

El Paso County, Texas

**Capital Planning Workshop &
Financing Options
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STIFEL | Public Finance

Project and Capital Improvement Finance – County Options and Capacity

▪ 5¢ Essential Purpose Project Fund – No I&S Tax Rate Increase

- Designed to continuously provide project capacity and flexibility for the financing of capital projects.
- A declining debt service portfolio has been structured to allow for additional County projects with a 5¢ I&S Tax Rate.
- Approximately \$150 million is available in the next three to five years with a 5¢ I&S Tax Rate.
- Tools available for these type of projects include Certificates of Obligation and Tax Notes.

▪ General Obligation (“GO”) Bonding and Elections

- GO bonds are issued pursuant to voter authorization for infrastructure and facility projects when the commissioners court believes it is important to allow voters to have the opportunity to approve those projects.
- General Obligation bonds can also be issued to refund prior debt issues. GO bonds for refunding purposes do not need voter authorization.
- Approximately \$350 million is available in the next three to five years with voter authorization based on the County’s current credit rating and an approximate 3.5¢ I&S tax rate increase.

▪ SB2 limited the County’s M&O tax levy to a maximum annual growth rate of 3.5%

- Previously, Texas counties could increase budgets and the M&O tax by 8% above its no-new-revenue tax rate without potentially triggering a petition. SB 2 lowered the voter-approval rate, to a 3.5% increase.
- Various types of debt obligations and use of the I&S levy are eligible and authorized by the State of Texas to allow the County to fund capital maintenance and projects and help offset M&O cost.

01 Tax Base and Debt Portfolio

02 CIP Improvement Financing Options

03 Bond Market Data

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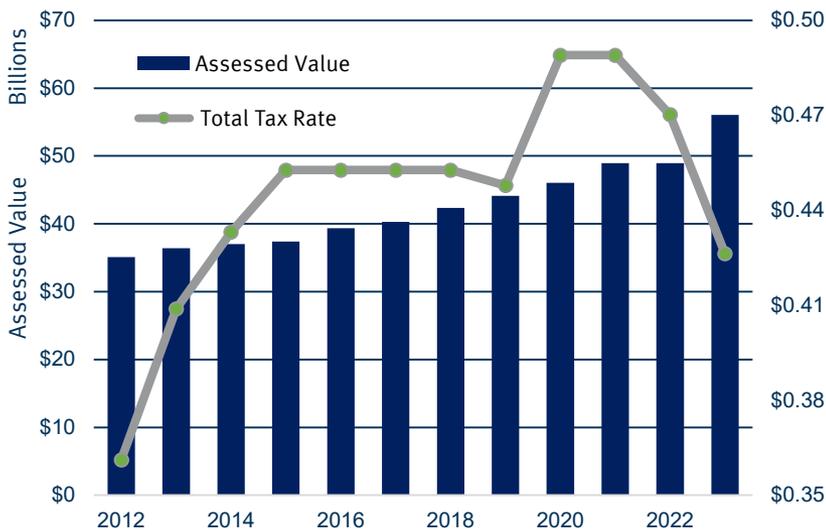
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01. Tax Base and Debt Portfolio

General Obligation Tax Base

Fiscal Year	Assessed Value (\$mm)	M&O	I&S	Total Tax Rate	Adjusted Levy (\$mm)
2024	\$62,841*	\$0.407	\$0.052	\$0.459	\$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

Source: Municipal Advisory Council of Texas

*2024 Tax Year Assessed Valuation provided by the County represents the preliminary certified value, subject to change

Credit Rating Summary

What are the County's current ratings?

Positive Factors

- Low unemployment rate
- Fort Bliss, White Sands Missile Range, McGregor Military Range, Holloman Air Force Base
 - TAV Gains

Credit Challenges

- Below-average resident income and property wealth metrics
- Above-median leverage

Potential Upgrade Factors

- Sustained increase in long-term liability burden to more than 20% of personal income
 - Deterioration of the County's high revenue-raising ability

Potential Downgrade Factors

- Sustained increase in long-term liability burden to more than 20% of personal income
- Deterioration of the country's high revenue-raising ability



Fitch	Moody's	S&P	Kroll	Description
AAA	Aaa	AAA	AAA	Best Quality
AA+	Aa1	AA+	AA+	High Quality
AA	Aa2	AA	AA	
AA-	Aa3	AA-	AA-	
A+	A1	A+	A+	Upper Medium Grade
A	A2	A	A	
A-	A3	A-	A-	
BBB+	Baa1	BBB+	BBB+	Investment Grade
BBB	Baa2	BBB	BBB	
BBB-	Baa3	BBB-	BBB-	
BB	Ba	BB	BB	Speculative
B	B	B	B	
CCC	Caa	CCC	CCC	
CC	Ca	CC	CC	
C	C	C	C	
			D (default)	

Positive Factors

- Regional Shopping
- Service
- Healthcare
- Cross-trade because of its location along US/Mexico border
- University
- Military base
- Employment from federal and state agencies

Credit Challenges

- Below-average resident income and property wealth metrics

Potential Upgrade Factors

- Improved resident income and poverty wealth ratios to levels more in line with peers
- Reduction in leverage
- Surplus of financial reserves and liquidity

