

**DRAFT MINUTES**

**CITIZEN BOND ELECTION COMMITTEE  
CITY HALL, 4<sup>th</sup> FLOOR CONFERENCE ROOM  
5850 W. GLENDALE AVE.  
GLENDALE, ARIZONA 85301  
AUGUST 30, 2022  
5:30 P.M.**

**1. CALL TO ORDER**

Chair Baker called the meeting to order at 5:31 p.m.

**2. ROLL CALL**

Present: Lisa Baker, Committee Chair  
Alicia Rubio, Committee Vice Chair (arrived during agenda item #7)  
Connie Kiser, Committee Member  
Sam McConnell, Committee Member  
Michael Socaciu, Committee Member

Absent: None

Also Present: Vicki Rios, Assistant City Manager  
Levi Gibson, Budget and Finance Interim Director  
Jamsheed Mehta, Interim Assistant City Manager  
John Kennedy, Public Facilities, Recreation & Special Events Director  
Michelle Woytenko, Field Operations Director  
John Murphy, Engineering Department  
Randa Abdelazim, Budget and Finance Management Assistant  
Thomas Carlson, RBC Capital Markets  
William DeHaan, Greenberg Traurig

**3. CITIZEN COMMENTS**

None.

**4. INTRODUCTION OF COMMITTEE MEMBERS**

Presented by: Vicki Rios, Assistant City Manager

Previously done during roll call.

**5. APPROVAL OF THE MINUTES**

a. Citizen Bond Election Committee Minutes of 02/01/2022

A motion was made by Committee Member Connie Kiser, second by Committee Member Michael Socaciu, to approve the Citizen Bond Election Committee February 1, 2022 meeting minutes as written.

AYE: Committee Chair Lisa Baker  
Committee Member Connie Kiser  
Committee Member Sam McConnell  
Committee Member Michael Socaciu  
Other: Committee Vice Chair Alicia Rubio (ABSENT)

**6. PURPOSE AND ROLE OF THE BOND COMMITTEE**

Presented by: Vicki Rios, Assistant City Manager  
Presented by: Levi Gibson, Budget and Finance Interim Director

Mr. Gibson presented the following information:

Purpose and Role of the Bond Committee:

- Review Financial Information
  - Understand the City's Capital Improvement Plan
- Review Ballot Language
  - Make recommendations to City Council
- Community Outreach
  - Member of the Bond Committee
  - Private citizen / resident of Glendale

Role of City Staff

- Educate and Inform
  - Bond Committee, Community, and Voters
- Support the Bond Committee
  - Facilitate meetings
  - Provide information:
    - Financial
    - Election
    - Federal, state, and local laws

Ms. Rios stated that staff's role was to support the Committee.

**7. OVERVIEW OF THE CITY'S BUDGET PROCESS AND CAPITAL IMPROVEMENT PLAN (CIP)**

Presented by: Lisette Camacho, Budget and Finance Director

Presented by: Levi Gibson, Budget and Finance Interim Director

[Committee Vice Chair Alicia Rubio entered the meeting during the agenda item.]

Mr. Gibson gave a presentation, which included information on the following:

Budget Overview

- Budget Process
  - Staff Prepares 5-Year Financial Forecast
  - Develop Base Operating Budget Requests
  - Develop and Balance CIP
  - Present Draft Budget
  - Council Adopts Final Budget
  - Staff Prepares Budget Book
- Budget Components
  - Revenues
  - Expenditures: Operating, CIP, Debt Service, Contingency
- Balanced Budget: Required by the State of Arizona
- FY22-23 Total Budget Appropriation: \$1.07 billion
  - Operating Budget: \$546 million (51%)
  - Capital: \$288 million (27%)
  - Contingency: \$139 million (13%)
  - Debt: \$ 97 million ( 9%)
- FY22-23 Operating Budget: \$546 million / Departmental breakout was provided.

