



## RESIDENT BOND EXPLORATORY COMMITTEE

Monday, September 16, 2024  
6:00 p.m.

Chandler City Council Chambers  
88 E. Chicago St., Chandler, AZ

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 Resident Bond Exploratory Committee and to the general public that the Resident Bond Exploratory Committee will hold a meeting open to the public on Monday, September 16, 2024, at 6:00 p.m., in the Chandler City Council Chambers, 88 E. Chicago Street, Chandler, Arizona.

Persons with disabilities may request a reasonable modification or communication aids and services by contacting the City Clerk's office at 480-782-2181. 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.

## Call to Order

## Agenda

## Briefing Items

1. Welcome, Introductions of City Council Members and Resident Bond Exploratory Steering Committee Chair – Mayor Kevin Hartke
2. Overview of the Bond Election Process, Committee Formation and Structure, and 2021 Bond Election Successes – Mayor Kevin Hartke
3. Committee Purpose and Responsibilities – Jay Tibshraeny
4. Review AAA Bond Rating, Committee and Election Calendar, and Questions– Dawn Lang, Deputy City Manager | CFO
5. Introductions, Next Steps, and Closing Comments – Josh Wright, City Manager

## Public Comment

Public comments will be heard only for the item(s) on that published meeting agenda. Up to 15 minutes will be allotted for public comments on the agenda item(s) at the end of the agenda and each speaker will be allocated up to three minutes at the discretion of the Presiding Officer or designated parliamentarian.

## Adjourn



## City Council Subcommittee Memorandum

**Date:** 09/16/2024  
**To:** Council Subcommittee  
**From:** Tera Scherer, Executive Management Assistant  
**Subject:** Resident Bond Exploratory Committee Presentation

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### Attachments

Presentation



# Bond Election Committee Kickoff

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Chandler City Council Chambers  
September 16, 2024





# Agenda

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- Overview of the Bond Election and Process
- Committee Formation and Structure
- Authorization Status and Actual Projects Built or in Process from Prior Bond Election
- Committee Purpose and Responsibilities
- Importance of Debt Management and AAA Bond Rating
- Review of Committee and Election Calendar
- Next Steps and Closing Comments

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# **Overview of the Bond Election and the Process**

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# Purpose and Need for a Bond Election

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## **PURPOSE**

State law requires property taxpayers to authorize selling ad valorem debt or General Obligation (GO) Bonds

Ensures transparency with the public

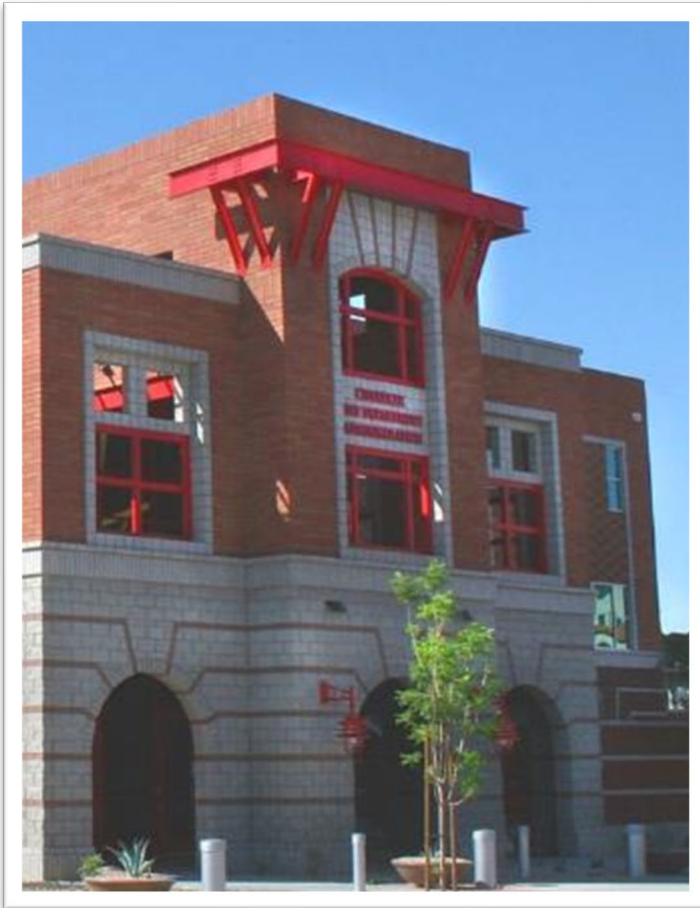
Allows taxpayers to decide what they are willing to pay for through property taxes

