

Pima County Bond Advisory Committee
Meeting

Abrams Public Health Building
3950 S. Country Club Road
1st Floor Conference Room
Tucson, Arizona 85714

September 21, 2012
8:00 a.m.

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Donald Chatfield
Gary Davidson
Tom Dunn
Brian Flagg
Jesus Gomez
Kelly Gottschalk
Terri Hutts
David Lyons
A.C. Marriotti
Wade McLean
Ted Prezelski
Patty Richardson
Susan Romero
Chris Sheafe
Thomas Six
Dan Sullivan
Tom Warne (arrived at 8:25 a.m.)
Greg Wexler

Committee Members Absent

Carolyn Campbell, Vice Chair
Peter Backus
Pete Delgado
Harry George
Rene Gastelum

MOTIONS

MOTION: Terri Hutts moved, seconded by Gary Davidson to approve the March 30, 2012 meeting summary. Motion approved 18-0.

MOTION: Terri Hutts moved, seconded by Tom Dunn, to accept the end of year bond update reports. Motion approved 19-0.

MOTION: Chris Sheafe moved, seconded by Dan Sullivan, to support the proposed ordinance amendments to the 2004 General Obligation Bond Ordinance, with exception of the amendments concerning the Painted Hills property. Motion approved 19-0.

MOTION: Brian Flagg moved, seconded by Dan Sullivan, that the Bond Advisory Committee not act upon the proposed Painted Hills bond ordinance amendments until more information concerning the acquisition is provided. Motion failed 16-2, with one abstention.

MOTION: Wade McLean moved, seconded by Tom Dunn, to authorize the bond ordinance amendment for Painted Hills. Ted Prezelski requested an amendment to the motion that would require the Bond Advisory Committee to meet and consider any potential agreement on Painted Hills after the Conservation Acquisition Commission meets and before the Board of Supervisors and City's Mayor and Council meet to consider an agreement. The amendment to the motion was accepted. Motion approved 19-0.

MOTION: Chris Sheafe moved, seconded by Dan Sullivan, to support the proposed ordinance amendments to the 1997 General Obligation Bond Ordinance. Motion approved 19-0.

MEETING SUMMARY

1. Welcome

The meeting began at 8:06 a.m. with a quorum. Chairman Hecker introduced new committee member Tom Dunn (Marana appointee), welcomed back Dan Sullivan (District 2 Supervisor Valadez appointee), and notified the Committee that Tom Six would not be seeking reappointment for his term that expires November 30, 2012. County Administrator Chuck Huckelberry presented a token of thanks to Susan Romero for her current and future service on the Committee.

2. Approval of the March 30, 2012 Meeting Summary

MOTION: Terri Hutts moved, seconded by Gary Davidson to approve the March 30, 2012 meeting summary. Motion approved 18-0.

3. Update on Audit of 1997, 2004 and 2006 General Obligation Programs by Auditor General's Office

A memo from Mr. Huckelberry on this subject was provided to the Committee prior to the meeting. Mr. Huckelberry provided a verbal update stating that the audit appears to be going well, the County has provided all of the documents requested, there's been many discussions between County staff and the auditors, the Bond Program Audit Committee will probably not be necessary, and that a draft report from the Auditor is expected in November,

followed by a final report in early February. Keith Dommer, from the Auditor General's office was in attendance. Mr. Dommer thanked the Committee for taking this audit seriously and added that the County has been cooperative, responsive, and timely. In response to a question from Chairman Hecker, Mr. Dommer responded that, yes, he would be able to attend a Committee meeting after the release of the final audit report.

4. End of Year Bond Update Report 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. These materials and additional details are also available via the County's web site. Mary Tyson, Pima County Finance, provided an overview at the meeting.

Chairman Hecker requested an update of the number of jobs created by the County bond projects.

Terri Hutts asked where she could find a list of the projects that are underway or planned for the future. Ms. Tyson responded that those were identified in the update materials (brochure and map).

Gary Davidson emphasized how important the smaller neighborhood projects were to people living in those neighborhoods, and advocated for completing those smaller projects as soon as possible. He questioned why it took 3 years to build one single soccer field at Menlo Park after the IGA was approved.

