanimously carried to **APPROVE** the Minutes for the Financial Oversight and Audit Committee meeting of February 12, 2025.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño  
NAYS: None

2. **Discussion and Action on the 2025 Financial Oversight and Audit Committee Meeting Calendar.**

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.

Motion made by Committee member Niño, seconded by Committee member Chávez, and unanimously carried to **APPROVE** the 2025 Financial Oversight and Audit Committee Meeting Calendar.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño  
NAYS: None

3. **Discussion and Action on External Audit Results for Fiscal Year 2024.**

Ms. Rachel Ormsby – Partner, Forvis Mazars, LLP presented a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.

Motion made by Committee member Maldonado-Rocha, seconded by Committee member Chávez, and unanimously carried to **APPROVE** the External Audit Results for Fiscal Year 2024.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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4. **Discussion on FY 2024-2025 Audit Plan 2nd Quarter Updates.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.

**NO ACTION** was taken on this item.

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5. **Discussion and Action on the results of the Department of Public Health - Internal Control Review P2024-03.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.

Motion made by Committee member Chávez, seconded by Committee member Maldonado-Rocha, and unanimously carried to **ACCEPT** the results of the Department of Public Health - Internal Control Review and bring the results to City Council.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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6. **Discussion and Action on the results of the Sun Metro Money Room - Internal Control Review P2024-01.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following members of the FOAC commented:

- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Ms. Dionne Mack, City Manager.

The following City staff member commented:

- Mr. Sasho Andonoski, Administrative Services Manager, Sun Metro

Motion made by Committee member Maldonado-Rocha, seconded by Committee member Chávez, and unanimously carried to **ACCEPT** the results of the Sun Metro Money Room - Internal Control Review and bring the results to City Council.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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**7. Discussion and Action on the results of the Division of Military Affairs – Travel and Accounts Payable Audit Report A2024-02.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following member of the FOAC commented:

- Ms. Dionne Mack, City Manager.

The following City staff member commented:

- Mr. Paul Albright, Military Program Administrator.

Motion made by Committee member Chávez, seconded by Committee member Maldonado-Rocha, and unanimously carried to **ACCEPT** the results of the Division of Military Affairs – Travel and Accounts Payable Audit and bring the results to City Council.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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**8. Discussion and Action on the results of the Sun Bowl Game Audit Report A2024-04.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Mr. Edmundo S. Calderon, Chief Internal Auditor.

The following City staff member commented:

- Ms. Karla Nieman, City Attorney.

The following member of the public commented:

- Mr. Bernie Olivas, Executive Director, Sun Bowl Association.

Motion made by Committee Chair Acevedo, seconded by Committee member Chávez, and unanimously carried to **DENY** the results of the Sun Bowl Game Audit.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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**9. Discussion and Action on the results of the Vehicle Allowance Program Analysis.**

Mr. Edmundo S. Calderon – Chief Internal Auditor presented a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Dionne Mack, City Manager.

The following City staff members commented:

- Ms. Mary Wiggins, Chief Human Resources Officer.
- Ms. Karla Nieman, City Attorney.

Motion made by Committee member Chávez, seconded by Committee member Niño, and unanimously carried to **ACCEPT** the results of the Vehicle Allowance Program Analysis and bring the results to City Council.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño

NAYS: None

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**10. Discussion and Action on proposed amendments to the FY 2024-2025 Audit Plan to be sent to City Council for Final Approval at the April 1, 2025 Regular Council Meeting.**

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Edmundo S. Calderon, Chief Internal Auditor.

Motion made by Committee Chair Acevedo, seconded by Committee member Maldonado-Rocha, and unanimously carried to **APPROVE** the proposed amendments to the FY 2024-2025 Audit Plan, send it to City Council for Final Approval at the April 1<sup>st</sup>, 2025 Regular City Council Meeting and direct the Chief Internal Auditor to collect feedback from the FOAC on potential audits to replace the freed up hours in the Audit Plan by March 20<sup>th</sup>, 2025 and conduct a Risk Assessment from this feedback to be presented at the FOAC Meeting for Review and Action on April 10<sup>th</sup>, 2025.



AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño  
NAYS: None

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**ADJOURN**

Motion made by Committee Chair Acevedo seconded by Committee Member Maldonado-Rocha and unanimously carried to **ADJOURN** the meeting at 3:33 p.m.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha, and Niño  
NAYS: None

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APPROVED AS TO CONTENT:

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Dr. Josh Acevedo – Committee Chair,  
Financial Oversight and Audit Committee

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Edmundo S. Calderon – Chief Internal Auditor,  
Internal Audit Department



El Paso, TX

300 N. Campbell  
El Paso, TX

Legislation Text

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**File #: BC-548, Version: 1**

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**CITY OF EL PASO, TEXAS  
LEGISTAR AGENDA ITEM SUMMARY FORM**

**AGENDA LANGUAGE:**

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Discussion and Action on Texas Department of Transportation State Infrastructure Bank loan options for local match requirements for federally funded transportation projects funded through the Metropolitan Planning Organization. [City Manager's Office, Robert Cortinas, (915) 212-1067]

# SIB Loans

TXDOT State Infrastructure Bank loans for  
MPO Local Match

# Grant Funded Program Overview

Grant Funded Program executes federally & state funded transportation projects

Metropolitan Planning Organization (MPO)

- Regional Priorities
- Regional Mobility Strategy (RMS) 2050

TXDOT

- Highway Safety Improvement Program (HSIP)
- Highway Bridge Program
- International Bridges

Discretionary Grants

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
- Dept of Transportation
- Federal Highway Administration (FHWA)
- Federal Transit Administration

Support CID

- Community Progress Bond
- Transportation Planning and safety



# Grant Funded Program Funding History

## 2018-2024

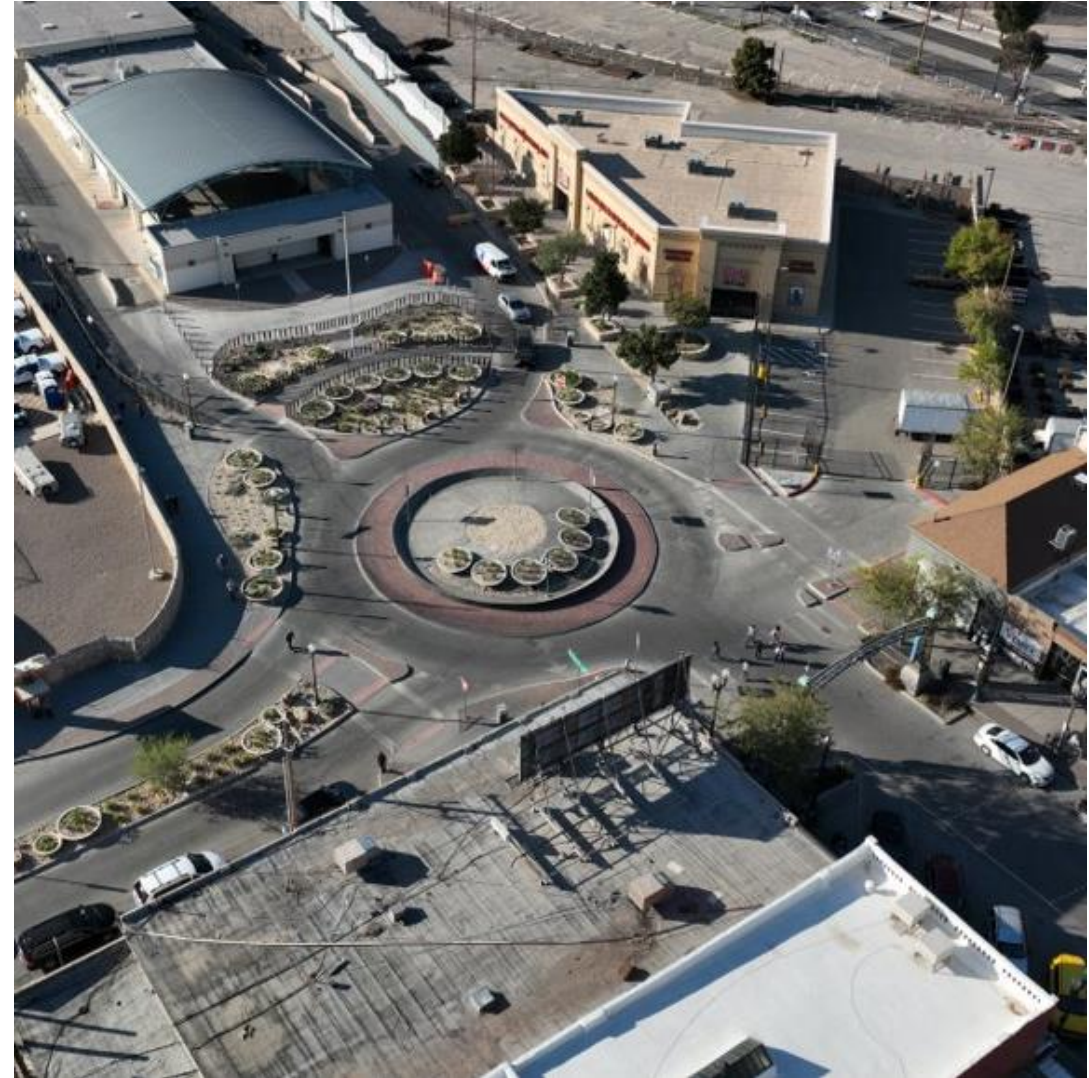
- Approximately \$117.5M in Projects
- Approximately \$32.3M in City Match and Contributions (27%)

