



Agenda General Obligation Bond Executive Committee

Meeting Location:
City Council Chambers
200 W. Jefferson St.
Phoenix, Arizona 85003

Monday, November 7, 2022

9:00 AM

City Council Chambers

A quorum of each of the General Obligation Bond subcommittees may be present at this meeting, but no discussion or action of any of the subcommittees will occur during the meeting. Any individual member of a subcommittee attending or speaking at the meeting, except the subcommittee chair as a member of the Executive Committee, will do so in their individual capacity and not as a member of their respective subcommittee.

OPTIONS TO ACCESS THIS MEETING

Virtual Request to speak at a meeting:

- **Register online** by visiting <http://www.phoenix.gov/bond/meetings> **at least 2 hours prior to the start of this meeting**. Then, click on this link at the time of the meeting and join the Webex to speak:

<https://phoenixpublicmeetings.webex.com/phoenixpublicmeetings/onstage/g.php?MTID=e9ecedca973103957b6940afba89205d6>

- **Register via telephone** at 602-262-6001 **at least 2 hours prior to the start of this meeting**. Then, use the call-in phone number and Meeting ID listed below at the time of the meeting to call-in and speak.

In-Person Requests to speak at a meeting:

- Register in person at a kiosk located at the City Council Chambers, 200 W. Jefferson St., Phoenix, Arizona, 85003. Arrive **1 hour prior to the start of this meeting**. Depending on seating availability, residents will attend and speak from the Upper Chambers or Lower Chambers.

- Individuals should arrive early, 1 hour prior to the start of the meeting to submit an in-person request to speak before the item is called. After the item is called, requests to speak will not be accepted.

At the time of the meeting:

- Watch the meeting live streamed on phoenix.gov or Phoenix Channel 11 on Cox Cable, or using the Webex link provided above.

- **Call-in** to listen to the meeting. Dial 602-666-0783 and Enter Meeting ID 2480 884 7193# (for English) or 2491 705 6725# (for Spanish). Press # again when prompted for attendee ID.

- **Watch** the meeting in-person from the Upper Chambers or Lower Chambers depending on seating availability.



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Para nuestros residentes de habla hispana:

- **Para registrarse para hablar en español**, llame al 602-262-6001 **al menos 2 horas antes del inicio de esta reunión** e indique el número del tema. El día de la reunión, llame al 602-666-0783 e ingrese el número de identificación de la reunión 2491 705 6725#. El intérprete le indicará cuando sea su turno de hablar.

- **Para solamente escuchar la reunión en español**, llame a este mismo número el día de la reunión (602-666-0783); ingrese el número de identificación de la reunión 2491 705 6725#. Se proporciona interpretación simultánea para nuestros residentes durante todas las reuniones.

- **Para asistir a la reunión en persona**, vaya a las Cámaras del Concejo Municipal de Phoenix ubicadas en 200 W. Jefferson Street, Phoenix, AZ 85003. Llegue 1 hora antes del comienzo de la reunión. Si desea hablar, regístrese electrónicamente en uno de los quioscos, antes de que comience el tema. Una vez que se comience a discutir el tema, no se aceptarán nuevas solicitudes para hablar. Dependiendo de cuantos asientos haya disponibles, usted podría ser sentado en la parte superior de las cámaras, o en el piso de abajo de las cámaras.



Agenda

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CALL TO ORDER

MINUTES OF MEETINGS

1. Minutes of the General Obligation Bond Executive Committee

This item transmits the minutes of the General Obligation Bond Executive Committee meeting from October 31, 2022, for review, correction or approval by the Committee.

THIS ITEM IS FOR POSSIBLE ACTION

DISCUSSION AND POSSIBLE ACTION

2. Introductory Remarks

Introductory remarks by the Committee Chair and City Manager.

3. General Obligation Bond Program Recommendations

The Executive Committee will discuss potential General Obligation Bond projects and may discuss and approve Executive Committee recommendations to the Phoenix City Council.

THIS ITEM IS FOR INFORMATION, PUBLIC COMMENT, DISCUSSION AND POSSIBLE ACTION

FUTURE AGENDA ITEMS

ADJOURN



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For reasonable accommodations, please contact Genevieve Siri at 602-495-7320 a minimum of two business days prior to the meeting. 7-1-1 Friendly.

