

**CITY OF EL PASO, TEXAS
DEPARTMENT HEAD'S SUMMARY (DHS)**

DEPARTMENT: Financial and Administrative Services Portfolio
AGENDA DATE: October 1, 2013
CONTACT PERSON/PHONE: Carmen Arrieta-Candelaria, Chief Financial Officer, 541-4011
DISTRICT(S) AFFECTED: All

SUBJECT:

Discussion and action to approve an Ordinance authorizing the issuance of "City of El Paso, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013" in an amount not to exceed \$68,500,000.

BACKGROUND / DISCUSSION:

On August 27, 2013, City Council approved and authorized the publication of a Notice *of Intention* to issue certificates of obligation in an amount not to exceed \$68.5 million, in accordance with a two-step City Council process. For background, state law requires that the issuance of certificates of obligation be authorized through a two-step City Council process. At the first City Council meeting (i.e. August 27, 2013), Council is asked to approve a notice of intention (NOI) to issue the debt. That notice sets forth the purposes for which the CO's will be issued, the maximum not-to-exceed par amount of the CO's and the date and time of the public meeting at which the ordinance authorizing the issuance of the CO's will be considered. The NOI must be published once a week for two consecutive weeks in the newspaper, with the date of the first publication to be 30 days before the date tentatively set for the passage of the CO ordinance. The NOI resolution considered at the August 27th City Council meeting authorized such publication and City staff published the notices pursuant to that authorization.

At the time of the posting of this item on the agenda, no petition protesting the issuance of the COs has been presented or filed with the City Clerk or any member of Council or any other official of the City. Given this, the proposed public hearing and adoption of the CO ordinance (the second step) is scheduled for Tuesday, October 1 at City Council's regular weekly meeting. The following parameters related to this transaction are considered during this council meeting:

- Parameter authorization will enable sale of certificates of obligation at optimum timing and structure within three (3) month period
- Council delegates final pricing authority to Pricing Officer(s)
 - Pricing Officers are City Manager, CFO and Comptroller
- Council will establish sale parameters in Ordinance
 - Maximum Interest Rate – 5.75%
 - Aggregate Principal Amount of Issue - \$68,500,000
 - Final Maturity Date – December 31, 2039
 - Expiration of Delegated Authority – 3 Months
- Pricing Officer can only approve sale if Council parameters are met.

The size of this issuance is based on the amount of projects that the City needs to reimburse itself for as well as to issue the remaining authorization from 2008.

The City is planning to request the issuance for COs from the following authorizations:

<u>Authorization</u>	<u>Amount</u>	<u>Projects to be reimbursed and funded</u>
December 2008	\$13,913,305	Sun Metro ADA Curb cuts & Shelters; NTMP Projects; Bataan Railway Reconstruction; IT Upgrades; Montana RTS; Dyer RTS; Alameda RTS: Airway Extension; CBD Phase IV Street & Drainage; Mesa RTS; Street and Sidewalk Improvements; Luther Building; City-wide facilities; Public Art Projects (Note: This issuance will exhaust 2008 authorization)
November 2010	\$17,888,507	El Paso Streetcar Project; Public Art Projects; Sun Metro Operation and Maintenance Facility; Alameda RTS; Mesa RTS; Dyer RTS; UPTT Improvements
April 2011	\$7,000,000	City-wide facility improvements; Fire Station facility improvements; Public Art Projects; City-wide IT-related infrastructure and equipment; Street and Drainage improvements; Luther building renovation; park improvements.
June 2012	\$7,280,000	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	\$19,000,000	City Hall acquisition costs, renovations and capital equipment; City Hall-related street improvements; public art.
Total Project Costs	\$65,081,812*	

**Doesn't include bond issuance costs*

Attached is the **Plan for 2012 Debt** that outlines the steps necessary in order to issue the COs and also provides pertinent information regarding the upcoming issuance. The impact on the tax rate for 2014 for this issuance has been taken into consideration with the 2014 budget.

Members of City staff, First Southwest, and Paul Braden, the City's Bond Counsel, will be on hand to answer questions.

PRIOR COUNCIL ACTION:

City Council authorized the December 2008, November 2010, April 2011, June 2012 and September 2012 projects.

AMOUNT AND SOURCE OF FUNDING:

\$68.5 million in COs to fund various projects from the December 2008, November 2010, April 2011, June 2012 and September 2012 authorizations. \$8,406,970 of this debt will be supported by Sun Metro; remaining is tax-supported debt.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Carmen Arieta Andelaria

ORDINANCE NO. _____

**CITY OF EL PASO, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2013**

Adopted: October 1, 2013

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ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of “City of El Paso, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013”; levying a continuing direct annual ad valorem tax for the payment of said certificates; and resolving other matters which are necessary to effectuate said issuance, including the delegation of matters relating to the sale and issuance of the Certificates to an authorized City official within certain specified parameters.

WHEREAS, notice of the City Council’s intention to issue certificates of obligation in the maximum principal amount not to exceed \$68,500,000 for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, bridges, thoroughfares, tunnels, sidewalks, pathways and related municipal facilities within the City, including lane markings, ADA accessibility, traffic signals, signal system synchronization, loop detectors, Bataan transit tunnel reconstruction, lighting and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith; (b) design, construction and installation of flood control, storm water, drainage improvements, ponding area improvements and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith; (c) renovating, improving and equipping existing City maintenance service centers, animal control facilities, fire stations, museums, libraries and other municipal buildings, such improvements to include fiber optic connectivity, IT facility improvements, ADA improvements, roofing system rehabilitation and replacement HVAC; (d) acquisition, construction and improvement of municipally owned public art projects; (e) design, acquisition, construction and improvements to City transportation and terminal facilities, including bus shelters, streetcar project, rapid transit terminals and the acquisition of necessary rights of way and land therefor; (f) renovation, rehabilitation, improving and equipping of City municipal facility (Luther Building) for information technology department, fire, police and other City administrative purposes; (g) improvement and equipping of existing parks and recreational facilities; (h) acquiring, renovating, improving and equipping real property located at 801 Texas Avenue and 811 Texas Avenue for City Development, Parks and Community Development, One Stop Shop and other City departmental purposes; (i) acquiring, renovating, improving and equipping real property located at 300 N. Campbell for City Hall; and (ii) professional services rendered in connection therewith (collectively, the “Project”), has been duly published in the El Paso Times, a newspaper of general circulation in the City on August 29, 2013 and September 5, 2013; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in the aforesaid notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Clerk, any member of the City Council or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the City Council hereby finds and determines that the certificates of obligation described in such notice should be authorized for issuance at this time and, in accordance with the provisions of Texas Government Code, Chapter 1371, as amended, the authority to determine the principal amount of Certificates to be issued and to negotiate the terms

of sale thereof should be delegated to a Pricing Officer (hereinafter designated), such terms of sale and principal amount to be specified in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

SECTION 1: Definitions.

(a) For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Surplus Revenues therefor, the following words or terms, whenever the same appear herein without qualifying language, are defined to mean as follows:

(1) The term "Additional Certificates" shall mean combination tax and revenue certificates of obligation or other obligations which the City is authorized to issue, whether at the time of the adoption of this Ordinance or thereafter, hereafter issued under and pursuant to the provisions of Texas Local Government Code, Subchapter C of Chapter 271, as amended, or any similar law hereafter enacted, and payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Surplus Revenues on a parity with and of equal dignity with the lien and pledge securing the payment of the Certificates.

(2) The term "Attorney General" shall mean the Attorney General of the State of Texas.

(3) The term "Bond Counsel" shall mean Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, or such other firm of nationally recognized bond attorneys experienced in the issuance of bonds and acceptable to the City.

(4) The term "Certificates" shall mean the "City of El Paso, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013" and any additional series specified in the Pricing Certificate as authorized by this Ordinance.

(5) The term "Code" means the Internal Revenue Code of 1986, as amended, including the regulations and published rulings thereunder.

(6) The term "Collection Date" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(7) The term "Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

(8) The term "Debt Service Requirements" shall mean: (i) the interest on the Certificates; and (ii) a sinking fund for the payment of the principal amounts due in accordance with the schedule appearing in the Pricing Certificate executed pursuant to this Ordinance or 2% of the original amount of the Certificates, whichever is greater.

(9) The term “Fiscal Year” shall mean the annual financial accounting period used with respect to the System now ending on February 28th of each year; provided, however, the City Council may change, by ordinance duly passed, such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes and to be consistent with the ordinances authorizing the additional obligations of the City.

(10) The term “Government Securities” shall mean: (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

(11) The term “Interest and Sinking Fund” shall mean the special Fund or Funds created and established under the provisions of Section 11 of this Ordinance.

(12) The term “Maintenance and Operation Expenses” shall mean all reasonable and necessary expenses directly related and attributable to the operation and maintenance of the System, including, but not limited to, salaries, labor, materials, repairs and extensions necessary to operate the System.

(13) The term “Net Revenues” shall mean, with respect to any period, all income, revenues, and receipts received from the operation and ownership of the System less Maintenance and Operation Expenses of the System during such period.

(14) The term “Outstanding” when used in this Ordinance with respect to Certificates shall mean, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

- (a) those Certificates theretofore cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (b) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 21; and
- (c) those Certificates that have been mutilated, destroyed, lost, or stolen and for which: (i) replacement Certificates have been registered and delivered in lieu thereof; or (ii) have been paid, all as provided in Section 20 hereof.

(15) The term “Pricing Certificate” shall mean one or more pricing certificates that set forth the terms of the Certificates in accordance with Section 4 of this Ordinance and are executed by the Pricing Officer, all in accordance with the provisions of Texas Government Code, Chapter 1371, as amended.

(16) The term “Pricing Officer” shall mean the City Manager of the City, the Chief Financial Officer, or the Comptroller of the City, each acting in such capacity severally and not jointly.

(17) The term “Prior Lien Obligations” shall mean any and all bonds or other obligations of the City presently outstanding or that may be hereafter issued, payable from and secured by a first lien on and pledge of the Net Revenues or by a lien on and pledge of the Net Revenues subordinate to a first lien and pledge of such Net Revenues but superior to the lien and pledge of the Surplus Revenues made for the Certificates.

(18) The term “Project” shall have the meaning set forth in the recitals to this Ordinance.

(19) The term “State” shall mean the State of Texas.

(20) The term “Stated Maturity” shall mean the principal amounts due in accordance with the schedule(s) appearing in the Pricing Certificate.

(21) The term “Surplus Revenues” shall mean the revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with the Prior Lien Obligations; provided, however, that for purposes of providing revenues for the payment of the Certificates, Surplus Revenues shall not include any revenues of the System in excess of \$1,000, and no amount of Surplus Revenues above \$1,000 shall be pledged to the payment of the Certificates.

(22) The term “Surplus Revenue Fund” shall mean the surplus revenue fund established by Section 14 of this Ordinance.

(23) The term “System” as used in this Ordinance means the City’s combined waterworks and sewer system, including all present and future additions, extensions, replacements and improvements thereto.

(b) Unless the context requires otherwise, words of the masculine gender shall be constructed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

All article and section references shall mean references to the respective articles and sections of this Ordinance unless designated otherwise.

SECTION 2: Authorization – Series Designation – Principal Amount – Purpose – Certificate Date. Certificates of obligation of the City shall be and are hereby authorized to be issued in, one or more series, the maximum aggregate principal amount hereinafter set forth to be designated and bear the title “CITY OF EL PASO, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2013” and any additional series specified in the Pricing Certificate (herein referred to collectively as the “Certificates”), for the purpose of paying contractual obligations to be incurred for the Project, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended, Texas Government Code, Chapter 1371, as amended, and Texas Government Code, Chapter 1502, as amended. The Certificates shall be dated (the “Certificate Date”) as provided in the Pricing Certificate.

SECTION 3: Fully Registered Obligations - Terms. The Certificates shall be issued as fully registered obligations, without coupons, and as either or both “Current Interest Certificates” (obligations paying accrued interest to the holders or owners on and at stated intervals prior to maturity) and “Capital Appreciation Certificates” (obligations paying no accrued interest to the holders or owners prior to maturity).

(a) Current Interest Certificates. Unless otherwise specified in the Pricing Certificate, Current Interest Certificates (other than the Initial Certificates referenced in Section 9 hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered “R” and numbered consecutively from One (1) upward and principal thereof shall become due and payable on a date certain in each of the years and in amounts (the “Stated Maturities”) in accordance with the details of the Current Interest Certificates as set forth in the Pricing Certificate.

The Current Interest Certificates shall bear interest on the unpaid principal amounts from the date specified in the Pricing Certificate at the rate(s) per annum shown in the Pricing Certificate (calculated on the basis of a 360-day year consisting of twelve 30-day months). Interest on the Current Interest Certificates shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

(b) Capital Appreciation Certificates. Capital Appreciation Certificates (other than the Initial Certificates referenced in Section 9 hereof) shall each be issued in Maturity Amounts (the “Accreted Value” [as hereinafter defined] at maturity) of \$5,000, or any integral multiple thereof within a Stated Maturity, shall be lettered “CAB-” and numbered consecutively from One (1) upward, and the original principal amounts of the Capital Appreciation Certificates shall accrete interest at the yield(s) stated in the Pricing Certificate, and shall become due and payable on a date certain in each of the years (the “Stated Maturities”) in the Maturity Amounts set forth in the Pricing Certificate.

Interest on the Capital Appreciation Certificates shall accrue from the date of delivery of the Certificates to the initial purchasers, and be compounded semiannually in each year on the dates (the “Compounding Dates”), and commencing on the date, set forth in the Pricing Certificate, until the Stated Maturity or earlier redemption thereof. The accreted interest on

Capital Appreciation Certificates shall be payable at maturity or earlier redemption as a portion of the Maturity Amount or Accreted Value thereof.

The term “Accreted Value”, as used herein with respect to Capital Appreciation Certificates, shall mean the original principal amount of a Capital Appreciation Certificate, plus the initial premium, if any, paid therefor, with interest thereon compounded semiannually to the Compounding Date next preceding the date of such calculation (or the date of calculation, if such calculation is made on a Compounding Date), at the respective interest rates stated in the Pricing Certificate therefor and, with respect to each \$5,000 Accreted Value at maturity, as set forth in the Accreted Value table attached to the Pricing Certificate and in the Official Statement referred to in the Pricing Certificate. For any day other than a Compounding Date, the Accreted Value of a Capital Appreciation Certificate shall be determined by a straight line interpolation between the values for the applicable semiannual Compounding Dates (based on 30-day months).

SECTION 4: Delegation of Authority to Pricing Officer. (a) As authorized by Texas Government Code, Chapter 1371, as amended, each of the City Manager, the Chief Financial Officer of the City, and the Comptroller of the City (the “Pricing Officer”) is hereby authorized to act on behalf of the City in selling and delivering the Certificates and carrying out the other procedures specified in this Ordinance determining the aggregate principal amount of the Certificates, the date of the Certificates, any additional or different designation or title by which the Certificates shall be known, determining whether the Certificates shall be issued in one or more taxable or tax exempt series or subseries, the price at which the Certificates will be sold, the manner of sale (negotiated, privately placed, or competitively bid), the years in which the Certificates will mature, the principal amount or Maturity Amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment dates, the record date, the compounding dates, the price and terms upon and at which the Certificates shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the terms of any bond insurance applicable to the Certificates, any amendments or modifications to the continuing disclosure undertaking set forth in Section 39 hereof, the designation of one or more funds for the payment of the Certificates, the final forms of the Certificates, and all other matters relating to the issuance, sale, and delivery of the Certificates, all of which shall be specified in a Pricing Certificate, provided that:

- (i) the aggregate original principal amount of all the Certificates issued hereunder shall not exceed \$68,500,000;
- (ii) the aggregate true interest rate (federal arbitrage yield) for the Certificates shall not exceed 5.75%; and
- (iii) the maximum maturity date for the Certificates shall not exceed December 31, 2039.