## Past Funding

- Historically funded by COs
- \$7.7M in 2017
- \$10.9M in 2018

## 2024 Funding

- Capital Asset Sales to fund the MPO Match for FY24 and FY25
  - FY24 - \$6,890,000.00
  - FY25 - \$11,181,092.60



# What are SIB Loans

- TXDOT State Infrastructure Bank
- Low interest loans for transportation infrastructure projects
  - Federally eligible projects – Title 23
  - Construction or reconstruction
  - Right of way acquisition
  - Utility relocation
  - Contingency
  - Local match
  - Financial & Legal advisory fees

# Who is using SIB Loans

Borrower	Total Amount	Year	Projects
Camino Real RMA (4)	\$86m	2010-2021	IH-10 Widening Loop 375 Direct Connector Loop 375 NE Extension Project Direct Connectors
El Paso County (2)	\$9.5m	2018-2021	Pellicano Dr Widening IH-10 Construction
El Paso (3)	\$21.4m	2000-2011	Paseo Del Norte & Zaaragoza Bridge Stanton Bridge Multiple Bridges
Horizon City (3)	\$465k	2000-2008	Darrington Rd Expansion Ashford Reconstruction
Socorro (2)	\$738k	2001-2003	FM 76 ROW Horizon Blvd ROW
Anthony (2)	\$476k	1998-2001	Spur 6 Utility Relocation and ROW

# Benefits to SIB Loans

- Fixed, low interest rate
- Zero lending costs
  - No application fees
- Short Timeline for Funding
  - 6-8 months from Application
- Entities in an economically disadvantaged county receive an interest rate discount.
- **Alternative to 1-time funding from capital assets**



# Rate Calculation

- The SIB uses the Municipal Market Index (MMD) to set interest rates. This index is updated weekly.
  - Rates are set at the time of application.
    - The rate will be reset if the loan does not go before the Texas Transportation Commission within 12 months.
  - Rate is determined based on the current credit rating of the borrower and the term of the loan
    - The SIB team will use the AAA MMD scale for the term requested for the week of the application.
    - A small premium will be applied based on the credit rating and requested term of the loan
- El Paso EDC Reduction: - 55 bps
- AA Rating: AAA + 10 bps

# Rate Calculation

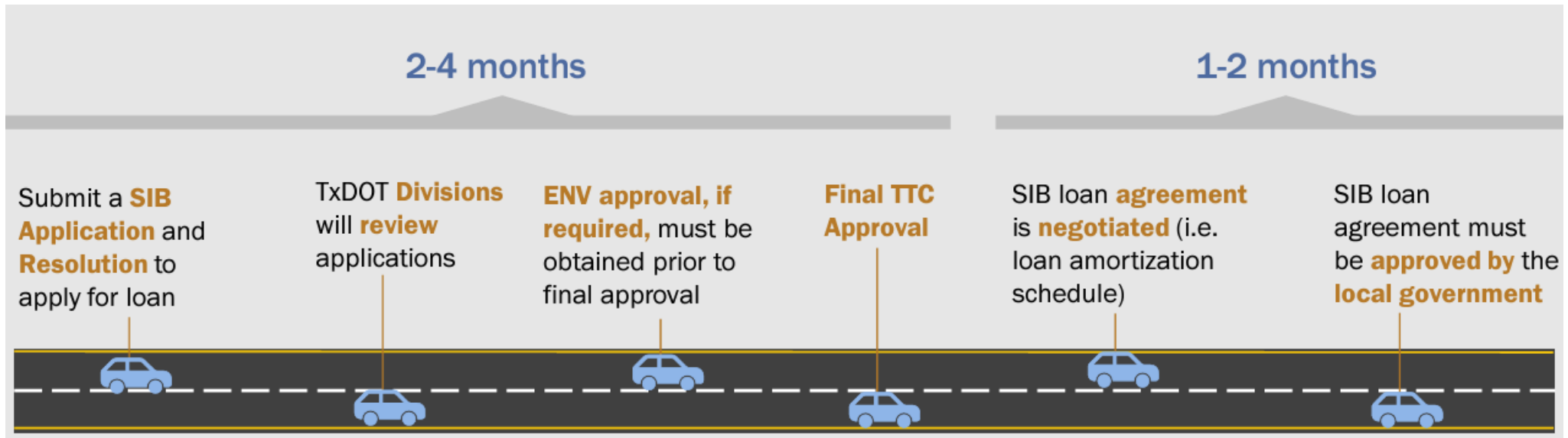
## Possible Loan Breakdowns

### El Paso - Sean Haggerty

Loan Amount	\$ 7,364,726.00			
COEP Rating	AA			
# of Years	10	15	20	25
Annual Rate	2.57%	2.94%	3.43%	3.73%
Annual Payment	\$ (844,531.08)	\$ (614,243.69)	\$ (514,913.34)	\$ (457,974.77)
Total Interest	\$ (1,080,584.83)	\$ (1,848,929.36)	\$(2,933,540.74)	\$ (4,084,643.30)

# SIB Loan Timeline

- 5-7 month TXDOT process
- City process will add 1-2 months
  - Application completion
  - Council Resolutions for application and execution

