

2016 BOND ELECTION INFORMATION SHEET

Answers to common questions about Proposition 446, Northwest Fire District's bond election.



1. What is a bond?

A bond is a financial tool that government agencies use to raise funds for long-term capital assets. The District defines “long-term” as having a lifespan of 20 years or more (buildings, for example). The bonding process requires voter approval in the State of Arizona.

2. Why use bonds instead of other funding methods?

Bonds provide funding at low interest rates (low cost of money). Bonds also allow debt issuance at the time they are needed; therefore, issuances can be planned to coincide with anticipated growth and development. This means residents only pay for the capital projects when (and if) bonds are issued.

3. Why is the Northwest Fire District holding a bond election?

The Fire Board has placed a bond package before voters based on the recommendations of a Bond Advisory Committee and planning and forecasting by the District's administrative staff. The Bond Advisory Committee was composed of six volunteer community members from across the Fire District representing commercial and small businesses, government and non-profit organizations, and District residents. This group met regularly over several months to review the District's capital needs. The committee's recommendation to move forward with a bond election was founded on growth and development within the Northwest Fire District and a desire to maintain or enhance services and reduce response times.

4. What will the bond do for the Fire District?

The capital projects associated with two bond issuances include the construction of four (4) new fire stations in high-growth areas, the expansion of one (1) of the District's busiest fire stations, and a new administrative headquarters to be consolidated for enhanced community access with the District's existing Training Center.

5. What amount is the Northwest Fire District asking for in the upcoming bond election (known as Proposition 446)?

The total bond package of Northwest Fire's Proposition 446 is \$23.61 million which will likely be obtained through two bond issuances; a proposed first bond issuance of \$14.11M is planned for 2017 with a planned second bond issuance of \$9.5M in 2020.

6. Why is Northwest Fire District planning two separate issuances through this bond package?

The bond package represents current needs as well as a 10-year projection. The first bond issuance is for immediate capital needs. The second issuance anticipates future requirements based on expected growth and development.

7. If approved, does the entire bond capacity of \$23.61M have to be utilized?

No. If the anticipated growth and development does not occur, NWFD is not obligated to issue all the bonds.

8. How much will the bond cost the average taxpayer?

Assuming the entire bond capacity is utilized (\$23.61M), the tax impact of this bond package is about \$0.18 cents per \$100 of net limited assessed property valuation. On an average home value of \$171,000 within the District, the estimated tax impact is \$2.57 per month or \$30.80 per year for the 20-year life of the bonds.

9. Has Northwest Fire managed a bond program in the past?

Yes. The voters of the Northwest Fire District approved a \$37.5M bond program in 2004.

10. What did Northwest Fire's 2004 bond program cover?

The 2004 bond program contained three (3) issuances in 2005, 2007, and 2010 and constructed two (2) fire stations, re-built/remodeled six (6) fire stations, and constructed a Training Center. The bonds authorized in this program have been fully utilized.

11. Was the District able to complete all proposed projects in 2004 bond program?

There were nine (9) potential projects in the 2004 bond program, seven (7) of which were completed as planned. The District was able to complete the highest priority projects. Two (2) projects were not fully realized due to a combination of inflation and lack of development. All bond expenditures were utilized only on voter-approved projects.

12. How do I know the money will be spent as indicated?

Arizona law requires the District to identify what the bond money will be allocated for in the ballot proposition. The District is required to comply with the ballot or be in violation of Arizona State Law. As with the 2004 bond package, the District will provide public updates on the status of the bond funds at monthly board meetings. Bond monies are held in custody by the Pima County Treasurer and all expenditures are subject to a review and approval process to ensure they meet bond criteria.

13. What Proposition number will show up on my ballot that represents Northwest Fire's bond?

Proposition 446. Propositions are typically found near the end of your ballot.

14. Why doesn't the ballot simply say Northwest Fire's bond proposition?

Each proposition is assigned a number. This is the system that the Pima County Elections Department utilizes in managing elections.

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