



MEMORANDUM

Management Services Memo No. 12-046

DATE: MARCH 22, 2012
TO: MAYOR & COUNCIL
THRU: RICH DLUGAS, CITY MANAGER *RD*
DAWN LANG, MANAGEMENT SERVICES DIRECTOR *DL*
FROM: GREG WESTRUM, BUDGET MANAGER *AW*
SUBJECT: RESOLUTION 4581, AMENDING RESOLUTION NO. 3825 AND
RESOLUTION NO. 4219 TO REFLECT UTILIZATION OF BALLOT
QUESTION AUTHORIZATION

RECOMMENDATION: Staff recommends that Council pass and adopt Resolution No. 4581, Amending Resolution No. 3825 and Resolution No. 4219 to reflect utilization of ballot question authorization.

BACKGROUND/DISCUSSION: As part of the ongoing review of current bond proceeds and planned spending, staff has identified proceeds from two prior bond sales that are not expected to be used in the next five years. These bonds were sold in 2005 for the Museum project design, and in 2009 for Public Buildings - Expansion of the Public Works Building and Public Parking Garage which were included in the Capital Improvement Program (CIP) at that time. With the downturn in the economy, reduction in assessed values, and reduced capital program, none of the above mentioned projects are planned for construction in the next five years.

To avoid arbitrage and to make better use of cash on hand, staff is proposing to reallocate the remaining bond proceeds from these projects (a total of \$1,094,000) to the Streets GO Bond Fund where they can be put to use immediately as part of the FY12/13 CIP budget. In addition, the Resolution shifts \$500,000 of Parks GO Bond proceeds to the Center for the Arts GO Bond Fund, and adjusts the remaining voter-approved balance accordingly. Lastly, the resolution corrects amounts shown in the original resolution to reflect the final approved amounts of the 2009 Series bond sale.

These transfers of voter authorization require adjustments to prior bond sale records to reflect the shift in the use of voter-authorized bonds. These actions have been incorporated into Resolution 4581 prepared by the City's bond attorney which details the specific election, voter question, and sale involved with each transfer and amends the specific resolution associated with each sale.

Basically, voter approved bond records will be updated to restore voter bond authorization to the Museum bond question from the 2004 bond election, to the Public Buildings bond questions from 2007, and the Parks GO Bond question from 2007. This will provide additional voter authorization for projects supported by these bonds when they eventually move forward in the CIP. At the same time, Streets GO voter bond authorization from the 2004 and 2009 elections will be adjusted and reduced by an equal amount to reflect the cash that will move in to the Streets GO Bond fund and the Center for the Arts bond will be reduced as a result of the transfer of funds from the Parks GO Bond fund.

Although the Resolution, by legal necessity, contains a great degree of detail on the specific voter questions, sale dates, etc., the net impact of these transfers is summarized below:

FUND	Voter Authorization Remaining Prior to Resolution 4581	Change per Resolution 4581	Voter Authorization Remaining
Museum GO Bond Fund	\$12,200,000	+\$530,000	\$12,730,000
Public Buildings GO Bond Fund	\$9,396,000	+564,000	\$9,960,000
Streets GO Bond Funds	\$127,020,000	-\$1,094,000	\$125,926,000
Parks GO Bond Fund	\$58,250,000	+\$500,000	\$58,750,000
Center for the Arts GO Bond Fund	\$500,000	-\$500,000	\$0

FINANCIAL IMPLICATIONS: This resolution does not impact current year budget authorizations. At the fund level, approval by Council will result in a transfer of \$530,000 from the Museum GO Bond Fund and \$564,000 from the Public Buildings GO Bond Fund to the Streets GO Bond Fund, and a transfer of \$500,000 from the Parks GO Bond Fund to the Center for the Arts GO Bond Fund.

PROPOSED MOTION: Move that Council pass and adopt Resolution No. 4581, Amending Resolution No. 3825 and Resolution No. 4219 to reflect utilization of ballot question authorization, and move to transfer remaining bond proceeds of \$530,000 from the Museum GO Bond Fund and \$564,000 from the Public Buildings GO Bond Fund to the Streets GO Bond Fund, and \$500,000 from the Parks GO Bond Fund to the Center for the Arts GO Bond Fund.

