



Potential G. O. Bond Special Election 2023

November 22, 2022





Agenda

- Overview of G. O. Bonds
- Remaining Bond Authority
- Repurposing bond authority
- Potential 2023 Election
 - Pros and Cons
 - Timeline
- Other Considerations
- Council Discussion and Consensus



General Obligation (G.O.) Bonds

- Paid for using secondary property tax
 - Council resolution on a flat levy
- Must be authorized by voters
- Constitutional limits
 - Based on Net Assessed Full Cash Value
 - Outstanding G.O. debt may not exceed:
 - 20% for combined water, sewer, public safety, streets, transportation, open space, and parks
 - 6% for general municipal purposes



Property Tax

- Primary Levy Limit
 - Any general fund expense
 - Allowable 2% increase per year
- Secondary Levy Limit
 - Debt service on General Obligation (G.O.) bonds only
 - Currently flat levy
 - Assumes slight growth from new construction



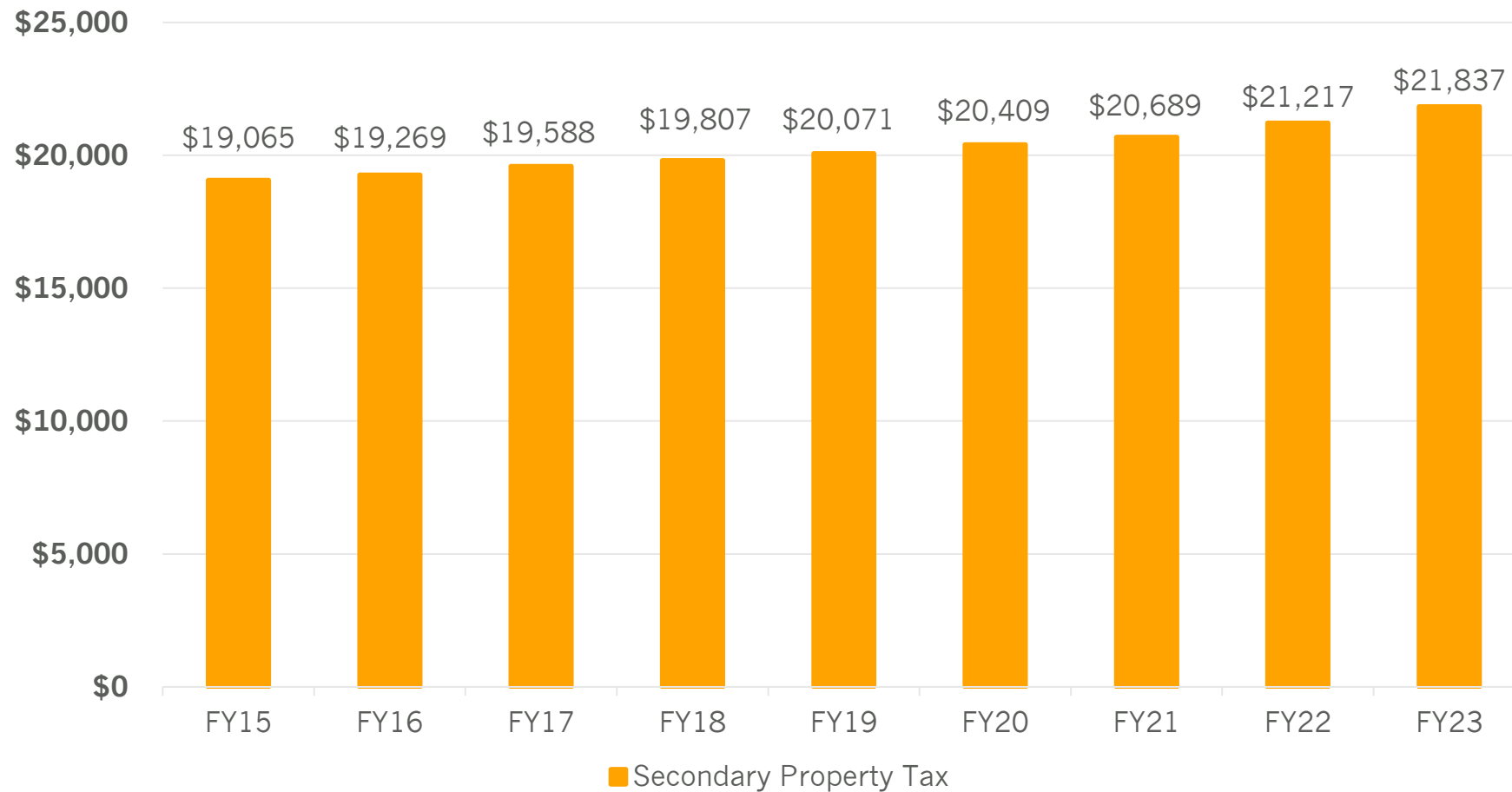
Debt Management Policy

- Adopted by City Council in October 2020
- The City Council will not authorize the issuance of new G.O. bonds if the levy amount required to pay the debt service on the existing G.O. bonds plus the new G.O. bonds exceeds the amount of the current year's tax levy plus an amount of up to 2% per year for new growth (i.e. new property added to the tax rolls)
- **Existing G.O. Debt Service + New G.O. Debt Service \leq Current Levy + 2% for Growth**



Secondary Property Tax History

Secondary Property Tax History (In Thousands)