Persons paid to lobby on behalf of persons or organizations other than themselves must register with the City Clerk prior to lobbying or within five business days thereafter, and must register annually to continue lobbying. If you have any questions about registration or whether or not you must register, please contact the City Clerk's Office at 602-534-0490.

**City of Phoenix
General Obligation Bond Executive Committee
Summary Minutes
Monday, October 31, 2022**

City Council Chambers
200 W. Jefferson St.
Phoenix, Ariz.

Committee Members Present

Ms. Sharon Harper, Chair
Dr. LeeAnn Aguilar-Lawlor, Vice Chair
Mr. Ron Butler
Ms. Jennifer Grandahl
Ms. Pam Kehaly
Mr. Rick Naimark
Mr. Steve Beuerlein
Ms. Diana Yazzie Devine
Mr. Abraham James
Mr. David Martin
Ms. Devney Preuss
Mr. Robin Reed
Ms. Ginger Torres
Hon. Mary Rose Wilcox*

Committee Members Absent

None

CALL TO ORDER

Chair Harper called the meeting to order at 9:00 a.m. with Vice Chair Aguilar-Lawlor and committee members Ron Butler, Jennifer Grandahl, Pam Kehaly, Rick Naimark, Steve Beuerlein, Diana Yazzie Devine, Abraham James, David Martin, Devney Preuss, Robin Reed, and Ginger Torres present.

1. Minutes of the General Obligation Bond Executive Committee

Committee member James made a motion to approve the minutes of the October 24, 2022 General Obligation Bond (GO) Executive Committee meeting. Committee member Reed seconded the motion which passed unanimously, 13-0.

2. Introductory Remarks

Chair Harper stated that the subcommittee total recommendations had grown to \$717 million, and that the GO Bond Executive Committee now had the difficult task of condensing that amount into a \$500 million recommendation to the City Council.

She also added that the Committee needed to complete its work no later than November 17th.

*Committee member Wilcox joined the meeting at 9:03 a.m.

City Manager Jeff Barton stated the Committee now had a tough and difficult task of before them as previously stated by Chair Harper. Mr. Barton explained that the City of Phoenix had not has a new bond program for over 16 years, and as the fifth largest city in the country, and that we should not be operating bond programs once every two decades. He further stated various reasons why the city had the fiscal capacity to only do a \$500 million bond program: historical issues with delivering overly-large bond programs, the ability to operate and maintain new facilities, avoiding property tax rate increases, pressures on the City's operating budget, and potential legislative impacts to City revenues. Mr. Barton explained he provided the Committee with targets to start their conversation, taking into account existing available resources and departments' ability to deliver projects.

3. GO Bond Program Recommendations

Chair Harper stated that if the target amounts were approved by the Executive Committee, they could then proceed to discuss each individual subcommittee program area's projects and associated funding levels in order presented at the first two Executive Committee meetings. She then opened the floor for discussion on the matter.

Member Beuerlein said he that heard that the City could do a \$620 million bond program without raising property taxes, and if that was accurate? Mr. Barton responded that the secondary portion of the City's property taxes could only support a \$500 million dollar bond program without being increased. He summarized various scenarios that were reviewed with the appointed Fiscal Capacity Committee, concluding that capacity would be limited to \$500 million until fiscal year 2028. Furthermore, he stated that a larger bond program would also require greater resources from the operating budget, that the City will not have.

Member Martin stated that the Capital Needs Study recommendation exceeded the City Manager's baseline amount, remarking that the Streets and Storm Drainage Subcommittee had worked to identify cuts to the Capital Needs Study, which would be further cut by the City Manager's recommended targets. Mr. Barton answered that his recommendation took into account staffing shortages in the Street Transportation Department that would make it very difficult to deliver more than that amount, as well as other budgeted resources available to fund programs proposed under the Streets and Storm Drainage Subcommittee.

Member Naimark suggested that the Committee could set its recommendation at \$500 million but also identify the highest priority projects outside of the \$500 million

for City Council consideration. He also asked about how the City factored inflation? Mr. Barton acknowledged that inflation and interest rates were considered.

