



General Obligation Bonds

June 1, 2023 – Citizens Transportation Oversight Commission





General Obligation (G.O.) Bonds

- Paid for using secondary property tax
 - Assumes 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
- 2021 legislation allows for repurposing bond authority

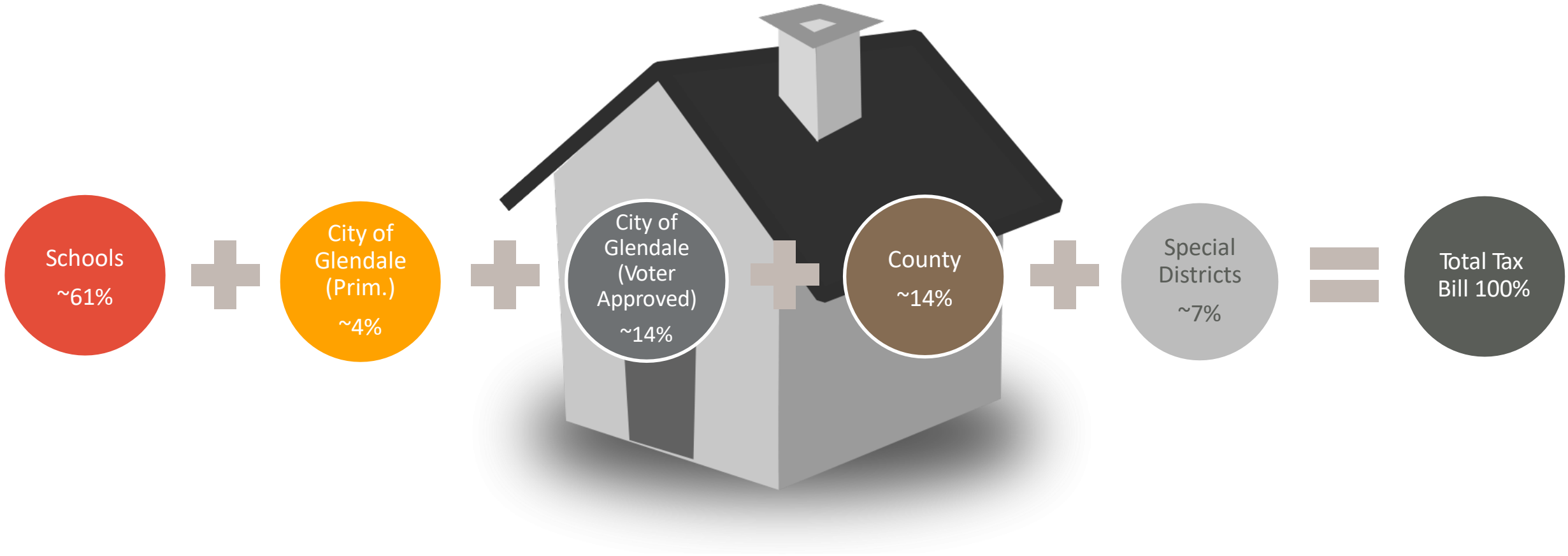


Property Tax

- 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



Property Tax





Property Tax Bill Example (\$339k Home)

	2021		2022		Changes
Assessed Value	\$341,448		\$358,520		\$17,072
Full Cash Value	\$353,200		\$377,500		\$24,300
	<u>Property Tax Levy Calculation</u>				
	2021		2022		
	Rate	Levy	Rate	Levy	\$ Change
Schools/Education (62%)		\$2,116.39		\$1,973.65	(\$142.74)
Glendale Primary (4%)	\$0.38	\$131.39	\$0.37	\$133.51	\$2.12
Glendale Secondary (13%)	\$1.34	\$457.85	\$1.40	\$465.25	\$7.40
County (14%)		\$459.56		\$447.18	(\$12.38)
Special Districts (7%)		\$232.31		\$217.51	(\$14.80)
Total		\$3,397.50		\$3,237.10	(\$160.40)

