



# City Council Work Session

Monday, May 10, 2021  
4:30 p.m.

Council Chambers Conference Room  
88 E. Chicago St., Chandler, AZ



## Work Session

Pursuant to Resolution No. 4464 of the City of Chandler and to A.R.S. 38-431.02, notice is hereby given to the members of the Chandler City Council and to the general public that the Chandler City Council will hold a WORK SESSION open to the public on Monday, May 10, 2021, at 4:30 p.m., in the Chandler City Council Chambers Conference Room, 88 E. Chicago Street, Chandler, Arizona. One or more members of the Chandler City Council may attend this meeting by telephone.



From left to right: Councilmember Matt Orlando, Councilmember Rene Lopez, Vice Mayor Mark Stewart, Mayor Kevin Hartke, Councilmember OD Harris, Councilmember Christine Ellis, Councilmember Terry Roe

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at 480-782-2181 (711 via AZRS). Please make requests in advance as it affords the City time to accommodate the request.

Agendas are available in the Office of the City Clerk, 175 S. Arizona Avenue.

## Agenda

### Call to Order

### Discussion

1. **Presentation and discussion regarding the proposed 2021 Chandler Bond Election.**

### Adjourn





**City Council Memorandum    City Manager's Office Memo No.**

**Date:** May 10, 2021  
**To:** Mayor and Council  
**From:** Joshua H. Wright, Acting City Manager  
**Subject:** Proposed 2021 Chandler Bond Election

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**Attachments**

Proposed 2021 Chandler Bond Election Presentation





**CHANDLER**  
arizona

*GUST  
ROSENFELD*  
*100 YEARS • 1921-2021*

# Bond Election Work Session

Council Conference Room

May 10, 2021, 4:30 p.m. – 6:00 p.m.

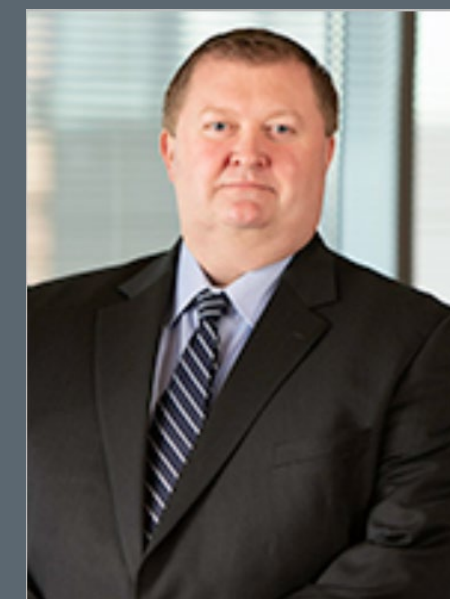






# Timothy A. Stratton, Partner Gust Rosenfeld P.L.C.

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Bond Counsel, City of Chandler





# Agenda

- Bond Process Overview
- City Bond Counsel Overview
  - Background on Arizona Election Laws and Process
  - Publicity Pamphlets
- Bond Election Ballot Questions
  - Overview of General Obligation Bond Questions
  - Education vs. Advocacy
- Bond Election Education Plan of Action
- Next Steps