CIP Overview

- Elements of a Capital Improvement Plan
  - Assets valued over \$50,000 with a useful life of 5 or more years.
  - Land, buildings, streets and improvements, plants, large equipment

- Ten-Year Plan (only FY22-23 is adopted as part of the FY22-23 Budget)
- Projects in Years 1 to 5 have identified funding sources.
- Financial Policy:
  - Improve existing assets
  - Replace existing assets as needed
  - Construct new assets
- CIP Funding Sources
  - Enterprise Funds
    - Water/Sewer:
      - Funding can come from G.O. Bonds, revenue bonds, revenue obligations, or cash financing
      - Debt service paid from future Water/Sewer fee revenue
    - Landfill: Paid by Landfill user fees
    - Solid Waste: Paid by Solid Waste user fees
  - General Obligation Bonds (G.O. Bonds)
    - Debt issuance must be authorized by the Voters
    - Streets, Public Safety, Parks, Government Facilities, Open Space/Trails, Libraries, and Flood Control
    - Debt service paid by Secondary Property Tax
  - Pay-As-You-Go: Cash-funded projects
  - Transportation Sales Tax
    - Half-cent sales tax
    - Improve service for all modes of transportation
  - Highway User Revenue Funds (HURF)
    - Restricted Special Revenue Fund
    - Right of Way acquisition, construction, reconstruction, maintenance, and repair
  - Development Impact Fees
    - One-time charges to developers for new development
    - New or expanded infrastructure
  - Grants
    - Federal or state grant funding
    - Often require a City match contribution to the project
- 10-Year Draft CIP by Project Type: \$1,367.7 million / Departmental breakout was provided.
- 10-Year Draft CIP by Funding Source \$1,367.7 million / Source breakout was provided.

The agenda item was concluded.

## 8. PRESENTATION ON GENERAL OBLIGATION BONDS

Presented by: Levi Gibson, Budget and Finance Assistant Director  
Guest Presenter: Thomas Carlson, RBC Capital Markets

Mr. Gibson gave a presentation on General Obligation (G.O.) Bonds, which included details on the following:

- G.O. Bonds: Details on constitutional limits were provided.
- Information Pamphlet for Bond Election
  - Arizona Revised Statute 35-454
  - Details on specific information that must be included in the pamphlet were provided.

Ms. Rios explained Glendale's flat levy policy in general.

Vice Chair Rubio asked if the Committee Members could submit statements for or against the bond propositions. Ms. Rios confirmed the Committee Members could make statements as private citizens.

#### 9. **PRESENTATION ON 2021 LEGISLATION ABOUT RE-PURPOSING BOND AUTHORITY**

Presented by: William DeHaan, Greenberg Traurig

Mr. DeHaan shared a summary of H.B. 2821- Repurposing Bond Elections)

- Allows 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, provided the bonds have not been issued.
- Requires the Council to order the election to be held on the first Tuesday following the first Monday in November, the same day as typical bond elections.
- Requires the election notice and procedures to be conducted in the same manner as typical bond elections.
- Requires, at least 35 days before the election, the Council to mail an informational pamphlet to each household within the political subdivision with a registered voter. Details on information required in the pamphlet were displayed.
- Requires the ballot to contain the words “change capital improvements, yes” and “change capital improvements, no” and requires the voter to signify their desired choice.
- The last permitted election date is November 5, 2024.

Mr. DeHaan suggested conducting a repurpose election in 2024, if the Committee intended to do so, not in the same year as a request for new bonds.

Committee Member Socaciu asked if the Committee was being asked to hold a repurpose election or if it was optional. Ms. Rios relayed that Chair Baker had requested information on this topic. Ms. Rios explained that there is bond authority in certain categories that is not being used, so there are opportunities for repurposing. She said the Committee could make a recommendation to Council if the Committee wanted to pursue a repurposing question and if so, the intended timeframe. Mr. Gibson stated that the opportunity for the question was in 2023 or 2024, as it was a limited opportunity. Ms. Rios said that if the process were popular, it was possible the deadline could be extended; however, no city had yet used repurposing to her knowledge.

