

DRAFT



**MINUTES
CITIZEN BOND ELECTION COMMITTEE
CITY HALL, CONFERENCE ROOM 2A
5850 W. GLENDALE AVE.
GLENDALE, ARIZONA 85301
JANUARY 7, 2020
5:00 P.M.**

1. **CALL TO ORDER**

2. **ROLL CALL**

Present: Miachel Boule
Michael Socaciu
Gary Hirsch
John Guers
Jon Froke

Absent: Lisa Baker

Also Present: Vicki Rios, Assistant City Manager
Lisette Camacho, Budget and Finance Director
Renee Molina, Budget and Finance Management Assistant
Michelle Woytenko, Field Operations Director
Tim Barnard, Public Facilities and Special Events Assistant Director
James Milanese, Engineering Administrator

3. **CITIZEN COMMENTS**

No citizens present. No comments.

4. **APPROVAL OF THE MINUTES**

- a. Citizen Bond Election Committee Minutes of January 7, 2020.
Presented by: Lisette Camacho, Director, Budget and Finance

A motion was made by John Guers, seconded by Gary Hirsch

AYE: Gary Hirsch
John Guers
Jon Froke
Miachel Boule
Michael Socaciu
Other: Lisa Baker (ABSENT)

5. **GENERAL OBLIGATION BOND VOTER AUTHORIZATION**

Presented by: Vicki Rios, Assistant City Manager
Presented by: Lisette Camacho, Budget and Finance Director

[Committee Member Baker entered the meeting.]

Ms. Camacho presented a chart on current Voter Authorization for various City Departments, including Constitutional Limit percentage and amounts of Current G.O. Bond Voter Authorization, Projects Identified for G.O. Bond Funding, and Remaining G.O. Bond Voter Authorization.

Ms. Rios noted that people do ask, for example, if the Voter Authorization for Open Space and Trails of \$50 million, could be traded to Parks and Recreation, which does not have enough Authorization for identified projects, and explained that this cannot legally be done. Ms. Rios noted that if any projects in the Parks and Recreation CIP qualify for Open Space and Trails, they could be shifted over, but it must be very specific.

Committee member Baker asked if a project would qualify for Open Space and Trails if it was not yet an existing park, but would be converted to a park. Ms. Rios replied that Greenburg Taurig would need to be consulted regarding the ballot language. Ms. Camacho read aloud the Open Space and Trails language, which included the terms planning, acquiring, and constructing.

Ms. Camacho continued with a detailed presentation on Constitutional Debt Limitation and Debt Limits.

The agenda item was concluded.

6. **LANDFILL CAPITAL PROJECTS**

Presented by: Michelle Woytenko, Field Operations Director

Committee member Froke asked if the City's General Fund balance is related to the credit rating of the bonds and recalled that there was a preference for a \$50 million General Fund balance. Ms. Rios replied in the positive and explained that the City is to keep the General Fund balance at 25% of ongoing revenue, which is how the \$50 million is calculated. Ms. Rios confirmed that the G.O. Bonds are most impacted by the City's overall health. Ms. Rios stated that if bonds are issued for the Landfill, they will be issued as G.O. Bonds. Ms. Rios noted that the Landfill's credit rating is not sufficient to issue bonds on its own;

however, the Landfill will pay back the bonds.

Ms. Woytenko reported that the Landfill is an enterprise; funded by user fees, not taxes, and a component of this revenue will be used to pay back the bonds.

Ms. Woytenko gave a detailed presentation on the Landfill CIP, which included the following information:

Landfill CIP Budget by Project through FY29

Landfill CIP by Funding Source

Landfill General Obligation (G.O.) Bond and Proposed Funded Projects:

Landfill North Cell Construction and North Cell Liner

Landfill 10-Year Development Plan – Through FY2029

Landfill Phase Construction – North: Including detailed project description, justification, and project grand total.

North Cell Liner – North: Including detailed project description, justification, and project grand total.

Ms. Woytenko explained the staff would like to bond for the Landfill Construction and Liner because there will be fifteen to twenty years of excavations, lining work, and filling and the current residents should not have to pay for the entire project. Rather, bonding spreads the resident's costs over time. Ms. Camacho noted that bonds will be issued as the funding is needed, not all at once.

Committee Member Geurs inquired as to the cost of the bonds versus the Landfill revenue. Ms. Woytenko replied that staff has conducted modeling based on last year's bond rate. Committee Member Geurs asked if there are any bonds for the Landfill currently. Ms. Woytenko replied in the negative. Committee Member Geurs asked where the extra revenue would be obtained to pay for the bonds. Ms. Woytenko explained that an increase in the Landfill commercial rate went into effect on January 1, 2020 by \$5/ton and other programmed rate increases were considered in the modeling. Committee Member Geurs did not want to see the General Fund having to pay for the Landfill bonds if the Landfill revenue could not cover them. Ms. Rios commented that staff used higher bond rates in the modeling, the model will be updated each year, and financial performance will be monitored on an ongoing basis. Committee Member Geurs stated that the voters need to be informed that some of this bond will be paid for by rate increases. Ms. Rios agreed that this will be disclosed.