# Bond Process Overview

# Citizen Bond Exploratory Committee



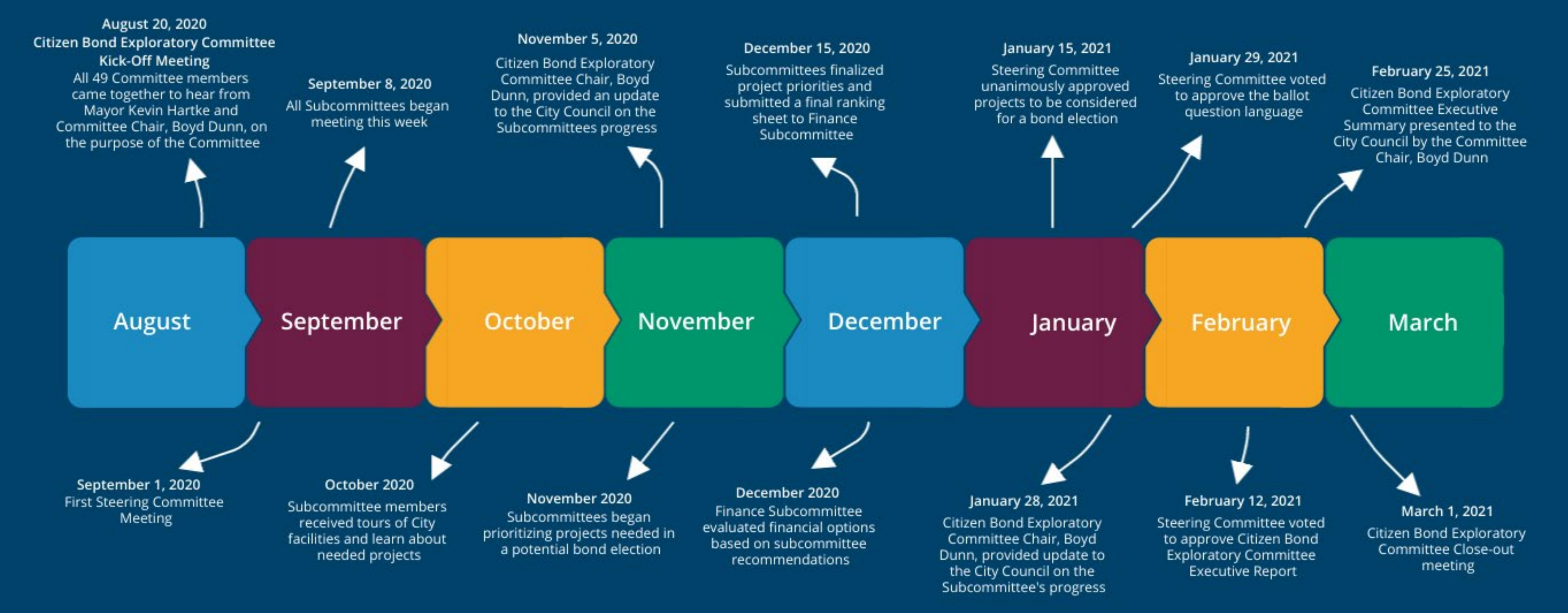
## City of Chandler Citizen Bond Exploratory Committee



- Boyd Dunn, Chair, Finance Subcommittee
- Trinity Donovan, Public Safety Committee
- Mark Gildersleeve, IT Subcommittee
- Ron Hardin, Public Works Subcommittee
- Ted Huntington, Parks Subcommittee
- Nina Mullins, Facilities Subcommittee
- David Sperling, Airport Subcommittee



# Citizen Bond Exploratory Committee Timeline



# Bond Election

[Home](#) | [Government](#) | [Boards, Commissions and Committees](#) | [Citizen Bond Exploratory Committee](#) | **Bond Election**

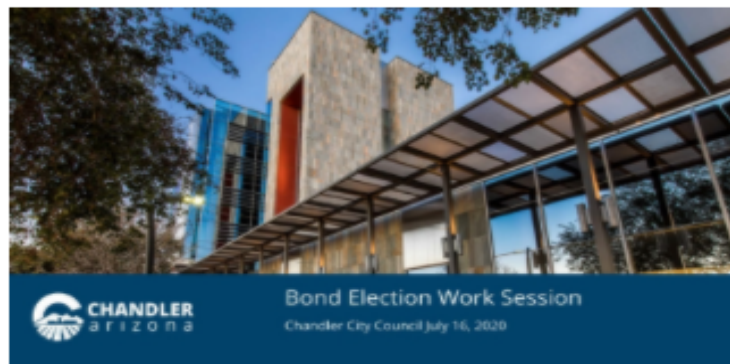
Bond Elections are held in order for a community to sell ad valorem debt or debt that is based on property assessed value, commonly referred to as General Obligation Bonds. It is required by State law for a City to obtain voter approval through “bond authorization”.

