



**Budget, Governance, and Intergovernmental Relations Council
Committee Meeting Summary**

**Monday, May 5, 2025
CH-14 at 2:00 pm**

COMMITTEE AGENDA TOPICS

Agenda Overview

Debit Financing and Hospitality Revenue Policy Update

COMMITTEE INFORMATION

Committee Members Present: Lawana Mayfield, Tiawana Brown and James Mitchell were present, Dimple Ajmera was absent.

Staff Resources: Shawn Heath, City Manager's Office
Teresa Smith, Chief Financial Officer
Matthew Hastedt, City Treasurer

DISCUSSION HIGHLIGHTS

Committee member James Mitchell, substituting for Chair Dimple Ajmera, called the meeting to order and asked everyone to introduce themselves.

Teresa Smith, Chief Financial Officer, provided an informational update on the city's debt financing strategies, aligning with the Well-Managed Government Council priority.

Ms. Smith elaborated on the various types of debt utilized by the city. General obligation bonds, backed by the city's full faith and credit and requiring voter referendums, are primarily repaid through property taxes. Revenue bonds, on the other hand, are secured by specific revenue streams, such as water and sewer fees. Certificates of participation are typically used for funding facilities and equipment, with the asset itself serving as collateral. A newer method, special obligation bonds, will be used for projects like the Bank of America Stadium improvements and are pledged by specific revenue sources like hospitality taxes. Short-term financing instruments like bond anticipation notes and commercial paper are also employed for interim funding during construction periods.

The presentation also outlined the city's credit entities and their associated ratings, highlighting the benefits of the city's AAA rating in accessing favorable market conditions. Matthew Hastedt, City Treasurer, then provided further insights, particularly regarding the city's past use of commercial paper and its potential resurgence due to evolving market dynamics. He assured the committee that the choice between bond anticipation notes and commercial paper is market-driven and has no adverse impact on the city's credit rating.

Looking ahead, Ms. Smith presented a proposed calendar of financing activities for 2025, including airport revenue bonds, water and sewer revenue bond refunding, and financing for affordable housing and street improvement programs. Notably, the initial construction financing for the Bank of America

Stadium project is anticipated in the fall using commercial paper. Mr. Hastedt concluded with a brief market update, acknowledging the current volatility and the typical 90-day lead time required for debt sales following Local Government Commission (LGC) approval.

The committee members engaged in discussions, emphasizing the importance of transparency for residents regarding these financial mechanisms and requesting more frequent updates on the financing calendar.

Committee Member Tiawana Brown asked if the presentation, typically done annually, could potentially be done twice a year given the city's rapid growth.

Mr. Mitchell requested that future presentations to include the specific projects within each funding bucket to improve citizen understanding and suggested a follow-up update towards the end of the calendar year (around December) to review the funded projects.

Meeting adjourned at 2:30 p.m.