CITY OF BUCKEYE
Regular Council Meeting
COUNCIL ACTION REPORT

MEETING DATE: 07/07/26	**AGENDA ITEM:** 4.K. FIN - Budget transfer of General Obligation (GO) Bond funds to support transportation projects.
DATE PREPARED: 07/07/26	**DISTRICT NO.:**
STAFF LIAISON: Keith Fallstrom, Chief Financial Officer, kfallstrom@buckeyeaz.gov, (623) 349-6161	
DEPARTMENT: Financial Services	**AGENDA ITEM TYPE:** Consent Agenda Items / New Business

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
City Council to take action to approve budget transfers totaling $18,156,400 to fund the Watson Road and Broadway Road (CIP 2022012) and the Durango Street, Miller Road to Yuma Road (CIP 2020014) CIP projects from General Obligation (GO) Bond proceeds, and authorize the reimbursement of the general fund for prior expenditures during FY2026 for these projects.

GOALS AND OBJECTIVES FOR THE STRATEGIC PLAN FOCUS AREAS:
Infrastructure

SUMMARY

PROJECT DESCRIPTION:
The transportation-related General Obligation (GO) bond funding was approved by voters during the November 5, 2024 election, allocating $145 million for streets and transportation improvements such as widening key roads, adding lighting, and eliminating traffic bottlenecks. City staff have identified two projects that are currently funded by general funds that qualify for GO Bond funding. City staff recommend City Council approval of budget transfers totaling $18,156,400 to fund the Watson Road and Broadway Road (CIP 2022012) and the Durango Street, Miller Road to Yuma Road (CIP 2020014) CIP projects from GO Bond proceeds instead of from the general fund.

The reimbursement of the general fund with GO Bond proceeds is allowed under 26 CFR 1.150-2. This authorization to reimburse is within 60 days of the first expenditure for construction.

BENEFITS:
This action will allow for GO Bond funds to be used on transportation projects and reallocate the general funds currently budgeted for other uses. This action is consistent with the Council approved financial policy of using the most restrictive fund when multiple funding sources are allowed.

FUTURE ACTION:
Staff will seek Council authorization to issue GO Bonds to satisfy the following conditions:
1. The combined property tax rate will be $2.25 per $100 Net Assessed Valuation (NAV) or lower.
2. Sufficient funds are available to cover the costs of all GO Bond funded projects.
3. Bond proceeds are used within three years of issuance.

FINANCIAL IMPACT STATEMENT:
The FY2027 budget assumed funding these two projects with GO Bonds by either paying directly from the GO Bonds or by reimbursing the General Fund with GO Bonds for the projects. If the transfers are not approved, the budget would need to be adjusted at a future Council Meeting.

CURRENT FISCAL YEAR TOTAL COST:

Cost does not change, only funding source.

BUDGETED:
Yes

FISCAL YEAR:
FY2026 and FY2027

Items related to a project or facility location must include an attached vicinity map for Council Review.
ATTACHMENTS: