



# Finance Department

## Presentation to the City of Houston Budget and Fiscal Affairs Committee

### Upcoming Financial Transactions

February 3, 2026

Presented By:  
Melissa Dubowski – Finance Director



# Agenda

- **General Obligation (GO)**
  - a) Commercial Paper Program, Series E-1
  - b) Commercial Paper Program, Series J
- **Combined Utility System (CUS)**
  - a) Variable Rate Demand Bonds, Series 2004B-2
  - b) Variable Rate Demand Bonds, Series 2004B-4



# GO Variable Rate Exposure Summary

Liquidity Type	Series	Size (\$ millions)	Bank	Expiration	Requires Bank Facility
Commercial Paper	E-1	100	State Street	07/10/2026	Y
	E-2	100	Wells Fargo	04/22/2027	Y
	G-1	75	TD Bank	04/09/2027	Y
	G-2	125	Bank of America	11/2/2028	Y
	H-2	100	TD Bank	09/27/2028	Y
	J	125	State Street	05/21/2026	Y
	K-1	200	RBC <sup>(1)</sup>	02/02/2030	N
	K-2	200	RBC <sup>(1)</sup>	02/02/2030	N
<b>Total</b>		<b>1,025</b>			

**Total GO Debt Outstanding<sup>(2)</sup> \$3,749.7**

**Total GO Commercial Paper Outstanding<sup>(2)</sup> \$27.0**

**GO Current Variable Rate Exposure 0.7%**

<sup>(1)</sup> The RBC facilities K-1 and K-2 are Forward Bond Purchase Agreements.

<sup>(2)</sup> As of December 31, 2025, Monthly Financial Report.



# GO Commercial Paper Program, Series E-1

## Background:

- Commercial Paper (CP) has provided an expedient, cost-effective method of accessing cash and providing interim financing.
- General Obligation CP Program, Series E-1 (Series E-1) supports the City's capital improvement program.
- The underlying bank facility supporting the Series E-1 program of \$100 million provided by State Street is scheduled to expire on July 10, 2026.

## Next Steps:

- Depending on the renewal quote provided by the existing provider, the City may issue a request for term sheet in March 2026.
- An RCA is expected to be presented to City Council in Summer 2026.



# GO Commercial Paper Program, Series J

## Background:

- General Obligation CP Program, Series J (Series J) supports the City's capital improvement program.
- The underlying bank facility supporting the Series J program of \$125 million provided by State Street is scheduled to expire on May 21, 2026.

## Next Steps:

- Depending on the renewal quote provided by the existing provider, the City may issue a request for term sheet in February 2026.
- An RCA is expected to be presented to City Council in Spring 2026.



# CUS Variable Rate Exposure Summary

Liquidity Type	Series	Size (\$ millions)	Bank / Dealer	Expiration	Requires Bank Facility
Commercial Paper	B-1	100.00	Bank of America	08/19/2027	Y
	B-2	275.00	Morgan Stanley <sup>(1)</sup>	12/15/2039	N
	B-3	75.00	Sumitomo	12/31/2029	Y
	B-4	100.00	PNC Bank	07/12/2028	Y
	B-5	250.00	Morgan Stanley <sup>(1)</sup>	02/01/2030	N
	B-6	100.00	Bank of America	08/19/2027	Y
	B-7	100.00	JP Morgan	06/01/2027	Y
Subtotal		1,000.00			
Variable Rate Demand Bonds	2004B-2	100.00	Sumitomo	03/31/2026	Y
	2004B-3	75.00	Sumitomo	01/25/2030	Y
	2004B-4	75.00	JP Morgan	06/12/2026	Y
	2004B-5	100.00	RBC	10/22/2027	Y
	2004B-6	78.33	Sumitomo	01/25/2030	Y
	2012A	125.00	TD Bank	04/17/2028	Y
	2012B	100.00	TD Bank	05/21/2027	Y
	2018C	249.08	Bank of America	07/24/2029	Y
Subtotal		902.41			
Total Debt Outstanding <sup>(2)</sup>				\$6,276.8 Million	
Total Commercial Paper Outstanding <sup>(2)</sup>				\$0.0	
Total Unhedged Variable Rate Debt <sup>(2)</sup>				0%	

<sup>(1)</sup> The Series B-2 and B-5 are an Extendible Commercial Paper product.

<sup>(2)</sup> As of December 31, 2025, Monthly Financial Report.



# CUS Variable Rate Demand Bonds, Series 2004B-2

## Background:

- Variable Rate Demand Bonds (VRDB) are long term bonds, which are remarketed on a weekly basis, at short term interest rates. In order to be marketable, the VRDBs require liquidity facilities provided by a highly rated bank.
- The underlying bank facility supporting the Series 2004B-2 program of approximately \$100 million provided by Sumitomo is scheduled to expire on March 31, 2026.

## Next Steps:

- In January, the City issued a request for term sheet proposals from qualified financial institutions to provide liquidity facilities or other financing alternative.
- The proposals will be evaluated by the Finance Working Group.
- An RCA is expected to be presented to City Council on February 25, 2026.



# CUS Variable Rate Demand Bonds, Series 2004B-4

## Background:

- The underlying bank facility supporting the Series 2004B-4 program of approximately \$75 million provided by J.P. Morgan is scheduled to expire on June 12, 2026.

## Next Steps:

- Depending on the renewal quote provided by the existing provider, the City may issue a request for term sheet in March 2026.
- An RCA is expected to be presented to City Council in Spring 2026.



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**Questions?**