



City of Goodyear Capital Improvement Program (CIP) Funding

City Council Work Session
October 17, 2022

- Review current funding sources
- Upcoming revisions to plans
- Bonds
- Citizen Bond Exploratory Committee

Citizen Bond Exploratory Committee

- Role of the committee
- Election details
- Property tax rate
- Dollar amount threshold

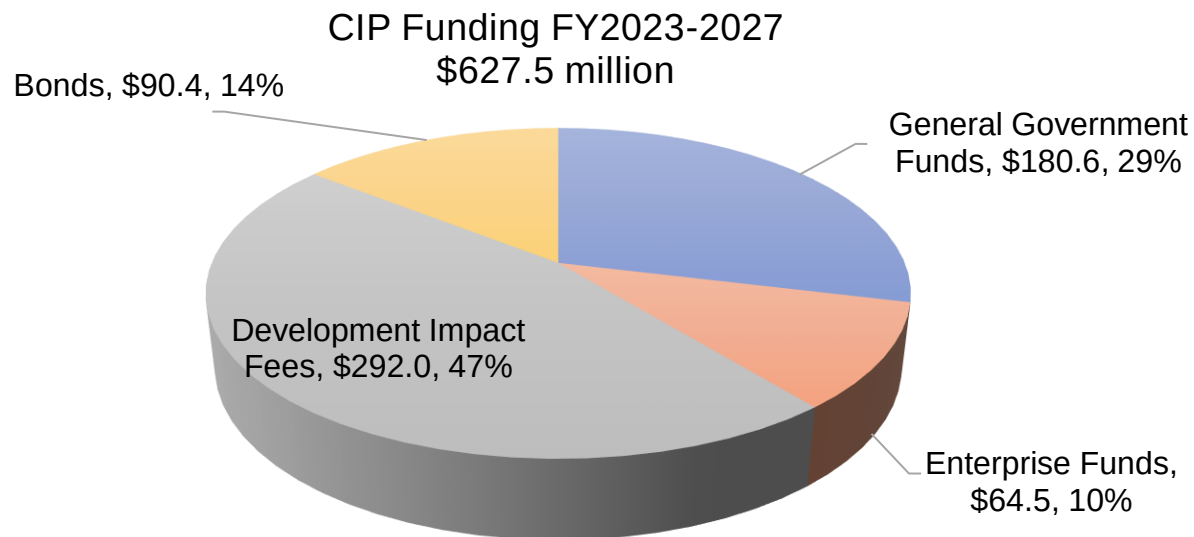
Financial policies

- Plan prepared each year
- First five years from known sources
- Asset management reserves
- Fund balance used for one time

More financial policies

- Construction sales tax
- Growth activities funded by growth fees
- Enterprise funds self-sufficient
- Property tax rate less than \$1.74

Review current funding sources



Development impact fees (DIF)

- Growth purposes only
- Maintain current service level
- Restricted by state law
- Reimburse for development agreements

- More DIF
 - Update underway
 - Construction cost increases
 - Notice in January
 - Council action with budget process

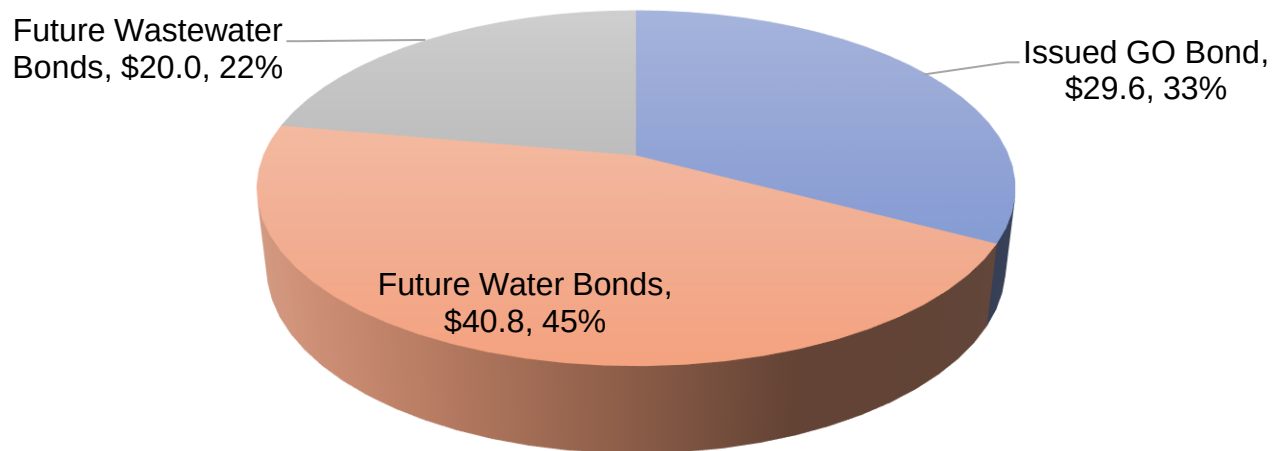
Upcoming revisions to plans



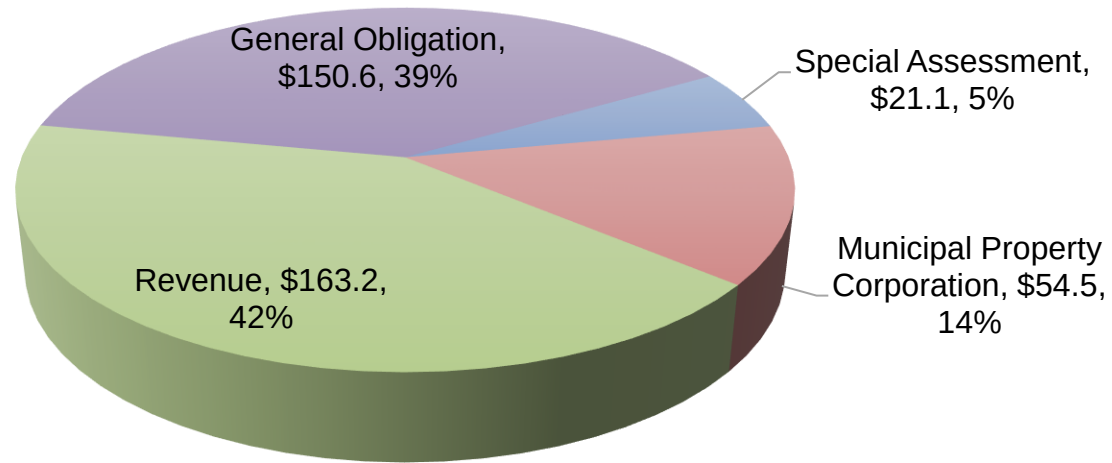
- Public Safety training facility master plan
- Parks and Recreation master plan
- Police staffing plan
- Transportation master plan
- Integrated water master plan

- Borrow funds and build now
- Repay over time with interest
- Promotes generational equity
- Timing of cost matches benefits

Bonds in CIP Funding FY2023-2027
\$90.4 million



Total Outstanding Bonds \$389.3 million



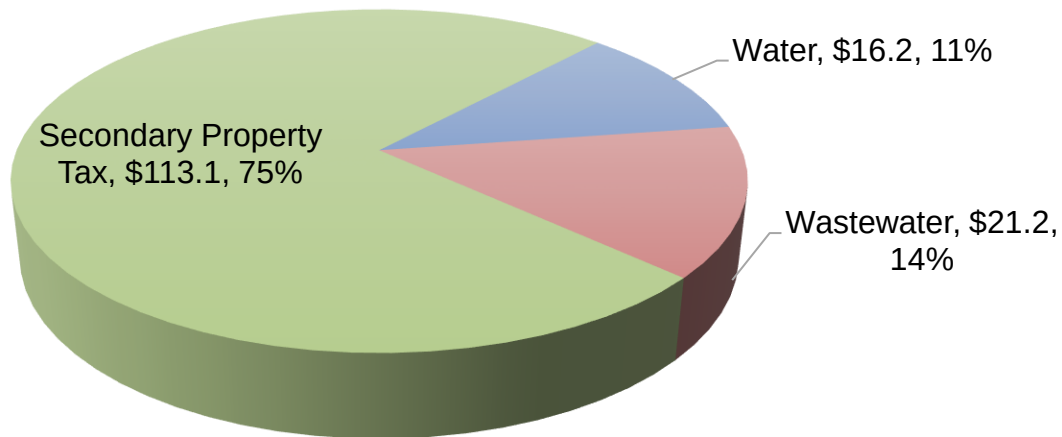
- Special assessment bonds \$21.1 M
 - Specific areas—districts
 - Each property pays set amount
 - McDowell Road Commercial Corridor

