



El Paso County, Texas

**Q3 Market Update
Plan of Finance
October 2023**

Brad Angst
Director
(512) 709-4963
angstb@stifel.com

Nancy Rocha
Director
(469) 676-5350
rochan@stifel.com

STIFEL | Public Finance

- ▶ **01 Market Update**
- 02 Tax Base and Debt Portfolio**
- 03 Plan of Finance**

Disclosure

Stifel is providing information and is declaring to any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as a financial advisor, as defined therein, and not an underwriter to the issuer for this proposed issuance of municipal securities. A “financial advisory relationship” shall be deemed to exist when a firm enters into an agreement to render financial advisory or consultant services to or on behalf of an issuer with respect to the issuance of municipal securities, including advice with respect to the structure, timing, terms and other similar matters. Accordingly, any services provided by Stifel as they relate to our role as financial advisor should not be construed as those of an underwriter or placement agent.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.

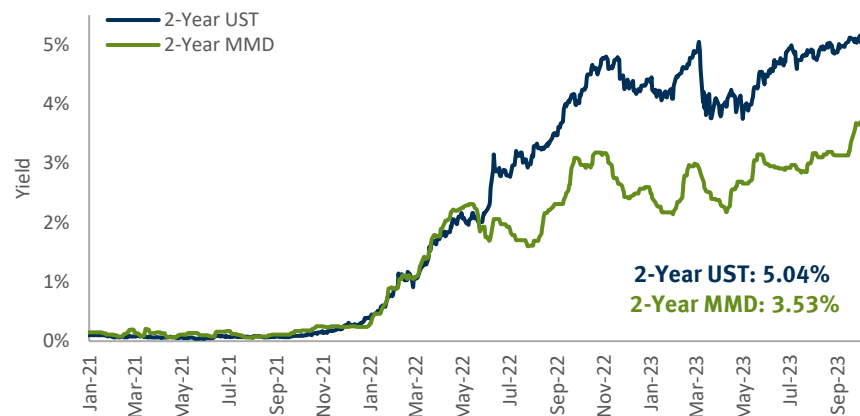
01. Market Update

Tax-Exempt and Taxable Interest Rate Movement

Municipal and Treasury Yields Fall After Significant Increases Last Week

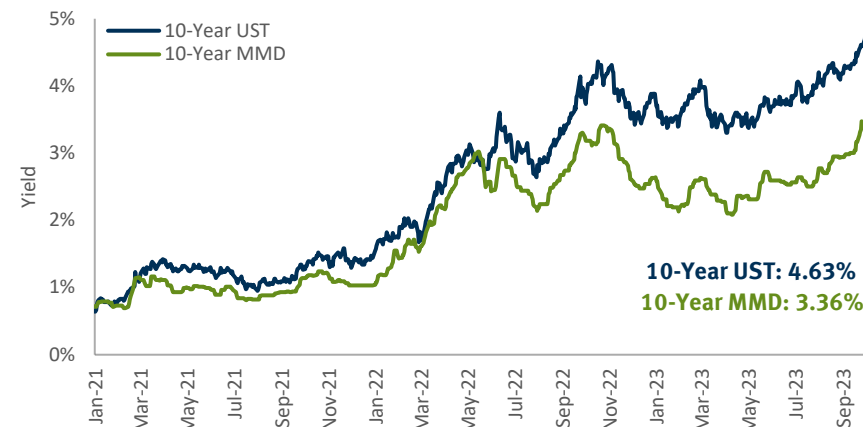
2-Year AAA MMD and 2-Year UST Yield Decreased

