



Critical Public Safety & Tier 1 Essential Infrastructure: Finance Scenarios & Alternatives

*Office of County Administration
Commissioners Court Regular Session
December 12, 2022*

Community Engagement

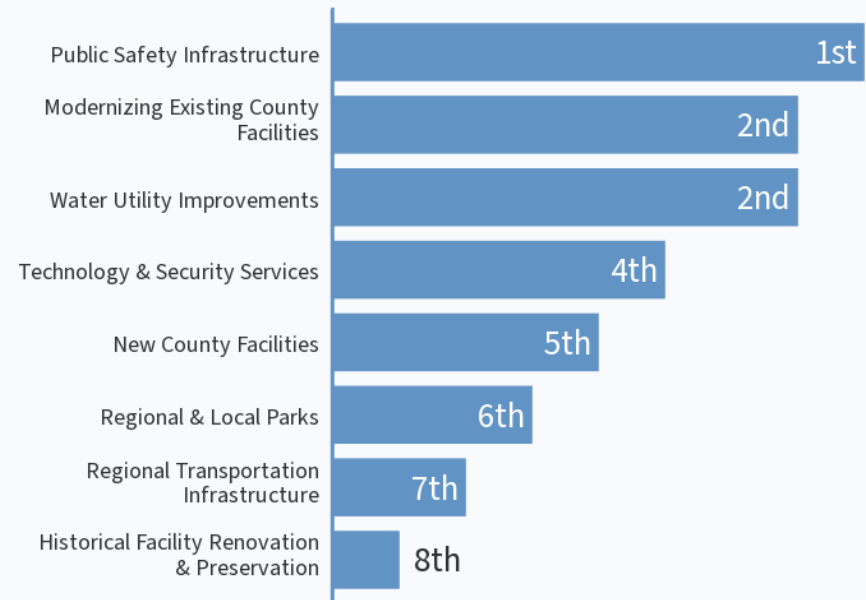
- 12 Public Meetings
 - Eight In-Person
 - Four Virtual
- Locations
 - 1 – El Paso Water
 - 1 – Montana Vista Fire Rescue
 - 2 – County Courthouse
 - 2 – Ascarate Golf Clubhouse
 - 3 – San Elizario Fire Rescue
 - 3 – EPCC Mission
 - 4 – EPCC Transmountain
 - 4 – EPCC Northwest

Community Engagement

Capital Infrastructure Project Major Categories

Community Capital Planning Overview

The County has identified nearly 150 various projects over the course of the next five to ten years aimed to ensuring the County continues to meet the growing demands of our community. Through this process, the County has grouped the projects into the seven categories. Given limited resources available for funding all projects, what type of projects should the County invest capital funding dollars in?



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Fiscal Overview & Major Functions



FY2023 Budget by Program Fund Type

Program Fund	Amount	Percentage
General Revenue	\$443,739,748	80.01%
Special Revenue	\$63,911,968	11.52%
Debt Service	\$32,493,518	5.86%
Enterprise Fund	\$3,974,815	0.72%
Capital Projects	\$10,456,537	1.89%
Total	\$554,576,586	