Member James suggested that older deferred maintenance projects that need to be reconstructed, might be the starting place in the prioritization process.

Member Preuss stated that the Executive Committee could work together across subcommittees to determine where changes need to be made and figure out solutions.

Vice Chair Aguilar-Lawlor made a motion to accept the City Manager's recommended targets with flexibility by program area. Members confirmed the motion would allow for flexibility to change from this baseline. Committee member James seconded the motion which passed 14-0.

Deputy Director Chris Fazio presented a spreadsheet that would be used for tracking suggested scenarios during the Committee's deliberations.

Member Martin inquired regarding the Committee's review of operating costs. Mr. Barton noted that the City had not yet prepared a new five year forecast, but that absorbing operating costs of \$40 – 50 million was reasonable, and that the City would not be bringing all approved projects online in the same year.

Member Naimark commented on the large amount of Transportation 2050 program available for street projects.

Member Martin noted that the Streets and Storm Drainage Subcommittee considered alternative funding sources in coming to its recommendation, noting that many of the recommended projects were scalable, but that the flood mitigation projects should stay whole due to the City needing to pay only 35% of the cost.

Street Transportation and Drainage Director Kini Knudson and Deputy City Manager Mario Paniagua then presented information on the Subcommittee's recommended projects and additional funding available.

Member Kehaly inquired about the Vision Zero project. Mr. Knudson indicated that the program has a goal of zero roadway fatalities by 2050, with interim milestones and prioritized locations identified.

Member Grandahl asked why Storm Drain Replacement was the lowest priority and asked about federal funding availability. Member Martin responded that the priorities reflected the survey responses of subcommittee members. Mr. Knudson noted the department was pursuing \$30 million under the Safe Streets for All grant program, and would pursue all available federal funds.

A discussion followed regarding the reallocation of funding amounts for the Streets & Storm Drainage Subcommittee projects to achieve the City Manager's recommended target amount for the program.

Member Martin made a motion to accept the amounts for the Streets & Storm Drainage Subcommittee projects as follows: Laveen Flood Mitigation Projects for \$8,230,401 and Hohokam Drainage Program project for \$19,245,594. The Motion was seconded by Vice Chair Aguilar-Lawlor and passed 14-0.

Member Martin asked what amount would be needed to complete an assessment under the Storm Drain Replacement Program. Mr. Knudson indicated an assessment could be completed for \$2.5 million.

Member Martin made a motion to cap the Storm Drain Replacement Program project at \$2,500,000. The Motion was seconded by member Reed and passed 14-0.

Member Martin asked staff to calculate pro-rated cuts to the Vision Zero, Equity Based Transportation and Mobility, and Pavement Maintenance projects.

Member Martin made a motion to accept the amounts for the Streets & Storm Drainage Subcommittee projects as follows: Vision Zero Implementation for \$16,647,159, the Equity Based Transportation Mobility – T2050 Mobility Implementation project for \$12,570,371, and the Pavement Maintenance Supplement project for \$22,030,869 with the caveat that these three projects be backfilled with allocations from the other programs if available. The Motion was seconded by member James and passed 14-0.

Deputy City Manager Karen Peters, Deputy City Manager Alan Stevenson and Public Works Director Joe Giudice then addressed the Neighborhood & City Services Subcommittee projects with the Executive Committee.

Budget & Research Director Amber Williamson noted that the subcommittee recommendations that were below the City Manager's recommended target – City Service Center and Downtown City Property Improvements – currently were supported by General Fund resources. The City could look for opportunities to increase that General Fund allocation, as an alternative to bond funding.

Vice Chair Aguilar-Lawlor asked for clarification regarding ADA improvements, covered by this subcommittee and the Arts & Culture Subcommittee. Mr. Giudice indicated that the Neighborhoods & City Services Subcommittee project did not earmark funds to any specific project, and the Phoenix Theater Company ADA project was instead covered in the Arts & Culture Subcommittee.

Member Naimark asked for confirmation that the City could absorb the cost of opening the subcommittee's recommended new libraries. Ms. Williamson confirmed.