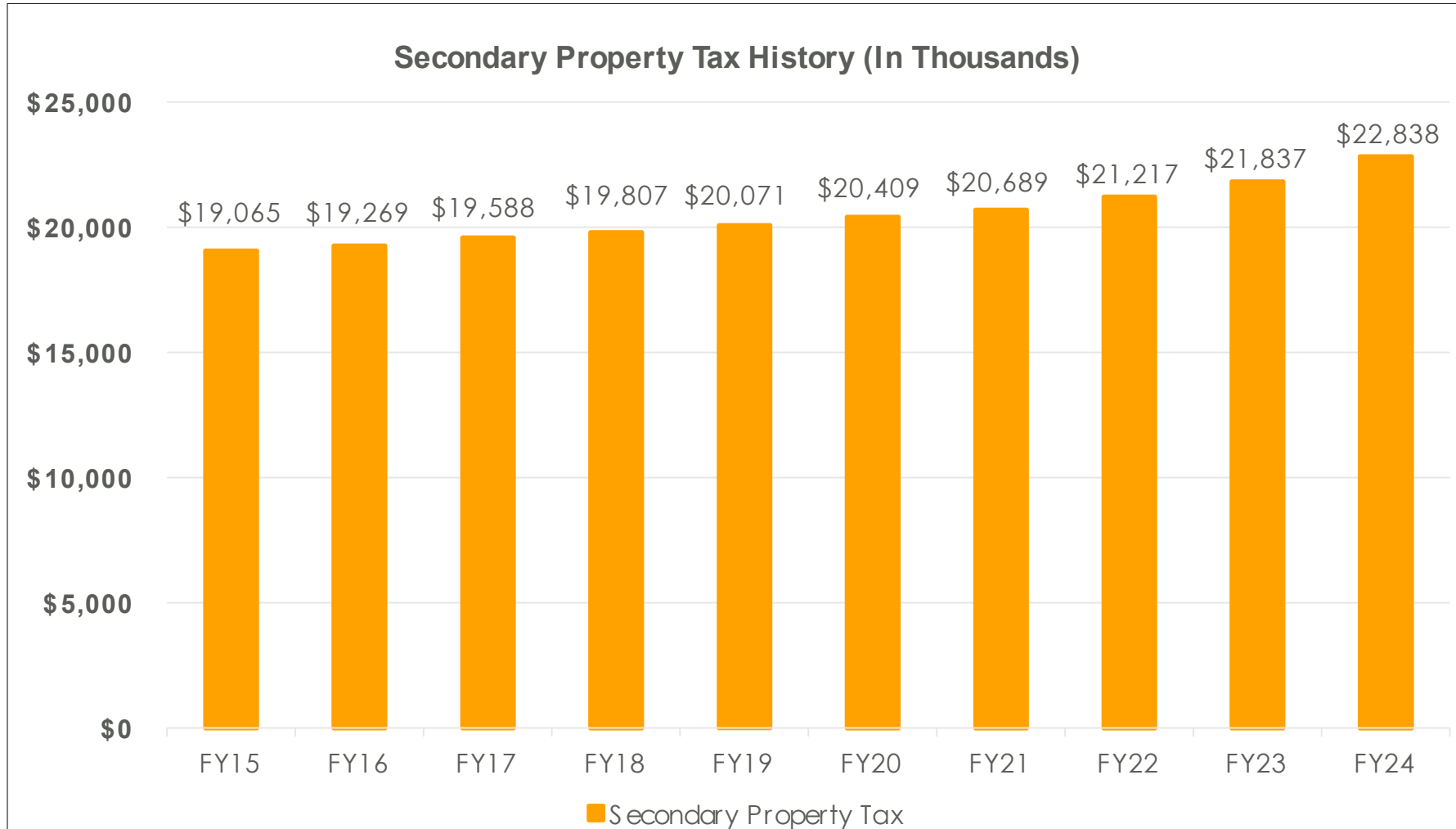


Debt Management Policy

- 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% Growth