The execution of the Pricing Certificate shall evidence the sale date of the Certificates by the City to the Purchasers (hereinafter defined).

If the Pricing Officer determines that bond insurance results in a net reduction of the City’s interest costs associated with one or more series of the Certificates, then the Pricing

Officer is authorized, in connection with effecting the sale of the Certificates, to obtain from a municipal bond insurance company (the "Insurer") a municipal bond insurance policy in support of one or more series of the Certificates. To that end, should the Pricing Officer exercise such authority and commit the City to obtain a municipal bond insurance policy, for so long as such policy is in effect, the requirements of the Insurer relating to the issuance of said policies are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. Each of the City Manager of the City, the Comptroller of the City, and the Pricing Officer shall have the authority to execute any documents to affect the issuance of said policy by the Insurer.

(b) In establishing the aggregate principal amount of the Certificates, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Certificates are authorized and to pay costs of issuing the Certificates. The delegation made hereby shall expire if not exercised by the Pricing Officer within 90 days of the date of adoption of this Ordinance. The Certificates shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate and the Purchase Contract (hereinafter defined). The Pricing Officer is hereby delegated the authority to select and designate the Purchasers, which delegation shall be evidenced by the execution of the Pricing Certificate.

SECTION 5: Terms of Payment - Paving Agent/Registrar. The principal of, premium, if any, and the interest on the Certificates, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of Wells Fargo Bank, National Association to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of one or more "Paying Agent/Registrar Agreements," substantially in the forms attached to the Pricing Certificate and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is hereby authorized to execute and deliver such Agreement(s) in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution, or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The Certificates shall be payable at their Stated Maturities or upon their earlier redemption, only upon the presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices in Minneapolis, Minnesota (the “Designated Payment/Transfer Office”); provided, however, while a Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount thereof may be accomplished without presentation and surrender of such Certificate. Interest accrued on a Capital Appreciation Certificate shall be payable at its Stated Maturity or redemption as a portion of the Accreted Value or Maturity Amount. Interest on a Current Interest Certificate shall be paid by the Paying Agent/Registrar to the Holders whose names appears in the Security Register at the close of business on the Record Date (which shall be set forth in the Pricing Certificate) and such interest payments shall be made (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities of the Current Interest Certificates on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such past due interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of the Current Interest Certificates appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 6: Registration – Transfer – Exchange of Certificates – Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every Holder of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of like kind, maturity, and amount and in authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for assignment or transfer of any Certificate (other than the Initial Certificates authorized in Section 9 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Certificates, executed on behalf of and furnished by the City, shall be registered and issued to the assignee or transferee of the previous

Holder; such Certificates to be of authorized denominations, of like series, if applicable, of like Stated Maturity, and of a like aggregate principal amount (with respect to Current Interest Certificates) or Maturity Amount (with respect to Capital Appreciation Certificates) as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates (other than the Initial Certificates authorized in Section 9 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount (with respect to Current Interest Certificates) or Maturity Amount (with respect to Capital Appreciation Certificates) as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates, executed on behalf of and furnished by the City, to the Holder requesting the exchange.

All Certificates issued upon any such transfer or exchange of Certificates shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for which a replacement Certificate has been issued, registered, and delivered in lieu thereof pursuant to the provisions of Section 20 hereof, and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

SECTION 7: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 5 and 6 relating to the payment and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"),

a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the current DTC Operational Arrangements memorandum, as amended, the Blanket Issuer Letter of Representations, by and between the City and DTC, and the letter of representation from the Paying Agent/Registrar to DTC (collectively, the “Depository Agreement”).

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the “DTC Participants”). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the “Beneficial Owners”) being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and provide for the Certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred, and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions of Sections 5 and 6 hereof.

SECTION 8: Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor under the City’s seal reproduced or impressed thereon and attested by the City Clerk or Alternate City Clerk. The signature of said officials on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who are or were the proper officials of the City as of the adoption of this Ordinance shall be deemed to be duly executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Certificates to the initial purchaser(s) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his or her duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered, and delivered.

SECTION 9: Initial Certificates. The Certificates herein authorized shall be initially issued as fully registered Certificates of the appropriate kind (Current Interest Certificates and Capital Appreciation Certificates) as specified in the Pricing Certificate, being (i) a single, fully registered Current Interest Certificate in the aggregate principal amount noted and principal installments to become due and payable as provided in the Pricing Certificate and numbered TR-

1, and (ii) a single, fully registered Capital Appreciation Certificate in the aggregate Maturity Amount noted, and with installments of such Maturity Amount to become due and payable as provided, in the Pricing Certificate and numbered TCAB-1 (hereinafter called the "Initial Certificates") and the Initial Certificates shall be registered in the name of the initial purchaser) or the designee thereof. The Initial Certificates shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Certificates, the Paying Agent/Registrar, pursuant to written instructions from the initial purchasers), or the designee thereof, shall cancel the Initial Certificates delivered hereunder and exchange therefor definitive Certificates of like kind and of authorized denominations, Stated Maturities, principal amounts (with respect to Current Interest Certificates) or Maturity Amounts (with respect to the Capital Appreciation Certificates) and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchasers), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 10: Forms.

(a) Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in this Section or in the Pricing Certificate with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and, with the Certificates to be completed and modified with the information set forth in the Pricing Certificate, may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Certificates and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer. The Pricing Certificate shall set forth the final and controlling forms and terms of the Certificates. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates and the Initial Certificates shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution thereof.

(b) Form of Certificates.

[CURRENT INTEREST CERTIFICATES]

REGISTERED
NO. R- _____

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF EL PASO, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION,
SERIES 2013

Certificate Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP No. _____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of El Paso (hereinafter referred to as the “City”), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the “Registration Date” of this Certificate appearing below (unless this Certificate bears a “Registration Date” as of an interest payment date, in which case it shall bear interest from such date, or unless the “Registration Date” of this Certificate is prior to the initial interest payment date in which case it shall bear interest from the _____) at the per annum rate of interest specified above computed on the basis of a 360 day year of twelve 30 day months; such interest being payable on _____ and _____ in each year, commencing _____, until maturity or prior redemption. Principal of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the ___ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Certificate shall be without

exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$ _____ (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, bridges, thoroughfares, tunnels, sidewalks, pathways and related municipal facilities within the City, including lane markings, ADA accessibility, traffic signals, signal system synchronization, loop detectors, Bataan transit tunnel reconstruction, lighting and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith; (b) design, construction and installation of flood control, storm water, drainage improvements, ponding area improvements and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith; (c) renovating, improving and equipping existing City maintenance service centers, animal control facilities, fire stations, museums, libraries and other municipal buildings, such improvements to include fiber optic connectivity, IT facility improvements, ADA improvements, roofing system rehabilitation and replacement HVAC; (d) acquisition, construction and improvement of municipally owned public art projects; (e) design, acquisition, construction and improvements to City transportation and terminal facilities, including bus shelters, streetcar project, rapid transit terminals and the acquisition of necessary rights of way and land therefor; (f) renovation, rehabilitation, improving and equipping of City municipal facility (Luther Building) for information technology department, fire, police and other City administrative purposes; (g) improvement and equipping of existing parks and recreational facilities; (h) acquiring, renovating, improving and equipping real property located at 801 Texas Avenue and 811 Texas Avenue for City Development, Parks and Community Development, One Stop Shop and other City departmental purposes; (i) acquiring, renovating, improving and equipping real property located at 300 N. Campbell for City Hall; and (ii) professional services rendered in connection therewith, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended, Texas Government Code, Chapter 1371, as amended, and Texas Government Code, Chapter 1502, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance"). The Certificates are issued in part as "Current Interest Certificates", which total in principal amount \$ _____ and pay accrued interest at stated intervals to registered owners and in part as "Capital Appreciation Certificates", which total in original principal amount \$ _____ and pay no accrued interest prior to their Stated Maturities or redemption.

[The Certificates maturing on the dates hereinafter identified (the "Term Certificates") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Certificates due

Term Certificates due

Redemption Date Principal Amount Redemption Date Principal Amount

The particular Term Certificates of a Stated Maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Certificates for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like Stated Maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.]

The Current Interest Certificates maturing on and after _____, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to the date fixed for any redemption of Certificates, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed, in whole or in part, at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the redemption price of the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

This Certificate is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and is additionally payable from and secured by a lien on and pledge of the Surplus Revenues, in an amount not to exceed \$1,000, of the City's waterworks and sewer system (the "System"), as provided in the Ordinance, such lien and pledge being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of the "Prior Lien Obligations" (as defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues ranking prior and superior to the pledge securing the payment of the Certificates. Additionally, the City reserves and retains the right to issue Additional Certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the Surplus Revenues.

Reference is hereby made to the Ordinance, a copy of which is on file at the offices of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificate; the properties constituting the System; the Surplus Revenues pledged to the payment of the principal of and interest on this Certificate; the nature, extent, and manner of enforcement of the pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Certificate on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each registered owner of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates by the levy of a tax and a pledge of and lien on the Surplus Revenues of the System as aforesated. In case any provision in this Certificate or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City.

CITY OF EL PASO, TEXAS

ATTEST:

Mayor

City Clerk

(SEAL)

[CAPITAL APPRECIATION CERTIFICATES]

REGISTERED
NO. CAB- _____

MATURITY AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF EL PASO, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION,
SERIES 2013

Certificate Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP No. _____

Registered Owner:

Maturity Amount:

The City of El Paso (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above, the Maturity Amount stated above (or so much thereof as shall not have been paid upon prior redemption). The Maturity Amount of this Certificate represents the accretion of the original principal amount of this Certificate (including the initial premium, if any, paid herefor) from the date of delivery to the initial purchasers to the Stated Maturity and such accretion in value occurring at the above Stated Yield and compounding on _____, and semiannually thereafter on _____ and _____. A table of the "Accreted Values" per \$5,000 "Accreted Value" at maturity is printed on this Certificate or attached hereto. The term "Accreted Value", as used herein, means the original principal amount of this Certificate plus the initial premium, if any, paid herefor with interest thereon compounded semiannually to _____ and _____, as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on _____ or _____) at the Stated Yield for the Stated Maturity shown above and in the above referenced Table of Accreted Values. For any date other than _____ or _____, the Accreted Value of this Certificate shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates (based on 30-day months). If the date for the payment of the principal or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

The Accreted Value of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated

Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Payment of the Maturity Amount or Accreted Value as of a redemption date of this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, bridges, thoroughfares, tunnels, sidewalks, pathways and related municipal facilities within the City, including lane markings, ADA accessibility, traffic signals, signal system synchronization, loop detectors, Bataan transit tunnel reconstruction, lighting and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith; (b) design, construction and installation of flood control, storm water, drainage improvements, ponding area improvements and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith; (c) renovating, improving and equipping existing City maintenance service centers, animal control facilities, fire stations, museums, libraries and other municipal buildings, such improvements to include fiber optic connectivity, IT facility improvements, ADA improvements, roofing system rehabilitation and replacement HVAC; (d) acquisition, construction and improvement of municipally owned public art projects; (e) design, acquisition, construction and improvements to City transportation and terminal facilities, including bus shelters, streetcar project, rapid transit terminals and the acquisition of necessary rights of way and land therefor; (f) renovation, rehabilitation, improving and equipping of City municipal facility (Luther Building) for information technology department, fire, police and other City administrative purposes; (g) improvement and equipping of existing parks and recreational facilities; (h) acquiring, renovating, improving and equipping real property located at 801 Texas Avenue and 811 Texas Avenue for City Development, Parks and Community Development, One Stop Shop and other City departmental purposes; (i) acquiring, renovating, improving and equipping real property located at 300 N. Campbell for City Hall; and (ii) professional services rendered in connection therewith, and to pay the costs and expenses of issuance, in accordance with the authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Texas Local Government Code, Subchapter C of Chapter 271, as amended, Texas Government Code, Chapter 1371, as amended, and Texas Government Code, Chapter 1502, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance"). The Certificates are issued in part as "Current Interest Certificates", which total in principal amount \$_____ and pay accrued interest at stated intervals to registered owners and in part as "Capital Appreciation Certificates", which total in original principal amount \$_____ and pay no accrued interest prior to their Stated Maturities.

The Capital Appreciation Certificates maturing on and after _____ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in Maturity Amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of the Accreted Value (as determined and defined herein) as of the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice to be sent by United States Mail, first class postage prepaid, to the registered owners of the Certificates to be redeemed, and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its Maturity Amount) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date such Certificate (or the portion of its Maturity Amount to be redeemed) shall become due and payable, and shall cease to accrete in value from and after the redemption date, provided moneys for the payment of the redemption price to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the Maturity Amount of a Certificate is to be redeemed and the registered owner hereof is someone other than Cede & Co., payment of the redemption price shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the Maturity Amount thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the redemption price of the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

This Certificate is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and is additionally payable from and secured by a lien on and pledge of the Surplus Revenues, in an amount not to exceed \$1,000, of the City's waterworks and sewer system (the "System"), as provided in the Ordinance, such lien and pledge being junior and subordinate to the lien on and pledge of the Net Revenues of the System securing the payment of the "Prior Lien Obligations" (as defined in the Ordinance) now outstanding and hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue obligations payable from and secured by a lien on and pledge of the Net Revenues ranking prior and superior to the pledge securing the payment of the Certificates. Additionally, the City reserves and retains the right to issue Additional Certificates equally and ratably secured with the Certificates by a parity lien on and pledge of the Surplus Revenues.

Reference is hereby made to the Ordinance, a copy of which is on file at the offices of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Certificate; the properties constituting the System; the Surplus Revenues pledged to the payment of the principal of and interest on this Certificate; the nature, extent, and manner of enforcement of the pledge; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the liens, pledges, charges, and covenants made therein may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, accruing interest at the same rate, and of the same aggregate Maturity Amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the date of surrender of this Certificate as the owner entitled to payment of the Maturity Amount at its Stated Maturity, or Accreted Value at its redemption, in whole or in part, and (ii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates by the levy of a tax and a pledge of and lien on the Surplus Revenues of the System as aforesated. In case any provision in this Certificate shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City.

CITY OF EL PASO, TEXAS

ATTEST:

Mayor

City Clerk

(SEAL)

NOTE TO PRINTER: Print the "Table of Accreted Values" on the Certificates as called for in paragraph one.

(c) Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificates only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
) REGISTER NO. _____
OF PUBLIC ACCOUNTS)
)
THE STATE OF TEXAS)

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

(d) Form of Certificate of Paving Agent/Registrar to appear on Definitive Certificates only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Certificate has been duly issued and registered under the provisions of the within-mentioned Ordinance; the certificate or certificates of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated office of the Paying Agent/Registrar in Minneapolis, Minnesota is the designated payment/transfer Office for this Certificate.

WELLS FARGO BANK, NATIONAL
ASSOCIATION,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(f) The Initial Certificates for the Current Interest Certificates and the Capital Appreciation Certificates shall be in the respective forms set forth therefor in paragraph (b) of this Section, except as follows:

[CURRENT INTEREST INITIAL CERTIFICATE]

Heading and first two paragraphs shall be amended to read as follows:

NO. TR-1 _____ \$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF EL PASO, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION,
SERIES 2013

Certificate Date:

Registered Owner:

Principal Amount: _____ DOLLARS

The City of El Paso (hereinafter referred to as the “City”), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the registered owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on _____ in the years and in principal installments in accordance with the following schedule:

<u>Stated</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate(s)</u>
----------------------------------	-----------------------------------	-----------------------------------

(Information to be inserted from Pricing Certificate).

