



## FY 2019 Recommended Budget Budget Question

Board Question #: 39

**BUDGET QUESTION:** Do we have authority under the bond referendum to borrow in FY 2020 and beyond for more space for Social Services?

**RESPONSE:** We do not have existing referendum authority for this project, so we could not borrow using General Obligation (GO) bonds.

The Debt Referendum Policy within the County's overall fiscal policies requires that "All new facility construction projects or acquisitions that exceed available budgeted funds will be subject to voter referendum, unless financed through revenue-supported mechanisms (i.e., water/sewer revenue bonds)." The policy permits the Board to waive the self-imposed referendum requirement for new facility construction "to meet a critical health and/or public safety need, in conjunction with a court order, or to realize an economic benefit to the County." If the policy were waived, we could finance through a mechanism other than GO bonds, but would pay a higher interest rate to do so. It is the Debt Referendum Policy requirement and the availability of the \$8 million within the General Fund balance that cause us to recommend cash funding for this project.