

**Pima County Bond Advisory Committee
Meeting**

**Friday September 19, 2014
8:00 A.M.**

**Arizona River Park Inn
350 S. Freeway
Tucson, Arizona**

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Carolyn Campbell, Vice Chair
Joe Boogaart
Ed Buster
Donald Chatfield
Gary Davidson
Paul Diaz
Tom Dunn
Brian Flagg
Rene Gastelum
Kelly Gottschalk
Terri Hutts
Michael Lund
Wade McLean
Ted Prezelski (arrived 8:15 a.m.)
Patty Richardson
Chris Sheafe
Dan Sullivan
John Sundt
James Ward
Tom Warne (arrived 8:25 a.m.)
Greg Wexler

Committee Members Absent

Kelly Gomez
David Lyons
Matt Smith

MOTIONS

MOTION: Terri Hutts moved, seconded by Gary Davidson, to approve the June 20, 2014 meeting summary. Motion approved 20-0.

MOTION: Dan Sullivan moved, seconded by Wade McLean, to continue with the process by collecting the worksheets, staff entering data and providing a tally of results when available. Motion approved 22-0.

MOTION: Don Chatfield moved, seconded by Dan Sullivan, to accept the End of Fiscal Year Bond Program Update for the 1997, 2004 and 2006 Pima County Bond Programs, as well as the jurisdictional reports. Motion approved 22-0.

MOTION: Terri Hutts moved, seconded by Joe Boogaart, to place a moratorium on new projects. Don Chatfield suggested that motion be expanded to set a cutoff date for new projects on Wednesday October 8, with the understanding that the Committee can override this moratorium with a vote of the majority. Amendments to motion were accepted. Gary Davidson suggested that new projects be provided at least a week before the October 10 meeting, by October 9. The amendment to the motion was accepted. Tom Warne stated that City of Tucson's Mayor and Council will be unable to vote on the City's bond committee's recommendations, which include a couple of new projects, until October 9, and therefore asked if the cut off could be midnight on October 9. It was clarified that these new projects are not libraries or community facilities and would therefore not be on the October 10 agenda. The amendment was accepted.

Final motion: place a moratorium on new projects as of midnight October 9, with the understanding that the Committee can override this moratorium with a vote of the majority. Motion approved 21-1.

MOTION: Dan Sullivan moved, seconded by Don Chatfield, to accept the meeting schedule for October 2014 through January 2015 as presented. Motion approved 22-0.

MEETING SUMMARY

1. Welcome

The meeting began at 8:10 a.m. with a quorum. Chairman Hecker announced two new members: Kelly Gomez and Matt Smith.

2. Approval of the June 20, 2014 meeting summary

MOTION: Terri Hutts moved, seconded by Gary Davidson to approve the June 20, 2014 meeting summary. Motion approved 20-0.

3. Possible 2015 bond election planning – process for taking action on proposed projects.

Note: The portion of this agenda item concerning the member preference worksheets was discussed at this time and then again later in the meeting.

Chairman Hecker explained that the purpose of the worksheets was to assist the committee in a non-binding way. It showed the magnitude of the responsibilities the Committee has and the need to cut somewhere.

Gary Davidson agreed with the need to move forward but stated that the worksheet process should have been discussed first. He noted that one weakness with the

worksheet was that it required an all or nothing vote – meaning members could not support a project at a lesser dollar amount than the current funding request. In addition, the \$650 million bond package size had not been discussed. Mr. Davidson stated that perhaps the process used years back by the Parks and Recreation subcommittee, whereby members selected tiers of projects, would have worked better.

Dan Sullivan stated that he completed the worksheet, did not want it wasted, and that the process of completing the worksheet helped focus his thinking.

Patty Richardson stated that she felt overwhelmed by the need and that in the future she recommends holding smaller bond elections more frequently.

Joe Boogaart stated that he saw the worksheet from the perspective of what the County can afford. He commented on the need to know the impact on operations and maintenance costs that each project would have, as well as where those revenues would come from.

Kelly Gottschalk stated that it would have been nice to discuss the process first, but that it probably would have resulted in the same conclusion. She also did not like the all or nothing requirement as she was forced to select no for projects that may be a yes at a lesser dollar amount.

MOTION: Dan Sullivan moved, seconded by Wade McLean, to continue with the process by collecting the worksheets, staff entering data and providing a tally of results when available.

Mr. Huckelberry explained in detail the inputs considered by the County and Committee to determine what is an appropriate total bond package amount, and that \$600 million to \$650 million are fine based on current forecasts for growth in assessed property values, continued commitments to issue only 15 year bonds, continued program of 10-12 years in length, current interest rates projections, and the maintenance of a tax rate cap at 81.25 cents per \$100 of net assessed value. Chairman Hecker asked when updated property value forecasts will be available. Mr. Huckelberry responded, February, but that he did not anticipate a change from what is known today. The largest general obligation package to date was the 2004 bond authorization for \$582 million.

