



Citizen Bond Exploratory Committee:

Information Tech. Subcommittee Overview

Chandler City Hall
City Council Conference Room
Thursday, Sept. 10, 2020 | 6 p.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)



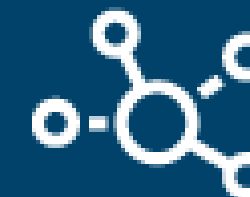
48 lighted fields



51 municipal buildings



+781 fleet vehicles/trucks

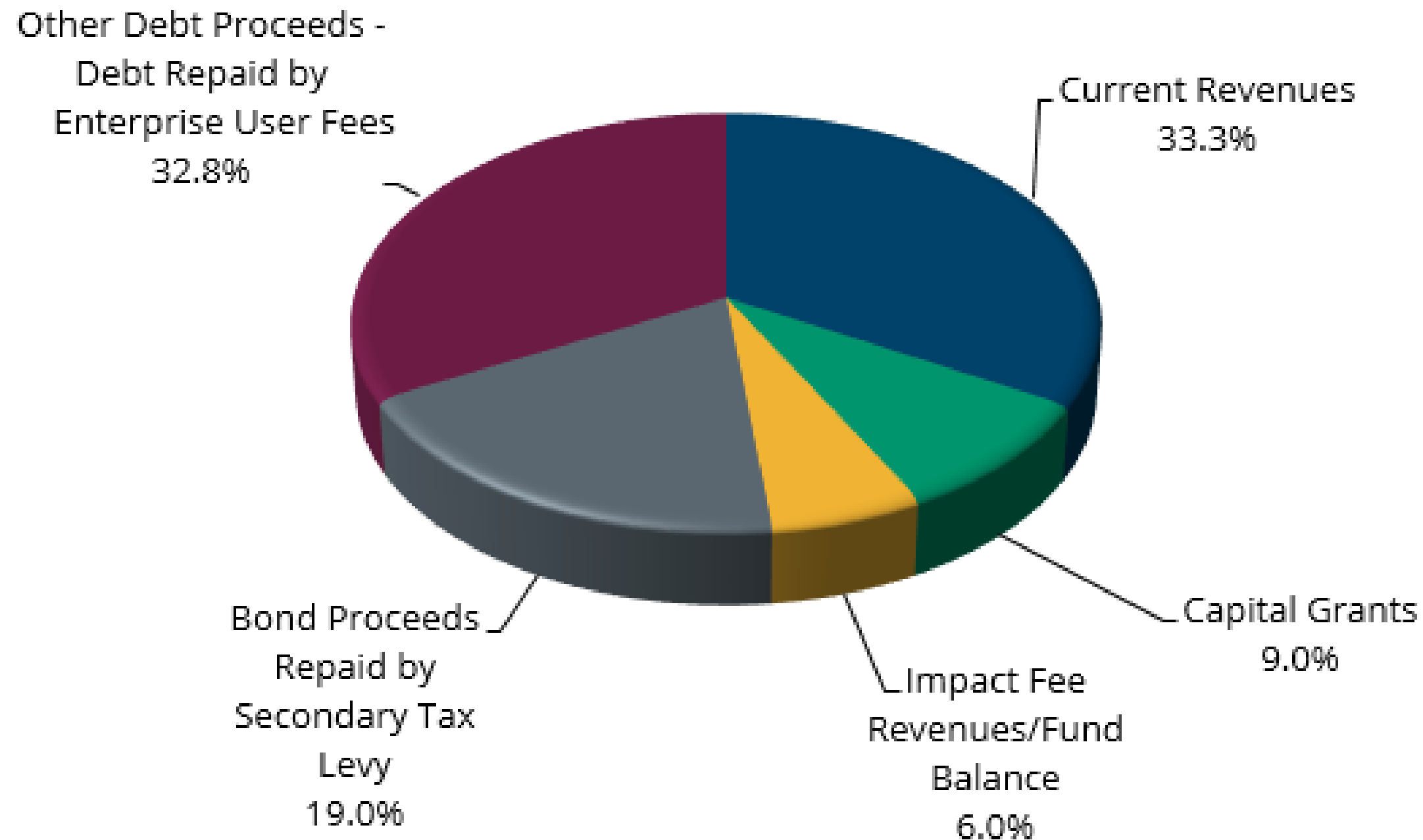


+Technology Components to Enhance Innovation and Improve Service

+Sustainable plans for fleet, equipment & technology

Current 10-Year CIP Funding

2021-2030 CIP Resources



Total CIP:

\$1,164,226,378

Information Technology

Portion: \$10,534,809

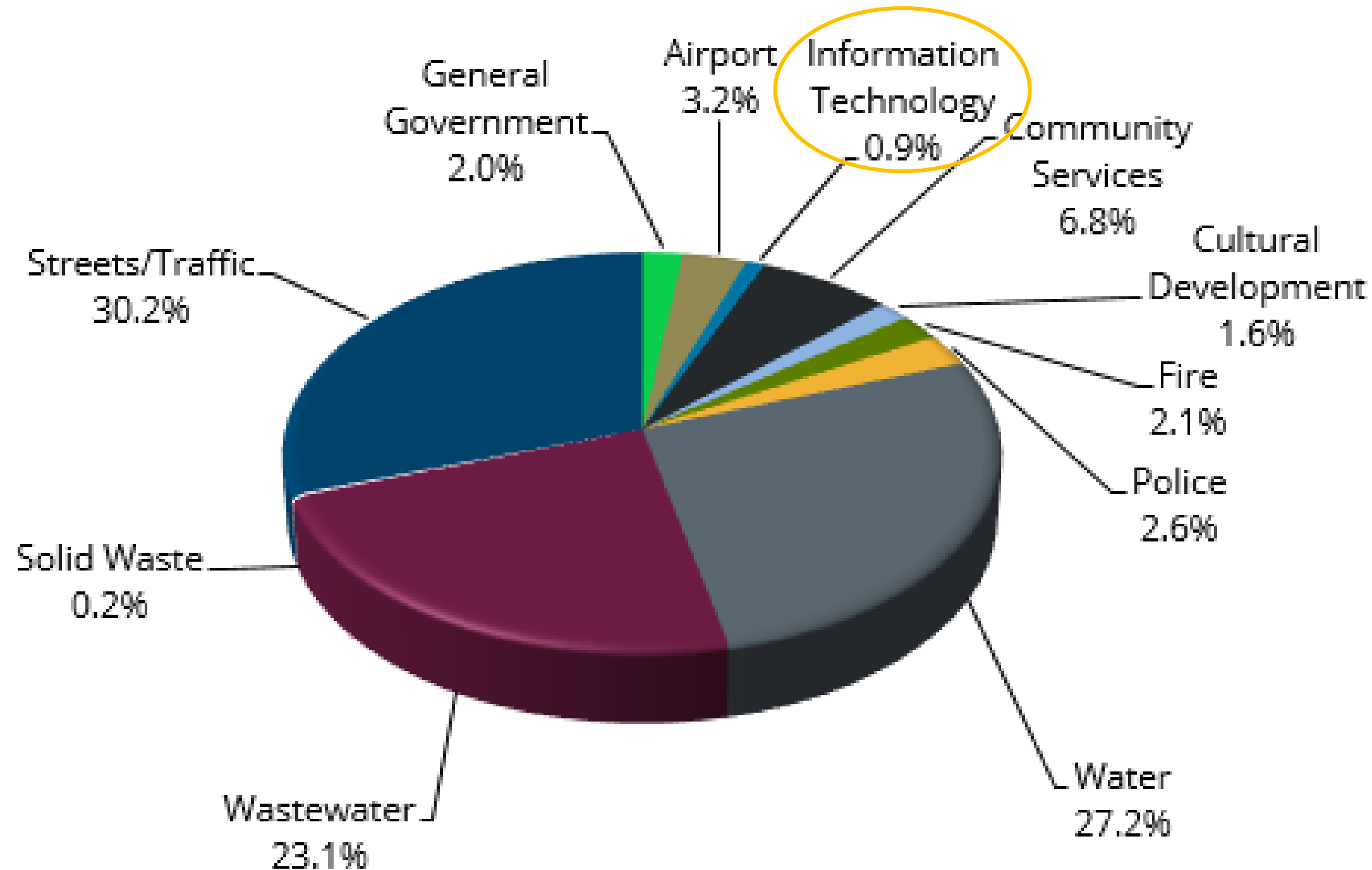
(although many other department projects have technology elements)

Information Technology Resources:

- 96% General Fund
- 4% Enterprise Funds
- 0% GO Bonds

Current 10-Year CIP Programs

2021-2030 CIP Expenditures



- Expenditures represent currently planned projects
- Additional project needs have been identified through the Fiber Study

Current 10-Year CIP

(in Binder under 'Financial Information' tab)

FY 2021-30 Adopted Capital Improvement Program											
Project #	Fund	Project	Funding Type	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	1st 5 year Total	2nd 5 year Total	10 Year Total
6FI641	404	Fire									
6FI643	470		Vehicle Replacement	-	350,000	-	375,000	325,000	1,050,000	3,000,000	4,050,000
6FI644	401			-	350,000		375,000	325,000	1,050,000	3,000,000	4,050,000
6FI647	401					490,000			490,000		490,000
6FI649	401								490,000		490,000
										950,000	950,000