Dan Sullivan remarked that he was happy to see the new joint courthouse under construction and asked what the status was regarding the financial agreements that would be necessary between the City of Tucson and Pima County. Mr. Huckelberry responded that significant progress was being made on those agreements through recent discussions with the City Manager.

Chris Sheafe asked for an update on the PCWIN/Regional Communications Project. Capt. Paul Wilson, Sheriff's Department, provided a presentation on this project later in the meeting. Mr. Sheafe also asked whether the 27th Street wash crossing was still moving forward and Mr. Huckelberry responded that it is still being evaluated but is not progressing currently.

David Lyons recommended that additional information concerning the principal balance remaining for each of the bond programs be added to the table in the front of the Bond Update brochure to show how quickly debt is being paid off. Mr. Huckelberry responded that yes this updated information would be provided to the Committee soon and could also be added to future bond updates.

Gary Davidson requested an update of the bar chart that was included in the debt memo last year.

Tom Warne suggested developing a matrix to show how quickly the County was retiring debt and the number of jobs generated. Perhaps it could include an economic benefits study from the University and could be made easy to understand. It could be distributed perhaps every 6 months from the Committee and the County Administrator as a way to start educating the public.

Written reports were submitted by the following jurisdictions: City of Tucson, City of South Tucson, Town of Marana, Town of Oro Valley, and Town of Sahuarita.

City Manager Richard Miranda was at the Committee meeting to respond to questions. Terri Hutts questioned why it has taken so long to complete safety improvements in Barrio Hollywood that were approved in 2006. She emphasized how important these smaller projects were to the neighborhoods. Mr. Miranda agreed that it was important to complete these neighborhood enhancements in a more expeditious manner.

Gary Davidson questioned text in the City's report for the Northwest Community Center. Under "Unresolved Issues" it was unclear whether plans for Rillito Park as a whole were under discussion again or just the location of the community center. Fred Gray, City of Tucson Parks Director, explained that it was just the location of the community center, not the park. Mr. Miranda said the City would put a report together for the Committee. Chairman Hecker remarked that if the community center location were to change, that it would require an action by the Mayor and Council recommending an ordinance amendment to the Committee.

T Van Hook was present from Marana but the Committee had no questions.

Kevin Burke, Assistant to the Town Manager, was present from Oro Valley and announced that a fall festival for the public would be held at Steam Pump Ranch, and that the State Parks Board had recently approved a \$1.8 million grant to match County bond funds transferred from the Kelly Ranch project to the expansion of Tortolita Mountain Park.

Chris Sheafe asked about the status of Kelly Ranch. Mr. Burke responded that the owners had submitted a general plan amendment to the Town.

Diana Durazo, Assistant to the County Administrator, noted that the State Trust land auction for the expansion of Tortolita Mountain Park is scheduled for December 20.

A.C. Marriotti was present for the Town of Sahuarita but no questions were asked.

Capt. Paul Wilson provided a presentation updating the Committee on the PCWIN/regional communications project. Construction of the Pima County Emergency Operations Center is complete. The majority of communication sites are now acquired and constructed. The PCWIN Executive Committee recently agreed on language that will be used for agreements with each of the participating agencies. By the end of December 2013 each of the participants should have the provided radio equipment and the system should be functional.

MOTION: Terri Hutts moved, seconded by Tom Dunn, to accept the end of year bond update reports. Motion approved 19-0.

5. Amendments to the 1997 and 2004 Bond Ordinances

Per the County's Truth in Bonding Code, the Committee received a staff report describing when bond ordinance amendments are necessary, the public review process associated with amending the ordinances, and each of the projects that would be impacted by this round of bond ordinance amendments. Nicole Fyffe provided a brief verbal summary of the projects that would be impacted by the proposed bond ordinance amendments, including those that had received or would receive the required actions by the Conservation Acquisition Commission, City of South Tucson's Mayor and Council, and City of Tucson's Mayor and Council.

MOTION: Chris Sheafe moved, seconded by Dan Sullivan, to support the proposed ordinance amendments to the 1997 General Obligation Bond Ordinance. Motion approved 19-0.

