

Pima County Bond Advisory Committee
Meeting

Juvenile Court Training Center, Suite 180
2225 East Ajo Way
Tucson, Arizona 85706

February 15, 2013
8:00 a.m.

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair
Joe Boogaart
Carolyn Campbell, Vice Chair
Donald Chatfield
Gary Davidson
Tom Dunn Brian
Flagg Rene
Gastelum
Jesus Gomez (arrived 8:10 am)
Kelly Gottschalk
Terri Hutts
Mike Lund
David Lyons
A.C. Marriotti
Wade McLean
Ted Prezelski (arrived 8:12)
Patty Richardson
Susan Romero
Dan Sullivan (arrived 8:20)
John Sundt
Tom Warne (arrived 8:10)
Greg Wexler

Committee Members Absent

Pete Delgado

MOTIONS

MOTION: Terri Hutts moved, seconded by A.C. Marriotti, to approve the January 18, 2013 meeting summary. Motion approved 18-0.

MOTION: Wade McLean moved, seconded by Tom Dunn, to defer a future bond election until 2014. Motion approved 19-0.

MEETING SUMMARY

1. Welcome

The meeting began at 8:00 a.m. with a quorum. Chairman Hecker introduced the two new committee members from District 1: John Sundt and Joe Boogaart, and announced that one of the County Administrator's appointees, Harry George had resigned, and that the County Administrator had appointed Chris Sheafe (former District 1 appointee) to fill Mr. George's seat.

2. Approval of the January 18, 2013 Meeting Summary

MOTION: Terri Hutts moved, seconded by A.C. Marriotti, to approve the January 18, 2013 meeting summary. Motion approved 18-0.

3. Discussion and Possible Action on Deferring the Bond Election to 2014

The BAC discussed this at the January 18 BAC meeting but took no formal action.

Joe Boogaart asked and County Administrator, Chuck Huckelberry confirmed, that a November 2014 bond election would mean that bonds would likely not be sold until late 2015, unless the BAC recommended increasing the tax rate cap.

MOTION: Wade McLean moved, seconded by Tom Dunn, to defer a future bond election until 2014. Motion approved 19-0.

4. Review and Discuss the Pima County 1997, 2004 and 2006 General Obligation Program Audit Report Released by the State Auditor General's Office

Mr. Huckelberry summarized the report by stating that the results of the audit were positive and that one of the more difficult requirements of the audit (assessing the proportion that each city, town, and the unincorporated area contributed in tax dollars to the bond program compared to how each benefited) showed that each jurisdiction generally benefited as much as they'd contributed. Chairman Hecker thanked the BAC for their continued service noting that the BAC's hard work contributed directly to the positive results. Mr. Boogaart asked if there were any suggestions in the final report and Vice-Chair Campbell asked if the Committee should take any follow up action. Mr. Huckelberry replied that there were no suggestions from the Auditor General's report and the only follow up that may be necessary is to continue to evaluate, and if necessary make changes to the County's Truth in Bonding Code as we get closer to another bond election.

5. Performance Audit Plan for Completed Projects

As suggested by one of the BAC members, County staff are undertaking a performance audit of completed bond projects to determine if what was built met the original intent and benefits communicated to the voters and whether the facilities are being maintained and operated adequately. County staff will be working with staff from other jurisdictions to assess County bond projects built and operated by those jurisdictions. Samples drafted by the County's Facilities Management Department were provided to the BAC. Ms. Hutts stated that she'd also like to see staff check that the fees being charged to use certain facilities are in line with the fee requirements in the County's Truth in Bonding Code. Utilization rates should also be included when possible.

Kelly Gottschalk expressed concern about the workload facing City of Tucson staff to meet the deadlines requested by the County for the semi-annual report, the development of new projects, and the performance audit. Mr. Huckelberry replied by providing jurisdictions with an extended due date of April 15 for new projects or priorities, and the performance audit. Mr. Huckelberry also suggested the BAC add to their schedule a May meeting to review the results of the performance audit, new projects or priorities (including the economic development projects proposed in the County's Economic Development Action Plan), and updates already recommended to the Tentatively Approved project lists.

Gary Davidson expressed concern about the \$30 million allocation proposed in the County's Economic Development Action Plan for regional job centers in surrounding communities, and stated that the projects should be specific and detailed and not necessarily add up to the full \$30 million.

Wade McLean suggested that a date be added to the timeline for when the County and the BAC would solicit formal support from the other jurisdictions for a BAC recommended bond package.

6. Updated Tentatively Approved Bond Projects List – Future Bond Election

Mr. Huckelberry summarized his memorandum on this subject, including the categories of changes described in the memo, highlighted in the tables and detailed in the endnotes. Mr. Boogaart asked whether the BAC would need to take action on those recommended for deletion because they were no longer needed or already completed. Mr. Huckelberry replied that all of the recommendations were simply that – recommendations from him that the BAC would need to discuss and decide whether to act upon each of them.

