

**Pima County Bond Advisory Committee
Meeting**

**Friday, September 9, 2016
8:00 A.M.**

**Arizona River Park Inn
350 South Freeway
Tucson, Arizona**

SUMMARY OF MEETING

Committee Members Present

Tom Dunn, Chair
Carolyn Campbell, Vice Chair
Lynne Birkinbine (arrived 8:04)
Joe Boogaart
Ed Buster (arrived 8:07)
Gary Davidson
Brian Flagg (arrived 8:07)
Rene Gastelum
Curt Lueck
Michael Lund
Wade McLean
Ted Prezelski
Patty Richardson
John Sundt
James Ward
Tom Warne
Greg Wexler

Committee Members Absent

Kelly Gomez
David Lyons
Ted Schmidt
Chris Sheafe
Dan Sullivan

Staff that Addressed the Committee

Pima County:
Tom Burke, Deputy County Administrator
Jan Leshar, Deputy County Administrator
Priscilla Cornelio, Transportation Director
Nicole Fyffe, Assist. to County Administrator

City of Tucson:
Robin Raine, Deputy Transportation Director

Elected Officials Present

Pima County Supervisor Sharon Bronson

MOTIONS

MOTIONS: Ed Buster moved, seconded by Michael Lund, to nominate Tom Dunn as Chair. Gary Davidson moved, seconded by Tom Dunn, to nominate Vice-Chair Campbell as Vice-Chair. Both motions were approved 17-0.

MOTION: James Ward moved, seconded by Tom Warne, to approve the March 11, 2016 meeting summary. Motion approved 17-0.

MOTION: Rene Gastelum moved, seconded by James Ward, to accept the end of year bond program update. Motion approved 17-0.

MOTION: Tom Warne moved, seconded by Lynne Birkinbine, to approve amendments to the 1997 bond implementation plan ordinance, including projects SW-2 Tangerine Landfill Closure, SW-4 Camino del Cerro Environmental Remediation, and P-36 Santa Cruz River Park. Motion approved 17-0.

MEETING SUMMARY

1. Welcome

The meeting began at 8:02 a.m. with a quorum. Vice-Chair Campbell announced two new members, both appointees of Supervisor Bronson's: Ted Schmidt and Curt Lueck.

2. Election of Chair and Vice-Chair

Vice-Chair Campbell noted the resignation of Chairman Hecker. There was discussion of whether or not to defer the election of a new chair until after the November elections as changes in leadership could lead to changes in membership of the Committee.

MOTIONS: Ed Buster moved, seconded by Michael Lund, to nominate Tom Dunn as Chair. Gary Davidson moved, seconded by Tom Dunn, to nominate Vice-Chair Campbell as Vice-Chair. Both motions were approved 17-0.

3. Approval of the March 11, 2016 Meeting Summary

Curt Lueck requested that elected officials and staff who address the Committee be listed in the meeting summary.

Chairman Dunn recognized Supervisor Bronson in the audience. Each member of the Committee and Committee staff introduced themselves.

MOTION: James Ward moved, seconded by Tom Warne, to approve the March 11, 2016 meeting summary. Motion approved 17-0.

4. End of Year Bond Program Update for 1997, 2004, 2006 and 2014 Bond Programs

Per the County's Truth in Bonding Code, materials were provided to the Committee regarding the status of the 1997, 2004, 2006 and 2014 bond programs. This included a written report from the City of Tucson. These materials are also available on the County's website. Nicole Fyffe, Assistant to the County Administrator, summarized the status of the bond programs and outstanding projects.

Jan Leshner, Deputy County Administrator, provided an update on the status of the Pima Animal Care Center bond project. Committee members will be invited to the groundbreaking on October 4. Completion of the majority of the project is scheduled for the end of 2017. In response to a question from Gary Davidson, Ms. Leshner responded that improvements to a portion of the facility not open to the public will continue through 2018. In response to questions from Joe Boogaart, Ms. Leshner responded that the County did purchase the small parcel west of the Center and the County still anticipated the

operating budget to remain similar to that of the existing facility due to building efficiencies and changes in organizational positions.

In response to a question from Gary Davidson, Priscilla Cornelio, County Transportation Director, responded that two of the City of Tucson managed transportation projects had been retired years ago in cooperation with the City of Tucson, and the funds transferred to other eligible City transportation projects. Ms. Fyffe noted that the Committee and Board of Supervisors had acted on the ordinance amendments necessary to allow for such a transfer. Curt Lueck requested that the next status report include the total HURF revenues projected for that period and the portion allocated to debt service on the HURF revenue bonds.

