

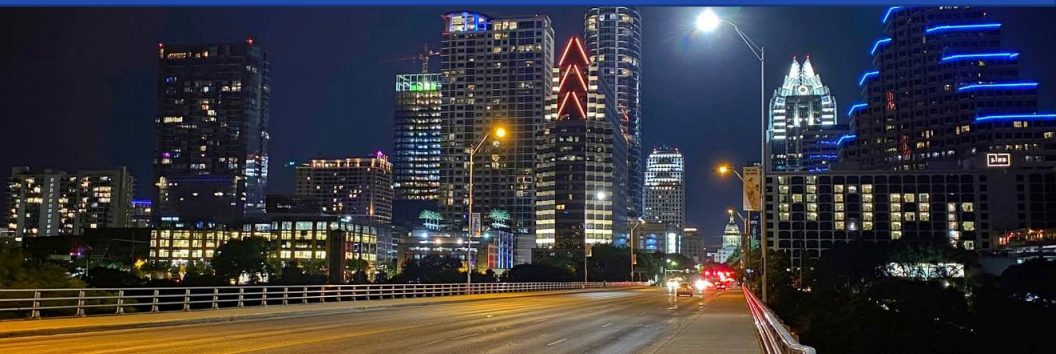


# FINANCIAL SERVICES DEPARTMENT

## Update on Annual General Obligation Bond Sale

Belinda Weaver, Treasurer

Joey Kellar, Division Chief - Treasury

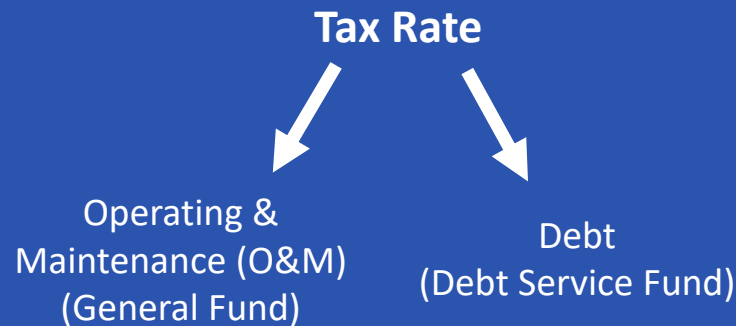


# General Obligation Debt



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- 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



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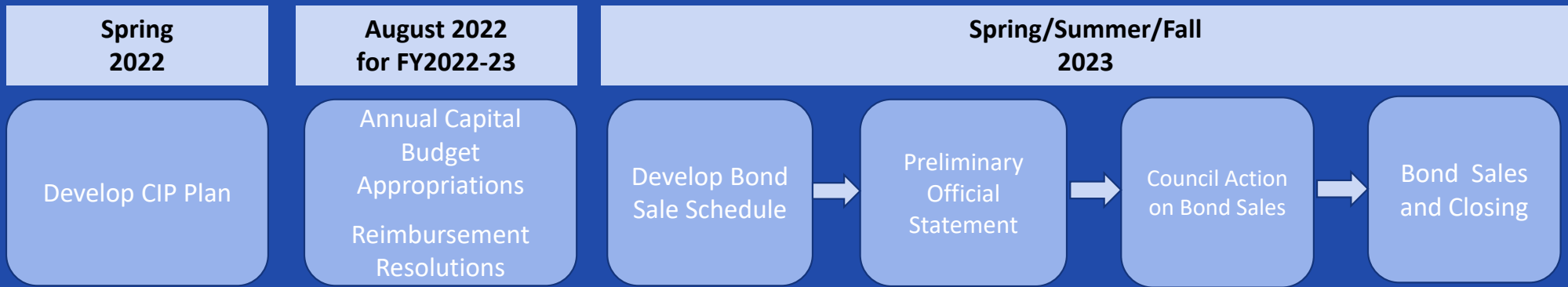
- GO Debt = Public Improvement Bonds, Certificates of Obligation, and Contractual Obligations
  - \$1.665 billion in outstanding General Obligation debt
  - Issued once per year
  - Backed by property (ad valorem) taxes and “full faith and credit” of the City

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



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- Work on upcoming bond sale began Spring 2022
- 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 2023

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## ***September Sale:***

### *Public Improvement Bonds (PIBs) - \$170.50 M*

- 2012 Bond Program: \$5.00M
  - Transportation - \$5.00 M
- 2016 Bond Program (Transportation): \$80.00 M
- 2018 Bond Program: \$60.50 M
  - Transportation - \$30.00 M
  - Parks and Recreation - \$15.00 M
  - Library & Cultural – \$8.00 M
  - Flood Mitigation/Open Space/Water Quality - \$6.50M
  - Public Safety - \$1.00 M
- 2020 Bond Program: \$25.00 M
  - Transportation - \$25.00 M

# GO Bond Sale – Series 2023

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- **Entire bond sale supports projects and related appropriations already approved by City Council**
- After September 2023 bond sale, there will be \$1,634.399 million in remaining voter authorized but unissued general obligation bonds
  - 2006 Bonds - \$4.000 M
  - 2012 Bonds - \$9.484 M
  - 2016 Bonds - \$357.905 M
  - 2018 Bonds - \$487.010 M
  - 2020 Bonds - \$426.000 M
  - 2022 Bonds - \$350.000 M

# GO Bond Sale Anticipated Timeline



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- Summer 2023 – Prepare Preliminary Official Statement or bond offering document
- August 31, 2023– Council Action: Authorize General Obligation Bond Sales
- September 12, 2023 – Bond Sale
- October 10, 2023 – Closing and Delivery of Bonds

# Questions?



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