Comparing 2-Year UST and 2-Year AAA MMD



10-Year AAA MMD and 10-Year UST Yield Decreased

Comparing 10-Year UST and 10-Year AAA MMD

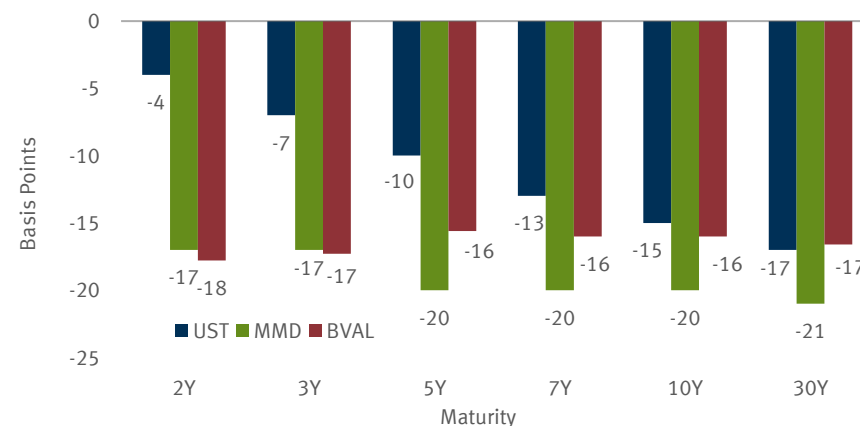


30-Year AAA MMD and 30-Year UST Yield Decreased

Comparing 30-Year UST and 30-Year AAA MMD



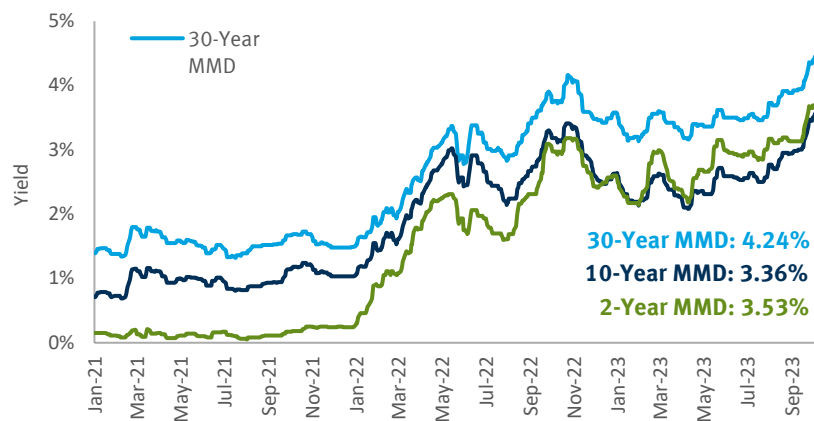
Weekly Change in U.S. Treasury, AAA MMD and BVAL Yields



Tax-Exempt Interest Rate Movement

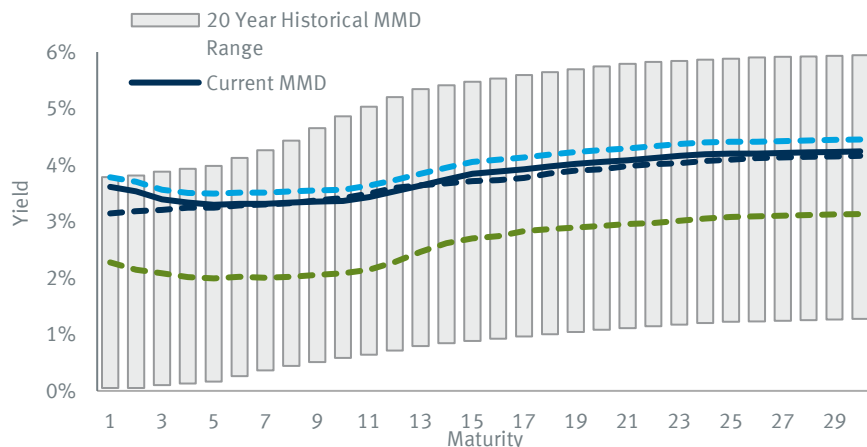
AAA MMD Yields Decreased Across All Maturities

AAA MMD Yields Decreased Comparing 2, 10 and 30-Year AAA MMD

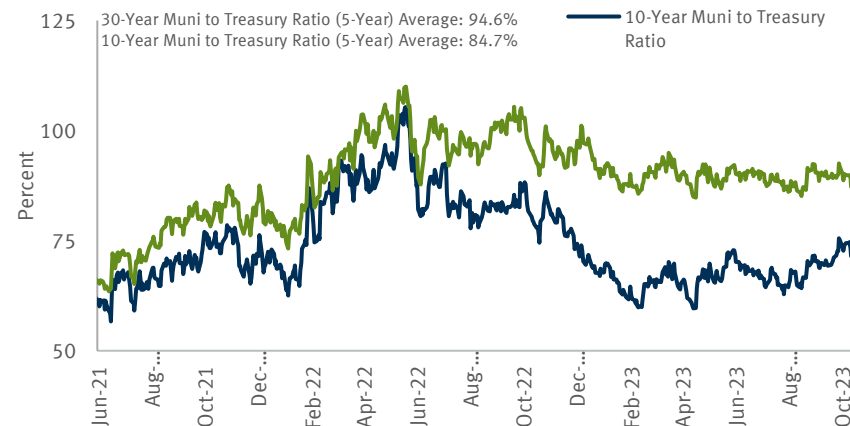


Current MMD Yields

20-Year Historical AAA MMD Range vs. Current AAA MMD



10-Year and 30-Year Muni to Treasury Ratios Muni to Treasury Ratios Since June 2021



AAA MMD Summary Statistics

	5-Year	10-Year	30-Year
Current	3.29%	3.36%	4.24%
Weekly Change	-20 bps	-20 bps	-21 bps

2023 Year-to-Date

YTD Change	+77 bps	+73 bps	+66 bps
High	3.49%	3.56%	4.45%
Low	1.99%	2.08%	3.13%
Average	2.58%	2.59%	3.56%
Year Ending 2022	2.52%	2.63%	3.58%

AAA BVAL Summary Statistics

	5-Year	10-Year	30-Year
Current	3.32%	3.39%	4.31%
Weekly Change	-16 bps	-16 bps	-17 bps

