

**Pima County Bond Advisory Committee
Meeting**

**Randolph Golf Course Club House
Copper Room
600 S. Alvernon Way
Friday October 16, 2009
8:00 a.m.**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Pat Benchik
Gary Davidson
Brian Flagg
Rene Gastelum
Harry George
Kelly Gomez
Byron Howard
Terri Hutts
David Lyons
Rebecca Manoleas
Ted Prezelski
Patty Richardson
Thomas Six
Dan Sullivan
Tom Warne
Greg Wexler

Committee Members Absent

Peter Backus
Pete Delgado
Paul Diaz
Jesus Gomez
A.C. Marriotti
Wade McLean
Kit Donley
Chris Sheafe

1. Welcome

Meeting began at 8:10 a.m. with a quorum.

2. Call to the Audience

There were 19 speakers in support of fully funding OS2 and OS3 Habitat Protection Priorities and Community Open Space.

There were 12 speakers in support of all Vail projects, especially FM108 Eastside Government/Community Center and HP109 Vail Historic Sites.

There were 7 speakers who spoke in support of 1) FM45 Sahuarita Public Library, 2) PR109 Curtis Park Skate Park and PR273 BMX Park and PR274 Indoor Sports Complex Curtis Park, 3) PR262 Altar Valley Watershed Restoration, 4) PR75 Green Valley Performing Arts Center, 5) FC44 Reclaimed Water to Protect Cienega Creek, 6) CD2 Neighborhood Reinvestment, and 7) CD1 Affordable Housing, respectively.

Dick Bayse asked that the County explore opportunities to use treated water from Roger Road Treatment Plant for irrigating agricultural fields and locating the ice rink in a more central location as opposed to the northwest area.

3. Approval of Meeting Summary

The meeting summary from the September 11, 2009 meeting was approved 18-0.

4. County Administrator Report on GO Bonding Capacity for a 2010 Bond Election

The County Administrator reported that given the County's current economic condition, the year 2013 will most likely be the first year for project development if a 2010 Bond is approved. For the first time, the County is facing a decline in secondary assessed valuations for the new few years. Past committees have approved voluntary tax rate caps in order to give voters some certainty. For the 2004 Bonds, the tax rate was lowered to .815 cents. The question is what can we sustain.

The County Administrator indicated that three scenarios were run: \$80 million, \$60 million and \$40 million in debt issuance per year. At the \$80 and \$60 million issuance levels, the tax rate cap is bumped. At the \$40 million level, it nears the cap, but we are still within it. The amount of authorization is not the issue, it is how much debt the County can actually issue each year. Issuances of \$40 million a year is sustainable until the County comes out of this decline.

Larry Hecker asked if the election could be as late as 2013. The Administrator responded that the County will continue to sell authorization from previous bonds for the next 2 to 3 years. If the election is pushed to 2013, add another 3 years to projects' development and to availability of funds. An election in 2010 or 2011 is feasible.

Gary Davidson commented that the limiting factor is issuance of capacity, but that it could be raised at a later date when assessed valuations go up.

Larry Hecker added that the authorization may be \$600 million. However, it can approach \$800 million if the economy improves.

Thomas Six asked about where in the process the decision is made on what projects move forward at each \$40 million issuance. The Administrator responded that once the Bond Advisory Committee recommends an authorization amount and list of projects, the County will provide a project schedule that will be sent to the committee for further input and ultimately to the Board of Supervisors.

Carolyn Campbell suggested that \$800million would work if the program was extended to a 12-14 year program.

Byron Howard asked how realistic projects costs today will be if scheduled for 2017. The Administrator responded that the same could be said when the 2004 Bond program was approved. Today, it is working towards our advantage in that projects are costing less to construct.

Gary Davidson said he would like to be able to tell voters that this new bond issue is not going to cause an increase in the County's overall debt.

Larry Hecker said the Committee asked the Administrator to come back with information on whether community debt will be increased and what the impact will be to taxpayers.

The Administrator added that the Committee should be conscious of the environment if recommending a bond in 2010. There could be other ballot initiatives and consideration for the possible tax base shift by the State to homeowners for bond debt service, as cited in his October 14, 2009 memorandum to the Committee.

5. 2010 Bond Election Planning Process

B. Discussion and Prioritization of Projects that Fall in Group 1: Projects where the County Administrator and Sucommittees' recommendations are the same

Dan Sullivan suggested that the Committee move item 5B, given that projects in Group 1 are ones where both the Subcommittees' and the County Administrator's recommendations are the same.

Carolyn Campbell did not agree with taking these projects off the table if approved today, and offered a friendly amendment that would allow the Committee to continue to revisit the tentatively approved working recommendations list throughout this process.

MOTION: Dan Sullivan moved, seconded by Tom Warne to tentatively approve Group 1, which include 48 projects both the County Administrator and Sucommittees recommended at the same funding levels, totaling approximately \$116 million. Motion approved 18-0.

Agenda items 5A, 5C and 6 were postponed to the next meeting date.

7. Future Agenda Items and Next Meeting

It was agreed that the next meeting would be on November 20, 2009, at the Manning House.

Larry Hecker announced that the groundbreaking for the Kino Psychiatric facility would be on October 26, 2009 at 9:00 a.m.

Carolyn Campbell asked that the County Administrator provide an explanation on his thought process and reasoning behind his current recommendations at the next meeting.

8. Call to the Audience

The Committee discussed the possibility in limiting speakers to 3 minutes. It was noted that the Parks Subcommittee limited speakers to 1 minute.

MOTION: Thomas Six moved, seconded by Carolyn Campbell to limit speakers to 3 minutes. Motion approved 18-0.

The Chairman read two speaker cards into the record: one for fully funding OS2, the other speaker card stated that they supported the County Administrator's recommendations for open space, and did not support cutting Parks and Recreation projects.

9. Adjournment

Meeting was adjourned at 11:05 a.m.