(or so much principal thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal installments hereof from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____, and each _____ and thereafter, until maturity or prior redemption. Principal installments of this Certificate are payable in the year of maturity or on a redemption date to the registered owner hereof by Wells Fargo Bank, National Association (the “Paying Agent/Registrar”), upon presentation and surrender, at its designated offices in Minneapolis, Minnesota (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Certificate whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date,” which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the registered owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

[CAPITAL APPRECIATION INITIAL CERTIFICATE]

Heading and first two paragraphs shall be amended to read as follows:

REGISTERED
NO. TCAB-1

MATURITY AMOUNT
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF EL PASO, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION,
SERIES 2013

Certificate Date:

Registered Owner:

Maturity Amount:

The City of El Paso (hereinafter referred to as the "City"), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, the aggregate Maturity Amount stated above on _____ in each of the years and in installments in accordance with the following schedule:

<u>Year of Maturity</u>	<u>Installment Maturity Amount</u>	<u>Stated Yield(s)</u>
-----------------------------	--	----------------------------

(Information to be inserted from Pricing Certificate).

The respective installments of the Maturity Amount hereof represents the accretion of the original principal amounts of each year of maturity from the date of delivery to the initial purchasers (_____) to the respective years of maturity (including the initial premium, if any, paid by the initial purchasers) and such accretion in values occurring at the respective Stated Yields and compounding on _____, and semiannually thereafter on each _____ and _____. A table of the "Accreted Values" per \$5,000 "Accreted Value" at maturity is attached to this Certificate. The term "Accreted Value", as used herein, means the original principal amount of this Certificate plus premium, if any, paid herefor with interest thereon compounded semiannually to _____ and _____, as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on _____ or _____) at the respective Stated Yields shown above and in the Table of Accreted Values attached hereto. For any date other than shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates (based on 30-day months). If the date for the payment of the principal of or interest on the

Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to be closed, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to be closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

The installments of the Maturity Amount or Accreted Value of this Certificate are payable in the years of maturity or on a redemption date to the registered owner hereof, without exchange or collection charges, by Wells Fargo Bank, National Association (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Minneapolis, Minnesota (the "Designated Payment/Transfer Office"), and shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 11: Interest and Sinking Fund. The City covenants that for the purpose of paying the interest on and providing a sinking fund for the payment, redemption and retirement of each series of Certificates, there shall be and is hereby created one or more special Funds to be designated as specified in the Pricing Certificate by the Pricing Officer (each an "Interest and Sinking Fund") which Interest and Sinking Funds shall be kept and maintained at the City's depository bank, and moneys deposited in the Interest and Sinking Fund shall be used for no other purpose. The Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Comptroller of the City, and City Clerk of the City, individually or jointly, are hereby authorized and directed to make withdrawals from said Funds sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be transferred to the Paying Agent/Registrar from moneys on deposit in the Interest and Sinking Funds (on or prior to a principal and/or interest payment date) an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates.

SECTION 12: Levy of Taxes. Pursuant to the authority granted by the Constitution and the laws of the State, there shall be and there is hereby levied, within the limitations prescribed by law, for the current year and each succeeding year thereafter while any of the Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in the City, adequate to pay the Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the applicable Interest and Sinking Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) The City's annual budget shall reflect (i) the amount of Debt Service Requirements to become due on the Certificates in the next succeeding Fiscal Year of the City, (ii) the amount on deposit in the Surplus Revenue Fund and the applicable Interest and Sinking Fund, as of the date such budget is prepared (after giving effect to any payments required to be made during the remainder of the then Fiscal Year), and (iii) the amount of Surplus Revenues estimated and budgeted to be available for the payment of the Debt Service Requirements on the Certificates during the next succeeding Fiscal Year of the City.

(b) The amount required to be provided in the succeeding Fiscal Year of the City from ad valorem taxes shall be the amount the Debt Service Requirements to be paid on the Certificates in the next succeeding Fiscal Year of the City exceeds the sum of (i) the amount shown to be on deposit in the Surplus Revenue Fund and the applicable Interest and Sinking Fund (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year) at the time the annual budget is prepared, and (ii) the Surplus Revenues shown to be budgeted and available for payment of the Debt Service Requirements.

(c) Following the final approval of the annual budget of the City, the governing body of the City shall, by ordinance, levy an ad valorem tax at a rate sufficient to produce taxes in the amount determined in paragraph (b) above, to be utilized for purposes of paying the principal of and interest on the Certificates in the next succeeding Fiscal Year of the City.

(d) If the liens and provisions of this Ordinance shall be released in a manner permitted by Section 21 hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the applicable Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Certificates, there shall be subtracted the amount of any Certificates that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

SECTION 13: Pledge of Surplus Revenues. Pursuant to the authority granted by the Constitution and laws of the State, the City hereby covenants and agrees that, subject to the prior lien on and pledge of the Net Revenues of the System to the payment and security of Prior Lien Obligations, a limited pledge of the Surplus Revenues of the System not to exceed \$1,000, with the exception of those in excess of the amounts required to be deposited to the applicable Interest and Sinking Fund as hereafter provided, are hereby irrevocably pledged, equally and ratably, to the payment of the principal of and interest on the Certificates and any Additional Certificates, if issued, and such pledge shall be valid and binding without further action by the City and without any filing or recording except for the filing of this Ordinance in the records of the City.

Texas Government Code, Chapter 1208, as amended, applies to the issuance of the Certificates and the pledge of the revenues granted by the City under this Section of this Ordinance, and such pledge is therefore valid, effective, and perfected. If the State law is amended at any time while the Certificates are Outstanding and unpaid such that the pledge of the revenues granted by the City under this Section of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Holders of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the

applicable provisions of Texas Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 14: Surplus Revenue Fund. The City hereby establishes a special fund or account to be designated the “City of El Paso, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2013, Surplus Revenue Fund” or such other designation specified in the Pricing Certificate (the “Surplus Revenue Fund”), said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City, and shall in no event be diverted or drawn upon for any purpose other than those herein provided. All Surplus Revenues shall be paid over and deposited into the Surplus Revenue Fund. The Surplus Revenues shall be appropriated and employed in the following order:

(a) First: For deposit to the applicable Interest and Sinking Fund to provide for the payment of the Debt Service Requirements of the Certificates in accordance with the terms and conditions of this Ordinance; and

(b) Second: After all the requirements of subparagraph (a) above have been provided for, whether by the collection of an ad valorem tax levied in this Ordinance or by the use of the pledged Surplus Revenues, the Surplus Revenues may be used for any lawful purpose.

SECTION 15: Deposits to Interest and Sinking Fund. Any accrued interest received by the City from the purchasers of the Certificates shall be deposited into the applicable Interest and Sinking Fund. Any proceeds of sale of the Certificates remaining after completion of, and payment of all costs associated with the Project (including any change orders) shall be deposited in the applicable Interest and Sinking Fund. Amounts deposited to applicable Interest and Sinking Funds shall reduce the sums otherwise required to be deposited in said Funds from ad valorem taxes and the Surplus Revenues.

SECTION 16: Security of Funds. All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

SECTION 17: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State, the City covenants and agrees particularly that in the event the City: (a) defaults in the payments to be made to an Interest and Sinking Fund; or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, any Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of

all other existing remedies, and the specification of such remedies shall not be deemed to be exclusive.

SECTION 18: Special Covenants. The City hereby covenants as follows:

(a) That it has the lawful power to pledge the Surplus Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised said powers under the Constitution and laws of the State, including Texas Local Government Code, Chapter 271, as amended, and Texas Government Code, Sections 1502.56 and 1502.58, as amended.

(b) That other than for the payment of the Certificates and the Prior Lien Obligations, the Surplus Revenues have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

(c) The City shall take no action or fail to take any action, which action or failure to act may render the interest on any of such Certificates subject to federal income taxation, particularly pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), nor shall the City take any action or fail to take any action, which action or failure to act, would have the effect of causing the income derived by the City from the System to become subject to federal income taxation in the hands of the City, whether or not provision shall have been made for the payment of such Certificates.

SECTION 19: Issuance of Prior Lien Obligations and Additional Certificates. The City hereby expressly reserves the right to hereafter issue Prior Lien Obligations, without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, payable, in whole or in part, from the Net Revenues (without impairment of the obligation of contract with the Holders of the Certificates) upon such terms and conditions as the City Council may determine. Additionally, the City hereby expressly reserves the right to hereafter issue Additional Certificates payable, in whole or in part, from and secured by a lien on and pledge of the Surplus Revenues of equal rank and dignity, and on a parity in all respects, with the lien thereon and pledge thereof securing the payment of the Certificates.

It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in any ordinance authorizing the issuance of the Prior Lien Obligations, and to the extent of any irreconcilable conflict between the provisions contained herein and in any ordinance authorizing the issuance of Prior Lien Obligations, the provisions, agreements, and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance, but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the Holders of the Prior Lien Obligations.

SECTION 20: Mutilated – Destroyed – Lost and Stolen Certificates. If: (a) any mutilated Certificate is surrendered to the Paying Agent/Registrar or the City, and the Paying Agent/Registrar receives evidence to their satisfaction of the destruction, loss, or theft of any

Certificate; and (b) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of like series, if applicable, of the same Stated Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate when due.

Upon the issuance of any new Certificate under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

SECTION 21: Satisfaction of Obligations of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Surplus Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) (with respect to Current Interest Certificates) and Maturity Amount (with respect to Capital Appreciation Certificates) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when: (a) money sufficient to pay in full such Certificates or the principal amounts thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent; or (b) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amounts thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable

arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates for which such moneys were deposited and are held in trust to pay, shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State.

The term “Government Securities” shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

The City reserves the right, subject to satisfying the requirements of (i) and (ii) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. Provided, however, the City has reserved the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the Holders of the Certificates immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

SECTION 22: Ordinance a Contract – Amendments – Outstanding Certificates. This Ordinance, together with the Pricing Certificate, shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section and in Section 39 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance or any provision in the Pricing Certificate in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders who own a majority of the aggregate of the principal amount (with respect to Current Interest Certificates) and Maturity Amount (with respect to Capital Appreciation Certificates) of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance or any provision in the Pricing Certificate; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount or Maturity Amount, as the case may be, thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount or Maturity Amount, as the case may be, of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

SECTION 23: Covenants to Maintain Tax Exempt Status of Interest on the Certificates.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

“Closing Date” means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Gross Proceeds” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” means any investment property, as defined in Section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

“Rebate Amount” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the Holder thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is

sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Certificates.

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by Section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the applicable Interest and Sinking Fund or its general fund, as

permitted by applicable Texas statute, regulation or opinion of the Attorney General, the amount that when added to the future value of previous rebate payments made for the Certificates equals: (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Comptroller of the City, and City Clerk of the City, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as one or more of such persons deems necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption, or similar or other appropriate certificate, form, or document.

SECTION 24: Sale of Certificates - Official Statement. The Certificates authorized by this Ordinance are to be sold by the City to the Purchasers in accordance with a purchase agreement (the "Purchase Contract"), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 4 hereof. With regard to such terms and provisions of the Purchase Contract, the Pricing Officer is hereby authorized to come to an agreement with the Purchasers on the following, among other matters:

1. The details of the purchase and sale of the Certificates;
2. The details of the public offering of the Certificates by the Purchasers;
3. The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Certificates and the City's Rule 15c2-12 compliance;
4. A security deposit for the Certificates;

5. The representations and warranties of the City to the Purchasers;
6. The details of the delivery of, and payment for, the Certificates;
7. The Purchasers' obligations under the Purchase Contract;
8. The certain conditions to the obligations of the City under the Purchase Contract;
9. Termination of the Purchase Contract;
10. Particular covenants of the City;
11. The survival of representations made in the Purchase Contract;
12. The payment of any expenses relating to the Purchase Contract;
13. Notices; and
14. Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Certificates.

The Pricing Officer is hereby authorized and directed to execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

The Mayor and City Clerk of the City are further authorized and directed to manually or electronically execute and deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Certificates by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer or as manually or electronically executed by said officials shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 25: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificates pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchasers.

SECTION 26: Proceeds of Sale. Immediately following the delivery of the Certificates, the proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any municipal bond insurance, accrued interest received from the Purchasers of the Certificates, if any, and premium in the amount, if any, specified in the Pricing Certificate) shall be deposited to the credit of a construction account maintained on the books and records of the City and, if not immediately invested, in a fund kept at a depository bank of the City. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, as

amended, including guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq, as amended, and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the applicable Interest and Sinking Fund as shall be determined by the City Council. Accrued interest and premium in the amount, if any, specified in the Pricing Certificate received from the sale of the Certificates and any excess certificate proceeds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the applicable Interest and Sinking Fund.

SECTION 27: Notices to Holders-Waiver. Wherever this Ordinance or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance or the Pricing Certificate provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

SECTION 29: Bond Counsel Opinion. The obligation of the Purchasers to accept delivery of the Certificates is subject to being furnished a final opinion of Fulbright & Jaworski LLP, a member of Norton Rose Fulbright, Bond Counsel to the City, approving the Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Certificates. A true and correct reproduction of said opinion is hereby authorized to be printed on the Certificates, or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry-Only System used in the settlement and transfer of the Certificates.

SECTION 30: Further Procedures. The Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, Comptroller of the City, and City Clerk of the City and all other officers, employees and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such

acts and things and to execute, acknowledge and deliver in the name and under the seal of the City and on behalf of the City all agreements, instruments, or such other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates, the Mayor, Mayor Pro Tem, City Clerk, Alternate City Clerk, City Manager, the Chief Financial Officer of the City, and/or the Comptroller of the City, and its Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General or his representative to obtain the approval of the Certificates by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32: Benefits of Ordinance. Nothing in this Ordinance or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof or the Pricing Certificate, this Ordinance and all of its provisions and the Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar, and the Holders.

SECTION 33: Inconsistent Provisions. All ordinances or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 34: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 35: Effect of Headings. The Section headings herein are for convenience of reference only and shall not affect the construction hereof.

SECTION 36: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

SECTION 37: Severability. If any provision of this Ordinance or the Pricing Certificate or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the Pricing Certificate and the application thereof to other circumstances shall nevertheless be valid, and the City Council of the City hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 38: Incorporation of Findings and Determinations. The findings and determinations of the City Council of the City contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 39: Continuing Disclosure Undertaking.

(1) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(2) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year, (beginning with the fiscal year stated in the applicable Pricing Certificate) financial information and operating data with respect to the City of the general type included in the Official Statement approved by the Pricing Officer, and described in the Pricing Certificate, and (2) if not provided as part of such financial information and operating data, audited financial statements of the City, when and if available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the Pricing Certificate, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s Internet Web site or filed with the SEC.

(3) Notice of Certain Events. The City shall provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (g) Modifications to rights of holders of the Certificates, if material;
- (h) Certificate calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
- (m) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For these purposes, any event described in the immediately preceding subsection (c)(12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such Section.

(4) Filings with the MSRB. All financial information, operating data, financial statements, notices and other documents provided to the MSRB in accordance

with this Section shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(5) Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Certificate calls and defeasance that cause the City to be no longer such an “obligated person.”

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates; and, nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section. Except as expressly provided within this Section, the City does not undertake to provide any other information, whether or not it may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects; nor does the City undertake to update any information provided in accordance with this Section or otherwise. Furthermore, the City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by

any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Certificates from lawfully purchasing or selling Certificates in such offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided pursuant to subsection (b) of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 40: Municipal Bond Insurance. The Certificates may be sold with the principal of and interest thereon being insured by a municipal bond insurance provider authorized to transact business in the State of Texas. The Pricing Officer is hereby authorized to make the selection of municipal bond insurance (if any) for the Certificates and make the determination of the provisions of any commitment therefor.