- Municipal Property Corporation \$54.5 M
 - Pledge revenue collections
 - Local sales, primary property, state shared
- Public Improvement Corporation
 - Goodyear Ballpark

- Revenue bonds \$163.2 M
 - Pledge revenue collections
 - Utility fees
 - Enterprise funds
 - Surface Water Treatment Plant

- General obligation (GO) bonds \$150.6 M
 - Backed by secondary property tax
 - Based on valuation
 - Usually lowest interest rate

Outstanding General Obligation Debt \$150.6 million



Current Bond Ratings

Bond Type	Moody's	Standard & Poor's
General Obligation	Aa1	AA+
Municipal Property Corporation	Aa2	AA+
Revenue	Aa3	A+
Special Assessment	Aa2	A

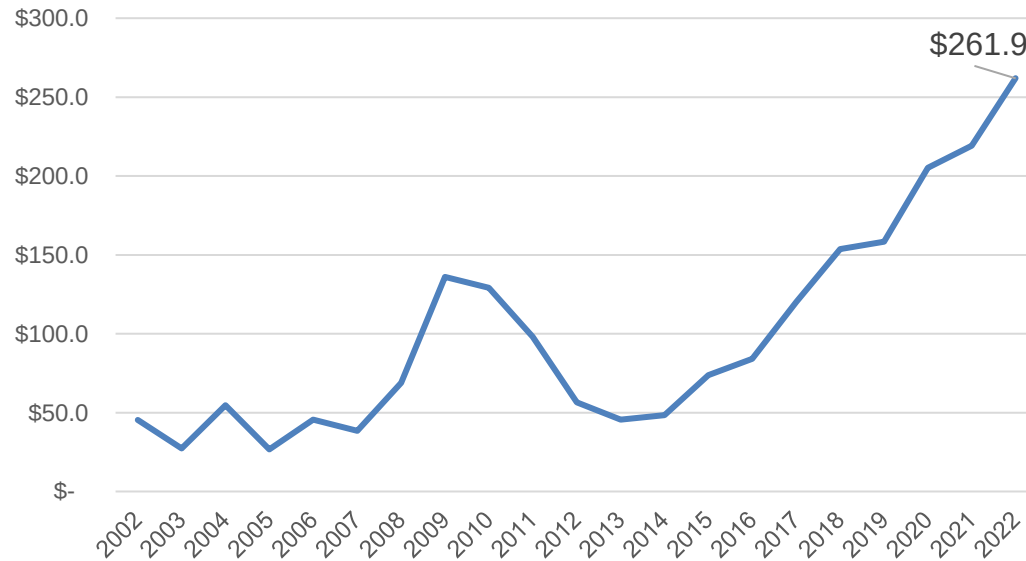
- General obligation (GO) bonds
 - Debt capacity limit
 - Property tax rate guideline
 - Voter authorization

- Debt Capacity
 - Arizona State Constitution
 - Based on % of valuation less outstanding
 - Currently \$261.9 million available