There was discussion regarding the proposed ordinance amendment that would add the Painted Hills property to the City of Tucson's three open space bond project areas making it eligible for purchase with remaining bond funds from those three projects. Brian Flagg objected to the Committee taking action on this ordinance amendment prior to knowing more details concerning the possible three-way negotiations between the City, County and owner because of impacts it may have on development of City-owned downtown properties. Mr. Huckelberry explained that most of the negotiating was going on between the City and the owner and that moving forward with the bond ordinance amendment now is more of a timing issue than anything. Kelly Gottschalk, City of Tucson's representative on the Committee and Assistant City Manager, explained that the City is looking at a variety of options with the landowner, but that it was premature to discuss what may or may not happen. Nicole Fyffe explained that even if the Committee did approve the bond ordinance amendment today, the amendment would still require action by the City's Mayor and Council and the Board of Supervisors. Then after that, if and when an agreement is negotiated, that agreement would have to be acted upon at public meetings held by the County's Conservation Acquisition Commission, Board of Supervisors, and City of Tucson's Mayor and Council. Chris Sheafe, Ted Prezelski, Gary Davidson, David Lyons, and Chairman Hecker spoke in support of the amendment.

MOTION: Chris Sheafe moved, seconded by Dan Sullivan, to support the proposed ordinance amendments to the 2004 General Obligation Bond Ordinance, with exception of the amendments concerning the Painted Hills property. Motion approved 19-0.

MOTION: Brian Flagg moved, seconded by Dan Sullivan, that the Bond Advisory Committee not act upon the proposed Painted Hills bond ordinance amendments until more information concerning the acquisition is provided. Motion failed 16-2, with one abstention.

MOTION: Wade McLean moved, seconded by Tom Dunn, to authorize the bond ordinance amendment for Painted Hills. Ted Prezelski requested an amendment to the motion that would require the Bond Advisory Committee to meet and consider any potential agreement on Painted Hills after the Conservation Acquisition Commission meets and before the Board of Supervisors and City's Mayor and Council meet to consider an agreement. The amendment to the motion was accepted. Motion approved 19-0.

Chris Sheafe asked if the City of South Tucson would be pursuing additional bond funds to complete the 2004 drainage projects. Nicole Fyffe replied, yes, that is what was indicated in the City of South Tucson's end of year update report.

6. Future Agenda Items and Next Meetings

The Committee's next meeting will likely be held in February after the final audit report is released, unless an agreement is reached before then on the Painted Hills property acquisition. There was a question as to whether a February meeting would provide enough time to plan for a potential 2013 bond election and whether there was a prohibition on meeting prior to the release of the final audit report. Mr. Huckelberry responded that there was no such prohibition and that if the draft audit report looked promising, the Committee could choose to start planning prior to the final report being released in February. Gary Davidson requested updated debt reports. Chairman Hecker asked about the legislation that was approved limiting elections to every other year. Mr. Huckelberry responded that the final version of the bill passed by the Legislature and signed into law by the Governor did not apply to bond elections. Therefore, the County can continue to hold bond elections in even and odd years, in November.

Brian Flagg asked how to stay up to date on the Painted Hills issue. Kelly Gottschalk responded that she could provide notices to County staff on when the Mayor and Council would be meeting concerning Painted Hills, and County staff could then forward those notices to the Committee.

7. Call to the Audience

Chuck Catino, representing the Born Again Jocks Association (BAJA), thanked the Committee for continuing to include their project in the list of future bond election projects. He also thanked County staff – Nannette Slusser, Carlo DiPilato, and Rafael Payan for all they've done to move the project forward. He stated that to date over \$1.2 million in in-kind contributions had been made to the project enabling phase one of the project to move forward (to include 2 softball fields, gazebos and barbecue pits). Tom Six commended Mr. Catino for singularly moving this project forward over the past 6 years.

Sheldon Guttman spoke about the need to defer bond committee meetings until after the Board of Supervisors election and impacts to spring training at High Corbett Field.

Chairman Hecker thanked Tom Six for his years of service on the Bond Advisory Committee.

8. Adjournment

Meeting was adjourned at 10:00 a.m.