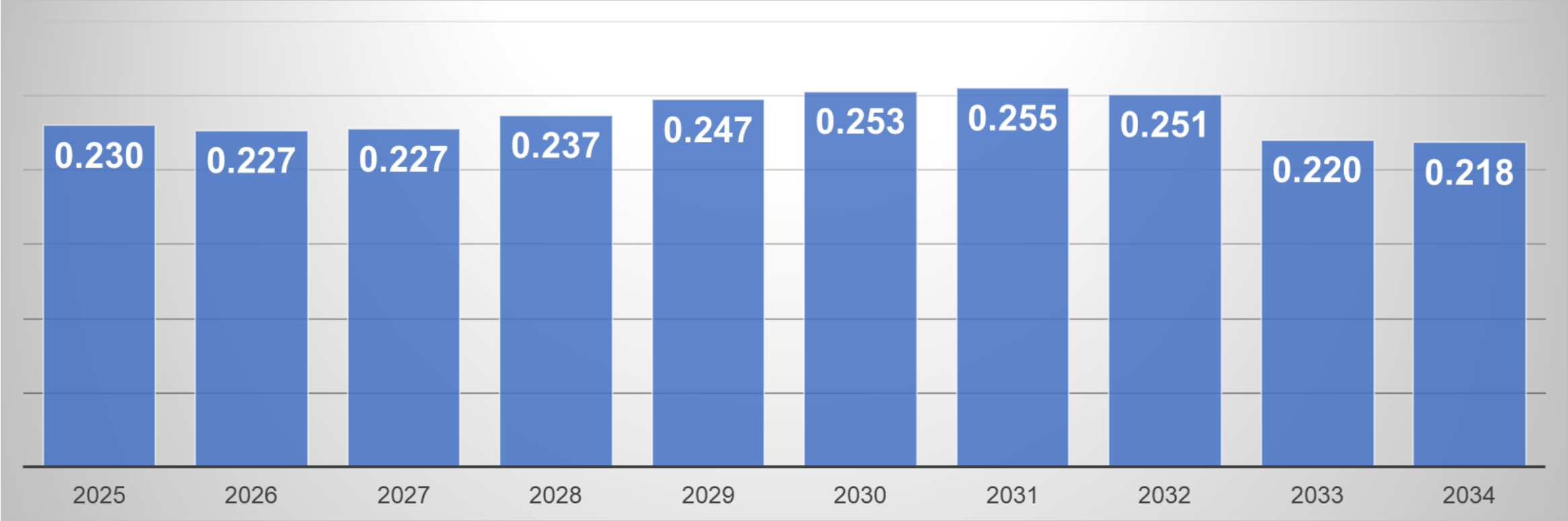


# SIB Loan Eligible Projects

- Single loan agreements for larger projects.
- Potential to group smaller projects

Project Name	Year of Expenditure	Estimated Local Match	Total Project Cost
<b>FY 24</b>			
Sean Haggerty Connection	FY 25	\$7.36 M	\$34.00 M
<b>FY 25-28</b>			
TMC Upgrades	FY 26	\$6.80 M	\$25.50 M
CBD IV	FY 26	\$5.90 M	\$16.50 M
Railroad Dr Reconstruction	FY 26	\$6.10 M	\$19.40 M
Playa Drain SUP	FY 26	\$1.20 M	\$5.90 M
SS4A	FY 26	\$2.50 M	\$12.40 M
Buffalo Soldier Reconstruction	FY 27	\$1.80 M	\$8.40 M
Sun Valley Dr Improvements	FY 27	\$2.60 M	\$6.20 M
Sunland Park SUP	FY 27	\$1.10 M	\$5.30 M
<b>Grouped Projects (Active Transportation less than \$1M)</b>			
Downtown Bicycle Infrastructure	FY 26	\$0.80 M	\$2.70 M
McRae SUP Ph1 & Ph2	FY 26	\$0.31 M	\$5.60 M
Connected Bike Lanes TASA	FY 26	\$0.09 M	\$1.90 M
Border Traveler and Cargo ITS	FY 28	\$0.60 M	\$2.60 M
Video Surveillance & Count Stns Ph II	FY 28	\$0.90 M	\$4.10 M
Brown St Shared Use Path	FY 28	\$0.90 M	\$4.10 M
Shadow Mountain Dr SUP	FY 28	\$0.16 M	\$1.20 M
		<b>Total \$39.12 M</b>	<b>\$155.80 M</b>

# Projected Debt Service Property Tax Rate



	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	Total Future Issuances
2019 Public Safety Bond	36,873,848	79,893,336	79,893,336	49,165,130					245,825,650
2022 Community Progress Bond	33,957,000	39,616,500	39,616,500	22,638,000	22,638,000	22,638,000	22,638,000	22,638,000	226,380,000
SIB Loans	31,064,726	5,500,000	2,560,000						39,124,726
	<b>\$101,895,574</b>	<b>\$125,009,836</b>	<b>\$122,069,836</b>	<b>\$71,803,130</b>	<b>\$22,638,000</b>	<b>\$22,638,000</b>	<b>\$22,638,000</b>	<b>\$22,638,000</b>	<b>\$511,330,376</b>

# Next Steps

- Sean Haggerty Resolution – April 14
  - Council Resolution required to approve applications
  - 2<sup>nd</sup> Council action to execute agreements.
  - Loan amount - \$7,364,726
    - Includes Utility Relocation & Contingency
  - 25 years
  - ≈ 3.73%
- Grouped Loan for TA and Small Projects for FY26

## Requested Action

- Recommend approval of the use of SIB loans to fund MPO match as an alternative to capital asset sales and approval of resolution to submit loan applications for local match requirements through FY28 for up to \$39.12M.



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El Paso, TX

Legislation Text

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**File #: BC-547, Version: 1**

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**CITY OF EL PASO, TEXAS  
LEGISTAR AGENDA ITEM SUMMARY FORM**

**AGENDA LANGUAGE:**

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Discussion and Presentation on the City of El Paso's FY 2026 - 2030 Debt Service. [City Manager's Office, Robert Cortinas, (915) 212-1067]





CITY OF EL PASO

# City of El Paso Debt Service

April 10, 2025

# Agenda Items

- Debt Management & Policy
- Current Debt and Bond Rating
- Recent Transactions
- Debt Maturity and Call Options
- Upcoming Transactions
- Projected Debt Service Tax Model



# 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 borrowing costs

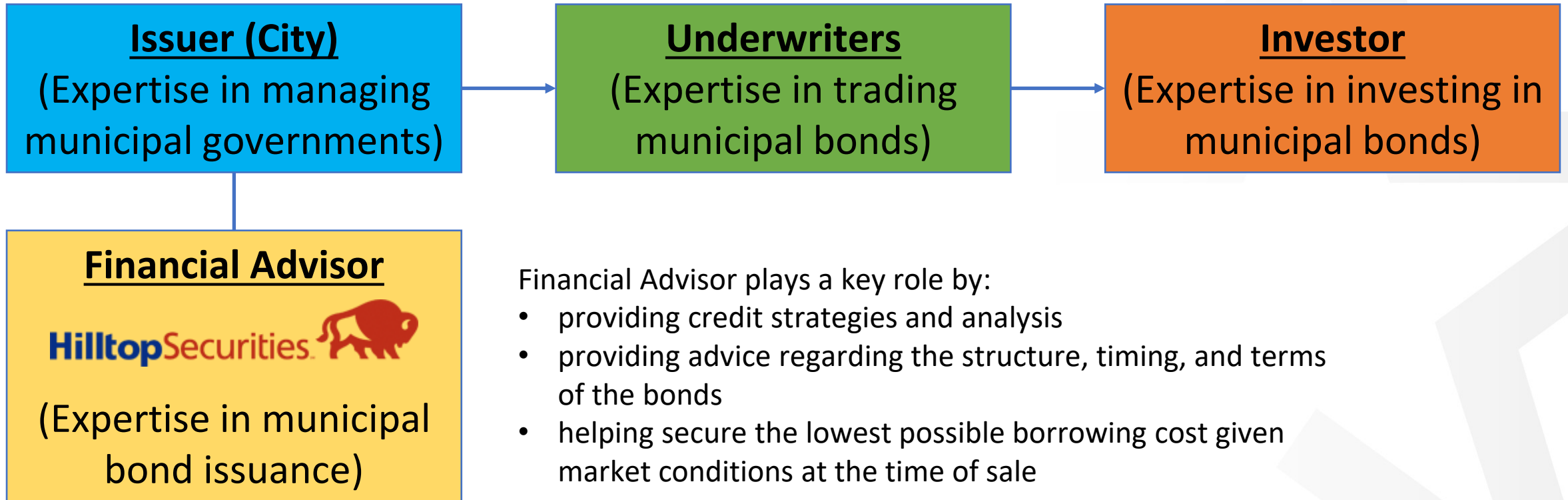
# Debt Management Policy

- Sets forth the parameters for:
  - issuing new debt
  - managing the outstanding debt portfolio
  - identifying the types and amounts of permissible debt
  - maintaining the current bond rating in order to minimize borrowing costs and preserving access to credit
- Policy shall be reviewed and approved by the City Council at least biennially

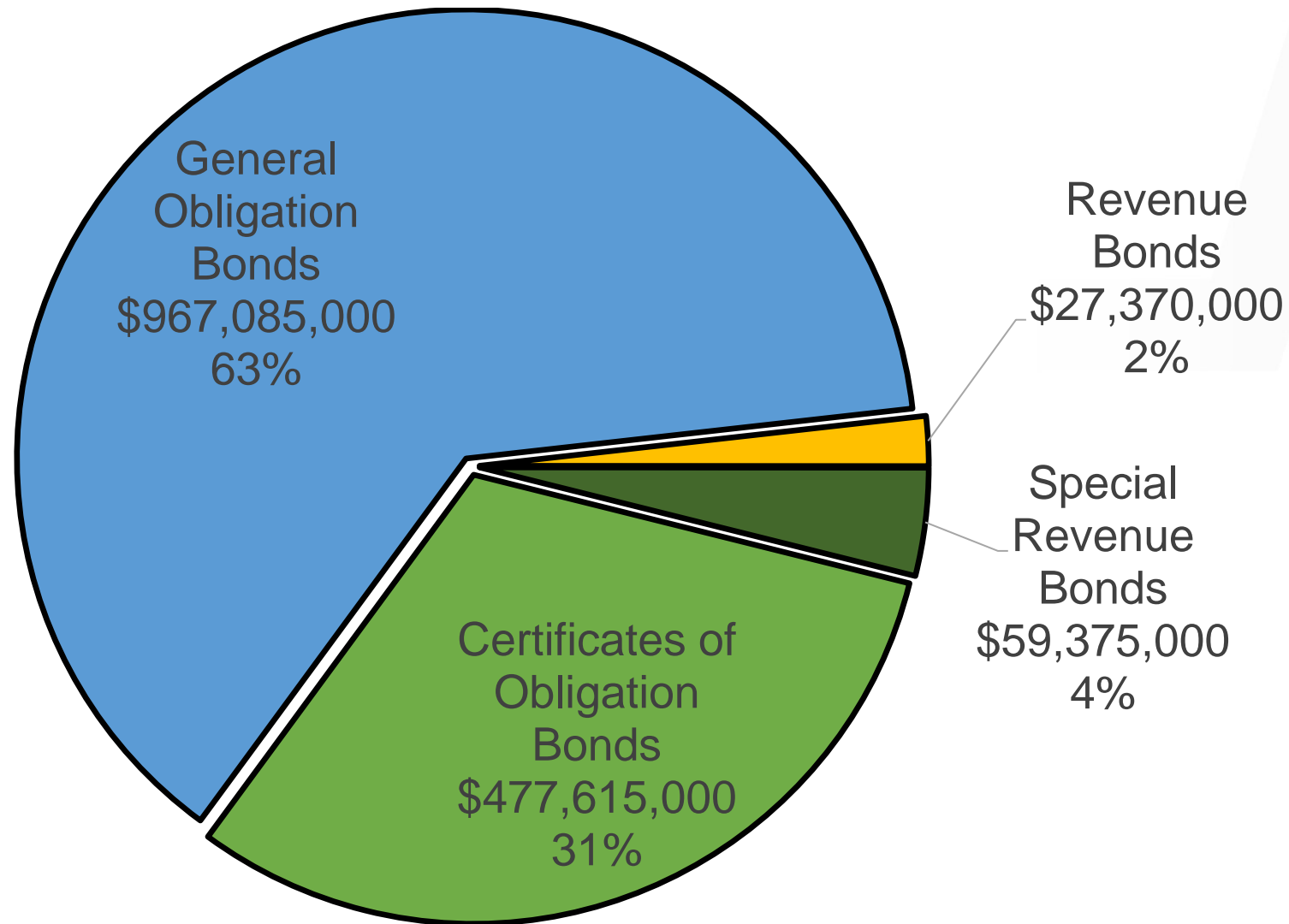
# Debt Limits

Measure	Maximum	Actual
Total principal amount of tax-supported indebtedness to total taxable assessed valuation	10%	2.8%
Net direct debt service as a percent of Net Operating Revenues	20%	10%
Council shall annually adopt the necessary debt service tax rate in order to meet debt service requirement	40 ¢	23 ¢

# Roles in Municipal Bond Transactions



# Breakdown of Outstanding Debt



# Bond Ratings

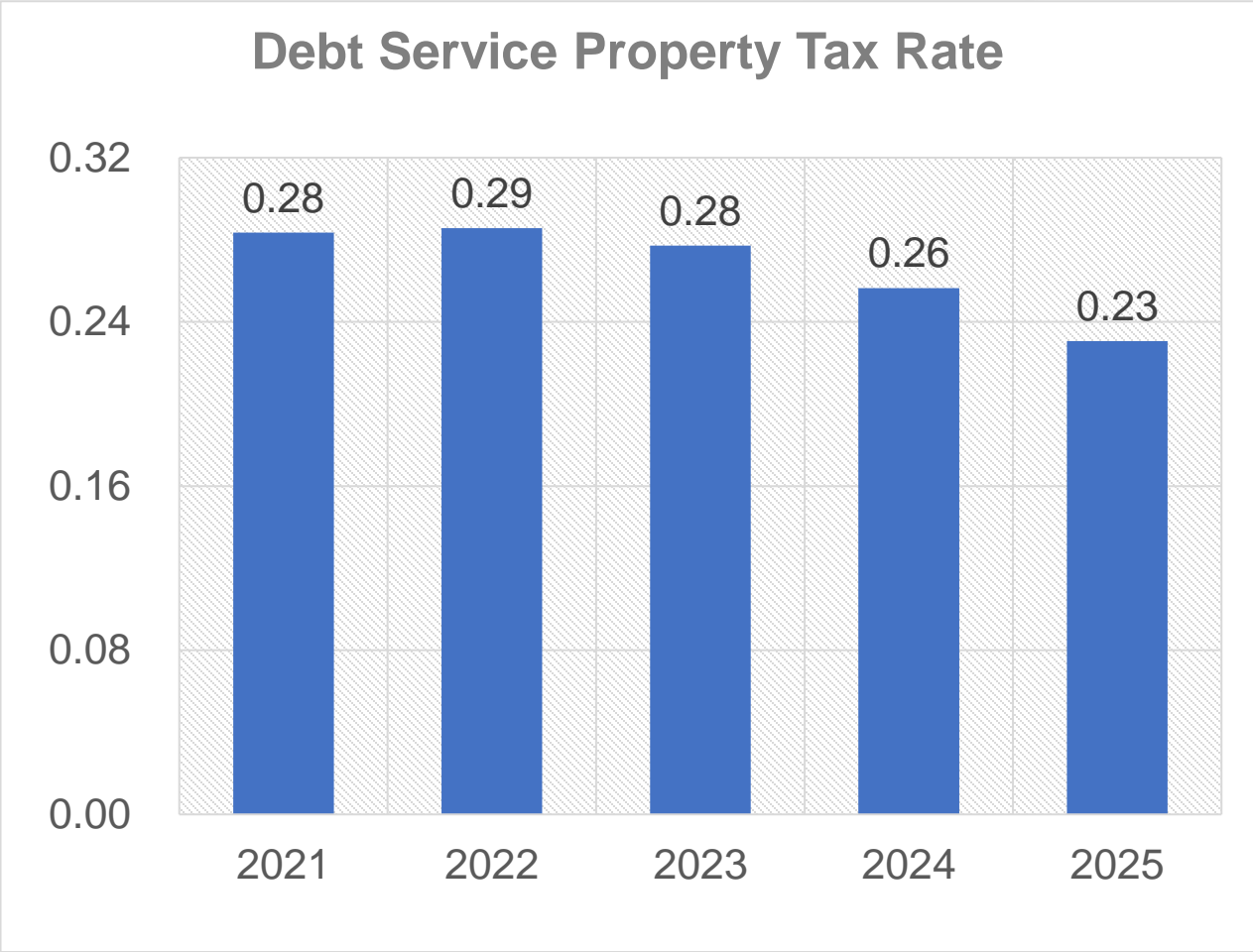
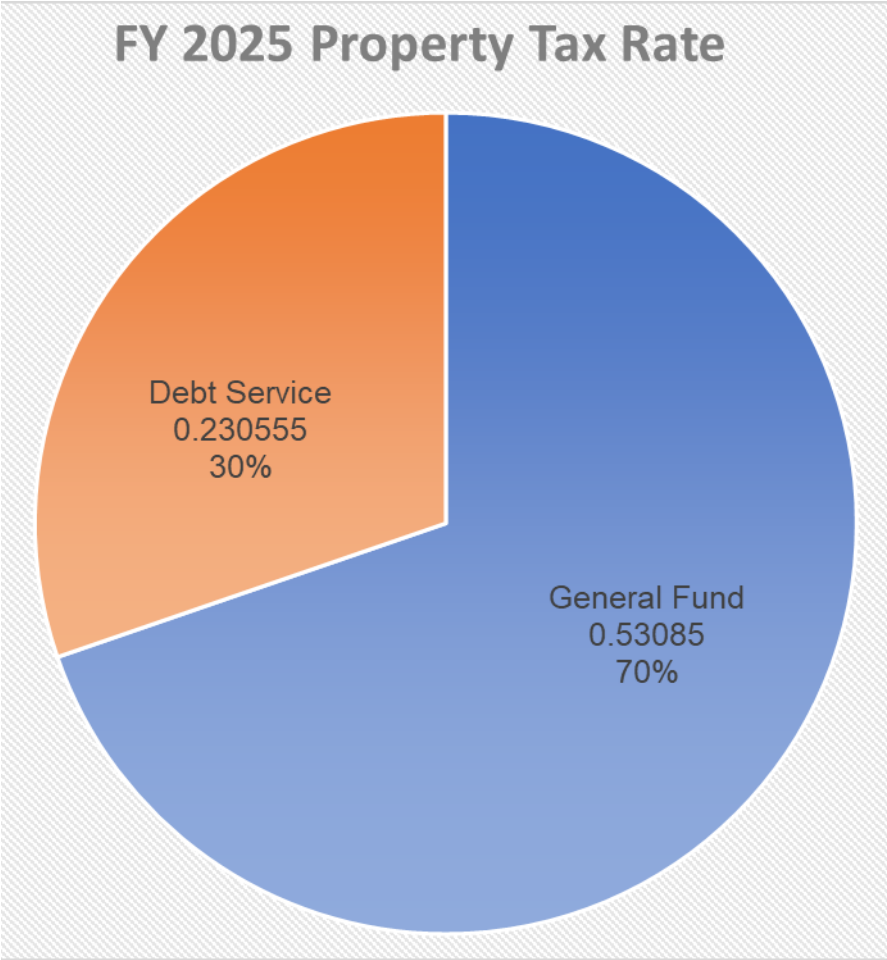
City's Ratings are investment grade with very low credit risk:

- 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



# Property Tax Rate (Cents per \$100 valuation)



# Importance of Debt Management

- Current debt – no maturities until FY 2031 and increasing principal due to interest only structuring
- \$472.2 million GO authorized debt to issue over next 8 years
- Fluctuating interest rate market
- Threat to tax-exempt bonds
- Maintaining high investment grade bond rating

We have  
been  
Strategic and  
proactive to  
minimize  
impact

# Importance of Debt Management

Action	Savings Impact	Note
TRZ #2 SIB Loan Payoff	\$61,559,603	Paid off debt 27 years early. \$8 million annually in new General Fund revenue
Cash Defeasance of 2014 Bonds	\$14,167,346	Structured majority of savings in FY 2027 and 2028 to min. future rate impact
Plaza Theater Debt Payoff	\$3,536,875	Previously dedicated parking meter revenue now comes to General Fund
MPC Defeasance	\$52,963,500	Dec. 2024 Council action to defease unspent bond proceeds. Savings spread from 2025 to 2044
2024 Refunding	\$3,700,475	Savings spread over 2025 to 2027
<b>Total</b>	<b>\$135,927,799</b>	

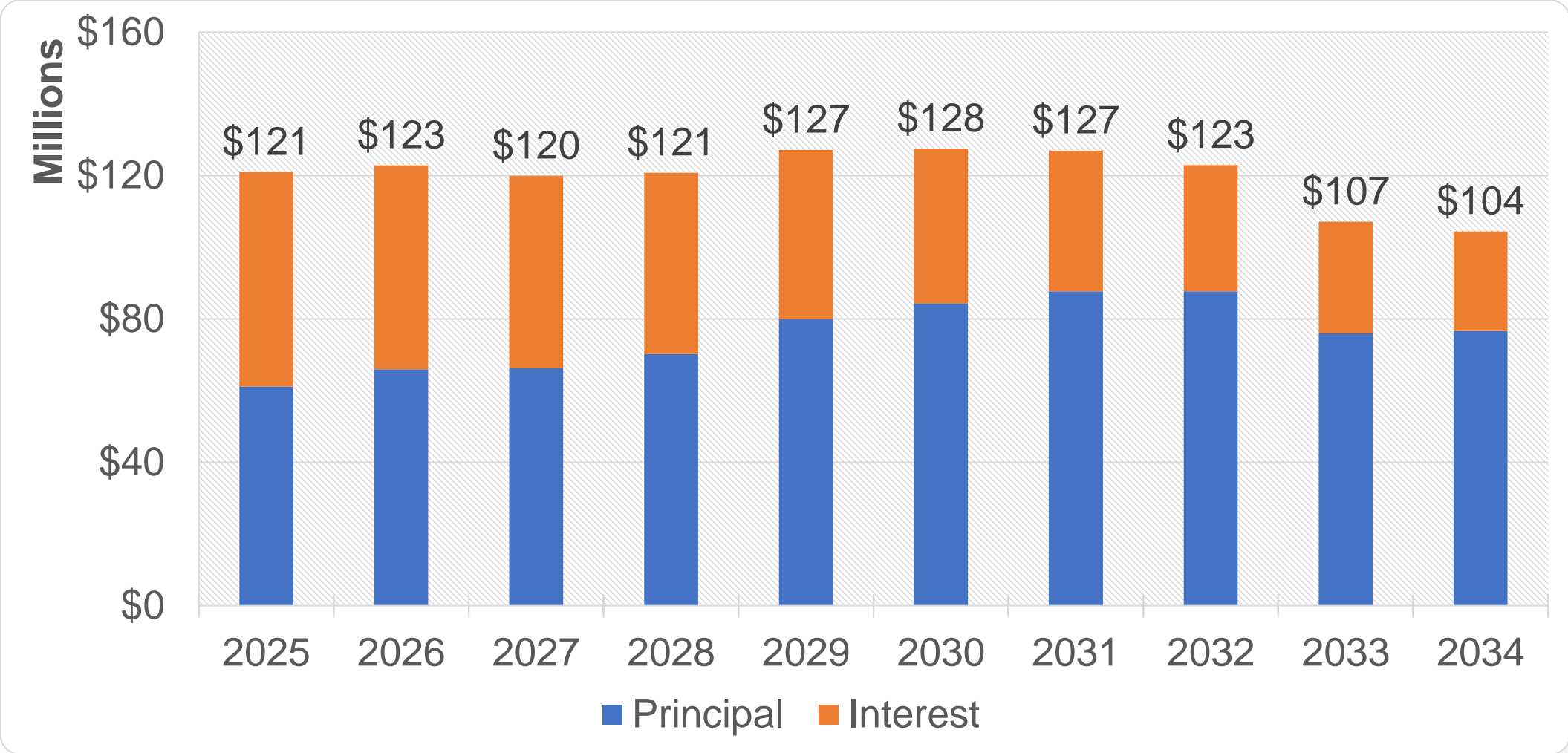
# Debt Maturity and Repayment Schedules

**Future Financial Planning** - Knowing debt maturity helps plan for future financial obligations and manage resources efficiently

