

## BETHANY G.O. BOND ELECTION AUGUST 23, 2022 - FREQUENTLY ASKED QUESTIONS

### WHAT ARE WE VOTING ON?

The City of Bethany asks its citizens to vote on four General Obligation (GO) bond propositions to repair and improve the city's infrastructure.

#### **PROPOSITION ONE : STREETS - \$7,020,000**

Specific streets and intersections are identified for construction and improvement of paving, curbs and sidewalk improvements, traffic signalization and pedestrian crosswalk improvements, and required driveway approach reconstruction. There are projects in each of Bethany's Four Wards.

*Passage of this proposition would increase ad valorem on a \$100,000 home in Bethany approximately \$1.79 per month.*

#### **PROPOSITION TWO: PARKS - \$1,230,000**

Improving the amenities at Bethany's six busiest parks is needed for safety and security. It also provides a quality-of-life benefit all Bethany residents can enjoy. Playground equipment, restroom facilities, and Bethany's first dog park are things Bethany citizens have identified as priorities in surveys.

*Passage of this proposition would increase ad valorem on a \$100,000 home in Bethany approximately \$0.31 per month.*

#### **PROPOSITION THREE: PUBLIC SAFETY - \$2,250,000**

While sales tax funds our first responders operations, additional funds for needed building repairs and updates are not. This proposition provides:

**POLICE STATION** - New roof and state-mandated secure evidence storage room.

**FIRE STATION** - Update and expand the fire station constructed in the 1960s, so that it can accommodate modern equipment as well as quarters for female firefighters.

**ANIMAL WELFARE** - Update the animal welfare facility, both interior and exterior, as well as a new air conditioner.

*Passage of this proposition would increase ad valorem on a \$100,000 home in Bethany approximately \$0.58 per month.*

#### **PROPOSITION FOUR: STORM DRAINAGE - \$4,500,000**

Stormwater drainage has long been a problem in Bethany. The underground drainage system is under sized to carry the volume of heavy rains. This will let Bethany begin addressing the long-standing flooding issues, and also help in attracting matching state and federal funds, multiplying the investment.

*Passage of this proposition would increase ad valorem on a \$100,000 home in Bethany approximately \$1.15 per month.*

### WHAT ARE BONDS AND WHY ARE THEY NEEDED?

General Obligation (GO) Bonds are utilized by municipalities to fund physical (infrastructure) projects. They are highly regulated, must be used for their stated purpose, and cannot be used for staffing or operational expenses. Upon approval of its citizens, cities sell bonds to municipal bond investors to raise funds for specific capital investments. The bonds are paid back over time from ad valorem taxes at an interest rate locked in at the time they are sold.

### DO OTHER CITIES USE BONDS?

Most municipalities issue bonds to keep their infrastructure up to date. In Oklahoma County the cities of Oklahoma City, Warr Acres, The Village, Nichols Hills, and Midwest City all utilize municipal bonds. With passage of these four bond propositions, Bethany ad valorem taxes would still be below the rates of all of those cities.

### WHAT ABOUT WATER? IS THAT BEING ADDRESSED?

The revenue generated by water, sewer, and trash services are utilized to provide those services. There are funds designated to address some major improvements needed in these areas already.

### WHY THESE PROJECTS, AND WHY NOW?

Unlike almost all of the cities surrounding us, Bethany has not made substantial investments in our infrastructure for decades. As each year passes, the conditions get worse and the need becomes greater.

Bethany's current city leadership recognized this need and created a process, with a citizen GO Bond committee. Appointed from each council ward, they met for almost a year and evaluated Bethany's needs, both now and in the future. They looked at staff reports and citizen surveys as they considered the priorities, while also trying to keep the scope of the projects in an affordable range for the citizens.

On May 16, 2022 the City Council approved an ordinance sending this package for a vote of our citizens. The election is set for August 23, 2022.

The things these propositions address have no revenue source to pay for these projects. Bethany voters now get to choose if they want to make investments to improve these aspects of our city or not.

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### WHAT WILL THIS COST AND HOW LONG WILL IT LAST?

The total amount required to pass **all four bonds** is **\$15M**. It would increase ad valorem tax on a home valued at \$100,000 by **\$3.83** per month. They would be fully paid in 20 years.

### HOW IS THE CITY FUNDED?

In Oklahoma, cities are funded entirely by sales, use, hotel, and franchise (paid by utilities) taxes. Bethany has budgeted \$7.4M from these sources this year (FY23). The City of Bethany receives NO FUNDS from property taxes, income taxes or any other revenue source.

### HOW WERE THE COSTS FOR THESE PROJECTS DETERMINED?

Engineers and Bond Experts with practical experience on dozens of similar municipal projects informed the estimates about the costs and contingencies for these proposals.

### WHAT IF THE COSTS ARE MORE THAN THESE ESTIMATES? WILL OUR COSTS INCREASE?

The amount stated in the proposition is set. It can not increase. There is a 30% contingency built into the estimate to cover any variations. The funds raised through the bond issue are highly regulated and can only be used for the purpose they are approved for.

### DO WE HAVE TO PASS THEM ALL?

By law, a bond proposition can only address a specific item. Citizens have the opportunity to consider and vote for each proposition separately.

### WHAT IF WE DON'T PASS THESE BONDS?

There is not money available or budgeted to address these needs. All City of Bethany revenue is currently being utilized to keep Bethany's services operating.

If these Bonds do not pass, Bethany will not be able to address these needs. Cuts in the approved operating budget would have to be made to fund items required by law (*like the secure evidence room for the police station*). That will impact service.

Failure to pass the bonds could also mean that Bethany will not qualify to receive and utilize matching funds provided by the state and federal government.

### WHAT ABOUT GRANTS?

Bethany's current city leadership has received almost **\$4M** in grants since October 2020. This includes \$3M in CARES Act and ARPA funds, utilized for storm clean up, water, and sewer accounts. Another million was secured through requests large and small for program-specific funding, and in-kind donations and services from government and private sector sources.

Another **\$3M** in grants have been approved and the city is awaiting receipt, including \$2.5M which the City Council has designated for use on sewer projects.

Bethany has applied for another \$25M for projects, notably water and sewer, from federal and state sources. Bethany may not be awarded all it has requested, but has ramped up quickly in applying for grants, which it had not been consistently utilizing over the previous five years. .

### TIME TO CATCH UP VS. FALLING FURTHER BEHIND

The 1990s were the last time Bethany passed bonds to support municipal infrastructure, and they were paid off in 2003. Rather than establishing a pattern of routine maintenance and updating, Bethany mostly relied on repairing things as they broke. Eventually things wear out, or replacement parts are no longer available.

In 2016 Bethany Residents approved a bond to build the new Library and all-abilities playground. This new structure has already sparked new interest and investment nearby, but more is needed.

### BETHANY'S FUTURE: STAYING COMPETITIVE

Communities are in constant competition for new development, bringing better housing, good jobs, and investment to the community.

Cities that are most successful at this are those that have modern, efficient infrastructure and places where the citizens prioritize the future, seeing the value in supporting their municipality with quality amenities and services.

Cities where citizens squabble and fail to take care of their infrastructure are not attractive to new business growth. Given the choice, investors reject those environments and instead select places that are collaborative and consistently improving.

Bethany has the bones to be that positive place. We have the opportunity to start that process toward progress by voting YES on August 23, 2022