FY2023 General Revenue Fund by Category

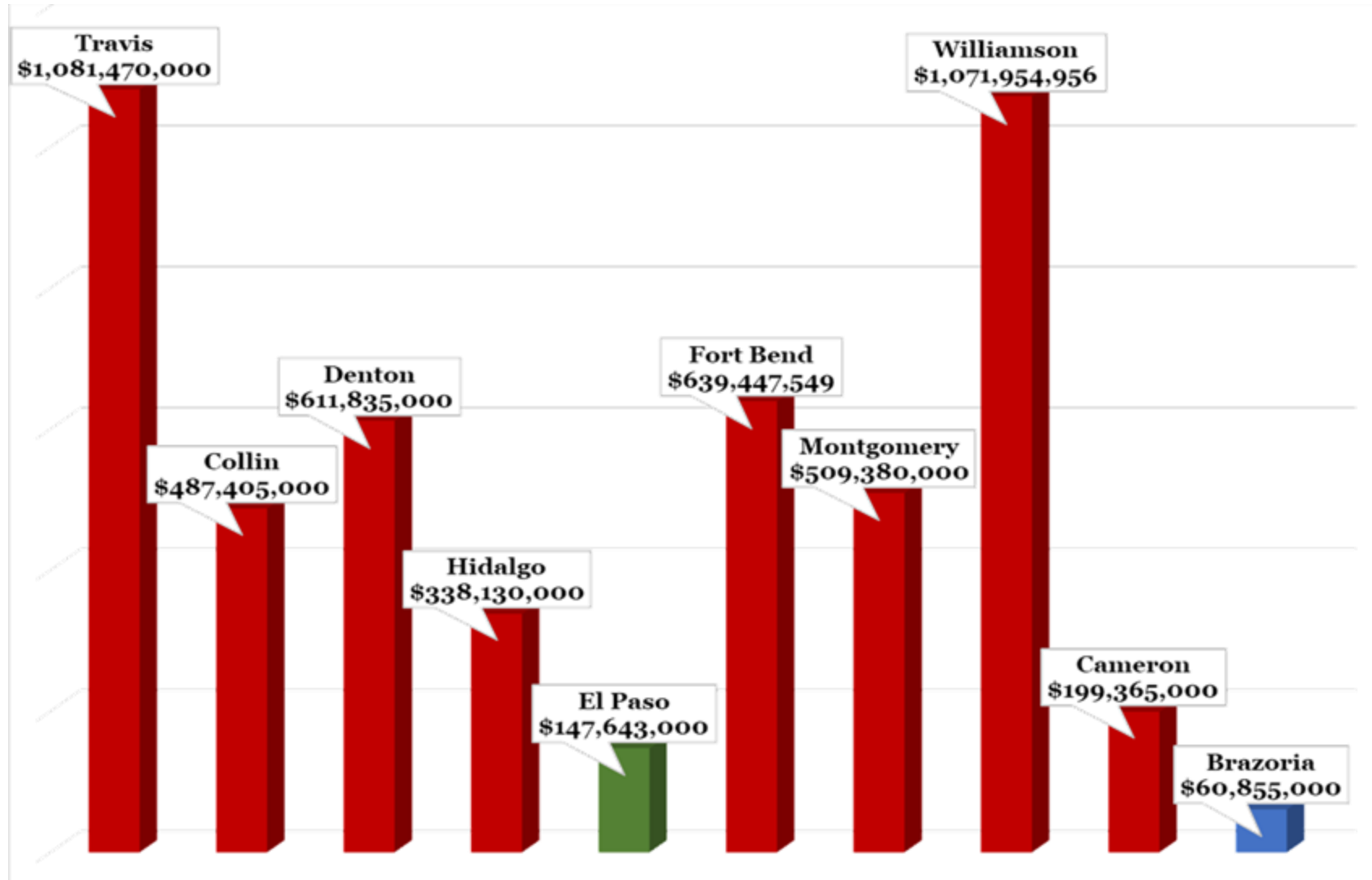
Budget Program Name	Amount	Percentage
Administration of Justice	\$82,572,606	18.61%
General Government	\$153,374,203	34.56%
Public Safety	\$145,980,945	32.90%
Public Works	\$18,896,715	4.26%
Culture & Recreation	\$9,377,736	2.11%
Health & Welfare	\$10,988,406	2.48%
Resource Development	\$13,784,436	3.11%
Grant Matches	\$8,764,701	1.98%
Total	\$443,739,748	

County Financial Transparency & Excellence

- Texas Transparency Stars
 - Awarded to County by Office of Texas Comptroller
 - “Excellence in Public Financial Transparency Efforts”
- Distinguished Budget Presentation Award
 - Government Finance Officers Association
 - Received 24 Times Since Award Created in 1984
 - “Prepare Budget Documents of the Very Highest Quality”



Texas County General Obligation Debt Service Comparison (2020)



Source: Texas Comptroller's Office (2022)