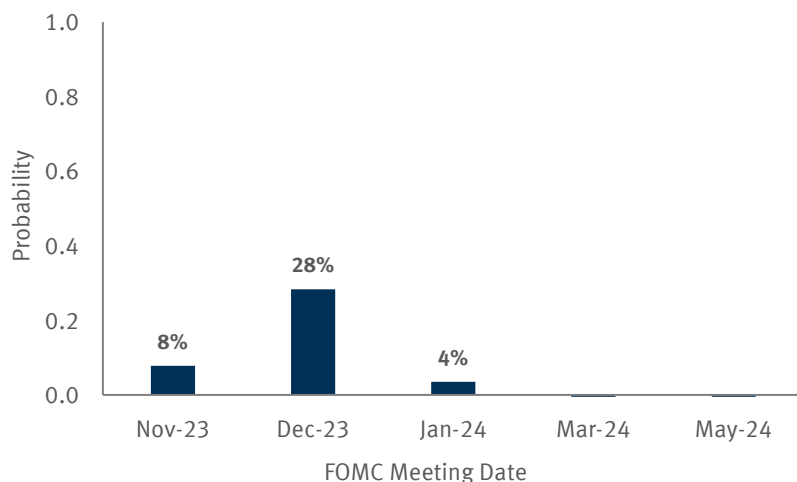
2023 Year-to-Date

YTD Change	+78 bps	+77 bps	+75 bps
------------	---------	---------	---------

Interest Rate Forecast

- Last week, several Fed members spoke out in favor of further policy action, while equally as many appeared to take a more dovish position. At the very least, conditions appear increasingly complicated amid higher rates, sticky inflation, international conflict, and financial market volatility.
- According to Fed Governor Michelle Bowman, for example, rates may need to rise further and stay higher for longer.
- In another camp, according to Dallas Fed President Lorie Logan, the recent backup in rates may preclude the Fed from having to raise rates further.
- Furthermore, Fed officials are both concerned about an acceleration or even an overheating economy, as well as a potential drawdown in activity or the economy falling into recession outright.

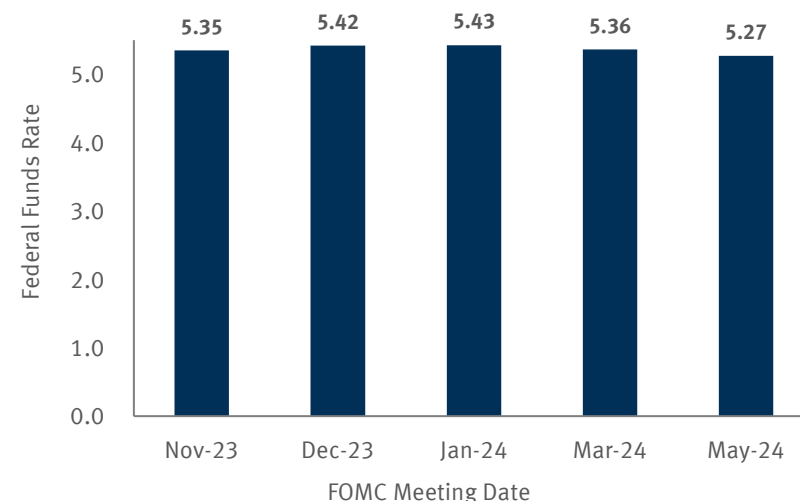
Market Consensus Probability of a Rate Hike at Upcoming Fed Meetings Calculated Using Fed Funds Futures. (Values > 100% indicate a greater than 25 bp hike)



Bloomberg Consensus Yield Curve Projections (%)

Market Consensus Yield Curve Projections (%)					
	Current	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Fed Funds	5.50	5.55	5.45	5.10	4.70
2-Yr UST	5.04	4.73	4.40	4.08	3.78
10-Yr UST	4.63	4.05	3.87	3.73	3.64
30-Yr UST	4.78	4.19	4.05	3.92	3.85

