

**Pima County Bond Advisory Committee
Meeting**

**Randolph Golf Course Club House
Copper Room
600 S. Alvernon Way
Friday, September 11, 2009
8:10 a.m.**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Pat Benchik
Gary Davidson
Kit Donley (not voting)
Rene Gastelum
Harry George
Kelly Gomez
Terri Hutts
David Lyons
Rebecca Manoleas
Ted Prezelski
Patty Richardson
Chris Sheafe
Thomas Six
Dan Sullivan
Tom Warne
Greg Wexler

Committee Members Absent

Carolyn Campbell, Vice Chair
Peter Backus
Pete Delgado
Paul Diaz
Jesus Gomez
Byron Howard
A.C. Marriotti
Wade McLean

1. Welcome

Meeting began at 8:12 a.m. with a quorum.

2. Call to the Audience

Alan Shimato spoke in support of funding for Curtis Park Skateboard Park and the Northwest BMX Park.

Pam Mosley spoke in support of funding for the Marana Health Center. They are a partner with the County in providing services to people in the court system.

Miley Clark spoke in support of funding for the Marana Health Center.

Diane Campbell spoke in support of funding for Neighborhood Reinvestment. She also supports completion of Swan Park.

Vickie Mesimer, with the 29th Street Coalition, spoke in support of funding for Neighborhood Reinvestment.

Chris Lopez, with the 29th Street Coalition, spoke in support of funding for Neighborhood Reinvestment. There are a total of five neighborhood associations in this area.

James Stevenson stated he was not certain if now is the time for a bond election, but said public needs are great. If a bond is possible, community needs should be addressed, and he also supports the Benson Highway Park.

3. Approval of Meeting Summary

The meeting summary from the August 28, 2009 meeting was approved 17-0.

4. Committee Deliberation Regarding a 2010 Bond Election

- A. Review of 2010 Bond Election Planning Materials: Diana Durazo, Assistant to the County Administrator, provided a general overview of the materials sent to the Committee to assist in the deliberation process. These materials include the Committee approved planning timeline and updates to projects recommended by the County Administrator, the Bond Capacity Calculation and Tax Rate tables discussed by Mr. Huckelberry at the August meeting, the side-by-side comparisons of Mr. Huckelberry's recommendations versus subcommittee recommendations, the November 2008 memorandum on Mr. Huckelberry's recommendations and discussion, and the nine subcommittee reports on their recommendations.

Chairman Hecker noted that since the information in each subcommittee presentation is already available, the Committee can instead begin discussions on developing a process for prioritizing projects.

Gary Davidson noted that the full list of parks projects was provided at the meeting since only a partial list was in the planning materials.

Mr. Huckelberry informed the Committee that he will provide a much more detailed analysis of the general review given on the bond capacity calculation tables. Given the current economy, there will be more questions on the County's debt carrying capacity. The report will detail bond capacity, debt sales and structure of debt to help in coming up with a number.

- B. County Administrator Recommendations Compared to Subcommittee's Recommendations: Staff provided the Committee a series of tables for each category that breaks down the number of projects into four groups: 1) projects where the County Administrator (CA) and the subcommittees agree, 2) CA and the subcommittees agree but differ on funding amounts, 3) CA recommended, but subcommittee did not, and 4) subcommittee recommended, but CA did not. The tables list the number of projects that fall within each group by category.

- C. Proposed Work Plan for Prioritizing Projects: Chairman Hecker told the Committee he and Vice-Chair Campbell met with staff to come up with suggestions that could be proposed to the committee on developing a work plan and how to move forward on prioritization for projects. The Committee then discussed possibly starting with

projects where both the subcommittee and the County Administrator agree on recommendations, followed by projects that were recommended by both, but with different dollar amounts, subsequently followed by the remainder projects.

Meeting dates provided in the work plan were acceptable, whereby the October 16th meeting will be for groups 1 and 2 for all categories, as described in agenda item 4(B). The November 13th meeting would be for discussion on groups 3 and 4 of the Parks projects, and the December 11th meeting would be for remaining projects and categories that fall in groups 3 and 4.

Chris Sheafe suggested the Committee first establish a total bond dollar amount and then work from there. Possibly begin with \$700 million for projects, and \$100 million for projected inflation costs to be assigned.

Chairman Hecker responded that perhaps it would be better to hold off until Mr. Huckelberry has provided his detailed assessment on the County's bond capacity.

