



COUNTY ADMINISTRATOR'S OFFICE

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C. H. HUCKELBERRY
County Administrator

April 20, 2004

James Keene, Manager
City of Tucson
P.O. Box 27210
Tucson, Arizona 85726-7210

Re: Your April 12, 2004 Letter Regarding the Intergovernmental Agreement Transmitted to the County for Review After Approval by the Mayor and Council

Dear Mr. Keene:

My response to the intergovernmental agreement developed by City staff, approved by the Mayor and Council, and transmitted on March 29, 2004, remains the same. The County will not agree to fund project or program shortfalls. The areas of concern identified in my April 8, 2004 letter to you regarding the intergovernmental agreement remain.

Regarding the 1997 County Transportation Bond Program, I would be happy to provide you with my version of the facts, if desired; however, I have offered to let the matter drop as an agreed upon disagreement.

Section IV(b) of the Bond Implementation Ordinance adopted by the Board of Supervisors on April 13, 2004, should alleviate any concerns you have regarding the City being required to provide additional funds for implementation of any particular bond project. If such arises, the ordinance allows the City to request modifications to project scopes and funding amounts. Obviously, for City requested projects, the City is in direct control of ultimate project implementation. On projects that we share, we have to work together or they simply are not going to be accomplished.

Sincerely,

A handwritten signature in cursive script that reads "C. H. Huckelberry".

C.H. Huckelberry
County Administrator

CHH/jj

c: The Honorable Chair and Members, Pima County Board of Supervisors
The Honorable Mayor and Council, City of Tucson
Chair and Members, Pima County Bond Advisory Committee



CITY OF
TUCSON

OFFICE OF THE
CITY MANAGER

April 12, 2004

C.H. Huckelberry
Pima County Administrator
130 West Congress
Tucson, AZ 85701

Re: Your Letter Dated April 8, 2004 Regarding Intergovernmental Agreement Related to the Pima County Bond Election:

Dear Mr. Huckelberry:

The City of Tucson Mayor and Council has taken the public position that an agreement, firmer and more binding than the County Bond Implementation Ordinance, is essential to ensure that City voters ultimately receive the bond projects they may vote to approve.

In a letter dated February 6, 2004, I requested staff formally meet to jointly create an Intergovernmental Agreement (IGA). At that time, we also identified our primary concerns including the problem of funding shortfalls.

Having received no response, on March 3 I again wrote to you and expressed the importance of our staff meeting to jointly work out an agreement. In that letter I specifically stated, "We have grave concerns about under funding some of the bond projects that are crucial to the City, with our recommendations for funding levels not heeded in some of the recommendations in the bond package. That makes a clear and binding intergovernmental agreement an even more urgent necessity."

I asked Assistant City Manager Benny Young to contact Mr. Jim Barry, your Executive Assistant, to arrange a meeting. On March 10, 2004, Mr. Young told me that Mr. Barry returned his call and told him that there "is no interest" on the County's part in pursuing an umbrella IGA and that the County believes that the bond implementation ordinance will be sufficient protection for all concerned.

On March 18, 2004, you and I met with Oro Valley Town Manager Chuck Sweet. At that meeting I reiterated the City's need for the IGA. We also discussed some specifics, including our contention that the County needs to ensure that joint projects already potentially under funded will be covered without seeking additional funds from City residents.

We specifically spoke about the large funding shortfall for the Public Safety Communication System. I stated that the City needs a guarantee of \$61 million to ensure voters that the City of Tucson portion of the regional, interoperable system can be built. Sheriff Dupnik proposed this division of funds in a letter to you dated December 18, 2003. Because the Tucson Police Department and Tucson Fire Department are the largest first responders and public safety agencies in the region, we believe our request is reasonable and supported by the analysis we have done with the sheriff.

The IGA created by City staff and transmitted to you on March 29 is relatively short and simple. It provides protections to ensure that projects the voters may approve will actually occur. The Bond Implementation Ordinance does not provide that same certainty.