Committee Member Hirsch asked if the City has considered a privately owned inert landfill business. Ms. Woytenko replied that the City is not currently in that business and there are different regulatory requirements for an inert landfill. Ms. Woytenko stated that there is space at the Landfill that could possibly be used for this type of material if the City so chose. Ms. Woytenko surmised that the City would not obtain a cost recovery due to the current inert market.

Ms. Woytenko summarized that at this time, staff is only requesting bonds for the Landfill Construction and the Liner. Ms. Rios announced that \$9.660 million in bond authorization would be needed for these two projects.

Committee Member Hirsch inquired as to the life span of the Landfill. Ms. Woytenko estimated a fifty to seventy year life span of the north cell, especially due to the operational improvements made in the last thirteen years.

Committee Member Boule asked if the additional bond funding would be used to purchase vehicles. Ms. Woytenko stated that right now, all equipment is to be paid by revenue, not bonds. Ms. Rios stated that typically, bonding should not be used for anything under a twenty-year life cycle. Committee Member Boule inquired about alternative funding if bonds were not used for these two projects. Ms. Woytenko replied that rates would continue to be raised. Ms. Rios stated that generational equity needs to be considered and explained that when bonds are issued, the people using the amenity at the time are paying for it.

Committee Member Geurs asked if these bonds would be twenty or thirty year bonds. Ms. Rios stated that the authority for the bonds is not in years, however, most times the bonds are issued between twenty and twenty-five years. Ms. Rios noted that the bond terms are matched to the use.

Committee Member Boule asked if staff would like the Committee to form a recommendation. Ms. Rios stated that staff did not need direction on this at this time. Ms. Rios explained that the presentation was informational and other departments will come before the Committee to provide similar presentations regarding their needs at upcoming meetings.

Committee Member Hirsch inquired if the prevailing bond market has an impact on the length of the bond. Ms. Rios replied in the positive and stated that remodeling would have to be done to make a decision before the bonds are issued. Ms. Rios stated that modeling of worst case, middle case, and best case scenarios can be modeled for the voters.

The agenda item was concluded.

7. **STAFF REPORT**

Presented by: Lisette Camacho, Budget and Finance Director

- a. This report allows the City staff to update the Committee. The Committee is prohibited from discussing or acting on any of the items presented by the staff since they are not itemized on the Bond Committee agenda.

Ms. Camacho announced that the Officers of the Committee, Chair Froke and Vice Chair Baker, will be sworn in by Council at their January 14, 2020 meeting.

Ms. Rios announced that Ms. Camacho was promoted and is now the Budget and Finance Director, no longer Interim.

8. **COMMITTEE COMMENTS AND SUGGESTIONS**

Committee Member Hirsch thanked staff for the presentation and appreciated all of the details.

Ms. Camacho facilitated discussion of the February 2020 meeting dates. All agreed that the meetings will be held on February 4th and February 18th.

9. **NEXT MEETING**

The next regular meeting of the Citizen Bond Election Committee will be held on January 21, 2020 at 5:00 p.m., located at 5850 West Glendale Avenue, Glendale, Arizona, 85301.

10. **ADJOURNMENT**

The meeting was adjourned at 5:54 p.m

The Bond Committee meeting minutes of January 7th, 2020 were submitted and approved this 21st day of January, 2020.

Renee Molina
Management Assistant

SPECIAL ACCOMMODATIONS

For special accommodations, please contact Renee Molina at (623) 930-2470 or rmolina@glendaleaz.com at least three (3) business days prior to the meeting. Hearing impaired persons may use the Arizona Relay Service by dialing 711.

Pursuant to A.R.S. 38-431(4), one or more members of the Bond Committee may be unable to attend the meeting in person and may participate telephonically.

In accordance with Title 38 of the Arizona Revised Statutes (A.R.S.), upon a public majority vote of a quorum of the Citizen's Bond Election Committee, the Committee may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of records exempt by law from public inspection (A.R.S. 38-431.03(A)(2))
- (ii) discussion or consultation for legal advice with the city's attorneys (A.R.S. 38-431.03(A)(3))
- (iii) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolved litigation (A.R.S. 38-431.03(A)(4))

Confidentiality requirements pursuant to A.R.S. 38-431.03(C)(D): Any person receiving executive session information pursuant to A.R.S. 38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the Bond Committee, or as otherwise ordered by a court of competent

jurisdiction.