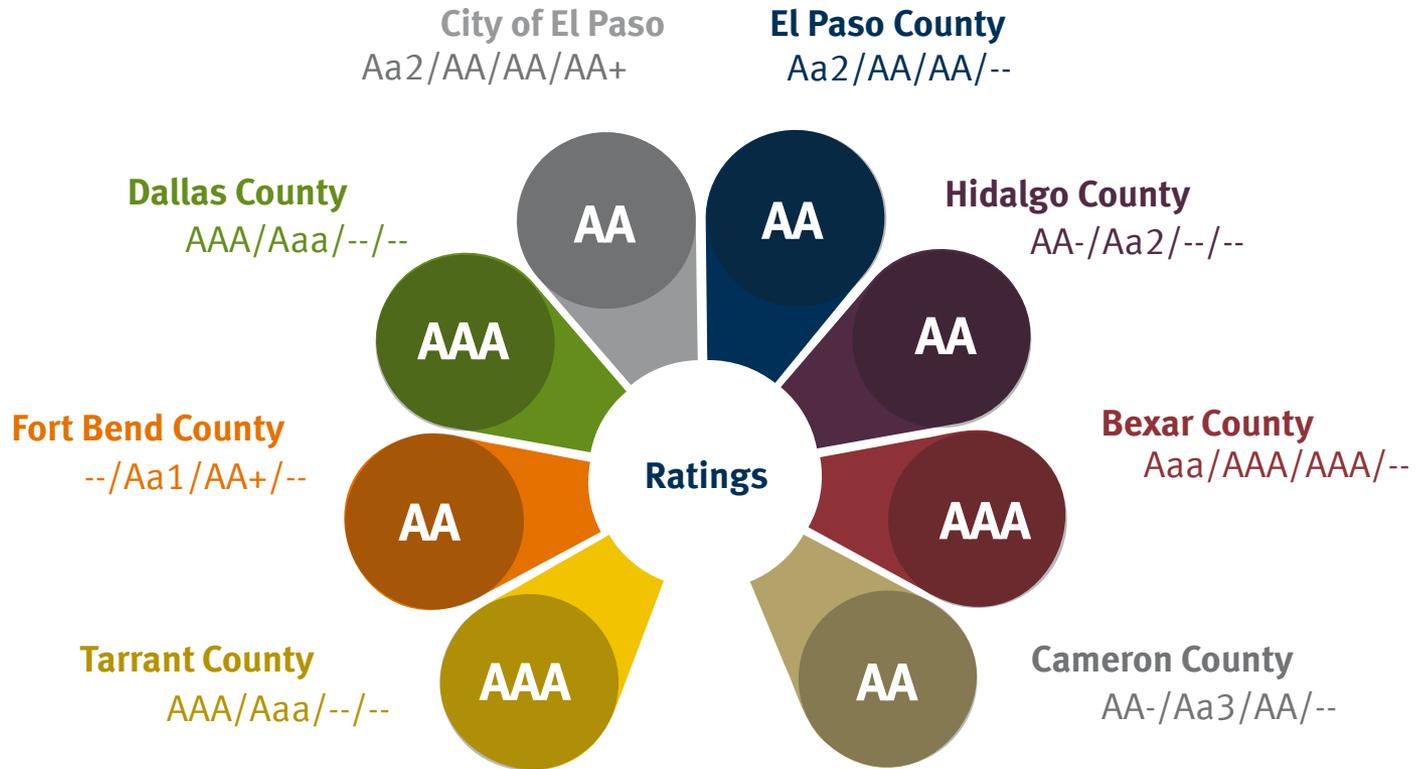
Potential Downgrade Factors

- Trend of operating deficits, materially weakening financial profile
- Significant increase in leverage, fixed costs
- Prolonged economic contraction

Regional Peers

El Paso County Rating compared to other Texas Counties

S&P/Moody's/Fitch/Kroll



Source: Municipal Advisory Council of Texas as of November 3, 2023

Debt Summary

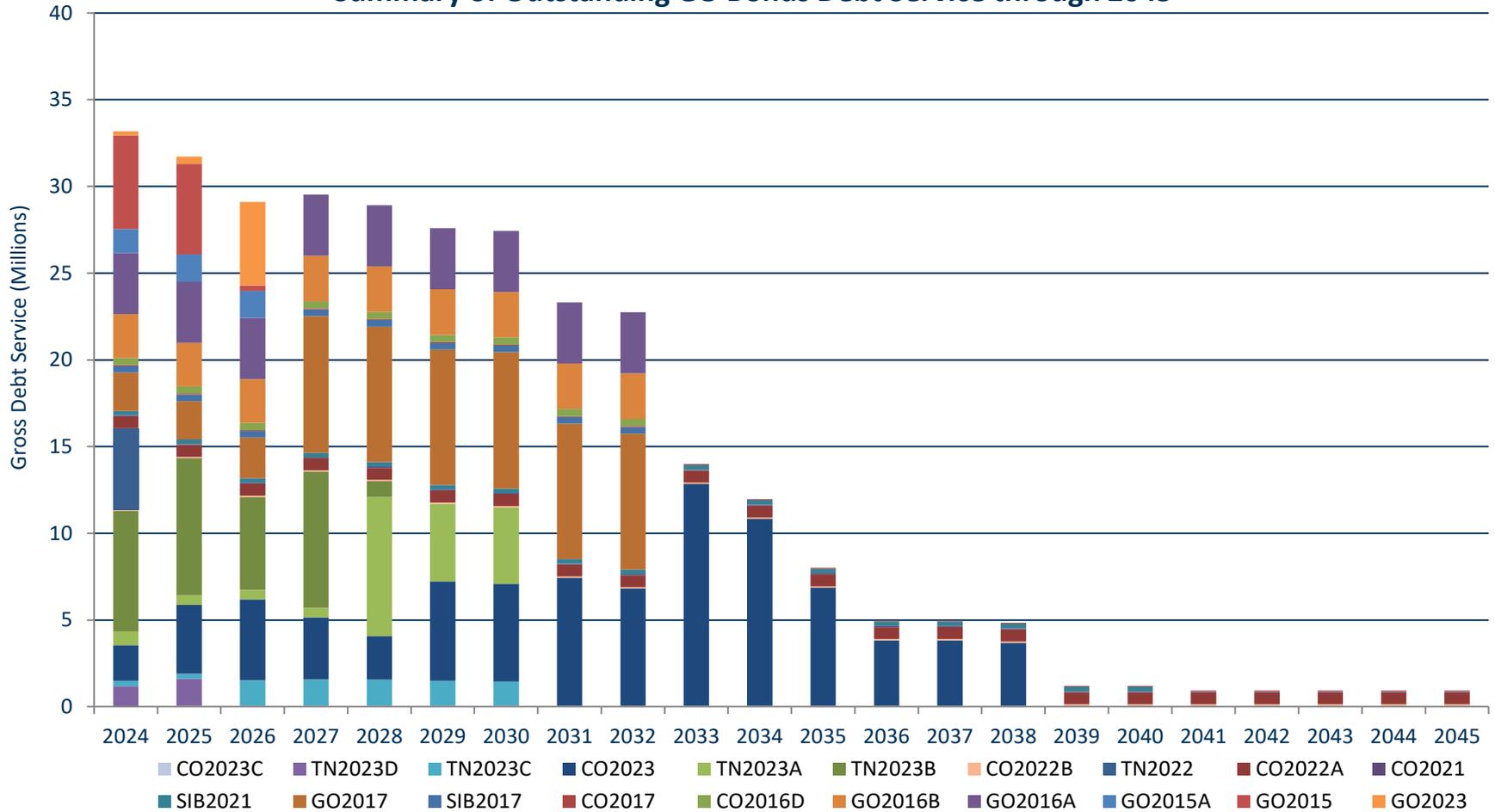
Outstanding Bonds	Purpose	Dated Date	Original Par	Outstanding Par	Coupon Range	Final Maturity	Next Call Date
General Obligation Bonds							
Comb Tax & Sub Lien Rev C/O, Taxable Ser 2023C	Flood Control	07/12/2023	\$1,780,000	\$1,780,000	0.00%	02/15/2054	Anytime @ Par
Tax Notes, Taxable Series 2023D	Public 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



02. Capital Improvement Financing Options

5¢ Essential Purpose Project Fund – No I&S Tax Rate Increase

Executive Summary

- **5¢ I&S rate** structured to provide ongoing funding for County essential purpose projects such as storm water, public safety, and roadways.
- The Essential Purpose Project Fund has been designed to perpetually provide financing opportunities for the County's capital facility needs every two to three years.
- Various financing tools can be used for these types of projects. For Certificates of Obligation and Anticipation Notes, Issuers Must Describe Purposes with Enough Specificity to Confirm that the Purposes Constitute Public Works as Statutorily Defined by House Bill 4082.
- Approx. **\$150 million available over the next five years** (2025-2028).
- Approx. **\$60 million available every other year thereafter** (2030 and on).

