

Pima County Bond Advisory Committee  
Meeting

Friday September 20, 2013  
8:00 A.M.

River Park Inn  
350 S. Freeway  
Tucson, Arizona

SUMMARY OF MEETING

Committee Members Present

Larry Hecker, Chair  
Carolyn Campbell, Vice Chair  
Joe Boogaart  
Donald Chatfield  
Gary Davidson  
Paul Diaz  
Brian Flagg  
Kelly Gottschalk  
Terri Hutts  
David Lyons (arrived 8:15)  
A.C. Marriotti  
Wade McLean  
Ted Prezelski (arrived 8:15)  
Patty Richardson  
Chris Sheafe  
Dan Sullivan  
John Sundt (arrived 8:15)  
Greg Wexler

Committee Members Absent

Tom Dunn  
Rene Gastelum  
Mike Lund  
Susan Romero  
Tom Warne

MOTIONS

**MOTION:** Terri Hutts moved, seconded by Don Chatfield, to approve the June 14, 2013 meeting summary. Motion approved 15-0.

**MOTION:** Vice-Chair Campbell moved, seconded by Patty Richardson, to request that the Board of Supervisors include in their legislative package revisiting the date that counties are permitted to hold bond elections and any financial implications associated with such a change. Motion approved 17-1.

**MOTION: Dan Sullivan moved, seconded by David Lyons, to recommend to the Board of Supervisors that a County bond election not be held in 2014. Motion approved 18-0.**

**MOTION: Dan Sullivan moved, seconded by David Lyons, to recommend that the Committee be provided with legal and practical advice on which projects are eligible for bond funding. Motion approved 18-0.**

**MOTION: Vice-Chair Campbell moved, seconded by Gary Davidson, to delay action on updating tentatively approved projects and new projects, and instead establish a meeting schedule by topic area and well publicize the schedule for the public. Motion approved 18-0.**

**MOTION: Wade McLean moved, seconded by Dan Sullivan, to approve the proposed amendments to the 2004 bond implementation plan ordinance. Motion approved 18-0.**

**MOTION: Dan Sullivan moved, seconded by Vice-Chair Campbell, to schedule the next Committee meeting for February 2014, and ask staff to propose topics for consideration. Motion approved 18-0.**

### **MEETING SUMMARY**

1. Welcome

The meeting began at 8:10 a.m. with a quorum. Chairman Hecker announced some changes in Committee membership. Mayor of South Tucson, Paul Diaz, is now the representative for South Tucson. Jesus Gomez, representing County Supervisor Richard Elias, resigned and Brian Flagg has been appointed to fill his vacancy.

2. Approval of the June 14, 2013 Meeting Summary

**MOTION: Terri Hutts moved, seconded by Don Chatfield, to approve the June 14, 2013 meeting summary. Motion approved 15-0.**

3. Future Bond Election – Timing of Next Bond Election, General Discussion and Next Steps

Dan Sullivan requested that the timing of the next bond election be discussed first.

Mr. Huckelberry summarized the fiscal constraints to issuing new debt before 2016, including the continued contraction of the tax base and paying down existing debt in an aggressive timeframe while not exceeding the voluntary secondary tax rate cap. These issues were discussed on page 36 of the

September 13, 2013 memo to the Committee. In addition, postponing the 2014 bond election provides more time to refine some of the new projects.

Chairman Hecker reminded the audience that the process involves the Committee making recommendations to the Board of Supervisors. The Board then considers those recommendations and decides whether to call a bond election. If the Board calls a bond election, then the voters get to decide whether to authorize the County to sell bonds for the purposes stated on the ballot. If the voters approve the ballot questions, the Board then decides annually the amount of bonds to issue or sell, therefore incurring debt. Prior to the 2004 bond election, the Board approved revisions to the Truth in Bonding Code and adopted a voluntary secondary tax rate cap of 81.5 cents per \$100 of assessed property valuation.

Joe Boogaart asked whether the delay would mean higher construction and interest costs later. Mr. Huckelberry responded that the delay since 2008 has already resulted in higher construction costs, but that now construction costs and interest rates are both favorable, and so yes, additional delays may result in minor increased costs per market conditions.

Terry Hutts noted that some of the project sheets date back to 2006 and the text should probably be revised to focus on economic development and tourism benefits if that makes sense.

Chairman Hecker stated that the City of Tucson's bond committee just started meeting and that November 14 would be a general election with lots of items on the ballot, making it difficult to educate voters about a bond election. He asked if it was possible to add to the Board of Supervisors State legislative agenda, the issue of reconsidering May bond election dates.

**MOTION: Vice-Chair Campbell moved, seconded by Patty Richardson, to request that the Board of Supervisors include in their legislative package revisiting the date that counties are permitted to hold bond elections and any financial implications associated with such a change.**

Joe Boogaart noted that more people seem to vote in even year or general elections. Patty Richardson responded that voters have a right to vote in any election. Wade McLean cautioned seeking legislative action as it could make things worse. Ted Prezelski asked if staff could recirculate the report developed by a political scientist some years ago regarding the pros and cons of odd versus even year elections.

**Motion approved 17-1.**

Wade McLean mentioned the tremendous need for projects, regardless of the bond election date.

Gary Davidson stated that he was not against delaying the bond election, but that during the interim the Committee should get back to reviewing

projects, the process should be clearly communicated to the community, and a ceiling of \$650 million has never been agreed upon. Mr. Davidson also stated the importance of understanding that the Committee's tentatively approve list of projects have undergone years of vetting, whereas the new projects have not.

