

To make our debt levy target manageable, the ballot issue should include authorization for bond issuance large enough to provide accommodation for unpredictable changes in assessed valuation and interest rates. Once we have authorization from the voters, we can manage our financing needs and the structure of each bond issue to match up our debt service requirements to the levy thereby avoiding large swings in our debt service levy.

Staff has prepared estimates for some of the recently discussed projects as follows:

Two fire stations and equipment \$12 to \$15 million
Police Department renovation \$3 to \$5 million
Performance Space and Farmers Market additional funding \$8 to \$10 million

Voter approval of an amount in the range of \$23 to \$30 million should meet the financing needs for these projects and allow the flexibility needed to maintain the debt levy.

Background:

Since 1980, the City's Debt Service tax levy has ranged from a low of \$0.32 per \$100.00 assessed valuation in 1988 and 1989 to a high of \$0.71 in 1985. There were only five years since 1980 that the debt levy has been lower than the current level of \$0.4697. The current level has been maintained since 2007.

Bette Wordelman, Finance Director

Committee Recommendation: Informational only. No action necessary.