This process ensures transparency with the public and allows taxpayers to decide what community enhancements or infrastructure they are willing to pay for through property taxes. When a City draws down its bond authorization by selling bonds, it can pay the debt over the life of the capital asset, minimizing the impact on taxpayers today.

## Would you like to share your thoughts and ideas?

Comments will be reviewed and considered as part of the process to provide a recommendation to the City Council.

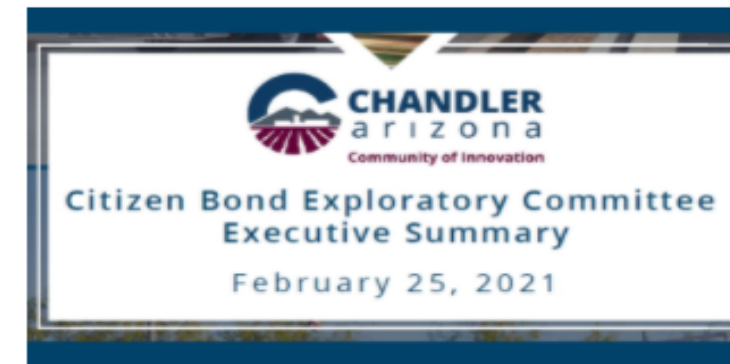
[Submit Feedback](#)



**Bond Election Work Session**  
July 16, 2020



**Bond Election Kickoff**  
Aug. 16, 2020



**Citizen Bond Exploratory Committee Executive Summary**  
Feb. 25, 2021

# Public Communication

- CAPA launched public information campaign in November
- New section on City's website created to be hub for all information. [chandleraz.gov/bondelection](http://chandleraz.gov/bondelection)
- Social Media posts and articles released in November



# Citizen Bond Exploratory Committee Recommendation



**Grand Total**  
**\$272,685,000**

Maintains property tax rate



Parks

**\$72,985,000**



Fire

**\$25,160,000**



Police

**\$55,190,000**



Facilities

**\$33,570,000**



Streets

**\$85,780,000**



# City Bond Counsel Overview



# Why Do We Need An Election?



Authorize the City to borrow money for approved capital projects



The foundation that Bond Counsel relies on to issue an unqualified opinion that the bonds have been duly and validly issued



Chandler's bond authorization needed to support 10-year Capital Improvement Plan





# GO Bond Elections

- Secured by ad valorem taxes
- Order of the election by the political subdivision governing body (i.e., City Council) or petition signed by 15% of the qualified electors
  - Transaction costs may come from authorized amount, but bond election expenses to be paid from current operating funds only
- Notice of election per A.R.S. 9-812 and 39-204 (not publication)
- Election held at the regular voting places on the first Tuesday following the first Monday in November
- Publicity Pamphlet is required
- Ballot form must include certain language – for example, “the issuance of these bonds will result in a property tax increase...”
- Authorization does not expire





# Publicity Pamphlets



## Legal Statues of the Publicity Pamphlet

- A.R.S. Section 35-454 requires that the purposes be listed in the publicity pamphlet and limits the use of bond proceeds to the purposes stated
- The purposes set out in the publicity pamphlet may be different than the language in the ballot

## Requirements

- A.R.S. Section 35-454. Not less than 35 days before the election, mail to every household with a registered voter
  - *Sherman v. Tempe* – before the election means before early voting begins



# Publicity Pamphlet

## Substantive Content Requirements

- Amount of Bonds
- Maximum Interest Rate
- Estimated Debt Service Schedule for Current Outstanding Bonds
- Estimated Debt Service Schedule for Proposed Bonds
  - Limits on assessed value growth assumptions
- Source of repayment
- Estimated issuance costs
- Estimated total cost (including P&I)
  - bold font
- Polling location for the addressee