## **NEED**

Community capital/infrastructure needs exceed remaining bond authorization

# Why Bonds are Important as a Financing Tool

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## Issuing Bonds Funds Capital Projects

Allows funding of land acquisitions, capital construction, equipment and other items

Allows a community need to be constructed immediately, spreading cost over time

Provides capital financing options when other funding sources are limited

Provides annual repayment using secondary property taxes or other dedicated revenue streams



# Why Obtaining Bond Authorization is Important

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Bond Authorization can be utilized through the sale of bonds over time as large capital community needs are identified

Allows cost of debt to be spread over the life of the capital asset, minimizing tax impact now

Allows debt cost to be paid by existing and new taxpayers that enjoy use of the capital asset over time



# Chandler Continues Tradition of Fiscal Strength

Current and past Councils have built a strong financial foundation, and created a great quality of life, but...

- Inflation has impacted project costs estimated during our last bond election causing the need for additional authorization sooner
- Therefore, it is time for our Resident Bond Exploratory Committee to review those needs and make a recommendation to City Council

**We need to keep our community moving forward**



Community Safety



Connectivity



Neighborhoods



Quality of Life



Economic Vitality



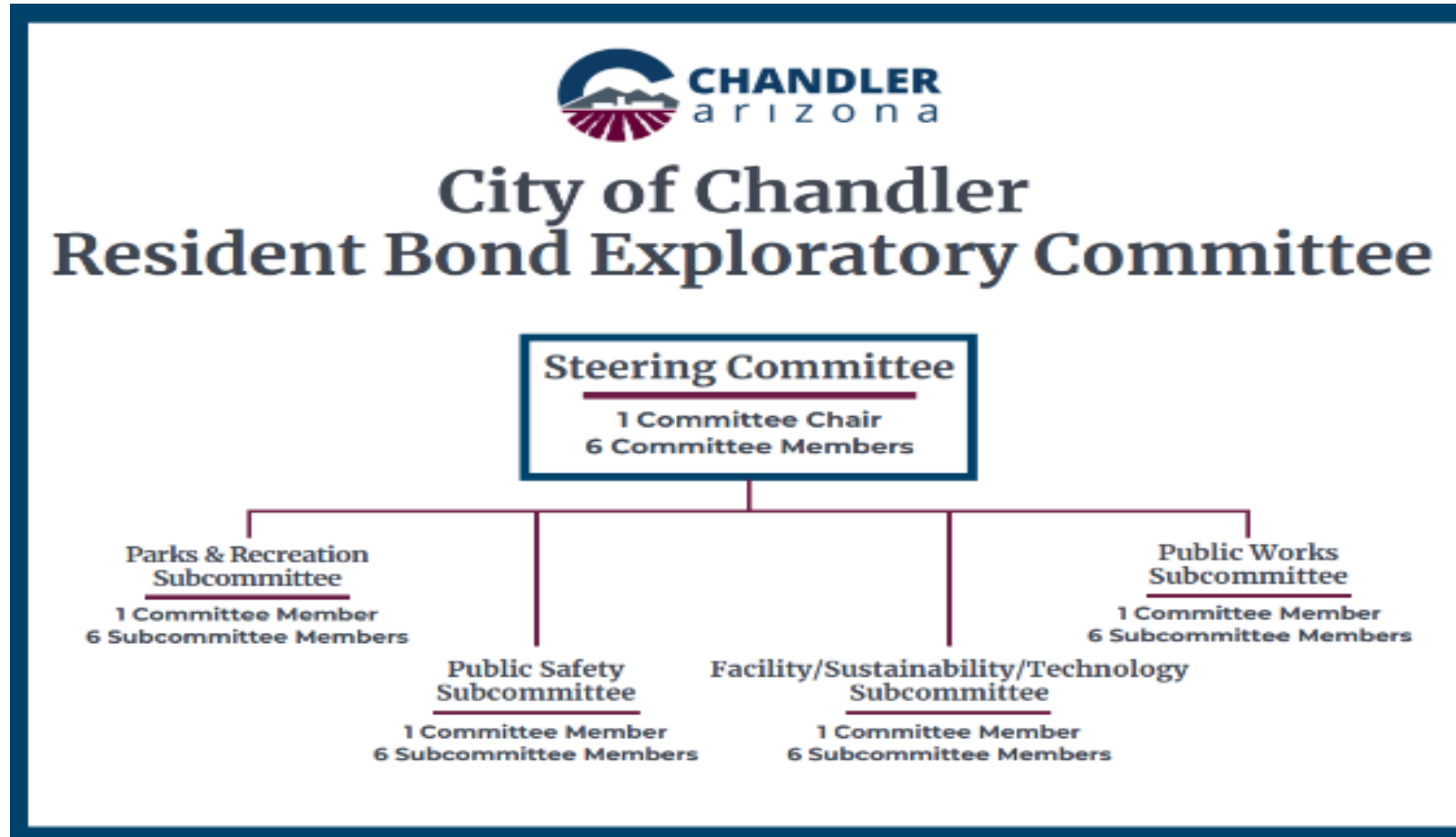