5¢ Essential Purpose Project Fund Financing– No I&S Tax Increase

What is the 2024 Taxable Assessed Value?

- The Taxable Assessed Value is the value of all property within the County lines and determines the capacity available for financings in the following years.
- Tax Year 2023 values are \$62,841,834,229; 12.1% growth compared to Tax Year 2022.

What is the Tax Assessed Value growth assumption in the model?

- Conservative average growth rate of 2.4% over the next five years; and growth rate of 0.5% every year thereafter.
- Historical average growth rate of 7.6% over the past 5 years and 5.3% over the past 10 years.

How many years can the County issue bonds for on these type projects?

- 25-year repayment structures have been assumed for the scenarios presented.
- Longer and shorter options are available with the state limiting amortization to 40 years for C/O's and GO bonds.

When are principal payments due?

- Principal payments are made in February 15th and August 15th.
- 1st payment must be scheduled after the next tax rate adoption period and collection period.

How much excess sales tax was used in these scenarios?

- No sales tax has been used for the scenarios moving forward.
- \$2,707,840 used to reduce debt service in the current fiscal year 2024.

What is the earliest opportunity for a refunding (refinancing) if interest rates were to decrease?

- This presented structures utilize a standard 10-year call date.
- Shorter call options may be available for incremental cost.

What interest rates were used in the modeling and financing scenarios?

- Current market rates plus 50 basis points were used to provide conservative projections.
- Based on the County's current bond ratings of "Aa2" and "AA".

5¢ Essential Purpose Project Fund – Revenue Constraint

The County can issue approximately **\$150 million** in bonds over the next 5 years with **No I&S Tax Rate Increase**.

Fiscal Year	Projected Growth Rate	Projected AV	Current I&S Tax Rate	Projected Revenue from \$0.05¢ I&S (.05 x AV)	Current Net Debt Service	Revenues Available for Essential Purpose Financings *Constraints Below
2023	-	\$54,862,279,730	\$0.050	\$27,431,140	\$27,233,964	\$197,176
2024	-	\$62,841,834,229	\$0.050	\$31,420,917	30,465,970	\$954,946
2025	3.00%	\$64,727,089,256	\$0.050	\$32,363,545	31,718,210	\$645,334
2026	3.00%	\$66,668,901,934	\$0.050	\$33,334,451	29,109,258	\$4,225,192
2027	2.00%	\$68,002,279,972	\$0.050	\$34,001,140	29,526,762	\$4,474,377
2028	2.00%	\$69,362,325,572	\$0.050	\$34,681,163	28,916,769	\$5,764,394
2029	2.00%	\$70,749,572,083	\$0.050	\$35,374,786	27,596,263	\$7,778,523
2030	0.50%	\$71,103,319,944	\$0.050	\$35,551,660	27,442,827	\$8,108,833
2031	0.50%	\$71,458,836,543	\$0.050	\$35,729,418	23,317,490	\$12,411,928
2032	0.50%	\$71,816,130,726	\$0.050	\$35,908,065	22,744,823	\$13,163,242
2033	0.50%	\$72,175,211,380	\$0.050	\$36,087,606	13,988,042	\$22,099,563

*Net debt service is calculated from total principal and interest payments for each year on property tax backed debt and reducing the debt service by any excess sales tax contributed in that year

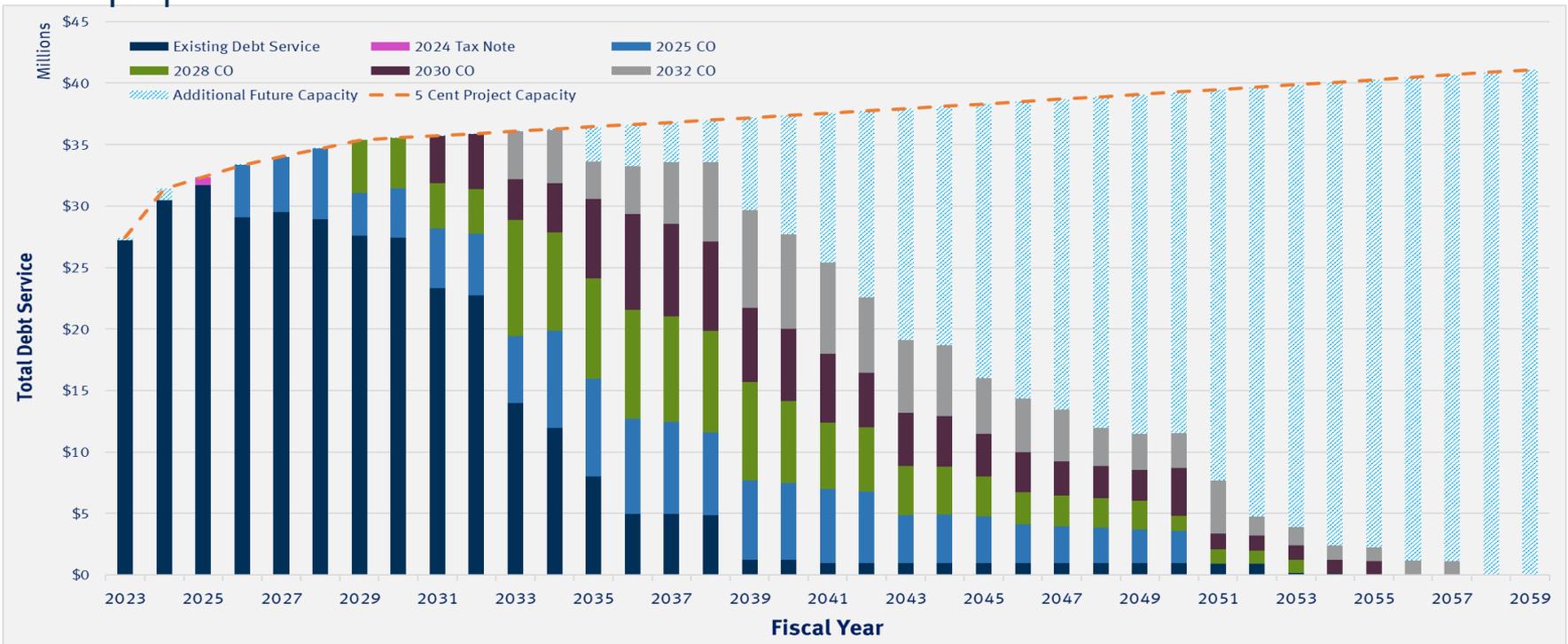
5¢ Essential Purpose Project Fund – Max Capacity and Timing

How much debt could the County potentially issue while *maintaining the 5¢ tax rate (No I&S Tax Rate Increase)* between now and 2032?

