

AD HOC BOND COMMITTEE

December 9, 1998

Representative Jan Sumrall, District No. 1
City of El Paso
#2 Civic Center Plaza, 10th Floor
El Paso, Texas 79901-1196

D.R. (Dee) Margo, II, Chair
James L. Welshimer, Vice Chair
Christy McAnally, Secretary

Dear Representative Sumrall:

During the last four months, the Ad Hoc Bond Committee has reviewed the proposed listing of projects for the City's next bond authorization. The Committee met with directors of departments most effected by the proposed bond authorization and solicited their input for a comprehensive listing of projects which the directors believed should be included in the Committee's review. We also met with Bill Chapman, OMB Director and Jim Sabonis from First Southwest, the City's financial advisor. After much discussion on specific projects, the propositions as a whole, and the City's financial position and ability to bear debt, the Committee recommends the following.

Infrastructure reconstruction, improvements, and construction are an integral part of on-going City development. Without adequate street networks, flood control systems, and fire and health department facilities, the City cannot operate, much less sustain growth or economic development of any magnitude. These types of capital projects must be carried out by City leadership as a routine part of the City's operations. Funding should be debt instruments to distribute costs among all benefiting users, as explained by Mr. Chapman and the specific debt instruments should be Certificates of Obligation. The comprehensive list provided to the Committee by departments should serve as the Capital Improvement Plan which guides the City in developing these projects.

Quality of life initiatives such as expanded and improved Parks and Recreation, Zoo, History Museum, and Library facilities, on the other hand, are amenities which should be reviewed by voters. Since expansion in any of these areas means a continued commitment from the City to maintain and operate, voter approval of these propositions will also allow City leaders to gauge how operating budgets should be structured. These initiatives are also critical in developing El Paso into a major city with facilities that attract both residents and visitors, and the Committee recommends these propositions be presented to voters at the City's next bond election once our committee has completed a priority review. The total bond package at this point is approximately \$140 million distributed among six propositions. Approved propositions will be integrated into the City's Capital Improvement Plan for execution.

The Ad Hoc Committee believes that by following this two-pronged approach to funding the City's capital program, the basic needs of El Pasoans are met and quality of life initiatives are also emphasized.

We would like to review our recommendations with Mayor and Council prior to setting up any community outreach meetings, and would be happy to meet with you.

Sincerely,



D.R. (Dee) Margo, II
Chair, Ad Hoc Bond Committee

Attachment

cc: Mayor Carlos Ramirez
Council Members
Committee Members
Department Heads