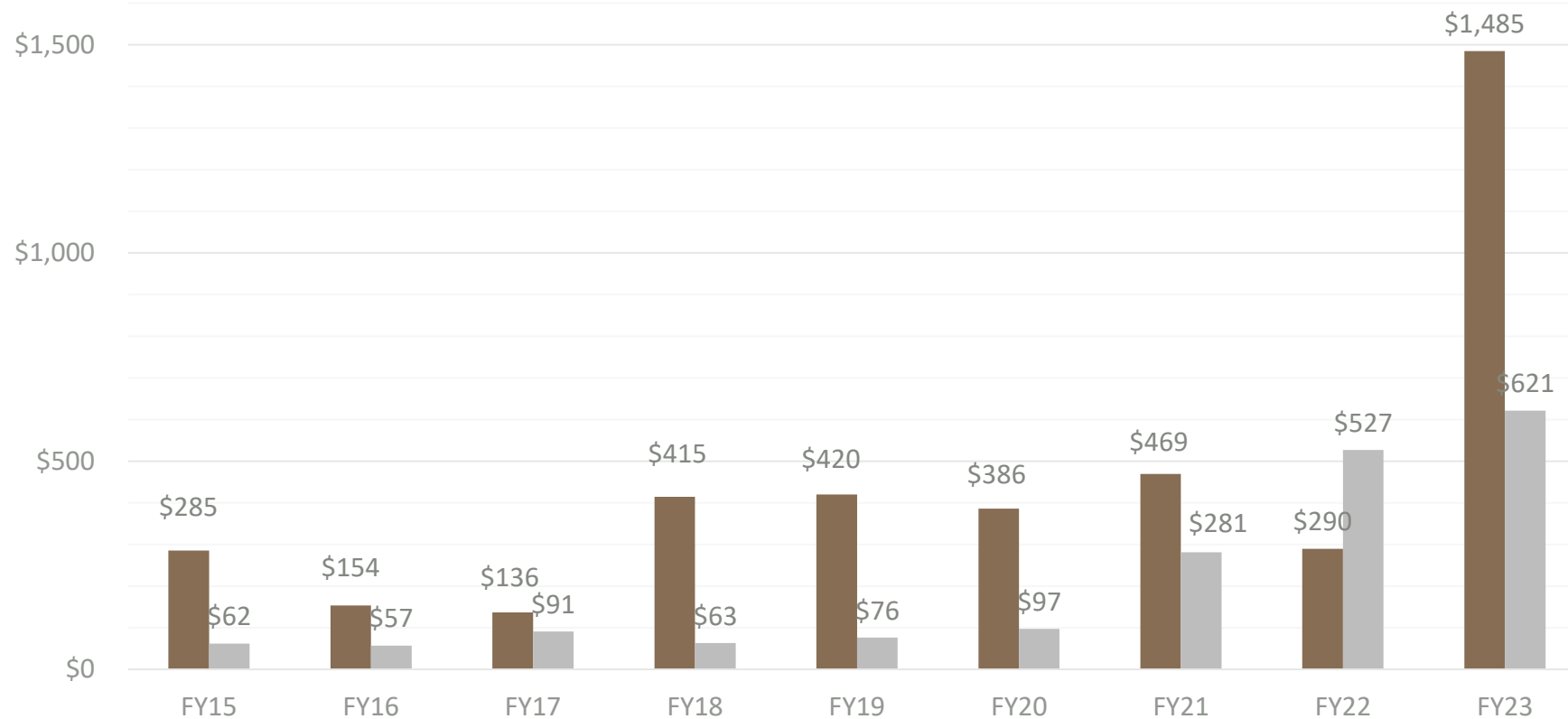




Comparison of Growth vs Inflation