- 4 Certificates of Obligation
 - CO in 2025
 - CO in 2028
 - CO in 2030
 - CO in 2032

T/E Plan of Finance – Prioritizes Maximum Project Capacity

Recurring C/O Issues	Series 2025	Series 2028	Series 2030	Series 2032	Total
Par Amount	\$72,110,000	\$73,280,000	\$61,575,000	\$62,145,000	\$269,110,000
Project Fund	\$75,000,000	\$75,000,000	\$60,000,000	\$60,000,000	\$270,000,000
True Interest Cost	4.86%	5.09%	5.21%	5.31%	-
Final Maturity	08/15/2050	08/15/2053	08/15/2055	08/15/2057	-
Average Annual Payment	\$4,998,266	\$4,684,497	\$3,937,577	\$4,013,002	-
Total Debt Service	\$125,761,921	\$117,893,167	\$99,423,813	\$101,328,312	\$444,407,213



5¢ Essential Purpose Project Fund – Financing Options Summary

Maximizing Capacity Fully Tax-Exempt



5-Year Financing Ability: \$150 Million

10-Year Financing Ability: **\$270 Million***

*The County could issue approximately \$60M in C/O's every two years perpetually based on the prior scenario

Maximizing Capacity Fully Taxable



5-Year Financing Ability: \$120 Million

10-Year Financing Ability: Up to **\$220 Million***

*The County could issue approximately \$50M in C/O's every two years perpetually based on the prior scenario

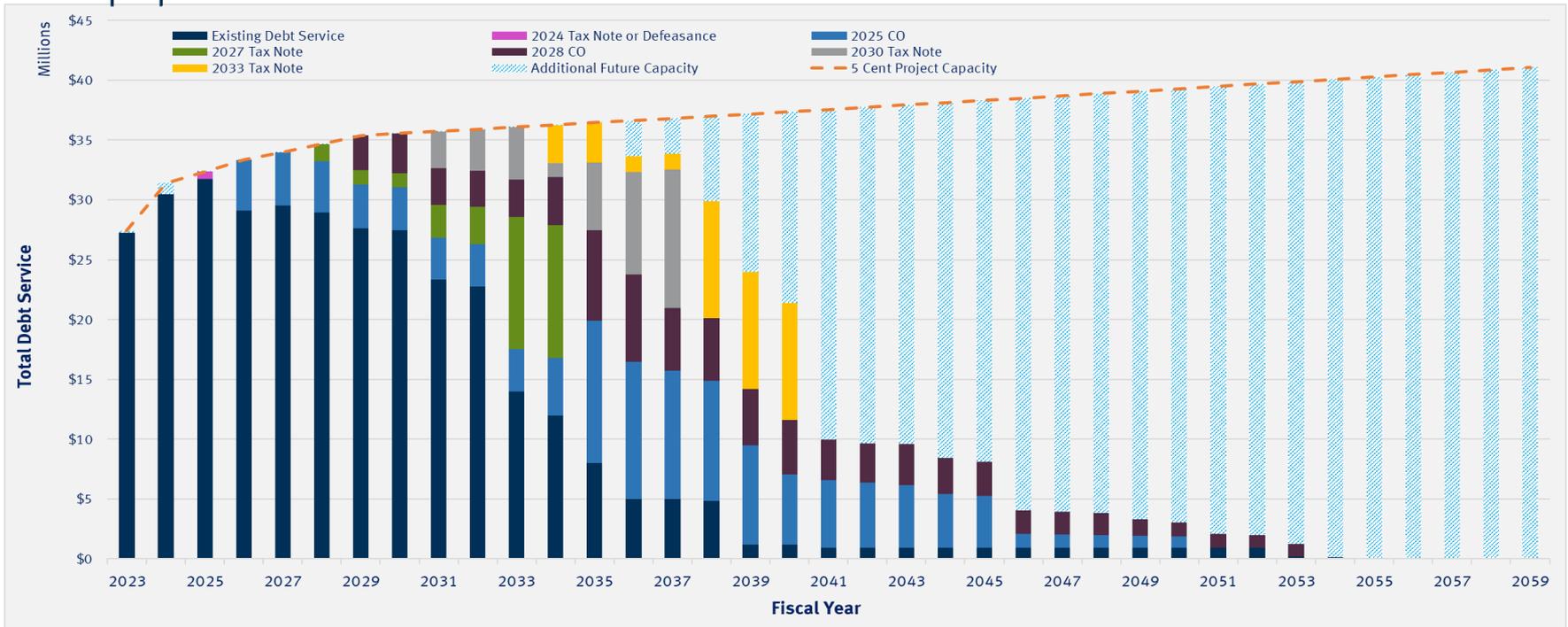
5¢ Essential Purpose Project Fund – Combination CO & Tax Note Issuances

How much debt could the County potentially issue while ***maintaining the 5¢ tax rate (No I&S Tax Rate Increase)*** between now and 2033?

- 2 Certificates of Obligation and 3 Tax Notes
 - CO in 2025
 - Tax Note in 2027
 - CO in 2028
 - Tax Note in 2030
 - Tax Note in 2033

T/E Plan of Finance – Prioritizes Tax Notes Every 3 Years

C/O's + Tax Notes	Series 2025 CO	Series 2027 TN	Series 2028 CO	Series 2030 TN	Series 2033 TN	Total
Par Amount	\$72,095,000	\$24,105,000	\$49,930,000	\$29,495,000	\$29,890,000	\$205,515,000
Project Fund	\$75,000,000	\$25,000,000	\$50,000,000	\$30,000,000	\$30,000,000	\$210,000,000
True Interest Cost	4.80%	4.15%	4.94%	4.44%	4.71%	-
Final Maturity	08/15/2050	08/15/2034	08/15/2053	08/15/2037	08/15/2040	-
Average Annual Payment	\$4,937,953	\$4,439,320	\$3,317,229	\$5,211,819	\$5,267,466	-
Total Debt Service	\$124,244,377	\$31,815,125	\$83,483,603	\$37,785,688	\$38,189,125	\$315,517,918



5¢ Essential Purpose Project Fund – Financing Options Summary

Tax Notes Every 3rd Year Fully Tax-Exempt



5-Year Financing Ability: \$150 Million

10-Year Financing Ability: **\$210 Million***

*The County could issue approximately \$30M in Tax Notes every three years for 10 years based on the prior scenario and up to \$45 million every two years thereafter.

Tax Notes Every 3rd Year Fully Taxable



5-Year Financing Ability: \$115 Million

10-Year Financing Ability: **Up to \$165 Million***

*The County could issue approximately \$25M in Tax Notes every three years for 10 years based on the prior scenario and up to \$40 million every two years thereafter.

