

**Pima County Bond Advisory Committee  
Meeting**

**City/County Public Works Building  
201 N. Stone Avenue  
Friday February 6, 2009  
8:00 a.m.**

**SUMMARY OF MEETING**

**Committee Members Present**

Larry Hecker, Chair  
Carolyn Campbell, Vice Chair  
Pat Benchik  
Gary Davidson  
Paul Diaz  
Rene Gastelum  
Harry George  
Jesus Gomez  
Byron Howard  
Terri Hutts  
A.C. Marriotti  
John Neis  
Ted Prezelski  
Patty Richardson  
Chris Sheafe  
Thomas Six  
Dan Sullivan  
Tom Warne  
Greg Wexler  
David Lyons

**Committee Members Absent**

Peter Backus  
Pete Delgado  
Kelly Gomez  
Rebecca Manoleas  
Wade McLean

1. Welcome

Meeting began at 8:15 a.m. with a quorum.

2. Approval of Meeting Summary

The meeting summary from the December 12, 2008 meeting was approved 17-0.

3. Discussion of Reports Requested by the Committee

Two reports were provided to the Committee prior to the meeting: The impact of County construction projects on local jobs, and a report on construction cost forecasts. Mr. Huckelberry summarized both reports.

For the first report, staff reviewed over 245 County contracts for capital improvement projects from January 2005 to December 2008. Staff found that Pima County construction projects during this time period provided construction related jobs to prime contractors and subcontractor firms with nearly 28,000 employees, most of whom are local. These are real numbers and do not include multipliers. Based on this analysis, continued public sector spending on construction should help the local economy by creating and sustaining jobs.

For the second report, staff looked at historic trends in construction costs and today's economic climate, to project future construction costs. In short, this is a great time to build. There is currently a downward trend in construction costs, but no one knows how long this will continue. There is also a question on how the federal stimulus package will impact construction prices.

There was a question regarding the market for selling bonds. Mr. Huckelberry replied that the County plans to sell GO and sewer revenue bonds in the next couple months and we'll be able to tell then. Mr. Hecker emphasized the difference between voters authorizing debt and the County actually selling bonds and taking on debt. Mr. Huckelberry noted that the largest impediment to selling bonds is our secondary tax rate. The rate is well below the rate pledged to voters and as assessed values of property continue to decline, the County will be less able to sell bonds because the County will have less revenues to pay back the debt.

The Bond Committee had requested that staff develop a survey to gather more input on whether the public would be in support of a bond election this year. Nicole Fyffe presented the draft survey, which included that question and a question asking respondents to rate the level of support for various types on bond projects. Comments from the Committee included:

- Chris Sheafe – we need people to understand that by authorizing the sale of future bonds they are enabling the County to have a line of credit to draw on as projects are needed and when revenues are available to pay back the debt. The County does not have to draw on that line of credit. Gary Davidson supported this statement.
- Tom Six – The Green Valley Community Coordinating Council is in unanimous support of a bond election this year. Of a group of 40 homeowner's associations in Green Valley, more than 60 percent were in support.
- Gary Davidson – Concerned about the survey since the tax impacts have not been communicated. Can a statement be added to the survey clarifying the tax issue? The survey would not be scientifically valid.
- Dan Sullivan – Can the survey be more explanatory to address Gary's concerns?
- A. C. Marriotti – change \$3.4 billion to \$800 million. Mr Huckelberry confirmed that the tax rate is well below our pledged rate. If we need to increase the tax rate for bonds, we could reduce tax rates for the Flood Control District and Library District to reduce or eliminate the impact.
- Chris Sheafe – Could make the survey more statistically accurate if mailed by zip code. Simplify the language (not wastewater reclamation facilities).
- Tom Warne – Cut down the list of items to 5. Mail to zip codes or census tracts. Would the federal stimulus package reduce bond needs? Mr. Huckelberry responded yes and gave the example of the County's request for federal funding for the shovel ready City/County Justice/Municipal Court Complex.
- Chris Sheafe – It is critical to think about how we present a bond election.
- Byron Howard – There are many trust and fear factors. We need to state all the accountability conditions and assure people that the bonds would not be issued unless certain conditions were met. Mr. Hecker noted that this type of information

gets placed in the bond ordinance. Mr. Howard stated that the media needs to understand that these conditions will get set in place.

- John Neis – Would like to hear what the jurisdictions want out of the survey. Should we include more questions? Add a zip code to the survey to see where responses are coming from.
- Mr. Hecker – Intent of the survey is to give us additional input, but it is just one indicator of many to consider.

**MOTION:** Dan Sullivan moved, seconded by Chris Sheafe, to approve the concept of the survey and allow the County Administrator and staff to edit the survey format.

Mr. Huckelberry suggested that the County could work on two surveys – a short and a long version. We can email you revised version next week.

Terri Hutts stated that the County should just get it out there and did not need to check back in. Ms. Hutts noted that she has 6,000 signatures for a BMX park so she clearly knows there are a lot of people who want projects. The question is the tax issue, not the projects.

Tom Warne asked if the longer survey can talk about the County's good financial record.

Motion approved 19-0.

#### Call to the Audience

Richard DeBernardis, Roy Schoonover, and Don Melhado, spoke in support of moving Veladrome project to Tier 1 now that various commitments have been made for location and matching funds. They have a list serve of over 15,000 supporters.

Chuck Catino stated that he is in support of the stimulus package, in support of Project 137 BAJA Sports softball field, and in support of all the bond projects.

#### Next Steps for Committee Deliberation Regarding a Future Bond Election

Gary Davidson thanked the County Administrator for his input and noted that some project needs have been around forever. Mr. Davidson stated that we need to develop a plan, regardless of whether the election is in 2009 or 2010, and therefore we should start going through the projects.

Byron Howard reported that it is still unknown whether the City will place water infrastructure bonds on this year's election ballot. Carolyn Campbell reported that Mike Hein had stated to her and Mr. Hecker that the City would not placing GO bonds on this year's election ballot.

Mr. Huckelberry stated that the City and County have already begun discussions on coordination of this year's election.

A.C. Marriotti asked if we place GO bond questions on this year's ballot and they fail, how long before we'd go back. Mr. Huckelberry responded that we have never failed, but one could look at the RTA experience and guess 4 years between tries.

There was discussion regarding the next step being the prioritizing of projects, or allocation of \$800 million by category.

Byron Howard asked whether good survey results would help the Board of Supervisor's confidence. Mr. Huckelberry responded that the survey is just one indicator. Where the economy is when they are faced with that decision is key, as are the types of projects.

There appeared to be agreement that there is not the time to go back to subcommittees, and that it is the responsibility of the full committee to now tackle the question of which projects to recommend. There was discussion on how to allocate approximately \$800 million among potential bond questions or categories.

**MOTION:** Dan Sullivan moved, seconded by Chris Sheafe, that if the Committee decides at the next meeting to keep moving forward on planning for a bond election, then we request that Mr. Huckelberry provide his recommendations from November, organized by question or category so as to assist in considering how to allocate approximately \$800 million of potential projects by category. Motion approved 19-0.

Mr. Huckelberry stated that for the next meeting staff will provide a spreadsheet with his recommendations side by side of the subcommittee recommendation, by potential question or category, in a user friendly way to assist in deliberations.

#### Next Meeting

The next meeting was to be held on March 6th at Randolph Center. NOTE MEETING DATE HAS SINCE BEEN CHANGED TO MARCH 20th at Randolph Center.

The meeting may last 2-3 hours if project deliberation begins.

#### Call to the Audience

No one spoke during this time.

#### Adjournment

Meeting adjourned at 9:30 a.m.