Overview

- Capital Planning Process
- Financing Capital Projects
- General Obligation Bonds
- Debt-Related Financial Indicators
- Results from Previous City Bond Referenda
  - 2000
  - 2014

Capital Planning Process

- Identify Unfunded Needs/Citizens' Capital Needs Committee: September – December 2017
- City Mayor and City Council Capital Needs Workshops: January – March 2018
- Community Capital Needs Meetings: April – May 2018
- Adopt 2019-2024 CIP and Begin Process for November Bond Referendum: June – July 2018

Financing Capital Projects

- Must be authorized by State law.
- Federal law exempts interest paid on most state and local government obligations from federal income tax.
- Local Government Commission (LGC) – Established in 1931 in response to depression – Approval usually required to issue debt

Forms of Financing

- Public Issues
  - General Obligation Bonds
  - Revenue Bonds
  - Special Obligation Bonds
  - Limited Obligation Bonds
- Private Placements
  - Installation Purchase Contracts
  - Capital Leases

All financings require City Council approval.
Public hearings are required when there is a pledge of taxpayer revenues. Public approval is required for most financings.
Statutory net debt limitation restricts some forms of borrowing.
General Obligation Bonds

- Simplest form of borrowing available to local governments.
- Secured by the full faith and credit of the city and the promise to levy any amount of property tax necessary to repay the debt.
- Promise to levy tax can be enforced by bondholder.

General Obligation Bonds

- Voted
  - Approved by referendum
- Bond Order Categories
  - Established by referendum
    - General Government
    - Economic Development
    - Housing
    - Public Safety Facilities
    - Parks and Recreation
    - Streets and Sidewalks

NOTE: Cannot transfer bond proceeds between categories

Debt-Related Financial Indicators

- Legal Debt Margin - 8% of assessed property valuation or $1.5 billion
- City's current debt margin is 0.5%.
- Financial Policy limits per capita debt $1,000
- City’s per capita debt June 30, 2017 $500

1¢ tax increase = $30 million in General Obligation Financing

2000 Bond Referendum

<table>
<thead>
<tr>
<th>BOND ORDER</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Economic Development</td>
<td>$12,500,000</td>
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<tr>
<td>Housing</td>
<td>6,400,000</td>
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<tr>
<td>Public Safety Facilities</td>
<td>11,500,000</td>
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<tr>
<td>Streets and Sidewalks</td>
<td>40,000,000</td>
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<tr>
<td>GENERAL OBLIGATION BOND TOTAL</td>
<td>$71,000,000</td>
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2000 Bond Referendum Results

- 76% for Public Safety Facilities
- 67% for Streets and Sidewalks
- 60% for Housing
- 67% for Economic Development

- Yes
- No
## 2014 Bond Referendum

<table>
<thead>
<tr>
<th>BOND ORDER</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>Economic Development</td>
<td>$25,000,000</td>
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<tr>
<td>Housing</td>
<td>10,000,000</td>
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<tr>
<td>Public Safety Facilities</td>
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<tr>
<td>Parks and Recreation</td>
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<td><strong>GENERAL OBLIGATION BOND TOTAL</strong></td>
<td><strong>$139,200,000</strong></td>
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## 2014 Bond Referendum Results

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<tr>
<th>Component</th>
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<th>No %</th>
<th>Yes %</th>
<th>No %</th>
<th>Yes %</th>
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<tr>
<td>Streets and Sidewalks</td>
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<td>71%</td>
<td>29%</td>
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<td>41%</td>
<td>71%</td>
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