

**Pima County Bond Advisory Committee  
Meeting**

**The Manning House  
450 W. Paseo Redondo  
Thursday, December 18, 2009  
8:00 a.m.**

**SUMMARY OF MEETING**

**Committee Members Present**

Larry Hecker, Chair  
Carolyn Campbell, Vice Chair  
Peter Backus  
Pat Benchik  
Gary Davidson  
Pete Delgado  
Brian Flagg (8:10am)  
Rene Gastelum (8:10am)  
Harry George  
Jesus Gomez  
Kelly Gomez  
Byron Howard  
Rebecca Manoleas  
A.C. Marriotti  
Ted Prezelski (8:15am)  
Patty Richardson  
Chris Sheafe  
Thomas Six  
Dan Sullivan  
Tom Warne (8:15am)  
Greg Wexler

**Committee Members Absent**

Terri Hutts  
David Lyons  
Wade McLean

1. Welcome

Meeting began at 8:05 a.m. with a quorum.

2. Approval of the November 20, 2009 Meeting Summary

Chairman Hecker noted that the meeting summary should be corrected to reflect that Harry George was present at the meeting.

The meeting summary for the November 20, 2009 meeting, with the correction, was approved 16-0.

Chairman Hecker allowed a couple of speakers who came to the meeting from the community of Ajo and requested to speak at the beginning of the meeting.

Carol Peek, representing the Ajo Community Golf Course, spoke in support of FM92. She stated that they have been working with the Committee since 2006 and pared down the initial request to \$370,000. She also stated that the golf course is an important use for the whole community, and the bonds would be the only source of funds available for the needed repairs. She asked for FM92 to be included in a 2010 bond election.

Julie Tiell spoke in support of the Ajo Community Golf Course project and indicated that the golf course also contributes to local economic development.

There were an additional 11 residents from Ajo who submitted speaker cards in support of FM92 who did not wish to speak.

### 3. 2010 Bond Election Planning Process

#### A. Discussion on Total Bond Authorization Cap

County Administrator Chuck Huckelberry said that his prior analysis used a cap of \$700 million and assumed a tax rate cap of 81.5 cents, which is the primary controlling factor in issuance of bonds. The County would not issue more than \$40 million a year for the next several years. In January, the County will be able to see what the decline in secondary assessed values is. Under the previous scenario, the County would issue \$40 million for several years, then \$60 million, and up to \$80 million as the economy improves. If a higher bond program cap is set, we are looking at a 12 to 15 year bond program and most likely extending the timeframe when we can go back to the voters for another bond issue. If the target cap is smaller then we may go back to voters sooner. Mr. Huckelberry noted that as the County sells the last group of approved bonds, it is likely that no new debt will be issued until the 2012 or 2013. The question is how much can be issued without impacting the tax rate.

Chairman Hecker asked what the County Administrator's opinion is on whether to move forward with a bond issue now.

Mr. Huckelberry responded that he would not recommend a bond election in 2010.

Peter Backus asked what an election would cost.

Mr. Huckelberry responded that it would not generate additional costs, since new State legislation only allows counties to hold bond elections when other elections are being held in November, the costs are minor.

Dan Sullivan stated he agreed with the County Administrator's view not only because of the fiscal implications, but also due to the larger national implications and restraining budgetary issues this would compete with.

Thomas Six asked if the County has experienced a bond issue being defeated and what the impacts can be.

Mr. Huckelberry responded that the County has a good track record, and that the last bond issue defeated was in 1980. Some questions were approved by voters, but some were defeated. He noted it creates a chilling effect. In 1986, there was still a lot of

uneasiness, and many of the questions were approved, but with very minor margins. If a bond issue is soundly defeated, the County would not go back to the voters for 10-12 years.

Peter Backus moved that a recommendation of not having a bond election in 2010 be made, considering that the State is losing \$1.6 billion in 2010. The chances of not having a tax increase are slim, and people will not be favorably inclined to support a bond issue.

Dan Sullivan agreed and would second the motion.

Brian Flagg said that if things are bad, for poor people it is far worse. He asked where the money for housing would come from and that the bonds are the last chance to get something.

Vice-Chair Campbell agreed and felt it was too premature to make a motion for no bond election at this time.

Rebecca Manoleas also agreed it was too soon for a motion recommending no bond election in 2010.

Tom Warne said he completely agreed with Mr. Flagg's statement, but that nothing would be lost if a bond election is held in 2012, since the County cannot issue bonds sooner or generate revenue faster.

