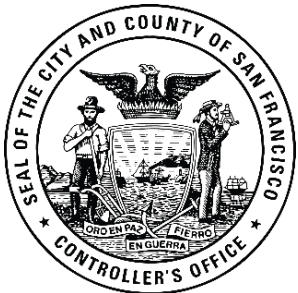




Credit Facility Replacement for the City's Commercial Paper Program

- Resolution re-authorizing Lease Revenue Commercial Paper Certificates of Participation, Series 1 and Series 2—not to exceed \$150,000,000; authorizing the delivery of an alternate credit facility of \$163,500,000
- Resolution re-authorizing Lease Revenue Commercial Paper Certificates of Participation, Series 3 and Series 4—not to exceed \$100,000,000; authorizing the maintenance of a liquidity facility of \$109,000,000



**Budget & Finance
Committee**

February 11, 2026

Commercial Paper Background

- The City launched its Commercial Paper program in 2009 to finance project costs on an interim basis
- Commercial Paper instruments are short-term financing notes (i.e. a bridge to long-term financing), used to finance projects as costs are incurred
- Commercial Paper durations range from 1 to 270 days, on the maturity date of a Commercial Paper note, it can be “rolled” or refinanced with new notes—so that balances can continue to be rolled forward until refunded by a long-term obligation or paid down directly from other available funds
- The City’s Commercial Paper program is currently supported by two bank facilities:
 - Series 1 & 2 is supported by a Revolving Credit Agreement (RCA) with Wells Fargo, expiring in March 2026
 - Series 3 & 4 is supported by an RCA with BMO Bank, expiring in April 2026

Proposed New Credit Facilities

- In Fall 2025, the Office of Public Finance conducted a competitive Request for Proposals process to replace the two expiring credit facilities:

CP Series 1 & 2

- Five (5) responses were received
- TD Securities was selected as the top scoring firm based on the proposal term sheet submitted, including criteria such as bank ratings, experience, and fees
- The proposed agreement is for a Letter of Credit (LOC) facility for a term of three (3) years

CP Series 1 & 2 Expiring Facility

Wells Fargo RCA	\$150,000,000
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CP Series 1 & 2 Proposed Replacement Facility

TD Securities LOC	\$150,000,000
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Series 3 & 4

- Five (responses) were received
- BMO Bank was selected as the top scoring firm based on the proposal term sheet submitted, including criteria such as bank ratings, experience, and fees
- The proposed agreement is for an RCA facility for a term of three (3) years

CP Series 3 & 4 Expiring Facility

BMO Bank RCA	\$100,000,000
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CP Series 3 & 4 Proposed Replacement Facility

BMO Bank RCA	\$100,000,000
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Anticipated Financing Timeline



Milestones	Dates
• RFP procurement process	Fall 2025
• Introduction of the Resolutions to the Board of Supervisors	January 27, 2026
• Budget and Finance Committee Hearing	February 11, 2026
• Board Considers Approval of the Resolutions	February 24, 2026
• Financial close on new credit facility agreement	Early March 2026

Thank you!