Sustainability and  
Technology

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# **Review of Committee Formation and Structure**

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# Resident Bond Exploratory Committee Structure



**Authorization Status and**

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**Actual Projects Built or in Process**

**from Prior Bond Election**

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# General Voter Bond Authorization Status

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Last Bond Election was 2021 (pre-inflation)

Projected no property tax increase based on assumptions

Authorization decreased sooner, as project estimates grew under significant inflation

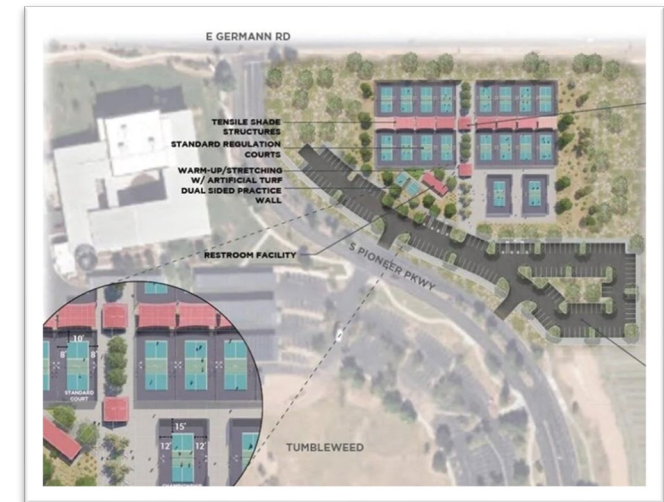
Process needs to start today to ensure continuation of Chandler's Capital Improvement Plan

Numerous projects have been completed since last election

# Parks and Recreation Projects Built or in Process from Prior Bond Election

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- Tumbleweed Softball Complex
- Tumbleweed Multi-Gen Expansion and Pickleball Courts
- Various Neighborhood and Community Park improvements



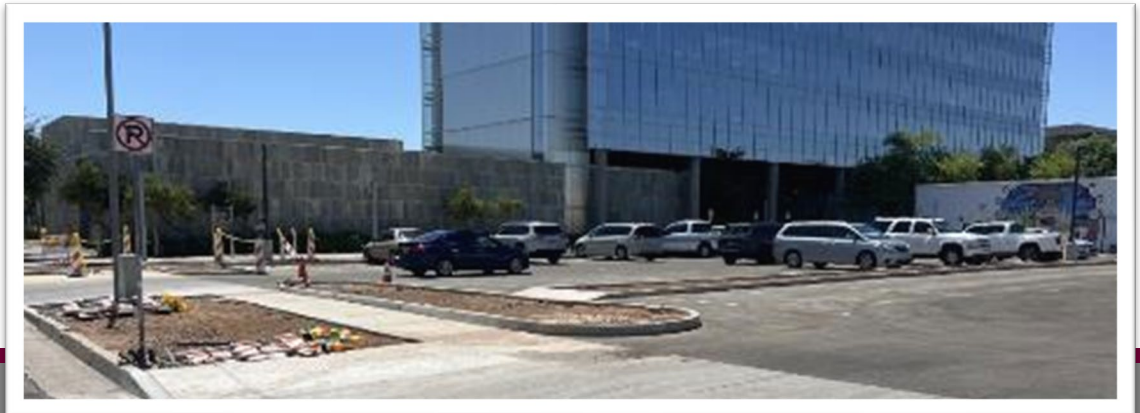
# Public Works Streets

## Projects Built or in Process from Prior Bond Election

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- Street repaving projects city-wide
- Boston Street Improvements
- Downtown Alley projects
- City hall parking lot
- Cooper Road/Insight Loop
- Frye Road protected bike lanes
- Ashley trail/Paseo Trail connection