Dan Sullivan agreed and asked that a clear legal opinion be provided on the eligibility of projects for bond funding.

**MOTION: Dan Sullivan moved, seconded by David Lyons, to recommend to the Board of Supervisors that a County bond election not be held in 2014. Motion approved 18-0.**

**MOTION: Dan Sullivan moved, seconded by David Lyons, to recommend that the Committee be provided with legal and practical advice on which projects are eligible for bond funding. Motion approved 18-0.**

The County Administrator commented that all projects would be reviewed for eligibility, with the focus being on new projects submitted. (This review would also include the projects referenced on pages 27 to 33 in the September 13, 2013, memo to the BAC.)

4. Future Bond Election Planning – Tentatively Approved Projects: Updates and Re-justifications

Mr. Huckelberry provided a brief summary of each of the updates and re-justifications, noting which ones may warrant additional discussion due to the controversial nature of those particular changes. Chairman Hecker noted that if the Committee were to approve all of these changes, the current tentatively approved package would decrease from \$579 million to \$522 million. Vice-Chair Campbell suggested the Committee take individual votes on each project.

A presentation in support of maintaining the \$30 million tentatively approved allocation for a future neighborhood reinvestment program was heard at this time, beginning with speaker Joan Cole, president of the Jefferson Park Neighborhood Association.

Several Committee members stated their support for postponing action on these tentatively approved projects, and instead considering these changes along with the new project proposals during future meetings organized by topic area.

**MOTION: Vice-Chair Campbell moved, seconded by Gary Davidson, to delay action on updating tentatively approved projects and new projects, and instead establish a meeting schedule by topic area and well publicize the schedule for the public.**

Brian Flagg stated his agreement but asked to hear from more than just County staff on the projects, especially economic development. Terri Hutts suggested Marshal Vest from the University address the Committee again.

Kelly Gottschalk, in response to questions, stated that the City of Tucson Bond Committee was preparing to meet as often as possible in order to meet whatever schedule the County Bond Committee set. In addition, she stated that the majority of the projects being considered by the City's committee are not suitable for County bond funding.

**Motion approved 18-0.**

Chris Sheafe asked for confirmation regarding the deletion of \$16 million in bond funding for the Green Valley Performing Arts Center. Mr. Huckelberry confirmed that the deletion of that funding for phase 3 of the project was mutually supported by the Foundation and the County.

Call to the Audience

The following people spoke during call to the audience regarding the projects or project categories listed. They were in support of the projects unless listed as "opposed". Several people submitted speaker cards with comments, but selected the "do not wish to speak" option, or were not present when their name was called. Those comments are attached to the end of this meeting summary.

Name	Issue
State Senator Olivia Cajero Bedford	South 12th Avenue
City Councilwoman Regina Romero	Neighborhood Reinvestment
Colby Henley	Neighborhood Reinvestment and Pedestrian Safety & Comfort
Chuck Catino	Baja Sports Complex
Don Melhado	Velodrome
Maura Bracket	Aqua Caliente Pond Restoration
Bill Adamson	Requesting a new project be developed to connect Anza Trail to Loop
Maia Ingram	Pedestrian Safety and Comfort
Benjamin L Galaz	South 12th Avenue
Jesus Bonilla	South 12th Avenue
Richard DeBernardis	Velodrome
Beryl Baker	Sentinel Peak Project - reduce funding due to reduced scope

5. End of Fiscal Year Report on 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 a hand out of a presentation at the meeting. The Committee chose to skip the presentation itself due to time constraints. Reports from the cities, towns and tribes are due to the County by October 11, 2013 and will then be forwarded to the Committee.

6. Amendments to the 2004 Bond Ordinance

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 the two projects that would be impacted by this round of bond ordinance amendments. Nicole Fyffe summarized these at the meetings.

**MOTION: Wade McLean moved, seconded by Dan Sullivan, to approve the proposed amendments to the 2004 bond implementation plan ordinance. Motion approved 18-0.**

7. Introduction to Pima Prospers

Pima County Planning Director Arlan Colton provided an overview and handout concerning the County's recently initiated planning effort to update the County's Comprehensive Plan. Mr. Colton responded to several questions (State law does not require voter approval of the plan, the guidance committee has been established and includes representatives from each of the cities and towns, the name Pima Prospers signifies the overarching goal of the plan, economic development will be an important part of the plan).

Vice-chair Campbell made the Committee aware of a memorandum to the Committee concerning an action taken by the County's Conservation Acquisition Commission recommending that the Bond Committee maintain \$110 million for the tentatively approved Habitat Protection Priorities project. In addition she spoke about the link between the comprehensive plan and land conservation.

Chris Sheafe stated that he was supportive of moving away from the use of rezonings as an implementation tool many County needs.

8. Next Meeting and Future Agenda Items

The Committee discussed holding their next meeting in February, followed by monthly meetings through June, for the purpose of considering future bond election projects by topic area.

There was no direction from the Committee to prevent the submittal of new project proposals in the meantime.

It was noted by A.C. Marriotti that if Vail's incorporation efforts are successful, there could be a new member on the Committee by February.

**MOTION:** Dan Sullivan moved, seconded by Vice-Chair Campbell, to schedule the next Committee meeting for February 2014, and ask staff to propose topics for consideration. Motion approved 18-0.

9. Adjournment

Meeting was adjourned at 10:40 a.m.

DRAFT