Mr. Huckelberry indicated that looking at historic ranges, a fairly comfortable and conservative range could go from \$600 million to \$800 million. The revised detailed analysis he will provide to the Committee will look at:

- 81.5 cents as a cap
- \$80 million in issuance of debt per year
- 15-year maximum terms
- straight repayment schedules
- conservative assessed values in the future

New schedules will be provided to the Committee based on findings. Mr. Huckelberry further commented that considering these conservative criteria, the range will most likely be in the \$600 to \$800 million range.

Chairman Hecker recapped the discussion as assuming a set number of \$700 million for now. Next meeting will discuss groups 1 and 2, accompanied by a detailed line item memo from Mr. Huckelberry on his recommendations and allocations.

Chris Sheafe asked if an explanation of the Joint County/City Court Complex would be included. Mr. Huckelberry responded that his memorandum would also include an explanation on the Joint County/City Court Complex, including possible alternative funding sources.

MOTION: Dan Sullivan moved, seconded by Greg Wexler to proceed with work plan as provided by staff under agenda item 4C, with the caveat that the discussed \$700 million cap will be revisited after the County Administrator's comprehensive assessment of bond capacity is complete. Motion approved 16-0.

- D. General Criteria Development Exercise: Mr. Huckelberry explained that his November 2008 memorandum provided an update to the criteria he provided to the Committee in 2007. The 2008 update to criteria places more emphasis related to regional benefits. The criteria of regional benefit relates to projects that can demonstrate broad support. Workforce development and education relates to areas of concern, economy, and the community's ability to support a bond package. Greater emphasis on partnerships was included, reflecting the growing importance of bringing commitment and public support. Mr. Huckelberry noted that the only

change he would have made was to add the concept of phasing. An example provided was the Public Health Center, which was authorized in 1997, but had to be re-authorized in 2004. Phasing of such projects would be a practical alternative and would provide a more upfront approach and explanation to voters. Voters need to understand that certain projects may need to be phased for completion.

Chairman Hecker asked if the County had any other regulatory mandates. Mr. Huckelberry responded that aside from Sewer, incarceration requirements are the only other potential regulatory mandate. This has never come to pass, given that the County has not had any issues that would trigger federal requirements.

Pat Benchik asked if phasing would be a way to bridge the gap when deliberating projects with different recommendations. Mr. Huckelberry responded that this would provide the Committee with more flexibility when prioritizing projects. Ted Prezelski asked if the public would still be supportive if this bond will be the last bond package for a long time and the concept of phasing of projects was introduced. Mr. Huckelberry responded that bond reauthorizations are usually every 7 years. The criteria now are under a very constrained economic environment, and everything depends on assessed valuations. The public typically gets the most benefit in phase 1. Gary Davidson noted that linear parks could be another example of projects that could fall under a phasing approach. Mr. Davidson also suggested that regional significance with community demands be added to criteria.

Staff explained that as each category of projects is discussed, criteria can be revisited and amended as necessary, given that some categories may have unique needs and characteristics.

MOTION: Terri Hutts moved, seconded by Tom Warne to support this process and the addition of phasing to the list of criteria, and reserve the right to amend it as needed. Motion approved 16-0.

- E. Update on Public Outreach: Staff reported that a press release was sent to all newspapers, and that ads were placed in the Green Valley News, Arizona Daily Star and Northwest Explorer. Nicole Fyffe also did a radio interview on KUAZ regarding the bonds and the Committee's upcoming meetings. Since their release, the county has received five comments.

5. Other Future Agenda Items and Next Meeting

Chairman Hecker informed the Committee that a groundbreaking ceremony for the County Psychiatric and Crisis Center would be on October 26, 2009. Invitations will be mailed to Committee members. The Committee requested that project lists be updated for the next meeting, and that updated contact information on Committee members and County staff be sent to everyone.

Next meetings will be October 16, 2009, November 13, 2009 and December 11, 2009.

6. Call to the Audience

Chuck Catino spoke in support of the BAJA Senior Sports complex.

Diana Rhoades and Mac Hudson, with Vice-Mayor Regina Romero's Office, spoke in support of Sentinel Peak Park.

Dick Basye offered the Committee ideas on how to address certain community needs.

Al Skorupski, Chair of the Neighborhood Reinvestment Committee, thanked the Committee for their work. Partnerships brought in \$15.6 million to stretch monies awarded in 2004. Asked that the Committee consider increasing the funding to be able to reach out to more communities.

Brian Flagg said he did not see the community's needs addressed in the current bond package, and that it is not representative of the whole of Tucson or poor people. Asked that funding be increased back to \$30 million.

Dan Eckstrom thanked the Committee for their work. Addressed the audience and offered to assist them in organizing, promoting partnerships and working together for projects and funding.

7. Adjournment

Meeting was adjourned at 9:40 a.m.