



CHANDLER
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Community of Innovation

Resident Bond Exploratory Steering Committee

Process Overview / Dec. 10, 2024



Resident Bond Exploratory Committee Timeline

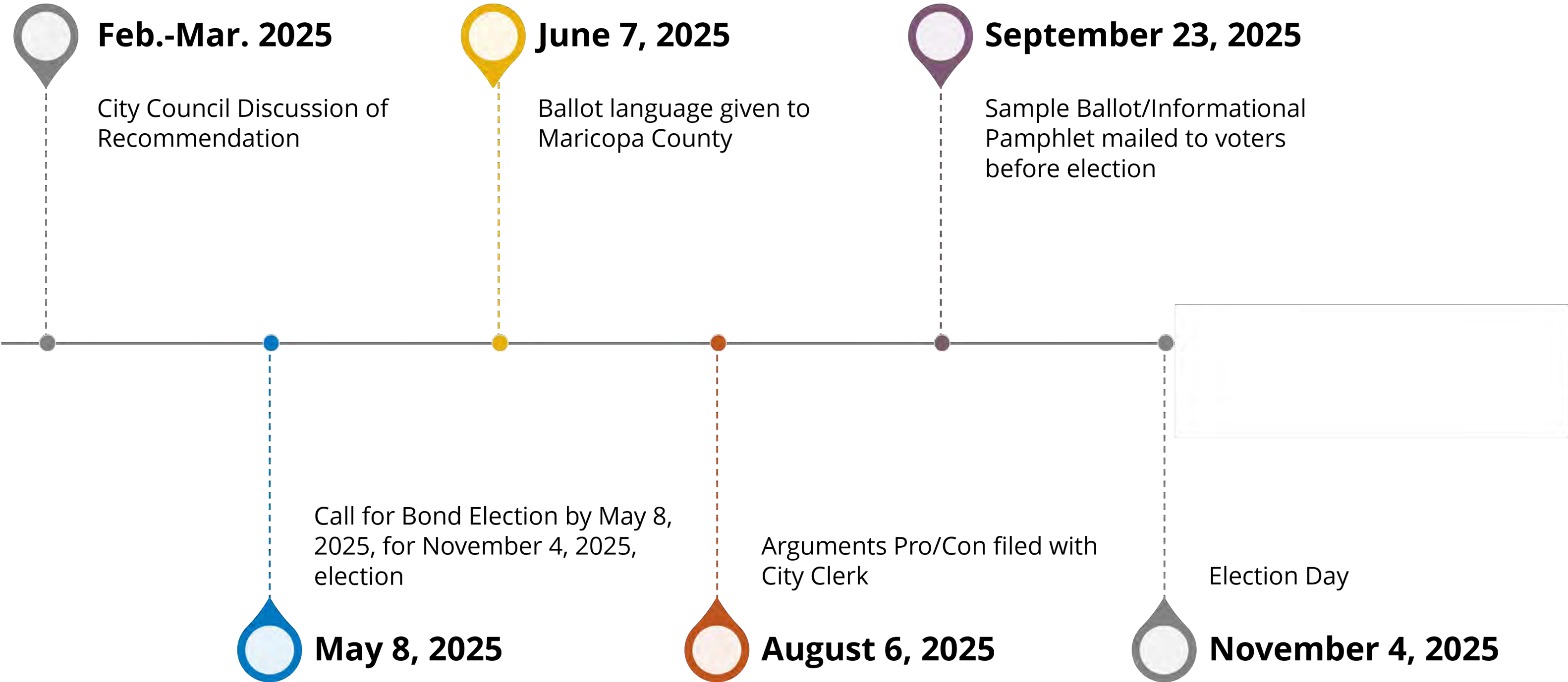


Resident Bond Exploratory Committee

22 meetings and tours held to gain understanding of projects and make decisions

Resident Bond Steering and Subcommittees Meetings				
DATE	COMMITTEE	LOCATION	TIME	NOTES
Wednesday, September 25	Public Safety	Fire Headquarters	6:00 PM	
Tuesday, October 1	Public Works	5th floor large	4:00 PM	
Wednesday, October 2	Facilities, Sustain. & Tech.	Council Conference Rm	6:00 PM	
Thursday, October 3	Parks & Rec	4th floor large	4:00 PM	
Wednesday, October 9	Public Safety	Police DT Precinct	4:00 PM	Tour of building (PD) followed by meeting - FIT invited
Tuesday, October 15	Public Works	5th floor large	4:00 PM	
Tuesday, October 15	Facilities, Sustain. & Tech.	Council Conference Rm	6:00 PM	
Tuesday, October 22	Parks & Rec	4th floor large	4:00 PM	
Thursday, October 24	Parks & Rec	Tumbleweed Ranch	1:00 PM	Tumbleweed Ranch Tour - FIT invited
Tuesday, October 29	Public Works	5th floor large	4:00 PM	
Wednesday, October 30	Public Safety-Tour	Fire Admin	3:30 PM	Tour of building (FD)
Wednesday, November 6	Public Safety-Tour	Fire Admin	3:30 PM	Tour of building (FD) - FIT invited
Tuesday, November 12	Facilities, Sustain. & Tech.	Council Conference Rm	6:00 PM	
Tuesday, November 12	Public Works	5th floor large	4:00 PM	
Tuesday, November 12	Parks & Rec	4th floor large	4:00 PM	
Wednesday, November 13	Public Safety	Fire Headquarters	4:30 PM	
Thursday, November 14	Parks & Rec - Tour	4th floor large	4:00 PM	Tour of Dr. AJ Chandler Park - FIT invited
Tuesday, November 19	Parks & Rec	4th floor large	4:00 PM	
Thursday, November 21	Parks & Rec - Tour	4th floor large	4:00 PM	FINAL Meeting- Tour of Snedigar - FIT invited