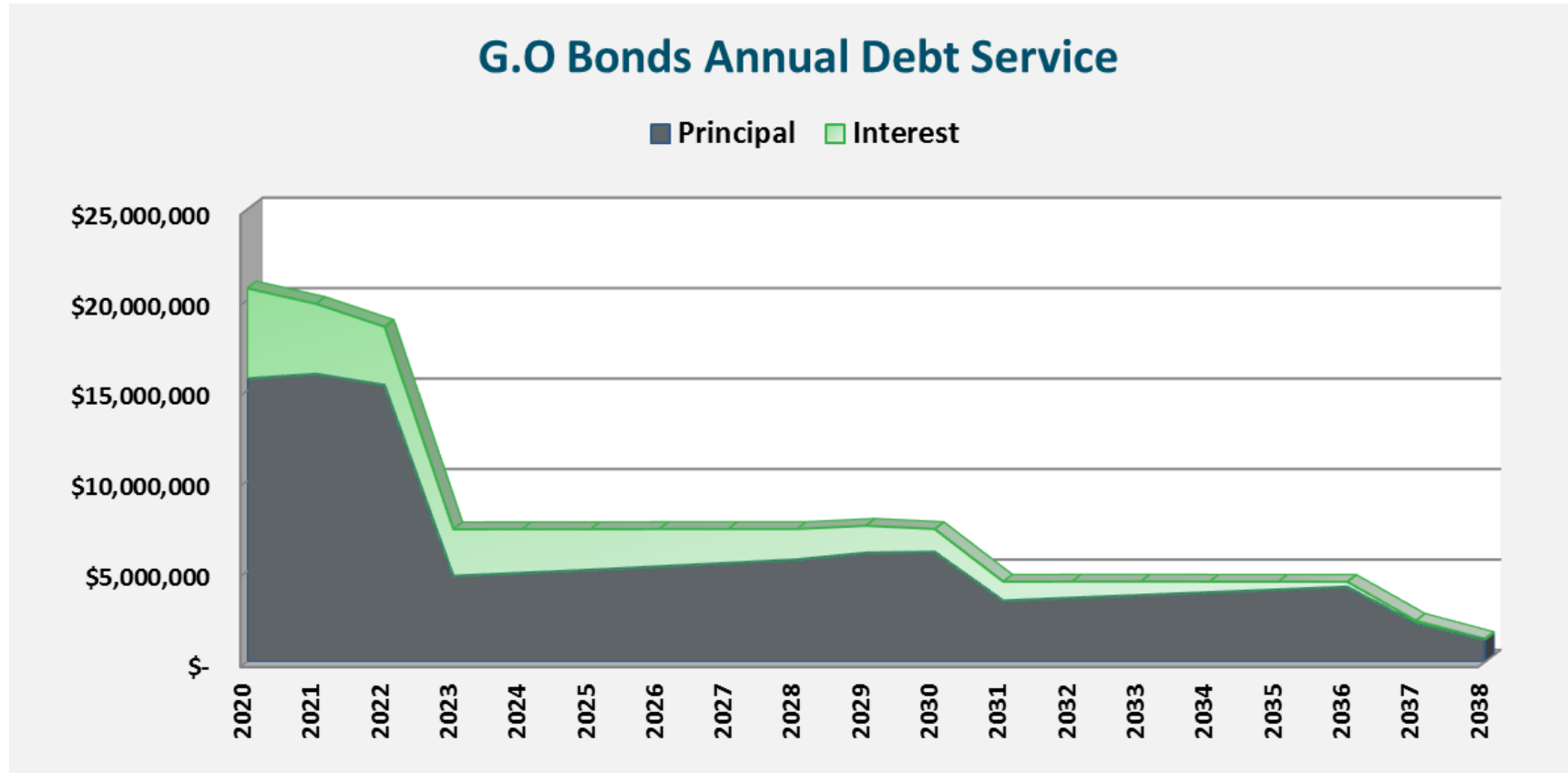
Secondary Property Tax (In Thousands)

