Bond Exploratory Committee/Election Process

2024-2025

Why bonds?

- A bond election is the means by which the residents of the City of Chandler provide authorization for the city to issue bonds to fund large capital projects that are part of our well-defined Capital Improvement Program (CIP).
- Bonded debt is the primary mechanism established by State statute that enables municipalities to build, maintain, and replace public assets and infrastructure.
- Chandler issues tax-exempt bonds to fund almost 70% of the projects in the CIP.
- Chandler's interest rate on its bonds is low due to the City's well-managed debt program and superior AAA bond ratings; the highest rating given.

Why would the city want to look at adding additional authorization?

- The need for a bond election is due to the existing authorization being insufficient to fully fund the infrastructure needs in the CIP.
- The depletion of the funding has occurred at a more rapid pace than anticipated when costing projects prior to the 2021 bond election (the last time authorization was obtained), mainly due to significant inflation in capital project costs and some new project needs added in the updated 10-year CIP.
- Existing authorization is depleted beginning FY 2025-26 for Police, FY 2026-27 for Streets and Parks, and FY 2028-29 for Fire.

What is the role of the Bond Exploratory Committee?

- Evaluate capital project needs in the Chandler
- Determining which projects are priorities, and ensure bond authorization is available to allow the city to sell bonds to fund projects
- Recommend to either move forward, or not, with a bond election for specific projects or project groups/categories that are planned

What would the bond authorization recommendation look like?

- Bond authorization is grouped into categories of spending such as the following evaluated for the 2021 bond election with subcommittees discussing projects in their assigned areas
    - Park and Recreation/Community Services
    - Public Safety/Police and Fire
    - Public Works/Street, Transit and Water/Wastwater
    - Municipal Facilities
    - Information Technology (did not request authorization)
    - Airport (did not request authorization)

- The Bond Exploratory Steering Committee (made up of chairs from each subcommittee) with the help of the Finance Subcommittee, makes recommendations to the Mayor and Council.

What would the Bond Exploratory Committee time commitment be?

- The Steering Committee and subcommittees would kick-off in late September 2024.
- Each subcommittee would begin meeting bi-weekly or monthly during the months of October and November to review and prioritize project needs, then formulate a recommendation to the Steering Committee.
- Subcommittee recommendations would be reviewed with the Steering Committee who would deliberate in December and January for final incorporation into a recommendation brought to Mayor & Council in February or March.
- Call for Election must be by May 8, 2025.

Bond Exploratory Sample Committee Timeline