Tuesday, November 26	Public Works	5th floor large	4:00 PM	FINAL Meeting
Tuesday, November 26	Facilities, Sustain. & Tech.	IT Building	6:00 PM	FINAL Meeting
Thursday, December 5	Public Safety	Fire Headquarters	3:00 PM	FINAL Meeting
Tuesday, December 10	Steering Committee	City Hall, 2nd Floor Training	11:30 AM-1:30 PM	TODAY

Election Timeline



Bond Election History

Bond Category	2000 Election	2004 Election	2007 Election	2021 Election
Parks and Recreation	\$34,935,000	\$40,600,000	\$81,350,000	\$72,985,000
Fire	\$4,655,000	\$4,580,000	\$14,265,000	\$25,160,000
Police	\$3,800,000	\$4,360,000	\$15,745,000	\$55,190,000
Art Center			\$4,200,000	
Museum		\$8,500,000	\$4,500,000	
Streets	\$23,795,000	\$59,095,000	\$202,310,000	\$85,780,000
Effluent Reuse	\$24,410,000			
Water and Sewer	\$29,745,000	\$36,580,000	\$107,850,000	
Public Buildings			\$9,960,000	\$33,570,000
Library			\$11,255,000	
Total	\$121,340,000	\$153,715,000	\$451,435,000	\$272,685,000

The City of Chandler has had great success with residents voting to approve bond authorization to support the capital plan. Since 2000 the City has held 4 bond elections. All with significant education/outreach.

The table shows the bond authorization amounts approved in each category since 2000.

Previous 2021 Bond Election Results



Council direction was to not increase secondary property tax rate

Maricopa County Election Results

Cities	Results	School Districts	Results
Buckeye	\$282M - PASS	CUSD	GO Bond - FAIL
Mesa	\$260M - PASS	38 Other Districts	74% PASSED
Tempe	\$581.5M - PASS	- Various Types	29 PASS / 9 FAIL



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Resident Bond Exploratory Steering Committee

Finance Overview



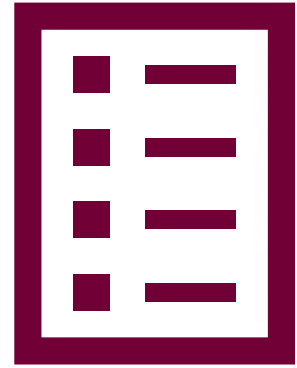
Agenda

- Utilization of Prioritized Project Lists
- City Debt Overview
- Property Tax Rate Balancing
- Next Steps



Current Step

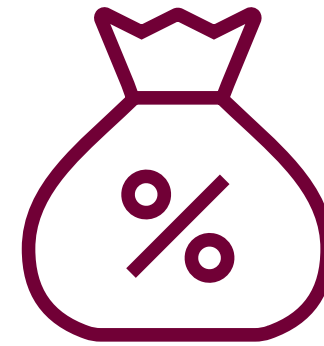
Prioritize



Forming Subcommittee Recommendation

- Refine project prioritization to guide financial analysis
- Recommend a project shifts to a different subcommittee

Tax Impact



Financial Analysis

- Prioritized Subcommittee lists combined for tax rate analysis and timing
- Will assume modest increase in Assessed Values looking out 8-10 years

Ballot Questions



Steering Committee

- Bond Counsel helps develop questions to meet the needs of all projects
- Taxpayers can then decide what they are willing to fund through property taxes

Prioritized Project Lists

Refer to handout with projects listed in their priority order with anticipated amount of request





City Debt Overview



Pictured: Tumbleweed Multi-Gen Expansion

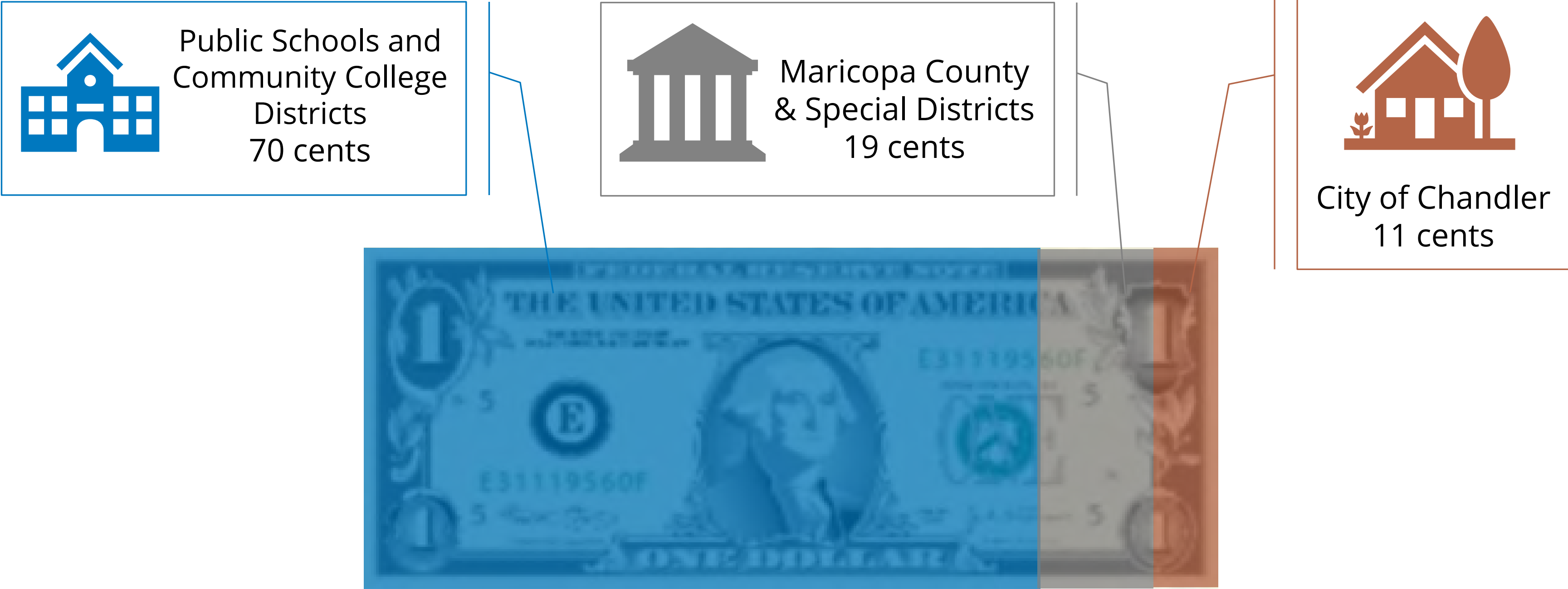
AAA Bond Ratings

- The City maintained AAA Bond Ratings from Moody's, Fitch, and S&P rating agencies
- One of a few communities across the nation with AAA bond ratings from all 3 rating agencies
- Results in low-cost of borrowing, thereby able to complete large projects through borrowing with less borrowing costs
- Correlates to lower taxes and utility rates (revenue streams paying debt service)