Mr. Boogaart stated that some project sheets are still missing operations and maintenance cost estimates. Mr. Huckelberry stated that he would not recommend to the Board a bond package that lacked that type of disclosure.

Chairman Hecker reminded the Committee and audience about the process: Committee will discuss each project and recommended a dollar amount, to develop a recommended bond package to the Board of Supervisors by the end of February. The Board then decides whether to call an election. If they call an election, a bond implementation plan ordinance is drafted. Chairman Hecker distributed a page from the 2004 bond ordinance to show the detail that is contained in the ordinance, including operation and maintenance cost estimates. Then a bond election is held.

Before the Board actually sells the bonds for a particular project, they consider the impacts to operations and maintenance to see if the County or other jurisdiction can afford it. After bonds are issued, projects are bid through a competitive process, and projects are awarded bond funds. There was discussion about how much detail would be required from other jurisdictions to assure they have the funding to operate a facility. Currently the County requires in an IGA that jurisdictions commit to operate and maintain the facility for a minimum of 25 years.

Motion approved 22-0.

Staff collected the worksheets and began entering the data at computer stations visible to the audience and the Committee while the meeting continued.

4. End of Fiscal Year Bond Update for 1997, 2004 and 2006 Bond Programs

Per the County's Truth in Bonding Code, materials were provided to the Committee providing the status of the 1997, 2004 and 2006 bond programs. This included written reports from the City of Tucson, Town of Marana, and Town of Sahuarita. These materials are also available on the County's website. Mary Tyson, CIP Program Manager, presented an overview of the status of these bond programs, as well as highlights of major projects from each bond authorization.

Committee members asked questions about the administration of the Regional Transportation Authority related bond projects, the total amount of bonds authorized for the two HURF transportation programs, status of the three remaining HURF bonds projects listed as future, status the Northside Community Center project (now Rillito Park improvements) and whether the improvements were consistent with the bond ordinance amendment, the status of the City's Broadway widening project that involved County bond funds and the recourse available to the County should those funds be spent counter to what is stated in the bond ordinance, and finally the scope of the 5 points Neighborhood Reinvestment project. All questions were responded to, with the exception of the scope of the 5 points project, which will be provided after the meeting.

The Town of Marana representative Lisa Schaffer, explained that their County bond project was now complete. There were no questions on the Town of Sahuarita's report and the City of Tucson's report.

MOTION: Don Chatfield moved, seconded by Dan Sullivan, to accept the End of Fiscal Year Bond Program Update for the 1997, 2004 and 2006 Pima County Bond Programs, as well as the jurisdictional reports. Motion approved 22-0.

5. Update on Animal Care 2014 Bond Election – Proposition 415

Mr. Huckelberry reported that the Board recently approved the bond implementation plan ordinance for the animal care bond project, and that registered voters would soon be receiving the publicity pamphlet in their mail boxes. The cost estimate without contingency is about \$17 million to \$18 million, and will be refined after actual design

and competitive bidding, which won't occur until after a successful vote. Operations and maintenance for the facility should not increase over the current budget, and may even decrease since the inefficient costs associated with the tent will no longer be necessary. Mr. Huckelberry and Mr. Boogaart discussed the Austin facilities and how they compare to Pima County's.

6. Possible 2015 bond election planning – process for taking action on proposed projects

Chairman Hecker pointed to a page from Mr. Huckelberry's bond project updates memo, and asked whether all projects will have operation and maintenance costs listed. Mr. Huckelberry replied yes, and that the more specific the scope, the better the operating and maintenance cost estimate will be. These project sheets form the basis for the future bond ordinance. The ordinance for the 2004 bond program was over 100 pages long and we expect this one to be even longer.

Vice-Chair Campbell and Brian Flagg asked if Mr. Huckelberry had changed his recommendation on Affordable Housing now that additional requirements have been added to the project sheet and it has been shown that the affordable housing bond dollars leverage the largest amount of non-bond funding. Mr. Huckelberry stated that he will update his recommendation when asked to, and that he may be leaning in that direction.

It was pointed out that staff forgot to attach the cities and towns letters concerning the pedestrian safety program proposal. They will be sent to the Committee after the meeting.

Vice-Chair Campbell suggested the two Fairground project proposals be combined into one project.

Ms. Hutts suggested a moratorium on increasing project proposal costs. This was discussed but no action taken.

Mr. Flagg and other members asked questions and made comments about the proposed requirements for the Neighborhood Reinvestment Program, and in particular the proposed requirement that one jurisdiction could not receive more than 50 percent of the total program's bond funding. Mr. Huckelberry stated that these requirements were proposed by staff and should be reviewed by the Neighborhood Reinvestment Oversight Committee. Information was also requested on the amount or percentage of need per jurisdiction. Mr. Huckelberry was asked if he would now recommend more funding for the Neighborhood Reinvestment program. He responded by stating that it depends which requirements the Committee recommends.

