



CIP Rollout and Impact on City Debt Model

October 1, 2013

LRC of the City Council as a Whole

**Presented by: Carmen Arrieta-Candelaria, Chief Financial
Officer**



Methodology of Issuing Debt

- Managed through a City-Council approved Debt Management Policy
 - Last approved by City Council on November 27, 2012
 - Maximum Debt Rate of 30 cents per \$100 valuation
- City does not typically issue debt unless it needs the funds for the specific project
 - Cash management tool (Section 5.1.2)
 - City reimburses itself after incurring expenses related to a project through the issuance of certificates of obligation and other debt obligations
 - Avoids paying interest when borrowing rates are higher than investment opportunities or when the project is not moving forward



City of El Paso Breakdown of Issuances By Funding Source As of August 27, 2013	December 2008	March 2010	November 2010	April 2011	June 2012	September 2012
Amount Authorized	\$ 73,128,137	\$ 19,767,219	\$ 71,051,142	\$ 66,713,569	\$ 218,400,000	\$ 29,238,924
Plus Additional Authorizations	2,950,000		19,841,219			
Less Non-Debt authorization				(1,500,000)		
March 2003 Issuance						
May 2007						
January 2009						
October 2009	27,328,006					
November 2010	7,001,950					
November 2011	10,834,876	4,350,000				
November 2012	17,000,000		2,000,000	20,100,000		2,431,520
Proposed September 2013	13,913,305	-	17,888,507	7,000,000	7,280,000	19,000,000
Remaining Authorization to be Issued	\$ -	\$ 15,417,219	\$ 71,003,854	\$ 38,113,569	\$ 211,120,000	\$ 7,807,404



Remaining CO and GO Authorizations after 2013 Issuance

Dates of Authorizations	Project Cost
December 2008	-
March 2010	\$15,417,219
November 2010*	71,003,854
April 2011**	38,113,569
June 2012	211,120,000
September 2012	7,807,404
Total CO Authorizations	\$346,462,046
November 2012 QOL Bonds	\$473,250,000

*Includes \$14,384 million of Sun Metro self-supporting debt

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



Projects to be Funded

Authorization	Total Amount of Original Authorization	Projects to be reimbursed and funded
March 2010	\$19,767,219	Transportation projects to include Carolina Bridge Widening, Country Club Expansion, Yarbrough Overpass, TXDOT matches; Luther Building, San Jacinto, Montana Sidewalk Improvements, Mesa RTS, Alameda RTS, Public Art
November 2010	\$90,892,361	El Paso Streetcar Project; Public Art Projects; Sun Metro Operation and Maintenance Facility; Alameda RTS; Mesa RTS; Dyer RTS; Montana RTS, UPTT Improvements



Projects to be Funded (continued)

Authorization	Total Amount of Original Authorization	Projects to be reimbursed and funded
April 2011	\$66,713,569*	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	\$218,400,000	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	\$29,238,924	City Hall acquisition costs, renovations and capital equipment; City Hall-related street improvements; public art.

*\$1.5 million is to be funded from the Municipal Clerk Technology Fund



Proposed Scenario as of October 1,
2013

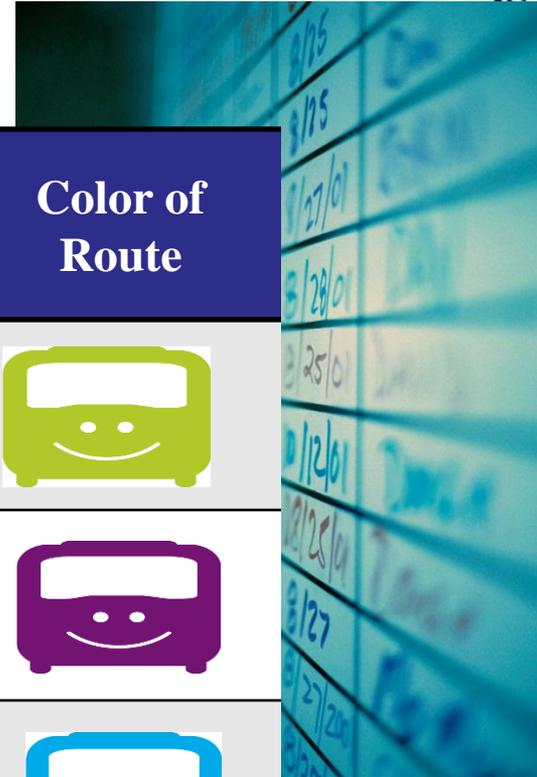
<i>Debt Scenario - All Existing Authorized Debt Plus Short Term CIP</i>	<i>Fund</i>	<i>Amount Previously Issued</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020+</i>	<i>Total</i>
Approved Transportation Funding - March 2010	4710	4,350,000	3,936,351	4,048,836	3,317,050	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