- Estimated tax impact on certain types of properties:
  - Residential (\$250,000)
  - Commercial (\$1,000,000)
  - Agricultural/Vacant (\$100,000)
- Projects and expenditures for which the bonds are to be issued
- Hours during which polls will be open
- Current outstanding GO debt and Constitutional limitation
- Pro/con arguments





# Publicity Pamphlet

## Pro/Con Arguments

Governing body must specify the deadline to submit in the Resolution

Publish deadline (doesn't say how to publish, so use the standard found in A.R.S. 39-204)

Political subdivision may charge a fee for arguments  
(Chandler charges \$150)

Overly gratuitous additions in the publicity pamphlet, such as "Purpose" or "Why this Election was called" must be carefully reviewed



# Publicity Pamphlet

- Within 30 days after election, City Clerk shall submit copy of the publicity pamphlet to the Department of Revenue
- All written voter information must state the tax rate necessary to support the bonds (A.R.S. 35-454.C.)
- Publicity pamphlets typically have more detail than the Ballot and it is in the publicity pamphlet where you can “explain” things and go into more detail
- Bond Committee members can draft statements in favor of the referendum (Bond Committee to be sunset prior to advocacy)







# Bond Election Ballot Questions



# Preparing the Ballot Question

## Scope of Questions

- The law prohibits “log rolling”
  - Typically, there is no log rolling if there is a common nexus among the items presented and the law has not divided the issues in other contexts







# Preparing the Ballot Question

## Purposes vs. Projects

- Must be broad enough in scope to cover all expenditures expected to be made
- Need enough specificity so the voter can't claim "fraud in the inducement"
- Examples, construct vs. improve; expand vs. renovate; equipment; financial costs; lease and acquire

## Dollar sizing

- Construction estimate
- Inflation
- Incidentals
- Amount authorized may exceed the current debt capacity
- Ballot form must include certain language – for example, "the issuance of these bonds will result in a property tax increase..."





# Municipal Facilities Bonds

## QUESTION 1

**PURPOSE:** Municipal Facilities Bonds

**AMOUNT:** \$33,570,000

Shall the Mayor and Council of the City of Chandler, Arizona, be authorized to issue and sell the following bonds of the City:

Purposes: To construct, improve, renovate, replace and remodel municipal buildings and critical infrastructure related thereto; to furnish and equip such facilities and improve the grounds thereof.





# Park and Recreation Improvements/ Community Services Bonds

## QUESTION 2

**PURPOSE:** Park and Recreation Improvements/  
Community Service Bonds

**AMOUNT:** \$72,985,000

Shall the Mayor and Council of the City of Chandler, Arizona, be authorized to issue and sell the following bonds of the City:

Purposes: To construct, improve and acquire community, neighborhood, regional and aquatic parks, including recreational facilities, buildings and improvements; to acquire land for parks, recreational facilities, buildings and open spaces; to make improvements, additions and replacements to existing parks and recreational facilities and buildings; to landscape, furnish and equip existing and new parks and recreational facilities and buildings





# Public Safety/Fire Bonds

## QUESTION 3

**PURPOSE:** Public Safety/Fire Bonds

**AMOUNT:** \$25,160,000

Shall the Mayor and Council of the City of Chandler, Arizona, be authorized to issue and sell the following bonds of the City:

Purposes: To construct, improve, renovate and remodel fire stations and other fire safety related facilities; to furnish, equip and improve fire stations, fire safety related facilities and radio infrastructure; and to acquire vehicles and land for fire and public safety purposes





# Public Safety/Police Bonds

## QUESTION 4

**PURPOSE:** Public Safety/ Police Bonds

**AMOUNT:** \$55,190,000

Shall the Mayor and Council of the City of Chandler, Arizona, be authorized to issue and sell the following bonds of the City:

Purposes: To construct, improve, renovate and remodel police stations and other police related facilities; to furnish, equip and improve police stations, police related facilities and radio infrastructure; and to acquire vehicles and land for police and public safety purposes





