



Citizen Bond Exploratory Committee:

Public Works
Subcommittee Overview

Transportation & Development
Chandler City Hall
5th Floor Large Conference Room
Wednesday, Sept. 16, 2020 | 4 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

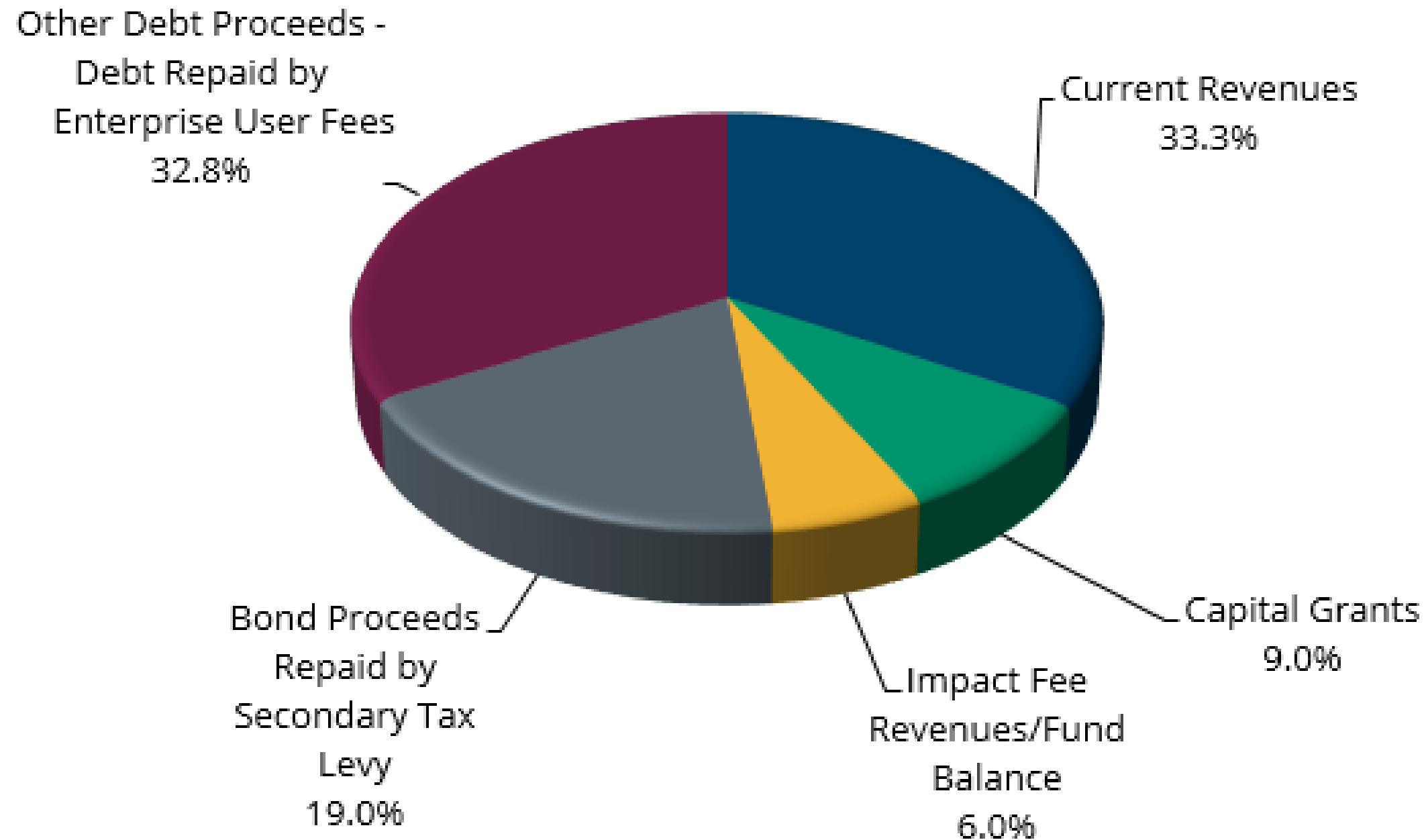


781 fleet vehicles/trucks

+Sustainable plans for fleet, equipment & technology

Current 10-Year CIP Funding

2021-2030 CIP Resources



Total CIP:

\$1,164,226,378

Public Works Portion:

Streets: \$351,498,566

Utilities: \$587,921,498

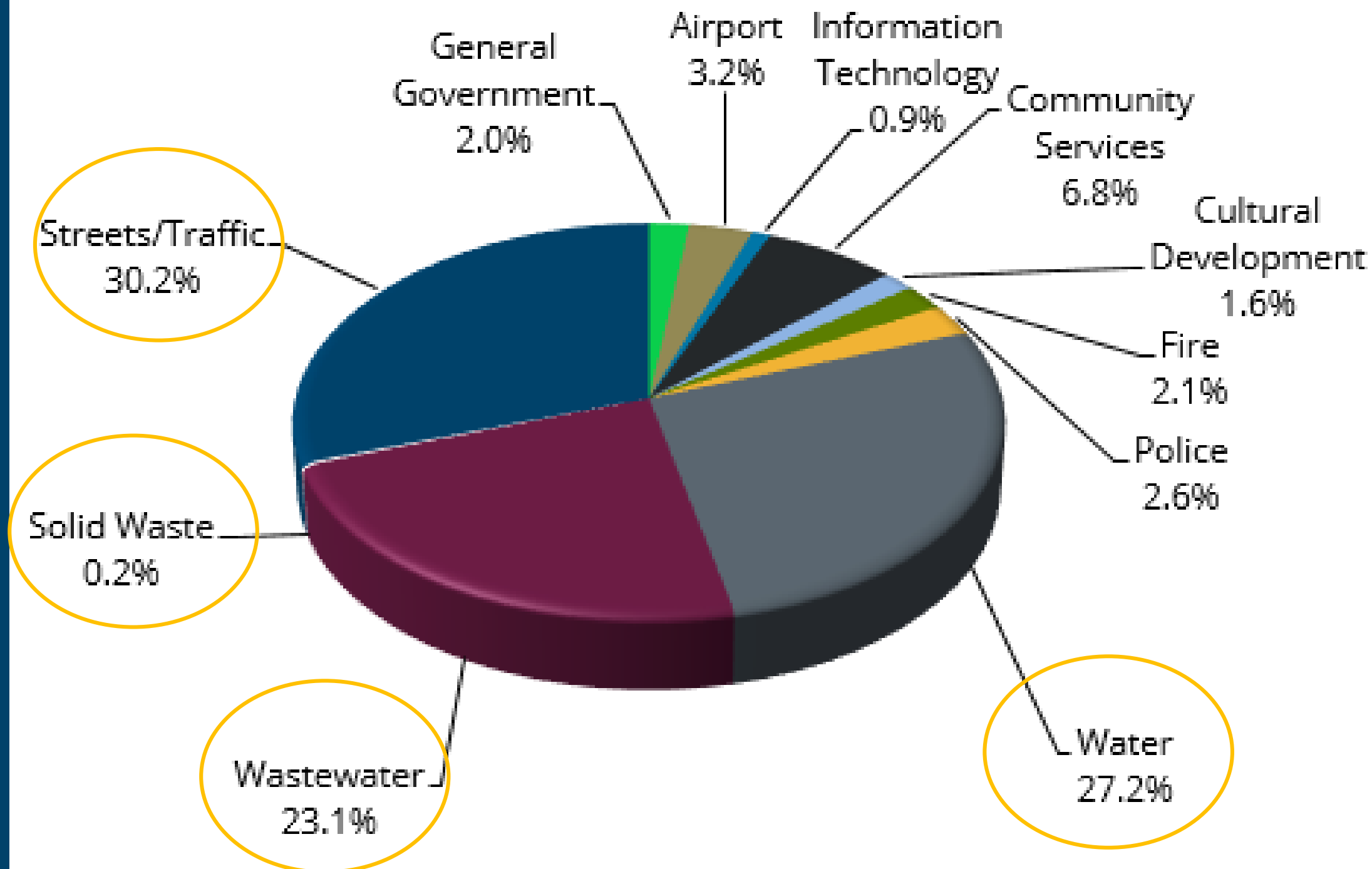
Total: \$939,420,064

Public Works Resources:

- 40.6% ETRO Bonds
- 14.7% GO Bonds
- 31.9% Current Revenues
- 7.3% Capital Grants
- 5.5% Impact Fee/System Dev.

