

Bond Oversight Committee

February 12, 2007

Agenda



- Introductions
- Election Results
- Committee's charge
- Bond Election Process
- CIP Process
- COA Financial Capacity
- Looking Forward: Meeting #2
- Organization and "Housekeeping"

Election Results



■ P1 (Transportation)	\$103m	72.18%
■ P2 (Watershed)	\$145m	68.60%
■ P3 (Parks)	\$84.7m	72.68%
■ P4 (Cultural)	\$31.5m	57.35%
■ P5 (Housing)	\$55m	62.68%
■ P6 (Central Library)	\$90m	60.10%
■ P7 (Public Safety)	\$58.1m	71.00%
Total	\$567.4m	

Summary of Charge



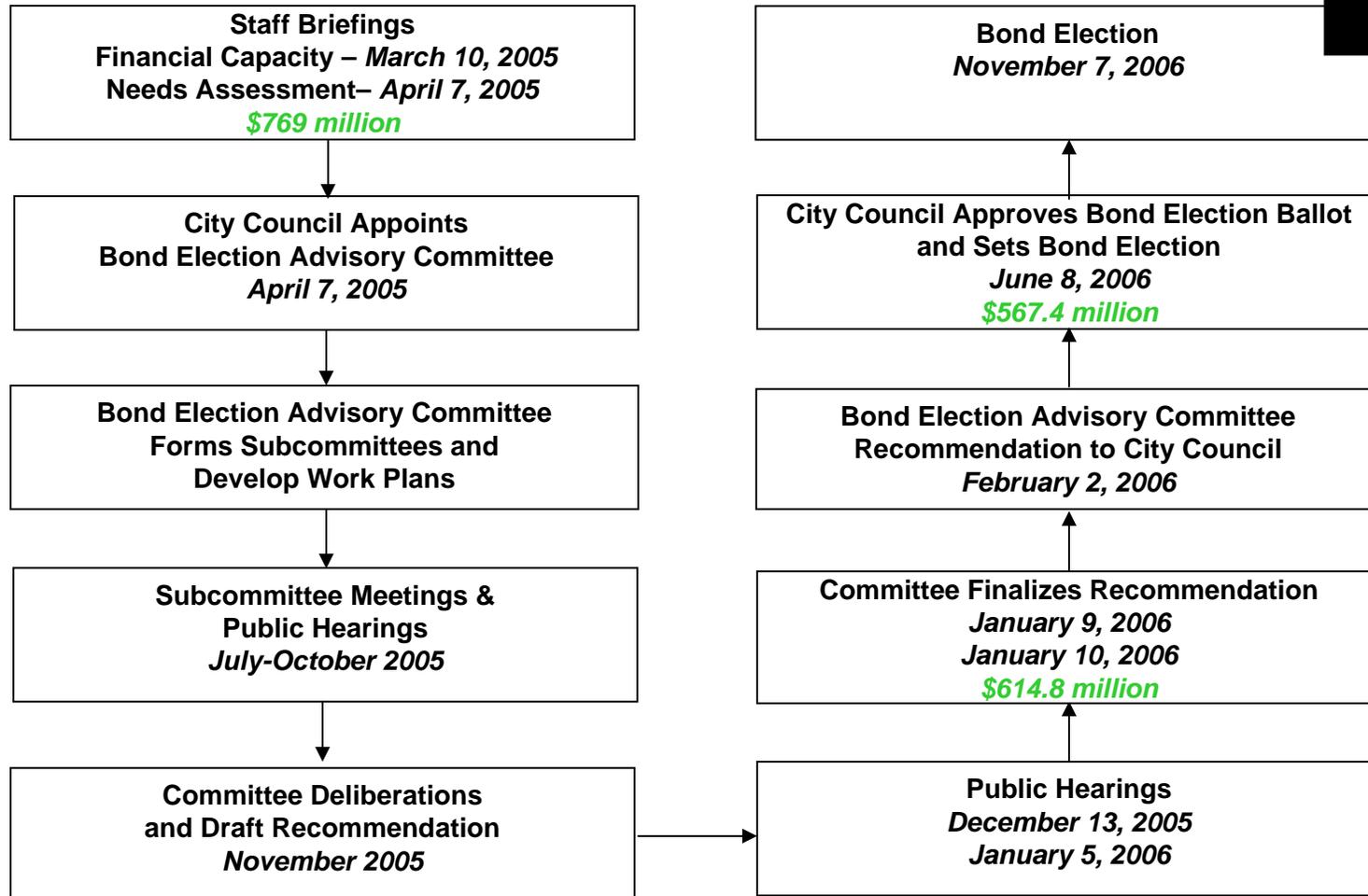
- Ensure accountability, efficiency, and equity
- Meet minimum of once every 6 months
- Review the implementation of projects and programs approved in 2006 bond election (timeliness and constancy)
- If necessary, consider changes in local economy, City financial condition
- Annually provide a written report to Council