MOTION: Terri Hutts moved, seconded by Joe Boogaart, to place a moratorium on new projects. Don Chatfield suggested that motion be expanded to set a cutoff date for new projects on Wednesday October 8, with the understanding that the Committee can override this moratorium with a vote of the majority. Amendments to motion were accepted. Gary Davidson suggested that new projects be provided at least a week

before the October 10 meeting, by October 9. The amendment to the motion was accepted. Tom Warne stated that City of Tucson's Mayor and Council will be unable to vote on the City's bond committee's recommendations, which include a couple of new projects, until October 9, and therefore asked if the cut off could be midnight on October 9. It was clarified that these new projects are not libraries or community facilities and would therefore not be on the October 10 agenda. The amendment was accepted. Final motion: to place a moratorium on new projects as of midnight October 9, with the understanding that the Committee can override this moratorium with a vote of the majority. Motion approved 21-1.

The proposed meeting schedule, including topics for each meeting, was discussed. After discussion about possibly rescheduling one of the meetings, a motion was made and approved to accept the schedule as presented.

MOTION: Dan Sullivan moved, seconded by Don Chatfield, to accept the meeting schedule for October 2014 through January 2015 as presented. Motion approved 22-0.

7. Call to the Audience

Mike Kasser – support for Temple of Music and Art proposal
Dave Devine – support for projects that generate new businesses
David Ira Goldstein – support for Temple of Music and Art proposal
RC Marx – Support for new project at Jesse Owens Park
Ingrid Saber – opposed to more taxes for animal care facility improvements
Jessica Andrews - support for Temple of Music and Art proposal

It was requested that staff use a timer with a bell to time speakers at future meetings.

8. Possible 2015 bond election planning – process for taking action on proposed projects.

Staff completed entering the data from members' worksheets and sorting the results. 19 worksheets were submitted. Committee members received two sets of results – one was a list of the projects sorted so that the projects receiving the highest number of yes votes were at the top, and the second sorted so that the projects receiving the highest number of no votes were at the top.

9. Meeting Adjourned

Meeting adjourned at 10:20 a.m.

Note that speaker cards for those members of the audience that selected not to speak or submitted speaker cards but did not speak are attached to this meeting summary.

SPEAKER CARD

If you would like to address the Committee on any agenda item, please fill out the following and give to the Chairman.

I do wish to speak
 I do not wish to speak but submit the following comments:

(Circle One) **OPPOSED/SUPPORT/UNDECIDED**

AGENDA ITEM NO.: _____

AGENDA ITEM DESCRIPTION: _____

(Please Print)

NAME Chuck Catino

ADDRESS 4701 King Arthur Ct

CITY GreenValley STATE AZ ZIP 85622

TELEPHONE NUMBER 913-0413

COMMENTS I support the town of Sahuarita's requests.

SPEAKER CARD

NOT Speak

If you would like to address the Committee on any agenda item, please fill out the following and give to the Chairman.

I do wish to speak
 I do not wish to speak but submit the following comments:

(Circle One) **OPPOSED/SUPPORT/UNDECIDED**

AGENDA ITEM NO.: PR 96

AGENDA ITEM DESCRIPTION: AIRCRAFT FLYING FIELDS

(Please Print)

NAME JACK P. SUMNER

ADDRESS 9415 E. GREEK SAGE WAY

CITY VALE STATE AZ ZIP 85641

TELEPHONE NUMBER 404-8725

COMMENTS SUPPORT PR 96

SPEAKER CARD

If you would like to address the Committee on any agenda item, please fill out the following and give to the Chairman.

I do wish to speak
 I do not wish to speak but submit the following comments:

(Circle One) **OPPOSED/SUPPORT/UNDECIDED**

AGENDA ITEM NO.: _____

AGENDA ITEM DESCRIPTION: _____

(Please Print)

NAME Marylin Catino

ADDRESS 4701 King Arthur Ct

CITY GreenValley STATE AZ ZIP 85622

TELEPHONE NUMBER 913-0413

COMMENTS I support the request of the town of Sahuarita.

SPEAKER CARD

If you would like to address the Committee on any agenda item, please fill out the following and give to the Chairman.

I do wish to speak
 I do not wish to speak but submit the following comments:

(Circle One) **OPPOSED/SUPPORT/UNDECIDED**

AGENDA ITEM NO.: (5) process

AGENDA ITEM DESCRIPTION: possible 2015-2016-LSA PEDESTRIAN BOND PROPOSAL

(Please Print)

NAME VANESSA PASCO

ADDRESS 311 N. 7th AVE

CITY TUCSON STATE AZ ZIP 85705

TELEPHONE NUMBER 773-225-6146

COMMENTS On behalf of the Tucson's Healthy Habits Coalition