



# General Obligation Bonds

May 16, 2023





# General Obligation (G.O.) Bonds

- Paid for using secondary property tax
  - Assumes a flat levy
- Must be authorized by voters
- Constitutional limits
  - Based on Net Assessed Full Cash Value
  - Outstanding G.O. debt may not exceed:
    - 20% for combined water, sewer, public safety, streets, transportation, open space, and parks
    - 6% for general municipal purposes
- 2021 legislation allows for repurposing bond authority

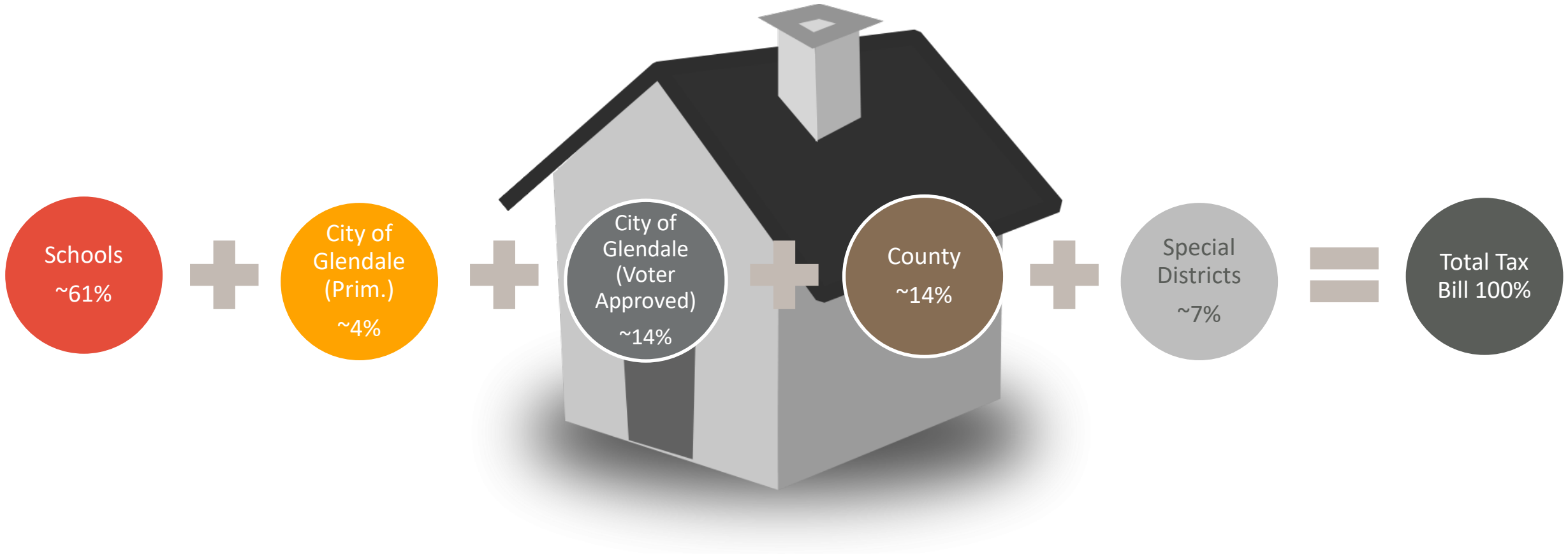


# Property Tax

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- Primary Levy Limit
  - Any general fund expense
  - Allowable 2% increase per year
- Secondary Levy Limit
  - Debt service on General Obligation (G.O.) bonds only
  - Currently flat levy
    - Assumes slight growth from new construction

# Property Tax





# Property Tax Bill Example (\$339k Home)

	2021		2022		Changes
Assessed Value	\$341,448		\$358,520		\$17,072
Full Cash Value	\$353,200		\$377,500		\$24,300
	<b>Property Tax Levy Calculation</b>				
	2021		2022		
	Rate	Levy	Rate	Levy	\$ Change
Schools/Education (62%)		\$2,116.39		\$1,973.65	(\$142.74)
<b>Glendale Primary (4%)</b>	<b>\$0.38</b>	<b>\$131.39</b>	<b>\$0.37</b>	<b>\$133.51</b>	<b>\$2.12</b>
<b>Glendale Secondary (13%)</b>	<b>\$1.34</b>	<b>\$457.85</b>	<b>\$1.40</b>	<b>\$465.25</b>	<b>\$7.40</b>
County (14%)		\$459.56		\$447.18	(\$12.38)
Special Districts (7%)		\$232.31		\$217.51	(\$14.80)
<b>Total</b>		<b>\$3,397.50</b>		<b>\$3,237.10</b>	<b>(\$160.40)</b>