Chairman Hecker noted that it could be postponed until 2011.

Peter Backus said that by delaying the vote now, it gives the public hope that it will move forward now.

Chris Scheafe suggested that instead of voting no, the Committee could wait until the end of March to make a recommendation to the Board of Supervisors on whether to move forward or not. This would keep the pressure on the Committee to continue to work through the list of projects before them. This was offered as a substitute motion.

Thomas Six said he saw no harm in waiting until 2011 or 2012, given that the County would not issue debt until then. He also thanked the Chairman for his letter to the Board of Supervisors regarding this issue. He noted that the Board's position is an important consideration.

Vice-Chair Campbell asked about the revenue bonds for sewer, and indicated that she favored both the revenue bond going at the same time as the general obligation bonds.

Mr. Huckelberry responded that he was 99 percent sure that the County would be able to issue debt through utility fees, and that it would be unlikely the County will need to go to voters in 2010 for a revenue bond. A more comprehensive report will be done in January.

Gary Davidson asked if all bond issues have been approved unanimously by the Board.

Mr. Huckelberry responded that generally, yes, bond issues have almost exclusively had unanimous Board support. In 1997, it was a 4 to 1 vote for a revenue bond, but unanimous for a general obligation bond.

Vice-Chair Campbell suggested that the Committee continue to move forward in their work and not take a break, and further suggested that the Committee ask the Board of Supervisors to hold a public discussion to determine whether they agree on a bond election in 2010.

Mr. Huckelberry said that the Chairman of the Board of Supervisors had expressed interest in placing this issue on the agenda in late January. The Committee can ask the Board to schedule this item.

Gary Davidson suggested waiting until the Board's meeting to discuss this issue again.

There was a question on what motion was being discussed.

Chairman Hecker noted that Chris Scheafe made a substitute motion to hold off on making a recommendation to the Board until the end of March.

Vice-Chair Campbell asked that a request to the Board to hold a public discussion on this issue be included in the substitute motion.

A.C. Marriotti said that he does not feel the Committee should wait until the Board meets, since the Committee is the Board's advisory committee. If the County Administrator would recommend no to a 2010 election, that decision probably incorporates the Board's sentiment.

**MOTION:** Chris Scheafe moved, seconded by Brian Flagg that before the end of March, the Committee will make a recommendation to the Board of Supervisors on whether to hold a bond election in 2010, and the Committee requests that the Board hold a public discussion and give the Committee their general needs at this time. Motion approved 15-6.

Gary Davidson asked if the discussion on the cap was over and noted that the \$700 million cap the Committee approved was tentative and dependent on information the County Administrator was preparing. Mr. Davidson said that when he applied the same secondary tax value to 2013, the numbers came back in the high 500s, which is around the same amount the County Administrator had recommended in his project recommendations.

Tom Warne said that commercial valuations will plummet and impacts need to be considered. A number should be set now, but it needs to be realistic.

B. Discussion on Process for Evaluating and Prioritizing Remaining Projects that Fall within Group 2 and Group 3

Vice-Chair Campbell asked the County Administrator what the purpose of his December 4, 2009 memorandum on jurisdictional assessed valuations was and if it shows the rate of funding by jurisdiction.

Mr. Huckelberry responded that he received a letter from the City Manager in November that brought up issues of population and assessed valuations in regard to the number of projects recommended. If you consider the question who pays and who benefits, there may be a slight correlation, but not necessarily a direct correlation, because many of the things that might be done within a jurisdiction have benefits that

go beyond the scope and population of that jurisdiction. These discussions have arisen before, but they are not really productive. Further, if you look at the dot matrix map of project locations and consider the total secondary assessed valuations distribution, one can conclude that the unincorporated area is getting a raw deal. However, you have to remember that these residents drive to these project locations and use their services. Mr. Huckelberry further noted that while these discussions are interesting, they are not productive or practical.

Chairman Hecker asked if there were any questions on Group 2 – Subcategory A projects, which are projects where the County Administrator's funding recommendations were greater than the Subcommittees' recommendations.

Thomas Six said it would be prudent to go with Subcommittee recommendations.

Mr. Huckelberry responded to a question on FM54 Animal Control Center and his recommendation of \$22 million, saying that the estimate on the work needed to complete the center came in at \$22 million. However, if the Committee approves the Subcommittee's recommendation of \$15 million, the County will do \$15 million of renovations, and schedule its completion in a future phase.