5¢ Essential Purpose Project Fund – Financing Timelines

2024
CIP Planning

- Project priorities identified
- November – Final Projects and Plan of Finance presented
- December – **Notice of Intent** Considered by Commissioners

\$75,000,000
March 2025

- January – Commissioners Consider Authorization of Debt Issuance
- February – Preparation of Rating and Offering Documents
- **March 2025 – Debt Offering and Funding**

\$25,000,000
March 2027

- January – Commissioners Consider Authorization of Debt Issuance
- February – Preparation of Rating and/or Offering Documents
- **March 2027 – Tax Note Offering and Funding**

\$50,000,000
March 2028

- December 2027 – Notice of Intent Considered by Commissioners
- January – Commissioners Consider Authorization of Debt Issuance
- February – Preparation of Rating and Offering Documents
- **March 2028 – Debt Offering and Funding**

GO Bonding

Executive Summary

- GO bonds are issued **pursuant to voter authorization** for infrastructure and facility projects when the commissioners court believes it is important to allow voters to have the opportunity to approve that project.
- The County's current **bond ratings of "Aa2" and "AA"** provide capacity to issue **up to \$350 million** without degrading the rating.
 - Assumes other county rating factors and metrics such as fund balance, pension liability, and strong management practices are maintained
- If debt is approved by voters, bond issuance would **increase the I&S tax rate by 3.5¢**
 - 3.5¢ equates to an additional **\$66.50 per year, or \$5.54 per monthly mortgage payment**, for the **average home value of \$190,000** in El Paso County

GO Bonding – Capacity Analysis for “AA” Rating

Issuer	El Paso County	Nueces County	Hidalgo County	Bastrop County	Travis County	National Medians
Ratings	Aa2/AA Moody's/Fitch	Aa2 Moody's	Aa2 Moody's	Aa1 Moody's	Aaa Moody's	Aaa Moody's
Median Household Income as % of U.S	79.2%	90.9%	73.7%	95.3%	123.2%	122.9%
Full Value per Capita	\$73,496	\$98,927	\$48,325	\$130,084	\$227,388	\$152,312
Total Revenue	\$473,528	207,625	\$573,156	\$75,523	\$978,539	\$527,034
Available Fund Balance as % of Revenues	29.7%	64.5%	11.7%	43.4%	59.1%	43.3%
Liquidity Ratio	70.4%	92.8%	92.9%	96.3%	137.9%	74.8%

Credit Drivers for El Paso County Debt Stress Test

LEVERAGE FACTORS	FY2022	FY2023	FY2024 (spring 2025 GO Bond)	FY2027
Additional Debt	-	-	+\$450M	+\$125M
Total Debt Outstanding	\$420M	\$435M	\$671M	\$736M
Long-term Liabilities Ratio (Debt+OPEB+Pension)/Revenue	326%	404%	492%	495%
<i>Max LTL Ratio Before Downgrade</i>	500%	500%	500%	500%

Source: Moody's Site

GO Bonding – Financing Assumptions

How Does El Paso County Issue GO Bonds?

- General obligation bonds are issued pursuant to voter authorization for infrastructure and facility projects where the commissioners court has called for a referendum.

How much GO Bonds can El Paso County issue at its current rating?

- With voter authorization the County could issue up to \$350 million of GO Bonds and maintain its “Aa2” and “AA” ratings, assuming the County’s maintains its other rating metrics at current levels.

Do GO Bonds have different interest rates than C/O’s and Tax Notes?

- GO Bonds have the same interest rates as C/O’s as they are both secured by the same pledge of repayment - property taxes.
- Current market interest rates plus 50 basis points have been used for all scenarios to provide conservative estimates.

What is the 2024 Taxable Assessed Value?

- Tax Year 2023 values are \$62,841,834,229; 12.1% growth compared to Tax Year 2022 value.

What is the Tax Assessed Value growth assumption in the model?

- Conservative average growth rate of 2.4% over the next five years; and growth rate of 0.5% every year thereafter.
- Historical average growth rate of 7.6% over the past 5 years and 5.3% over the past 10 years.

How many years can the County issue bonds for payments on these bonds?

- 25-year repayment structures have been assumed for the scenarios presented.
- Longer and shorter options are available with the state limiting amortization to 40 years.

When are principal payments due?

- Principal payments are made August 15th.
- 1st payment must be scheduled after the next tax rate adoption period and collection period.

What is the earliest opportunity for a refunding (refinancing) if interest rates were to decrease?

- This presented structures utilize a standard 10-year call date.

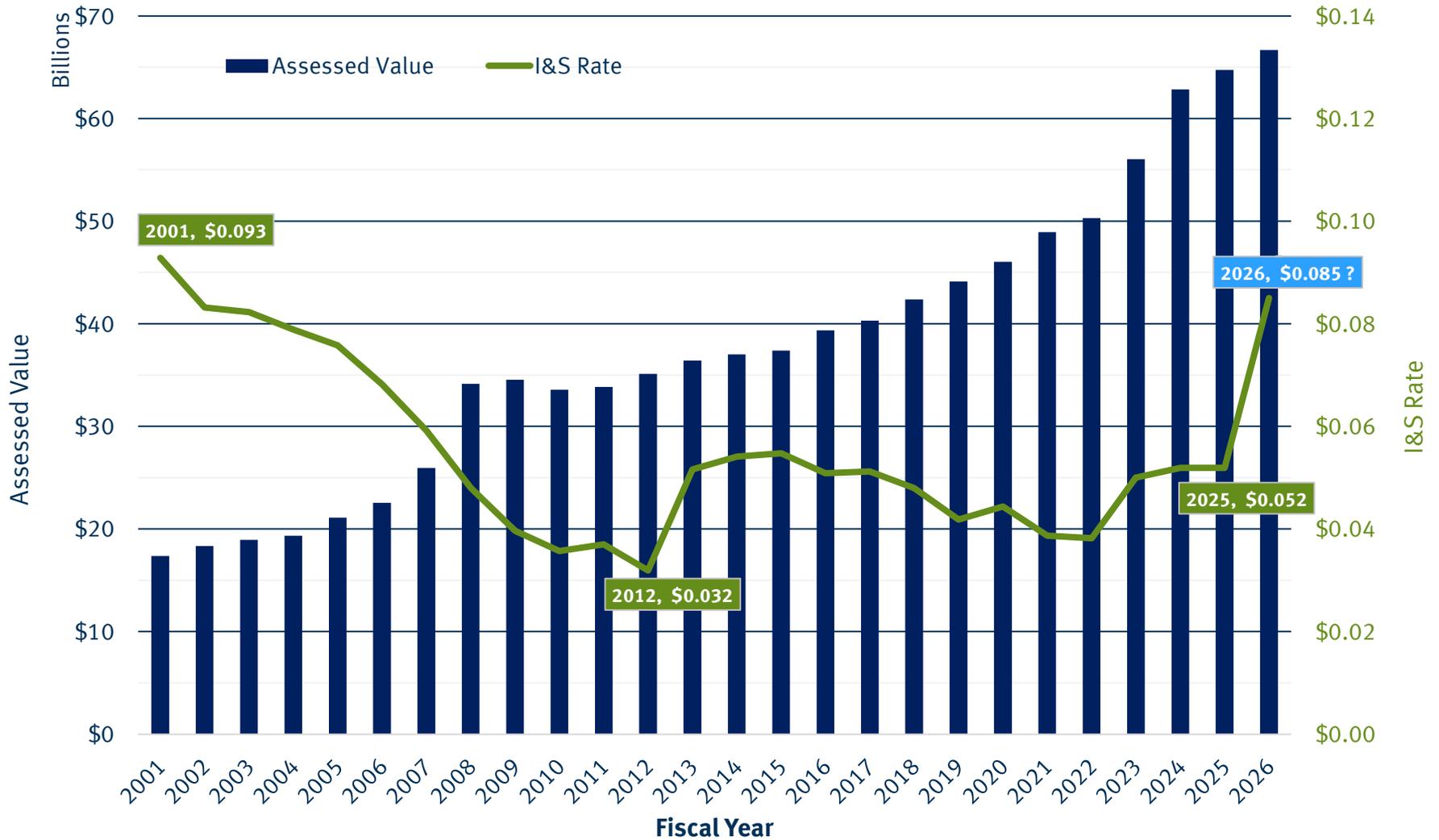
GO Bonding – Revenue Constraint with 3.5¢ Increase

