




MEMORANDUM

Date: April 5, 2019

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

From: C.H. Huckelberry
County Administrator 

Re: **Pima County Per Capita Debt Lowest of Local Governments in the Region**

The subject of Pima County debt has been widely discussed and criticized by some; in fact, it was one of the cornerstone objections for opponents of the recent failed County bond issues. The Arizona Department of Administration annually produces an indebtedness report covering all of the taxing jurisdictions in the State. The most recent report is for the fiscal year ending June 30, 2018. The Table below shows the per capita indebtedness of local jurisdictions in Pima County, including Pima County.

Jurisdictional Long Term Debt in Pima County	
Entity	Per Capita Long Term Debt Outstanding
Marana	\$1,922 ¹
Tucson	\$1,676 ¹
South Tucson	\$1,242 ¹
Sahuarita	\$1,203 ¹
Oro Valley	\$877 ¹
Pima County	\$819 ²

The Town of Marana has the highest per capita debt of \$1,922 per person, while the Pima County debt is the lowest at \$819 per person. More importantly, Pima County's debt will be rapidly declining in the near future; within the next five years at 76 percent of the debt remaining on July 1, 2019 will be retired. In addition, it will be essentially zero in another three years (see attached Table.)

Attachment

c: Jan Leshar, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Michelle Campagne, Director, Finance and Risk Management
Nicole Fyffe, Executive Assistant to the County Administrator

¹ Source Arizona Department of Administration FY2018 Report as Bonded Indebtedness

² Running debt balance as of July 2019

Aggregate Pima County Debt Retirement Schedule

	GO ¹	HURF ²	COPS ³	Sewer ⁴	Total	Percent Reduction
6/30/2018	275,990,000	80,330,000	161,260,000	515,484,892	1,033,064,892	
6/30/2019	227,335,000	65,510,000	96,385,000	458,482,871	847,712,871 ^{5 6}	18%
6/30/2020	174,910,000	51,105,000	74,425,000	412,347,125	699,110,000	32%
6/30/2021	133,965,000	39,905,000	52,345,000	354,162,315	561,737,315	46%
6/30/2022	93,615,000	29,300,000	42,350,000	293,723,096	437,648,096	58%
6/30/2023	64,805,000	23,205,000	34,980,000	230,304,112	339,284,112	67%
6/30/2024	44,590,000	16,935,000	30,175,000	173,420,000	250,410,000 ⁷	75.8%
6/30/2025	30,960,000	13,530,000	25,145,000	116,140,000	170,330,000	83.5%
6/30/2026	16,800,000	9,995,000	19,875,000	73,155,000	119,825,000	88.4%
6/30/2027	6,890,000	6,340,000	14,355,000	49,315,000	76,900,000	92.6%
6/30/2028	985,000	4,165,000	8,570,000	36,735,000	50,455,000	95.1%
6/30/2029	-	3,410,000	2,510,000	28,490,000	34,410,000	96.7%
6/30/2030		2,620,000	1,280,000	19,915,000	23,815,000	97.7%
6/30/2031		1,790,000	-	10,995,000	12,785,000	98.8%
6/30/2032		915,000	-	5,630,000	6,545,000	99.4%
6/30/2033		-	-	-		
6/30/2034		-	-	-		

¹ General Obligation Bonds repaid with secondary property tax.

² Highway User Revenue Bonds repaid with HURF and VLT annual funds from State distribution.

³ Certificates of Participation paid by numerous sources and includes short term debt (less than 3-years) to comply with Expenditure Limit requirements. Presently about \$40 million of this debt will be repaid in three years.

⁴ Sewer obligations repaid with sewer user and connection fees.

⁵ Sewer debt represents 54 percent of total County debt and Pima County is the only county to provide regional sewer services

⁶ HURF debt represents 7.7 percent of total debt and Pima County is the only County to issue HURF Revenue Bonds

⁷ Within 5-years Pima County aggregate debt will drop to \$250 million, a 76 percent reduction. The County has no plans to now, or in the future, issue bond debt financing. This debt will drop to 96 percent within the next 10 years