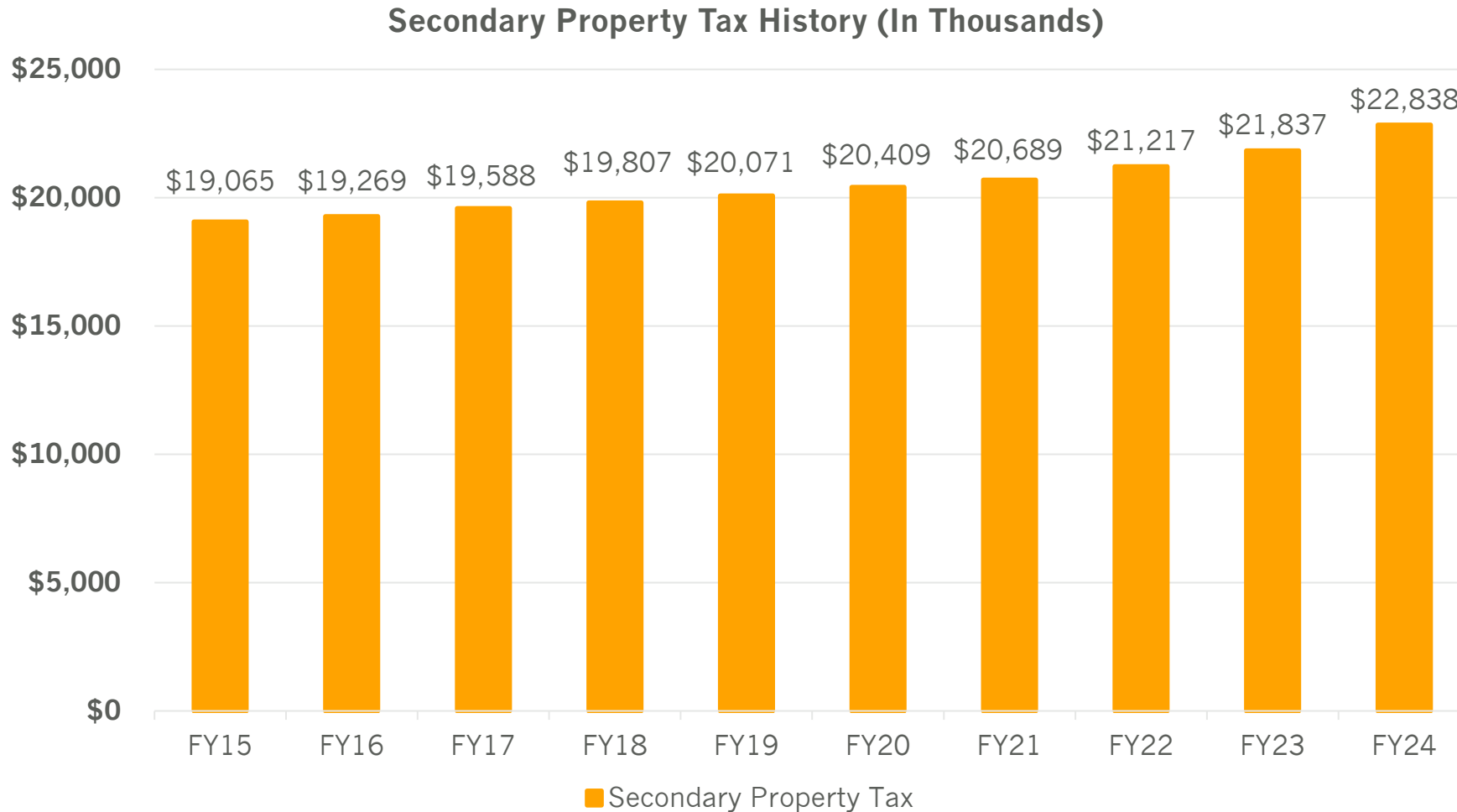


# Debt Management Policy

- Adopted by City Council in October 2020
- The City Council will not authorize the issuance of new G.O. bonds if the levy amount required to pay the debt service on the existing G.O. bonds plus the new G.O. bonds exceeds the amount of the current year's tax levy plus an amount of up to 2% per year for new growth (i.e. new property added to the tax rolls)
- Existing G.O. Debt Service + New G.O. Debt Service  $\leq$  Current Levy + 2% Growth

