

BOND REFERENDUM

Discussion of Staff

Recommendations & Timeline



Council Work Session

April 15, 2024

Agenda

1.

Borrowing Q & A

2.

2024 vs 2025 Timeline

3.

Staff Recommendation

4.

Future Year Capacity

5.

Council Discussion

We have \$50 million in debt capacity, without raising taxes.

We can put a bond referendum on the ballot this year or next.

We need clear direction from you on projects and timing ASAP.

2024

- Funding will be available sooner.
- Council agreement on projects must happen faster, with less specificity.

2025

- Funding will be available later.
- Council has more time to agree on projects, and more specific projects.

Borrowing Q & A

Why Borrow with Bonds?

- Secure, sustainable way for local governments to finance major capital projects
- Best practice for AAA rated municipalities
- Allows us to spread out costs to match the benefits of the projects for those paying taxes for debt service
- Generally used for projects with costs of more than \$1 million and life span of more than 10 years

What's the Difference in G.O. and LOBS?

General Obligation

- Requires a referendum
- Backed by full faith & credit
- Lowest interest rate
- Popular projects that community will vote for

Limited Obligation

- Does not require a referendum
- Backed by a collateralized asset
- Slightly higher interest rate
- Needed but less favorable projects

What about the \$40M Bonds from 2015?

Bond Order	Authority Available	Staff Recommendation
Parks & Recreation	\$ 2,700,000	Do not issue; expires in 2025
Solid Waste	\$ 5,200,000	Do not issue; expires in 2025
Stormwater*	\$ 3,200,000	Issue \$2.5M for Bolinwood Bridge; \$.7M expires in 2025

* Debt serviced from Stormwater Fund, not Debt Fund

Is Police Station Lease Considered Debt?

- Operating lease payment acts as debt, therefore payments will be made from Debt Fund
- Estimate of \$1.5 million annual lease was included in debt capacity analysis
- If costs are higher, it would affect debt capacity in outer years

2024 vs 2025 Timeline

2024 Referendum Schedule

**Winter
'24**

**Evaluate/
prioritize
projects**

**Spring
'24**

**Council
Approves
Referendum**

**Summer
'24**

**Education
Campaign
Starts**

**Nov
'24**

**Public
Vote on
Referendum**

**Early
'25**

**First
Bond
Issuances**

2024 Council Deadlines

Referendum Plan	May 1
Preliminary Findings Resolution	May 15
Introduce Bond Orders, Set Public Hearing, Filing of Debt Statements	June 5
Hold Public Hearing, Adopt Bond Orders, Set Ballot Questions & Referendum Date	June 17

2025 Referendum Schedule

**All
2024**

**Evaluate/
prioritize
projects**

**Winter
'25**

**Council
Approves
Referendum**

**Spring
'25**

**Education
Campaign
Starts**

**Nov
'25**

**Public
Vote on
Referendum**

**Early
'26**

**First
Bond
Issuances**

Things to think about when you think about timing...

- Presidential election in 2024
- County bond referendum planned for fall of 2024
- Deadline for decision-making about projects
- Sense of urgency

Staff Recommendations

Project Evaluation Criteria

- Impact
- Urgency
- Tradeoffs
- Co-benefits
- Resilience lens
- Effective use of limited resources
- Alignment w/Complete Community
- Racial Equity lens
- Shovel-readiness
- Staff capacity
- Alternative funding/partnerships

We recommend \$6.5 million in Limited Obligation Bonds for 2024.

Parking Deck	\$ 2.0 million*
Ladder Truck	2.5 million
Police Station Upfit	2.0 million
TOTAL	\$ 6.5 million

* Total to borrow is \$12M but \$10 M was included in original capacity calculations

We Recommend a \$44 Million Referendum in 2024 or 2025.

Public Safety Facilities	15.0 M
Affordable Housing	10.0 M
Streets & Sidewalks	10.0 M
Parks & Recreation Facilities	4.5 M
Public Facilities	2.5 M
Open Space/Greenways	2.0 M
TOTAL	44.0 M

**PUBLIC
SAFETY
\$15M**

Fire Station 4*

Fire Station 3

- Fire Station cost only

**AFFORDABLE
HOUSING
\$10M**

Legion Road

LIHTC project

**STREETS &
SIDEWALKS
\$10M**

Fordham Sidepath

ADA Transition

Ephesus Sidewalks

Raleigh Rd Sidepath

**PARKS & REC
FACILITIES
\$4.5**

Artificial Turf at
Homestead,
Southern

Climbing wall,
pickleball,
splashpad

**PUBLIC
FACILITIES
\$2.5**

Climate Action
projects,
including rooftop
solar and EV fleet

**OPEN SPACE &
GREENWAYS
\$2.0M**

Bolin Creek
Greenway
extension

**Not
Recommended
for Referendum
(\$106M)**

Street Resurfacing	\$10.0 M
Townwide Sidewalks	3.5 M
Downtown Streetscape (per mile)	18.5 M
PW Building #1 Addition	6.0 M
Historic Town Hall Renovation	10.0 M
Joint Training Center	15.0 M
P&R Admin Building/Clay Studio	4.5 M
Recreation Facility Upgrades	2.0M
Affordable Housing	8.5 M
Solid Waste Transfer Station	10.0 M
Police Station Property Remediation	18.0 M

Future Capacity

Future Funding Considerations

- Next referendum could be sometime after 2032
- Another \$50 million referendum with possible issuances:
 - \$15 million in FY 2033
 - \$20 million in FY 2035
 - \$15 million in FY 2037
- Amounts dependent on East Rosemary Deck revenue generation, 2026 Orange County revaluation, Police lease

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