Market Consensus Implied Overnight Effective Rate After Each Fed Meeting



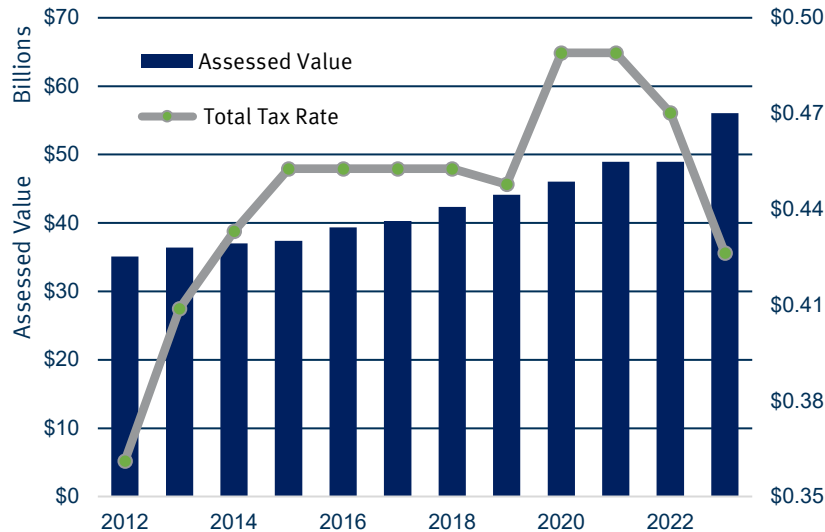
Recent Texas County Bond Issuances

Q3 Texas County Bond Issuances				
County	Issue	Par Amount	Sale Date	Sale Type
Hidalgo County	C/O Ser 2023	\$ 43,440,000	09/27/2023	Negotiated
Crane County	Tax Notes Ser 2023	\$ 12,500,000	09/25/2023	Competitive
Upton County	Tax Notes Ser 2023	\$ 40,615,000	09/18/2023	Competitive
Martin County	Tax Notes Ser 2023	\$ 35,735,000	09/11/2023	Competitive
Stephens County	Tax Notes Ser 2023	\$ 5,340,000	09/08/2023	Private Placement
San Saba County	Tax Notes Ser 2023	\$ 550,000	09/01/2023	Private Placement
Val Verde County	Tax Notes Ser 2023	\$ 10,000,000	08/29/2023	Private Placement
Lubbock County	U/L Tax Road Bds Ser 2023B	\$ 6,965,000	08/28/2023	Competitive
Denton County	Tax Notes Ser 2023	\$ 14,835,000	08/24/2023	Negotiated
Zavala County	Tax Notes Ser 2023	\$ 3,090,000	08/23/2023	Private Placement
McLennan County	Comb Tax & Ltd Pledge Rev C/O Ser 2023	\$ 19,700,000	08/22/2023	Competitive
Smith County	Ltd Tax Courthouse Bds Ser 2023	\$ 152,335,000	08/21/2023	Competitive
Dimmit County	Tax Notes Ser 2023	\$ 13,585,000	08/14/2023	Private Placement
Jim Wells County	Tax Notes Ser 2023	\$ 1,575,000	08/14/2023	Private Placement
Menard County	Tax Notes Ser 2023	\$ 530,000	08/10/2023	Private Placement
Harris County	Perm Imp Ref Bds Ser 2023A	\$ 119,135,000	08/08/2023	Negotiated
Harris County	U/L Tax Road Ref Bds Ser 2023A	\$ 96,560,000	08/08/2023	Negotiated
Victoria County	C/O Ser 2023	\$ 9,690,000	08/07/2023	Negotiated
Llano County	Tax Notes Ser 2023	\$ 4,000,000	07/24/2023	Private Placement
Camp County	Tax Notes Ser 2023	\$ 1,645,000	07/01/2023	Private Placement

02. Tax Base and Debt Portfolio

General Obligation Tax Base

Fiscal Year	Assessed Value (\$mm)	M&O	I&S	Total Tax Rate	Adjusted Levy (\$mm)
2024	\$62,841*		\$0.050		\$268*
2023	\$56,036	\$0.376	\$0.050	\$0.426	\$239
2022	\$50,297	\$0.432	\$0.047	\$0.470	\$228
2021	\$48,919	\$0.450	\$0.049	\$0.489	\$220
2020	\$46,026	\$0.445	\$0.049	\$0.489	\$214
2019	\$44,117	\$0.406	\$0.045	\$0.448	\$188
2018	\$42,536	\$0.405	\$0.045	\$0.453	\$180
2017	\$40,302	\$0.401	\$0.045	\$0.453	\$175
2016	\$39,354	\$0.402	\$0.045	\$0.453	\$172
2015	\$37,374	\$0.398	\$0.045	\$0.453	\$168



Taxpayer	Industry	AV (\$mm)	% AV
El Paso Electric	Electric Utility/Power Plant	\$ 683.2	1.22%
Western Refining ("Tesoro")	Oil & Gas Refinery	\$ 482.6	0.86%
Wal-Mart Stores	Retail Store	\$ 275.3	0.49%
Texas Gas Service	Oil & Gas	\$ 205.1	0.37%
River Oaks Properties	Commercial Land	\$ 183.2	0.33%
Emerald Pass 12101 Project	Home Builder	\$ 159.6	0.28%
Union Pacific Railroad	Railroad	\$ 150.8	0.27%
Simon Property Group	Shopping Center/Mall	\$ 107.3	0.19%
Sierra Providence Hospital	Rehabilitation Center	\$ 103.0	0.18%
Amazon.com Services	Storage Units/Warehouses	\$ 100.1	0.18%
Total		\$ 2,450.2	4.37%

Employer	Industry	Employees
Fort Bliss	Military Base	47,628
El Paso ISD	Public Education	7,875
Socorro ISD	Public Education	7,195
T&T Staff Management	Employment Agency	6,187
Ysleta ISD	Public Education	6,022
City of El Paso	Local Government	5,487
Tenet Hospital Ltd.	Healthcare	3,300
UTEP	Education	3,170
El Paso Community College	Higher Education	3,102
El Paso County	County Government	2,980