Member James made a motion to accept the amounts as presented for the Neighborhood & City Services Subcommittee projects numbers 1-5 (as shown on the screen as: Branch Library at Estrella Civic Space for \$8,574,460, City ADA Improvements for \$10,100,000, Yucca Branch Library Expansion for \$10,626,991, Branch Library at Desert View Civic Space for \$10,313,210, and Historic Preservation Programs for \$5,000,000). The Motion was seconded by member Naimark and passed 14-0.

Chair Harper opened the floor for public comment.

Brenda Montoya spoke in support of the Estrella Civic Space project.

Paola Valencia spoke in support of the Estrella Civic Space project.

Laura Lopez spoke in support of the Estrella Civic Space project.

Elizabeth Payan spoke in support of the Estrella Civic Space project.

Alexandra Papazian spoke in support of the Cultural Facilities Critical Equipment Replacements project.

Linda Abegg spoke in support of the Estrella Civic Space project.

Ryan Boyd stated that he felt that Streets & Storm Drainage Subcommittee recommendations regarding the Vision Zero Implementation and the Equity Based Transportation Mobility - T2050 Mobility Implementation projects were disregarded and supplanted by management recommendations, and advocated for Vision Zero funding.

Mark Mettes spoke in support of Arts & Culture deferred maintenance projects which would decrease operating expenses, including Herberger Theater improvements.

Wes Patterson in support of new fire stations.

Jami Kozemczak spoke in support of Arts & Culture deferred maintenance projects which would decrease operating expenses and enhance revenue from the facilities.

Francisca Montoya spoke in support of the Estrella Civic Space project.

Marvene Lobato spoke in support of the Estrella Civic Space project.

Jessyca Leach spoke in support of the Expansion of The Parsons Center for Health and Wellness project.

Casey Simon spoke in support of the Expansion of The Parsons Center for Health and Wellness project.

Michael Soto in support of the Expansion of The Parsons Center for Health and Wellness project.

Dr. Michael White in support of the Expansion of The Parsons Center for Health and Wellness project.

Selena Quinones spoke in support of the Estrella Civic Space project.

Steve Oberhansly spoke in support of Cultural Facilities Critical Equipment Replacements project.

Tom Cooper spoke in support of Cultural Facilities Critical Equipment Replacements project.

Cyndy Gaughan spoke in support of funding for historical preservation projects, acquisition of a second structure for the permanent support of housing and bridge housing, geographically-dispersed non-congregate shelter, innovations in affordable housing, and Vision Zero.

Kate Wells spoke in support for the Children's Museum of Phoenix Expansion project and the Cultural Facilities Critical Equipment Replacements project.

Allison Otu spoke in support of the Children's Museum of Phoenix Expansion project.

Masavi Perea spoke in support of the Estrella Civic Space project.

Matthew Schaefer spoke in support of the Phoenix Theatre Company ADA Accessibility project.

Lisa Perez spoke in support of the Estrella Civic Space project.

Abby Dunton spoke in support of the Estrella Civic Space project.

Jennifer Rouse spoke in support of the Estrella Civic Space project.

Chaz Salazar spoke in support of the Heat Resiliency project and the Estrella Civic Space project, and investing south and west Phoenix.

Michael Barnard spoke in support of the Phoenix Theatre Company ADA Accessibility project.

Anthony Fusco spoke in support of the Holocaust Education Center as included in the Arizona Jewish Historical Society Renovation & Expansion Project.

Taylor Earl spoke in support of the Estrella Civic Space project.

Mona Oshana spoke in support of the Holocaust Education Center as included in the Arizona Jewish Historical Society Renovation & Expansion Project.

Dr. Dirk Van Leenen spoke in support of the Holocaust Education Center as included in the Arizona Jewish Historical Society Renovation & Expansion Project.

Laura Earl spoke in support of the Estrella Civic Space project.

Markus Cenicerros spoke in support of the Estrella Civic Space project.

Leezah Sun spoke in support of the Estrella Civic Space project.

Sandra Bassett spoke in support of the Phoenix Center for the Arts Theater Improvements project.

Scott Jacobson in support of the Expansion of The Parsons Center for Health and Wellness project.

Sawsan Abdurrahman spoke in support of the Heat Resiliency project and the Estrella Civic Space project.

Future Agenda Items

There were no future agenda items.

ADJOURNMENT

Chair Harper adjourned the meeting at 11:47 a.m.