Current 10-Year CIP Programs

2021-2030 CIP Expenditures



- Expenditures represent currently planned projects
- Additional project needs have been identified through the Master Plan Processes

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									
6FI644	401			350,000					350,000		350,000
6FI647	401				375,000				375,000		375,000
6FI649	401					490,000			490,000		490,000
6FI651	401						495,000		495,000		495,000
6FI652	470										
6FI653	470										
6FI654	470										
6FI655	401										
6FI656	470										

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
Governmental Funds											
Buildings and Facilities											
	401	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
	430	Existing City Building Renovations/Repairs	Library Bonds	500					500		500
	435	Existing City Building Renovations/Repairs	Museum Bonds	4,706					4,706		4,706
6BF628	401	Existing City Building Renovations/Repairs Total		1,118,500	1,200,000	1,450,000	1,450,000	1,450,000	6,668,500	8,500,000	15,168,500
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
6BF658	401	Fire Station Bay Doors Total		1,119,000	1,200,000	1,450,000	1,450,000	1,450,000	6,669,000	8,500,000	15,169,000
6BF658	401	Facility & Parks Asphalt Maintenance	General Fund		245,000				245,000		245,000
6BF659	401	Facility & Parks Asphalt Maintenance Total			245,000				245,000		245,000
6BF659	401	Building Security Cameras	General Fund	150,000	150,000	150,000	150,000	150,000	750,000	750,000	1,500,000
6BF661	401	Building Security Cameras Total		150,000	150,000	150,000	150,000	150,000	750,000	750,000	1,500,000
6BF661	401	Community/Senior Center Building Renovations	General Fund	250,000	250,000	150,000	250,000		900,000		900,000
6BF664	401	Community/Senior Center Building Renovations Total		250,000	250,000	150,000	250,000		900,000		900,000
6BF664	401	Building Assessment - Phase 2	General Fund	198,500	247,500	1,516,000			1,962,000		1,962,000
6BF665	401	Building Assessment - Phase 2 Total		198,500	247,500	1,516,000			1,962,000		1,962,000
6BF665	401	Energy Management System Upgrades	General Fund	56,000					56,000		56,000
6BF666	401	Energy Management System Upgrades Total		56,000					56,000		56,000
6BF666	401	Police/Courts Security Fencing Upgrades	General Fund	188,000					188,000		188,000
6BF666	401	Police/Courts Security Fencing Upgrades - Court Enhancements	General Fund	82,000					82,000		82,000
6BF666	401	Police/Courts Security Fencing Upgrades - Court Enhancements Total		270,000					270,000		270,000
Building & Facilities Total				2,193,500	2,092,500	3,266,000	1,800,000	1,600,000	11,062,000	1,370,000	20,252,000
Information Technology											
6GG617	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	401	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
6IT082	401	Voice & Data Convergence	General Fund	60,000					60,000		60,000
6IT082	401	Voice & Data Convergence Total		60,000					60,000		60,000
6IT090	401	Offsite Disaster Recovery Colocation Site	General Fund		130,000	20,000	250,000	400,000	800,000	200,000	1,000,000
6IT090	401	Offsite Disaster Recovery Colocation Site Total			130,000	20,000	250,000	400,000	800,000	200,000	1,000,000
6IT093	401	User Productivity Improvements	General Fund		330,883	123,535	378,893		833,311		833,311
6IT093	401	User Productivity Improvements Total			330,883	123,535	378,893		833,311		833,311
6IT095	401	Infrastructure Monitoring System	General Fund	58,000					58,000		58,000
6IT095	401	Infrastructure Monitoring System Total		58,000					58,000		58,000
6IT097	401	Citywide Technology Infrastructure - Court Enhancements	General Fund	700,000	200,000	100,000	100,000		1,200,000	500,000	1,700,000
6IT097	401	Citywide Technology Infrastructure - Court Enhancements Total		700,000	200,000	100,000	100,000		1,200,000	500,000	1,700,000
6IT097	401	Citywide Technology Infrastructure	General Fund	77,000	200,000	100,000	100,000		377,000		777,000
6IT097	401	Citywide Technology Infrastructure Total		77,000	200,000	100,000	100,000		377,000		777,000
6IT097	401	Mobility Pilot	General Fund	150,000					150,000		150,000
6IT097	401	Mobility Pilot Total		150,000					150,000		150,000
6IT100	401	Police Virtual Private Network	General Fund		482,000				482,000		482,000
6IT100	401	Police Virtual Private Network Total			482,000				482,000		482,000
6IT101	401	Wi-Fi Access Points	General Fund		482,000				482,000		482,000
6IT101	401	Wi-Fi Access Points Total			482,000				482,000		482,000
Information Technology Total				2,132,250	1,936,507	1,027,159	1,228,893	1,000,000	7,334,409	3,200,000	10,534,409

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	2030
Public Safety-Fire	231,000	2021
Public Safety-Police	1,300,000	2027
Airport	494,000	
Landfill Recycling Solid Waste	4,935,000	n/a
Water	0	
Wastewater	0	
Total	\$150,180,000	