Pictured: Softball Complex at Tumbleweed

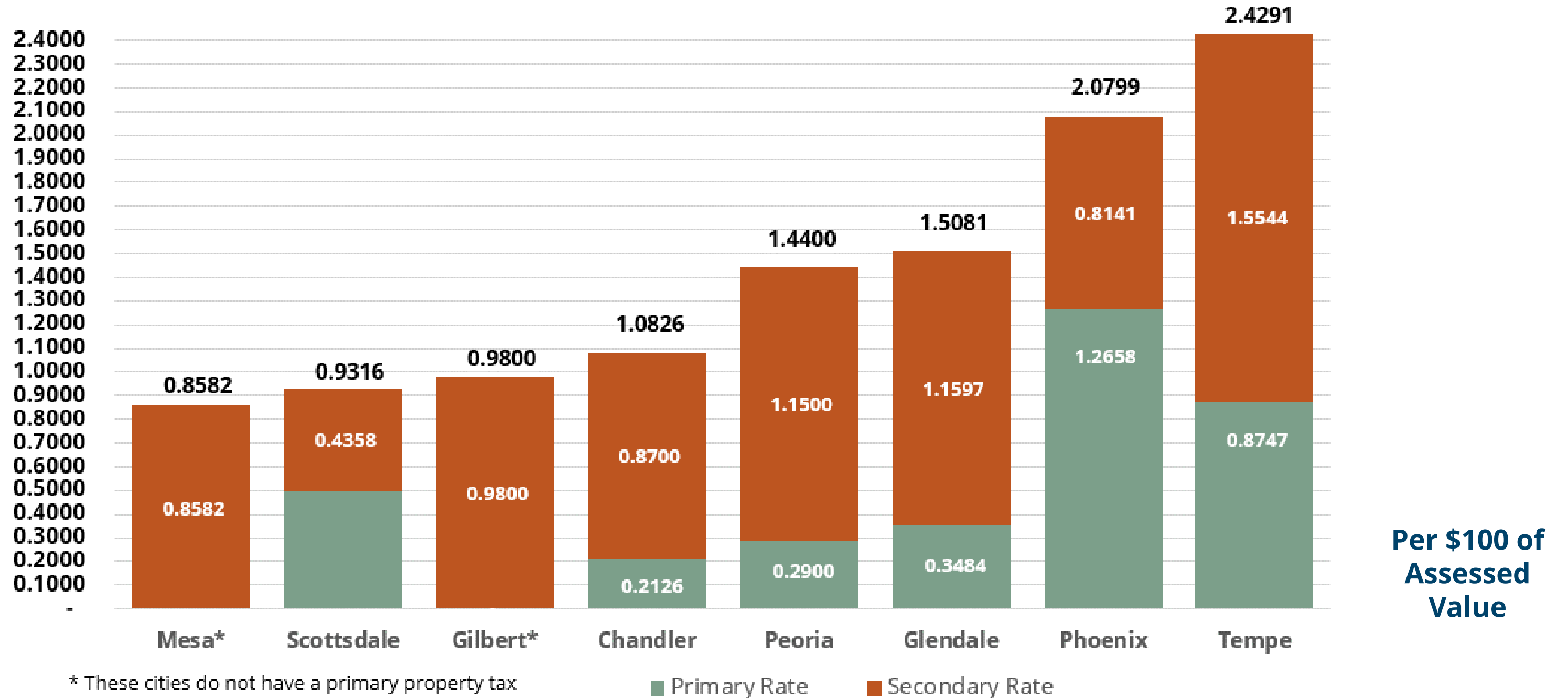
Breakdown of \$1 of Typical Chandler Property Tax Bill