Attachment: Resolution #4581

cc: Pat McDermott, Assistant City Manager
Jeff Clark, Fire Chief

RESOLUTION NO. 4581

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA, AMENDING RESOLUTION NO. 3825 AND RESOLUTION NO. 4219 TO REFLECT UTILIZATION OF BALLOT QUESTION AUTHORIZATION.

WHEREAS, this Mayor and Council adopted Resolution No. 3825 on March 10, 2005, authorizing the issuance of \$24,800,000 principal amount of the City of Chandler, Arizona, General Obligation Bonds, Series 2005 (the "Series 2005 Bonds"); and

WHEREAS, this Mayor and Council adopted Resolution No. 4219 on September 25, 2008, authorizing the issuance of \$252,000,000 principal amount of the City of Chandler, Arizona, General Obligation Bonds, Series 2009 (the "Series 2009 Bonds"); and

WHEREAS, in Resolution No. 3825, Council allocated \$800,000 of the Series 2005 Bonds for museum improvements, and, to date, \$270,000 of this amount has been spent, leaving \$530,000 unspent; and

WHEREAS, in Resolution No. 4219, Council allocated \$564,000 of the Series 2009 Bonds to municipal buildings improvements, specifically, to the expansion of public works building and garage, but, to date, none of this amount has been spent; and

WHEREAS, in Resolution No. 4219, Council allocated \$22,590,000 of the Series 2009 Bonds to parks and recreation improvements and \$2,400,000 of the Series 2009 Bonds to municipal building improvements, specifically, to the Center for the Arts, but the expenditures for the Center for the Arts require an additional \$500,000; and

WHEREAS, because of economic circumstances that lowered the City's assessed valuation thus preventing the issuance of Bonds in the future to complete the projects, continuation of the museum improvement and municipal buildings improvement projects was not feasible; and

WHEREAS, it has been determined to be in order to amend Resolution No. 3825 and Resolution No. 4219 to change the allocation of bond authorization to certain of the ballot questions in order to accurately reflect how the bond proceeds have been or will be spent.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF CHANDLER, ARIZONA, as follows:

Section 1. *Exhibit B* to Resolution No. 3825 heretofore adopted on March 10, 2005, is hereby replaced with *Corrected Exhibit B* attached hereto and incorporated by reference herein. *Corrected Exhibit B* reflects a change in the allocation of \$530,000 of the unspent Series 2005 Bond proceeds from the museum bond authorization (Question No. 4 from the May 18, 2004 election) to the street and highway bond authorization (Question No. 5 from the May 18, 2004 election), thus increasing the amount of Series 2005 Bond proceeds and bond authorization

allocated to street and highway purposes to \$20,530,000. After this reallocation, the remaining unissued museum bond authorization (Question No. 4 from the May 18, 2004 election) is increased to \$8,230,000 and the remaining unissued street and highway bond authorization (Question No. 5 from the May 18, 2004 election) is reduced to \$38,565,000.

Section 2. Exhibit C to Resolution No. 4219 heretofore adopted on September 25, 2008, is hereby replaced with Corrected Exhibit C attached hereto and incorporated by reference herein. Corrected Exhibit C reflects a change in the allocation of \$564,000 of the unspent Series 2009 Bond proceeds from the municipal buildings bond authorization (expansion of public works building and garage, Question No. 7 from the May 15, 2007 election) to the street and highway bond authorization (Question No. 9 from the May 15, 2007 election). Corrected Exhibit C also reflects a change in the allocation of \$500,000 of the unspent Series 2009 Bond proceeds from the parks and recreation bond authorization (Question No. 1 from the May 15, 2007 election) to the municipal buildings bond authorization (center for the arts, Question No. 5 from the May 15, 2007 election). In addition, Corrected Exhibit C corrects the amounts of particular bond authorizations utilized by the issuance of the portion of the Series 2009 Bonds for street and highway purposes. Specifically, of the \$85,280,000 of Street and Highway Series 2009 Bond proceeds, \$9,460,000 utilizes Question No. 5 of the May 18, 2004 election and \$75,820,000 utilizes Question No. 9 of the May 15, 2007 election. After this reallocation and correction, the remaining unissued municipal buildings bond authorization (Question No. 7 from the May 15, 2007 election) is \$9,960,000, the remaining unissued street and highway bond authorization for that May 15, 2007 election is \$125,926,000, the remaining unissued parks and recreation bond authorization for that May 15, 2007 election is \$58,750,000, and the remaining unissued municipal buildings bond authorization (Question No. 5 from the May 15, 2007 election) is \$0.