Chair Baker asked if repurposing should be kept in mind when the Committee was discussing potential bond questions for the fall. Ms. Rios relayed this was the reason the item was placed on the agenda. Ms. Rios said it could be confusing for the citizens to consider new bonds and repurposing at the same time, however, the Committee could discuss the various options.

Vice Chair Rubio expressed concern about getting the message out to both English and Spanish speakers.

Ms. Rios said all of the ballot language will be in both English and Spanish, which was required. She said, as a private citizen, committee members could spread the message in various ways and even form a political action committee (PAC). She explained that staff was a resource for the Committee, but could not advocate in any way on the bond election.

Committee Member Socaciu asked if the City needed the Committee to act specifically on the repurposing question, or if Council would take action. Ms. Rios said the Committee was in place to make a recommendation to Council, however, Council could decide to accept or decline the recommendation, revise it, or add to it.

The agenda item was concluded.

#### 10. **GENERAL OBLIGATION BOND ELECTION PROCESS**

Presented by: Levi Gibson, Budget and Finance Assistant Director

Presented by: William DeHaan, Greenberg Traurig

Mr. Gibson presented information on the Prohibition on Use of City Resources in regards to a bond election, which was enacted in 1996 and amended in 2013 and 2015.

The Draft 2023 Tentative Bond Election Timeline was presented. Discussion was held regarding pros and cons of a bond election as a special election, during a non-presidential voting year.

#### 11. **GENERAL OBLIGATION (G.O.) BONDS**

Presented by: Vicki Rios, Assistant City Manager

Presented by: Levi Gibson, Budget and Finance Interim Director

Mr. Gibson gave a presentation on the following:

- Details on constitutional limits were provided.
- Property Tax
  - Primary Levy Limit
    - Can be used for any General Fund expense
    - Allowable 2% increase per year
  - Secondary Levy Limit
    - Debt service on G.O. bonds only
    - Currently flat levy. A slight growth is assumed for construction.
  - Glendale's Property Tax is comprised of (approximately):
    - Schools 62%
    - City of Glendale (Primary Levy) 4%
    - City of Glendale (Voter Approved) 13%
    - County 14%
    - Special Districts 7%
  - An example of a Property Tax Bill for a home was displayed which showed the difference between the rate and levy for 2019 versus 2020. This shows how the levy can remain flat, while the rate changes due to change in property value.
- Debt Management Policy – Flat Levy 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 must be less than or equal to the Current Levy + 2% Growth
- The following charts were displayed and explained:
  - Secondary Property Tax History: FY15 through FY22
  - G.O. Debt Service Capacity – Principal and Interest: 2020 through 2038

The agenda item was concluded.

#### 12. **GENERAL OBLIGATION (G.O.) BOND FUNDED CAPITAL PROJECTS**

Presented by: Vicki Rios, Assistant City Manager

Presented by: Levi Gibson, Budget and Finance Interim Director

Mr. Gibson gave a presentation, which included information on the following:

Previous Bond Elections

- 1981, 1987, 1999, 2007: Total amounts for the following: bonds authorized, issued through June 30, 2022, and authorized but unissued.
- 2007 Bond Election and FY2022-31 CIP: Ballot question verbiage, samples of projects completed with 2007 bond funding, CIP for FY2022-31, and projects requiring additional voter authorization were provided for the following departments:
  - Public Safety
  - Streets and Parking
  - Flood Control
  - Parks and Recreation

Committee Member Socaciu asked when the park estimates were obtained. Mr. Gibson relayed the cost estimates were updated annually. Ms. Rios said the projects were last estimated in September or October of 2021, however, inflation was included in the estimates. Mr. Gibson explained the various resources used to develop the five-year forecasts. Committee Member Socaciu asked if the updated numbers would be provided to the Committee in October with new inflation estimates. Ms. Rios stated that the different departments will provide a presentation to the Committee. She explained that in the 10-Year CIP, the out-years are less accurate than the closer years. She said the Committee could recommend more or less than the estimates. However, she said the ultimate decision was up to Council.

