

Meeting Minutes

Resident Bond Exploratory Steering Committee Regular Meeting

January 24, 2025 | 4:00 p.m.
Chandler Council Chambers Conference Room
88 E. Chicago St., Chandler, AZ



Call to Order

The meeting was called to order by Chair Tibshraeny at 4:06 p.m.

Roll Call

Committee Attendance Present

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

Committee Attendance Absent

Garry Hays

Invited Guest

Zach Sakas, City Bond Counsel, Greenberg Traurig

Staff Attendance

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

Action Agenda

1. Approval of Minutes of January 16, 2025, Resident Bond Exploratory Steering Committee Meeting

COMMITTEE MEMBER MULLINS moved to approve the meeting minutes of the January 16, 2025, Resident Bond Exploratory Steering Committee Meeting.

COMMITTEE MEMBER HEUMANN seconded. Motion passed unanimously.

2. Review of Proposed Prioritized Bond Funded Project Listing - Discussion and Action

CHAIR JAY TIBSHRAENY introduced this item and turned the presentation over to Ms. Lang.

DAWN LANG, Deputy City Manager | CFO, stated that after the last meeting, further financial analysis has been completed to shift projects outside this bond period and Matt Dunbar is prepared to go over options today.

MR. DUNBAR, Budget and Policy Director, began the presentation, stating that to ensure there are no unintended consequences with some of the shifts, he held further conversations with the departments and two options have been prepared for your consideration.

Option one presented includes the following adjustments, with a total bond request of \$495.6 million.

Public Works

- Ray Rd/Kyrene Intersection shifting design into next election (\$3.5M)
 - Project shift would mean correcting roadway congestion or safety issues caused by growth would be delayed but may not pose too great an impact to residents.

Parks & Recreation

- Tumbleweed Recreation gym addition shifted to next election (\$19.6M)
 - The park has seen significant improvements over the last few years, so delaying this addition would be ok.
 - The parks master plan shown for a few years that additional gym space is needed, but with this change, that need will not be fulfilled until later in the plan.
- Mesquite Groves Phase III fully shifted to next election (\$560k)
 - Delays completion of park amenities, but Phases I and II should at least get the area into useable space for families/residents given the commitment through past bond elections.

CHAIRMAN TIBSHRAENY asked for clarification on adjustment for Public Works project and what that includes.

MR. DUNBAR responded this would shift the design work out to the next bond election.

MS. LANG further explained that the first part of intersection work is the design element, and further stated the right of way and construction was already pushed out into year nine or year ten of our plan, so it will not be included in the bond question.

MR. DUNBAR continued the presentation on the Parks and Recreation portion.

COMMITTEE MEMBER ZURN asked what the initial total was prior to these adjustments.

MS. LANG responded that we ended the previous meeting (January 16, 2025) at \$519 million.

CHAIRMAN TIBSHRAENY asked for a verification of the total for option one.

Staff verified \$495.6 million.

COMMITTEE MEMBER MULLINS asked the group if it would make more sense to shift out Tumbleweed Ranch project, since the community has such a need for additional gym space, further reminding the group that the Parks and Recreation Bond Subcommittee ranked the gym project high on their list as a community need.

Discussion was held among the group surrounding the city being in the business of offering gym space to the community, with so many private gyms available throughout the city.

The consensus of the group after discussing further was that the city's recreation department offers important programming to the community's youth. The gym space is apparent for community program needs, as opposed to private gyms that are intended to provide workout equipment, classes, and other adult-oriented options for their members.

MR. DUNBAR continued the presentation with Handout 3, *2021 vs. 2025 Bond Election Comparison (Opt 1)*.

MS. LANG highlighted the Reduced Projected Assessed Values of 4.7% after the additional project shifts.

COMMITTEE MEMBER HEUMANN asked if that figure was previously 5.2%.

MS. LANG responded that he is correct, the project shifts brought it down, leaving more capacity available based on the state's limitations imposed on growth projections.

COMMITTEE MEMBER HEUMANN verified that number as being more conservative, based what could happen with the market.

MS. LANG verified that he is correct.

MR. DUNBAR continued the presentation, reviewing Option 2:

Public Works

- Ray Rd/Kyrene Intersection shifting design into next election (\$3.5M)
 - Project shift would mean correcting roadway congestion or safety issues caused by growth would be delayed but may not pose too great an impact to residents.
- Warner Road Design shifting into next election \$14.8M)
 - Project design shift would mean correcting roadway congestion or safety issues caused by growth would be delayed and could cause some level of service issues for a few years until construction begins.

Parks & Recreation

- Tumbleweed Recreation gym addition shifted to next election (\$19.6M)
 - The park has seen significant improvements over the last few years, so delaying this addition would be ok.