County can issue **approximately \$350 million** in bonds over the next 5 years if the **I&S tax rate is increased by 3.5¢**

Fiscal Year	Projected Growth Rate	Projected AV	I&S Tax Rate	Projected Revenue from \$0.35¢ I&S (.035 X AV)	Existing GO Debt Service	Revenues Available for GO Bond Financings *Constraints Below
2026	3.00%	\$66,668,901,934	\$0.085	\$23,334,116	\$0	\$23,334,116
2027	2.00%	\$68,002,279,972	\$0.085	\$23,800,798	\$0	\$23,800,798
2028	2.00%	\$69,362,325,572	\$0.085	\$24,276,814	\$0	\$24,276,814
2029	2.00%	\$70,749,572,083	\$0.085	\$24,762,350	\$0	\$24,762,350
2030	0.50%	\$71,103,319,944	\$0.085	\$24,886,162	\$0	\$24,886,162
2031	0.50%	\$71,458,836,543	\$0.085	\$25,010,593	\$0	\$25,010,593
2032	0.50%	\$71,816,130,726	\$0.085	\$25,135,646	\$0	\$25,135,646
2033	0.50%	\$72,175,211,380	\$0.085	\$25,261,324	\$0	\$25,261,324
2034	0.50%	\$72,536,087,436	\$0.085	\$25,387,631	\$0	\$25,387,631
2035	0.50%	\$72,898,767,874	\$0.085	\$25,514,569	\$0	\$25,514,569

*There is no existing debt service listed for these constraints as all existing debt service is under the current tax rate and this scenario is evaluating only new pennies to the I&S rate. There is no debt issued under these pennies yet.

GO Bonding – Historical and Projected I&S Rate



GO Bonding – Capacity and Timing

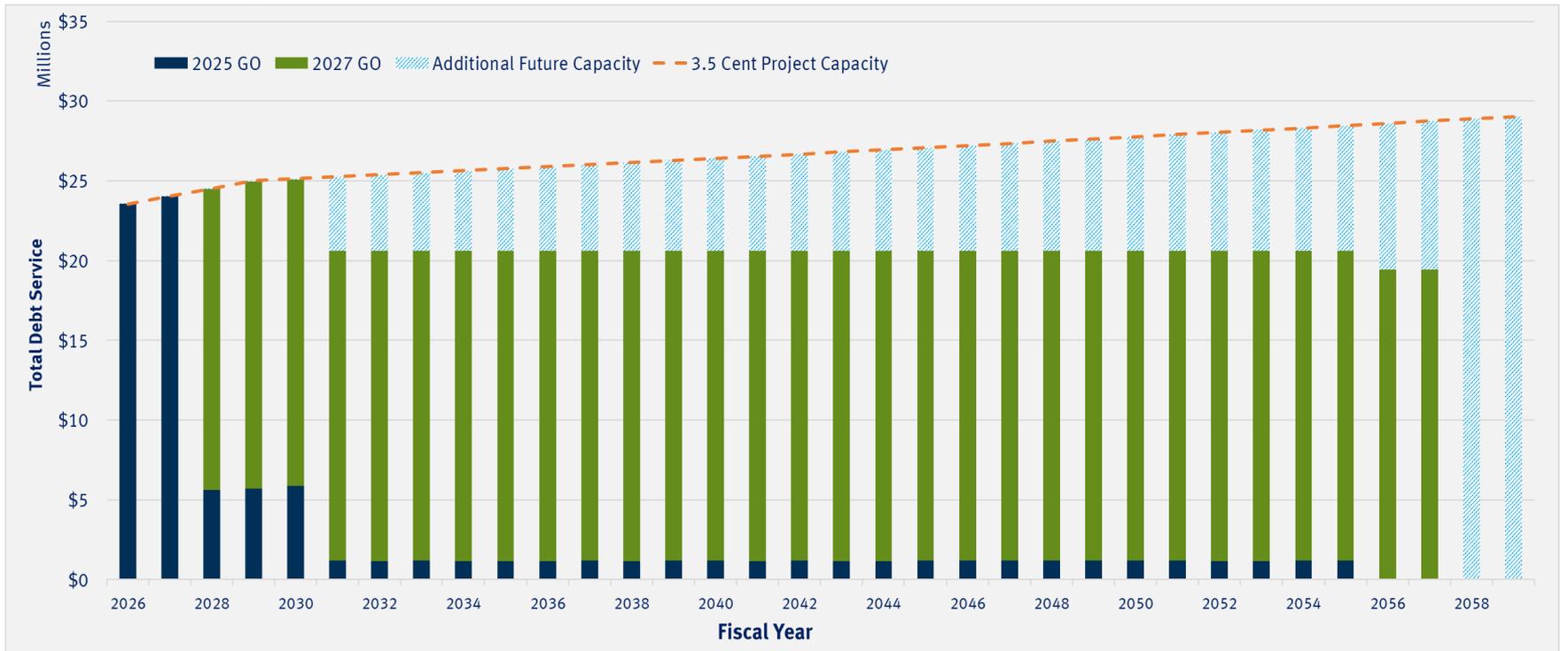
If the County goes to voters and a **3.5¢ increase is approved**, how much debt could be issued between now and 2027?