Chris Scheafe brought up the coming decline in commercial valuations and asked how accurate this estimate will be into the future.

Mr. Huckelberry responded that it is almost impossible to answer that, given the difficulty in trying to predict the commercial adjustment and national fiscal policy implications. The County predicted a 3 year drop of about 16 percent, but that he would know in January what the actuals are.

Mr. Huckelberry also responded to a question on his increase to FM15 Superior Court 8<sup>th</sup> Floor Tenant Improvement project, saying that the increase is due to the additional work needed, such as asbestos abatement and remodeling, to move Adult Probation from its current location to two vacant floors.

Dan Sullivan moved to accept the County Administrator's recommendations.

Vice-Chair Campbell offered a substitute motion to consider these eight projects individually.

**MOTION:** Vice-Chair Campbell moved, seconded by Brian Flagg to consider projects individually. Motion approved 13-8.

Vice-Chair Campbell asked the County Administrator about the \$22 million he recommended for the Animal Care Center and whether the Center can remain the way it is if the bond is delayed.

Mr. Huckelberry responded that it can stay the way it is. The reason it is \$22 million is that it is the first time the County has taken a comprehensive look at the facility and its needs. This amount can finally get the facility up to a good standard.

**MOTION:** Pat Benchik moved, seconded by Rene Gastelum to approve the County Administrator's recommendation on FM54 Animal Care Center Improvements for \$22 million. Motion approved 12-9.

Brian Flagg moved to not fund FM15 Superior Court 8<sup>th</sup> Floor Improvements, and was seconded by Vice-Chair Campbell.

Vice-Chair Campbell asked about the alternatives on FM15.

Mr. Huckelberry responded that there were alternatives for Justice and Municipal Courts, but not for Superior Court. This one grew from \$8 million to \$12 million simply due to relocation cost of Adult Probation out of need for more court rooms.

Motion was restated.

**MOTION:** Brian Flagg moved, seconded by Carolyn Campbell to not fund FM15. Motion failed 2-19.

**MOTION:** Greg Wexler moved, seconded by A.C. Marriotti to approve the County Administrator's recommendation of \$12 million for FM15 Superior Court 8<sup>th</sup> Floor Improvements. Motion approved 20-1.

Tom Warne moved to accept all of the County Administrators recommendations for PR13, PR93, PR103, PR116 and PR138, and Gary Davidson seconded the motion.

Vice-Chair Campbell reminded the Committee that a motion was approved to consider these projects individually, and asked the County Administrator if the numbers for many of the projects were just rounded up.

Mr. Huckelberry responded that PR13 Southwest Regional Park was rounded and PR138 Benson Highway Park was rounded. PR93 Yaqui Park was authorized in 1997 and 2004 bonds, but the scope was expanded and was underestimated. PR103 Rillito Race Track Conversion is the number one priority in parks projects. This project will not only create a quality soccer tournament complex facility, but it is also an economic development tool. PR116 Lawrence Park Improvements is a park project in a sector of the community in the southwest that has been drastically underinvested in. It is important to make these improvements at Lawrence.

Tom Warne withdrew his motion to approve all parks projects.

**MOTION:** Vice-Chair Campbell moved, seconded by Peter Backus to approve PR13 at the Subcommittee's recommendation of \$2,350,000. Motion defeated 5-13.

**MOTION:** Chris Scheafe moved, seconded by Gary Davidson to approve the County Administrator's recommendation of \$2,400,000 for PR13 Southeast Regional Park. Motion approved 18-0 (Committee members Dan Sullivan, Jesus Gomez and Ted Prezelski had left meeting prior to vote).

**MOTION:** Tom Warne moved, seconded by Peter Backus to accept the County Administrator's recommendation of \$2,350,000 for PR93 Yaqui Park Community Center. Motion approved 18-0.

**MOTION:** Tom Warne moved, seconded by Greg Wexler to accept the County Administrator's recommendation of \$14 million for PR103 Rillito Race Track Conversion. Motion approved 18-0.

**MOTION:** Tom Warne moved, seconded by Greg Wexler to accept the County Administrator's recommendation of \$3 million for PR116 Lawrence Park Improvements. Motion approved 18-0.

Vice-Chair Campbell asked for more information on the Benson Highway Park, specifically what the land acquisition is and what the park development is.

Mr. Huckelberry responded that it is a vacant piece of property, and the project is designed to secure the property first and to construct the park improvements with any remaining monies.