SECTION 41: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

SECTION 42: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of Texas Government Code, Section 1201.028, as amended.

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APPROVED AND ADOPTED this 1st day of October, 2013.

Oscar Leeser
Mayor, City of El Paso, Texas

ATTEST:

Richarda Duffy Momsen
City Clerk, City of El Paso, Texas

(SEAL)

APPROVED AS TO FORM:



Paul A. Braden
Bond Counsel for the City

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer
City of El Paso, Texas



Bertha A. Ontiveros
Assistant City Attorney
City of El Paso, Texas

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

City of El Paso

Plan for 2013 Debt Issuance

October 1, 2013

Prepared by: Carmen Arrieta-Candelaria
Chief Financial Officer
October 1, 2013



Plan for 2013 Debt Issuance

October 1, 2013

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Certificates of Obligation Issuance

This document outlines the plan for issuing up to \$68,500,000 of debt in the August 2013 pertaining to the December 2008, November 2010, April 2011, June 2012 and September 2012 authorizations as granted by the City Council of the City of El Paso.

City Staff and Others Assigned to Project

City Lead Staff Assigned

Carmen Arrieta-Candelaria, Chief Financial Officer
Dr. Mark Sutter, Comptroller

Financial Advisors

First Southwest
221 North Kansas Street, Suite 1200
El Paso, Texas 79901

POC: George Williford, Managing Director
J.C. "Corky" Hall, Executive Director
Maria Fernanda Urbina, Senior Vice President

Underwriters Selected

Lead: Southwest Securities
Contact: Kit Caldwell
Supporting: Siebert, Brandford & Shank
Contact: Robert Collins

Bond Counsel

Paul A. Braden, Partner
FULBRIGHT & Jaworski L.L.P.
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201-2784
T: 214 855 8189 * F: 214 855 8200
El Paso: 915 351 6053

Paying Agent:

Wells Fargo

Timeline of Events

The following *Timeline of Events* is the final proposed by First Southwest and approved by City Staff.

CITY OF EL PASO, TEXAS

\$68,195,000 Combination Tax and Revenue Certificates of Obligation, Series 2013

Preliminary Schedule of Events

Aug-13						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Sep-13						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Oct-13						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Nov-13						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Complete By	Day	Event
16-Aug-13	Friday	First Southwest Company submits information request to the City and begins working on official statement
20-Aug-13	Tuesday	First Southwest Company receives information requested from City
21-Aug-13	Wednesday	First draft of the Official Statement distributed for comments
22-Aug-13	Thursday	Provide comments on initial draft of POS
27-Aug-13	Tuesday	City Council approves resolution to authorize Notice of Intent to issue Certificate of Obligation, Series 2013
29-Aug-13	Thursday	1st Publication of Notice of Intent to Issue Certificates of Obligation, Series 2013
5-Sep-13	Thursday	2nd Publication of Notice of Intent to Issue Certificates of Obligation, Series 2013
16-Sep-13	Monday	Send POS to Rating Agencies
19-Sep-13	Thursday	Rating Agency Conference Calls
26-Sep-13	Thursday	Receive ratings
1-Oct-13	Tuesday	City Council considers selling Certificate of Obligations & Refunding Bonds through a parametric resolution
2-Oct-13	Wednesday	Pricing date for the Certificate of Obligations & Refunding Bonds; Execution of sale agreements
9-Oct-13	Wednesday	Final official statement printed and mailed
17-Oct-13	Thursday	Closing. Certificates & Bonds are delivered to Underwriters and proceeds received by City

Ordinance Authorizing Issuance of COs

On October 1, 2013, City Council will consider authorization of an ordinance that will allow the issuance of the certificates of obligation in an amount not to exceed \$68.5 million under the following parameters:

- Maximum Interest Rate – 5.75%
- Aggregate Principal Amount of Issue - \$68,500,000
- Final Maturity Date – December 31, 2039
- Expiration of Delegated Authority – 3 Months

Resolution –Notice of Intent

On August 27, 2013, City Council approved and authorized a resolution to publish a notice of intention to issue these certificates of obligation. Notice of intent was published in accordance with the resolution approved. At the time of the posting of this item on the agenda, no petition protesting the issuance of the COs has been presented or filed with the City Clerk or any member of Council or any other official of the City.

Copy of Reimbursement Resolution

The Reimbursement Resolutions pertaining to these projects to be reimbursed was executed by William F. Studer, Deputy City Manager, in July and August 2012, and are kept on file in the Office of the Chief Financial Officer.

Refunding Opportunity

The refunding opportunities will be considered in mid-October.

Tax Model

The Tax Model for this issuance has been reviewed by staff and staff will work towards the tax limit of 30¢ given the current assumptions. The proposed tax model includes the proposal to issue the current debt under a 25-year term. Attached is the estimated impact on the tax model:

City of El Paso, Texas
 Tax Rate Impact of Current Debt and Proposed Long-Term Debt Issuance
 As of October 1, 2013

FYE	As of October 1, 2013	
	Authorized but not Issued ¹	
2013		0.2163
2014		0.2326
2015		0.2408
2016		0.2612
2017		0.2704
2018		0.2795
2019		0.2868
2020		0.2961
2021		0.3037
2022		0.3072
2023		0.3091
2024		0.3017
2025		0.2940
2026		0.2843
2027		0.2784
2028		0.2776
2029		0.2721
2030		0.2686
2031		0.2634
2032		0.2500
2033		0.2119

= Projected Maximum Debt Rate

¹This column includes debt that has been authorized by Council but not yet issued through debt obligations.

Size of Issuance:

Proposed Issuance is as follows:

\$68,500,000 which includes all associated bond issuance costs

The 2013 Issuance is comprised of authorizations from December 2008, March 2010, November 2010, April 2011, June 2012 and September 2012 authorizations. The following chart, ***Chart I***, is the timing of the ***remaining*** authorizations approved by Council as of October 1, 2013. Appendix A includes those projects to be reimbursed as well as the authorizations granted by Council.

Chart I: Proposed Scenarios of Remaining Debt Authorizations

Updated on 9/24/2013

Proposed Scenario as of October 1,
2013

Debt Scenario - All Existing Authorized Debt Plus Short Term CIP	Fund	Amount Previously Issued	2014	2015	2016	2017	2018	2019	2020+	Total
Approved Transportation Funding - March 2010	4710	4,350,000	3,936,351	4,048,836	3,317,050	1,171,744	2,943,238			19,767,219
Approved Transportation Funding in November 2, 2010	4530	16,431,537	4,701,731	14,114,406	22,940,504	4,288,253	-	8,574,710		71,051,141
Short-Term CIP Approved on April 19, 2011	4560	27,100,000	18,630,883	11,302,686	5,950,000	2,230,000				65,213,569
2012-2019 Street Infrastructure Plan (June 2012)	4740	7,280,000	25,792,000	26,624,000	24,544,000	24,544,000	24,544,000	25,064,000	60,008,000	218,400,000
City Hall Related Purchases (September 2012)	4730	21,431,520	7,807,404							29,238,924
2012 QOL Projects (Authorized November 2012)	4800		14,239,500	34,166,450	34,957,425	46,268,488	31,238,013	31,238,013	281,142,112	473,250,000
Subtotal - Tax Supported Debt		76,593,057	75,107,869	90,256,377	91,708,979	78,502,485	58,725,251	64,876,723	341,150,112	876,920,852
Sun Metro Funded		8,406,970	14,384,249							22,791,219
Total Issuance Needed		85,000,027	89,492,118	90,256,377	91,708,979	78,502,485	58,725,251	64,876,723	341,150,112	899,712,071

Note: The Sun Metro authorization was granted by City Council in December 2008. This debt is considered *self-supporting debt* and does not impact the I&S tax rate for the City.

List of Projects to be funded in Narrative Form

The following are projects to be funded: purpose of paying contractual obligations to be incurred for (i) the construction of public works, to wit: (a) constructing, resurfacing and improving various streets, roads, bridges, thoroughfares, tunnels, sidewalks, pathways and related municipal facilities within the City, including lane markings, ADA accessibility, traffic signals, signal system synchronization, loop detectors, Bataan transit tunnel reconstruction, lighting and landscaping related thereto and the acquisition of necessary rights-of-way and land in connection therewith; (b) design, construction and installation of flood control, storm water, drainage improvements, ponding area improvements and related municipal facilities within the City, including the acquisition of rights-of-way, real property and any related demolition necessary in connection therewith; (c) renovating, improving and equipping existing City maintenance service centers, animal control facilities, fire stations, museums, libraries and other municipal buildings, such improvements to include fiber optic connectivity, IT facility improvements, ADA improvements, roofing system rehabilitation and replacement HVAC; (d) acquisition, construction and improvement of municipally owned public art projects; (e) design, acquisition, construction and improvements to City transportation and terminal facilities, including bus shelters, streetcar project, rapid transit terminals and the acquisition of necessary rights of way and land therefor; (f) renovation, rehabilitation, improving and equipping of City municipal facility (Luther Building) for information technology department, fire, police and other City administrative purposes; (g) improvement and equipping of existing parks and recreational facilities; (h) acquiring, renovating, improving and equipping real property located at 801 Texas Avenue and 811

Texas Avenue for City Development, Parks and Community Development, One Stop Shop and other City departmental purposes; (i) acquiring, renovating, improving and equipping real property located at 300 N. Campbell for City Hall; and (ii) professional services rendered in connection with this issuance.

See Appendix A for List of Projects to be reimbursed and detail of specific authorizations.

Appendix A: List of Projects to be reimbursed and detail of specific authorizations

December 2008 Authorization Projects to be Funded

City of El Paso
Authorization from December 2008
As of June 30, 2013

Projects to be reimbursed	Amount to be Funded/Reimbursed
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SUN METRO PROJECTS TO BE REIMBURSED/FUNDED:

ADA Curb Cuts & Shelters	\$ 2,950,000
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GENERAL FUND PROJECTS REMAINING TO BE FUNDED:

Bataan Railway Reconstruction Project	\$ 1,139,136
NTMP Projects	1,233,880
IT Upgrades	2,052,017
Montana RTS	1,070,009
Dyer RTS	841,773
Alameda RTS	1,408,588
Airway Extension	291,784
CBD Phase IV Street & Drainage	551,003
Mesa RTS	355,308
Street and Sidewalk Improvements	654,086
Street Flasher Improvements	14,693
Luther Building	1,156,345
City-wide facilities and equipment	97,822
Public Arts Projects	96,861
Total of Projects	\$ 10,963,305

Total Recap:	\$ 13,913,305
--------------	---------------

As of August 15, 2013

	December 2008
Amount Authorized	\$ 73,128,137
Plus Additional Authorizations	2,950,000
Total Authorized	\$ 76,078,137
Amounts Issued:	
October 2009	27,328,006
November 2010	7,001,950
November 2011	10,834,876
November 2012	17,000,000
Remaining Authorization to be Issued	\$ 13,913,305

**CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Finance and Public Safety Services

AGENDA DATE: December 2, 2008

CONTACT PERSON/PHONE: Bill Studer, 541-4011

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

To identify the approved list of Capital Improvement Program projects for 2009 in an amount totaling \$73,128,137 and that the City Manager be authorized to establish the funding sources for these projects and make all necessary budget transfers at the appropriate times.

BACKGROUND / DISCUSSION:

The attached resolution allows the City to advance funds for ongoing and necessary capital projects and equipment expenditures, as approved by City Council at the November 5th Strategic Planning meeting, with the expectation that such requirements will be funded with proceeds as determined to be identified by the City Manager. The amount calculated to be required shall equal \$73,128,137. This will allow City staff to fund those projects identified as Critical Priorities – Option B at the Strategic Planning Council Meeting of November 5, 2008, copy of which is included herein.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

City Council approved attached list of projects during November 5, 2008 Strategic Planning Meeting and requested that the City Manger bring matter back for further consideration.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

This item will allow the City to fund up to \$73,128,137 of critical transportation projects, approved Infrastructure Priority II Projects, Buses and Fleet replacement requirements and the required 2% for the Arts issuance.

BOARD / COMMISSION ACTION:

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____

(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA: _____

CITY MANAGER: _____

DATE: _____

**2009 ISSUANCE
Critical Priorities
Option B**

PROPOSED LONG TERM DEBT			
Sun Metro Need			
Sun Metro*	Downtown Transfer Site	Local Match & Project Shortfall	\$508,619
	Glory Road TT	Local Match & Project Shortfall	\$9,184,661
	Mission Valley TT	Local Match & Project Shortfall	\$603,802
	Westside TT	Local Match & Project Shortfall	\$1,428,929
	Oregon - Smart 101	Local Match & Project Shortfall	\$101,209
	Northgate TT	Local Match & Project Shortfall	\$5,781,736
	Administrative Building & LNG	Design Only	\$2,000,000
	ADA Curbcuts & Shelters	Total \$6,000,000; \$2,000,000 each year of 3-year period	\$2,000,000
Total			\$21,608,956
Other Need			
COB Shortfall	Storm 2006 Priority II Projects	Project Shortfalls	\$12,612,805
Transportation CIP	COEP Funding for Planning & Design	Montana BRT (Shortfall), \$1,216,000 ***; Dyer BRT, \$1,340,000 ***	\$2,556,000
TxDOT	Funding Commitments for Local Match, Planning, & Design per projected TxDOT letting schedule	Airway - \$907,500 Local Match & Design; Hawkins - \$1,028,500 Local Match & Design; BRT Alameda, Local Match, Planning & Design, \$3,484,000**/**; Other Projects Local Match \$2,000,000	\$7,420,000
Comprehensive Mobility Plan	TxDOT Roadway Projects, Match & ROW Acquisition Costs; City Transit Total Project Costs	Loop 375 (Transmountain), ROW acquisition, \$50,000; Loop 375 (Joe Battle), ROW acquisition, \$100,000; Spur 276, ROW acquisition, \$880,000; BRT Mesa, Match \$1,000,000***; BRT Montana, Match \$400,000	\$2,430,000
2% Public Art	All Capital Projects	Per Municipal Code requirement	\$500,376
Total			\$25,519,181
All Needs Total			\$47,128,137
PROPOSED MASTER EQUIPMENT NOTES			
Sun Metro	Bus Acquisition	40 New Buses	\$16,000,000
General Fund	Fleet Replacement	TBD	\$10,000,000
Total			\$26,000,000

TOTAL \$73,128,137

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Sun Metro Department
Financial Services Department

AGENDA DATE: April 2, 2013

CONTACT PERSON NAME AND PHONE NUMBER: Jay Banasiak, Sun Metro Director 915-534-5811
Carmen Arrieta-Candelaria, CFO, 915-541-4293

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

Discussion and action to amend the 2009 Capital Improvement Program as adopted on December 2, 2008, and subsequently amended on February 14, 2012, by increasing the authorization by \$2.950 million to \$76,078,137, plus associated bond issuance costs, to be funded by Certificates of Obligation and paid for by Sun Metro revenues to accordingly reflect an increase in bus shelter appropriations, pursuant to the City's Debt Management Policy; and to authorize the City Manager to establish funding sources and execute any and all documents necessary for the execution of these projects

BACKGROUND / DISCUSSION:

On December 2, 2008 City Council approved the City's 2009 CIP program including the initial 2008 debt authorization for \$73,128,137. This plan included approval to fund 3 years of bus shelter purchases at \$2,000,000 annually but only included \$2 million of the total \$6 million amount needed. In February 2010, City Council approved the 2010-2012 Short-Term CIP plan of \$40 million which included additional monies for bus shelters. This plan, as amended, allotted \$1.050 million for bus shelters.