- The parks master plan shown for a few years that additional gym space is needed, but with this change, that need will not be fulfilled until later in the plan.
- Mesquite Groves Phase III fully shifted to next election (\$560k)
 - Delays completion of park amenities, but Phases I and II should at least get the area into useable space for families/residents given the commitment through past bond elections.
- Tumbleweed Ranch Phases II and II (13.2M)
 - Project reviewed and approved to proceed by Mayor and Council.
 - Most of the usable features would be left out.
 - Most aging infrastructure items are in Phase I.

CHAIRMAN TIBSHRAENY asked about the Warner Road Design and whether that is the cost for designing.

MR. DUNBAR responded that is the cost of the design, plus some of the right-of-way acquisition, which are all pre-construction costs.

COMMITTEE MEMBER DONOVAN asked how comfortable staff is to wait on the Public Works projects until the next election, given the potential for service impacts should we experience higher projected growth.

MS. LANG responded that impacts are all based on the level of growth Chander experiences and related staff projections.

Further conversation was held surrounding traffic congestion and the potential for other roads being widened prior to this happening that would assist with minimizing congestion.

CHAIRMAN TIBSHRAENY asked if Option 1 or Option 2 takes anything away from Tumbleweed.

MS. LANG responded that we would be taking out any Tumbleweed related projects from the upcoming bond election.

COMMITTEE MEMBER HEUMANN asked how much money has been spent on Tumbleweed Park and the Ranch over the last five to 10 years.

Staff did not have that figure available at the time of the meeting.

COMMITTEE MEMBER ZURN asked if the goal of the committee was to get the total projects under \$500 million.

The response of the group was that at the last meeting the consensus was around \$500 million, but there was no decided figure at that time.

COMMITTEE MEMBER HEUMANN asked about the \$41 million for McQueen Road and what it would be for the three intersections.

MS. LANG responded the updated CIP numbers were to do three sections of McQueen Road and that included undergrounding the 12kV lines, but they removed the undergrounding of 69kV lines due to the unrealistic costs involved. Additionally, the committee already shifted out phases two and three. By leaving phase one in there, it gives Public Works the flexibility, if the decision was made is to do only the intersections, to spread out the cost. If it is decided to do it in phases as it is currently planned, the dollar amount gives them that flexibility based on further conversations that will still be needed.

Conversation was held surrounding the need for widening the intersections to assist with traffic flow and the group was reminded that the city is still in the middle of an ongoing traffic study that will help determine alternative options for the best results.

COMMITTEE MEMBER HEUMANN asked for clarification on the total for AJ Chandler Park.

MS. LANG stated the total 30% design amount is \$19 million, which includes \$10 already allocated from the 2020 bond election, and an additional \$9 million to bring us up to the 30% design.

COMMITTEE MEMBER HEUMANN asked if we can make it \$9 million and save \$1 million.

MR. DUNBAR stated that \$1 million savings would still be allocated for Parks and Recreation and that it is still an 30% estimate.

COMMITTEE MEMBER DONOVAN asked about the bond language being written broadly and once the bond funds are allocated to parks, as an example, if one projects is less than originally projected, those funds will be kept within parks

MR. DUNBAR responded that she is correct and the generalized language that will be used will give the department that latitude, as long as it fits withing the description of the bond.

Further discussion was held surrounding shifting of projects and costs associated with those projects.

ZACH SAKAS, Bond Counsel, spoke to the group about transaction costs that must be paid out of the voters' authorized amount.

CHAIR TIBSHRAENY asked about city council's views of the expansion of Tumbleweed.

MR. WRIGHT responded that the gym part of Tumbleweed was in our capital program and was part of our parks masterplan and identified as a need for the community. In the end, due to inflation, the project was broken out into two, with the multi-generational wing that is under construction now deemed a bigger need.

COMMITTEE MEMBER HEUMANN asked the cost of the multi-gen piece.

MR. WRIGHT responded that the cost is about \$20 million, which is the cost for the additional gymnasium on the other corner of the facility.

CHAIR TIBSHRAENY asked what council's views of the gymnasium specifically.

MR. WRIGHT stated there were less conversations surrounding the gymnasium piece as the multi-gen piece had, which was their focal point of the expansion with it being a bigger need from a community resource standpoint. He further stated the gymnasium is a need for the community that will need to be confronted at some point due to the popularity of our community programming.

Further discussion was held regarding the community's use of the facility, with the popularity of youth sports and whether the committee should consider the gymnasium portion. Discussion continued around the transactional fees and the group was reminded that city council retains the authority to use the bond authorization by category at their discretion.

CHAIR TIBSHRAENY asked which projects in option two presented were discussed and favored by council.

MR. WRIGHT responded that most recently, Tumbleweed Ranch has gone to a subcommittee and was endorsed by them and then added into a multi-phase plan in the CIP, with the infrastructure and sitework needing to be completed prior to moving forward on the other phases.

Conversation among the group regarding the projects continued.

