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# MEMORANDUM

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Date: August 4, 2022

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: Jan Leshner   
County Administrator

Re: **Resolutions Relating to Debt Issues for August 15, 2022 Board Meeting**

There are two Resolutions on the Board of Supervisors August 15, 2022 agenda relating to the following debt issuances:

- \$90,000,000 of Certificates of Participation
- \$40,000,000 of Sewer System Revenue Obligations

### Certificates of Participation

Due to expenditure limitations restricting the use of cash reserves, we are required to fund projects through issuing debt, such as Certificates of Participation. This resolution would authorize staff to sell additional Certificates of Participation in an amount sufficient to provide up to \$90,000,000 in proceeds and to refinance existing debt provided it is financially advantageous and does not extend the final maturity. The proceeds will be used to fund \$50,000,000 for the Road Repair Program included in the FY 2022-23 budget to be repaid within five years using the annual road repair allocation of General Fund PAYGO revenues per Board of Supervisors policy D22.12 approved by the Board on November 5, 2019. The balance of the proceeds will be used to fund other capital projects approved by the Board as part of the annual budget such as the Pima County Sheriff's San Xavier Substation, the new computer system and various Facilities Management projects with a repayment period up to fifteen years.

### Sewer System Revenue Obligations

This resolution would authorize staff to sell additional sewer system revenue obligations in an amount sufficient to provide up to \$40,000,000 in proceeds and to refinance existing debt provided it is financially advantageous and does not extend the final maturity. The proceeds of the debt will be used to fund treatment and conveyance projects within the Regional Wastewater Reclamation Fund's Capital Improvement Program. Pima County routinely pays for the capital costs of the sewer system by financing them over time. This allows the capital asset costs to be better spread throughout the period of time the assets are providing benefits to the system's users. These obligations will be repaid over a maximum period of ten years from the Wastewater revenues.

The Honorable Chair and Members, Pima County Board of Supervisors  
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While these two issuances represent \$130 million of new debt, approximately \$81 million of it will be repaid by the end of fiscal year 2028. In addition to that repayment, Pima County's repayment of existing capital program debt this fiscal year totals approximately \$149 million. Pima County continues to repay its debt on a very short-term basis compared to most jurisdictions that issue debt with 25, 30 or even 40 year terms.

JKL/dym

c: Carmine DeBonis, Jr., Deputy County Administrator  
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer  
Steve Holmes, Deputy County Administrator  
Ellen Moulton, Director, Finance and Risk Management