Water/Wastewater Bond Financing Tools

Pay as You Go - Cash

- Balance between use of Fund Balance and Bonds
- Often cost of projects exceed available cash

ETROs or Revenue Bonds

- No voter authorization required
- Pledged revenues required to pay debt service

GOs

- Voter authorization required
- Pledged revenues required to pay debt service, in place of secondary taxes
- Lower rate on open market translates to lower cost of borrowing and utility rates



Capital Projects Not in CIP



Transportation
Projects from
Master Plan



Street Projects
from Master Plan
and
Additional Street Maintenance



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



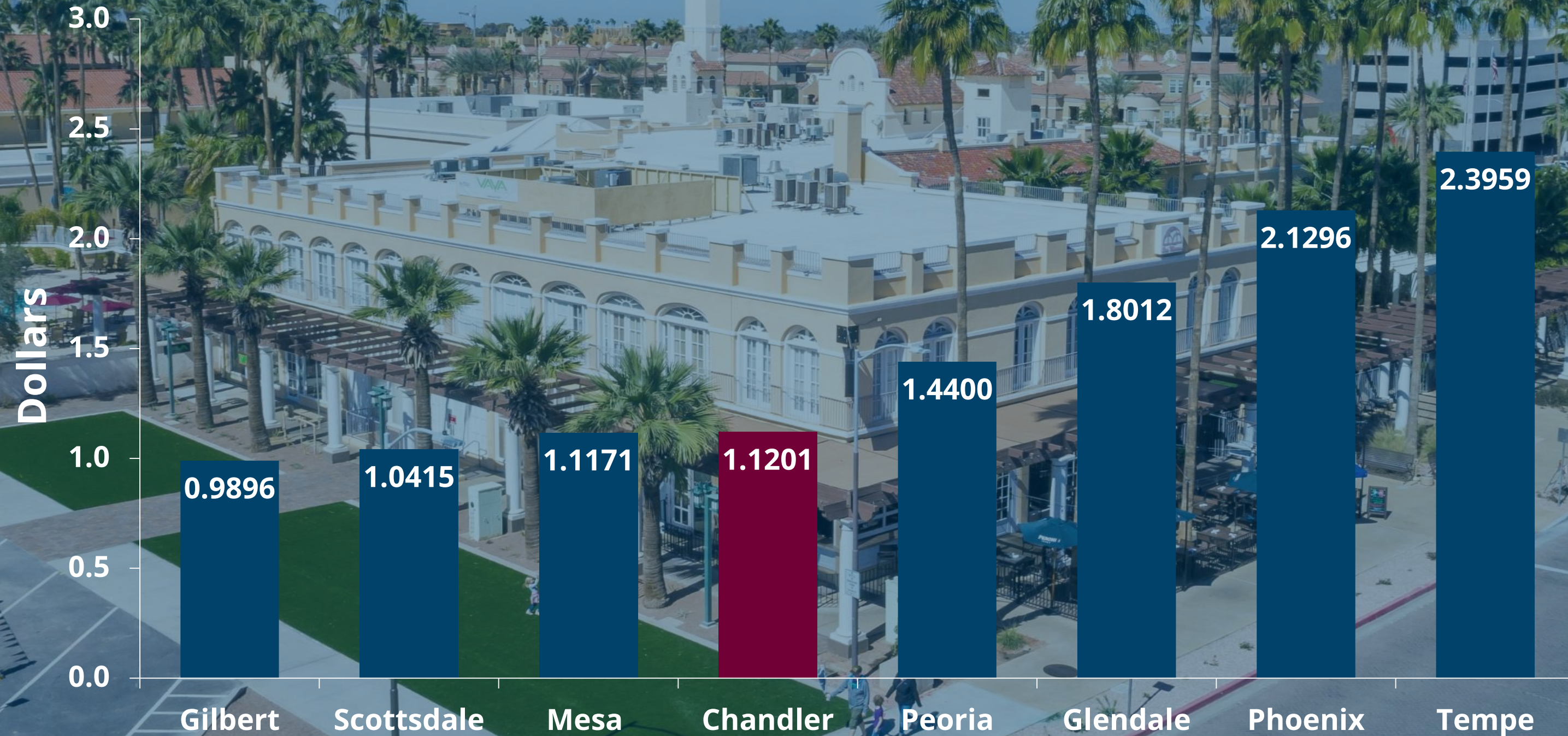
Public Schools and
Community College Districts
67.5 cents

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

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%

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



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?