Bonds

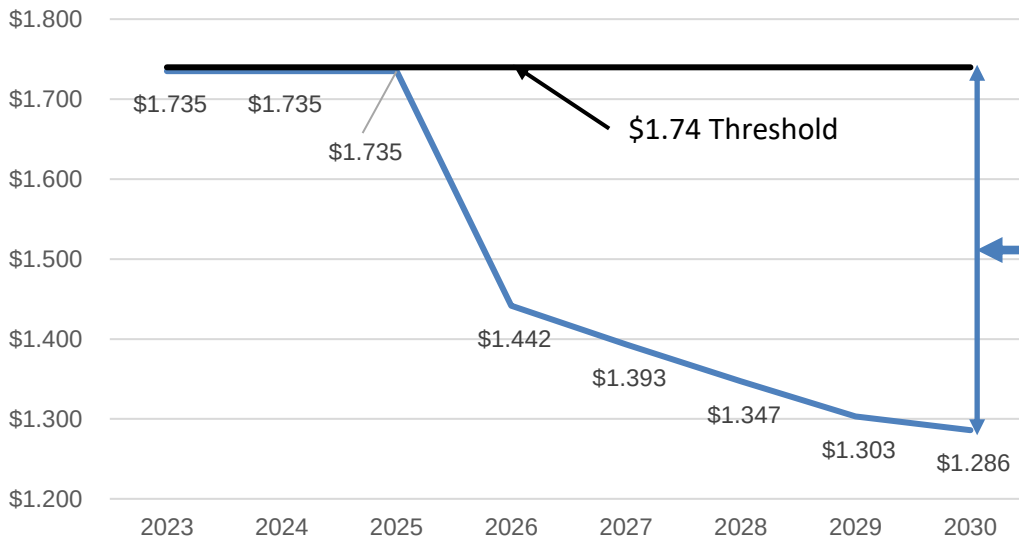


Debt Capacity in millions
2002-2022



- Property tax rate guideline
 - Combined rate of \$1.74
 - Restricts issuing new GO debt

Property Tax Rate Guideline



Can support new debt

\$110 million (5 yr)

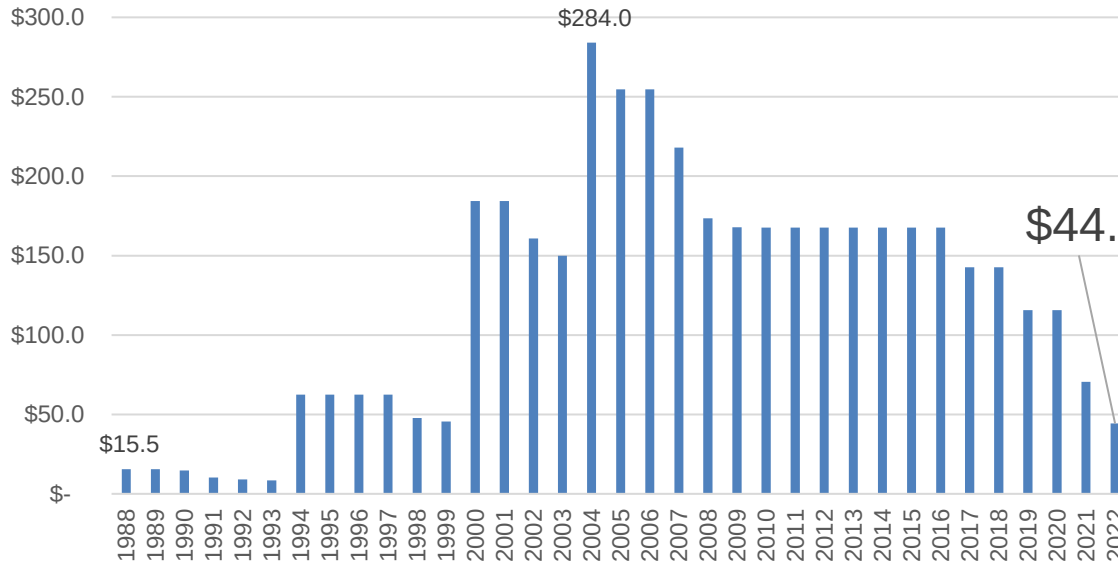
\$175 million (20 yr)

- Voter Authorization
 - Required for GO bonds
 - Not limited in amount
 - Does not expire

Bonds



Voter Authorization in Millions
FY1988-2022



Sewer	\$26.6
Storm Sewer/ Bridges/Drainage	\$17.8

Citizen Bond Exploratory Committee



- Role of the committee
- Election details
- Property tax rate
- Dollar amount threshold

Role of Committee

- Recommend financing plan
 - Projects
 - Priorities (timing)
 - Property tax impact
 - Ballot questions

Election details

- Single election
 - Short term vs long term
- Separate question per category
 - Public Safety
 - Transportation
 - Parks and Recreation

Property tax rate

- Current guideline is the maximum
- Impacts in line with state statute
 - Owner occupied residence \$250,000
 - Commercial \$1,000,000
 - Agriculture/Vacant \$100,000
 - Medians for each as well

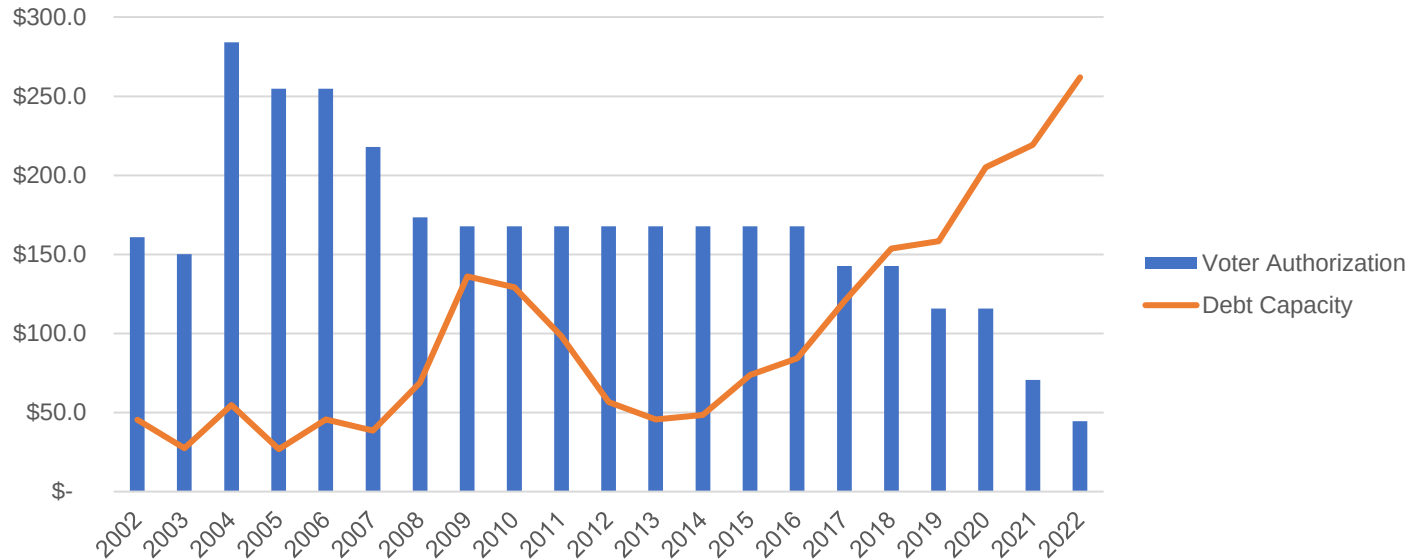
Dollar amount threshold

- \$138 million in 2000 election
- Voter authorization not limited

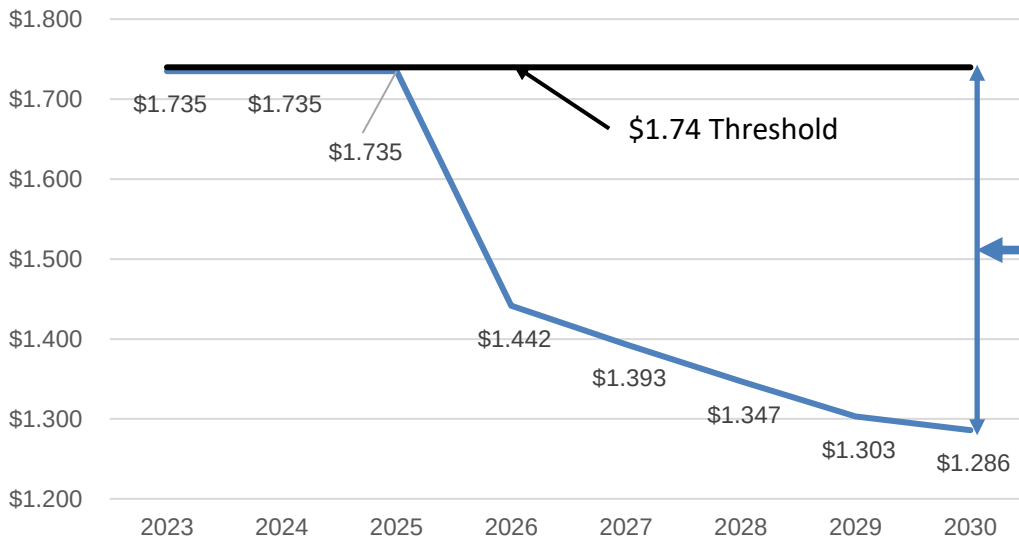
Citizen Bond Exploratory Committee



Voter Authorization and Debt Capacity
2002-2022



Property Tax Rate Guideline



Can support new debt

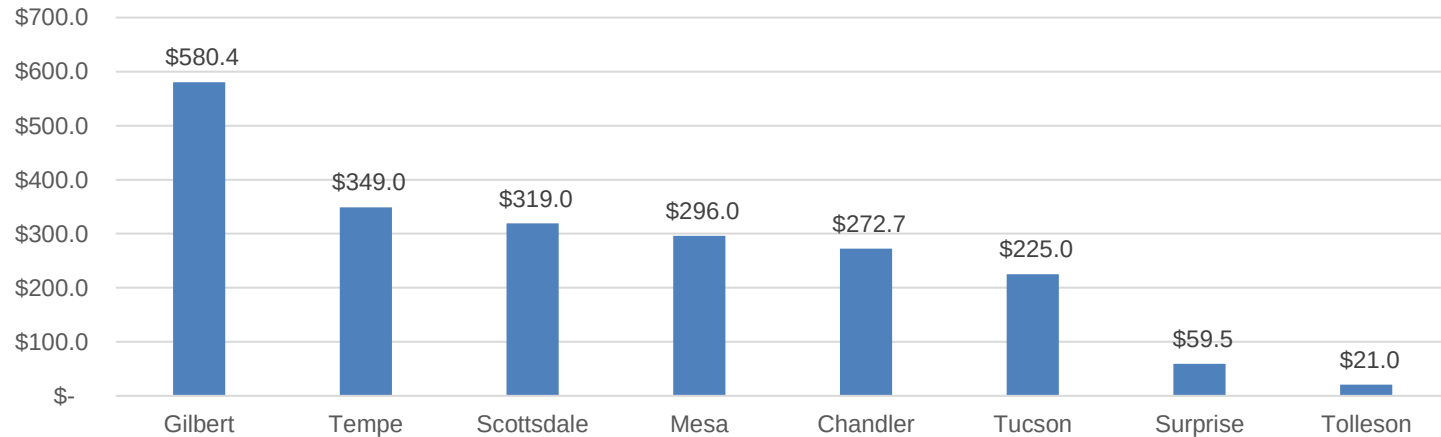
\$110 million (5 yr)

\$175 million (20 yr)

Citizen Bond Exploratory Committee



New Voter Authorization in millions
2017-2021



Role of Committee

- Seek out and promote public involvement
 - Committee ends May 31, 2023
 - Public outreach after Council action
 - City/Staff can educate, not advocate