# Public Works/Street and Transit Improvements Bonds

## QUESTION 5

**PURPOSE:** Public Works and Street and Transit Improvement Bonds

**AMOUNT:** \$85,780,000

Shall the Mayor and Council of the City of Chandler, Arizona, be authorized to issue and sell the following bonds of the City:

Purposes: To design, acquire, improve, construct, reconstruct and rehabilitate the streets, avenues, alleys and highways of or within the City; to design, acquire, install, construct and reconstruct street lighting, traffic signal/control systems, underground utility lines, landscape improvements and transit/bicycle program improvements, including shared use paths and trails; to acquire land and interests in land for transportation purposes





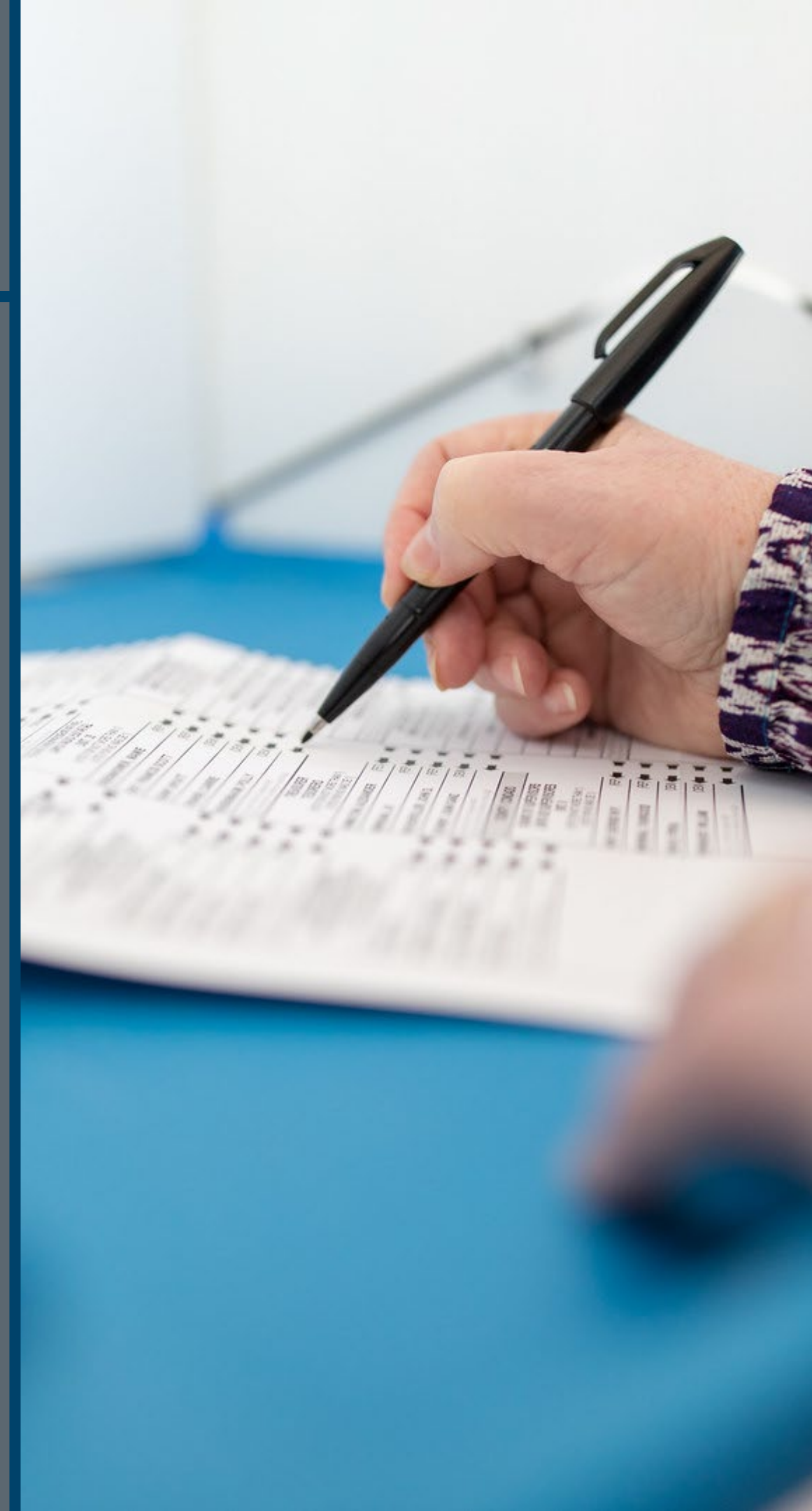
# **A.R.S. required ballot language for payment of bonds**