FY 2021-30 Adopted Capital Improvement Program											
Project #	Fund	Project	Funding Type	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	1st 5 year Total	2nd 5 year Total	10 Year Total

Project #	Fund	Project	Funding Type	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	1st 5-year Total	2nd 5-year Total	10 Year Total
Governmental Funds											
		Buildings and Facilities									
	401	Existing City Building Renovations/Repairs									
	430	Existing City Building Renovations/Repairs									
	435	Existing City Building Renovations/Repairs									
6BF628		Existing City Building Renovations/Repairs	General Fund	1,113,794	1,200,000	1,450,000	1,450,000	1,450,000	6,663,794	8,500,000	15,163,794
		Library Bonds		500	-	-	-	-	500	-	500
		Museum Bonds		4,706	-	-	-	-	4,706	-	4,706
6BF653	401	Fire Station Bay Doors	General Fund	1,119,000	1,200,000	1,450,000	1,450,000	1,450,000	6,669,000	8,500,000	15,169,000
		Fire Station Bay Doors Total		-	245,000	-	-	-	245,000	-	245,000
6BF658	401	Facility & Parks Asphalt Maintenance	General Fund	-	245,000	-	-	-	245,000	-	245,000
		Facility & Parks Asphalt Maintenance Total		150,000	150,000	150,000	150,000	150,000	750,000	750,000	1,500,000
6BF659	401	Building Security Cameras	General Fund	150,000	150,000	150,000	150,000	150,000	750,000	750,000	1,500,000
		Building Security Cameras Total		250,000	250,000	150,000	150,000	150,000	900,000	-	900,000
6BF661	401	Community/Senior Center Building Renovations	General Fund	198,500	247,500	1,516,000	250,000	-	1,962,000	-	1,962,000
		Community/Senior Center Building Renovations Total		56,000	-	-	-	-	56,000	-	56,000
6BF664	401	Building Assessment - Phase 2	General Fund	56,000	-	-	-	-	56,000	-	56,000
		Building Assessment - Phase 2 Total		150,000	-	-	-	-	150,000	-	150,000
6BF665	401	Energy Management System Upgrades	General Fund	150,000	-	-	-	-	150,000	-	150,000
6BF666	401	Police/Courts Security Fencing Upgrades	General Fund	188,000	-	-	-	-	188,000	-	188,000
		Police/Courts Security Fencing Upgrades - Court Enhancements		82,000	-	-	-	-	82,000	-	82,000
6BF666		Police/Courts Security Fencing Upgrades - Court Enhancements Total		270,000	-	-	-	-	270,000	-	270,000
		Building & Facilities Total		2,193,500	2,092,500	3,356,000	1,850,000	1,600,000	11,062,000	9,250,000	20,352,000

		Information Technology										
	401	Information Technology Oversight Committee Program	General Fund	500,000	500,000	500,000	500,000	500,000	2,500,000	2,500,000	5,000,000	
6GG617		Information Technology Oversight Committee Program Total		500,000	500,000	500,000	500,000	500,000	2,500,000	2,500,000	5,000,000	
	401	Voice & Data Convergence	General Fund	60,000	-	-	-	-	60,000	-	60,000	
6IT082		Voice & Data Convergence Total		60,000	-	-	-	-	60,000	-	60,000	
	401	Offsite Disaster Recovery Colocation Site	General Fund	-	130,000	20,000	250,000	400,000	800,000	200,000	1,000,000	
6IT090		Offsite Disaster Recovery Colocation Site Total		-	130,000	20,000	250,000	400,000	800,000	200,000	1,000,000	
	401	User Productivity Improvements	General Fund	-	330,883	123,535	378,893	-	833,311	-	833,311	
6IT093		User Productivity Improvements Total		-	330,883	123,535	378,893	-	833,311	-	833,311	
	401	Infrastructure Monitoring System	General Fund	58,000	-	-	-	-	58,000	-	58,000	
6IT095		Infrastructure Monitoring System Total		58,000	-	-	-	-	58,000	-	58,000	
	401	Citywide Technology Infrastructure	General Fund	700,000	200,000	100,000	100,000	100,000	1,277,000	500,000	1,777,000	
6IT097		Citywide Technology Infrastructure - Court Enhancements		700,000	200,000	100,000	100,000	100,000	1,277,000	500,000	1,777,000	
	401	Citywide Technology Infrastructure Total	General Fund	777,000	-	-	-	-	150,000	-	150,000	
6IT099		Mobility Pilot	General Fund	777,000	200,000	100,000	100,000	100,000	150,000	-	150,000	
6IT100		Mobility Pilot Total		777,000	200,000	100,000	100,000	100,000	150,000	-	150,000	
	401	Police Virtual Private Network	General Fund	150,000	-	-	-	-	482,000	-	482,000	
6IT101		Police Virtual Private Network Total		150,000	-	-	-	-	482,000	-	482,000	
	401	Wi-Fi Access Points	General Fund	-	482,000	-	-	-	1,174,498	-	1,174,498	
6IT102		Wi-Fi Access Points Total		-	482,000	-	-	-	1,174,498	-	1,174,498	
6IT103		Information Technology Total		587,250	293,624	293,624	1,228,893	1,000,000	7,334,899	1,320,000	10,534,817	
6IT104		Information Technology Total		587,250	293,624	293,624	1,228,893	1,000,000	7,334,899	1,320,000	10,534,817	
6IT105		Information Technology Total		2,132,250	1,936,507	1,037,159	1,228,893	1,000,000	7,334,899	1,320,000	10,534,817	