# Debt Maturity

ISSUANCE	MATURITY DATE	YRS. TO MATURITY
GO SERIES 2014A - Refunding Bonds	08/15/31	6
GO SERIES 2020B - Refunding Bonds	08/15/32	7
GO SERIES 2014 - Pension Bonds	08/15/34	9
GO SERIES 2016 - Refunding Bonds	08/15/34	9
GO SERIES 2007 - Pension Bonds	08/15/35	10
GO SERIES 2023A - Refunding Bonds	08/15/37	12
SERIES 2014 - (AIRPORT)	08/15/38	13
GO SERIES 2024 - Refunding Bonds	08/15/38	13
GO SERIES 2014 - Refunding & Improvement Bonds	08/15/39	14
GO SERIES 2021A - Refunding Bonds	08/15/39	14
SERIES 2014 - Combination Tax & Revenue	08/15/40	15
SERIES 2015 - Combination Tax & Revenue	08/15/41	16
GO SERIES 2015 - Refunding & Improvement Bonds	08/15/41	16
SERIES 2016 - Combination Tax & Revenue	08/15/42	17
GO SERIES 2016 - Bonds	08/15/42	17
SERIES 2019 - Combination Tax & Revenue	08/15/44	19
GO SERIES 2019A - Refunding & Improvement Bonds	08/15/44	19
GO SERIES 2019B - Bonds	08/15/44	19
SERIES 2020 - Combination Tax & Revenue	08/15/45	20
GO SERIES 2020A - Refunding & Improvement Bonds	08/15/45	20
SERIES 2021A - Combination Tax & Revenue	08/15/47	22
SERIES 2021B - Children's Museum	08/15/47	22
SERIES 2021C - Combination Tax & Revenue	08/15/47	22
GO SERIES 2021 - Bonds	08/15/47	22
GO SERIES 2021B - Bonds	08/15/47	22
GO SERIES 2023 - Bonds	08/15/48	23
<b>Average Years to Maturity (Payoff)</b>		<b>16</b>

# Tax-Supported Debt Service Requirement

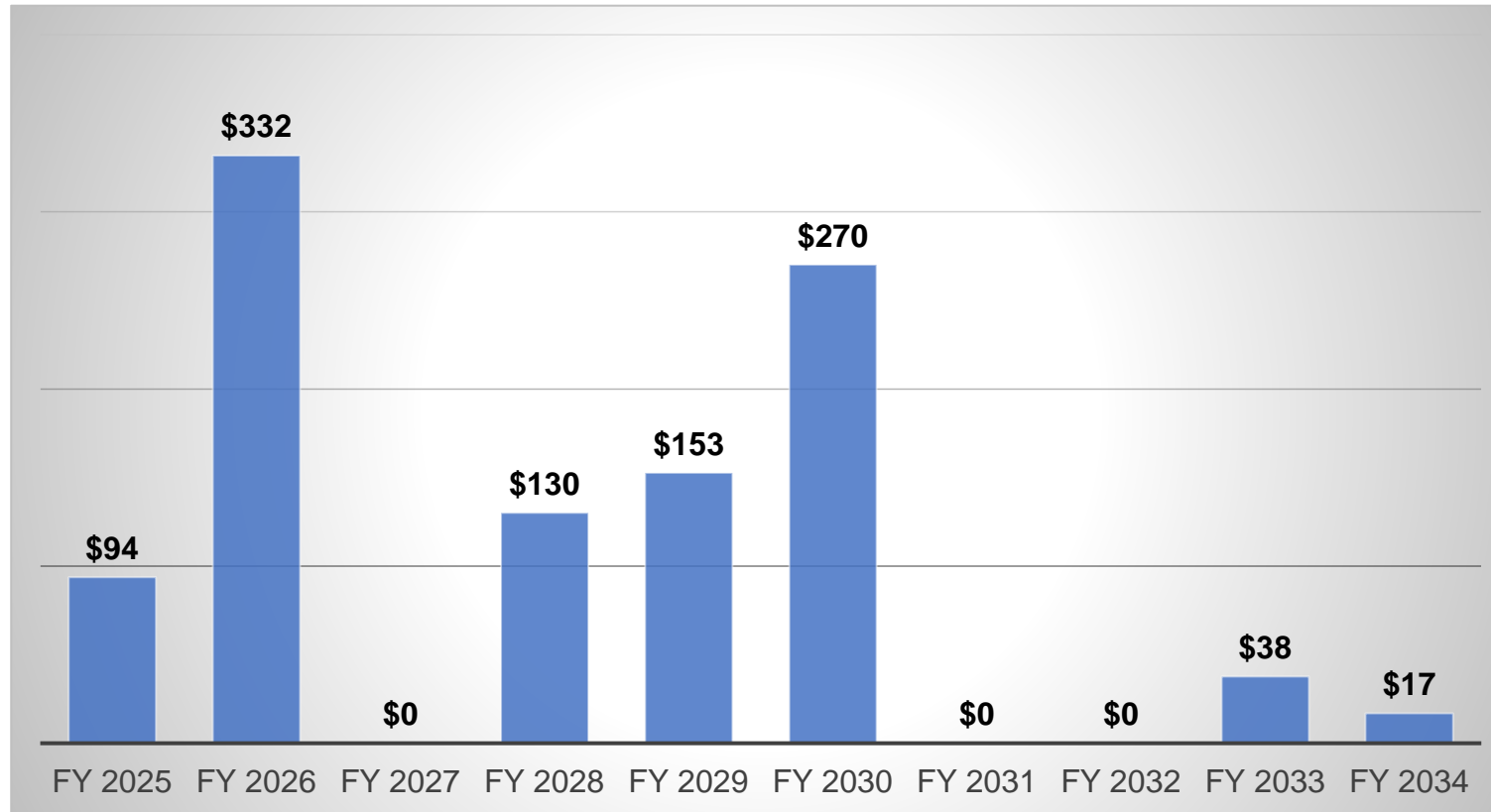


# Strategic Financial Planning

## Use of Refinancing and Restructuring

- Can lower interest rates and reduce payments
- Helps in managing long-term obligations and ensures better financial stability
- Vital for a sustainable financial future and growth

# Annual Callable Schedule (Refunding Opportunities)



- Bonds include call dates, usually ten years from the issuance, which means the bonds can be redeemed earlier than the maturity date (i.e. pay back the bonds)
- Call dates are used to take advantage of the potential for lower interest rates at the time of the call date



# Upcoming Debt Management Actions

- Refunding Opportunities
- Planned issuances for remaining \$472.2 million in Public Safety and Community Progress Bonds
- Utilizing State Infrastructure Bank (SIB) Loans to fund required City match for MPO grants
- Planned early payoff (defeasance) of TIRZ #9 Eastside Sports Complex

# City of El Paso, Texas

## General Obligation Refunding Bonds, Series 2025

.....

April 11, 2025





- City of El Paso, Texas seeks to authorize the issuance of General Obligation Refunding Bonds, Series 2025 for Debt Service Savings.
- Municipal bonds are typically issued long-term for 20-30 years, with set coupons, and a call feature that allows the issuer to call bonds if needed. Bonds can be called 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 an “Existing” bond with a “New” bond that produces LOWER overall debt service payments to an issuer.

***A Refunding of bonds is similar to refinancing a home with lower interest rates.***

# Bond Refinancing Overview



## 2025 Refinancing Candidates

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>	4.000%-5.000%	<i>8/15/2042</i>
<i>CO Series 2016 (*)</i>	<i>8/15/2026</i>	<u><i>\$77,205,000</i></u>	4.000%-5.000%	<i>8/15/2042</i>
TOTAL		\$327,965,000		

**\*GO Series 2016 and CO Series 2016 are not “Currently Callable Bonds.”**

The IRS allows for tax-exempt bonds to be refinanced no more than 90 days before their Call Date. However, bonds may be available for refinancing for savings prior to the call date 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.*

# Refinancing Summary



## Overall Assumptions

- Refinancing assumes all currently callable debt is refunded and assumes 20% participation of the Tender offer of the 2016 GO & CO bonds, which means 20% of callable bonds are tendered. *(Of note, in recent Tender Offer transactions, issuers have seen 20-40% success rate of bonds tendered.)*
  - Approximate par amount of refunded: \$118,275,000
- For illustration purposes, interest rates assume underlying rating by S&P “AA”, Fitch “AA”, and Kroll “AA+” as of March 17, 2025.