In response to a question from Gary Davidson, Ms. Fyffe explained that the remaining park project from the 2004 bond program is a small trail installation at the new Esmond Station Regional Park that should be completed shortly; and the remaining trail project is the Anza Trail, which is built in sections. The Marana section is now under construction, but a section in Sahuarita could still take quite a while as it's dependent on working with a large landowner along the river.

MOTION: Rene Gastelum moved, seconded by James Ward, to accept the end of year bond program update. Motion approved 17-0.

Robin Raine, Deputy Transportation Director for the City of Tucson, also responded to questions from the Committee regarding the City of Tucson's three remaining HURF bond projects. Brian Flagg asked about the status of the 22nd Street project. Ms. Raine responded that design was 90% completed and she expects design to be completed in October. In response to a question from Tom Warne, Ms. Raine responded that the Broadway project is expected to start construction in Fiscal Year 2018.

5. Amendments to the 1997 General Obligation Bond Program

Per the County's Truth in Bonding Code, the Committee received a written staff report describing when bond ordinance amendments are necessary, the public review process associated with amending the ordinances, and details concerning the three projects that would be impacted by this round of bond ordinance amendments. Ms. Fyffe summarized these at the meeting.

MOTION: Tom Warne moved, seconded by Lynne Birkinbine, to approve amendments to the 1997 bond implementation plan ordinance, including projects SW-2 Tangerine Landfill Closure, SW-4 Camino del Cerro Environmental Remediation, and P-36 Santa Cruz River Park. Motion approved 17-0.

In response to a question from Gary Davidson, Ms. Fyffe responded that retired projects are projects that could not be completed and were retired and funds transferred to other eligible bond projects within the same question in need of additional funding. These actions only occurred after approval of bond ordinance amendments by this Committee and the Board (i.e. Marana Mound acquisition).

In response to a question from Vice-Chair Campbell, Ms. Fyffe explained that both the Neighborhood Reinvestment and Affordable Housing programs are still active as funding previously allocated to projects was unable to be spent on those projects and therefore the funding was reallocated to other projects through the formal processes that both programs have in place. This includes solicitation for project proposals, review and recommendation by advisory committees, and approval by the Board of Supervisors. These include 10 additional Neighborhood Reinvestment projects and 5 additional Affordable Housing projects that will be built over the next two years. This Committee and the Board approved bond ordinance amendments last spring extending the implementation periods for both of these programs in order to allow for completion of the projects.

6. Report on County Debt and Certificates of Participation (COPS)

In response to a request at the last meeting, Mr. Huckelberry sent the Committee memorandums on the County's debt, including the use of COPS. Tom Burke, Deputy County Administrator, summarized these at the meeting and responded to questions.

In response to a question from Gary Davidson, Mr. Burke explained that the planned sewer bond issuances referenced in one of the graphs was to finance conveyance system upgrades.

In response to questions from Gary Davidson and Tom Warne, Ms. Cornelio responded that HURF revenues this year amounted to approximately \$50 million, of which approximately \$19 million is budgeted for debt service on the HURF bonds and the remainder is budgeted for road maintenance and other departmental expenses. HURF revenues used to be higher and their buying power has been considerably reduced in comparison to inflation over the same time period.

In response to questions from Ted Prezelski, Mr. Burke explained that COPS do not have a dedicated source of revenue for repayment. The short term COPS issuances that are used to overcome expenditure limitations that restrict the expenditure of cash accumulated from sewer connection fees and transportation impact fees, are repaid with these revenue sources. The 15-year term COPS that are typically used to fund unanticipated capital expenditures are typically repaid with general fund revenues. The collateral for COPS are the sale and lease back of County-owned facilities.

7. Recognition of Role of the Committee and Its Members in Overseeing Implementation of the Bond Programs and Projects

Supervisor Bronson thanked the Committee for all their hard work and distributed posters to each member highlighting the more than 700 bond projects completed throughout the region since 1997.

8. Next meeting

To be scheduled in February or March 2017.

9. Call to the Audience

No one spoke at this time.

10. Meeting Adjourned

Meeting adjourned at 8:58 a.m.

DRAFT