GENERAL OBLIGATION BONDS 2025

March 25, 2025

Background

- November 3, 2020 – voters approved bond election for $21M of GO Bonds to construct an Aquatic Facility.
- The City has purchased land and entered into a design contract for the facility.
- Toal budget is now estimated at $32M.
- Additional funding will come from a $1M private donation and $10M of fund balance from the general fund.
- Stifel Nicolaus & Company will serve as underwriter for the bonds.

Discussion

- Resolution provides for the sale and issuance of the series 2025 bonds
- Approves agreements and documents necessary to issue bonds
- Delegates authority to the City Manager and CFO to determine terms, rates and maturities of the bonds.
- Authorizes and ratifies all other actions taken to consummate the sale and issuance of the bonds.

Discussion – Documents approved

- Preliminary Official Statement – Offering document to potential investors. Includes general description of the bonds, sources and uses of funds, estimated debt service requirements among other financial data.
- Continuing Disclosure Agreement – Outlines the City's responsibilities to provide ongoing financial information, and notice of certain financial events for the life of the bonds.
- Bond Purchase Agreement – Agreement with Stifel, acting as underwriter, to purchase the bonds from the City
- Bond Registrar and Paying Agent Agreement – An agreement to help facilitate a registration of bond ownership and payment to bond holders.

Discussion – Delegation

- Delegates authority to the City Manager and CFO to determine:
  - Date and principal amount of the bonds (not to exceed $21M)
  - Maturity dates (not to exceed 25 years)
  - Interest rates, based on bids from investors (not to exceed 8%)
  - Call dates
  - Sales date, price and closing costs

Discussion – Budget

- Bonds have been programmed into the Budget for 2 years.
- Repayment source is Secondary Property Taxes.
- The Combined Property Tax Rate (primary and secondary) will not increase in FY 26 as a result of the issuance of the bonds.
- Current year rate – $2.6796
- FY 2026 projected rate - $2.6760

Recommendation

Staff recommends the Mayor and Council adopt Resolution 2597, providing for the sale and issuance of $21M of General Obligation bonds for the design and construction of the Aquatic Center.

Questions?