(\* ) Note: This analysis is preliminary and subject to change. Actual results will be based on market conditions at the time of pricing. Includes a tender premium of 2.0% based on average secondary market pricing.

## Key Bond Statistics\*

<b>Total Savings</b>	<b>\$7,475,000</b>
Net Present Value Savings (\$)	\$5,605,000
Net Present Value Savings (%)	4.74%
Estimated Borrowing Cost (TIC)	3.56%

# Open Market: Parameter Authorization



- ❑ Parameter authorization will enable the sale of the Bonds at optimum timing and structure. Also, a parameter authorization would provide flexibility to refund all currently callable bonds and bonds tendered through the Tender Offer.
  - General Obligation Refunding Bonds, Series 2025
  
- ❑ Council delegates final pricing authority to following Pricing Officer(s):
  - City Manager
  - Chief Financial Officer
  
- ❑ Council asked to approve parameters:
  - Maximum True Interest Cost – 4.60%
  - Minimum Present Value Savings – 3.00% (Net of any City contribution)
  - Aggregate Not-to-Exceed Principal Amount for all bonds that can be issued under Ordinance – \$327,965,000
  - Final Maturity Date – December 31, 2042
  - Expiration of Delegated Authority – 12 months
  
- ❑ Pricing Officer can only approve sale if all Council parameters are met.

# Next Steps



- **June 2025:** City Council considers selling “General Obligation Refunding Bonds, Series 2025”, through a parameter ordinance.
- **July 2025:** Tentative Pricing of “City of El Paso, Texas General Obligation Refunding Bonds, Series 2025”
- **July 2025:** Tentative Closing of “City of El Paso, Texas General Obligation Refunding Bonds, Series 2025”

# Planned Debt Issuances for Remaining General Obligation Bonds

	2019 Public Safety	2022 Community Progress	SIB Loans	Total
FY 2025	0	0	0	0
FY 2026	36,873,848	33,957,000	31,064,726	101,895,574
FY 2027	79,893,336	39,616,500	5,500,000	125,009,836
FY 2028	79,893,336	39,616,500	2,560,000	122,069,836
FY 2029	49,165,130	22,638,000		71,803,130
FY 2030		22,638,000		22,638,000
FY 2031		22,638,000		22,638,000
FY 2032		22,638,000		22,638,000
FY 2033		22,638,000		22,638,000
<b>Total</b>	<b>\$245,825,650</b>	<b>\$226,380,000</b>	<b>\$39,124,726</b>	<b>511,330,376</b>

Amounts shown are estimates and subject to change based on cash flow and required annual amounts to fund capital projects.



# TXDoT State Infrastructure Bank (SIB) Loans

- Council previously approved use of one-time revenue for grant match, however this is not sustainable
- This would provide a source for local grant match for MPO transportation infrastructure projects
- Allows the City to leverage an average of 75% of project cost from the MPO
- These are low interest loans for transportation infrastructure projects

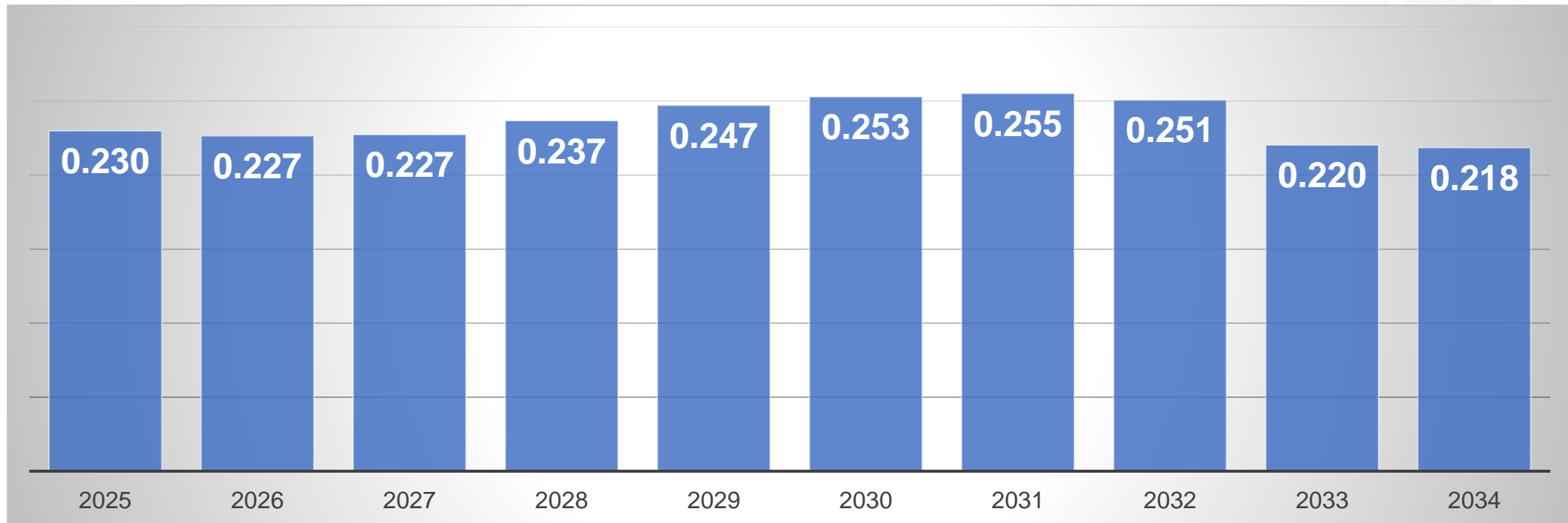
# Tax Increment Reinvestment Zone #9

- Created in 2017 for the construction and maintenance of the Eastside Sports Complex phase two (\$14.5 million)
- Incremental revenue from TIRZ #9 reimburses debt service fund for costs related to the project
- Currently, \$11.7 million obligation remaining to payoff

# Tax Increment Reinvestment Zone #9

- Recommendation
  - Defeasement (payoff) obligation using available debt service reserves (restricted for debt)
  - Terminate TIRZ #9
- Benefits:
  - \$4.8 million currently in the TIRZ #9 fund becomes unrestricted (transfer to General Fund)
  - Approx. \$1.8 million annually collected in the fund would now go to the General Fund

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



- Includes FY 2025 refunding opportunity savings and MPC defeasance
- Does not include potential savings from tax-exempt tender
- Does not include savings from refunding opportunities beyond 2025

# Summary

- Continue monitoring market conditions for potential interest rate impacts and tax-exempt bond status
- Prepare Ordinance for new money, refunding, and defeasance for Council consideration
- Prepare Ordinance for termination of TIRZ #9
- Bring SIB Loan application for Council consideration

## 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,  
**A**ccountability, **P**eople

## MISIÓN



Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad

## VISIÓN



Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



## VALORES

Integridad, **R**espeto, **E**xcelencia,  
**R**esponsabilidad, **P**ersonas

# Long-Term Debt Outstanding (Certificates of Obligation)

This text box is to remind you about the ASL translator service. Do NOT add any info in this space.

REMOVE THIS BOX ONCE THE PRESENTATION IS FINALIZED.