*Based on 2024 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 2024-25 Property Tax Rate Comparisons



Statutory Debt Capacity and Total Outstanding Debt

General Obligation Bond Capacity Available

	20%	6%
2024 Net Assessed Full Cash Value	\$7,380,893,156	\$7,380,893,156
Legal Bond Limit	\$ 1,476,178,631	\$ 442,853,589
Outstanding Bonded Debt and Premium Issued	\$ (268,730,403)	\$ (8,092,243)
Bonding Capacity Available	\$1,207,448,228	\$ 434,761,346
Percent Capacity Available	82%	98%

The City manages Debt well, significant unused capacity

66% of City's GO Bonded debt will be paid off by 7/1/28



Type of Issue	Principle Bond Amount with Premium	% Total
General Obligation Bonds (Combined)		
6% Capacity	\$ 8,092,243	
20% Capacity	\$ 268,730,403	
Total General Obligation Bonds	\$ 276,822,646	53.46%
Excise Tax Revenue Obligations	\$ 240,995,000	46.54%
Total	\$ 517,817,646	100%



Property Tax Rate Balancing



Pictured: Existing neighborhood and community parks updates at Paseo Vista Recreation Area

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, which leaves the tax rate flat

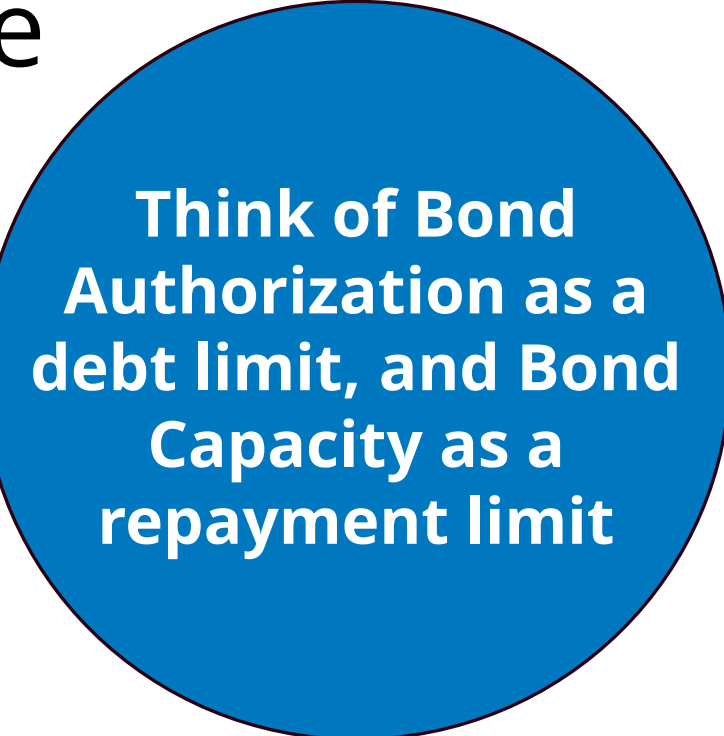


Bond Capacity

Bond Capacity- the ability to sell additional bonds/debt and have the financial resources necessary to meet the debt service requirements

Key components that add Bond Capacity:

- ~~Tax Rate Increase~~
- Property Value Increase
- Another Funding Source (System Development Fee Loan Repayment)
- Paying Off Existing Bonds/Debt