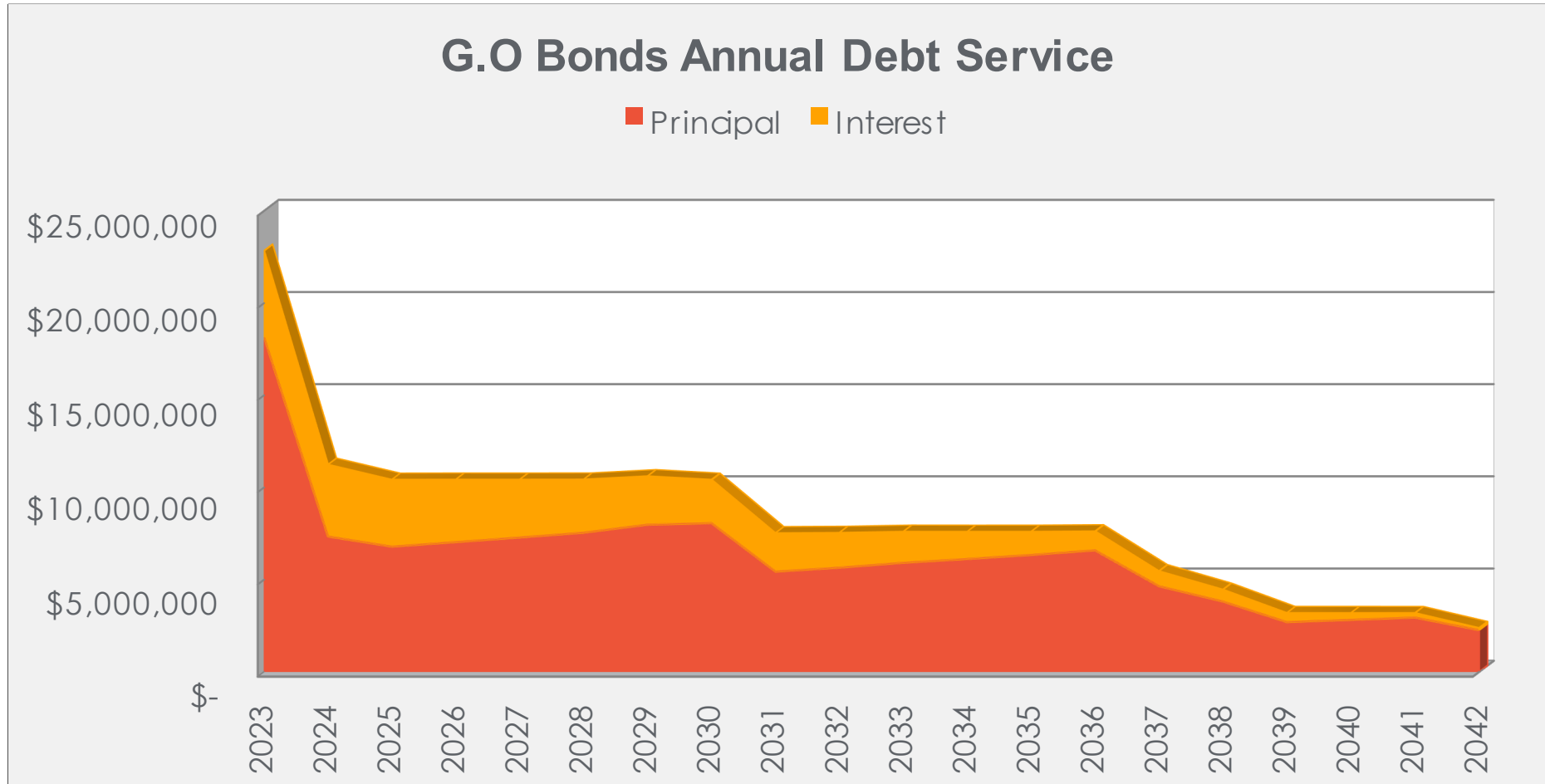


Secondary Property Tax History





G.O. Bond Debt Service Capacity





Questions?