Debt Summary

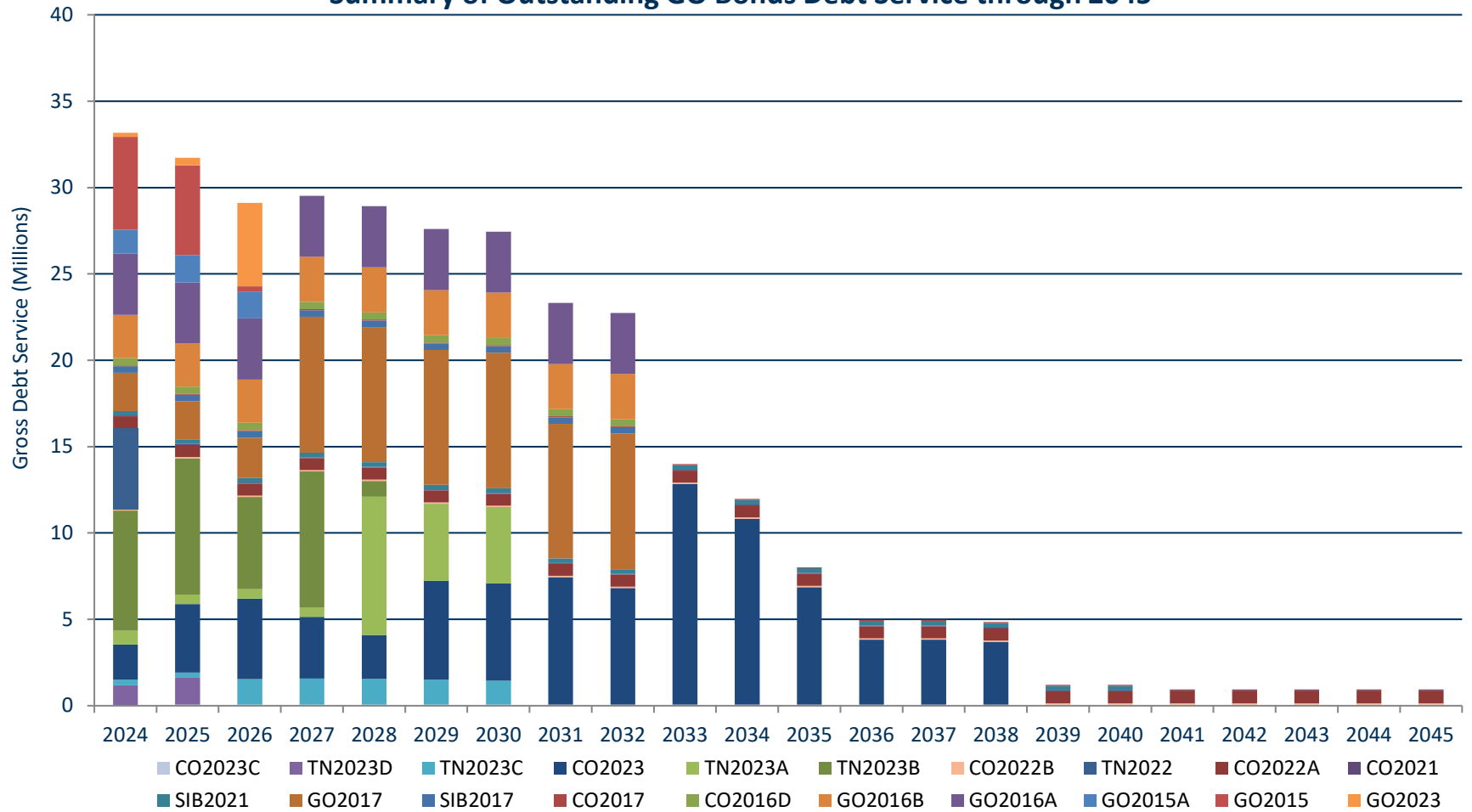
Outstanding Bonds	Purpose	Dated Date	Original Par	Outstanding Par	Coupon Range	Final Maturity	Next Call Date
General Obligation Bonds							
Comb Tax & Sub Lien Rev C/O, Taxable Ser 2023C	Flood Control	07/12/2023	\$1,780,000	\$1,780,000	0.00%	02/15/2054	Anytime @ Par
Tax Notes, Taxable Series 2023D	Public Improvements	07/20/2023	2,535,000	2,535,000	6.77%	02/15/2025	Anytime @ Par
Tax Notes, Series 2023C	Public Improvements	07/20/2023	6,545,000	6,545,000	4.62%	02/15/2030	Anytime @ Par
Certificates of Obligation, Taxable Series 2023B	Public Improvements	04/27/2023	15,135,000	15,135,000	4.392%-4.946%	08/15/2035	8/15/2033 @ Par
Certificates of Obligation, Series 2023A	Public Improvements	04/27/2023	42,090,000	42,090,000	5.00%	08/15/2038	8/15/2033 @ Par
General Obligation Refunding Bonds, Series 2023	Refunding	03/14/2023	4,910,188	4,910,188	4.75%	02/15/2026	Anytime @ Par
Tax Notes, Taxable Series 2023B	Public Improvements	01/30/2023	25,170,000	25,170,000	4.68%	08/15/2028	Anytime @ Par
Tax Notes, Series 2023A	Public Improvements	01/30/2023	16,175,000	16,175,000	3.40%	01/15/2030	Anytime @ Par
Comb Tax & Surplus Rev C/O, Taxable Ser 2022B	Flood Control	11/15/2022	2,372,000	2,372,000	0.00%	02/15/2053	Anytime @ Par
Tax Notes, Taxable Series 2022	Public Improvements	07/01/2022	20,117,830	4,617,830	2.750%-3.250%	02/15/2024	Non-Callable
Combination Tax & Surplus Rev C/O, Taxable Ser 2022A	Water & Drainage	05/01/2022	20,718,000	20,028,000	0.00%	02/15/2052	Anytime @ Par
Combination Tax & Surplus Revenue C/O, Taxable Ser 2021	Water & Drainage	05/15/2021	1,605,000	1,497,000	0.00%	02/15/2051	Anytime @ Par
State Infrastructure Bank Loan, Series 2021	Highway Improvements	1/15/2021	4,600,000	4,156,487	0.00%-1.02%	08/15/2040	2/15/2024 @ Par
Certificate of Obligation, Taxable Series 2017 (USDA)	Public Improvements	07/01/2017	1,334,000	1,228,000	2.75%	02/15/2057	Anytime @ Par
State Infrastructure Bank Loan, Series 2017	Highway Improvements	10/23/2017	4,920,000	3,112,609	1.85%	08/15/2032	Non-Callable
General Obligation Refunding Bonds, Series 2017	Refunding	11/15/2017	50,255,000	41,220,000	5.00%	02/15/2032	08/15/2027 @ Par
Certificates of Obligation, Series 2016D	Public Improvements	07/01/2016	3,500,000	3,200,000	3.28%	09/15/2032	09/15/2024 @ Par
General Obligation Refunding Bonds, Taxable Series 2016B	Refunding	03/01/2016	40,735,000	19,990,000	2.139% - 3.666%	02/15/2032	Make Whole Call
General Obligation Refunding Bonds, Series 2016A	Refunding	03/01/2016	48,805,000	25,590,000	4.00% - 5.00%	02/15/2032	Make Whole Call
General Obligation Refunding Bonds, Taxable Series 2015A	Refunding	06/01/2015	8,695,000	4,285,000	2.746% - 3.671%	02/15/2026	02/15/2025 @ Par
General Obligation Refunding Bonds, Series 2015	Refunding	02/01/2015	15,230,000	10,365,000	5.00%	02/15/2026	02/15/2025 @ Par
Totals:			\$337,227,018	\$256,002,114			

