



Citizen Bond Exploratory Committee:

Facilities Subcommittee Overview

Tumbleweed Recreation Center
Cotton Room
745 E Germann Rd.
Friday, Sept. 18, 2020 | 9 a.m.





Agenda

- Chandler's current Capital Improvement Program (CIP)
- Remaining bond authorization & property tax rate
- Statutory debt capacity & total outstanding debt

Chandler's Current CIP

Current 10-Year CIP Council Guidelines



CIP Developed by CIP Coordination Team

- Council CIP guidance
 - Minimize increase in property taxes
 - Maintain existing infrastructure
 - Finish planned construction of streets and parks
 - Limit new projects adding ongoing operations & maintenance
 - Address public needs

Continue Focus on Chandler's Aging Infrastructure



65 square miles



2,090 miles of streets



30,000 street lights



225 signalized intersections



1,228 miles of potable water lines



Maintaining high quality of life for our 265,200 residents



941 miles of sanitary sewer



31 operating wells



67 developed parks (1,281 acres)



48 lighted fields



51 municipal buildings

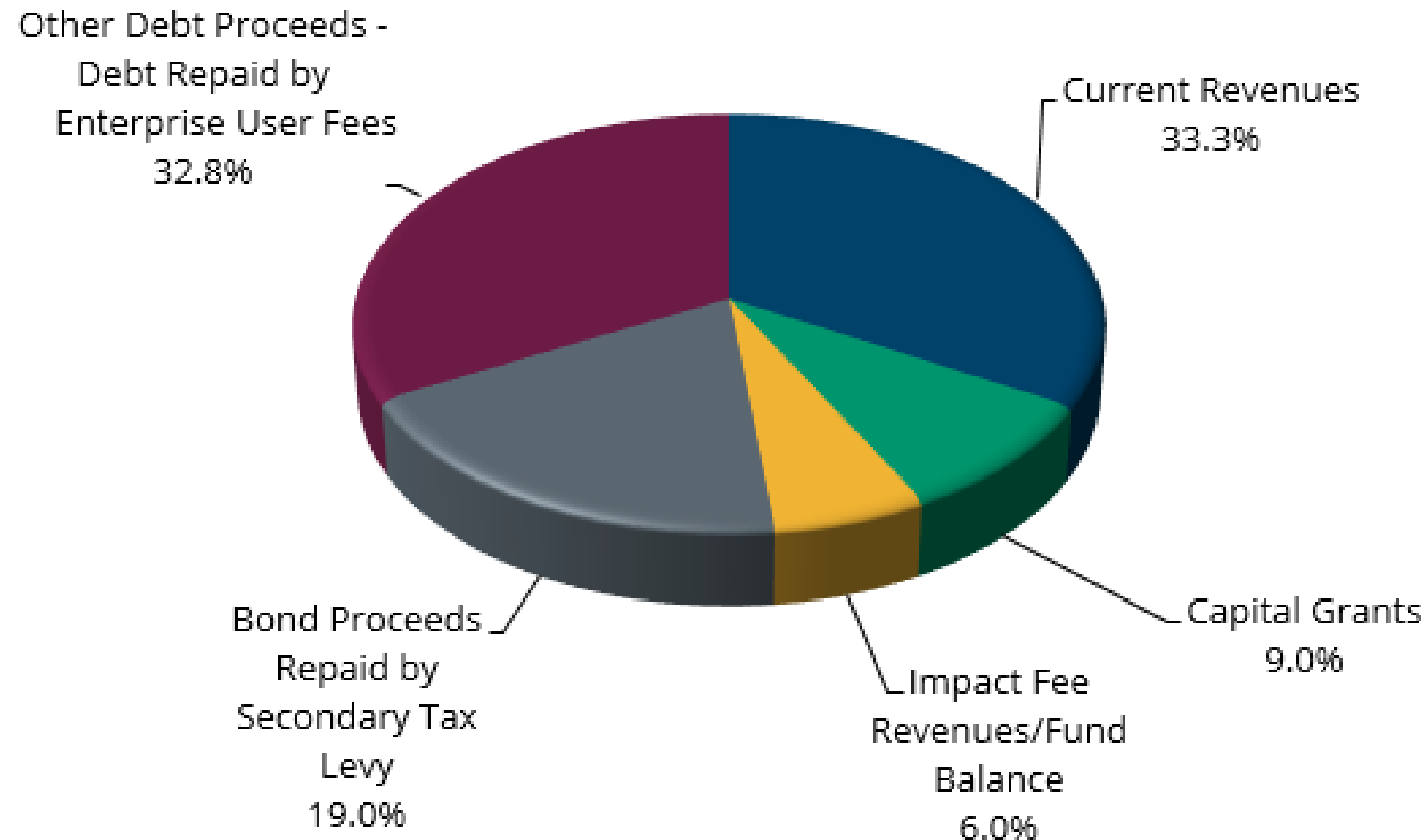


781 fleet vehicles/trucks

+Sustainable plans for fleet, equipment & technology

Current 10-Year CIP Funding

2021-2030 CIP Resources



Total CIP:

\$1,164,226,378

Facilities Portion:

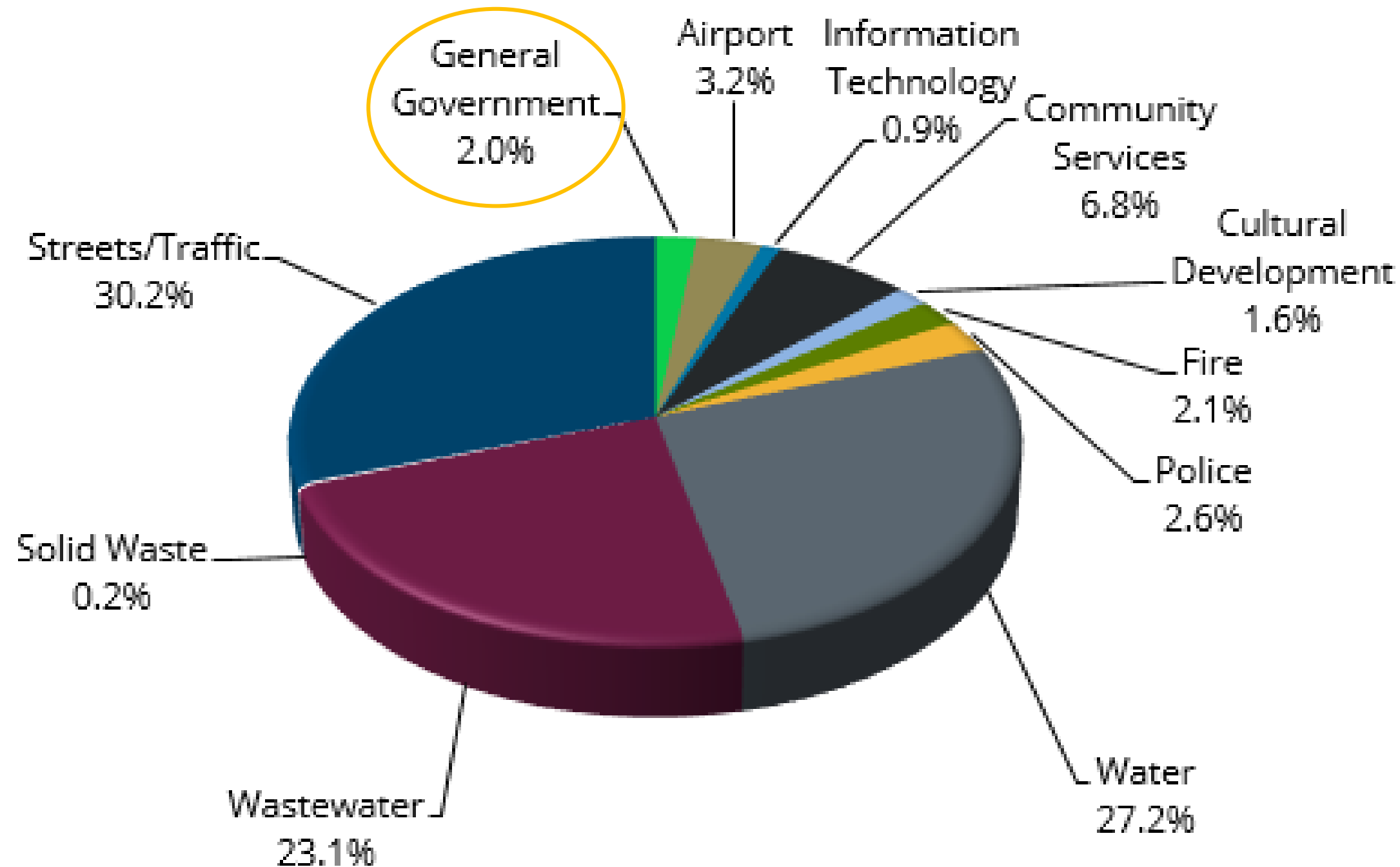
Facilities: \$20,252,000

Facilities Resources:

- 100% Current Revenue

Current 10-Year CIP Programs

2021-2030 CIP Expenditures



- Expenditures represent currently planned projects
- B&F spans many Departments
- Additional project needs have been identified through Facility Assessment process

Remaining Bond Authorization and Property Tax Rate

General Voter Bond Authorization Remaining



- Last Bond Election was 2007 (pre-recession) which projected no property tax increase for projects
- Community capital/infrastructure needs currently exceed remaining bond authorization
- Minimal bond authorization remains for Public Safety and Airport, and none for IT, B&F, Water or Wastewater
- Bond Authorization generally cannot shift between categories
- Authorization is **not** new debt nor does it raise the tax rate, it simply authorizes the City to sell bonds for projects in those categories

Type of Voter Approved Debt	Remaining Authorization	Date Auth. Exhausted
Parks & Recreation	\$ 42,295,000	2029
Museum	6,230,000	
Library	5,245,000	
Public Buildings	9,960,000	
Streets	75,471,000	2027
Stormwater	4,019,000	
Public Safety-Fire	231,000	2021
Public Safety-Police	1,300,000	2027
Airport	494,000	
Landfill Recycling Solid Waste	4,935,000	
Water	0	
Wastewater	0	
Total	\$150,180,000	

Capital Projects Not in CIP



Facility Rehabilitation
identified through
Assessment



Property Tax Impact

- Additional bond authorization does not mean taxes will increase
- Bond authorization is like a credit limit to pull from when needed
- To achieve no tax increase, it requires a balance between

Assessed Value  Tax Rates

- This formula generates the revenue (tax levy) required to pay the debt service on the GO Bonds
- As debt is paid down, new debt can be added, leaving taxes neutral





