

ITEM #: 26  
DATE: 03-25-25  
DEPT: FIN

**COUNCIL ACTION FORM**

**SUBJECT: PUBLIC HEARING AND NOTICE OF INTENT TO ISSUE \$13,500,000  
ESSENTIAL CORPORATE PURPOSE GENERAL OBLIGATION BONDS,  
\$235,000 GENERAL CORPORATE PURPOSE GENERAL OBLIGATION  
BONDS AND ASSOCIATED TAX LEVY FOR DEBT PURPOSE**

**BACKGROUND:**

The Fiscal Year (FY) 2025/26 Budget includes several capital improvements funded through General Obligation (G.O.) Bonds. A public hearing is required to authorize the issuance of these bonds and the associated property tax levy necessary for debt repayment. The proposed bond amounts and corresponding property tax levy are incorporated into the FY 2025/26 budget.

The G.O. Bonds and related debt service levy outlined in the FY 2025/26 budget are based on the projects listed in the table below. Formal approval from the City Council will be required at a later date to authorize the bond sale, which is anticipated to occur shortly after the start of the new fiscal year.

In addition to the \$13,610,195 allocated for G.O. Bond-funded capital projects, the issuance authorization includes an additional allowance of up to \$124,805 to cover issuance costs and provide flexibility for selling bonds at a premium above their face value. However, the total debt issued will not exceed the amount required to support the property tax levy included in the proposed budget.

The public hearings and pre-levy resolutions are necessary to establish the property tax levy for debt service on bonds expected to be issued as part of the FY 2025/26 budget. The pre-levy amount of \$1,543,962 is included within the total debt service property tax levy of \$12,180,953 for all outstanding G.O. debt.

Additionally, the recommended FY 2025/26 budget includes \$880,000 in revenue-abated G.O. Bonds to support land acquisition and engineering/design for the new Resource Recovery and Recycling Campus. Given that the project remains in its early development stages, staff recommends deferring the authorization process for the bond issuance for this project until the project's financial requirements are more clearly defined.

The Capital Improvement Plan for FY 2025/26 includes the following G.O. Bond-funded projects:

|  |            |  |
|--|------------|--|
| Fire Station Alerting System (General Corporate Purpose) | \$ 211,905 |  |
| Asphalt Street Pavement Improvements                     | 4,000,000  |  |
| Concrete Pavement Improvements                           | 3,800,000  |  |
| Seal Coat Street Pavement Improvements                   | 1,000,000  |  |
| Collector Street Pavement Improvements                   | 500,000    |  |
| Alley Pavement Improvements                              | 400,000    |  |
| Downtown Street Pavement Improvements                    | 250,000    |  |
| Traffic System Capacity Improvements                     | 1,520,000  |  |

|   |         |                      |
|---|---------|----------------------|
| Intelligent Transportation System             | 367,540 |                      |
| Airport Airside Improvements                  | 531,750 |                      |
| Airport Facility Improvements                 | 329,000 |                      |
| Ada Hayden Heritage Park                      | 700,000 |                      |
| <b>Subtotal Tax Supported Bonds</b>           |         | <b>\$ 13,610,195</b> |
| <b>Estimated Issuance Costs</b>               |         | <b>124,805</b>       |
| <b>Grand Total 2025/26 G.O. Bond Issuance</b> |         | <b>\$ 13,735,000</b> |

**ALTERNATIVES:**

1. Authorize the issuance of Essential Corporate Purpose General Obligation Bonds in an amount not to exceed \$13,500,000, authorize the issuance of General Purpose General Obligation Bonds in an amount not to exceed \$235,000, and authorize the associated tax levy for repayment.
2. Do not authorize the issuance of Essential and General Corporate Purpose General Obligation Bonds for the projects noted above. **This alternative will prevent the City from completing the bond-funded projects reflected in the FY 2025/26 CIP.**

**CITY MANAGER'S RECOMMENDED ACTION:**

**Prior to the issuance of debt, state law requires that a public hearing be held, and associated pre-levy resolution be adopted. This is a required step in order to accomplish the Council's approved capital improvements for the upcoming fiscal year.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

**ATTACHMENT(S):**

[FY 2025-26 GO Bond List.pdf](#)