Total Debt Service Summary

Gross Outstanding Debt Service by Series/Maturity

El Paso County

Summary of Outstanding GO Bonds Debt Service through 2045



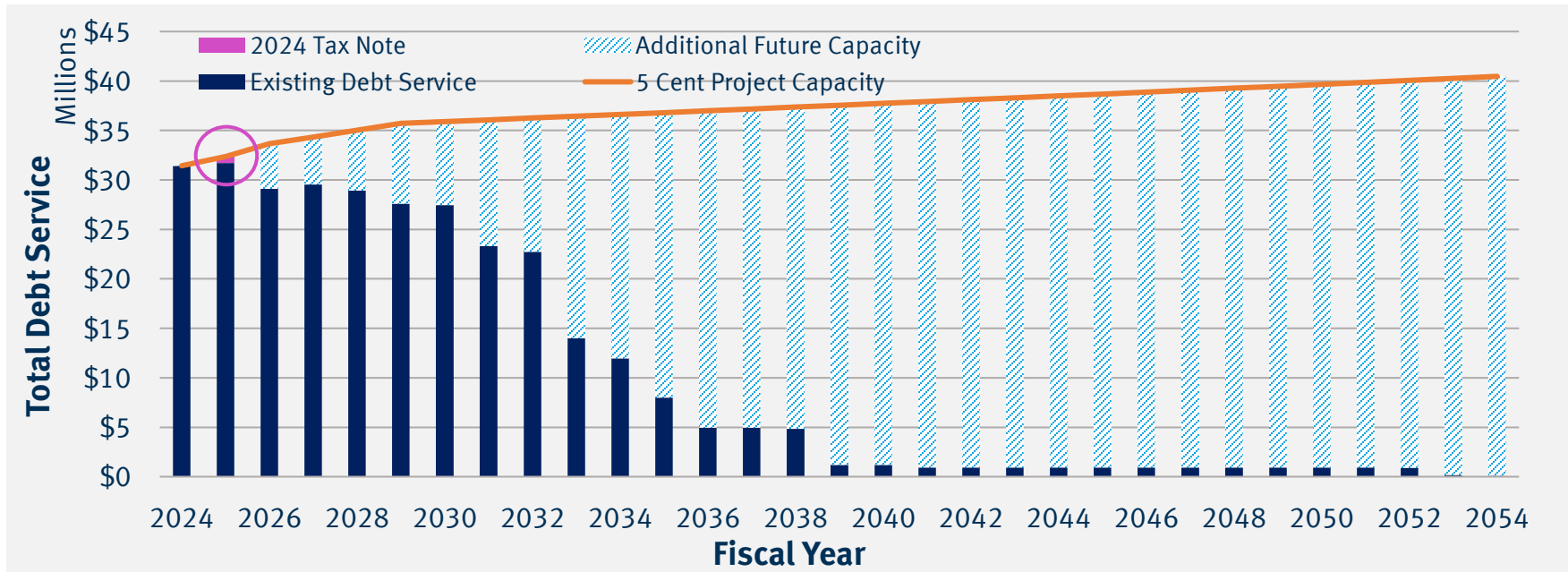
03. Plan of Finance

FY2024 (2025) Financing Capacity – \$1,000,000 Remaining

Plan of Finance Overview

- County can issue **approximately \$620,000 in a one-year tax note to use the remaining 5 cent I&S rate capacity**. This assumes current market conditions and interest rates, as well as growth rates below historical averages.
- This example assumes a **debt issuance for essential purpose projects in the spring of 2024 with a final maturity in 2025**.
- This option allows the County to use remaining available revenues in 2025 as well as leaves future capacity for a larger issuance.