EL PASO TAXING ENTITIES

TAX RATES



YEAR			EPISD		CITY OF EL PASO		EL PASO COUNTY		UMC		EPCC	
2022	43.34%	\$1.354			29.04%	\$0.907	15.05%	\$0.470	8.26%	\$0.258	4.31%	\$0.134
2023	44.38%	\$1.313			29.13%	\$0.862	14.40%	\$0.426	7.94%	\$0.235	4.14%	\$0.122



Project Prioritization & Finance Methods



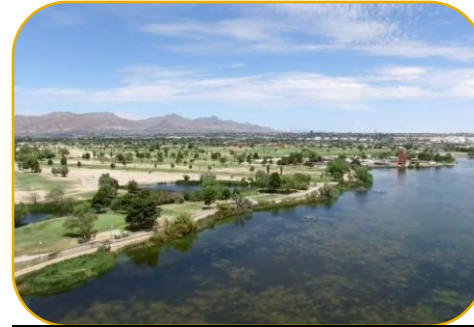
Planning Project Categories



**Public Safety
Infrastructure**



**New County
Facilities**



**Regional & Local
Parks**



**Modernizing
Existing County
Facilities**



**Regional
Transportation**



**Historical Facility
Renovation &
Preservation**



**Technology &
Security
Enhancements**



**Water Utility
Improvements**

Debt Financing for Capital Expenditures

■ **Tax Anticipation Notes**

- Approved by Commissioners Court
- Construction of a Public Work & Related Costs for Materials, Services, Supplies
- Shorter-Term Financing (Maturity within Seven Years)

■ **Certificates of Obligation**

- Approved by Commissioners Court
- Designated Infrastructure Pursuant to Tax Code Sec. 26.012(9)
 - Renovating, Improving or Equipping Existing Building or Facilities
 - State Financial Assistance Program | Emergency Response
 - Vehicles or Equipment

■ **General Obligation Bonds**

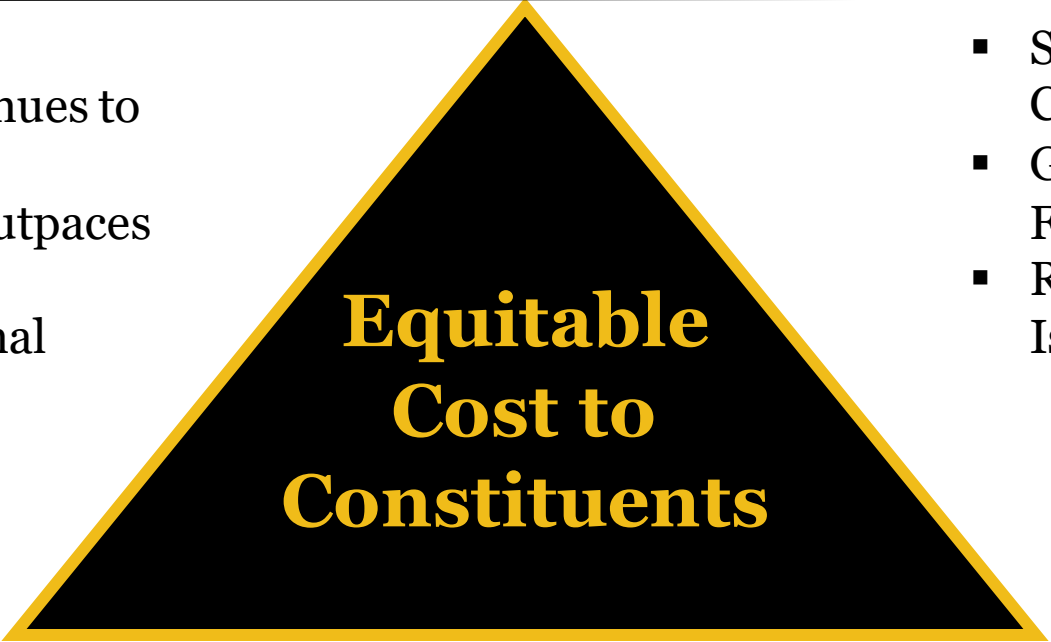
- Approved by Voters
- Quality of Life Enhancements
- New County Facilities