Streets G.O. Bond Funded Capital Projects





Agenda

- 1) Elements of a Capital Improvement Plan
- 2) Pavement Management Program
 - a) Crack seal and fog seal are non-capital
 - b) Mill & Overlay, micro seal, and slurry seal are capital and eligible for bond funding
- 3) Arterial Reconstruction Program
 - a) Eligible for bond funding
 - b) Pavement, sidewalks, landscape, and other improvements
- 4) GO Bond Funded Streets Capital Projects
- 5) 2020 GO Bond Election
 - a) Ballot Language
 - b) Planned Projects



Elements of a Capital Improvement Plan

- Assets valued over \$50,000 with a useful life of 5+ years
- Land, buildings, streets & improvements, plants, large equipment
- Ten-Year Plan (only FY2023-24 is adopted as part of the FY2023-24 budget)

Financial Policy:

- A. Improve existing assets
- B. Replace existing assets as needed
- C. Construct new assets

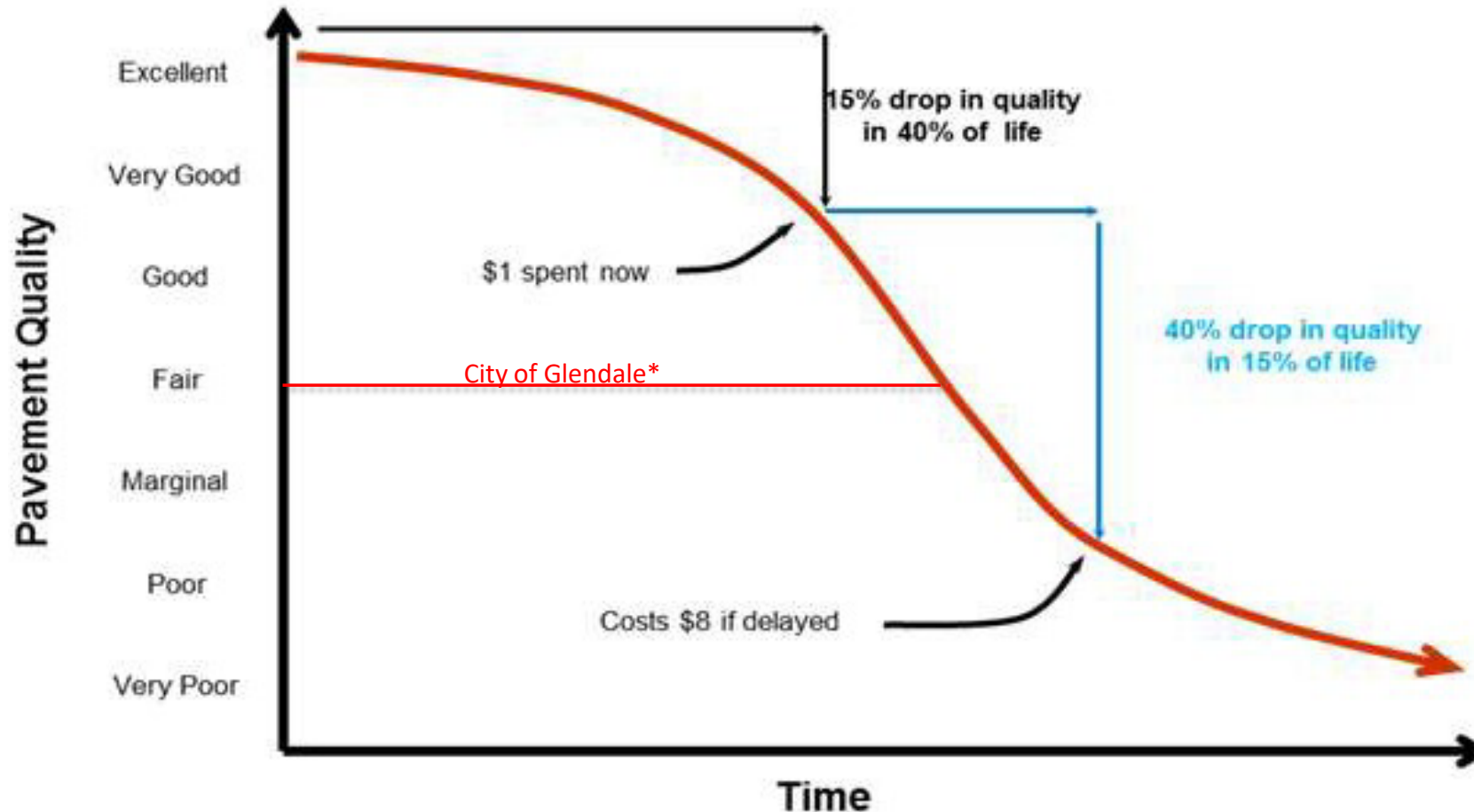


Non-Capital Street Maintenance

- Pavement Management Plan
 - Repairs usually last less than 5 years
 - All roadways in City included in program
 - Preservation of Street
 - Requires coordination with residents, parking, and utilities
 - Examples of non-capital street maintenance not eligible for Bond funds
 - Crack seal
 - Fog seal
 - Pothole repairs



