



Item No. _____

Discussion and action on a Resolution approving and authorizing publication of notice of intention to issue certificates of obligation in an amount not to exceed \$73,000,000.

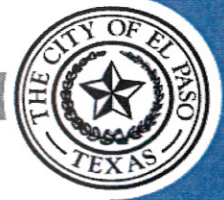
June 17, 2014

City Council Agenda



Methodology of Issuing Debt

- Managed through a City-Council approved Debt Management Policy
 - Last approved by City Council on May 13, 2014
 - Maximum Debt Rate of 30 cents per \$100 valuation
- City does not typically issue debt unless it needs the funds for a specific project
 - Cash management tool (Section 5.1.2)
 - City reimburses itself after incurring expenses related to a project through the issuance of certificates of obligation and other debt obligations
 - Avoids paying interest when borrowing rates are higher than investment opportunities or when the project is not moving forward



Notice of Intention

- Prior to issuance of certificates of obligation, City Council is required to publish notice of its intention to issue certificates at least 31 days prior to passage:
 - (i) the time and place the City Council tentatively proposes to pass the ordinance authorizing the issuance of the certificates (*July 22, 2014*)
 - (ii) the maximum amount proposed to be issued (*\$73M*)
 - (iii) the purposes for which the certificates are to be issued
 - (iv) the manner in which the City Council proposes to pay the certificates.



Size of Issuance

Dates of Authorizations	Project Cost
March 2010	\$3,936,351
November 2010*	18,663,786
April 2011	15,949,314
June 2012	20,710,844
September 2012	7,807,404
January 2014**	5,355,000
Total	\$72,422,699
Rounded Issuance Size	\$73,000,000

Note: All project authorizations have been attached to the Plan of Issuance as well as a detailed listing of all projects to be refunded.

*Includes \$12,690,447 in self-supporting debt from Sun Metro

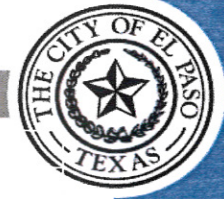
**This issuance is to be funded 100% from Environmental Services Department.



Project Purpose

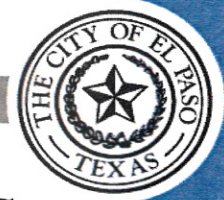
Purpose	Project Amounts
General	\$42,190,423
Transportation	9,909,690
Technology	2,277,140
Sun Metro (self-funded)	12,690,447
Environmental Fund (self-funded)	5,355,000
Total	\$72,422,699
Rounded Issuance Size	\$73,000,000

Note: All project authorizations have been attached to the Plan of Issuance as well as a detailed listing of all projects to be refunded.



**City of El Paso
Breakdown of Issuances
By Funding Source
As of May 1, 2014**

	March 2010	November 2010	April 2011	June 2012	September 2012
Amount Authorized	\$ 19,767,219	\$ 71,051,142	\$ 66,713,569	\$ 218,400,000	\$ 29,238,924
Plus Additional Authorizations		19,841,219			
Less Non-Debt authorization			1,500,000		
March 2003 Issuance					
May 2007					
January 2009					
October 2009					
November 2010					
November 2011	4,350,000				
November 2012		2,000,000	20,100,000		2,431,520
October 2013		17,888,507	7,000,000	7,280,000	19,000,000
Proposed June 2014	3,936,351	18,663,786	15,949,314	20,710,844	7,807,404
Remaining Authorization to be Issued	\$ 11,480,868	\$ 52,340,068	\$ 22,164,255	\$ 190,409,156	\$ -

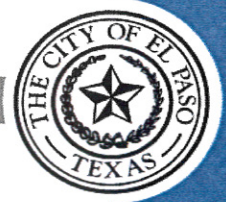


Remaining CO and GO Authorizations after 2014 Issuance

Dates of Authorizations	Project Cost
March 2010	\$11,480,868
November 2010*	52,340,068
April 2011**	22,164,255
June 2012	190,409,156
September 2012	-
Total CO Authorizations Remaining	\$276,394,347
November 2012 QOL Bonds	\$459,250,000

*Includes \$1,693,802 of remaining Sun Metro self-supporting debt

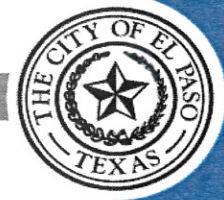
**Does not include the \$1.5 million in Technology Funds allocated to this project as this \$1.5 million will not need financing.