Sources: Bland & Overton, ICMA (2019); Texas Tax Code (2022)

Equity Considerations

Pay-as-you-go

- Issues No Debt
- Relies on Current Revenues to Fund Improvements
- Limiting When Need Outpaces Available Resources
- Further Intergenerational Inequity



**Equitable
Cost to
Constituents**

Pay-as-you-use

- Shares Repayment Burden Across Current & Future Users
- Growing Communities Better Afford Future Debt Service
- Requires Payment of Interest & Issuance Costs, Future Indebtedness

Potential Debt Issuances

- **Public Safety & Tier 1 Essential Public Infrastructure**

- Finance Options: Tax Anticipation Notes & Certificates of Obligation
- Year: 2023 (Aligned with Debt Service Reduction in FY2024)
- Other Details: Evaluation of Tax Rate Reduction below \$0.05
- Scheduled Presentation to Court on December 12, 2022
- *Debt Service Revenue Proposed to Remain Level*

- **Quality of Life & Other Essential Public Infrastructure**

- Finance Options: General Obligation Bonds (Voter Approval)
- Year: November 2024 (Aligned with Debt Service Reduction in FY2025)
- Other Details: Bond Development Committee & Community Outreach

Public Safety & Tier 1 Essential Public Infrastructure

Project Category	Count	Amount
Public Safety Infrastructure	10	\$41,118,100
Tier 1 – Regional Transportation	4	\$32,140,000
Tier 1 – Modernizing Existing County Facilities	8	\$15,791,050
Tier 1 – Regional Park Essential Renovation	7	\$22,107,666
Tier 1 – Technology	1	\$825,000
Total	30	\$111,981,816

All Dates and Financial & Programmatic Data are Presented for Planning Purposes Only and are Subject to Change

Public Safety Infrastructure

- Office of Medical Examiner – Construction Phase
- DDF Processing Center Modernization (Floors 1 & 2)
- Juvenile Justice Center Improvements (Security, Roof & Sewer)
- County Facility Access Control – Full Implementation
- DDF Automatic Transfer Switch Replacement
- DDF Fire Alarm System Modernization
- DDF Mechanical Door Modernization
- DDF HVAC Control System Upgrade
- Jail Annex Fire Alarm System Modernization
- Jail Annex Electrical Panel Replacement

Regional Transportation & Technology

- Ascencion Road Reconstruction
- Fabens Airport Box Hangars
- Fabens Airport T-Hangar Construction
- Fabens Property Acquisitions

- Planning & Permit Software Solution

Modernizing Existing County Facilities

- Manny Martinez Annex Renovation
- HVAC VFR Replacement for Human Resources
- Courthouse 5th Floor Buildout Post CA Departure
- El Paso County Pet Wellness Clinic & Equipment
- Expanding Employee Clinic in Courthouse
- Build Out of New Modern Conference Room Space
- Council of Judge's Conference Room Relocation & Expansion
- Sheriff's Office Property Acquisition

Regional Park Essential Renovations

- Ascarate Park – Renovation & Mediation Phase II
- Ascarate Park – Renovation & Mediation Phase III
- Ascarate Park – Lakes Renovations and Dredging
- Square Dance Linear Park Construction
- Ascarate Park Entrance Expansion
- Sportspark Front Entrance & Security Modernization
- Ascarate Park Island Paving

Funding Scenario Summary

- Original Proposal:
 - Issuance of \$100M in Certificates of Obligation (CO)
- Alternative Funding Proposals
 - Alternative A: \$41M in CO for Public Safety Infrastructure
 - Alternative B: \$59M in CO for Tier 1 Essential Infrastructure
 - Alternative C: \$41M in Tax Notes for Public Safety Infrastructure
 - Alternative D: \$20M in Tax Notes for Tier 1 Essential Infrastructure (Partial)
- Combination of Options with Existing Debt Service Revenue Limit
 - Alternatives A & B Can Be Combined
 - Alternatives B & C Can Be Combined



Questions

