

Meeting Minutes

Resident Bond Exploratory Steering Committee Regular Meeting

December 10, 2024 | 11:30 a.m.

Chandler City Hall 2nd Floor Training Rooms
175 S. Arizona Ave., Chandler, AZ



Call to Order

The meeting was called to order by Chair Tibshraeny at 11:37 a.m.

Roll Call

Committee Attendance

Chair Jay Tibshraeny
Garry Hays
Kari Zurn
Nina Mullins
Rick Heumann
Trinity Donovan
Craig Gilbert

Staff Attendance

Dawn Lang, Deputy City Manager / CFO
Steven Turner, Sustainability & Performance Officer
Matt Dunbar, Budget & Policy Director
Tera Scherer, Executive Management Assistant
Matt Burdick, CAPA Director
Josh Wright, City Manager
Tawn Koe, Assistant City Attorney

Discussion

1. Introductions and Mayor Hartke Welcome

CHAIR TIBSHRAENY introduced Mayor Kevin Hartke, who thanked the members for their time and expressed the importance of the bond process to the city.

2. Overview of Resident Bond Exploratory Process

DAWN LANG, Deputy City Manager/CFO presented an overview of the bond process and the goal for the steering committee to produce the Resident Bond Exploratory Committee Executive Summary and Bond Election recommendations to be presented to Mayor and Council.

COMMITTEE MEMBER HEUMANN asked about the margin of passage for area bond elections and school district override elections in our area.

JOSH WRIGHT, City Manager, stated that staff is currently working on the date that have figures broken out by precinct in the coming weeks.

COMMITTEE MEMBER GARRY HAYS asked which overrides failed.

MS. LANG advised that she has the report she can provide to him at the end of today's meeting.

CHAIR TIBSHRAENY led subcommittee members in brief introductions.

3. Bond Election Communication Update

MATT BURDICK, Communications and Public Affairs Director, shared options for publicizing the bond election using videos and printed materials, with a goal of educating the public in a way they will understand by making the information relatable to them as residents of the community and emphasizing what programs and services the bonds will support.

Discussion was held among the committee members on opportunities available to committee members to advocate, education, and inform residents as well as the timeframe surrounding the bond election. Mr. Burdick is available to assist the committee with organizing community forums for their involvement.

COMMITTEE MEMBER HAYS asked if any comments or inquiries have been made on social media regarding the bond election.

MR. BURDICK responded that he is not aware of anything at this point but is prepared if the need arises to answer questions and direct residents to the city's bond webpage.

COMMITTEE MEMBER KARI ZURN asked for recommendation of timeframe for a community forum to be held.

MR. BURDICK responded that February through April is when the outreach will be needed, with a recommendation for "open house" style meetings, with small group settings throughout the room for residents to visit and learn about each proposal.

4. Resident Bond Exploratory Subcommittee Recommendations

COMMITTEE MEMBER NINA MULLINS, Parks & Recreation Subcommittee Chair, presented the prioritized listing of projects from her subcommittee, stating they decided to recommend the prioritization of existing neighborhood parks being maintained, to include replacement of playground equipment, upgraded lighting, and irrigation. Ms. Mullins gave an overview of each of the projects listed with a brief summary of the order that was decided upon.

Further discussion was held among the committee members, and all agreed that it will come down to "need versus want" when recommending funding options. Additionally, they agreed that further review on the future plans for Dr. AJ Chandler Park is needed.

MS. LANG informed the group that a financial analysis will be completed to determine whether the recommended projects will fit within parameters based on the current tax rate.

A brief discussion was held on the traditional method of writing ballot questions and the use of trigger words. Overall, the group agreed that it will be important to think about the marketability and using terminology that will attract residents and remind them of why they choose to live in Chandler.

COMMITTEE MEMBER RICK HEUMANN, Public Works Subcommittee Chair, presented his group's prioritized list of projects, with street repaving, signal improvements and repairs, and intersection widening topping the list.

MR. HEUMANN gave a brief overview of how his committee made their decision and discussion was held among the subcommittee members.

COMMITTEE MEMBER TRINITY DONOVAN, Public Safety Subcommittee Chair, presented her group's prioritized list, with Fire and Police separated out. For Fire, the rebuilding fire station 284 (Kyrene/Chandler Blvd.) was the number one priority for the safety of our firefighters. The cost of updating the facility versus rebuilding was analyzed and would not be advantageous. Fire Station 12 made the list due to an analysis of deployment times.

Discussion was held regarding vehicle replacements, and Ms. Donovan explained that in 2019 a new fire truck would cost approximately \$400 thousand, with a lead time of 14 months. Now it is 48 months, specifications are limited, and the cost is now \$1.2 million.

COMMITTEE MEMBER DONOVAN continued her overview with the project prioritization for Police, with the renovation of the main police station being the priority, as many areas of the of facility have been repurposed to suit today's needs. Additionally, the communications equipment and emergency vehicle replacements are priorities.

COMMITTEE MEMBER HEUMANN asked why communication equipment is not considered an O&M (operations and maintenance) expense.

MATT DUNBAR, Budget and Policy Director, responded that the cost involved qualifies the communications equipment as a capital expense, as they have a five-year lifespan and are purchased in large quantities with the cost of each MDC (mobile digital computer) unit at approximately \$8 thousand, with the cost of mobile radios being \$4 thousand and vehicle radios another \$5 thousand.

Discussion among the group was held regarding moving the Fire Support Fleet Facility, listed in the fifth priority position for Fire.

COMMITTEE MEMBER HEUMANN asked whether land could be sold if the fire fleet was moved over to Armstrong Way facility.

MR. WRIGHT responded there is a plan to do just that, but a new evaluation will need to happen so we have accurate figures.

COMMITTEE MEMBER ZURN inquired about the crime facility and why that isn't listed on the Public safety list.

COMMITTEE MEMBER DONOVAN responded that the money for that project is already set aside from the 2021 bond authorization.

COMMITTEE MEMBER CRAIG GILBERT, Facilities / Sustainability / Technology Subcommittee Chair, presented his group's project prioritization, stating they began by reviewing eight projects, and discovered six of the projects technically belonged within other subcommittees. Through participation in tours of the facilities and attending other subcommittee meetings to learn about the projects, they ultimately decided to separate out those projects and leave those projects with the other subcommittees to decide on prioritization within their project lists. However, after attending a tour of the police main station, they brought both the renovations to that building back into their conversation, then also added back in the rebuild of fire station 284 as ultimately, they are still city facilities that are needed and important to the residents of the city. Additionally, they decided to prioritize the city's fiber upgrades and renovations and repairs on existing city facilities. With fiber it was discovered there was a budget for fiber existing, however with the continued need of upgrades to the infrastructure it was important to them to always have availability to do that.

COMMITTEE MEMBER HAYS asked for verification of the total cost to rebuild fire station 284 and renovations to the police main station (since listed with two different subcommittees).

MS. LANG responded that although both of those projects are listed in the Public Safety Subcommittee prioritization and the Facilities, Sustainability and Technology Subcommittee prioritization, the total dollar amount is not duplicated.

COMMITTEE MEMBER HEUMANN asked about whether the city has their own fiber network.

MR. WRIGHT stated that as far back as early 90s, the city built fiber to connect traffic signals using grants from the Department of Transportation. As time progressed, we began to layer in more and more to connect public safety communications as well as our email and telephone. Up until about four years ago there was never money set aside for future investment in the system. A fiber masterplan was conducted to figure out where existing fiber was, what was patchworked in, and where redundancies exist within the grid.

COMMITTEE MEMBER HEUMANN asked if there is any possibility to tie in with any of the communication company's systems.

MR. WRIGHT stated we have, and we often share conduit, and it is a requirement of developers to build additional conduit, so we do not have to build more. He further stated we may run our own line through it, as a proprietary secure network, and we do have agreements in place with a few of the companies where we get so many miles of conduit in exchange for their license agreement.

5. Overview of Financial Analysis to Determine Bond Capacity within Property Tax Rate

MR. DUNBAR presentation went over the utilization of our project list, the city's debt overview, our property tax rate and how we balance that with our bond funding. Projects have already been prioritized, so the next step will be to perform a financial analysis on how those projects will fit within the current tax rates, while maintaining the city's Triple A bond rating.

MR. DUNBAR showed a property tax comparison of local cities, explaining that the city's portion of property taxes is very small at about 10 percent, with the majority of those funds going to public schools and community colleges. He further explained the primary tax rate (in green) is used to fund police, fire, parks, and operations, with the orange portion of the chart is dedicated to debt service (principal and interest) for the types of projects discussed here today.

COMMITTEE MEMBER HEUMANN asked about the total tax rate and how we compare to other cities.

MR. DUNBAR stated that Tempe completes an annual cost analysis ([shared on the city's website](#)) where they look at area property tax, utility rates, and transaction privilege tax, and computes the amount of what the average household spends on government services in each community, and Chandler is by far the lowest.

MR. DUNBAR continued the presentation, sharing the state's calculation of debt allowance, with Chandler's availability of outstanding debt, showing we do have a lot of capacity because we have been very conservative.

MR. DUNBAR gave an overview of property tax valuations and how we balance the current tax rate, stating that it is important for the community to understand that seeking additional bond authorization does not mean the property tax rate will be increased. He compared the authorization to spend to a credit limit that we can draw from and pay down.

MR. DUNBAR explained bond capacity as the ability to sell additional debt and have the finance resources necessary to meet the debt service requirements, stating that he likes to think of a bond as an authorization to spend and the debt limit and bond capacity as a repayment limit, comparing it to purchasing a new car. You may be told you are approved to spend a certain dollar amount on a new car, but you still need to make sure you have the budget in your current capacity to make your monthly car payment. Your choices for repayment of that loan is to find an additional funding source or the payoff of other outstanding debts.

He continued the presentation, showing current property valuations and estimates of revenue generated, based on the current property tax rate, as well as adjustments to system development fees (SDF) debt service loan repayments, adding that the completion of new homes being built, increases permit SDF revenue and allows for additional repayment to the debt service fund.

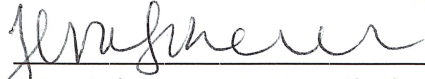
Additional discussion was held surrounding the next steps in the process, which will be the financial analysis of tax impacts and prioritization of projects and timing of those projects, developing questions with the assistance of bond counsel, and creating the final recommendation report to be presented to council.

Calendar

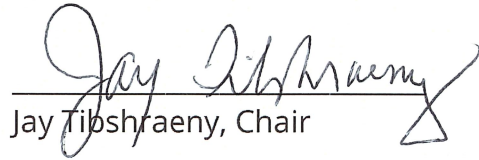
The next Resident Bond Exploratory Steering Committee meeting will be held on January 6, 2025, at 11:30 a.m. in the second-floor training rooms at Chandler City Hall, 175 S. Arizona Avenue, Chandler, Arizona. Additional discussion was held and due to the upcoming holidays, it was decided a survey will be sent to committee members to determine future meeting dates in January, with the expectation to meet weekly.

Adjourn

The meeting was adjourned at 1:49 p.m.



Tera Scherer, Meeting Clerk



Jay Tibshraeny, Chair