



CITY CLERK DEPT
2021 AUG 27 AM 10:58

OSCAR LEESER
MAYOR

To: City Council

Thru: Laura Prine

From: Mayor Oscar Leeser

CC: Tomás González, City Manager
Karla Nieman, City Attorney

RE: VETO – City of El Paso Ordinance authorizing the issuance of City of El Paso, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021C

Date: August 27, 2021

In accordance with Section 3.5 (E) of the Charter of the City of El Paso, I am filing this memorandum with the City Clerk to notify the City Council and the City Manager that I am exercising my authority as Mayor to veto the action taken by City Council to approve the following item, which was on the agenda on Tuesday, August 24:

Regular Agenda Item 11. An Ordinance authorizing the issuance of City of El Paso, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021C; levying a continuing direct annual ad valorem tax for the payment of such certificates; and resolving other matters which are necessary to effectuate such issuance, including the delegation of matters relating to the sale and issuance of such certificates to an authorized City official within certain specified parameters.

The reasons for my veto as are follows:

1. We cannot continue issuing debt and obligating future generations to that debt.
2. As we just saw with the unexpected COVID-19 public health crisis, we do not know what is in store for us in our future. No one could have foreseen the expenditures we'd be faced with in addressing this crisis. As such, we must tread carefully in issuing any additional debt.
3. I believe in being fiscally responsible and debt cautious in debt management.
4. El Paso already ranks at the top of the six largest cities in Texas with Certificates of Obligation debt outstanding. See attached charts.

I veto this item knowing that over three quarters of the City Council approved it, but with the strength and will of the 80% of El Pasoans that voted for me citywide with a mandate of fiscal responsibility. It is my sincere hope that my colleagues at City Council will work with me to manage our debt with more careful consideration of the effect of these long-term commitments on our community. I believe that we can find a mutually agreeable resolution, in which we accomplish what is needed for our city in a more measured manner that minimizes non-voter approved debt.

Texas Six Largest Cities Certificates of Obligation Debt

<u>City</u>	<u>Population</u>	<u>CO Principal</u>
El Paso	681,728	\$ 541,060,000
San Antonio	1,547,253	\$ 426,280,000
Austin	978,908	\$ 274,395,000
Fort Worth	909,585	\$ 99,425,000
Dallas	1,343,573	\$ 21,200,000
Houston	2,320,268	\$ 12,950,000

Source: Texas Bond Review Board
Population Data from July 2019 U.S. Census

Texas Six Largest Cities Certificates of Obligation Debt

City	Population	CO Principal	CO Interest	CO Debt Service
El Paso	681,728	\$ 541,060,000	\$ 310,063,712	\$ 851,123,712
San Antonio	1,547,253	\$ 426,280,000	\$ 170,680,199	\$ 596,960,199
Austin	978,908	\$ 274,395,000	\$ 112,954,552	\$ 387,349,552
Fort Worth	909,585	\$ 99,425,000	\$ 27,543,205	\$ 126,968,205
Dallas	1,343,573	\$ 21,200,000	\$ 1,652,339	\$ 22,852,339
Houston	2,320,268	\$ 12,950,000	\$ 1,758,900	\$ 14,708,900

Source: Texas Bond Review Board
Population Data from July 2019 U.S. Census