

Staff Summary Report



Council Meeting Date: 06/19/08

Agenda Item Number: _____

SUBJECT: Request adoption of a resolution ordering and calling a special bond election to be held in and for the City of Tempe, Arizona, on November 4, 2008, to submit to the qualified electors thereof the question of authorizing the issuance and sale of \$241,310,000 principal amount of general obligation bonds/and or revenue bonds.

DOCUMENT NAME: 20080619fsae01 **GENERAL OBLIGATION BOND ADMINISTRATION (0203-03) RES. 2008.51**

SUPPORTING DOCS: Yes

COMMENTS: N/A

PREPARED BY: Jerry Hart, Financial Services Manager (x8505)

REVIEWED BY: N/A

LEGAL REVIEW BY: N/A

FISCAL NOTE: N/A

RECOMMENDATION: Staff recommends approval of Resolution No. 2008.51

ADDITIONAL INFO: Attached, for Council consideration, is Resolution 2008.51 calling for the bond election on November 4th, 2008 in the amount of \$241,310,000 in general obligation and/or revenue bonds. As previously discussed at the IRS on June 5th, there would be 4 separate questions for voters to decide. They are listed with their corresponding amounts as follows:

| Question | Description | Amount |
|----------|--------------------------------------|---------------|
| 1 | Water and Sewer Improvements | \$113,300,000 |
| 2 | Street Improvements/Storm Drains | \$44,200,000 |
| 3 | Public Safety | \$32,010,000 |
| 4 | Park Improvements/Community Services | \$51,800,000 |

RESOLUTION NO. 2008.51

RESOLUTION ORDERING AND CALLING A SPECIAL BOND ELECTION TO BE HELD IN AND FOR THE CITY OF TEMPE, ARIZONA, ON NOVEMBER 4, 2008, TO SUBMIT TO THE QUALIFIED ELECTORS THEREOF THE QUESTION OF AUTHORIZING THE ISSUANCE AND SALE OF \$241,310,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION AND/OR REVENUE BONDS

WHEREAS, the Mayor and Council of the City of Tempe, Arizona, believe it to be in the best interest of the City to authorize the issuance and sale of \$241,310,000 principal amount of General Obligation and/or Revenue Bonds; and

WHEREAS, it is necessary that the Mayor and Council submit the question of the issuance and sale of such bonds to the qualified electors of the City;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TEMPE, ARIZONA:

Section 1. Order Election; Ballot. A special bond election in the City of Tempe, Arizona, hereinafter referred to as the "*City*", is hereby called to be held on November 4, 2008, to submit to the qualified electors of the City the questions as shown on the form of ballot attached hereto and marked *Exhibit A*.

Section 2. Voter Pamphlet Preparation. The Clerk is hereby directed to cause the preparation and distribution of an information pamphlet and sample ballot for the City pursuant to A.R.S. § 35-454. The officers of the City are hereby authorized to prepare and deliver or cause to be prepared and delivered to the Clerk the information necessary or appropriate for completing the information pamphlet, including, without limitation, the estimated debt retirement schedule for the current amount of bonds outstanding, estimated debt retirement schedule for the proposed bond authorization, source of repayment, estimated issuance cost, estimated tax impact on an average owner-occupied residence and commercial and industrial property, estimated total cost of the proposed bond authorization, including principal and interest, current outstanding general obligation debt and constitutional debt limitation, an introductory statement on behalf of the City, and a statement of the purpose for which the bonds are to be issued.

Section 3. Notice. Notice of the special bond election is ordered to be given by causing the information pamphlet to be mailed not less than thirty-five (35) days before the date of election to the residence of each registered voter of the City as shown on the general county register. The Clerk is hereby authorized and directed to cause the information pamphlet to be prepared and mailed as required by law and in accordance with the provisions of this resolution and to cause a copy of the informational pamphlet to be submitted to the Arizona Department of Revenue within thirty (30) days after the election. Notice will also be given by publication of this order and call of the election, together with a list of the places where votes may be cast and the hours between which the polling places will be open, one time not less than 15 nor more than 30 days prior to the date of the election.

Section 4. Conduct of Election. The election will be conducted and the poll lists kept, and the votes cast thereat shall be counted and tabulated and the returns thereof will be

made in the manner provided by law and only persons will be allowed to vote at the election who are qualified electors of the City. The election may be consolidated with any other election conducted in the City on November 4, 2008.

Section 5. Early Voting. Early voting will be permitted at the election in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes, as amended.

Section 6. Voting Rights Act Submission. In order to comply with the Voting Rights Act of 1965, as amended, the following proceedings pertaining to this election will be translated into Spanish and posted, published and recorded in each instance where posting, publication and recording of such proceedings are required, to-wit: ballot, voter information pamphlet, all early voting material and all instructions at the polls.

Section 7. Conduct; Contracts. The Clerk is hereby directed to cause ballots to be printed and delivered to the election boards to be furnished to the qualified electors offering to vote at the election. The special bond election may be conducted using either electromechanical or electronic vote recording and ballot counting equipment or paper ballots, as shall be determined to be in the best interests of the City by the County Elections Department and the Mayor and the Clerk or either of them. The Mayor and the Clerk or either of them is authorized and directed to enter into a contract with the Maricopa County Recorder to obtain precinct registers for the election and to enter into an agreement with the Maricopa County Elections Department to conduct the election for the City.

Section 8. Canvass. The Mayor and Council will meet at the Council Chambers on or before November 24, 2008, which is a day within twenty days after the election date to canvass the returns of the election and will file and record a certificate of result of election in the office of the Maricopa County Recorder. The Mayor and Council will be governed by the vote of the majority on the questions submitted.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tempe, Arizona, on June 19, 2008.

ATTEST:

Mayor

Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

I, Jan Hort, the duly appointed City Clerk of the City of Tempe, Arizona, do hereby certify that the above and foregoing Resolution No. 2008.51 was duly passed by the City Council of the City of Tempe, Arizona, at a regular meeting held on _____, 2008, and the vote was _____ aye's and ____ nay's and that the Mayor and _____ Council Members were present thereat.

Jan Hort, City Clerk

EXHIBIT A

OFFICIAL BALLOT

FOR SPECIAL BOND ELECTION IN AND FOR THE CITY OF TEMPE, ARIZONA ON NOVEMBER 4, 2008.

General Provisions for all Bond Questions

The following provisions apply to all bonds to be voted on. Specific information for each issue is set out for each question.

In addition to each specifically authorized purpose, bond proceeds may be used to pay all necessary legal, accounting, financial, architectural, engineering and other contingent costs in connection with the purpose and to purchase bond insurance or other credit support for the bonds.

- ▶ The bonds may be issued in one or more series.
- ▶ The bonds may be issued in the denomination of \$1,000 each or multiples thereof.
- ▶ Interest rates may be fixed or variable but shall not exceed 12% per annum.
- ▶ Interest will be payable on July 1 and January 1 or more frequently.
- ▶ The bonds, and any bonds issued to refund the City's bonds, may be sold at prices that include premiums not greater than permitted by law.
- ▶ Bonds will mature over a period not to exceed 25 years from their date of issuance.
- ▶ Bonds will mature on the days of each year determined by the Mayor and Council.

The City may contract for letters of credit, surety bonds, lines of credit or other credit or liquidity support in connection with any one or more series of bonds.

THE VOTER MAY VOTE "FOR THE BONDS" OR "AGAINST THE BONDS" ON EACH SEPARATE BOND QUESTION.

Question No. 1

PURPOSE: WATER AND SEWER IMPROVEMENTS
AMOUNT: \$113,300,000

Shall the Mayor and Council of the City of Tempe, Arizona, be authorized to issue and sell bonds of the City in the principal amount of \$113,300,000, to provide funds:

- to enhance treatment processes and capacity at water and wastewater treatment plants;
- to expand environmental laboratory facilities;
- to enhance security systems at City treatment plants;
- to expand and improve reclaimed water transmission and distribution lines;
- to expand and improve water distribution infrastructure;
- to expand and improve wastewater collection infrastructure; and
- to replace aging water and wastewater infrastructure?

Payment of Bonds: Each series of these bonds may be issued at the option of the Mayor and Council, either as: (1) general obligation bonds of the City pursuant to Title 35, Chapter 3, Article 3, Arizona Revised Statutes, in which case the bonds shall be designated General Obligation Bonds; (2) water and sewer revenue bonds payable solely from the revenues of the water and sewer system of the City, in which case the bonds will be designated Water and Sewer Revenue Bonds; or (3) tax secured revenue bonds payable from such water and sewer revenues and, if such revenues prove insufficient, from the levy of an ad valorem tax against the taxable property located within the City, in which case the bonds shall be designated Tax Secured Water and Sewer Revenue Bonds. The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt of the bonds, unless the governing body provides for payment from other sources.

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|-------------------|--------------------------|
| FOR THE BONDS | <input type="checkbox"/> |
| AGAINST THE BONDS | <input type="checkbox"/> |

Question No. 2

PURPOSE: STREET IMPROVEMENTS/STORM DRAINS
AMOUNT: \$44,200,000

Shall the Mayor and Council of the City of Tempe, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$44,200,000, to provide funds:

- to acquire, construct, reconstruct or improve highways, streets, avenues, bike paths, bridges, City facility parking lots and alleys within the City;
- to acquire, construct, reconstruct, or improve traffic control devices, street lighting, street signage and undergrounding utility lines;
- to acquire land and rights-of-way for transportation purposes; and
- to improve the storm drain system?

Payment of Bonds: These bonds will be issued as General Obligation Bonds and the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt of the bonds, unless the governing body provides for payment from other sources.

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| FOR THE BONDS | <input type="checkbox"/> |
| AGAINST THE BONDS | <input type="checkbox"/> |

Question No. 3

PURPOSE: PUBLIC SAFETY
AMOUNT: \$32,010,000

Shall the Mayor and Council of the City of Tempe, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$32,010,000, to provide funds:

- to continue the upgrade of the Police/City Radio System to digital, interoperable capability;
- to utilize improved technology through replacement of existing hardware/software systems;
- to renovate the existing Police/Courts Building;
- to improve and renovate existing fire stations and fire support facilities and equipment;
- to continue enhancement of fire radio communication systems; and
- to construct new fire facilities?

Payment of Bonds: These bonds will be issued as General Obligation Bonds and the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt of the bonds, unless the governing body provides for payment from other sources.

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| FOR THE BONDS | <input type="checkbox"/> |
| AGAINST THE BONDS | <input type="checkbox"/> |

Question No. 4

PURPOSE: PARK IMPROVEMENTS/COMMUNITY SERVICES

AMOUNT: \$51,800,000

Shall the Mayor and Council of the City of Tempe, Arizona, be authorized to issue and sell general obligation bonds of the City in the principal amount of \$51,800,000, to provide funds:

- to renovate and restore parks;
- to replace the Diablo Stadium scoreboard;
- to improve park and street landscaping;
- to improve sports facility lighting; and
- to improve museum facilities?

Payment of Bonds: These bonds will be issued as General Obligation Bonds and the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt of the bonds, unless the governing body provides for payment from other sources.

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|-------------------|--------------------------|
| FOR THE BONDS | <input type="checkbox"/> |
| AGAINST THE BONDS | <input type="checkbox"/> |