



City Council Report

Date: April 6, 2026
To: City Council
Through: Scott Butler, City Manager
Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Mark Hute, Treasurer
Subject: Sale of 2026 General Obligation Bonds

Purpose and Recommendation

The purpose of this item is for the City Council to authorize the sale of the following general obligation (“G.O.”) bonds to finance capital projects:

- General Obligation Bonds, Series 2026 (the “Series 2026 Bonds”)
Principal: not-to-exceed \$61,000,000

Background

In Citywide elections, Mesa residents have authorized the City to issue G.O. bonds to finance capital projects. The Series 2026 Bonds represent portions of the bond authorizations approved by the City electorate in G.O. bond elections held in 2020, 2022, and 2024. Financing long-term infrastructure allows the City to meet its capital needs while allowing for residents and businesses who benefit from the infrastructure to pay for it as it is being used.

Discussion

New Project Spending

Table 1 below shows City G.O. bond authorizations currently in use (some older approval remains but is not being utilized). The table includes the purpose and amounts of the proposed Series 2026 Bonds as well as the authorized amounts that would remain after the sale.

Table 1: General Obligation Bonds – Authorizations Currently in Use

Purpose	Election Year	Remaining Authorized But Not Issued	Series 2026 Bonds	Estimated Remaining Authorization
Transportation	2020	\$ 53,910,000	\$ 29,000,000	\$ 24,910,000
Public Safety	2022	82,000,000	19,000,000	63,000,000
Parks and Culture	2024	165,000,000	13,000,000	152,000,000
Public Safety	2024	90,000,000	0	90,000,000
Total		\$ 390,910,000	\$ 61,000,000	\$ 329,910,000

The City plans to use the proceeds from the proposed bond sale to pay for the purchase, design, and/or construction of capital projects through calendar year 2026 (although project spending may vary).

Attachment A – Project List lists the projects that are planned to be financed by the proceeds of the Series 2026 Bonds.

Structure

Attachment B – Debt Service Table shows the structure of existing general obligation debt service and estimated new debt service resulting from the Series 2026 Bonds.

Timeframe

The City is scheduled to price the proposed general obligation bonds the week of April 27 and close the transaction (receive the proceeds) on May 21.

Alternatives

The Council may choose not to proceed with the sale of general obligation bonds at this time. The City could:

- cancel new bond-funded projects still in the planning stage
- utilize reserves to pay for a portion of projects already in progress

These alternatives are not recommended as they would reduce City reserves or prevent completion of capital projects that are in various stages of planning and construction.

Fiscal Impact

Debt service for the Series 2026 Bonds is funded by secondary property tax revenue and has no direct impact on other City funds. However, there may be operational costs/savings associated with the bond-funded capital projects that may affect other City funds, including the General Fund.

Coordination

The legal documents for the debt issuance are prepared by Zach Sakas at Greenberg Traurig, the City's bond counsel.

The City's municipal advisors, Janelle Gold and Zac Lara at Hilltop Securities, prepared many of the schedules and other financial information included in the issuance documents.

The following City departments coordinated on the proposed bond issuance:

- City Attorney
- City Manager
- Engineering
- Fire and Medical
- Finance
- Management and Budget
- Parks, Recreation, and Community Facilities
- Police
- Transportation