	Issue Date	Maturity Date	Original Issuance	Interest Rates	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024
Certificates of Obligation								
Series 2014 - Combination Tax & Revenue(Airport)	4/30/2014	8/15/2038	40,000,000	1.375 - 5.000%	\$ 31,070,000	\$ —	\$ 1,495,000	\$ 29,575,000
Series 2014 - Combination Tax & Revenue	8/26/2014	8/15/2040	64,605,000	4.000 - 5.000%	51,630,000	—	43,455,000	8,175,000
Series 2015 - Combination Tax & Revenue	8/17/2015	8/15/2041	57,710,000	4.000 - 5.000%	48,000,000	—	2,245,000	45,755,000
Series 2016 - Combination Tax & Revenue	6/30/2016	8/15/2042	84,205,000	4.000 - 5.000%	83,495,000	—	140,000	83,355,000
Series 2019 - Combination Tax & Revenue	3/5/2019	8/15/2044	93,460,000	3.125 - 5.000%	80,460,000	—	2,335,000	78,125,000
Series 2020 - Combination Tax & Revenue	3/10/2020	8/15/2045	84,855,000	4.000 - 5.000%	80,800,000	—	2,180,000	78,620,000
Series 2021A - Combination Tax & Revenue	6/3/2021	8/15/2047	60,050,000	4.000 - 5.000%	60,050,000	—	—	60,050,000
Series 2021B - Combination Tax & Revenue	6/3/2021	8/15/2047	16,490,000	4.000 - 5.000%	16,490,000	—	—	16,490,000
Series 2021C - Combination Tax & Revenue	12/7/2021	8/15/2047	84,060,000	3.000 - 5.000%	79,070,000	—	1,600,000	77,470,000
Total Certificates of Obligation					531,065,000	—	53,450,000	477,615,000



# Long-Term Debt Outstanding (General Obligation)

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	Issue Date	Maturity Date	Original Issuance	Interest Rates	Balance August 31, 2023	Additions	Reductions	Balance August 31, 2024
General Obligation								
Series 2007 - Taxable Pension	6/15/2007	8/15/2035	101,240,000	5.512 - 6.018%	65,140,000	—	3,865,000	61,275,000
Series 2014 - Pension	1/16/2014	8/15/2034	110,610,000	0.622 - 5.177%	71,150,000	—	16,905,000	54,245,000
Series 2014 - Refunding & Improvement	5/20/2014	8/15/2039	88,515,000	3.375 - 5.000%	20,630,000	—	19,255,000	1,375,000
Series 2014A - Refunding	8/26/2014	8/15/2031	49,360,000	2.000 - 5.000%	29,390,000	—	29,390,000	—
Series 2015 - Refunding & Improvement	8/17/2015	8/15/2041	116,415,000	3.905 - 5.000%	74,255,000	—	11,655,000	62,600,000
Series 2016 - Refunding	6/15/2016	8/15/2034	121,260,000	3.500 - 5.000%	95,680,000	—	1,090,000	94,590,000
Series 2016	6/30/2016	8/15/2042	175,305,000	4.000 - 5.000%	175,305,000	—	—	175,305,000
Series 2019A - Refunding & Improvement	3/5/2019	8/15/2044	81,445,000	2.000- 5.000%	69,725,000	—	3,500,000	66,225,000
Series 2019B	3/5/2019	8/15/2044	17,045,000	2.000 - 5.000%	14,585,000	—	470,000	14,115,000
Series 2020A - Refunding & Improvement	3/10/2020	8/15/2045	113,935,000	3.000 - 5.000%	105,140,000	—	2,560,000	102,580,000
Series 2020B - Refunding	5/19/2020	8/15/2032	23,040,000	5.000%	18,510,000	—	960,000	17,550,000
Series 2021 - Improvement	6/3/2021	8/15/2047	42,625,000	3.000 - 5.000%	42,625,000	—	—	42,625,000
Series 2021A - Refunding	6/3/2021	8/15/2039	105,290,000	0.257 - 2.759%	84,655,000	—	6,190,000	78,465,000
Series 2021B	12/7/2021	8/15/2047	73,460,000	3.000 - 5.000%	69,510,000	—	—	69,510,000
Series 2023	6/13/2023	8/15/2048	44,735,000	4.000 to 5.000%	44,735,000	—	1,030,000	43,705,000
Series 2023A - Refunding	6/13/2023	8/15/2037	11,555,000	5.000%	11,555,000	—	—	11,555,000
Series 2024- Refunding	7/2/2024	8/15/2038	71,365,000	5.000%	—	71,365,000	—	71,365,000
<b>Total General Obligation Bonds</b>					<b>992,590,000</b>	<b>71,365,000</b>	<b>96,870,000</b>	<b>967,085,000</b>



El Paso, TX

300 N. Campbell  
El Paso, TX

Legislation Text

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**File #: BC-526, Version: 1**

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**CITY OF EL PASO, TEXAS  
LEGISTAR AGENDA ITEM SUMMARY FORM**

**AGENDA LANGUAGE:**

*This is the language that will be posted to the agenda. Please use ARIAL 11 Font.*

Discussion on Types of Engagements. [Internal Audit, Edmundo Calderon, (915) 212-1365]



# Internal Audit Department Types of Engagements

# Assurance Engagements (Audits)

Services which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology audits. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing, and extent of procedures reviewed.

Audit Hours Budget: 500+

# Assurance Engagements (Follow-Up Audits)

The *Global Internal Audit Standards* (Standard 15.2) require that the Chief Audit Executive establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

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The *Generally Accepted Government Auditing Standards* (Standard 8.30) states that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements.

Follow-Up Audit Hours Budget: 250

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# Advisory Engagements (Projects)

Services which internal auditors provide advice to an organization's stakeholders without providing assurances. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products. We provide training, evaluations, and discussions on internal controls. We complete Risk Assessments as needed.

Project Hours Budget: 250

# Q & A



El Paso, TX

300 N. Campbell  
El Paso, TX

Legislation Text

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**File #: BC-527, Version: 1**

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**CITY OF EL PASO, TEXAS  
LEGISTAR AGENDA ITEM SUMMARY FORM**

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Discussion and Action on the FY 2024-2025 Annual Audit Plan Replacement Audits. [Internal Audit, Edmundo Calderon, (915) 212-1365]





# FY 2024-2025 Annual Audit Plan – Replacement Audit Requests

# Replacement Audit Requests - Risk Assessment

No.	Department/Area/Concern	Source	Risk Probability	Risk Impact
1	Airport – Construction Change Orders	Rep. J. Acevedo, CIA E. Calderon	H	H
2	Code Compliance – Requirements and Enforcement Practices	Rep. D. Maldonado-Rocha	H	H
3	Accounts Payable Audits – Compliance at Various Departments	CIA E. Calderon	H	H
4	Community Development – Minor Home Repair Programs • Already scheduled on FY2024-2025 Audit Plan.	Rep. A. Chavez, CM D. Mack	H	H

# Replacement Audit Requests - Risk Assessment

No.	Department/Area/Concern	Source	Risk Probability	Risk Impact
5	Purchasing – Vendor Performance Audits	Rep. D. Maldonado-Rocha	H	M
6	El Paso Fire Department – Overtime • Staffing and OT Budget	CM D. Mack	M	H
7	EPPD – Overtime • Staffing and OT Budget	CM D. Mack	M	H
8	EPPD – Body Worn Cameras Compliance, Internal Controls and Cyber Security • Cyber Security Audit in Progress	Rep. A. Chavez, CM D. Mack	M	H

# Replacement Audit Requests - Risk Assessment

No.	Department/Area/Concern	Source	Risk Probability	Risk Impact
9	<b>Planning &amp; Inspections – Permit Approvals</b> • Audit dated October 22, 2024	Rep. D. Maldonado-Rocha	M	L
10	<b>Human Resources – Hiring Practices</b> • Review dated September 2, 2021	Rep. D. Maldonado-Rocha	M	L
11	<b>Senior Citizen Advisory Board Audit – Fund Raising</b> <b>Internal Controls</b>	Rep. D. Maldonado-Rocha	L	L
12	<b>HOME (Housing Opportunity Management Enterprises)</b> • Compliance with State and Federal Laws	Rep. D. Maldonado-Rocha	L	L

# Q & A