





1



2


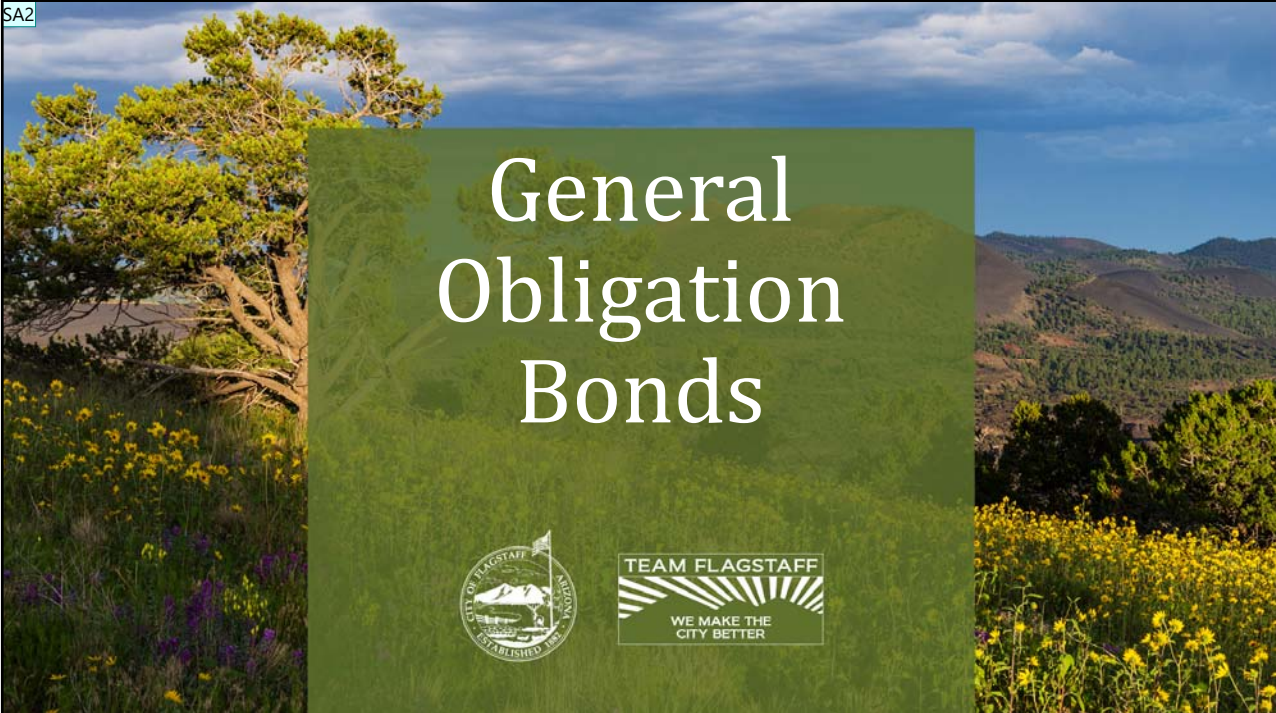


# Process





- April 2021: Direction from City Council about ballot measures
- May 2021-February 2022: Refining ballot measures, commission/committee input & gather public opinion
- March 2022: Recommendations to City Council
- June 2022: General Election & ballot measures called
- August 2022: Publicity pamphlet completed
- September-October 2022: Education by consultant and City staff
- November 2022: General Election

3

# General Obligation Bonds

4



## General Obligation Bonds



### What are General Obligation Bonds

- General Obligation Bonds (GO Bonds) are a debt financing option for Cities
- For the City to Issue GO Bonds,
  - Requires Council direction to add to ballot
  - We must receive Voter Approval
- Secondary property tax levy is the pledge to pay off the GO Bonds (highly favorable financing for investors)
- May be tax exempted or taxable bonds issued

5



## General Obligation Bonds



### Secondary Property Tax

- The City may only levy a secondary property tax for payment of debt, principal and interest, of GO Bonds
- Assessed Valuations can only increase by 5% annually
- Can only assess the amount to pay debt service estimates with allowances for delinquencies
  - Difficult balancing act, property values can fluctuate more than projections
  - Issuing debt payment based on projected values
- Counties allowed Levy for Special Districts and Debt

6



# General Obligation Bonds



## Bonding for Capital Costs versus Operational Costs

- Buildings, equipment, land, and like capital assets are the best use for bond financing.
  - These are one-time investments/expenditures
- Staffing, field maintenance and building maintenance are allowed, but not recommended
  - Bonds are not ongoing sources for maintaining our assets
  - Once bond moneys are spent, another source will need to pick up the costs of maintaining the assets
  - Has impact to tax exempt status, higher rates

7




# General Obligation Bonds




ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/ FAIL
11/5/1996	Improving Various Parks and Recreation Services	\$8,200,000	PASS
5/18/2004	Fire Fighting Facilities and Acquisition of Emergency Response Vehicles and Equipment	\$16,800,000	PASS
5/18/2004	Neighborhood Open Space and FUTS Land Acquisition	\$7,600,000	PASS
5/18/2004	Regional Open Space – Observatory Mesa Land Acquisition	\$5,500,000	PASS
5/18/2004	McMillan Mesa Open Space Land Acquisition	\$10,100,000	FAIL
5/18/2004	Multi-Generational Recreation Center: Expansion or New Construction	\$6,100,000	PASS
5/18/2004	Municipal Swimming/Aquatic Center Construction	\$8,600,000	PASS
5/18/2004	Lake Mary Regional Park and Other Parks Land Acquisitions	\$2,800,000	PASS
5/18/2004	Continental Park Recreational Field Development	\$3,100,000	FAIL
5/18/2004	Snow Play Area Development	\$4,100,000	FAIL