COMMITTEE MEMBER HEUMANN asked if they could move forward with their vote to proceed with option two as presented today.

MS. LANG advised the committee members that voting should be done for each category separately.

MR. DUNBAR reviewed the Public Works Option 2 slide showing the recommended changes to remain within bond capacity.

Discussion was held around the cost of bond transactions, with a total of three to four bond sales during the authorization period. It was determined that the transaction fee be added to the project totals, with the consensus of the group to round up and use the "not to exceed" total cost.

COMMITTEE MEMBER HEUMANN moved to accept the changes to the prioritized public works subcommittee recommendation, option 2, to include bond sale transaction fees in an amount not to exceed \$183 million.

COMMITTEE MEMBER ZURN seconded the motion.

Motion carried unanimously.

COMMITTEE MEMBER DONOVAN moved to accept the changes to the prioritized Public Safety – Fire Subcommittee recommendations not to exceed \$88 million.

COMMITTEE MEMBER GILBERT seconded the motion.

COMMITTEE MEMBER HEUMANN asked for clarification of the dollar amount.

The committee members clarified this is \$88 million for fire only; police will have a separate vote. Motion carried unanimously.

COMMITTEE MEMBER MULLINS moved to accept changes to the prioritized Public Safety – Police Subcommittee recommendation not to exceed \$46 million.

COMMITTEE MEMBER DONOVAN seconded the motion.

Motion carried unanimously

MS. LANG stated that the next section, the Facilities, Sustainability, and Technology Subcommittee will not be on the ballot, as the changes that have taken place have eliminated the category.

COMMITTEE MEMBER GILBERT moved to remove the Facilities, Sustainability, and Technology Subcommittee category recommendations from the ballot.

COMMITTEE MEMBER DONOVAN seconded the motion.

Motion carried unanimously

COMMITTEE MEMBER MULLINS moved to accept option 2 changes to the prioritized Parks & Recreation Subcommittee recommendation not to exceed \$158 million.

COMMITTEE MEMBER HEUMANN seconded the motion.

Motion carried unanimously

CHAIR TIBSHRAENY called for the presentation and discussion of the next item.

3. Bond Counsel to Provide Recommended Bond Ballot Question Language – Discussion and Potential Action

MR. SAKAS presented his draft bond questions, reminding the group that traditional categories of questions, where there is flexibility as projects may reprioritize over time, considering the need to add additional descriptive language to help voters get a better idea of where their property tax dollars are going.

MR. SAKAS guided the group through each question and open discussion was held surrounding each ballot question presented, with the consensus being to show geographical diversity in the projects that are highlighted.

CHAIR TIBSHRAENY asked staff what they would like to accomplish with these questions during today's meeting.

MS. LANG responded we are looking for feedback on the preliminary language so edits can be made and then finalized at next week's meeting.

COMMITTEE MEMBER HEUMANN requested edits be made and sent out on Tuesday so the group can review prior to the meeting.

MS. LANG responded affirmatively.

Discussion was held surrounding the percentage rate listed in the language.

COMMITTEE MEMBER ZURN asked if the word "market" could be used in place of the percentage rate.

MR. SAKAS advised that it is always best to use a hard number since rates are blended over 20 different triple A bond issuers.

CHAIR TIBSHRAENY asked what the rate is currently.

MS. LANG stated she believes it is 4-5% now.

Conversation was held among the group regarding market rate fluctuation that can occur, how rates are calculated, and the importance of highlighting the city's Triple A Bond Rating, as well as our financial acumen.

COMMITTEE MEMBER ZURN asked when the pamphlet will go out to residents.

MR. SAKAS responded not less than 35 days prior to the bond election.

COMMITTEE MEMBER HEUMANN asked if it is possible to change the rate to 8% if rates go down before we the election.

Discussion was held among the group and the consensus was to use a rate of 8% instead of 9%.

MR. SAKAS continued the presentation, reviewing each of the ballot question examples.

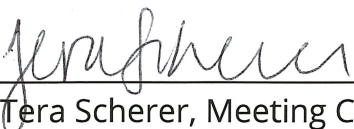
Further conversation was held on each of the draft bond questions, with the committee members providing suggestions. It was the consensus of the group to make the edits suggested today and send the draft questions out early next week for review prior to the next meeting.

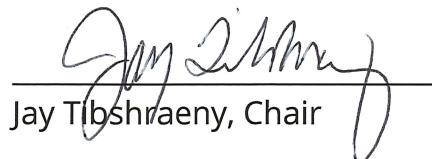
Calendar

4. The next Regular Meeting will be held on Wednesday, January 29, 2025, in Council Chambers Conference room, 88 E. Chicago St., Chandler, Arizona.

Adjourn

The meeting was adjourned at 5:32 p.m.


Tera Scherer, Meeting Clerk


Jay Tibshraeny, Chair