

# 2019 GO Bond Financing

City Council Meeting

April 22, 2019

## March 4, 2019

- Defined bonds
- Discussed bond types
  - General Obligation (G.O. Bonds)
  - Revenue Bonds
- Proposed bonds
  - G.O. \$17.4M

## April 22, 2019

- Update bond amounts
  - G.O. ~~\$17.4M~~ \$24.4M
- Review credit rating
- Authorize sale and issuance

## G.O. Bond Details

- \$24.4 million
  - \$24.2 million project costs
  - \$0.2 million cost of issuance
- 20-year financing (FY2019 – FY2039)
- Estimated interest rate 4%
  - \$11.3 million over 20-year term
- Source of repayment: secondary property tax

BOND TYPE/PROJECT	BONDS	OTHER FUNDS
<b>GENERAL OBLIGATION BOND PROJECTS</b>		
Police Department Administration Expansion	\$7.5 M	\$0.5 M
Resource Center	9.5 M	2.2 M
Festival Fields Park Enhancements/Improvements	7.2 M	10.3 M
<b>TOTAL</b>	<b>\$24.2 M</b>	<b>\$13.0 M</b>

## G.O. Bond Voter Authorization

PURPOSE	CURRENT AUTH	PROJECT	REMAINING AUTH
Water improvements (1995)	\$3,570,000		\$3,570,000
Water and sewer system improvements (1998 and 2007)	12,000,000		12,000,000
Street and highway improvements (1998 and 2007)	9,250,000		9,250,000
<b>Parks, community centers, recreational facilities (2007)</b>	<b>7,200,000</b>	<b>Festival Fields Park</b>	<b>0</b>
<b>Public safety facilities (2007)</b>	<b>13,000,000</b>	<b>Police Administration</b>	<b>5,500,000</b>
<b>General government facilities (2007)</b>	<b>17,000,000</b>	<b>Resource Center</b>	<b>7,500,000</b>

## G.O. Bond Capacity

		20% Limit	6% Limit
		Water, sewer, light, parks, open space, transportation, public safety	All other
Net assessed full cash valuation		\$569,188,401	\$569,188,401
Limit	X	20%	6%
Total capacity	=	\$113,837,680	\$34,151,304
Outstanding bonds	-	\$18,550,000	\$0
Remaining capacity	=	\$95,287,680	\$34,151,304

## Cost to Home Owner

- Property valued at \$100,000 by county
- \$0.4009 rate attributed to new bonds in FY2020
- Homeowner pays additional \$40 in FY2020



## Ratings

- Moody's Investors Service, Inc
  - Aa2
  
- Fitch Ratings
  - AAA

## Action

- Ordinance No. 1690-416
  - Sale of bonds, levy of tax
  - Approving related documents
  - Delegation to Mayor, City Manager, Finance Director
  - Adopting continuing disclosure procedures
  - All other actions necessary for transaction

## Next Steps

- Early May: Bond closing
- Early June: Update to Council

## 2019 Bond Financing

Questions or Comments?