8




# General Obligation Bonds




ELECTION DATE	GENERAL OBLIGATION BOND QUESTION	AMOUNT	PASS/ FAIL
5/18/2004	Wastewater Improvements (*)	\$23,100,000	PASS
5/18/2004	Water Wells (*)	\$8,500,000	PASS
5/18/2004	Water Rights Acquisition/Water Development (*)	\$15,000,000	PASS
11/2/2010	Municipal Court House	\$23,000,000	FAIL
11/2/2010	Municipal Services Maintenance Center	\$42,000,000	FAIL
11/2/2010	Public Safety/City Operations Communications Systems	\$4,720,000	PASS
11/2/2010	Street and Utilities Improvements	\$16,500,000	PASS
11/6/2012	Forest Health and Water Supply Protection Project	\$10,000,000	PASS
11/6/2012	Core Services Maintenance Facility	\$14,000,000	PASS
11/8/2016	Municipal Court House	\$12,000,000	PASS
11/6/2018	Housing Affordability	\$25,000,000	FAIL

(\*) These items were approved as GO backed authorization; however, the payment source expected from water and wastewater rates.

9




# General Obligation Bonds




## Legal Limits – State Statute/Assessed Valuations

- **20% Limitation:** Water, sewer, artificial lighting, parks, open space, recreational facilities, public safety, law enforcement, fire and emergency services and street and transportation facilities
  - Bond capacity in this limitation = \$178M
- **6% Limitation:** (i.e. Housing, Climate Action)
  - Everything else
  - Currently no issuance under this limitation
  - Bond capacity in this limitation = \$67M

10



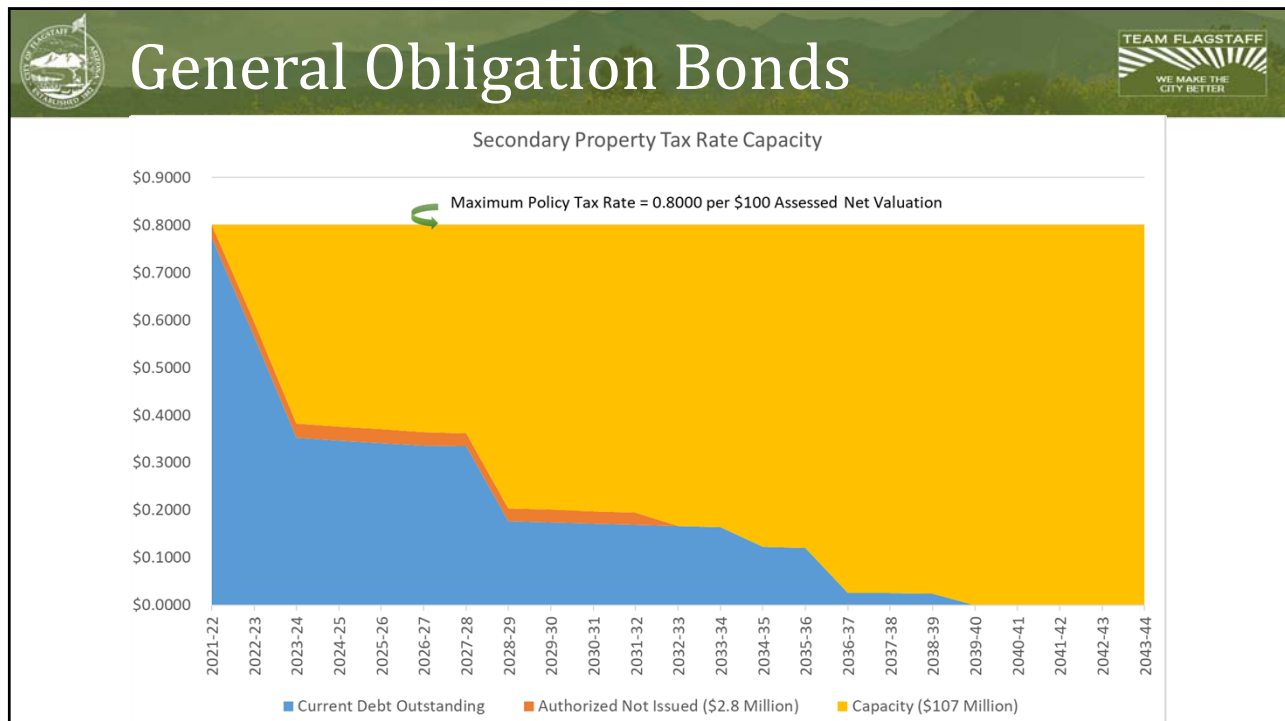
# General Obligation Bonds




## Policy Limits – City Imposed

- Current policy tax rate not to exceed 0.8366 per \$100 of Net Assessed Valuation (NAV)
  - This is based on promises made during past elections
  - The City allowed to go above this rate for purpose of paying debt
- Based on current projection of NAV
  - Estimated total capacity \$107M under current rate policy
  - Remaining capacity through FY 2044-45
- Current tax rate is 0.8000 per \$100 of NAV (Council Direction)
  - Estimated total capacity \$98M through FY 2044-45


11



12



# General Obligation Bonds



## Election Consideration

- Do not use full capacity in one election, layer over years
- As years pass, capacity grows
- Other Council election items being considered
  - Climate Action
  - Parks, Recreation and Open Space
  - Public Safety
  - Facilities
  - Alternate Response
  - Broadband

13



# Questions




14