

City Council hears presentation on ‘GO Bonds: 101’

Talks began Tuesday that could move Bartlesville voters closer to deciding funding approval for several City projects later this year.

During the regularly scheduled Jan. 3 City Council meeting, City staff presented “General Obligation (GO) Bonds 101,” including information regarding the City’s current bond capacity and possible dates for a 2017 election.

“A GO bond is a debt instrument issued by the City, backed by the full faith and credit of the City,” said CFO/Administrative Assistant Mike Bailey. “What makes them (GO bonds) special is they are approved by voters.”

GO bonds are secured by ad valorem, or property tax revenues and are, in fact, one of only two ways a municipality to levy ad valorem tax revenues, Bailey said. The other is by court ordered judgment, he said.

The City of Bartlesville has a self-imposed 15-mil cap for its GO bond debt service. Bonds are issued over time in a series, or “tranche,” as the old bonds mature. GO bonds are typically held by banks, and interest rates are determined by the interest rate environment and the municipality’s bond rating at the time. The City of Bartlesville’s current Standard & Poor’s rating stands at AA-

“Our rating is very favorable,” Bailey said. “It’s one of the best in the state for municipalities.”

Water Utilities Director Terry Lauritsen provided some history on the City’s GO bonds, saying that since 2001, Bartlesville voters have approved more than \$48 million in GO bond funding.

GO bonds received voter approval in 2001, 2005, 2008 and 2012, ranging from \$10 million to \$15 million in 2012. GO bonds have financed some of the City’s most significant projects over the years, including the construction of the Madison and Price Road fire stations and more than \$22 million in street improvements.

City Manager Ed Gordon told the council that City staff has, at any given time, \$80 million to \$100 million in possible projects for the community. If an election is called, the council would be tasked with narrowing the list and identifying projects for voter consideration.

“There are needs all over our community,” Gordon said. “There are always more needs than there is money.”

Should the council opt to proceed, workshop meetings could be scheduled to discuss possible projects and funding structures.

No action was taken on the matter, as the agenda item was for discussion only.

For more information, as well as a detailed description of the City's bonding capacity and history of General Obligation bonds, see [\(LINK\)](#).