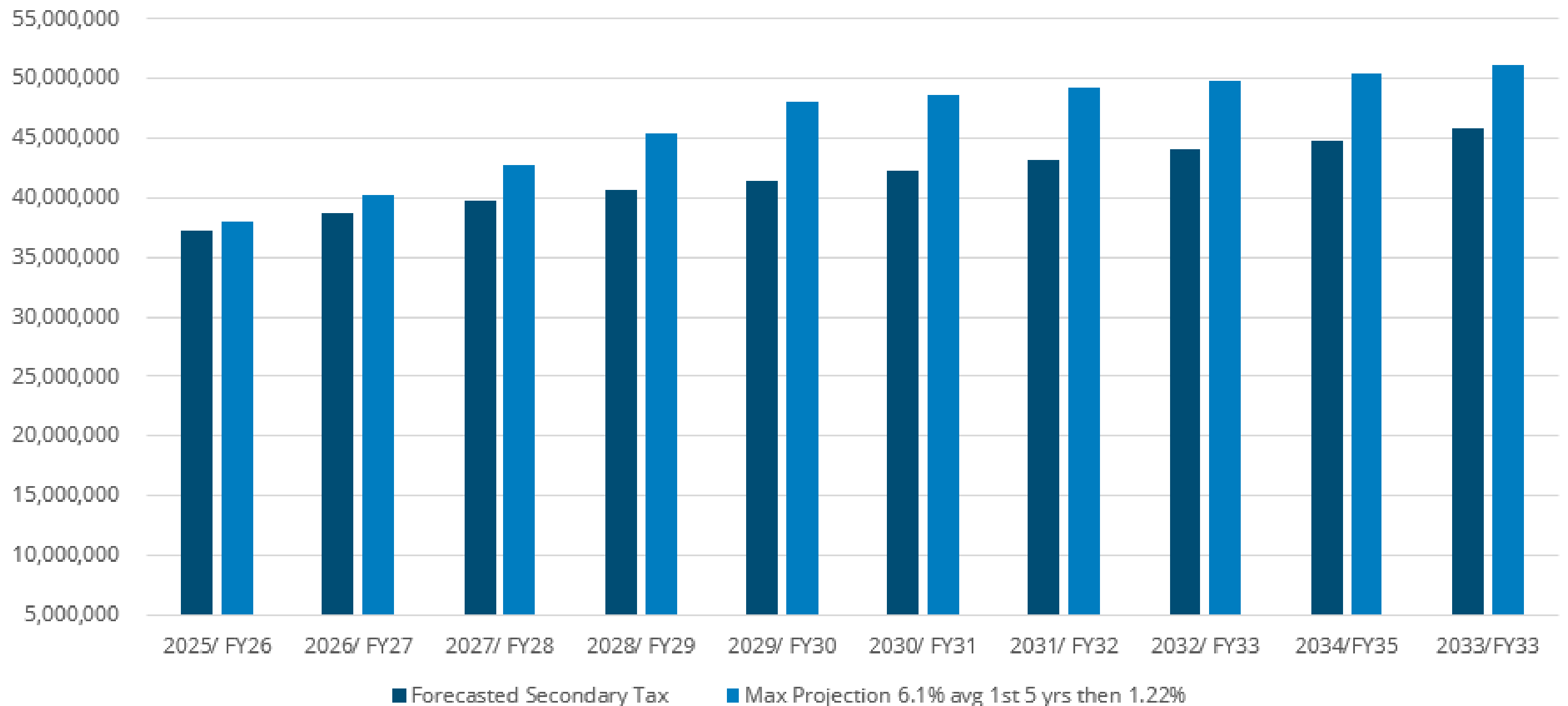


Think of Bond Authorization as a debt limit, and Bond Capacity as a repayment limit