Impact of RTS Schedule



Staging and Timing of RTS



Route	Total Project Cost*	Total Project Cost yet to be Funded**	Color of Route
Mesa	\$27,100,000	\$5,935,600	
Alameda	\$36,258,520	\$36,258,520	
Dyer	\$30,560,000	\$6,112,000	
Montana	\$42,790,000	\$11,501,320	

*Total project costs include federal funding as well as local funding.

**Only the project cost funded by certificates of obligation is included in this column.



Staging and Timing of RTS - Mesa



Authori- zation	Project Cost	Amount Issued to date	Year to be Issued				
			2014	2015	2016	2017	2018
March 2010	\$515,600	\$28,477	\$487,123				
November 2010	\$5,420,000	\$1,267,709	\$1,939,297	\$2,212,994			



Staging and Timing of RTS - Alameda



Authori- zation	Project Cost	Amount Issued to date	Year to be Issued				
			2014	2015	2016	2017	2018
March 2010	\$1,391,520	\$0		\$695,760	\$695,760		
November 2010	\$34,867,000	\$754,054	\$23,276	\$16,994,407	\$17,095,263		



Staging and Timing of RTS – Dyer*



Authori- zation	Project Cost	Amount Issued to date	Year to be Issued				
			2014	2015	2016	2017	2018
March 2010	\$-						
November 2010	\$6,112,000	\$552,905	\$1,352,425			\$4,204,170	

*Tied to estimated Federal Funding



Staging and Timing of RTS – Montana*

Authori- zation	Project Cost	Amount Issued to date	Year to be Issued					
			2014	2015	2016	2017	2018	2019
March 2010	\$2,943,238	\$0					\$2,943,238	
November 2010	\$8,558,000	\$0						\$8,558,000

*Tied to estimated Federal Funding



Staging and Timing of RTS – All Routes

		Debt Model Impacted by RTS Schedule					
Authori- zation	Project Cost	2014	2015	2016	2017	2018	2019
Mesa	\$5,935,600						
Alameda	\$36,258,520						
Dyer	\$6,112,000						
Montana	\$11,501,320						

**Only the project cost funded by certificates of obligation is included in this presentation and may not represent the entire project cost.*



Impact of QOL Bonds



Roll-Out of QOL Plan (in \$000s)

Purpose	Total Amount	Year One	Year Two	Year Three	Remaining Years
Parks & Rec	\$195,000	\$20,675	\$23,625	\$20,925	\$129,775
MCAD & Multi-Purpose Arena	\$216,250	\$4,525	\$5,925	\$3,200	\$202,600
Zoo	\$50,000	\$1,346	\$5,307	\$7,275	\$36,072
Library	\$12,000	\$833	\$1,168	\$1,592	\$8,407
November 2012 QOL Bonds	\$473,250	\$27,379	\$36,025	\$32,992	\$376,854



Incorporate Roll-Out Plan into Overall City Debt Plan

Proposed Scenario as of October 1, 2013

<i>Debt Scenario - All Existing Authorized Debt Plus Short Term CIP</i>	<i>Fund</i>	<i>Amount Previously Issued</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020+</i>	<i>Total</i>
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
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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

November 2012 QOL Plan (in green)



Impact of Other Issuances



April 2011 Issuance

Summary of Projects	Total Project Budget	Funded to Date	2014	2015+
City Facility Improvements	\$ 4,000,000	\$ 2,853,771	\$ 173,299	\$ 972,929
Fire Stations 5 and 37	7,729,085	2,753,439	420,476	4,555,170
Street Reconstruction - Montwood	10,000,000	1,874,696	7,668,736	456,567
IT Related Projects	20,000,000	13,447,475	2,353,546	4,198,979
Park Improvements	4,000,000	1,529,330	185,274	2,285,395
Street Improvements	12,393,916	3,907,411	3,758,931	4,727,574
Luther Building	4,500,000	429,381	4,070,620	(1)
Bond Issuance Costs	1,308,109	304,497	-	1,003,612
Public Art	1,282,460	-	-	1,282,460
Subtotals	\$ 65,213,569	\$ 27,100,000	\$ 18,630,883	\$ 19,482,686
Funded through Technology Fund	1,500,000	1,500,000	-	-
TOTALs	\$ 66,713,569	\$ 28,600,000	\$ 18,630,883	\$ 19,482,686



Street Infrastructure Plan – June 2012

PROJECT	FUNDS	FY2013	FY2014	FY2015	FY2016	FY2017
Synchronization of Signal System	\$4,500,000	\$2,000,000	\$1,000,000	\$1,500,000	\$0	\$0
Resurfacing/Microsurfacing	\$48,000,000	\$5,500,000	\$8,500,000	\$11,000,000	\$6,500,000	\$5,500,000
Reconstruction	\$136,000,000	\$5,500,000	\$15,000,000	\$13,000,000	\$15,000,000	\$15,500,000
Unpaved Right of Way/Alleys	\$3,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$500,000	\$0
Street Median & Parkway Landscaping	\$7,000,000	\$1,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
NTMP	\$5,000,000	\$2,000,000	\$500,000	\$500,000	\$500,000	\$500,000
Pedestrian Elements, Sidewalk & Parkway	\$6,000,000	\$500,000	\$600,000	\$600,000	\$600,000	\$600,000
TOTALS	\$210,000,000	\$18,000,000	\$27,600,000	\$28,600,000	\$24,100,000	\$23,100,000



Street Infrastructure Plan – June 2012 – Page 2

PROJECT	FY2018	FY2019	FY2020	FY2021	FY2022
Synchronization of Signal System	\$0	\$0	\$0	\$0	\$0
Resurfacing/Microsurfacing	\$5,500,000	\$5,500,000	\$0	\$0	\$0
Reconstruction	\$16,000,000	\$17,000,000	\$16,500,000	\$12,500,000	\$10,000,000
Unpaved Right of Way/Alleys	\$0	\$0	\$0	\$0	\$0
Street Median & Parkway Landscaping	\$500,000	\$500,000	\$500,000	\$0	\$0
NTMP	\$500,000	\$500,000	\$0	\$0	\$0
Pedestrian Elements, Sidewalk & Parkway	\$600,000	\$600,000	\$600,000	\$650,000	\$650,000
TOTALS	\$23,100,000	\$24,100,000	\$17,600,000	\$13,150,000	\$10,650,000

Note: SIP Financing differs from the actual construction due to the timing of cash flows needed for the project. Also, the above schedule does not include 2% for the arts and 2% for bond issue costs.



City Hall Relocation Project

Date of Issuances	Amount per Issuance
November 2012	\$2,431,512
October 2013	19,000,000
Fall 2014	7,807,404
Total	\$29,238,924



Impact on Tax Rate



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

Projected Impact on the Tax Rate Based on Planned Issuance

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

Assumptions:

- (1) Assumes annual taxable value growth as follows: 1.50% for 2015-2017, 2.0% for 2018-2019, 2.50% thereafter.
- (2) Net of self-supporting debt and BAB Tax Credit payments. The 2009 Pension Obligation Bonds structure assumes an initial 5 year bullet at 3.74%; thereafter, debt service shown is for 25 years at 7%.
- (3) Net of Capitalized Interest.

= Projected Maximum Debt Rate

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



Questions?