This chronology should make it clear that we have attempted to engage your office for months on the bond issue and this agreement.

1997 County Transportation Bond Program

We continue to disagree about the intentions of the 1997 county transportation bond program. That is precisely why the Mayor and Council believes an IGA covering the 2004 Bonds is necessary. Despite a County Bond Implementation Ordinance in 1997, the most important projects within the City still are not included in the Pima County Capital Improvement Program through 2008. Just as in 1997, the 2004 Bond Implementation Ordinance will not guarantee that the projects listed will be completed. The IGA provides much greater certainty that voters will receive what they vote for. The IGA is essential for defining meaningful and clear schedules, responsibility for funding shortfalls, and project change procedures.

Public Understanding and Disclosure

We acknowledge that there can be unforeseen events that may affect the scope or cost of a project. The concern we are raising through the IGA is that there are already funding shortfalls that put projects at risk from the outset. We are particularly concerned about the \$13 million shortfall in the Public Safety Communication System and significant shortfalls in the Joint Courts Complex and the Wilmot Library projects.

City staff has conducted an initial review of the Bond questions, the Sample Ballot and Publicity Pamphlet, and the Pima County Bond Election fact sheets. It is not clear from these materials that some proposed projects may be at risk without a clear agreement on how they will be fully funded.

If you believe the projects can be fully and successfully completed as proposed to the voters, then the County should have no problem making a commitment to fund any shortfalls. If you expect that there will be shortfalls but you are unwilling to make a commitment to fund them, then it seems that the public should be made fully aware before the vote.

City Funding vs. County Funding

The City of Tucson and Pima County have an unfortunate history of miscommunication when implementing bond projects. If City voters vote to approve bond proposals in 2004 they should be assured that the projects they approve will actually take place as promised and without additional charge. City residents of the County should not have to pay for bond projects through the County property tax and run an additional risk of being taxed by the City to make up shortfalls in county estimates before a bond project will be completed. We have too many other great and pressing needs in the City such as the need for police officers to deal with crime, the need to fix streets that are falling into disrepair, and to invest in neighborhoods that are at great risk. We can't ask City taxpayers to pay more for any of these bond projects than any other resident of Pima County.

Next Steps/ Raising the Bar on Public Process

These issues are too important to our region for us to continue debating via memoranda. We need to meet immediately to come to agreement. The Mayor and Council's position is that we needed to complete this work 45 days before the Bond election. That time frame has passed.

I understand that the Bond Advisory Committee last week voted 7-5 to not endorse the concept of an IGA. You also identified the Bond Advisory Committee's new role in "recommending policy matters relating to Bond Program execution." Nonetheless, the Board of Supervisors remains the duly elected governing body for the County. It is perfectly reasonable for the Board to directly entertain a formal request to enter into an intergovernmental agreement with another governing body. The elected leaders of the region should decide and take responsibility for how the Bond Program will be successfully implemented.

In fact, such direct public partnering and clarity is precisely part of raising "the public process bar regarding public review. . ." as your letter states. The Mayor and the City Council represent the approximately 500,000 City of Tucson residents who make up 56% of the population of Pima County. Satisfying the Council's request for a clear agreement on the 2004 Bonds that

avoids the confusion and disappointment of the 1997 County Transportation Bonds is a critical piece of a true public process. There are too many great needs within the City that affect the essential health and safety of our residents for this bond package to not deliver on what it promises, without any hidden costs to City taxpayers. To that end, an Intergovernmental Agreement as proposed is a perfectly legal approach.

I look forward to meeting with you very soon and truly working together in a cooperative fashion.

Sincerely,



James Keene
City Manager

Cc: Honorable Mayor and Council
Benny Young, Assistant City Manager
Liz Miller, Assistant City Manager
Dan Newburn, Fire Chief
Richard Miranda, Police Chief
Albert Elias, Director of Urban Planning and Design
Todd Sander, Chief Information Officer
Jay Gonzales, Communications Director