In order to fund the full \$6 million in bus shelter improvements, the remaining amount of \$2.950 million is being requested by amending (increasing) the 2009 CIP Program. Sun Metro revenues will pay for all of these improvements.

PRIOR COUNCIL ACTION:

On December 2, 2008, City Council approved the Capital Improvement Program of 2009 and authorized required funding; which included 1st Year funding of the Bus Shelter Acquisition.

AMOUNT AND SOURCE OF FUNDING:

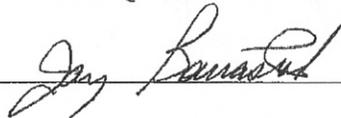
Bus shelters will be funded by revenue bonds payable from Sun Metro revenue.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



November 2010 Authorization and Projects to be Funded

City of El Paso
 Authorization from November 2010
 As of June 30, 2013

Project Description:	Original Budget	Funded in 2012	2013	
				Total to be Funded/Reimbursed
Arts Projects	1,072,791	246,076		164,920
Public Arts Projects	189,216			47,001
El Paso Streetcar	5,000,000			5,000,000
Sun Metro Mx and Ops Facility	12,803,800	315,515		12,803,800
Sun Metro Mx and Ops Facility- Sun Metro Only	14,841,219			456,970
Alameda RTS	34,867,000	100,856		653,198
2011 bonds costs	1,395,234	157,205		30,298
Mesa RTS	5,420,000	1,177,848		89,861
Dyer RTS	6,112,000	2,500		552,905
Montana RTS	8,558,000			-
UPTT Improvementsment	633,000			89,554
Totals	90,892,260	(a) 2,000,000		19,888,507 (b)
		General Funded		14,431,537
		Need to Fund		12,431,537
		Sun Metro		5,456,970
		Total to be Funded		17,888,507 (b) - (a)

Note: Items highlighted in Yellow are Sun Metro Funded.

JOHN F. COOK
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
EMMA ACOSTA, DISTRICT 3
CARL ROBINSON, DISTRICT 4
RACHEL QUINTANA, DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

REGULAR COUNCIL MEETING MINUTES
COUNCIL CHAMBERS

November 2, 2010
8:30 A.M.

The City Council met in regular session at the above place and date. Meeting was called to order at 8:35 a.m. Mayor John F. Cook present and presiding and the following Council Members answered roll call: Susannah M. Byrd, Carl Robinson, Eddie Holguin, Jr., and Steve Ortega. Late arrivals: Emma Acosta and Beto O'Rourke at 8:37 a.m., during Executive Session deliberations and Ann Morgan Lilly at 8:41 a.m., during Executive Session deliberations. Absent: Rachel Quintana requested to be excused. The invocation was given by Police, Fire and CIMA Chaplain Sam Faraone, followed by the Pledge of Allegiance to the Flag of the United States of America.

MAYOR'S PROCLAMATIONS

1. DIABETES MONTH
2. EL PASO LAWYERS FOR PATRIOTS WEEK
3. BOWIE HIGH SCHOOL ACADEMIC EXCELLENCE

RECOGNITIONS

THE MAYOR'S TOP 100 TEENS

CALL TO THE PUBLIC – PUBLIC COMMENT

This time is reserved for members of the public who would like to address the City Council on items that are not on the City Council Agenda.

A sign-up form is available on line at https://www.elpasotexas.gov/muni_clerk/contact_public.asp for those who wish to sign up in advance of the meeting date and a sign-up form is available outside the City Council Chambers at the City Clerk table for those who wish to sign up on the day of the meeting.

Requests to speak must be received by 9:00 a.m. on the date of the meeting.

30 Minutes total is allotted for speakers.

Three to five minutes may be allowed for each speaker.

The following members of the public commented:

1. Mr. Matt Carroll
2. Mr. Jerry Thiedt
3. Mr. Lynn Fitzgerald

WHEREAS, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure-related capital projects (and non-quality of life projects) at a cumulative value of \$100 million or less; and

WHEREAS, the El Paso City Council further directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, City staff has developed a proposed listing of capital projects to be undertaken in ensuing Fiscal Years for which the City would need to issue long term debt; and

WHEREAS, a proposed capital plan is enumerated in the "Capital Program" for Fiscal Years 2011 through 2017; and

WHEREAS, a proposed Mass Transit Department (Sun Metro) Capital Plan is enumerated in the "Capital Program" for Fiscal Years 2011 through 2017; and

WHEREAS, the El Paso City Council asked that the City Manager bring further consideration of the capital plans to the City Council for finalization and action.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

1. **THAT** the El Paso City Council affirms that the Sun Metro capital plan totaling approximately \$71,156,910.00 referenced as "Mass Transit Department (Sun Metro) Capital Plan" and attached hereto as Exhibit A, shall be the established list of Sun Metro capital projects included in the "Capital Program" for Fiscal Years 2011-2017 and Certificates of Obligation are initially identified as the funding source, subject to annual budgeting requirements;
2. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to establish the funding sources for the capital plan enumerated in the "Capital Program" for Fiscal Years 2011 through 2017 and make all necessary budget transfers at the appropriate times for execution of the capital projects; and
3. **THAT** the City Manager be directed to pursue any state and federal funding that will reduce the City's share of its participation costs to these capital projects.

Mr. R. Alan Shubert, City Engineer, presented a PowerPoint presentation (copy on file in the City Clerk's office)

Mayor Cook and Representatives Lilly, Byrd, Acosta, Robinson, Holguin, Ortega and O'Rourke commented.

The following City Staff members commented:

1. Ms. Joyce Wilson, City Manager
2. Ms. Carmen Arrieta-Candelaria, Chief Financial Office of Financial Services
3. Mr. Daryl Cole, Director of Streets
4. Fire Chief Otto Drozd

Motion made by Representative Byrd, seconded by Mayor Pro Tempore Acosta, and carried to **APPROVE** the Resolution, as revised, approving only the \$71,156,910 for Mass Transit Department (Sun Metro) Capital Plan.

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Ortega, and O'Rourke

NAYS: Representative Holguin

ABSENT: Representative Quintana

NO ACTION was taken on the rest of the FY2001 through 2017 Capital Improvement Plan presented or the determination of when to hold a Quality of Life Bond Initiative election.

.....

Motion made by Representative Robinson, seconded by Representative Lilly, and unanimously carried to **ADJOURN** this meeting at 1:18 pm.

.....

APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk

CAPITAL IMPROVEMENT PLAN for FY 2011-2017

PROJECT	TOTAL BUDGET	ANTICIPATED YEAR OF EXPENDITURE						
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operations Center	\$ 12,803,800		\$ 5,690,578	\$ 7,113,222				
Alameda BRT	\$ 35,500,000	\$ 2,366,667	\$ 10,058,333	\$ 15,300,000	\$ 7,775,000			
Dyer BRT	\$ 6,112,000				\$ 873,143	\$ 3,000,000	\$ 2,238,857	
Mesa BRT	\$ 5,420,000			\$ 1,355,000	\$ 4,065,000			
Montana BRT	\$ 8,558,000						\$ 1,917,584	\$ 6,640,416
SUBTOTAL - TRANSIT PROJECTS	\$ 68,393,800	\$ 2,366,667	\$ 15,748,911	\$ 23,768,222	\$ 12,713,143	\$ 3,000,000	\$ 4,156,441	\$ 6,640,416
Fire Station 37 @ Edgemere & Rich Beem	\$ 3,100,000		\$ 3,100,000					
Fire Station 5 & 13 Consolidation and Relocation (Subject to approval of consolidation by Council; otherwise will require two separate station re-builds)	\$ 4,233,000			\$ 400,000	\$ 3,833,000			
Fire Training Academy	\$ 14,000,000		\$ 1,500,000	\$ 3,000,000	\$ 5,000,000	\$ 4,500,000		
Fire Station 12 Replacement @3801 Ft. Blvd.	\$ 2,626,490					\$ 290,000	\$ 2,336,490	
Fire Station 15 Replacement @ 115 Shorty Lane	\$ 2,672,652						\$ 318,362	\$ 2,354,290
Fire Station 17 8803 Alameda	\$ 275,000							\$ 275,000
SUBTOTAL - FIRE DEPARTMENT PROJECTS	\$ 26,907,142	\$ -	\$ 4,600,000	\$ 3,400,000	\$ 8,833,000	\$ 4,790,000	\$ 2,654,852	\$ 2,629,290
Median Landscaping	\$ 5,000,000		\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
NIP	\$ 2,160,000		\$ 720,000	\$ -	\$ 720,000	\$ -	\$ 720,000	\$ -
NTMP	\$ 3,750,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 750,000	\$ 750,000	\$ 750,000
Open Space Acquisition	\$ 3,000,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Overwidth Paving	\$ 2,500,000			\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Pasodale Phase 4 and Schwabe	\$ 6,000,000		\$ 3,000,000	\$ 3,000,000				
Signage - Citywide regulatory/advisory replacement	\$ 4,650,000		\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000	\$ 775,000
Signage-Citywide overhead street name replacement	\$ 600,000		\$ -	\$ 600,000				
Signals & Flashers	\$ 8,000,000		\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Street Lighting	\$ 420,000		\$ 90,000	\$ 50,000	\$ 90,000	\$ 50,000	\$ 90,000	\$ 50,000

CAPITAL IMPROVEMENT PLAN for FY 2011-2017

PROJECT	TOTAL BUDGET	ANTICIPATED YEAR OF EXPENDITURE						
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Street Reconstruction	\$ 26,000,000				\$ 3,000,000	\$ 10,000,000	\$ 3,000,000	\$ 10,000,000
Street Reconstruction - Montwood St. Construction	\$ 7,000,000			\$ 7,000,000				
Street Resurfacing	\$ 22,200,000		\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 4,400,000	\$ 4,400,000	\$ 4,400,000
Unpaved ROW	\$ 3,000,000		\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Upper Valley Plan Improvements	\$ 8,161,000				\$ 1,000,000	\$ 2,161,000	\$ 2,500,000	\$ 2,500,000
SUBTOTAL - STREET INFRASTRUCTURE PROJECTS	\$ 102,441,000	\$ -	\$ 10,585,000	\$ 17,925,000	\$ 13,085,000	\$ 22,136,000	\$ 16,235,000	\$ 22,475,000
Animal Shelter	\$ 5,000,000				\$ 5,000,000			
Bus shelter Acquisition	\$ 2,000,000			\$ 2,000,000				
City Hall Improvements	\$ 8,710,000			\$ -		\$ 300,000	\$ 8,410,000	
City Hall New Entry Improvements & Public Art	\$ 4,000,000		\$ 1,000,000	\$ 1,500,000	\$ 1,500,000			
Facility Rehabilitation Citywide	\$ 14,000,000		\$ 2,000,000	\$ 2,000,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
IT Capital	\$ 15,000,000			\$ 5,000,000	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000	
SUBTOTAL - OTHER FACILITIES	\$ 48,710,000	\$ -	\$ 3,000,000	\$ 10,500,000	\$ 11,500,000	\$ 7,800,000	\$ 13,410,000	\$ 2,500,000
SUBTOTAL - ALL PROJECTS	\$ 246,451,942	\$ 2,366,667	\$ 33,933,911	\$ 55,593,222	\$ 46,131,143	\$ 37,726,000	\$ 36,456,293	\$ 34,244,706
2% for the Arts	\$ 4,929,039	\$ 47,333	\$ 678,678	\$ 1,111,864	\$ 922,623	\$ 754,520	\$ 729,126	\$ 684,894
2% for Bond Issuance Costs	\$ 4,929,039	\$ 47,333	\$ 678,678	\$ 1,111,864	\$ 922,623	\$ 754,520	\$ 729,126	\$ 684,894
New Authorization Totals	\$ 256,310,020	\$ 2,461,334	\$ 35,291,267	\$ 57,816,951	\$ 47,976,389	\$ 39,235,040	\$ 37,914,545	\$ 35,614,494

TRANSIT PROJECTS

PROJECT	TOTAL BUDGET	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Operations Center	12,803,800		5,690,578	7,113,222				
Alameda BRT	35,500,000	2,366,667	10,058,333	15,300,000	7,775,000			
Dyer BRT	6,112,000				873,143	3,000,000	2,238,857	
Mesa BRT	5,420,000			1,355,000	4,065,000			
Montana BRT	8,558,000						1,917,584	6,640,416
SUBTOTAL	68,393,800	2,366,667	15,748,911	23,768,222	12,713,143	3,000,000	4,156,441	6,640,416

MASS TRANSIT DEPARTMENT (SUN METRO) CAPITAL PLAN
(Revised October 28, 2010)

RECOMMENDED FUNDING										
Priority	Project	Total Project Cost	City Local Match	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
1	Operations Center	\$12,003,000	\$12,003,000	\$0	\$5,690,578	\$7,113,222	\$0	\$0	\$0	\$0
2	Alameda BRT	\$35,500,000	\$35,500,000	\$2,366,667	\$10,050,333	\$15,300,000	\$7,775,000	\$0	\$0	\$0
3	Mesa BRT	\$27,100,000	\$5,420,000	\$0	\$0	\$1,355,000	\$4,065,000	\$0	\$0	\$0
4	Dyer BRT	\$30,560,000	\$6,112,000	\$0	\$0	\$0	\$873,143	\$3,000,000	\$2,230,057	\$0
5	Montana BRT	\$42,790,000	\$8,550,000	\$0	\$0	\$0	\$0	\$0	\$1,917,504	\$6,640,416
	Subtotal	\$140,753,000	\$60,393,000	\$2,366,667	\$15,740,911	\$23,760,222	\$12,713,143	\$3,000,000	\$4,156,441	\$6,640,416
	2% for Arts		\$1,367,876	\$47,333	\$314,970	\$475,364	\$254,263	\$60,000	\$83,129	\$132,000
	2% Bond Issuance Costs		\$1,393,234	\$46,230	\$321,270	\$484,872	\$259,348	\$61,200	\$84,791	\$135,464
	Total		\$71,156,910	\$2,462,201	\$16,395,167	\$24,720,458	\$13,226,753	\$3,121,200	\$4,324,361	\$6,908,689

General Notes:

- Debt service on transit projects will be evaluated for maximum absorption by the Sun Metro Enterprise Fund, including rolling stock, to reduce impact to the General Fund.
- Pursuing federal earmark & competitive 5309 funding for projects.
- Project matches assume 50% FTA contribution on Mesa and Dyer with a 57% FTA contribution on Montana.
- Pursuing amendment of 2008 Comprehensive Mobility Plan to reallocate \$27 million to three BRT's to leverage federal funding & to lower local participation costs.
- Project match assumes 30% CMP contribution on Mesa and Dyer; 23% contribution on Montana.
- Project schedule developed to maximize cash flow management & maintain debt service rate given other City priorities.
- Project estimates for BRT Corridors include funding for rolling stock needed for each corridor.

Project Notes:

- Priority 1** Assumes \$20,607,600 as construction cost for a facility handling 200 buses; estimate includes 40% markup for FFE. At least one-half of the debt service for this project will be absorbed by the Sun Metro Enterprise Fund, including rolling stock.
- Priority 2** Estimated construction completion in FY 2014. Project reviewed by MTR & CC.
- Priority 3** Assumes CMP funding in the amount of \$8.13 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2014. Project has received MTB/CC and MPO approval.
- Priority 4** Assumes reallocation of CMP funding in the amount of \$9.168M, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2016. Project reviewed by MTB/CC.
- Priority 5** Assumes CMP funding in the amount of \$9.702 million, requiring TPB approval; CMP funding can be used as local contribution. Estimated construction completion in FY 2017. Project has received MTB/CC and MPO approval.