Breakdown of \$1 of Typical Chandler Property Tax Bill

Typical Tax Bill Cents from Every Dollar Taxed

City of Chandler 9.8 cents

 Maricopa County & Special Districts
22.7 cents

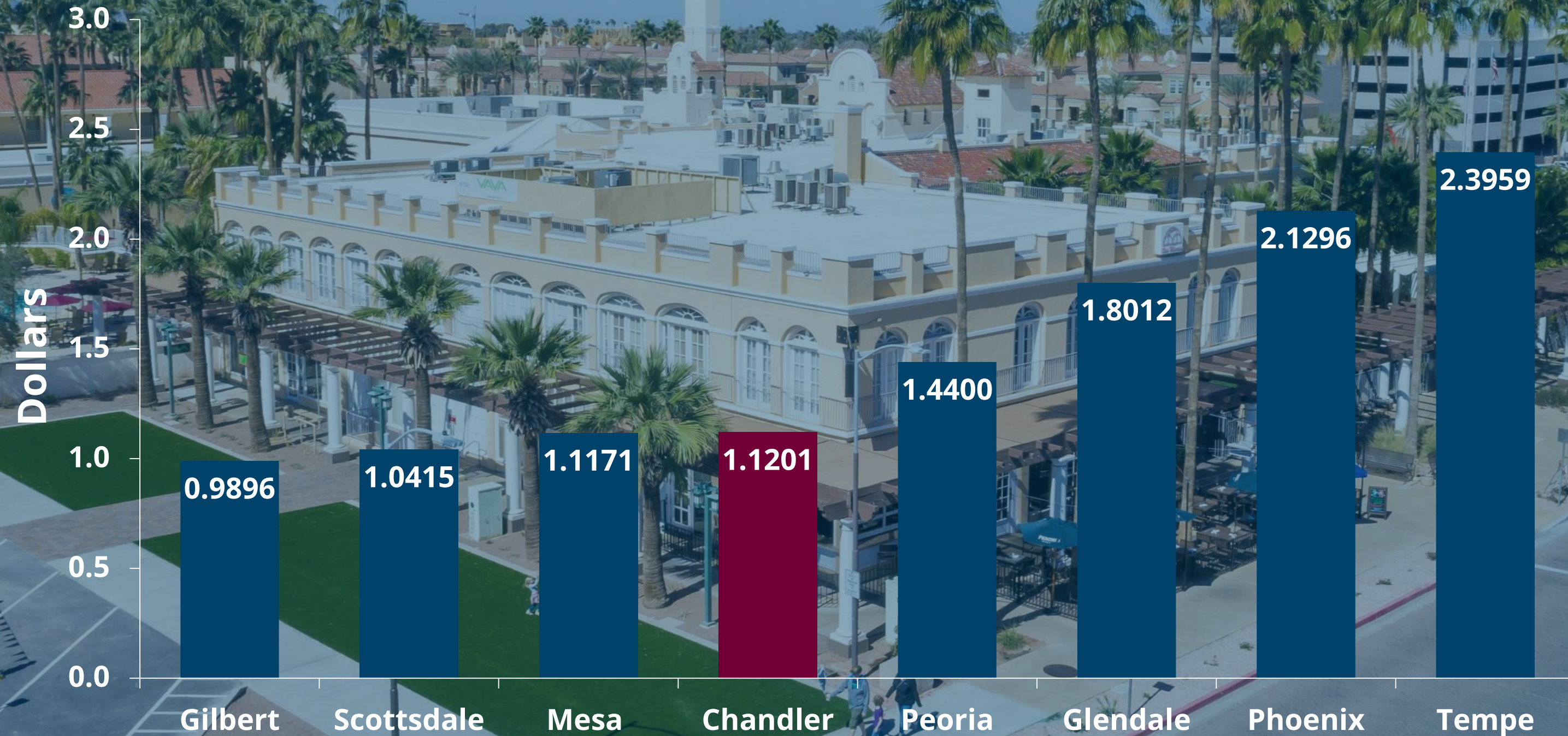
 Public Schools and
Community College Districts
67.5 cents

Based on 2019 Tax Bill information. Exact split will vary depending on the school district and any other special taxing districts on the bill.

Property Tax Rate Comparison

FY 2020-21

(per \$100 of Assessed Valuation)



Statutory Debt Capacity and Total Outstanding Debt

Statutory Debt Capacity and Total Outstanding Debt

General Obligation Bond Capacity Available		
	20%	6%
2020 Net Assessed Full Cash Value	\$ 4,308,417,196	\$ 4,308,417,196
Legal Bond Limit	861,683,439	258,505,032
Outstanding Bonded Debt Previously Issued	(265,580,150)	(6,519,850)
Less: Excess Premium	(11,263,732)	(264,978)
Bonding Capacity Available	\$ 584,839,557	\$ 251,720,204
Percent of Capacity Available	68%	97%

The City manages Debt well,
significant unused capacity

73% of City's GO debt will
be paid off by 7/1/28 →

Summary of Outstanding Bonds by Type		
Type of Issue	Principal Bond Amount	% Total
General Obligation Bonds (Combined)		
6% Capacity	\$ 6,519,850	
20% Capacity	265,580,150	
Total General Obligation Bonds	\$ 272,100,000	55.11%
Excise Tax Revenue Obligations	219,780,000	44.52%
Improvement District Bonds	1,830,000	0.37%
Total	\$ 493,710,000	100.00%



AAA Bond Ratings

- Maintains AAA Bond Ratings from Moodys, Fitch, and S&P rating agencies
- One of 40 communities across the nation as of 8/15/19 with AAA bond ratings from all 3 rating agencies
- Results in low-cost of borrowing, thereby able to complete large projects through borrowing
- Correlates to lower taxes and utility rates (revenue streams paying debt service)

Options to Consider

Prioritize



Examples of options for current and new projects

- Focus on aging infrastructure
- Accelerate key projects
- Combine with another subcommittee category
- Hold project for next bond election

Tax Impact



Examples of options

- All projects vs. individual projects
- Change project timeline

Ballot Questions



Examples of options

- General question for numerous projects
- Specific project question, allowing taxpayers to decide what they are willing to fund through property taxes



Questions?