Ted Prezelski asked the BAC to keep in mind that all of these Tentatively Approved project have constituencies and that there appears to be a perception by some that some of Mr. Huckelberry's recommended cuts are to provide funding for the Raytheon related economic development projects. Mr. Prezelski specifically mentioned open space, affordable housing

and neighborhood reinvestment categories. Mr. Huckelberry responded that the change to the open space recommendation was based on a price reduction that has occurred for the Marley Ranch. He also stated that there had been administrative problems implementing the neighborhood and housing programs in some of the cities and towns and that if those administrative problems could be addressed then perhaps no cuts would be necessary.

Dan Sullivan expressed concern that the proposed economic development projects were being pitted against other projects when in fact a balance should be struck across both.

Brian Flagg expressed concerns about whether the proposed economic development projects were viable or would be supported by the community and asked whether the intent was for the BAC to vote on these proposed updates today. Chairman Hecker clarified that there was no intent for a vote today.

Tom Warne stated that there is a need for both the proposed economic development projects and neighborhood reinvestment and housing projects.

Don Chatfield recommended that County staff consult with the cities and towns regarding the possible administrative issues with the neighborhood reinvestment and housing bond programs.

Vice-Chair Campbell stated that there are hundreds of thousands of acres eligible for purchase under the open space habitat protection priority category and the price reduction on the Marley Ranch is no reason to reduce the allocation for the entire category.

It was clarified that the next step would be to discuss Mr. Huckelberry's recommended updates to the Tentatively Approved project lists at a May BAC meeting.

7. Pima County Economic Development Plan Bond Project Proposals

Mr. Huckelberry summarized the two memorandums on this subject provided to the Committee prior to this meeting.

Regarding the memorandum concerning tourism related bond projects:

Mr. Boogaart mentioned that Tucson is not fully utilizing its unique history when it comes to promoting tourism. Mr. Warne asked why the Velodrome wasn't on the list as an economic development project. Mr. Huckelberry responded that it wasn't on the list as the BAC had already approved funding for it. Mr. Flagg asked for clarification regarding the discussion in the memorandum concerning the proposed location of the Velodrome as the BAC had already approved the Velodrome at Kino Campus. Mr. Huckelberry agreed that the BAC approved it at Kino Campus but that his memorandum just

acknowledged that there have been discussions concerning other potential locations. Mr. Prezelski asked to be reminded what the guidelines were for bond supported improvements to County leased properties. Mr. Huckelberry replied that the County could not provide bond funding to for-profit facilities. In response to a question from Mr. Sullivan, Mr. Huckelberry provided more detail on the plans for the Old County Courthouse, including possible use by the Tucson Art Museum for a western art exhibit.

Regarding the memorandum concerning the other economic development related bond project proposals:

Chairman Hecker suggested a need for more discussion on who would benefit, or the types of jobs that would result from these investments. Mr. Boogaart asked whether toll booths had been considered for the Interstate to Interstate connection. Mr. Huckelberry responded yes, as well as congestion pricing, and that those concepts would likely continue to be evaluated if and when we can show a willingness to make a local funding contribution to what would likely be a state highway involving more than just local funding. Mr. Davidson asked for a definition of noise abatement and asked whether the flight path for these training missions would be changing. Mr. Huckelberry replied that noise abatement has in the past meant the retrofitting of windows and insulation of residences, that yes the flight path could be changing slightly such that it may impact less residences, and that much more information would be available concerning the proposed bond funding for noise abatement before the BAC would be asked to vote on it.

8. Next Meeting and Future Agenda Items

March 29, 2013:

- Semi-annual bond update reports
- Bond ordinance amendments

May meeting date to be determined:

- Results from performance audit of completed bond projects
- Future bond election:
 - Discussion and possible action on Mr. Huckelberry's recommended updates to the BAC's "Tentatively Approved" project list
 - Discussion and possible action on new projects from county, cities, towns, tribes, and other organizations (including the bond funded projects proposed in the County's Economic Development Action Plan, and including specific proposals from Oro Valley, Marana, Sahuarita and South Tucson for economic development related projects to support their regional job growth centers.)
 - Update on what may be an appropriate size for the total bond package for a bond election held in 2014, keeping in mind that this may be a moving target.

September meeting date to be determined:

- End of Fiscal Year bond update reports
- Bond ordinance amendments
- Continued discussion and possible action on proposed updates, additions and deletions to the BAC's Tentatively Approved future bond project list.

9. Call to the Audience

Dave Devine stated that 30 percent of children in Pima County live in poverty and that educators at the University of Arizona should be asked what projects should be included in a bond package to reduce poverty.

10. Adjournment

Meeting was adjourned at 9:30 a.m.