Projects to be Funded

Authorization	Amount	Projects to be reimbursed and funded
March 2010	\$3,936,351	Carolina Bridge Widening; Country Club Road Construction; CBD Phase IV Street & Drainage; Oregon Street Reconstruction; CS-Paseo Del Norte Drive; San Jacinto Plaza; Zaragoza POE Winn; Fiber Interconnectivity and video surveillance projects; Mesa RTS Sidewalk improvements; Mesa RTS Match; Wayfinding Downtown project; Myrtle Street Improvements; Safe Routes to School; Bicycle Paths-Citywide.
November 2010	\$18,663,786	Public Art Projects; Sun Metro Operation and Maintenance Facility; Mesa RTS; Dyer RTS; Montana RTS; Mulligan (Luther) Building and UPTT Improvements

Note: All project authorizations have been attached to the Plan of Issuance as well as a detailed listing of all projects to be refunded.



Projects to be Funded (continued)


Authorization	Amount	Projects to be reimbursed and funded
April 2011	\$15,949,314	City-wide facility improvements; Montwood Street Reconstruction; Fire Station #37 and #5 improvements; public art projects; city-wide IT-related infrastructure and equipment; city-wide park improvements; city-wide street and drainage improvements; Mulligan (Luther) Building renovation; park improvements.
June 2012	\$20,710,844	Street improvements to include synchronization of Signal System; resurfacing and microsurfacing of streets, reconstruction of streets; unpaved right of way/alleys, street median and parkway landscaping; pedestrians, sidewalk and parkway improvements; NTMP projects; public art projects.
September 2012	\$7,807,404	City Hall acquisition costs, renovations and capital equipment; City Hall-related street improvements; public art. (Note: This issuance will exhaust this 2012 authorization)
January 2014	\$5,355,000	Land for landfill for Environmental Services

Note: All project authorizations have been attached to the Plan of Issuance as well as a detailed listing of all projects to be refunded.



Projected Impact on the Tax Rate Based on Planned Issuance

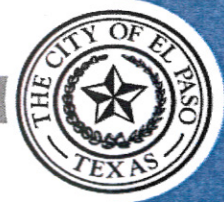
FYE	As of June 16, 2014	
	Authorized but not Issued ¹	
2014		0.2326
2015		0.2505
2016		0.2508
2017		0.2585
2018		0.2691
2019		0.2771
2020		0.2856
2021		0.2931
2022		0.2968
2023		0.2986
2024		0.2913
2025		0.2840
2026		0.2749
2027		0.2716
2028		0.2708
2029		0.2655
2030		0.2620
2031		0.2570
2032		0.2437
2033		0.2061

 = Maximum Debt Rate

¹This column includes authorizations for projected that will be funded through the issuance of contractual obligations.

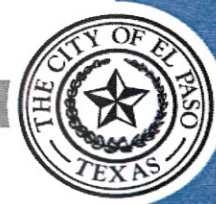
Assumptions:

- (1) Assumes annual taxable value growth as follows: 1.50% for 2015-2017, 2.0% for 2018-2020, 2.50% thereafter.
- (2) Net of self-supporting debt and BAB Tax Credit payments.
- (3) Net of Capitalized Interest.



Next Steps

- Council passes Resolution to publish Notice of Intention to issue certificates of obligation
 - 1st publication of Notice must precede date of authorization by at least 31 days
- Council considers parameter Ordinance authorizing issuance of certificates of obligation
 - July 22, 2014
- City staff will review any refunding opportunities and bring these forward on July 22, 2014



Questions?