Each series of these bonds will be issued at the option of the Mayor and Council as general obligation bonds of the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, payable from the levy of an ad valorem tax against the taxable property located within the City, and the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service of the bonds, unless the Mayor and Council provide for payment from other sources



# Government Resources Influencing the Outcome of an Election

- Advocacy vs. Education
- Objective test, not based on the subjective state of mind of the actor
  - The prohibition applies before a measure qualifies for the ballot and throughout the election process
  - The legal test is whether the activities unambiguously urge a person to vote in a particular manner
  - City resources cannot be used for advocacy, but may be used for education
  - Staff can volunteer time but cannot be compelled to work on campaign or work on campaign on the clock
- Impartial, content neutral information has been allowed, but the courts will look to the style, tenor and timing of the activity







# Government Resources Influencing the Outcome of an Election

- Normal non-partisan “get out to vote or register” activities are permitted
  - 2000 and 2004 Attorney General Opinion allows the answering of frequently asked questions and an analysis of the financial impact of the ballot measure
  - Can’t have pictures of town’s police cars, etc. - in ‘vote yes’ campaign material
- State and federal prosecution possible if government funds are used
  - Federal case - wire fraud theft is a result of using program funds from a program receiving federal funds



# What Can Council Members Do?

**CAN** advocate on behalf of the bond questions with their own resources

**CAN** attend and speak at election events

**CAN** urge citizens to vote yes and talk about benefits, including via personal social media

**CAN** write letters and volunteer on a bond campaign committee



**CAN NOT** direct staff to work on campaign or advocate

**CAN NOT** use city resources such as phones, computers, email

**CAN NOT** use city funding



# What Can Staff Do on Their Own Time?

**CAN** write letters and volunteer on a bond campaign committee

**CAN** talk about benefits

**CAN** urge citizens to vote yes



**CAN NOT** use city resources such as phones, computers, email

**CAN NOT** direct staff to work on campaign

**CAN NOT** advocate for the passage of the bond questions on paid time or in their capacity as a City employee





# **Bond Election Education Plan of Action**





# City Role to Educate

- Education vs. Advocacy
  - Factual in nature
  - Inform and encourage voter participation
  - Submittal of pro/con arguments
  - “Vote by Mail” process
- Series of videos
  - What are bonds?
  - What are they used for?
  - Past bond funded projects
  - Illustrative examples of proposed bond projects
- Series of printed documents
- Digital – website & social media
- Create Bond Election Summary and fact sheets for public distribution





Date	Description
February 25, 2021	Citizen Bond Exploratory Committee Executive Summary completed and briefing by Steering Committee Chair at City Council Work Session
February 25- April 30, 2021	City Council discussion of recommendations
May 27, 2021	By resolution, the City Council Calls for an Election and approved ballot language
June 16, 2021	Bond Election education begins
June 18, 2021	Ballot language submitted to Maricopa County
August 4, 2021	Deadline to file Pro/Con with City Clerk
September 20, 2021	Sample Ballot / Publicity Pamphlet mailed to voters before election
October 4, 2021	Last day for voters to register for election
October 6, 2021	First day to mail out ballots in the “Vote by Mail” election
November 2, 2021	<b>Election Day</b>
November 22, 2021	Deadline for City Council to canvass the election

# Next Steps



# Questions?



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Community of Innovation