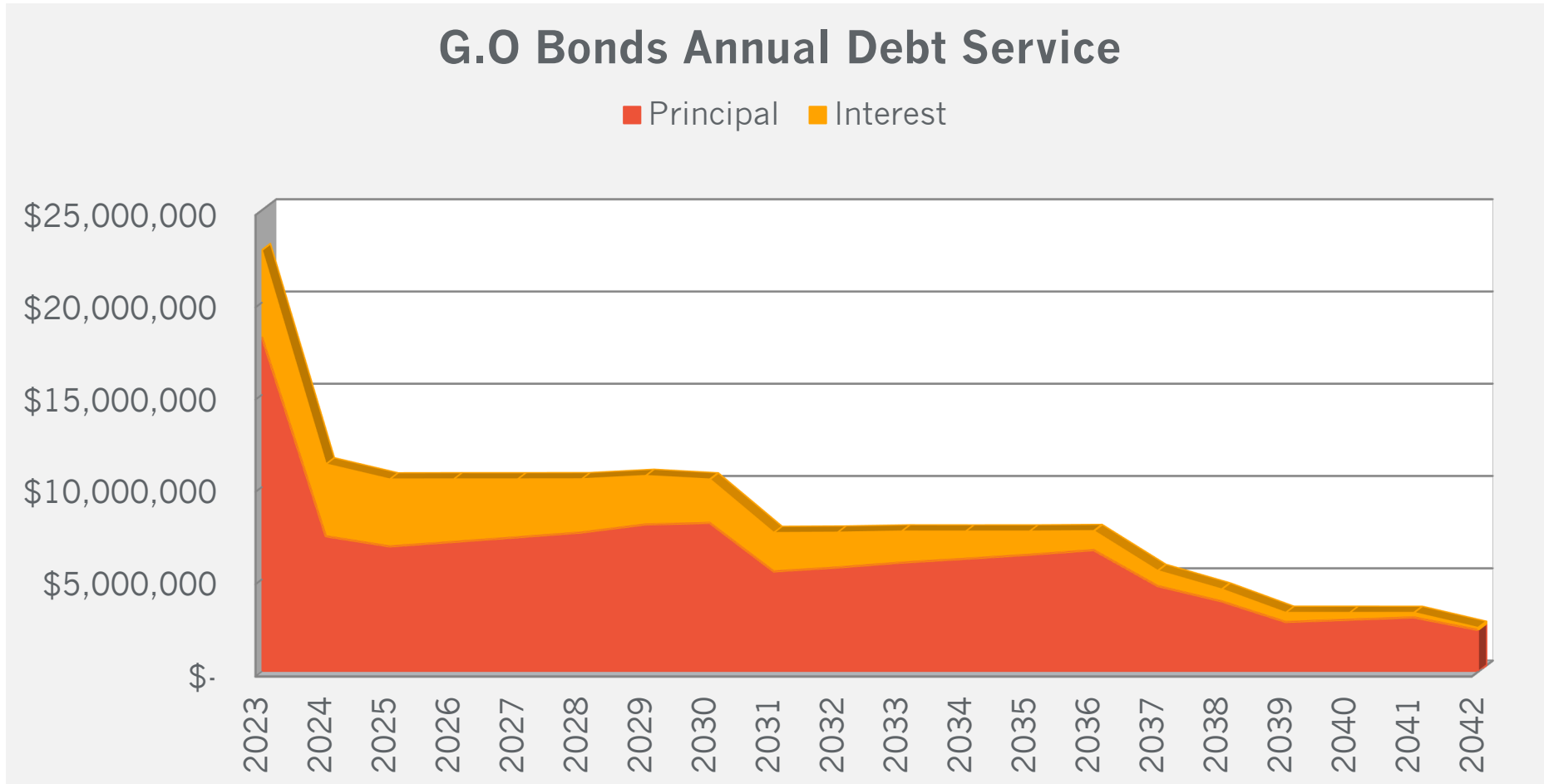


# Secondary Property Tax History





# G.O. Bond Debt Service Capacity





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Questions?