Fiscal Year	Projected AV** (millions)	I&S Tax Rate	Projected Revenue from \$0.05 Cent I&S	Net Debt Service	2024 Tax Note	Remaining Revenues Available for Debt Service
2024	\$62,841	\$0.050	\$31,480,917	\$31,473,811	\$0	\$7,106
2025	\$64,727	\$0.050	\$32,363,545	\$31,718,210	\$643,422	\$1,912
2026	\$67,316	\$0.050	\$33,658,086	\$29,109,259	\$0	\$4,548,828
2027	\$68,662	\$0.050	\$34,331,248	\$29,526,763	\$0	\$4,804,485
2028	\$70,036	\$0.050	\$35,017,873	\$28,916,769	\$0	\$6,101,104
2029	\$71,436	\$0.050	\$35,718,231	\$27,596,263	\$0	\$8,121,967
2030	\$71,794	\$0.050	\$35,896,822	\$27,442,827	\$0	\$8,453,995
2031	\$72,153	\$0.050	\$36,076,306	\$23,317,490	\$0	\$12,758,815
2032	\$72,513	\$0.050	\$36,256,687	\$22,744,824	\$0	\$13,511,864
2033	\$72,876	\$0.050	\$36,437,971	\$13,988,043	\$0	\$22,449,928

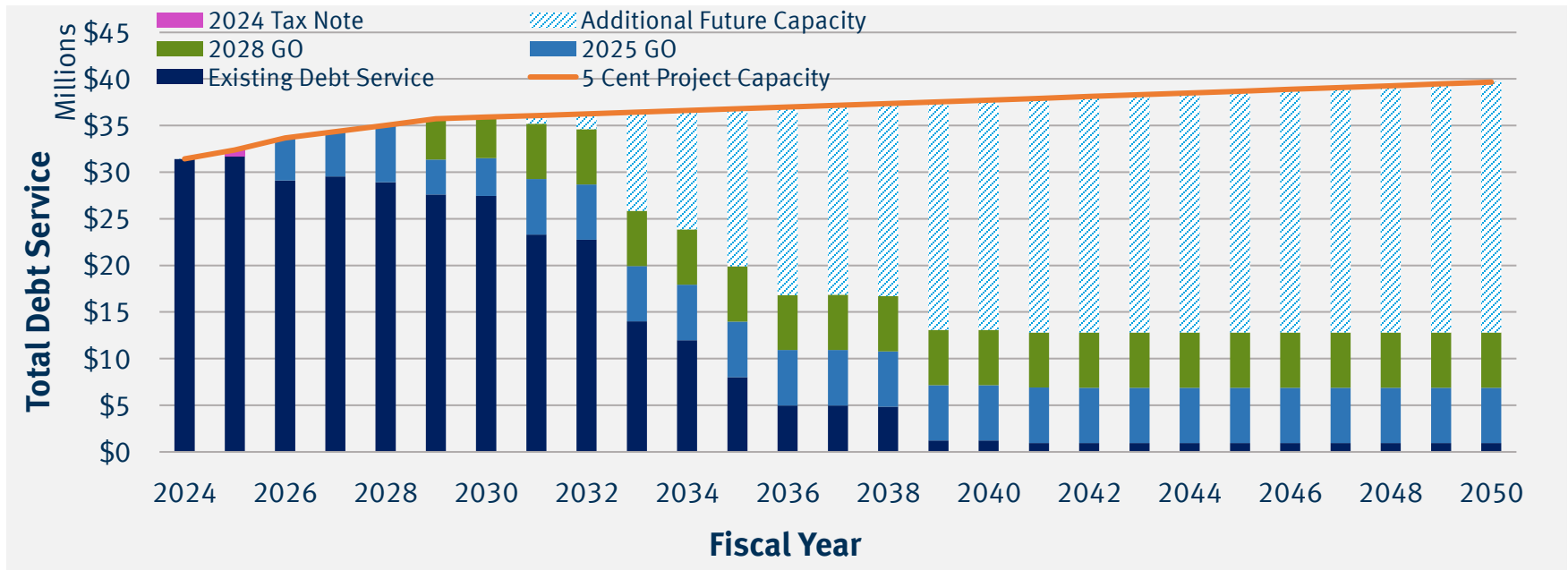


Projected 5 Year Financing Capacity – Max Amount with 5 Cent I&S Rate

Plan of Finance Overview

- County can issue **approximately \$150 million in bonds over the next 5 years while maintaining the current 5 cent I&S rate**. This assumes current market conditions and interest rates, as well as growth rates below historical averages.
- This example assumes a **debt issuance for essential purpose projects in the spring of 2025 and 2028**.
- Smaller financings may be available on an annual basis dependent on assessed value growth within the County.

Fiscal Year	Projected AV** (millions)	I&S Tax Rate	Projected Revenue from \$0.05 Cent I&S	Net Debt Service	2025 and 2027 GO Bond Issue	Remaining Revenues Available for Debt Service
2024	\$62,841	\$0.050	\$31,480,917	\$31,473,811	\$0	\$7,106
2025	\$64,727	\$0.050	\$32,363,545	\$31,718,210	\$0	\$1,912*
2026	\$67,316	\$0.050	\$33,658,086	\$29,109,259	\$4,532,891	\$15,937
2027	\$68,662	\$0.050	\$34,331,248	\$29,526,763	\$4,788,925	\$15,560
2028	\$70,036	\$0.050	\$35,017,873	\$28,916,769	\$6,084,675	\$16,429
2029	\$71,436	\$0.050	\$35,718,231	\$27,596,263	\$8,109,279	\$12,688
2030	\$71,794	\$0.050	\$35,896,822	\$27,442,827	\$8,451,300	\$2,695
2031	\$72,153	\$0.050	\$36,076,306	\$23,317,490	\$11,868,050	\$890,765
2032	\$72,513	\$0.050	\$36,256,687	\$22,744,824	\$11,866,550	\$1,645,314
2033	\$72,876	\$0.050	\$36,437,971	\$13,988,043	\$11,869,050	\$10,580,878



*Not shown in the chart above is debt service on a potential 2024 tax note which yields \$620,000 in proceeds for the County

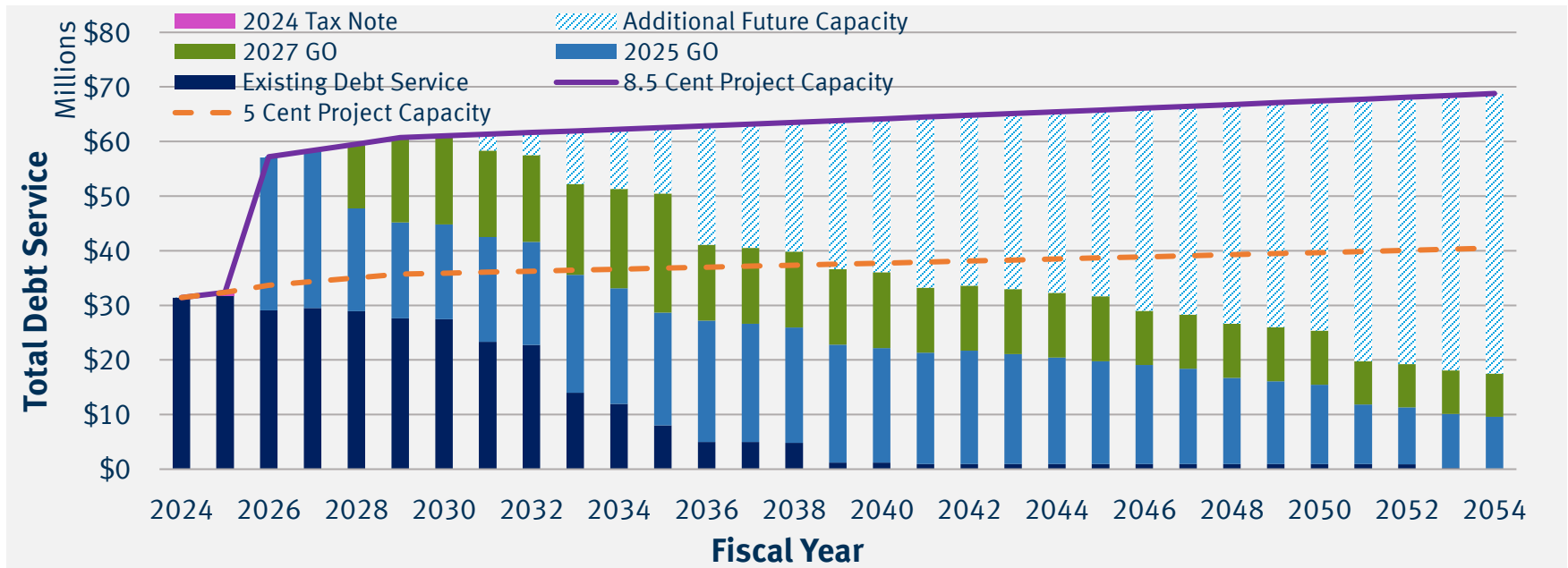
**Projected AV assumes a 5-year average growth rate of 2.6% YoY and 0.5% thereafter

Projected 5 Year Financing Capacity – Max Amount at “AA” Rating

Project Capacity – Maintain “AA” Credit Rating

- The County **maintains “Aa2/AA” ratings with Moody’s and Fitch**, respectively, based on County financial metrics, the local economy, and current debt burden.
- The County **could issue approximately \$500 million of general obligation bonds while maintaining the current “AA” credit rating** between 2025 and 2028 based on current metrics being maintained. Includes recent debt issuances.
- An estimated I&S rate increase of 3.5¢**, to 8.5 cents, allows for an **extra \$350 million** issuance over the \$150 million provided with the current I&S tax rate, shown in the last scenario.
- Additional smaller financings may be available on an annual basis depending on property growth.

Fiscal Year	Projected AV** (millions)	I&S Tax Rate	Projected Revenue from \$0.05 Cent I&S	Existing Debt Service	2025 and 2027 GO Bond Issue	Remaining Revenues Available for Debt Service
2024	\$62,841	\$0.085	\$31,480,917	\$31,473,811	\$0	\$7,106
2025	\$64,727	\$0.085	\$32,363,545	\$31,718,210	\$0	\$1,912*
2026*	\$67,316	\$0.085	\$57,218,747	\$29,109,259	\$27,977,625	\$131,863
2027	\$68,662	\$0.085	\$58,363,122	\$29,526,763	\$28,527,500	\$308,859
2028	\$70,036	\$0.085	\$59,530,384	\$28,916,769	\$30,408,971	\$204,644
2029	\$71,436	\$0.085	\$60,720,992	\$27,596,263	\$32,904,475	\$220,254
2030	\$71,794	\$0.085	\$61,024,597	\$27,442,827	\$33,334,475	\$247,295
2031	\$72,153	\$0.085	\$61,329,720	\$23,317,490	\$35,024,475	\$2,987,754
2032	\$72,513	\$0.085	\$61,636,369	\$22,744,824	\$34,724,225	\$4,167,320
2033	\$72,876	\$0.085	\$61,944,550	\$13,988,043	\$38,217,725	\$9,738,783



*Not shown in the chart above is debt service on a potential 2024 tax note which yields \$620,000 in proceeds for the County

**Projected AV assumes a 5-year average growth rate of 2.6% YoY and 0.5% thereafter