Update to March BRT costs:	\$ 103,000,000
Landscaping	\$ 1,500,000
Far Eastside Transfer Center	\$ 5,000,000
Five Points Transfer Center renovati	\$ 500,000
FTA Required Elements	\$ 5,800,000
Underestimated costs	\$ 900,000
Inflation of 4% over 2010 costs	\$ 19,250,000
BRT Revised Cost	<u>\$ 135,950,000</u>

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Financial Services Department
Sun Metro Department

AGENDA DATE: February 14, 2012

CONTACT PERSON NAME AND PHONE NUMBER: Carmen Arrieta-Candelaria, CFO, 915-541-4293
Jay Banasiak, Sun Metro

DISTRICT(S) AFFECTED: Citywide

SUBJECT:

Discussion and action on a Resolution to increase the Mass Transit Department (Sun Metro) Capital Plan ("Capital Program") as adopted on November 2, 2010, by \$14,841,219 and to amend the 2009 Capital Improvement Program projects as adopted on December 2, 2008, by reprogramming \$10,016,212 of the \$16,000,000 Bus Acquisition Project in order to increase and amend the project known as the Sun Metro Operations Center for a total combined project budget of \$37,000,000 and to authorize the use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt Management Policy and that the City Manager be authorized to establish funding sources and execute any and all documents necessary for the execution of these projects.

BACKGROUND / DISCUSSION:

Over the course of the last year, Sun Metro has been working on the development and design of an Operations Center. Bids have been let out and preliminary estimates have been considered. The final estimate of the proposed Operations Center for Sun Metro total \$37,000,000, of which \$6 million is for equipment and the remaining amount is for the construction and design of the Center. In 2011, City Council authorized the City's share from general debt services in the amount of \$12,803,800, but did not appropriate the portion from Sun Metro until the project budget was estimated and all funding sources could be identified.

PRIOR COUNCIL ACTION:

On December 2, 2008, City Council approved the Capital Improvement Program of 2009 which included the Bus Acquisition Project.

On November 2, 2010, City Council approved the City of El Paso 2012-13 Short Term CIP which included the Sun Metro Operations Center (Local Share of \$12,803,800).

AMOUNT AND SOURCE OF FUNDING:

Total revised Capital Project of \$37,000,000 to be funded from a combination of general debt service (property taxes) and Sun Metro revenues (self-sustaining) The General Fund portion will remain at \$12,803,800 plus associated bond issuance costs and public art costs.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Carmen Arrieta-Candelaria

City of El Paso
Calculation of Total Project Cost
As of January 17, 2012

Total Project Cost (rounded to nearest million)	\$ 37,000,000
Less Amount Available in 2010	12,713,385
Remaining	<u>24,286,615</u>
2008 Reprogramming	<u>10,016,212</u>
Capital project amount to increase	\$ 14,270,403
2% for Bond Costs	285,408
2% for Public Art	285,408
Total Increase to Capital Program	<u><u>\$ 14,841,219</u></u>

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Engineering and Construction Management
Mass Transit Department – Sun Metro

AGENDA DATE: September 11, 2012

CONTACT PERSON NAME AND PHONE: Irene D. Ramirez, P.E., Assistant City Engineer (X4431)
Jay Banasiak, Sun Metro Director, 534-5811

DISTRICT(S) AFFECTED: 1 & 8

SUBJECT:

- 1) Presentation of the Street Car Project capital cost estimate, operating costs and vehicle selection to include discussion and action on the type of vehicle to include in the project.
- 2) That the City Manager be authorized to sign the First Amendment to the Agreement for Professional Services by and between the City of El Paso and URS Corporation, a Nevada Corporation, for a project known as "El Paso Streetcar Preliminary Engineering and Environmental Assessment" to add additional professional services for the Pre-Final, Final Design, Bidding and Construction Phases of the El Paso Streetcar Project, in the amount of Three Million Four Hundred Forty Two Thousand One Hundred Five and No/00 Dollars (\$3,442,105.00) thereby extending the contract amount from \$1,250,000.00 to \$4,692,105.00; and that the City Manager be authorized to establish the funding sources and make any necessary budget transfers and execute any and all documents necessary for execution of this amendment.
- 3) Discussion and action to increase the Mass Transit Department (Sun Metro) Capital Plan ("Capital Program") as adopted on November 2, 2010, by \$5M in order to add the project known as the El Paso Street Car Planning and Design Project; to authorize the use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt Management Policy; and to authorize the City Manager to establish funding sources and execute any and all documents for the execution of this project. Funding for this project will be from Sun Metro Enterprise Fund revenue.

PRIOR COUNCIL ACTION:

November 2, 2010, approval of the Mass Transit Department Capital Plan
May 15, 2012, approval of consultant contract with URS for the El Paso Street Car Project
May 29, 2012, approval of selected route for El Paso Street Car Project

Though Montana RTS funding from the November 2, 2010 authorization was previously identified for this project, the existing funding is the required federal grant match and cannot be used for the Street Car project. City staff has determined that self-supporting monies are projected to be available for this purpose and therefore are requesting that the Capital Program be increased accordingly.

AMOUNT AND SOURCE OF FUNDING:

Sun Metro Sales Tax Revenue Certificates of Obligation

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

RESOLUTION

WHEREAS, the El Paso City Council approved its revised Debt Management Policy on February 14, 2012 and amended on June 26, 2012 which sets forth the parameters for issuing new debt for the City of El Paso; and

WHEREAS, the Debt Management Policy establishes the type of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure related capital projects (and non-quality of Life projects); and

WHEREAS, the El Paso City Council has directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, on November 2, 2010, the Mass Transit Board affirmed a Mass Transit Department (Sun Metro) Capital Plan for Fiscal Years 2011 through 2017 for which the City would need to issue long term debt and, on February 14, 2012, revised said Capital Improvement Plan to amend the Operations Facility Funding; and

WHEREAS, City Staff recommends the Mass Transit Department (Sun Metro) Capital Plan ("Capital Program") as adopted on November 2, 2010 be amended to add a new project known as the El Paso Street Car Planning and Design Project and adding \$5,000,000 as this project's total budget and to authorize the use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt management Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO THAT:

- A) The Mass Transit Department (Sun Metro) Capital Plan ("Capital Program") as adopted on November 2, 2010 and amended February 14, 2012 is hereby amended to add a new project known as the El Paso Street Car Planning and Design Project and adding \$5,000,000 for this project's total budget;
- B) The use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt Management Policy is authorized; and
- C) That City Manager is directed to take such actions and execute any and all documents for the execution of this project, subject to annual budgeting requirements and final Council approvals.

(Signatures on following page)

PASSED AND APPROVED this ___ day of September, 2012

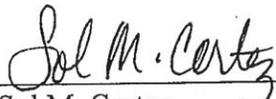
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

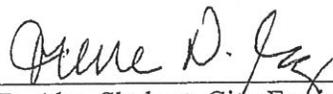


Sol M. Cortez
Assistant City Attorney

APPROVED AS TO CONTENT:



for Jay Banasiak, Director
Mass Transit Department



for R. Alan Shubert, City Engineer
Engineering & Construction Mgmt. Dept.

April 2011 Authorization and Projects to be Funded

City of El Paso
 Authorization from April 2011
 As of June 30, 2013

		Original Budget	Direct Funded in 2012	Anticipated Funded in 2012	Spent to Date	To be Funded in 2013	Anticipated Funded in 2013
PCP_12MF006	FS 8 Bay Door	62,000.00			2,565.00	2,565.00	
PCP_12MF07	FS 29 Water Heater	3,700.00	3,700.00		3,700.00		
PCP_12MF12	MSC Fleet Break Room	52,530.30			52,530.30	52,530.30	
PCP_12MF13	FS 24 Concrete Driveway	75,800.00			26,190.00	26,190.00	
PCP_12MF16	MSC Bldg 5 Cabling	9,777.47			-	-	
PCP_12MF19	PD HQ Upper Parking Lot	20,000.00			15,210.00	15,210.00	
PCP_12MF22	MSC Bldg 3 Window Replace	25,788.39			25,788.00	25,788.00	
PCP_12MF24	Delta Park Monument Relocation	6,851.54			-	-	
PCP_12MF26	PD HQ Elevator Piston	17,554.59			17,554.59	17,554.59	
PCP_12MF46	FS 29 Ceramic Tile	7,784.32			7,784.32	7,784.32	
PCP_12MF54	Bike Racks - Citywide	19,783.00			3,599.51	3,599.51	
PCP_12MF56	Pebble Hills Reg Comm Lighting	7,225.00	7,225.00		7,225.00		
PCP_12MF70	JCI PH 3b St Lights Citywide	9,000.00			-	-	
PCP_12MF71	JCI PH 4 St. Lights Citywide	3,000.00			-	-	
PCP_12MF72	PD HQ Boiler	31,042.00			31,042.00	31,042.00	
PCP_12MF74	Scenic Drive Flaggpole	18,000.00			14,535.00	14,535.00	
PCP_12MF75	911 Back up Call Center UPS	70,000.00			55,210.00	55,210.00	
PCP10ST140	St. Reconst - Montwood	10,000,000.00	6,530.00	1,772,875.77	1,874,696.41	95,290.64	
PCP12ART0010	2% Public Art 2012-13	1,282,460.00					
PCP12BND0010	Bond Costs 2012-13	1,308,109.00			304,496.95	304,496.95	
PCP12F1010	FS #37 Construction 12-13	3,100,000.00	5,365.00	2,395,328.94	2,400,693.94		
PCP12F1030	FS #513 2012-13	4,629,084.50	303,955.00		352,744.70	48,789.70	
PCP12IT010	Network Infrastructure 2012-13	3,000,000.00	490,106.00		2,719,272.36	2,229,166.36	
PCP12IT020	Cable Infrastructure 2012-13	900,000.00	215,933.00		287,982.81	72,049.81	
PCP12IT030	VOIP 2012-13	2,000,000.00	137,779.00	123,548.89	1,119,322.60	857,994.71	
PCP12IT040	Fiber Connectivity 2012-13	2,500,000.00	205,493.00	308,096.11	513,589.11		
PCP12IT050	IT Software 2012-13	1,000,000.00	84,194.00		226,326.43	142,132.43	
PCP12IT060	Peoplesoft Re-Imple 2012-13	8,525,000.00	6,015,092.00	2,210,754.01	8,225,846.01		
PCP12IT070	Muni Court Software 2012-13	3,000,000.00					
PCP12IT080	Dept Software-Hardware 2012-13	500,000.00	9,850.00	299,153.99	352,635.52	43,631.53	
PCP12IT090	UPS Power Protection 2012-13	75,000.00			2,500.00	2,500.00	
PCP12MF010	Facility Rehab CW 2012-13	663,796.35	577,093.00	(53,590.79)	523,502.21		
PCP12MF01A0	MSC Elevator	241,000.00	171,220.00		189,401.80	18,181.80	
PCP12MFE010	MSC Bldg 3 Convert Refr Sys	53,624.04	53,557.00		53,624.04	67.04	
PCP12MFE030	Refrig Air-SJ Rec Center	453,000.00	1,050.00	53,590.79	340,734.18	286,093.39	
PCP12MFE040	Refrig Air - Leona Ford	315,000.00	660.00		275,329.72	274,669.72	
PCP12MFE050	Walk in Cooler - Zoo	18,600.00	18,600.00		18,600.00		
PCP12MFE070	FS 26 Women Rest/Locker Room	145,000.00	4,793.00		107,366.96	102,573.96	
PCP12MFE080	FS 20 Women Rest/Locker Room	174,000.00	4,635.00		141,502.58	136,867.58	
PCP12MFE090	FS 19 Women Rest. Locker Room	149,000.00	4,680.00		127,575.08	122,895.08	
PCP12MFE100	FS 8 Women Rest/Locker Room	87,000.00	4,635.00	27,615.15	42,136.88	9,886.73	
PCP12MFE110	Fire Station 33 Driveway Imp	59,130.00			3,483.00	3,483.00	
PCP12MFE12	MSC Fleet Break Room	(26,265.15)	1,350.00	(27,615.15)	(26,265.15)		
PCP12MF170	Main Library Entrance Remodel	31,000.00	15,356.00		30,674.94	15,318.94	
PCP12MFG010	FS 7 - Refrig Air	18,146.00			18,146.00	18,146.00	
PCP12MFG020	FS 16 Refrig Air	19,990.00			19,990.00	19,990.00	
PCP12MFG030	FS 17 Refrig Air	14,867.00			14,867.00	14,867.00	
PCP12MFG040	FS 27 Refrig Air	19,143.00			19,143.00	19,143.00	
PCP12MFG090	FS #1 Condensate Pipe Replace	60,995.92			60,995.92	60,995.92	
PCP12MFG130	NERC Air Coil Unit	8,000.00			4,797.47	4,797.47	
PCP12MFG270	FS 17 Rehab Kitchen	7,820.00	7,820.00		7,820.00		
PCP12MFG300	FS 25 Rehab Kitchen	5,480.00			5,480.00	5,480.00	
PCP12MFG350	GSD Accounting Office - Furniture	19,872.73	19,873.00		19,872.72	(0.28)	
PCP12MFG390	Roof Recoating - MSC Bldg 2, 3	152,800.00	2,368.00		109,264.06	106,896.06	
PCP12MFG400	Roof Recoating - MSC Bldg 4	124,800.00	720.00		104,204.93	103,484.93	
PCP12MFG410	Esparza Acosta Library Roof	245,275.00			1,170.00	1,170.00	
PCP12MFG510	FS 20 Carport	13,000.00		4,523.00	7,767.94	3,244.94	
PCP12MFG550	Entry Rehab - Art Musuem	40,200.00	40,200.00		40,200.00		
PCP12MFG357	Multiple Gas Lines - Zoo	78,781.96	78,782.00		78,781.96	(0.04)	
PCP12MFG358	Carpet Work - Memorial Library	16,190.00	14,973.00		16,189.65	1,216.65	
PCP12MFG590	Elevator Controller MOA	25,000.00			24,000.08	24,000.08	
PCP12MFG600	Tree Planting - Citywide	100,000.00	75,033.00		97,503.24	22,470.24	
PCP12MFG610	FS 16 - Rehab Kitchen	6,875.00			6,875.00	6,875.00	
PCP12MFG620	FS 10 - Boiler Replace	31,275.00			31,275.00	31,275.00	
PCP12MFG640	Park Facilities - Fencing	100,000.00			10,911.24	10,911.24	
PCP12MFG650	Park Facilities - Dark Sky Light	40,946.00			30,286.00	30,286.00	
PCP12MFG660	4640 Delta Dr. - Demolition	9,690.54	9,691.00		9,690.54	(0.46)	
PCP12MFG680	Park Facilities - Flooring	30,000.00			16,875.00	16,875.00	
PCP12MFG690	JCI - PH3A - Street Lights	3,000.00			2,934.78	2,934.78	
PCP12MFG760	Domestic Backflow Preventer	4,130.00			4,130.00	4,130.00	
PCPPRK01B0	Park Pond-Shawver	562,443.00	48,643.00		66,953.05	18,310.05	
PCPPRK01C0	Park Pond - Skyline	478,076.00	71,461.00		79,834.03	8,373.03	
PCPPRK01D0	Park Pond - Galatzan Oxidation	187,213.00	46,718.00		49,662.90	2,944.90	
PCPPRK01F0	Park Pond-Capistrano PHI	113,533.00	46,447.00		49,146.93	2,699.93	
PCPPRK01G0	Park Pond-Edgemere & Guthrie	49,816.00	10,845.00		12,419.84	1,574.84	
PCPPRK01H0	Park Pond - Vocational @Riverside	462,006.00	90,881.00		94,216.38	3,335.38	
PCPPRK01I0	Park Pond - Jamestown	100,195.00	40,016.00		41,466.22	1,450.22	
PCPPRK020	Park General Improvements	777,713.34			40,220.83	40,220.83	
PCPPRK02A0	Memorial Park Tennis Court	82,090.00	72,080.00		72,079.60	(0.40)	
PCPPRK02B0	Delta Pool entrance	123,747.00	18,315.00		122,846.10	104,531.10	
PCPPRK02C0	Sal Berroteran Park Playground	60,234.00			54,907.98	54,907.98	
PCPPRK02D0	Veterans Park Playground	274,431.00			204,007.45	204,007.45	