■ Amount if Increased by Inflation ■ Amount Attributable to Growth



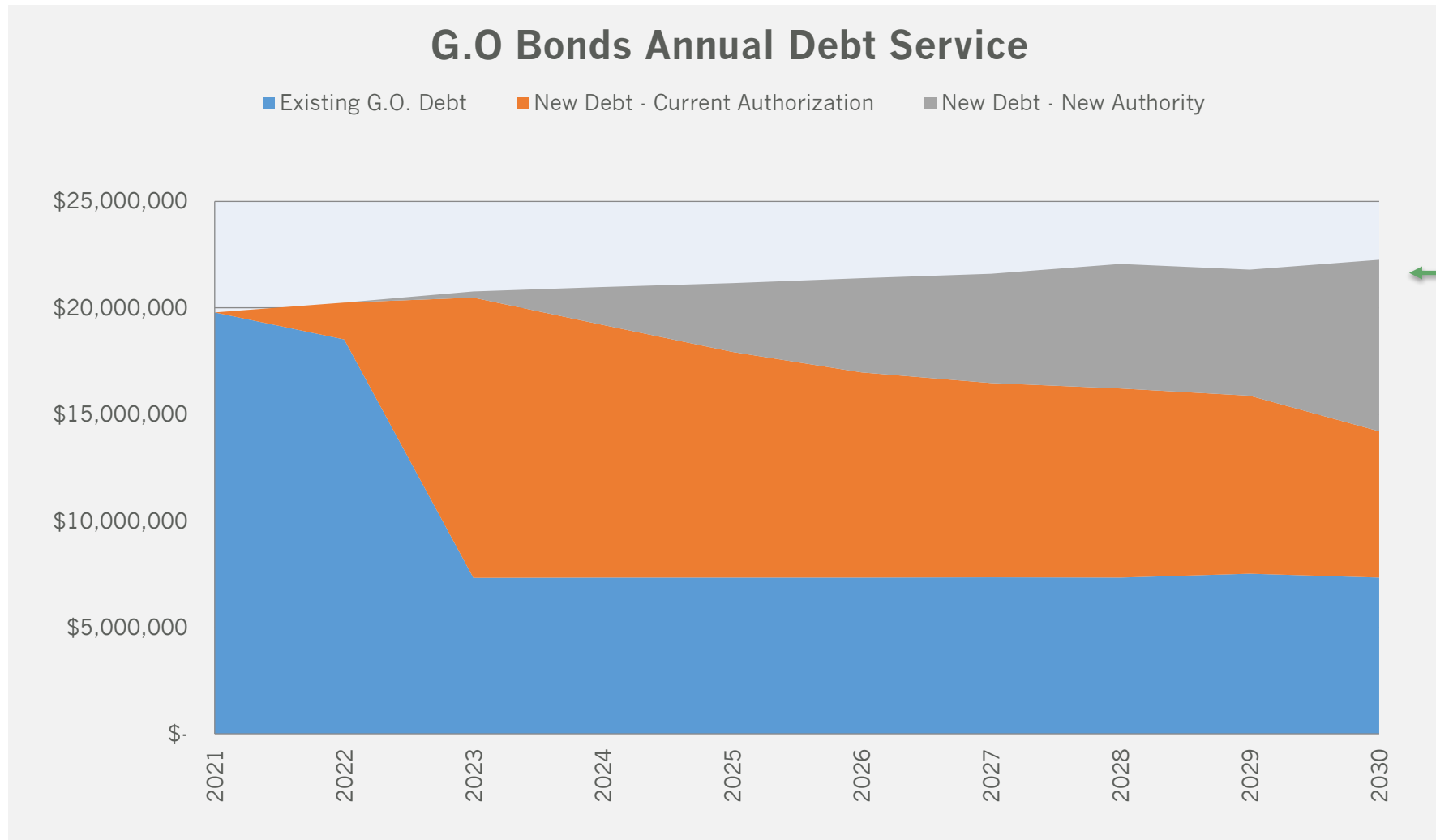


G.O. Bond Debt Service Capacity





Full G.O. Bond Program





Public Safety – Completed Projects

- Remodel Fire Station 152

\$1,352,622

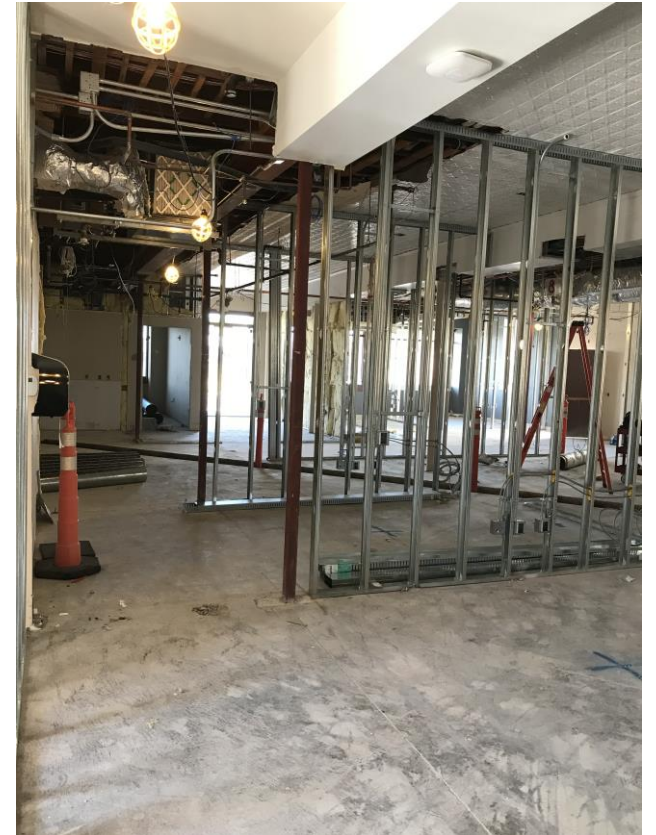




Public Safety – In progress

- Remodel Sine Building

\$1,625,205

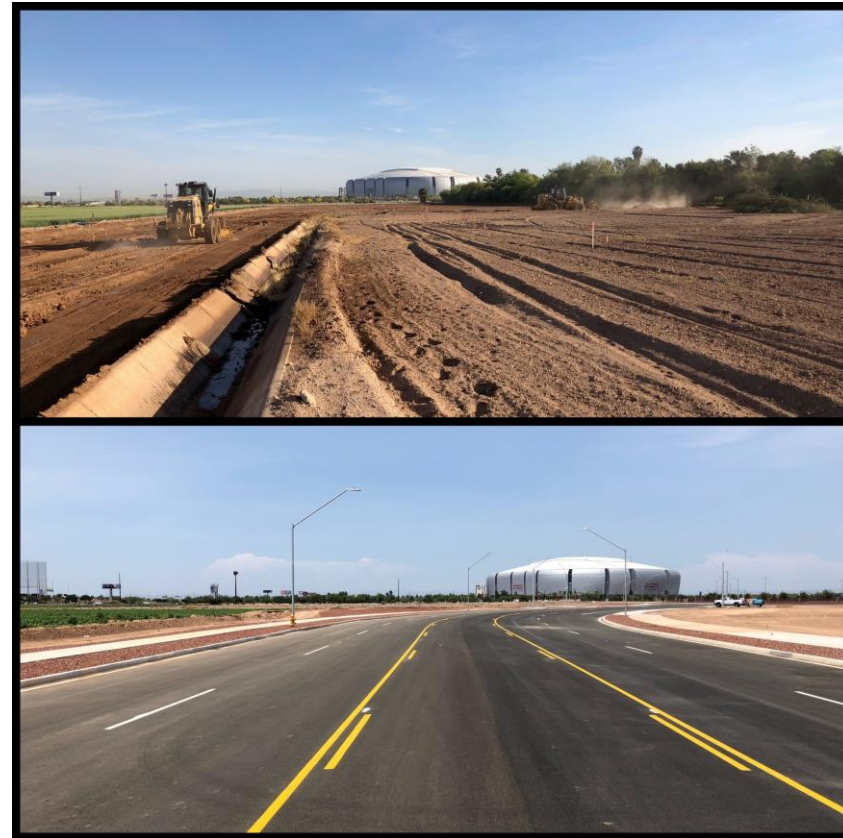




Streets and Parking – Completed Projects

- 95th Avenue

\$3,518,021





Streets and Parking – Completed Projects

- Glendale Ave Reconstruction

\$3,518,021





Streets and Parking – Completed Projects

- Camelback Rd. Loop 101 - 91 Reconstruction \$3,010,536



Project	Amount Spent	Project	Amount Spent
Camelback 101-91 st	2,741,150	CACTUS - 59TH TO 67TH	69,426
GLENDALE -101 TO EL MIRAGE	14,570,119	51ST AVE-PEORIA TO CACTUS	60,312
CAMELBACK - 83RD TO 91ST	2,318,932	51ST AVE - OLIVE TO PEORIA	60,186
BELL RD - 51ST TO 59TH	3,478,910	75TH-GLENDALE TO NORTHERN	178,830
GLENDALE - 101 TO 91 ST	2,841,035	83RD-GLENDALE TO NORTHERN	241,960
CACTUS - 51ST TO 59TH	1,652,163	67TH - GREENWAY TO BELL	71,902
STREET RECONSTRUCTION PROGRAM	2,384,330	WESTGATE AREA SIGNAGE	637,872



Flood Control – Completed Project

- Bethany Home Outfall Channel

\$15,311,000





Flood Control – Completed Projects

- 83rd & Georgia Drainage

\$747,452

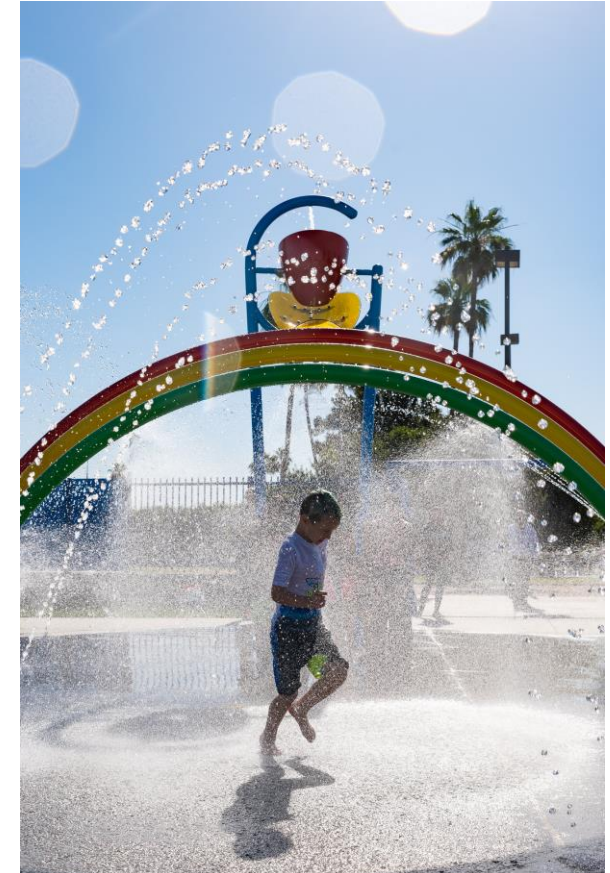




Parks and Recreation – Completed Project

- O'Neil Park Splash Pad

\$1,135,745





Parks and Recreation – Completed Project

- Heroes Regional Park Lake
 - \$4,203,361 (G.O.)
 - \$1,206,450 (General fund)

Total Budget of \$5,409,811





Remaining Bond Authority

Category	Amount Requested in 2020 Election*	Amount now remaining	5-year CIP	10-year CIP	Notes
Landfill	\$9,900,000	\$4,625,000	\$14,437,000	\$19,096,400	Paid for by landfill revenue
Parks and Rec	\$87,200,000	\$6,040,000	\$35,284,473	\$84,684,473	
Streets and Parking	\$81,500,000	\$324,000	\$46,838,032	\$81,847,780	
Flood Control	\$9,300,000	\$7,676,000	\$12,501,500	\$18,123,500	
Open Space and Trails	NA	\$49,280,000	\$15,125,000	\$21,754,200	Possible to repurpose
Public Safety	NA	\$86,591,150	\$64,150,325	\$88,505,201	Runs out in FY27-28
Library	NA	\$16,871,000	\$24,176,966	\$29,576,966	Runs out in FY25-26

*2020 Bonds did not pass



Summary of H.B. 2821

Repurposing Bond Elections

1. Allows the Council to call an election to change the purposes for which the monies derived from the sale of bonds authorized at a prior election may be spent
2. Election to be held on the first Tuesday following the first Monday in November, the same day as typical bond elections.
3. Requires the election notice and procedures to be conducted in the same manner as typical bond elections.



Summary of H.B. 2821

Repurposing Bond Elections -Continued

4. Informational pamphlet like regular bond election pamphlet also contains
 - Original purposes and projects
 - Proposed new purposes and projects

5. Requires the ballot to contain the words “change capital improvements, yes” and “change capital improvements, no” and requires the voter signify their desired choice.

6. Last permitted election date is **November 5, 2024.**



Timeline for 2023 Special Election

Timeline

- March 3 Notify Maricopa County of Participation
- June 13 Adopt Resolution referring the questions to the ballot
- July 14 Materials due for Voter Information Pamphlet
- August 19 Last day to submit “for” or “against” statements to City Clerk
- October 3 Publicity pamphlets mailed
- October 11 Early voting ballots mailed
- November 7 Election Day



Potential November 2023 Special Election

- Pros*
 - Voters tend to be more informed on the issue
 - Other cities have seen success
 - No voter “fatigue”
- Cons*
 - Cost up to \$250k
 - Lower turnout

*Not intended to be an all-encompassing list



Other Considerations

- Election strategy consultant
 - Gauge public sentiment
- Purpose and role of the Bond Committee



Discussion and Consensus

- Continue on path to a 2023 Special Election?
 - Recommended by Bond Committee
- Engage election strategist