



Board of Supervisors Memorandum

February 5, 2019

Resolutions Related to Debt Issues

Background

There are three Resolutions on the Board of Supervisors February 5, 2019, Agenda relating to two debt issuances and one debt prepayment.

1. Resolution No. 2019-7 for Street & Highway (Highway User Revenue Fund; HURF) Revenue Bonds
2. Resolution No. 2019-8 for Sewer System Revenue Obligations
3. Resolution No. 2019-9 for the prepayment of the 2013 Certificates of Participation

Both debt issuances and the debt prepayment are included in the Adopted Budget for Fiscal Year 2018-19. The debt issuances are listed as funding sources for the County's capital projects. The Street & Highway Revenue Bond proceeds are budgeted in the Capital Projects Fund and the Sewer System Revenue Obligation proceeds are budgeted in the County's Regional Wastewater Reclamation Fund. The debt prepayment is budgeted in the Debt Service Fund.

Street & Highway Revenue Bonds

This resolution would authorize staff to sell additional Street & Highway Revenue Bonds in an amount not to exceed \$25,000,000. The proceeds of the debt will be used to fund street and highway projects listed within Transportation's Capital Improvement Program in the FY 2018-19 Adopted Budget. These projects include Broadway Boulevard, Euclid Avenue to Country Club; Arterial Pavement Preservation; Houghton Road, I-10 to Golf Links; and 22nd Street, I-10 to Tucson Blvd. These bonds will be repaid within 15 years by Transportation Fund Revenues.

Sewer System Revenue Obligations

This resolution authorizes staff to sell additional sewer system revenue obligations not to exceed \$25,000,000. The proceeds of the debt will be used to fund treatment and conveyance projects listed in the Regional Wastewater Reclamation Fund's Capital Improvement Program adopted by the Board with the Fiscal Year 2018-19 Adopted Budget. Pima County routinely pays for the capital costs of its sewer system by financing them over time. In this way, the costs of the capital assets are better spread throughout the period of time the assets are providing benefits to the system's users. When adopting the fiscal year 2018-19 budget, the Board of Supervisors approved the Regional Wastewater Reclamation Department capital improvement program for \$41 million this year. These obligations will be repaid within 15 years from Wastewater revenues.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Resolutions Related to Debt Issues**
February 5, 2019
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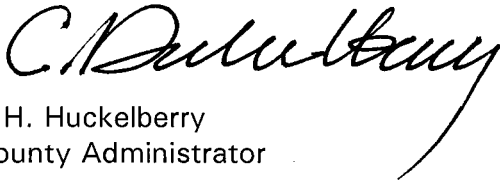
Certificates of Participation

Resolution No. 2019-9 for Certificate of Participation (COPs) authorizes staff to prepay the 2013 COPs debt service payments. The 2013 COPs were issued to construct the Fleet Services Building and to complete various Facilities Management Projects. Because Fleet Services has sufficient funds to prepay this debt in fiscal year 2018-19, the debt service expense and the prepayment was included in the fiscal year 2018-19 Adopted Budget.

Recommendation

I recommend the Board of Supervisors pass and adopt the three resolutions regarding the two debt issuances and one prepayment for fiscal year 2018-19: Resolution No. 2019-7 for Street & Highway Revenue Bonds, Resolution No. 2019-8 for Sewer System Revenue Obligations, and Resolution 2019-9 for Certificates of Participation.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mp- January 31, 2019

c: Tom Burke, Deputy County Administrator for Administration
Cathy Bohland, Human Resources Director

Street & Highway Project List

| Project ID | Project Name | Amounts |
|---|---|----------------------|
| CTR.4BBECC | Broadway Blvd Euclid to Country Club | \$ 11,300,000 |
| CTR.4PPFUT | Arterial Pavement Preservation | 6,000,000 |
| CTR.4KINOP | 22nd Street I-10 to Tucson Blvd Improvements | 2,300,000 |
| CTR.4HRSTV | Houghton Rd I-10 to Golf Links Road | 2,100,000 |
| | Subtotal | <u>21,700,000</u> |
| <u>Other Transportation Projects</u> | | |
| CTR.4TCFLV | Thornydale Road: Cortaro Farms Road to Camino Del Norte | |
| CTR.4PPP19 | Pavement Repair and Rehabilitation, FY19 | |
| CTR.4HSBSP | Speedway Blvd - Painted Hills Road to Camino del Oeste | |
| CTR.4KINAC | Kinney Road Improvements | |
| CTR.4KINBO | Bopp Road - Sarasota Blvd at Kinney Rd Improvements | |
| CTR.4DRXXL | Benson Highway at Drexel Intersection Improvements | |
| CTR.4CHDCR | South Camino De La Tierra - Highway Dr.-Curtis Road | |
| CTR.4SSWPI | White Pistor | |
| CTR.4TVTVL | Tanque Verde Road at Tanque Verde Loop Road | |
| CTR.4KCTHP | King Canyon Trailhead Parking | |
| CTR.4SHRAI | S. Houghton Road, Camino Aurelia to I-10 | |
| | Other Transportation Projects | <u>3,300,000</u> |
| | Total | <u>\$ 25,000,000</u> |

Note: The amounts presented above are based upon current forecasts that capture the best information at this time. These amounts are subject to change based on schedule changes and actual project costs. Both Finance and Transportation review forecasts regularly to ensure that the total bond allocation amount is not exceeded per project/bond number as set by the current ordinance.