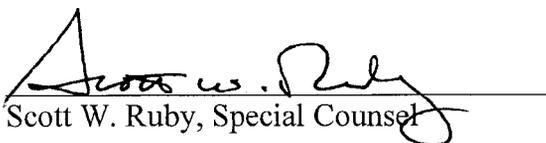
PASSED AND ADOPTED by the Council of the City of Chandler, Arizona, on _____, 2012.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



Scott W. Ruby, Special Counsel

CORRECTED EXHIBIT B

**\$24,800,000
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2005**

LIST OF PROJECTS FINANCED, ALLOCATION TO MATURITIES
AND BOND AUTHORIZATION UTILIZED

<u>Bond Amount</u>	<u>Maturity (July 1)</u>	<u>Election Date</u>	<u>Quest. No.</u>	<u>Purpose</u>
\$ 270,000	2006	05/18/04	4	Museum Improvements
\$4,430,000	2006	05/18/04	5	Street Improvements
\$3,500,000	2007	05/18/04	5	Street Improvements
\$1,200,000	2008	05/18/04	5	Street Improvements
\$2,000,000	2009	05/18/04	5	Street Improvements
\$1,750,000	2010	05/18/04	5	Street Improvements
\$2,000,000	2011	05/18/04	5	Street Improvements
\$2,000,000	2012	05/18/04	5	Street Improvements
\$2,000,000	2013	05/18/04	5	Street Improvements
\$1,650,000	2014	05/18/04	5	Street Improvements
\$1,100,000	2014	09/12/00	1	Parks Improvements
\$1,900,000	2015	09/12/00	1	Parks Improvements
\$1,000,000	2015	05/16/89	2	Storm Water Improvements

CORRECTED EXHIBIT C

**\$252,000,000
CITY OF CHANDLER, ARIZONA
GENERAL OBLIGATION BONDS
SERIES 2009**

LIST OF PROJECTS FINANCED, ALLOCATION TO MATURITIES
AND BOND AUTHORIZATION UTILIZED

ENTERPRISE SUPPORTED DEBT SERVICE

<u>Bond Amount</u>	<u>Maturities (July 1)</u>	<u>Election Date</u>	<u>Quest. No.</u>	<u>Purpose</u>
\$67,800,000	2016-2021	May 15, 2007	8	Water Improvements
40,051,000	2021-2024	May 15, 2007	8	Wastewater Improvements
23,435,000	2011-2015	May 18, 2004	6	Wastewater Improvements
201,000	2010	May 18, 1993	4	Airport Improvements

PROPERTY TAX SUPPORTED DEBT SERVICE

<u>Bond Amount</u>	<u>Maturities (July 1)</u>	<u>Election Date</u>	<u>Quest. No.</u>	<u>Purpose</u>
\$ 9,460,000	2015-2016	May 18, 2004	5	Street and Highway Improvements
564,000	2011	May 15, 2007	9	Street and Highway Improvements
75,820,000	2024-2027	May 15, 2007	9	Street and Highway Improvements
2,495,000	2011	May 16, 1989	2	Stormwater Improvements
22,600,000	2028	May 15, 2007	1	Parks and Recreation Improvements
500,000	2028	May 15, 2007	5	Municipal Building Improvements (Center for the Arts)
2,400,000	2010-2011	May 15, 2007	5	Municipal Building Improvements (Center for the Arts)
300,000	2011	May 15, 2007	4	Library Improvements
3,000,000	2027-2028	May 15, 2007	3	Public Safety/Police Improvements
3,374,000	2028	May 15, 2007	2	Public Safety/Fire Improvements
0	2011	May 15, 2007	7	Municipal Buildings Improvements (Expansion of Public Works Building and Garage)