

**Pima County Bond Advisory Committee
Meeting**

**Manning House
450 West Paseo Redondo
Friday, May 23, 2008
8:00 a.m.**

SUMMARY OF MEETING

The following is a summary of the May 23, 2008 meeting.

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Peter Backus
Pat Benchik
Gary Davidson
Pete Delgado
Paul Diaz
Rene Gastelum
Harry George
Jesus Gomez
Kelly Gomez
Byron Howard
Terri Hutts
David Lyons
Rebecca Manoleas
Ted Prezelski
Patty Richardson
Chris Sheafe
Thomas Six
Tom Warne
Greg Wexler

Committee Members Absent

A.C. Marriotti
Wade McLean
John Neis
Dan Sullivan

1. Welcome

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

2. Approval of Meeting Summary

The meeting summary from the April 25, 2008 meeting was approved 20-0.

3. Timing of a Future Bond Election: November 2008 or November 2009

County Administrator Chuck Huckelberry provided a memorandum to the Committee prior to the meeting, which included a summary of the planning process that has occurred thus far for a future bond election, an update on issues that continue to impact the appropriate timing of a future bond election, and a recommendation to the Committee to not recommend a

2008 bond election and instead adopt a planning schedule for a November 2009 bond election. Mr. Huckelberry summarized the memorandum and answered questions from Committee members.

Gary Davidson asked Mr. Huckelberry to clarify that a 2008 bond election would not result in getting projects constructed any faster than a 2009 election, since the bonds could likely not be sold until 2010/2011. Mr. Huckelberry agreed and added that this is based on keeping with pledges the Committee and Board have supported, which limit the secondary tax rate during the debt pay off period.

Vice-Chair Carolyn Campbell asked whether the City and County would be able to resolve coordination issues regarding the running of a City and County election in 2009. Mr. Huckelberry was optimistic that the City and County could work together to run a consolidated election and minimize voter confusion at the polls.

Patty Richardson asked whether growth in assessed value of property impacts bonding capacity, and Mr. Huckelberry explained that yes it does.

Ted Prezelski asked whether running a County bond election during a City election cycle would lead people to think that the election was targeted towards City residents. Mr. Huckelberry replied that he did not think so.

Terri Hutts asked whether permanent early ballot voting by mail increase number of votes cast? Mr. Huckelberry said it might.

Thomas Six asked if the County would have difficulty raising the secondary tax rate from 60 cents to 65 cents per \$100 of assessed value, as referenced in the memorandum. Mr. Huckelberry stated that he would like to be able to keep it at 60 cents but that depends on growth in assessed values.

Chairman Hecker reiterated the need for a bond election and the fact that no member of the public has spoken against a bond election during the Bond Committee meetings. In response to a question from Ms. Campbell, Mr. Huckelberry stated that if the Committee recommended postponing the bond election until 2009, the item could be placed on the Board agenda for affirmation.

Peter Backus asked whether wastewater needs and landfills could wait until 2009. Mr. Huckelberry stated yes on both.

MOTION: David Lyons moved, seconded by Chris Sheafe to recommend to the Board that the County hold a bond election in 2009. Ms. Campbell requested that a friendly amendment be considered to state that the Committee's recommendation would be placed on a Board agenda for affirmation. Mr. Lyons and Mr. Sheafe agreed with the amendment. Ms. Richardson requested that a friendly amendment be considered to state that the Committee's recommendation would stress the need for projects, but also recognize the economic constraints. Mr. Lyons and Mr. Sheafe agreed with the amendment. Chairman Hecker stated that the recommendation could be made in the form of a letter from the Committee to the Board, on Committee letterhead, with background information.

Byron Howard asked what would be the total amount of the bond package if it went to voters in 2009? Mr. Huckelberry replied \$800 million to \$900 million in general obligation bonds and \$565 million in sewer revenue bonds. Mr. Huckelberry also stated that the City may have a bond question for water revenue bonds at \$100 million to \$200 million.

Chris Sheafe reiterated the need to fund wastewater improvements by 2009 at the latest, and ask Mr. Huckelberry to clarify that if bond funds were not available, then the only other funding option would be pay as you go. Mr. Huckelberry agreed, and stated that some of the rate increases needed to support bond funding have already been approved by the Board and additional 7 to 8 percent increases would be needed to support bond funding. However, to support funding on a pay as you go basis, rates would need to increase in excess of 70 percent. Mr. Sheafe also asked that the letter include a statement on the need for City and County to cooperate regarding management of a 2009 election.

Motion to recommend to the Board that the County hold a bond election in 2009, and that such a recommendation be made in the form of a letter providing background on the need for projects and constraints to holding a 2008 election, and that the item be placed on a Board agenda for affirmation, was approved 20-0.

4. Next Meeting

The next meeting of the Bond Advisory Committee needs to take place in September, with the focus of that meeting being a report from staff on implementation of the 1997, 2004, and 2006 bond programs.

MOTION: Tom Warne moved, seconded by Chris Sheafe, that the meeting be held on September 19, 2008. Motion approved 19-1.

Tom Six requested that staff review cost estimates and availability of other funding for 2009 bond election projects during the summer recess.

5. Call to the Audience

Chuck Catino, BAJA Sports, spoke in support of holding a bond election as soon as possible.

Elizabeth Webb did not speak, but submitted written comments stating that 2009 bond election date was not acceptable, and asking if the projects already recommended by subcommittees would remain.

Carolyn Campbell made an announcement about a State Trust land reform initiative called Conserving Arizona's Land and Water.

Chairman Hecker concluded the meeting stating that a letter would be drafted from the Committee to the Board stating the recommendation for a 2009 bond election and the rationale behind that recommendation. Names of Committee members are on the letter head and if anyone would like to sign the letter, that would be made possible.

6. Meeting Adjourned

Meeting Adjourned at 9:00 a.m.