Chair Baker had thought that the Murphy Park renovations were included in the City Hall renovations. Ms. Rios explained that the Murphy Park renovations, as planned currently, will require additional authorization.

Vice Chair Rubio asked if the bonding process was a mechanism for maintenance of City facilities or streets. Ms. Rios said bond funds must be used on a project over \$50,000 and have a five year useful life. Ms. Rios assured bonds were not used for maintenance and the streets included will be fully reconstructed. Mr. Carlson concurred that bond funds were used only for improvement of capital assets, not maintenance. Ms. Woytenko said staff proposes prioritization of projects to Council, however, Council can change or re-reprioritize the list.

**13. PRESENTATION ON THE START OF A POLITICAL ACTION COMMITTEE**

Presented by: William DeHaan, Greenberg Traurig

Mr. DeHaan shared information on establishing a Political Action Committee (PAC), including when to form a PAC, where to register a committee, filing a statement of organization, components or a statement of organization, chairperson and treasurer information, and finalizing a statement of organization. He said a PAC could spend funds to advocate for an election, such as buying advertisement, signage, and mailers. He noted that he was a City resource as well and therefore, could not advocate for the election. Ms. Rios stated that any of the Committee Members could form a PAC for or against the bonds.

Committee Member Kiser asked if the Committee Members could do similar advocating as individuals. Mr. DeHaan replied in the positive with the stipulation that less than \$1,300 is spent and in-kind donations would count towards the spending limit.

Chair Baker noted that a PAC must have less than quorum, if established by Committee Members.

#### 14. **REVIEW AND APPROVE THE TENTATIVE TIMELINE OF FUTURE MEETINGS**

Presented by: Levi Gibson, Budget and Finance Interim Director

Mr. Gibson presented the Draft 2023 Tentative Bond Election Timeline.

Discussion was held regarding if moving forward with the timeline as present would indicate that the Committee was recommending moving forward with a bond election. Committee Member Socaciu surmised the meeting timeline could be approved, with the knowledge that if the Committee decides not to recommend a bond election or something changed, the timeline could be revised or meetings cancelled.

A motion was made by Committee Member Michael Socaciu, second by Committee Member Connie Kiser, to approve 2023 Bond Election Timeline for the Citizen Bond Election Committee, as presented.

AYE: Committee Chair Lisa Baker  
Committee Vice Chair Alicia Rubio  
Committee Member Connie Kiser  
Committee Member Sam McConnell  
Committee Member Michael Socaciu

Ms. Rios announced the Committee will be informed when the timeline is presented to Council at a Workshop and will inform Council of the discussion held at this meeting.

#### 15. **STAFF REPORT**

Ms. Rios announced that Ms. Lisette Camacho, who served as Budget and Finance Director, has resigned from her position with the City and Mr. Gibson is filling the role in the interim, while recruitment is being conducted. Ms. Rios also announced that Mr. Jack Friedline, who served as an Assistant City Manager, has resigned and Mr. Jamsheed Mehta is the Interim Assistant City Manager.

#### 16. **COMMITTEE COMMENTS AND SUGGESTIONS**

None.

#### 17. **NEXT MEETING**

The next regular meeting of the Citizen Bond Election Committee will be held on October 4, 2022 at 5:30 p.m., in the 4<sup>th</sup> Floor Conference Room, located at 5850 West Glendale Avenue, Glendale, Arizona, 85301.

#### 18. **ADJOURNMENT**

A motion was made by Committee Vice Chair Alicia Rubio, second by Committee Member Michael Socaciu, to adjourn the meeting at 7:32 p.m.

AYE: Committee Chair Lisa Baker  
Committee Vice Chair Alicia Rubio  
Committee Member Connie Kiser  
Committee Member Sam McConnell  
Committee Member Michael Socaciu

The Citizen Bond Election Committee meeting minutes of February 1, 2022 were submitted and approved this 30<sup>th</sup> Day of August 2022.

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Levi Gibson  
Budget and Finance Interim Director