PCPPRK02E0	Lancaster Park Playground	64,598.00			59,044.21	59,044.21	
PCPPRK02F0	Pavo Real Park Playground	24,064.00			18,283.08	18,283.08	
PCPPRK02G0	Skyline Youth Park Playground	112,619.00			110,218.61	110,218.61	
PCPPRK02H0	Vista Del Valle Playground	108,217.00			101,206.38	101,206.38	
PCPPRK02I0	Coronado/Balboa Park Improve	25,000.00	3,617.00		17,416.50	13,799.50	
PCPPRK02J0	Barron Neighborhood Park	75,523.00			60,418.40	60,418.40	
PCPPRK02K0	Cheryl Ladd Neighborhood Park	96,763.66			84,292.30	84,292.30	
PCPPRK02L0	Radford Neighborhood Park	75,000.00	17,079.00		72,841.49	55,762.49	
PCPPRK02M0	Sport Light Automatic Controls	100,000.00			91,095.00	91,095.00	
PCP12ST010	NTMP Phase 3 2012-13	500,000.00	359,781.00	8,797.80	368,578.80	-	
PCP12ST020	Pasodale PH 4 Const 2012-13	4,000,000.00		35,620.38	35,620.38	-	
PCP12ST030	Schwabe Construction 2012-13	2,000,000.00	156,089.00	949,537.79	1,105,626.79	-	
PCP12ST040	Signage 2012-13	500,000.00	580,958.00	(372,357.32)	208,600.68	-	
PCP12ST060	Street Resurfacing 2012-13	3,000,000.00	2,477,119.00	(1,620,121.45)	856,997.55	-	
PCP12ST070	Unpaved ROW 2012-13	500,000.00	273,469.00	190,191.21	463,660.21	-	
PCP12ST080	Signals & Flashers 2012-13	893,865.50	103,542.00	387,560.13	491,102.13	-	
PCP12ST080H0	Midway @ Mimosa	200,010.00	141,498.00		141,498.15	0.15	
PCP12ST08I0	Missouri @ Dallas	200,010.00	70,371.00	13,769.75	84,140.75	-	
PCP12ST08J0	Socorro @ Oscar Alvarez	200,010.00	12,607.00		12,607.00	-	
PCP12ST08K0	Two roundabouts @ One Traf Sign	200,010.00	1,540.00	18,990.00	20,530.00	-	
PCP12ST08L0	Cotton @ San Antonio	200,010.00	118,448.00		118,448.14	0.14	
PCP12LUTHER	Luther Building Rehab	4,500,000.00			-	-	429,380.65
PPA10070	Jorge Montalvo Park Impr	46,718.00	19,896.00		26,753.16	6,857.16	
		66,713,569.00	13,378,254.00	6,721,746.00	26,670,619.35	6,570,619.35	429,380.65
		66,713,569.00	13,378,254.00	6,721,746.00	26,670,619.00	6,570,619.35	429,380.65
		-	-	-	0.35	-	-

Sum of Green = \$20,100,000

Sum of Blue = \$7,000,000

Total \$21,500,000 was IT-related; \$1.5 million from Technology Fund
\$10,100,000 of Technology was funded in 2012.

JOHN F. COOK
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSANNAH M. BYRD, DISTRICT 2
EMMA ACOSTA, DISTRICT 3
CARL ROBINSON, DISTRICT 4
RACHEL QUINTANA, DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
BETO O'ROURKE, DISTRICT 8

REGULAR COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
APRIL 19, 2011
8:30 A.M.

The City Council met in regular session at the above place and date. Meeting was called to order at 8:35 a.m. Mayor John F. Cook present and presiding and the following Council Members answered roll call: Susannah M. Byrd, Emma Acosta, Carl Robinson, Rachel Quintana, and Steve Ortega. Late arrivals: Ann Morgan Lilly and Eddie Holguin, Jr. at 8:39 a.m. during Executive Session deliberations, and Beto O'Rourke at 8:45 a.m. during Executive Session deliberations. The invocation was given by Police Chaplain Carlos Flores, followed by the Pledge of Allegiance to the Flag of the United States of America.

.....
MAYOR'S PROCLAMATIONS

1. NATIONAL REBUILD DAY
2. THE ANNUAL SALE OF BUDDY POPPIES WEEK
3. ARBOR DAY 2011
4. POWERTALK 21™ DAY

CALL TO THE PUBLIC – PUBLIC COMMENT

This time is reserved for members of the public who would like to address the City Council on items that are not on the City Council Agenda.

A sign-up form is available on line at https://www.elpasotexas.gov/muni_clerk/contact_public.asp for those who wish to sign up in advance of the meeting date and a sign-up form is available outside the City Council Chambers at the City Clerk table for those who wish to sign up on the day of the meeting.

Requests to speak must be received by 9:00 a.m. on the date of the meeting.

30 Minutes total is allotted for speakers.

Three to five minutes may be allowed for each speaker.

The following members of the public commented:

1. Ms. Lisa Turner
2. Mr. Jerry Thiedt
3. Mr. Guillermo Glenn

.....
Motion made by Representative Robinson, seconded by Representative Ortega, and unanimously carried that the City Council retire into **EXECUTIVE SESSION** at 8:35 a.m. pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 - 551.076 to discuss any of the following:

Section 551.071
Section 551.072

CONSULTATION WITH ATTORNEY
DELIBERATION REGARDING REAL PROPERTY

.....
ITEMS TAKEN TOGETHER

11A.

RESOLUTION

WHEREAS, the El Paso City Council approved its revised Debt Management Policy on April 19, 2011 which sets forth the parameters for issuing new debt for the City of El Paso; and

WHEREAS, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure-related capital projects (and non-quality of life projects) at a cumulative value of \$100 million or less; and

WHEREAS, the El Paso City Council has directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, on November 2, 2010, City Council approved a listing of capital projects to be undertaken in Fiscal Years 2011 through 2017 for which the City would need to issue long term debt; and

WHEREAS, the City Staff recommends that the El Paso City Council approve the revision of the City of El Paso 2012-13 Short-Term Capital Improvement Plan to add additional capital projects totaling \$66,713,569 to include capital projects by fiscal year and authorizes a combination of Certificates of Obligation and Municipal Court Technology Fee Fund as sources for the Plan pursuant to the City's Debt Management Policy as set forth in Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

1. **THAT** the El Paso City Council approves the revision of the City of El Paso 2012-13 Short-Term Capital Improvement Plan to add additional capital projects totaling \$66,713,569 to include capital projects by fiscal year and authorizes a combination of Certificates of Obligation and Municipal Court Technology Fee Fund as sources for the Plan pursuant to the City's Debt Management Policy as set forth in the attached **Exhibit "A"**;
2. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to establish the funding sources for the capital plan enumerated in the "Capital Program" for Fiscal Years 2011 through 2017 and make all necessary budget transfers at the appropriate times for execution of the capital projects; and
3. **THAT** the City Manager be directed to pursue the actions and execute documents necessary to implement the project, subject to annual budgeting requirements and final Council approvals.

11B.

RESOLUTION

WHEREAS, on November 28, 2005, the City of El Paso (the "**City**") adopted a Debt Management Policy (the "**Policy**") that set forth the parameters for issuing new debt as well as managing the outstanding debt portfolio, identified the types and amounts of permissible debt, and ensured that the City maintains a solid bond rating in order to minimize borrowing costs and preserving access to credit, and

WHEREAS, the City has reviewed and amended its Policy in accordance with the provisions of the Policy requiring City Council review on November 13, 2007 and October 27, 2009; and

WHEREAS, the City now desires to amend this Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City hereby adopts the Amended City of El Paso Debt Management Policy, attached hereto as **Exhibit A** and incorporated herein by reference.

Ms. Carmen Arrieta-Candelaria, Chief Financial Officer of Financial Services, presented a PowerPoint presentation (copy on file in City Clerk's office).

Mayor Cook and Representatives O'Rourke, Byrd, Acosta, Ortega, Robinson and Quintana commented.

The following City staff members commented:

1. Ms. Joyce Wilson, City Manager
2. Ms. Irene Ramirez, Assistant City Engineer
3. Mr. Alan Shubert, City Engineer
4. Mr. William Studer, Deputy City Manager
5. Mr. Miguel Gamino, Assistant Director of Information Technology
6. Mr. Peter Cooper, Director of Information Technology
7. Assistant Fire Chief Mike Calderrazzo

Motion made by Representative Byrd, seconded by Representative O'Rourke, and carried to **APPROVE** a Resolution.

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Quintana, Ortega, and O'Rourke

NAYS: Representative Holguin

.....
11C. FINANCIAL SERVICES/ENGINEERING

Motion made by Representative Ortega, seconded by Representative Lilly, and unanimously carried to **DELETE** a Resolution to revise the City of El Paso's Capital Program for Fiscal Years 2011-2017 to add the International Bridges Parking Meter Project and associated short-term financing proposal in an estimated amount of up to \$2 million and that the City Manager be authorized to establish funding sources, and to pursue the actions and execute documents necessary to implement the project, subject to annual budgeting requirements and final Council approvals.

Mr. Said Larbi-Cherif, Director of International Bridges, commented.

.....
The City Council Meeting was **RECESSED** at 3:26 p.m. and **RECONVENED** at 5:04 p.m.
.....

12. FINANCIAL SERVICES

Motion made by Mayor Pro Tempore Acosta, seconded by Representative Lilly, and unanimously carried to **APPROVE** Option # 4 of the capital improvement options regarding Fire Station No. 5 at Alameda and Washington St. and Fire Station No. 13 at Trowbridge and Chelsea, to relocate station 5 and station 13 to an integrated fire facility at Colfax and Gateway East to accommodate increased service capabilities to both emergency response districts.

AYES: Representatives Lilly, Acosta, Robinson, Quintana, Holguin, Ortega, and O'Rourke

NAYS: Representative Byrd

Fire Chief Otto Drozd presented a PowerPoint presentation (on file in the City Clerk's office).

Mayor Cook and Representatives Byrd, Acosta, Robinson, Holguin, Ortega, and O'Rourke commented.

Ms. Joyce Wilson, City Manager, commented.

The following members of the public commented:

1. Mr. Rudy Mata, Chair of Board of Directors for Medical Center of the Americas
2. Mr. Jose Jimenez, United Neighborhood Association
3. Ms. Rita N. Villanueva
4. Mr. Manuel F. Aguilera, resident of area District 3
5. Ms. Maria Zampini
6. Mr. Fred Borrego, President of San Juan Neighborhood Improvement Association
7. Ms. Mary L. Johnsen, serviced by Fire Station #13
8. Ms. Cheri Dorsey, resident
9. Mr. Charles Miller, Associate Dean of Research at Texas Tech Medical School of the Americas
10. Ms. Beatrice Baeza, resident for District 3
11. Ms. Marta Cortez, resident for District 3
12. Mr. Jesus Cortez, resident for District 3
13. Ms. Alicia Saldivar Gillette, Foster Heights District
14. Mr. Bob Geyer, resident for District 3
15. Mr. Russell Gillette, resident

.....
Motion made by Representative Quintana, seconded by Representative Robinson, and unanimously carried to
ADJOURN this meeting at 7:17 p.m.

.....
APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk



SHORT-TERM PROPOSED CAPITAL IMPROVEMENT PLAN - FY 2012-2013

PROJECT	TOTAL BUDGET	FY 2012	FY 2013
Fire Station 37 @ Edgemere & Rich Beem	\$ 3,100,000	\$ 3,100,000	
Fire Station 5 Replacement	\$ 2,116,500	\$ 200,000	\$ 1,916,500
Fire Station 13 Replacement	\$ 2,116,500	\$ 200,000	\$ 1,916,500
Fire Station 12 Replacement @3801 Ft. Blvd. - Design Only	\$ 290,000		\$ 290,000
Fire Training Academy* (\$7,000,000)			
SUBTOTAL - FIRE DEPARTMENT PROJECTS	\$ 7,623,000	\$ 3,500,000	\$ 4,123,000
NTMP	\$ 1,000,000	\$ 500,000	\$ 500,000
Pasodale Phase 4 and Schwabe	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000
Signage	\$ 1,000,000	\$ 500,000	\$ 500,000
Signals & Flashers	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000
Street Reconstruction - Montwood St. Construction	\$ 10,000,000	\$ 5,000,000	\$ 5,000,000
Street Resurfacing	\$ 6,000,000	\$ 3,000,000	\$ 3,000,000
Unpaved ROW	\$ 1,000,000	\$ 500,000	\$ 500,000
SUBTOTAL - STREET INFRASTRUCTURE PROJECTS	\$ 27,000,000	\$ 13,500,000	\$ 13,500,000

*Note: Fire Training Academy shown for information only; funding not included pending completion of strategic planning process.

Note: Fire Departments replacements are proposed as a consolidation; related item to be discussed at 5:00 today at City Council.



SHORT-TERM PROPOSED CAPITAL IMPROVEMENT PLAN - FY 2012-2013 (Continued)

Facility Rehabilitation Citywide	\$ 4,000,000	\$ 2,000,000	\$ 2,000,000
IT Capital*	\$ 21,500,000	\$ 11,500,000	\$ 10,000,000
Park/Ponds - In accordance with storm water master plan	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000
Parks - Playground/Swing Improvements, Lighting and/or Walking Paths	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000
SUBTOTAL - OTHER FACILITIES	\$ 29,500,000	\$ 15,500,000	\$ 14,000,000
SUBTOTAL - ALL PROJECTS	\$ 64,123,000	\$ 32,500,000	\$ 31,623,000
2% for the Arts	\$ 1,282,460	\$ 650,000	\$ 632,460
2% for Bond Issuance Costs	\$ 1,308,109	\$ 663,000	\$ 645,109
New Authorization Totals	\$ 66,713,569	\$ 33,813,000	\$ 32,900,569
*\$1.5 million will be funded out of Municipal Court Technology Fee Fund			

June 2012 Street Infrastructure Projects Authorization and Projects to be Funded

City of El Paso
 Authorization from June 2012 - Street Infrastructure Projects
 As of June 30, 2013

TOTAL PROJECT	FUNDS
Synchronization of Signal System	\$4,500,000
Resurfacing/Microsurfacing	\$48,000,000
Reconstruction	\$136,000,000
Unpaved Right of Way/Alleys	\$3,500,000
Street Median & Parkway Landscaping	\$7,000,000
NTMP	\$5,000,000
Pedestrian Elements, Sidewalk & Parkway	\$6,000,000
Total Project Costs	\$210,000,000
Plus 2% Arts, 2% BIC	\$8,400,000
Total Authorization	\$218,400,000

Amount to be Refunded:

PCP12ST040	Signage 2012-13	\$	661,000
PCP12ST060	Street Resurfacing 2012-13		2,300,000
PCP12ST070	Unpaved ROW 2012-13		339,000
PCP13ST00005	Median & Parkway Landscaping		44,794
PCP13ST001SNYR1	Synchro Sign Year 1		53,458
PCP13ST002MSY1	Microsurfacing Year 1		389,438
PCP13ST002RSY1	Resurfacing 2013 Year 1		1,446,445
PCP13ST003Y1A	Ramos Ct.-Little Flower St		113,330
PCP13ST003Y1B	Kernel Street Improvements		117,766
PCP13ST003Y1C	Monroe Street & Drainage		188,971
PCP13ST003Y1D	Van Buren St & Drainage		155,119
PCP13ST003Y1E	Pebble Hills Extension		14,599
PCP13ST003Y1F	Geiger Cardis Malaga		36,995
PCP13ST003Y1G	Elena-Feliz		40,610
PCP13ST003Y1H	Borderland		51,235
PCP13ST003Y1I	Quiet Zones		16,934
PCP13ST003Y1L	5 Points Quiet Zone		2,160
PCP13ST003Y1M	Manor Pl and Barker Rd. St		30,663
PCP12ART001N	Pendale 1 Gateway E - Yermoland		5,332
PCP13ST004Y1	Unpaved ROW 2012-13		150,113
PCP13ST006Y1	NTMP Year 1 - 2013 Street Infra		328,978
PCP13ST007Y1	Pedestrian Elementary-Sidewalk 2013		425,443

Total projects to be funded

\$ 6,912,383

Issuance Size Rounded to:

\$ 7,280,000.00

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Engineering and Construction Management Department
AGENDA DATE: June 26, 2012

CONTACT PERSON/PHONE: R. Alan Shubert, 915-541-4423

DISTRICT AFFECTED: City Wide

SUBJECT:

That the El Paso City Council approves the City of El Paso Street Infrastructure Capital Plan for FY 2013 - 2019 to add capital projects totaling \$218,400,000.00 to include capital projects identified by fiscal year and authorizes the use of Certificates of Obligation as the source for the Plan pursuant to the City's Debt Management Policy; authorizes the City Manager, subject to annual budgeting requirements, to establish the funding sources for the capital plan enumerated in the "Capital Program" for Fiscal Years 2013 through 2019 and make all necessary budget transfers at the appropriate times for execution of the capital projects; and directs the City Manager to pursue the actions and execute documents necessary to implement the project, subject to annual budgeting requirements and final Council approvals.