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



Fiber



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

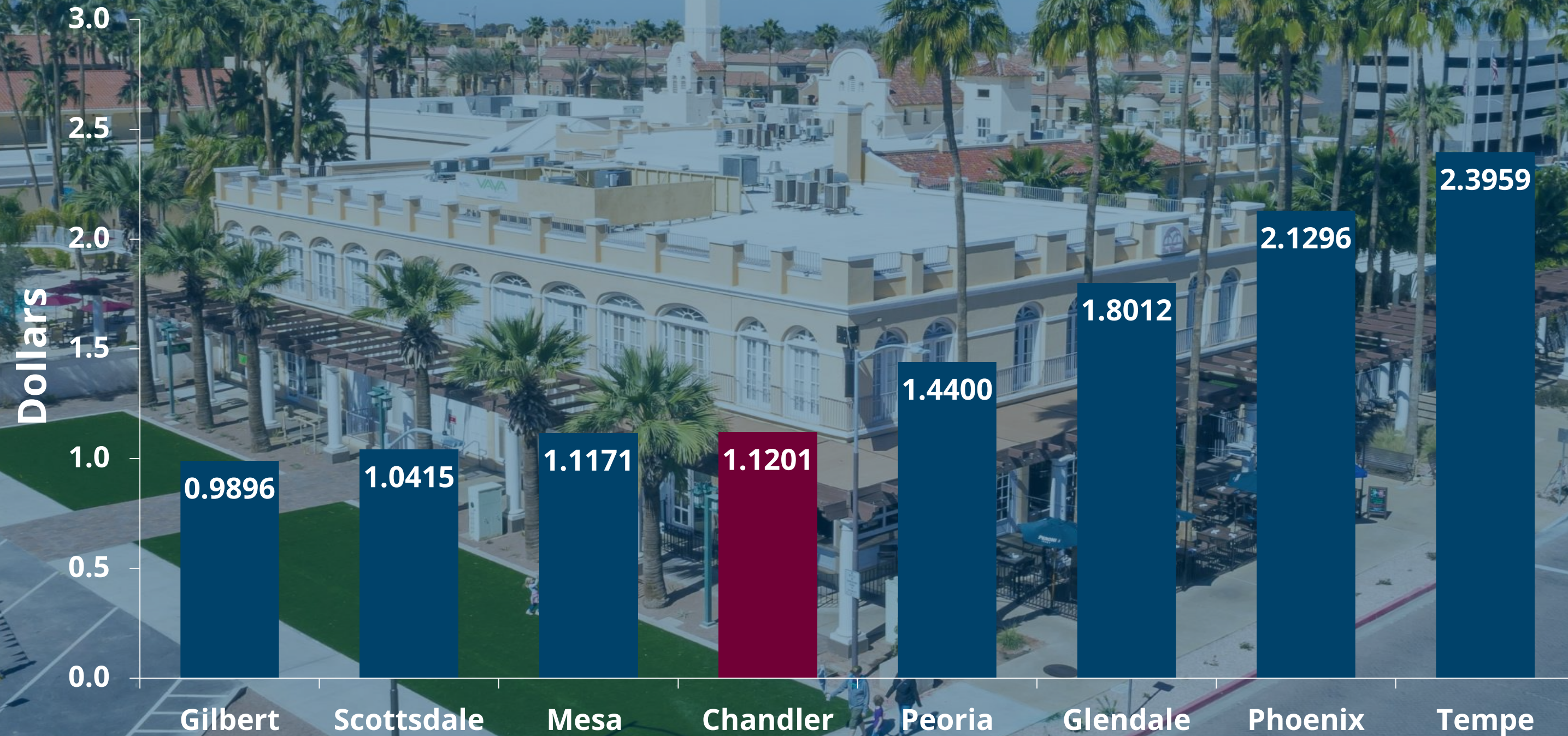
 Public Schools and
Community College Districts
67.5 cents

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
- Accelerating key projects
- 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?