# Police and Fire

## Projects Built or in Process from Prior Bond Election

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- Fire Station 2 rebuild
- Fire Dispatch equipment refresh
- Police work area and storage renovation
- Police Forensic Services Facility design and soon... construction





# Facilities

## Projects Built or in Process from Prior Bond Election

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- 21 Fire Alarm systems replaced
- 15 Roofs replaced (e.g. Center for the Arts, Sunset and Main Libraries)
- 5 HVACs replaced (e.g. Center for the Arts, Boys & Girls Club, Fire Training)
- Various Electrical and structural enhancements citywide

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# **Resident Bond Exploratory Committee**

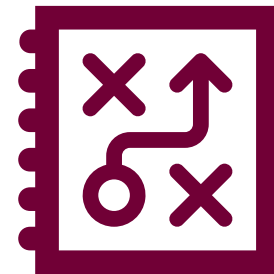
## **Purpose and Responsibilities**

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# Resident Bond Exploratory Committee Purpose

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To provide recommendation to City Council of bond authorization needed to support important public capital/infrastructure based on highest priorities



# Resident Bond Exploratory Committee Overview

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**Phase 1** – Committee education and expectation setting

**Phase 2** – Subcommittees meet to

- Discuss project needs
- Gauge public support for projects identified
- Prioritize recommended projects

**Phase 3** – Subcommittee presents and discusses findings with steering committee

**Phase 4** – Steering Committee reviews, discusses, and obtains financial analysis of recommended projects

**Phase 5** – Steering Committee prepares final recommendations including any alternatives for Council consideration

**Phase 6** – Steering Committee Chair presents final report and recommendations to Mayor and Council



# What is Property Tax Impact?

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Additional bond authorization *does not* mean taxes will increase.  
Bond authorization is like a credit limit to pull from when needed.  
To achieve no tax rate increase, it requires a balance between...

Assessed Value  Property Tax Rates

This formula generates the revenue (tax levy) required to pay the debt service on GO Bonds

As debt is paid down, new debt can be added, leaving the tax rate the same

# Subcommittee Recommendation Options

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## Capital Needs May Exceed Tax Capacity

Steering committee will work with finance to determine prioritized projects funding

Existing Bond authorization applied and gaps identified



## Options When Formulating Recommendation



- Refine project prioritization
- Recommend a project shift to a different subcommittee
- Extend project timing to next bond election

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# **Importance of Debt Management Financial Policy and Bond Ratings**

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# Debt Management Financial Policy

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Provides guidelines for issuance of bonds and other debt, and ongoing annual care of debt

Provides flexibility to finance future capital programs and requirements

Sets limitations on City indebtedness such as

- Use of Voter Authorization
- Debt coverage goals
- No variable rate debt allowed
- Debt cannot exceed life of asset

Provides framework for maintaining bond or “credit” ratings



# Importance of Bond Ratings

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City maintains AAA Bond Ratings from Moodys, Fitch, and S&P rating agencies

Reflects strong financial position of City as a low-risk investment

Results in low-cost of borrowing to fund needed community capital

Correlates to lower taxes and utility rates (revenue streams paying debt service)



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# **Review of Committee and Election Calendars**

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# Resident Bond Exploratory Committee Timeline



# Bond Election Calendar

Schedule Date	Description
Feb.-Mar. 2025	City Council Discussion of Recommendation
May 8, 2025	Call of Election by Resolution
June 7, 2025	Ballot language given to Maricopa County
August 6, 2025	Arguments Pro/Con filed with City Clerk
September 23, 2025	Sample Ballot/Informational Pamphlet mailed to voters before election
November 4, 2025	Election Day

# Questions

# and

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# Next Steps