BACKGROUND / DISCUSSION:

The proposed resolution executes the formal authorization to move forward with the implementation of the Street Infrastructure Plan for FY2013-FY2019. At the May 24, 2012 Special City Council Meeting, the City Council approved the proposed parameters and projects identified for the Street Infrastructure Capital Plan for Fiscal Years 2013-2019. This long-term (7 year) capital plan establishes a consistent mechanism to plan and execute critical improvements to maintain, enhance and expand street infrastructure citywide. The following project categories are included in this funding plan:

- Synchronization of Signal Network
- Resurfacing/Microsurfacing
- Reconstruction
- Unpaved Right-of-Ways/Alleys
- Street Median and Parkway Landscaping
- Neighborhood Traffic Management Program
- Pedestrian Elements, Sidewalk and Parkway Improvements

PRIOR COUNCIL ACTION:

Special City Council Meeting on May 24, 2012-Approval of proposed Street Infrastructure Capital Plan parameters and identified projects

AMOUNT AND SOURCE OF FUNDING:

\$218,400,000, Certificates of Obligation

BOARD / COMMISSION ACTION:

(N/A)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: _____



Information copy to appropriate Deputy City Manager

JOHN F. COOK
MAYOR

JOYCE WILSON
CITY MANAGER



CITY COUNCIL
ANN MORGAN LILLY, DISTRICT 1
SUSIE BYRD, DISTRICT 2
EMMA ACOSTA, DISTRICT 3
CARL L. ROBINSON, DISTRICT 4
MICHEL R. NOE, DISTRICT 5
EDDIE HOLGUIN JR., DISTRICT 6
STEVE ORTEGA, DISTRICT 7
CORTNEY CARLISLE NILAND, DISTRICT 8

REGULAR COUNCIL MEETING MINUTES
COUNCIL CHAMBERS
June 26, 2012
8:30 A.M.

The City Council met in regular session at the above place and date. Meeting was called to order at 8:35 a.m. Mayor Pro Tempore Ann Morgan Lilly present and presiding and the following Council Members answered roll call: Susannah M. Byrd, Emma Acosta, Carl Robinson, Michiel R. Noe, Eddie Holguin, Jr., Steve Ortega, and Cortney Carlisle Niland. Absent: Mayor John Cook. The invocation was given by Police Chaplain Lisle Davis, followed by the Pledge of Allegiance to the Flag of the United States of America.

.....
MAYOR'S PROCLAMATIONS

1. INDEPENDENTS' WEEK
2. OLYMPIC DAY
3. SUN CITY "ALL AIRBORNE" FIESTA VI WEEK

CALL TO THE PUBLIC – PUBLIC COMMENT

This time is reserved for members of the public who would like to address the City Council on items that are not on the City Council Agenda.

A sign-up form is available on line at https://www.elpasotexas.gov/muni_clerk/contact_public.asp for those who wish to sign up in advance of the meeting date and a sign-up form is available outside the City Council Chambers at the City Clerk table for those who wish to sign up on the day of the meeting.

Requests to speak must be received by 8:30 a.m. on the date of the meeting.

30 Minutes total is allotted for speakers.

Three to five minutes may be allowed for each speaker.

The following members of the public commented:

1. Mr. John Conwell
2. Mr. Bill Hart, Jr.
3. Mr. Michael Christian McCafferty
4. Ms. Lisa Turner
5. Mr. Manny Hinojosa
6. Mr. Roberto Castor
7. Ms. Jeri Hallberg
8. Mr. Jorge Artalejo
9. Ms. Luisa Medina

Representatives Byrd, Holguin, and Ortega commented.

18. PLANNING AND ECONOMIC DEVELOPMENT

*Motion made, seconded, and unanimously carried to **POSTPONE** twelve weeks the public hearing on an Ordinance granting Special Permit No. PZST11-00013, to allow for infill development with reduced lot width on the property described as all of Lots 21 and 20 Except the Westerly 3 Feet of 20, Block 73D, Logan Heights Addition First Revised Plat, City of El Paso, El Paso County, Texas, pursuant to Section 20.10.280 of the El Paso City Code. The penalty being as provided for in Chapter 20.24 of the El Paso City Code. Subject Property: 3604 Keltner Avenue. Property Owner: Stone Nest LLC. PZST11-00013.

19. CITY DEVELOPMENT

*Motion made, seconded, and unanimously carried to **DELETE** the item regarding an application to name the Reynolds Street overpass (located south of Durazno and north of Alameda Avenue) as "Regent Francis Overpass" and that the City provide funding for the application to be processed.

20A.

RESOLUTION

WHEREAS, on November 25, 2005, the City of El Paso (the "**City**") adopted a Debt Management Policy that set forth the parameters for issuing new debt as well as managing the outstanding debt portfolio, identifies the types and amounts of permissible debt and ensures that the City maintains a solid bond rating in order to minimize borrowing costs and preserving access to credit;

WHEREAS, the City has reviewed its debt management policy at least bi-annually in accordance with the provisions of the Policy requiring Council review;

WHEREAS, the City last reviewed and amended the City's Debt Management Policy on February 14, 2012; and

WHEREAS, the City now desires to further amend the City's Debt Management Policy to revise Section 5.2 regarding the use of Certificates of Obligation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City hereby adopts the amended City of El Paso Debt Management Policy which revision is attached hereto as **Exhibit A** and incorporated herein by reference.

Representative Holguin, commented.

Motion made by Representative Byrd, seconded by Representative Acosta, and carried to **APPROVE** the Resolution.

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Ortega and Niland

NAYS: Representative Holguin

NOT PRESENT FOR THE VOTE: Representative Noe

20B.

RESOLUTION

WHEREAS, the El Paso City Council approved its revised Debt Management Policy on February 14, 2012 which sets forth the parameters for issuing new debt for the City of El Paso and such policy shall be further revised by City Council concurrent with this action; and

WHEREAS, the Debt Management Policy establishes the types of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure-related capital projects (and non-quality of life projects); and

WHEREAS, the El Paso City Council has directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, on May 24, 2012, City Council approved a listing of Street Infrastructure capital projects to be undertaken in Fiscal Years 2013 through 2019 for which the City would need to issue long term debt; and

WHEREAS, the City Staff recommends that the El Paso City Council approve the revision of the City of El Paso Street Infrastructure Capital Plan for FY2013 - 2019 to add capital projects totaling \$218.4 million (\$218,400,000.00) to include capital projects by fiscal year as set forth in Exhibit "A", and authorize the issuance of Certificates of Obligation as the source for the Plan pursuant to the City's Debt Management Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO, TEXAS:

1. **THAT** the El Paso City Council approves the City of El Paso Street Infrastructure Capital Plan for FY 2013 - 2019 to add capital projects totaling \$218.4 million (\$218,400,000.00) to include capital projects by fiscal year as set forth in the attached Exhibit "A" and authorizes the use of Certificates of Obligation as the source for the Plan pursuant to the City's Debt Management Policy;
2. **THAT** the City Manager be authorized, subject to annual budgeting requirements, to establish the funding sources for the capital plan enumerated in the "Capital Program" for Fiscal Years 2013 through 2019 and make all necessary budget transfers at the appropriate times for execution of the capital projects; and
3. **THAT** the City Manager be directed to pursue the actions and execute documents necessary to implement the project, subject to annual budgeting requirements and final Council approvals.

Motion made by Representative Byrd, seconded by Representative Acosta, and carried to **APPROVE** the Resolution.

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Ortega and Niland

NAYS: Representative Holguin

NOT PRESENT FOR THE VOTE: Representative Noe

21A. MAYOR AND COUNCIL

*Motion made, seconded, and unanimously carried to **DELETE** the item to remove the fence around the playground equipment that is adjacent to Pavo Real Recreation Center.

21B. MAYOR AND COUNCIL

1st MOTION

Motion made by Representative Byrd, seconded by Representative Holguin, and carried to **KEEP** Charter election in November 2012. **THE MOTION FAILED.**

AYES: Representatives Byrd, Acosta and Holguin
NAYS: Representatives Lilly, Robinson, Ortega and Niland
NOT PRESENT FOR THE VOTE: Representative Noe

2nd AND FINAL MOTION

Motion made by Representative Ortega, seconded by Representative Niland, and carried to **CONDUCT** Charter election in May 2013.

AYES: Representatives Lilly, Robinson, Ortega and Niland
NAYS: Representatives Byrd, Acosta and Holguin
NOT PRESENT FOR THE VOTE: Representative Noe

.....
22. CITY MANAGER

Motion made by Representative Ortega, seconded by Mayor Pro Tempore Lilly, and unanimously carried to **DELETE** the Quarterly Update on Activities from El Paso Electric Company. EPE Representatives.

AYES: Representatives Lilly, Byrd, Acosta, Robinson, Holguin, Ortega and Niland
NAYS: None
NOT PRESENT FOR THE VOTE: Representative Noe

.....
Motion made by Representative Ortega, seconded by Representative Niland, and unanimously carried to **ADJOURN** this meeting at 3:27 p.m.
.....

APPROVED AS TO CONTENT:

Richarda Duffy Momsen, City Clerk

September 2012 Authorization and Projects to be Funded

City of El Paso
 Authorization from September 2012
 As of June 30, 2013

	Original Budget	Funded in 2012	2013 Total to be Funded/Reimbursed
City Hall Relocation - Acquisitions	16,809,350	2,382,890	12,219,143
City Hall Relocation - Building Improvements	11,005,000		8,600,797
Texas and Myrtle St. Angle Parking	300,000		-
Public Arts	562,287		-
Bond Issuance Costs	562,287	48,630	562,287
Totals	29,238,924	2,431,520	21,430,857

(a) (b)

Total to be funded \$ 18,999,337 (b)-(a)

Issuance Rounded to: \$ 19,000,000

RESOLUTION

WHEREAS, the El Paso City Council approved its revised Debt Management Policy on February 14, 2012 and amended on June 26, 2012 which sets forth the parameters for issuing new debt for the City of El Paso; and

WHEREAS, the Debt Management Policy establishes the type of bonds that may be used to fund capital improvement projects at the lowest costs possible and states that Certificates of Obligation are an appropriate debt instrument for infrastructure related capital projects (and non-quality of Life projects); and

WHEREAS, the El Paso City Council has directed that issuances for proposed capital projects and utilizing Certificates of Obligation be brought forward annually starting in 2010 and thereafter; and

WHEREAS, on June 26, 2012, the City Council considered and approved a financing plan and term sheet to construct a public sports facility in an estimated amount not to exceed \$50 million and authorized the City Manager to proceed with the proposed financing; and

WHEREAS, on August 7, 2012, the City Council considered options for relocating City Hall and approved the negotiation of contracts for two properties and related parking facilities and directed staff to establish the projects in the City's capital improvement program; and

WHEREAS, on August 21, 2012, the City Council approved the City of El Paso FY2013 Budget Resolution which included certain unassigned general fund balances; and

WHEREAS, City Staff recommends the Council approve the City of El Paso 2013 City Hall Relocation and Baseball Stadium Capital Improvement Program to establish the relocation projects and public sports facility totaling \$81,238,924 as set forth in the attached **Exhibit "A"** and authorize the use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt Management Policy and applicable state laws; and

WHEREAS, City staff further recommends that the City Manger be authorized to allocate funds out of the unassigned general fund balance in the approved City of El Paso FY2013 Budget in an amount not to exceed \$3,920,276 for Information Technology projects, record and archiving projects, and moving costs related to the relocation of City Hall, as set forth in the attached **Exhibit "B"**.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO THAT:

- A) The City of El Paso 2013 City Hall Relocation and Baseball Capital Improvement Program to establish the relocation projects and public sports facility totaling \$81,238,924 as set forth in the attached **Exhibit "A"** is hereby approved;

- B) The use of a combination of Certificates of Obligation, revenue bonds, or other sources for the Capital Program pursuant to the City's Debt Management Policy and applicable state laws is authorized;
- C) The City Manger is authorized to allocate funds out of the unassigned general fund balance in the approved City of El Paso FY2013 Budget in an amount not to exceed \$3,920,276 for Information Technology projects, record and archiving projects, and moving costs related to the relocation of City Hall, as set forth in the attached **Exhibit "B"**; and
- D) The City Manager is directed to take such actions and execute any and all documents for the execution of this project, subject to annual budgeting requirements and final Council approvals.

(Signatures on following page)

PASSED AND APPROVED this ___ day of September, 2012

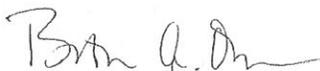
CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Bertha A. Ontiveros
Assistant City Attorney

APPROVED AS TO CONTENT:



Carmen Arrieta-Candelaria
Chief Financial Officer



R. Alan Shubert, P.E., City Engineer
Engineering & Construction Mgmt. Dept.

EXHIBIT "A"

2013 City Hall Relocation and Baseball Stadium
Capital Improvement Program

Project:	Project Budget
City Hall Relocation	
801/11 Texas	\$ 2,460,800
300 North Campbell	\$ 11,507,750
Parking Lot	\$ 3,140,800
Upgrades, Renovations and Furnishings for facilities	\$ 11,005,000
Public Art	\$ 562,287
Bond Issuance Costs	\$ 562,287
<i>Subtotal</i>	<i>\$ 29,238,924</i>
Baseball Stadium	
Construction of Public Sports Facility	\$ 50,000,000
Public Art	1,000,000
Bond Issuance Costs	1,000,000
<i>Subtotal</i>	<i>\$ 52,000,000</i>
TOTAL CIP BUDGET	\$ 81,238,924.00

EXHIBIT "B"

CITY OF EL PASO FY 2013 BUDGET
UNASSIGNED FUND BALANCE

BUDGET FOR RELOCATION OF CITY HALL

Project:	Project Budget
IT-Related	\$ 1,820,276
Records/Archiving	450,000
Moving Costs	1,650,000
Total Budget	\$ 3,920,276