MEMORANDUM

Date: May 8, 2018

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator

Re: **Update on Efforts to Secure Additional Funding for Road Repair**

At the last Bond Advisory Committee meeting, the Committee had requested an update on the County's bond ratings and long term debt profile, a copy of the Sales Tax Advisory Committee's final recommendations to the Board of Supervisors, and updates on State legislative bills related to providing the Regional Transportation Authority (RTA) with an additional half-cent sales tax authority contingent on voter approval. Shortly after the meeting, you were sent the updated bond ratings showing that the County continues to receive the highest possible credit rating for general obligation bond indebtedness, AAA, from Fitch Ratings. Within the next couple of weeks you will receive an update regarding the County's long term debt.

You were also sent the Sales Tax Advisory Committee's recommendations to the Board, including a recommendation for a temporary 10-year half-cent sales tax for road repair, which would provide the funding necessary to improve the condition of every paved County-maintained road, and significant funding for the road repair programs of cities and towns in Pima County. The Board has since deliberated on the Committee's recommendations, including a detailed 10-year plan for fixing the County's roads. The Board is scheduled to vote on May 15, 2018 on a Sales Tax Implementation Plan Ordinance, and if approved, will vote on June 19, 2018 on a Resolution Levying a Sales Tax. The resolution levying the tax requires a unanimous vote of the Board. If approved, a temporary 10-year sales tax would begin January 1, 2019 and the County's 25-cent road repair property tax would be eliminated. If you live in unincorporated Pima County and are interested in looking up when your road would be scheduled for repair under the proposed 10–year plan, visit www.pima.gov/roadrepairplan. Cities and towns would be required to develop similar plans prior to receiving their share of the funding.

You were also sent information on legislative efforts to give the RTA additional authority to seek voter approval of a half-cent sales tax for road repair. This would have been an alternative to the County levying its own sales tax and would have allowed voters to have a say on the issue. Currently Pima County does not have the statutory authority to send the sales tax issue to the voters. Unfortunately, even with a last minute effort to move the legislation on the final evening of the session, which occurred last week, it was not approved.

Chairman and Members, Pima County Bond Advisory Committee
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This means that the Board's actions on a County sales tax are even more critical, and will have ramifications for the region as a whole. You are certainly welcome to attend these Board meetings or to watch them live at http://webcms.pima.gov/government/board_of_supervisors.

CHH/dr

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Jan Lesher, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Carmine DeBonis, Deputy County Administrator for Public Works
Nicole Fyffe, Executive Assistant to the County Administrator
Diana Durazo, Special Staff Assistant to the County Administrator