Property Valuation Estimates

A key component of Bond utilization is Property Values

Secondary Tax Collections by Year

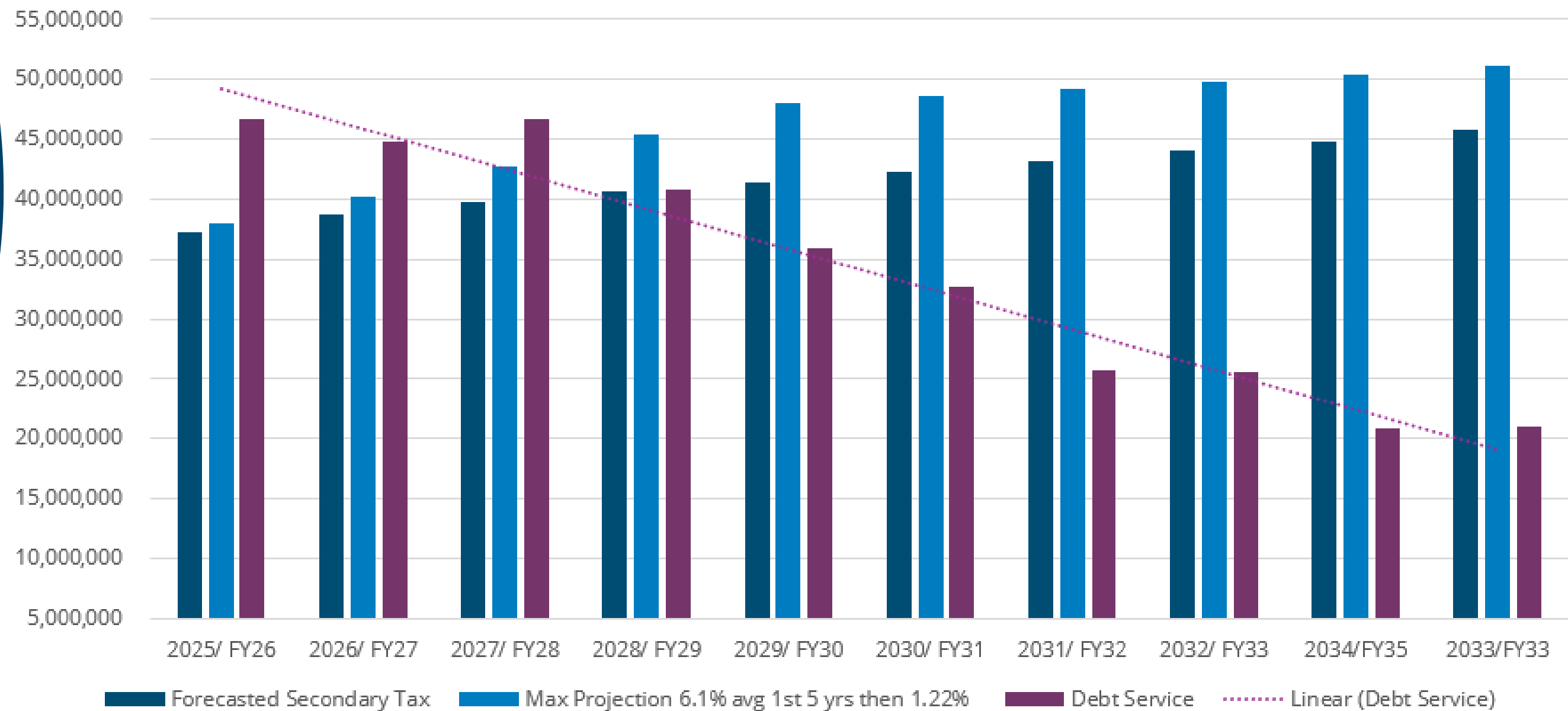


Estimates are updated annually and keep Tax Rate flat



Existing GO Bond Debt retirement schedule

Secondary Tax Collections by Year with Debt Service



If no other bonds were sold after fall 2025 while keeping tax rate flat

Parks (Example)

Changes to be within Capacity

- Shifted prioritized project timing
- Shifted funding source to General or other funds

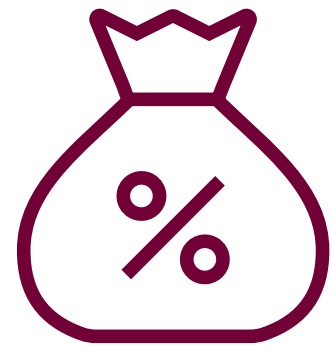
Approved by Steering Comm.

- Approved funding analysis changes to remain tax rate neutral
- Other steering committee changes not financial in nature



Next Steps

Tax Impact



Financial Analysis

- Prioritized Subcommittee lists combined for tax rate analysis and timing
- Will assume modest increase in Assessed Values looking out 8-10 years

Bring back to Steering Committee results of analysis

- Get feedback and approval on any recommended changes to prioritization or project adjustments
- Any steering committee desired adjustments
- Bond Counsel helps develop questions to meet the needs of all projects
- Create final recommendation to be incorporated into Steering Committee Report presented to Mayor and Council



Questions?



Pictured: Fire Station 2