

Memorandum



CITY OF DALLAS

DATE October 9, 2026

TO Honorable Mayor and Members of the City Council

SUBJECT **October 14, 2026, City Council Agenda Item #26-3045A - Ordinance Establishing General Obligation Extendable Commercial Paper Notes, Series A**

The October 14, 2026, City Council Agenda includes an ordinance establishing and authorizing the issuance of the City of Dallas, Texas, General Obligation Extendable Commercial Paper Program, Series A (the “Notes”), in an aggregate principal amount at any one time outstanding not to exceed \$350 million, including the approval of the execution of Dealer Agreements with Wells Fargo Securities and JPMorgan Securities LLC, and an Issuing and Paying Agent Agreement with U.S. Bank Trust Company, National Association. Funding for the Notes is not to exceed a total three-year cost of \$855,000 from the Debt Service Fund (estimated \$732,000 upfront closing costs plus annual fees of \$41,000), subject to annual appropriations. **Under the terms of the Notes as extendable commercial paper, the City is expected to realize savings in excess of \$1.3 million annually.**

The City utilizes commercial paper to award contracts, in accordance with the provisions of the City Charter, and to provide interim financing for capital projects. In alignment with the FY 2026-27 Adopted Budget and General Purpose Capital Improvement Program, the City is seeking to establish an Extendable Commercial Paper Program to provide a source of appropriation authority and capital at a low cost to the City, replacing the existing program expiring in November 2026. Traditionally, the City’s commercial paper programs are supported by letters of credit from highly rated liquidity providers and assessed hefty fees. Extendable Commercial Paper is supported by the City’s own credit rating and does not require a letter of credit from a bank, which lowers the overall program cost to the City. Costs are initially incurred to establish the program, and only thereafter if commercial paper is issued, requiring commercial paper Dealer services.

To support the execution of the General Purpose Capital Improvement Program, the City’s Co-Financial Advisors, Hilltop Securities Inc. and Estrada Hinojosa & Company, recommend the establishment of the tax-exempt Notes, to be issued from time to time, in an aggregate principal amount not to exceed \$350,000,000; and further recommend the selection of two providers to serve as commercial paper Dealer based on the size of the program.

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On April 30, 2026, the Office of Procurement Services issued a Request for Competitive Sealed Proposals seeking responses from qualified financial institutions to provide one or more services related to the establishment of separate short-term borrowing programs for the General Purpose Capital Improvement Program, Love Field Expansion Airport Program, and Stormwater Capital Improvement Program. Proposals specific to the Notes have been received and evaluated by the procurement evaluation committee, City staff, and the City's Co-Financial Advisors. As a result, Wells Fargo Securities (\$200 million) and JPMorgan Securities LLC (\$150 million) were deemed most favorable respondents for Dealer services. In an informal bid, U.S. Bank Trust Company, National Association was selected as commercial paper Issuing and Paying Agent.

This item authorizes the establishment of the General Obligation Extendable Commercial Paper Program as a cost-effective financial tool to support the implementation and execution of the General Purpose Capital Improvement Program. Pending approval of the ordinance, the effective date of the Notes is November 10, 2026.

Should you have any questions, please contact me or Jenny Kerzman, Assistant Director of Treasury, at jenny.kerzman@dallas.gov.

Service First, Now!



For

Jack Ireland
Chief Financial Officer

c: Kimberly Bizzor Tolbert, City Manager
Bertram Vandenberg, City Attorney (I)
Rory Galter, City Auditor (I)
Billerae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety

Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors