

Midway City Council
12 February 2024
Strategic Planning Meeting

Open Space
Bond



Memo

Date: 22 January 2024
To: Mayor, City Council and Staff
Cc: File
From: Brad Wilson, City Recorder
RE: Bonding

It has been suggested that Midway City again bond for the preservation of open space. The following items need to be considered for such a bond:

- A general obligation (GO) bond would have to be issued. Other types of bonds like lease revenue bonds cannot be used.
- GO bonds must be on the ballot and approved by a majority of the voters. In 2024 this would be the general election on November 5th.
- The City Council needs to approve a resolution 75 days before the election (August 22nd) placing the bond issue on the ballot.
- The resolution needs to include the exact language that will be on the ballot including the amount of the bond.
- The bond language strictly sets the parameters and limits of the bond. This includes what the bond money may or may not be used for.
- Once the resolution has been adopted then the City must be a neutral party. It can provide unbiased information but cannot advocate for or against the bond. This specifically means that city resources cannot be used for advocacy (City email, tax revenue, website, etc.). Individuals including council members may use their personal resources for advocacy.
- Once the resolution has been adopted, then the City needs to prepare a voter information pamphlet that includes pros and cons with rebuttals. The pamphlet must be fair and provide both sides of the issue. It must be provided to all residents.
- The City may issue the bonds if authorized by the voters. The bonds will be issued on the open market. The interest rate will be determined by the market. It is anticipated that the rate for the second bond would be higher than the rate for the first. The first bond was issued in 2021 for 20 years at a rate of 2.28%. The current average rate for 20-year municipal bonds is 3.55%.

Please contact me if you have any questions.