Vice-Chair Campbell moved to reduce funding for Benson Highway Park to \$5 million and was seconded by Chris Sheafe.

Gary Davidson indicated that Benson Highway Park is it in this area. This should be a priority, given that this is such a stressed area.

Tom Warne said it was a priority for the Supervisor of this area, and it is not surrounded by any other parks. This is an area with many needs.

Vice-Chair Campbell withdrew her motion. (Committee member Ted Prezelski returned to meeting)

**MOTION:** Tom Warne moved, seconded by Greg Wexler to approve the County Administrator's recommendation of \$5,400,000 for PR138 Benson Highway Park Development and Land Acquisition. Motion approved 19-0.

**MOTION:** Patty Richardson moved, seconded by Gary Davidson to stop deliberations at this time now that Group 2 – Subcategory A has been completed and move on to the Call to the Audience. Motion approved 19-0.

Chairman Hecker mentioned that once the Committee has a final list of projects, it is very likely it will be over the \$700 million cap. There was discussion on ways to survey Committee members to get a sense of priorities. There is no need to discuss further today, but may need to think about it for the next meeting.

#### 4. Other Future Agenda Items and Next Meeting

Chairman Hecker noted that meetings have been scheduled for January 14, 2010 and January 29, 2010. He also noted that a February 19, 2010 meeting date has been scheduled.

For the next meeting, the Committee will consider the next group of projects. Group 2 – Subcategory B are projects where the County Administrator's recommendations are less than the Subcommittees' recommendations.

#### 5. Call to the Audience

Murray Boleta spoke in support of OS2 and OS3 open space and conservation program.

Richard Calabro left before being called, but left a letter in support of full funding for open space OS2 and OS3.

Richard Anderson and Robert Knight spoke in support of FM96 Art of the American West Museum.

David Valenzuela left before being called but submitted a speaker card in support of PR44 Oury Recreation Center Improvements.

Elizabeth Webb spoke in support of FM108, but is frustrated with cuts in other supported programs, while increases given to others.

James Webb spoke in support of FM108, but does not support the location at the County Fairgrounds as recommended by the County Administrator.

Charlotte Cook spoke in support of funding FM108 and at the location agreed on by the community north of Interstate 10. There is a substation in Corona already, no need for another substation south of I-10.

Sandy Whitehouse spoke in support of FM108 being funded and located north of I-10 to avoid the terrible traffic issues.

Ron Spark spoke in support of PR88 Park ADA Compliance Upgrades and PR151 Robles Pass Trails Park Staging Area.

Peter Chesson spoke in support of full funding for open space OS2 and OS3.

Martie Maierhauser, Director of Colossal Cave Mountain Park, spoke in support of FM79 Colossal Cave Mountain Park. The park is in desperate need of these upgrades and repairs.

Rita Simms spoke in support of FM79 Colossal Cave Mountain Park.

Pamela Marlowe spoke in support of FM79 Colossal Cave Mountain Park.

Maggie Gerring spoke in support of PR42 Quincie Douglas Center Expansion.

Diana Martinez spoke in support of the Quincie Douglas Center Expansion.

Yaritza Ibarra spoke in support of a teen center at the Quincie Douglas Center.

Laura Pineda spoke in support of PR42 Quincie Douglas Center Expansion.

Xochitl Coronado works with the Teen Advisory Committee and supports PR42 Quincie Douglas Center Expansion.

Ellen Kurtz spoke in support of PR80 Canoa Ranch.

Cress Lander spoke in support of HP126 Dunbar School Rehabilitation as a wonderful asset to this community.

There were an additional nine speaker cards submitted by members of the public who did not wish to speak:

Chuck Catino supports PR137 BAJA Sports Complex.

Hyatt Simpson supports funding for OS2 and OS3 open space and does not agree with the Call to the Audience being at the end of the meeting.

Larry Robinson supports PR78 River Park Acquisitions and PR231 Velodrome.

W. Adamson supports full funding for open space.

Bert LeFevre supports FM79 Colossal Cave Mountain Park.

Evelia Martinez supports CD1 Affordable Housing and CD2 Neighborhood Reinvestment.

Thayne LeFevre supports FM79 Colossal Cave Mountain Park.

Todd Schmidt supports FM79 Colossal Cave Mountain Park.

Carol Schmidt supports FM79 Colossal Cave Mountain Park.

#### 9. Adjournment

Meeting was adjourned at 10:55 a.m.