- 2 General Obligation Bonds
 - GO Series 2025
 - GO Series 2027



Plan of Finance - \$350 Million

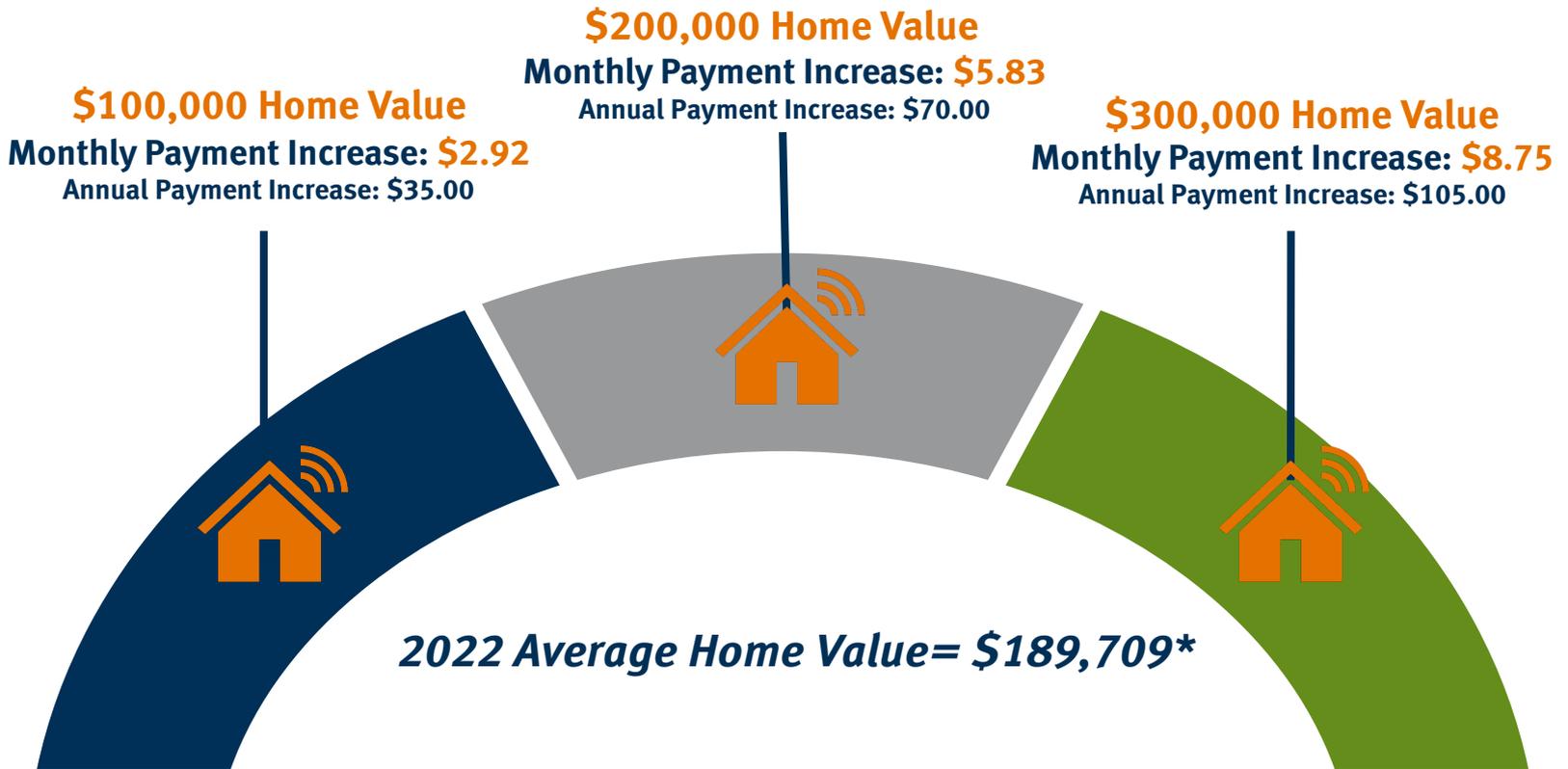
\$350 Million GO Issue	Series 2025	Series 2027
Par Amount	\$70,195,000	\$289,225,000
Project Fund	\$70,000,000	\$280,000,000
True Interest Cost	4.95%	5.35%
Final Maturity	08/15/2055	08/15/2057
Average Annual Payment	3,150,991	19,255,375
Total Debt Service	\$95,317,463	\$582,475,097



GO Bonds: Tax Impact to Homeowners

\$350 Million General Obligation Bond

How Does a GO Bond Impact Homeowner Taxes?



* Source: County Budget and Finance Dept
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GO Bond – Financing Timelines

2024 -
Project
Planning

- Project Priorities Identified
- **Bond Advisory Committee** Meetings
- Preliminary Cost Estimates and Design
- Community Meetings and Surveys

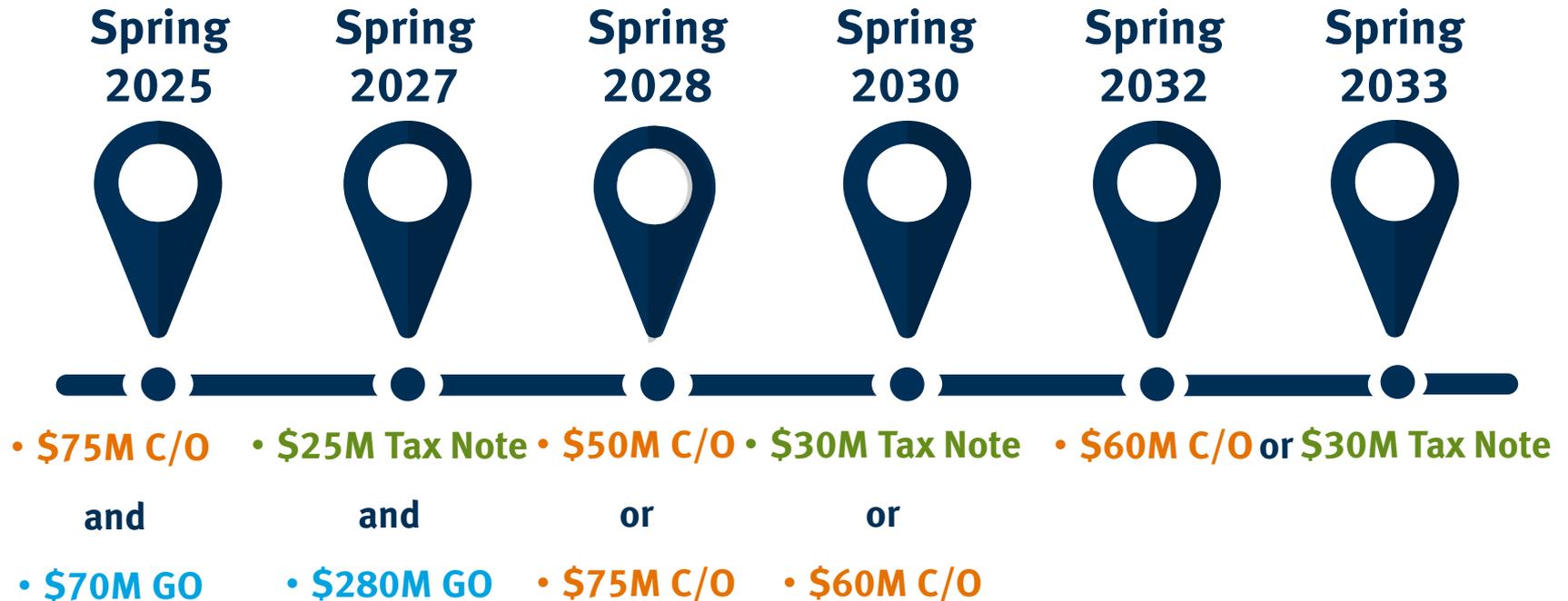
GO Bond
Election
Nov. 2024

- June 2024 - Committee Recommendation to County
- July 2024 - County Reviews Recommendations
- August 2024 - County Commissioners call for Election
- **November 5th, 2024 – Election Day**

Spring 2025
Bond Sale

- February – Preparation of Rating and Offering Documents
- **March 2025 – GO Bond Debt Offering** and Funding
- **Spring 2027 – Additional GO Bond Debt Offering**

Financing Timelines – Comprehensive Schedule for All Scenarios



Summary of Recommendations and Action Items

5¢ Essential Purpose Project Fund

- May utilize **Certificates of Obligation** and **Tax Notes** over the coming 5 years **for essential purpose projects**
 - Reduces total cost of debt service
 - Funds storm water needs according to County policy
 - Retains more long-term future project capacity after 10 years

Recommended Action and Direction to Finance Team:

- ***Prepare for \$75 million Certificate of Obligation in March of 2025 to fund essential purpose project priorities from the capital improvement plan***

General Obligation (“GO”) Bond Election

- Use a **GO Bond Election** for **quality of life projects** and **projects above the 5¢ capacity** to allow voters the opportunity to approve those projects
 - Provides voter consent for projects and capacity above the County's 5¢ capacity
 - Lowest cost of capital available and good structuring flexibility for future projects

Court Direction to Finance Team:

- ***Prepare for a \$350 million GO Bond Election in November of 2024 to fund additional project priorities from the capital improvement plan***

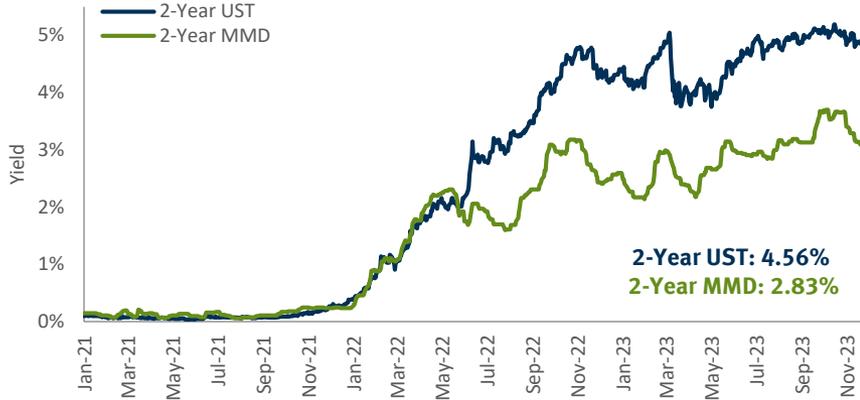
03. Bond Market Data

Tax-Exempt and Taxable Interest Rate Movement

Municipal and Treasury Yields Decreased in All Maturities

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

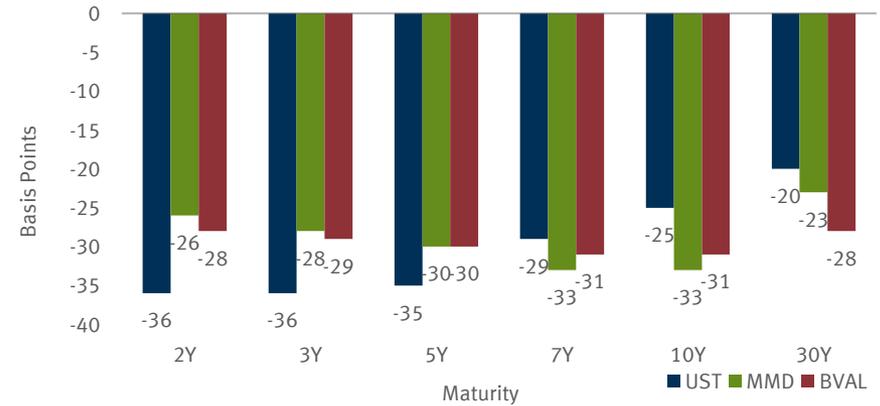


30-Year AAA MMD and 30-Year UST Yield Decreased

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 Decrease Across the Curve

AAA MMD Yields Decreased

Comparing 2, 10 and 30-Year AAA MMD



10-Year and 30-Year Muni to Treasury Ratios

Muni to Treasury Ratios Since June 2021



Current MMD Yields

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



AAA MMD Summary Statistics

	5-Year	10-Year	30-Year
Current	2.57%	2.61%	3.77%
Weekly Change	-30 bps	-33 bps	-23 bps

2023 Year-to-Date

YTD Change	+5 bps	-2 bps	+19 bps
High	3.51%	3.61%	4.57%
Low	1.99%	2.08%	3.13%
Average	2.66%	2.68%	3.66%
Year Ending 2022	2.52%	2.63%	3.58%

AAA BVAL Summary Statistics

	5-Year	10-Year	30-Year
Current	2.55%	2.63%	3.68%
Weekly Change	-30 bps	-31 bps	-28 bps

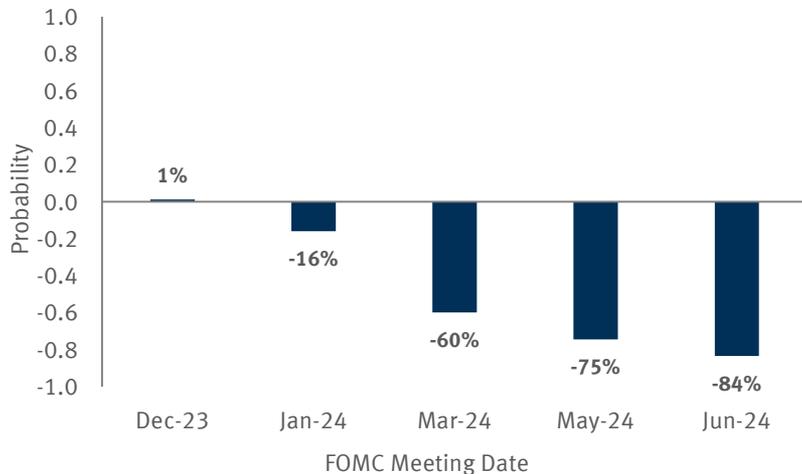
2023 Year-to-Date

YTD Change	+2 bps	+1 bps	+12 bps
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Interest Rate Forecast

- The ISM Manufacturing Index unexpectedly remained at a reading of 46.7 in November, marking the 13th consecutive month of contraction.
- With nearly every component remaining in net contractionary territory, coupled with an earlier indication of slower consumer spending and rising jobless claims, investors are increasingly bracing for slower growth ahead.
- Most economists are forecasting slower growth in 2024, and three out of four put the risk of recession at 50% or lower in the next 12 months.
- The unemployment rate is expected to remain steady at 3.9% for the second consecutive month, still well below what the Fed designates as the full unemployment range.

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	5.50	5.45	5.25	4.90
2-Yr UST	4.56	4.90	4.70	4.39	4.07
10-Yr UST	4.22	4.54	4.39	4.23	4.06
30-Yr UST	4.40	4.69	4.57	4.42	4.28

Market Consensus Implied Overnight Effective Rate After Each Fed Meeting

