



FINANCIAL SERVICES DEPARTMENT

Update on Annual General Obligation Bond Sale

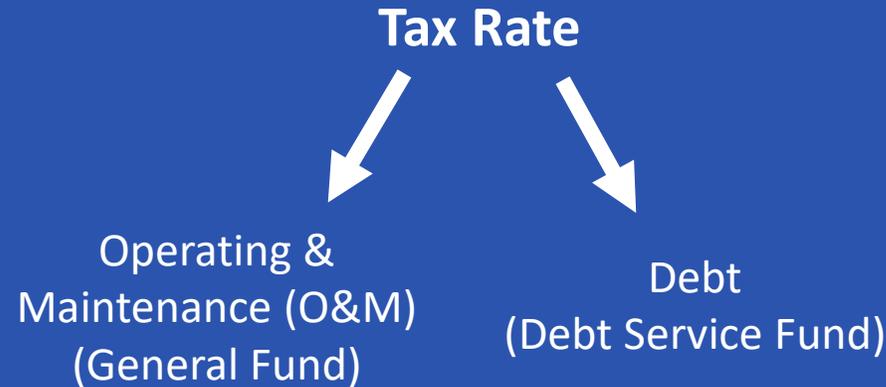
Belinda Weaver, Treasurer

Joey Kellar, Division Chief - Treasury



General Obligation Debt

- Property Tax Rate has 2 components



- Debt Service tax rate set each year at level needed to fund principal and interest payments on debt issued and pledged with property tax
- Pays both existing debt service and debt service associated with upcoming General Obligation bond sale

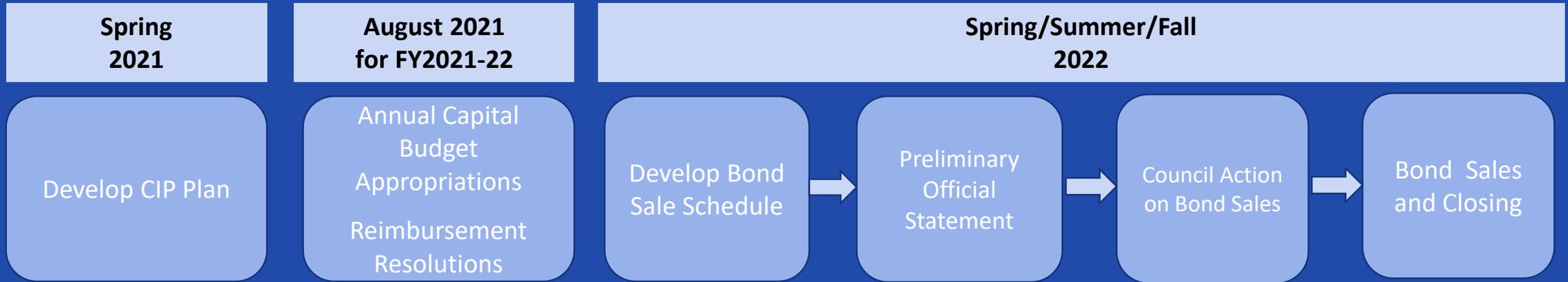
General Obligation (GO) Debt



- GO Debt = Public Improvement Bonds, Certificates of Obligation, and Contractual Obligations
 - \$1.675 billion in outstanding General Obligation debt
 - Issued once per year
 - Backed by property (ad valorem) taxes and “full faith and credit” of the City

Types of GO Debt	Purpose	Voter Approval	City Term
Public Improvement Bonds (PIBs)	Capital Improvement projects and capital assets	Yes	20 years
Certificates of Obligation (COs)	Real property: land, buildings, right of way, construction of a public work	No	20 years
Contractual Obligations (PPFCOs)	Personal property: equipment, machinery, vehicles, information technology	No	7 years

Steps to Sell or Issue Debt



- Work on upcoming bond sale began Spring 2021
- Debt to be sold in upcoming bond sale supports projects and appropriations (authority to spend) previously approved by City Council
- Use of Reimbursement Resolution allows projects to begin now and get funded later
 - Consistent with IRS regulations
 - Consistent with Financial Policies regarding cash management
 - Results in lower interest costs

GO Bond Sale – Series 2022



September Sale:

Public Improvement Bonds (PIBs) - \$200.00 M

- 2016 Bond Program (Transportation): \$110.00 M
- 2018 Bond Program: \$81.00 M
 - Affordable Housing - \$60.00 M
 - Parks and Recreation - \$15.00 M
 - Flood Mitigation/Open Space/Water Quality - \$3.00M
 - Library & Cultural – \$3.00 M
- 2020 Bond Program: \$9.00 M
 - Transportation - \$9.00 M

GO Bond Sale – Series 2022



- **Entire bond sale supports projects and related appropriations already approved by City Council**
- After September 2022 bond sale, there will be \$1,454.895 million in remaining voter authorized general obligation bonds to sell
 - 2006 Bonds - \$4.000 M
 - 2012 Bonds - \$14.480 M
 - 2016 Bonds - \$437.905 M
 - 2018 Bonds - \$547.510 M
 - 2020 Bonds - \$451.000 M

GO Bond Sale Timeline



- Summer 2022 – Prepare Preliminary Official Statement or bond offering document
- September 1, 2022– Council Action: Authorize General Obligation Bond Sales
- September 13, 2022 – Bond Sale
- October 13, 2022 – Closing and Delivery of Bonds

Questions?



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