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## SALT LAKE CITY COUNCIL STAFF MEMO

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**DATE:** September 5, 2003

**SUBJECT:** General Obligation Special Bond Election Resolution Motions

**AFFECTED COUNCIL DISTRICTS:** Citywide

**STAFF REPORT BY:** Michael Sears, Budget & Policy Analyst

**ADMINISTRATIVE DEPT.**

**AND CONTACT PERSON:** Management Services Department, Rocky Fluhart

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### OPTIONS AND MOTIONS:

1. ["I move that the Council"] **Adopt a resolution providing for the holding of a special bond election to determine if the City shall issue and sell general obligation bonds of the City in an aggregate amount not to exceed \$45,300,000 for the purpose of paying the costs of various facilities and improvements for the benefit of the City and its inhabitants.**
2. ["I move that the Council"] **Not adopt a resolution providing for the holding of a special bond election to determine if the City shall issue and sell general obligation bonds of the City in an aggregate amount not to exceed \$45,300,000 for the purpose of paying the costs of various facilities and improvements for the benefit of the City and its inhabitants.**

### KEY ELEMENTS:

The City Council reviewed the General Obligation Special Bond Election procedures as a written briefing agenda item during the August 7, 2003 work session and during briefings on August 12 and September 2, 2003.

During the briefing on September 2<sup>nd</sup>, the Council requested that the Administration work with the City's bond counsel to prepare a resolution that meets the necessary State statutes governing the issuance of general obligation bonds, holding a special bond election and preparing the final ballot language for those projects to be included in the election. Also during the briefing some Council Members discussed whether or not to include language about the potential need for a future property tax increase necessary to pay for the operating and maintenance costs associated with each project. This notification is not included in the draft language that has been provided. Bond Counsel has indicated that it could also be included in the voter information pamphlet.

If the Council does wish to include the language about a potential tax increase on the ballot, it could adopt language such as:

For the sports complex: “approval of this item will result in an increase to the City’s ongoing costs for operation and maintenance of City facilities. It is possible / likely that a property tax increase for the City’s operating fund, beyond this bond funding, would be imposed to address the ongoing operation and maintenance of this project”;

For the library project: “approval of this item will result in an increase to the City Library’s ongoing costs for operation and maintenance of Library facilities. A property tax increase for the Library’s operating fund, beyond this bond funding, would be imposed to address the ongoing operation and maintenance of these two branch libraries. This operating increase would be in addition to a tax increase that is currently contemplated to expand the operations at the Main Branch Library”;

The Council also discussed whether to specify the match requirements for the various projects in the bond language or in City policy. Placing the limitations in the bond language would be binding upon the City and would reduce the flexibility of the elected officials. The policy approach would allow for the flexibility but Council Members have pointed out that with this approach there is no way to guarantee that representations made during the campaign and public education process would be met since the policy limitations could be changed at any time.

The Council during their discussion on the proposed Sports and Recreation Complex project indicated that they would like to allow for participation of partners at whatever site is chosen. After review of the ballot language on the sports complex, the inclusion of the word “education” would allow for increased partnering possibilities and allow the complex to develop with as much flexibility as possible. The Council may wish to have the word education added to the ballot language for the sports complex.

The attached resolution for Chapman and Cutler, bond counsel addresses the Council’s request and provides final ballot language for the special bond election projects. Bond counsel has also reviewed the ballot language for the projects that were considered but not requested for inclusion into the special bond election resolution.

The Council discussed meeting as the Board of Canvassers on Monday, November 10, 2003 at 5:00 PM to canvass the results of the special bond election. The resolution before the Council includes a reference to this meeting.

cc: Rocky Fluhart, Cindy Gust-Jenson, Dan Mulé, Steve Fawcett, Gordon Hoskins, Rick Graham, Alison Weyher, Kevin Bergstrom, David Dobbins, David Nimkin and DJ Baxter

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