Feb. 1 Council Meeting



- BOC charged with making a recommendation on the proposed \$85 million bond appropriation for the current fiscal year
- Must report back within 30 days
- Target: March 1, 2007 Council Meeting

Bond Election Process



Bond Election Process



- Council approved a 7-year, \$567.4 million bond package
- Signified:
 - 7 propositions
 - Less than 3 cents on the tax rate
 - \$5 million for O&M
 - 65% of bonds are for core infrastructure needs

CIP Process



- CIP outlines the City's projected major capital improvements over the next 5 years
- CIP takes into account financial capacity AND capacity to execute projects
- Proposed CIP is reviewed by the Planning Commission, which in turn makes its recommendation to City Council
- BOC reviews 2006 bond-related CIP plan

CIP Process



- City Council holds public hearings on the operating and capital budgets and adopts the budget in September
- First year of CIP is called the Capital Budget
- Funds are appropriated to coincide with project timetable and progress

Financial Capacity

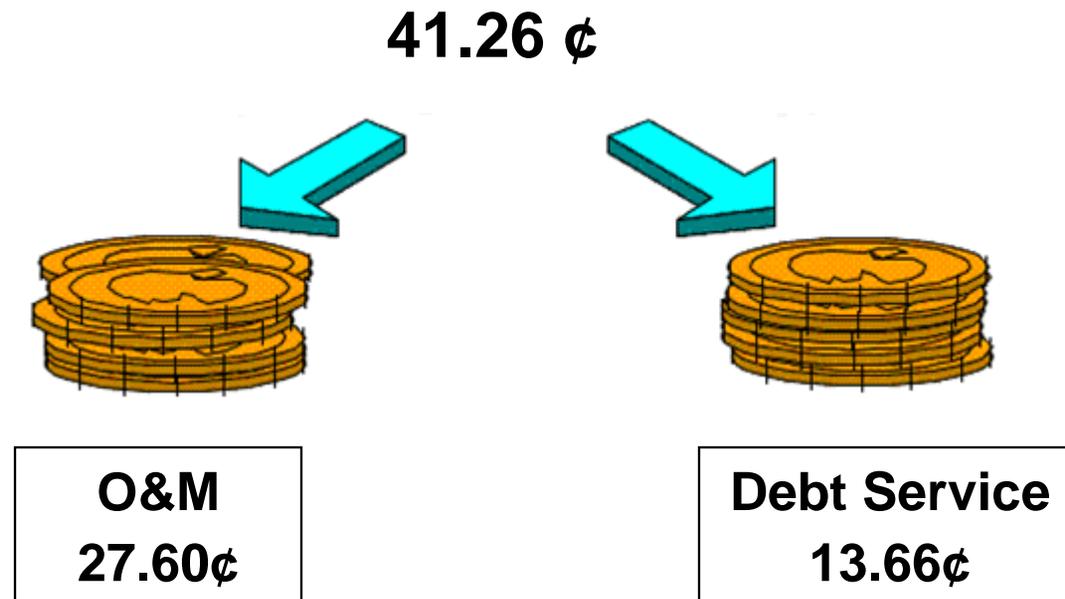


- General Obligation Debt – backed by “full faith and credit” of the City’s capacity to tax
 - Public Improvement Bonds
 - Certificates of Obligation
 - Contractual Obligations

- City sells bonds each August



2007 Tax Rate



- Tax rate will change for FY 2008, including a 1¢ increase for debt service



Financial Capacity

- June 8th, 2006 Council Action
 - Adoption of 7 year bond program, instead of the typical 6 year program, allowed the City to have a bond election above \$530 million, but still with only a 2 cent tax impact
 - Debt to Assessed Valuation: 1.25%
 - Debt per Capita: \$1,184



Financial Capacity

- Debt for 2006 Bond Election
 - Debt will be issued over the next 7 years
 - Financial policy to use “reimbursement resolutions”
i.e. debt for \$85 million budget amendment will be sold in August 2007



Financial Capacity

- August 2007 Bond Sale (FY 2008 Debt Service)
 - approx \$100 Million in Capacity
 - \$15 million associated with 2000 Bonds
 - leaving approx \$85 million for 2006 Bonds

Meeting #2



- Presentations from Department Directors:
 - Bond program
 - 2006-07 budget amendment

- Confirm Meeting date of February 23rd

BOC Organization



- Elect “chair and any other officers necessary”
- Procedures
- Regular meeting times (for after Feb.)



Questions / Comments