Pavement Deterioration & Life Cycle Costs



*Information based on the 2020 Glendale Pavement Management Analysis



Pavement & Rating System

- Glendale Roadways
 - 709 Centerline Miles
 - 2,532 Lane Miles
- Pavement Rating Categories
 - Excellent 85–100 PCI
 - Very Good 70–85 PCI
 - Good 60–70 PCI
 - Fair 50–60 PCI



Pavement Condition & Funding

Pavement Condition Index (PCI)	Glendale Funding Requirement*
83	\$45 Million/Year
73	\$30 Million/Year
65	\$22 Million/Year
57	\$13 Million/Year

*Information based on the 2020 Glendale Pavement Management Analysis



Arterial Reconstruction Program

- Complete/partial removal and replacement of street structure
- Includes improvements to extend life of pavement beyond 5 years
- ADA ramps brought to current standards
- Requires coordination:
 - Business access
 - Traffic flow
 - Other cities, departments, and utilities



Safety

- Ride Quality
- Lane Configuration
- Pavement Markings
- Signage
- Detection
- Roadside Safety
- ADA Ramps
- Cross Walks
- Bike Lanes
- Bus Pullouts



Project Safety Components



Bike Lanes



Lane Markings

Signage



ADA Ramps



Crosswalk



Projects Requiring Additional Voter Authorization

Project Location	Cost Estimate
67TH AVE - DEER VALLEY RD TO PINNACLE PEAK RD	\$4,841,000
CAMELBACK RD - 67TH AVE TO 75TH AVE	\$4,841,000
CAMELBACK RD - 75TH AVE TO 83RD AVE	\$4,326,000
BETHANY HOME RD - 59TH AVE TO 67TH AVE	\$4,986,230
CAMELBACK RD - 59TH AVE TO 67TH AVE	\$4,986,230
BETHANY HOME RD - 67TH AVE TO 75TH AVE	\$4,986,230
BELL RD - 59TH AVE TO 67TH AVE	\$5,135,817
83RD AVE - GLENDALE AVE TO BETHANY HOME RD	\$5,135,817
67TH AVE - PEORIA AVE TO OLIVE AVE	\$5,135,817
GLENDALE AVE - EL MIRAGE RD TO LITCHFIELD RD (2 MILES)	\$10,579,783
BETHANY HOME RD - 43RD TO 51ST AVE	\$4,727,137
NORTHERN AVE - 43RD TO 51ST AVE	\$5,448,588



Projects Requiring Additional Voter Authorization

Project Location	Cost Estimate
GLENDALE AVE - 43RD TO 51ST AVE	\$5,448,588
THUNDERBIRD RD - 59TH AVE TO 67TH AVE	\$5,448,588
67TH AVE - DEER VALLEY RD TO BEARDSLEY RD	\$5,015,020

All estimates assume a cost inflation of 3% per year



Cactus Rd: 59th Ave – 67th Ave





Camelback Rd: 83rd Ave – 91st Ave





Streets GO Bond Remaining Voter Authorization

TOTAL APPROVED PROJECTS BY FUND								
4010	Streets	11,355,749	11,585,029	12,047,311	11,502,161	6,817,493	28,192,255	99,191,998
REMAINING VOTER AUTHORIZATION								
4010	Streets	(11,355,749)	(22,940,778)	(34,988,089)	(46,490,250)	(53,307,743)	(81,499,998)	(81,499,998)



2020 G.O. Bond Election - Ballot Language

- \$81.5 million in additional voter authorization
- Constructing and reconstructing major and local streets, highways and bridges within the City
- Street signage, lighting, street widening and landscaping



Questions?