



# Board of Supervisors Memorandum

April 6, 2004

Ordinance No. 2004-\_\_\_\_\_, Amending the Pima County Code,  
Chapter 3.06, Bonding Disclosure, Accountability and Implementation

## Report

In preparation for the May 20, 1997 bond election, the Board of Supervisors created a new section in County Code, "Chapter 3.06, Bonding Disclosure, Accountability and Implementation." No governing body in the State of Arizona has voluntarily committed itself to any stricter standards of disclosure and accountability nor undertaken any more demanding procedures. Staff has found no examples of another governing body, prior to a special bond election, publishing bond implementation plan ordinances that ran to 118 pages for the May 20, 1997 election or even the 47 pages for the November 4, 1997 transportation bond program. On March 31, 2004, I forwarded to the Board a draft of the bond implementation plan ordinance for the May 18, 2004 bond election that is at 145 pages in draft. I am also forwarding this draft to the County Bond Advisory Committee and to all of the local governments for their review and comments. These plans are carried on the County's web page.

Pursuant to the monitoring and reporting requirements of County Code, staff has produced 16 quarterly bond status reports and other special reports, totaling close to 5,000 pages, and 63 monthly expenditure reports, totaling close to 10,000 pages.

Finally, in public hearings, the Board has disclosed all substantial changes to the 1997 bond implementation plans and amended the respective ordinance.

As the County prepares for the May 18, 2004 bond election, it is an opportune time to further strengthen the disclosure, accountability and implementation standards in County Code, based upon lessons learned over the past six years. Ordinance No. 2004 - \_\_\_\_\_, which, if adopted, would make significant improvements to Chapter 3.06 of the County Code. Attachment 1 presents the ordinance in "legislative style," in which language to be deleted is struck out (example), while new language is presented with underlining (example). Attachment 2 presents Chapter 3.06 as it will read if the Board approves the ordinance amendments. The information below highlights the proposed amendments to the Code.

1. The duties and responsibilities of the County Bond Advisory Committee would be expanded to include monitoring and review of implementation of the Bond Implementation Plan for the May election. All members of the committee would be reappointed to six-year terms. Furthermore, an eleven-member Conservation Acquisition Commission would be created to oversee and monitor all open space acquisitions, including recommendations on priorities for acquisition. Commission members would be appointed for eight-year terms. Staff and budget resources would be made available to each body sufficient to perform their tasks.

The Honorable Chair and Members, Pima County Board of Supervisors  
**Ordinance No. 2004-\_\_\_\_\_ , Amending the Pima County Code, Chapter 3.06, Bonding  
Disclosure, Accountability and Implementation**

April 6, 2004

Page 2

2. Board adoption and publication of the Bond Implementation Plan would be advanced to a date prior to the start of early voting, rather than the previous "not less than 10 days prior to" the election day. This new schedule acknowledges the increasing voter tendency to use early voting and allows the voting public almost one additional month to review the plan and make their informed choices. The new procedures require publication of the plan in a newspaper of general circulation, but equally important on the County's website, in acknowledgment of the growing importance of the Internet as a source of information.
3. Under the new requirements, bond implementation plans will disclose more detailed information on total costs, breaking down estimated costs by major tasks, then disclosing revenue sources, including bond funding and other funding. The implementation plans will also disclose estimates of how long major tasks for each project will take to complete, as well as scheduling of projects by implementation period.
4. At least forty projects in the 2004 County Bond Program will require strong intergovernmental cooperation to complete. Many of these projects will be managed directly by one of the participating jurisdictions. The Regional Public Safety Communications System alone will require cooperation and coordination among twenty fire districts, eleven police agencies, and eight local governments. The voters will expect disclosure and accountability on all projects in the bond implementation plan, not just those for which Pima County is fully responsible. The other participating jurisdiction will be asked to accept full responsibility for compliance with the Code and the amended Code will clarify County expectations for compliance with Code provisions by other participating jurisdictions.
5. The amended Code expands and clarifies "substantial modifications" to the plan requiring ordinance amendments, establishes a schedule for bringing ordinance amendments to the Board for a public hearing, and sharpens the requirements for monitoring and reporting, which must be made semi-annually at a minimum.

Staff acknowledges the tradeoff between disclosure and accountability on the one hand and timeliness on the other hand. Whatever the costs in terms of time, ensuring the most vigorous standards of disclosure and accountability are clearly worth those costs.

**Recommendation**

It is recommended the Board of Supervisors approve Ordinance No. 2004 - \_\_\_\_\_, amending Pima County Code, Chapter 3.06, "Bonding Disclosure, Accountability and Implementation."

Respectfully submitted,



C.H. Huckelberry  
County Administrator

CHH/jj (March 31, 2004)  
Attachments

# ATTACHMENT 1

**PROPOSED  
ORDINANCE NO.2004- \_\_\_\_**

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY;  
RELATING TO REVENUE AND FINANCE; AMENDING THE PIMA COUNTY CODE,  
CHAPTER 3.06, BONDING DISCLOSURE, ACCOUNTABILITY AND  
IMPLEMENTATION**

**BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY:**

**SECTION 1.** Chapter 3.06 of the Pima County Code is hereby amended to read as follows:

**Chapter 3.06**

**BONDING DISCLOSURE,  
ACCOUNTABILITY AND  
IMPLEMENTATION**

**3.06.010 Intent**

The Board is authorized by Arizona Revised Statutes §35-452 to call special elections for the purpose of seeking voter authorization to incur bonded indebtedness. The Board desires to provide voters with complete information on projects, along with their estimated costs, that will be constructed from proceeds of bonded indebtedness, as well as provide voters, to the maximum extent practicable, firm assurances that these projects will be constructed within the estimated costs and timetables established by the Board. Because it is not practicable to list on a ballot question all of the projects and estimated costs that would be constructed from the sale of authorized bonded indebtedness, the Board establishes this Chapter setting forth requirements for presenting general obligation and revenue bond packages to the electorate for approval and for monitoring utilization of the proceeds from authorized bonds.

### 3.06.020 **Bond Improvement Implementation Plan**

~~Not less than ten (10) days p~~ Prior to the start of early voting for a special election called by the Board pursuant to ARS §35-452, the Board shall adopt by ordinance a “Bond Improvement-Implementation Plan,” which shall be adopted for each bond election and question ordered by the Board pursuant to ARS §35-452. The title of the ordinance shall contain the date of the special bond election. After adoption, the ordinance shall govern the development or onstruction of all listed projects, including the approximate project cost and the proposed construction schedule, unless the ordinance is amended pursuant to Section 3.06.050. The ordinance shall contain the following information:

A. A complete list of all projects to be constructed or acquired by proceeds from the sale of authorized bonds. The project list shall identify each project by name and location, and provide a short narrative project description.

1. For capital construction projects, the following information shall also be provided for each project:
  - a. A project scope of work containing a description of the facility to be constructed including the size or capacity and whether construction is for a new facility or an expansion, rehabilitation or reconstruction of an existing facility.
  - b. The purpose and specific benefits to be achieved by construction of the project.
  - c. A construction schedule that identifies by major task (i.e. planning/design/right-of-way; construction; other) and by fiscal year the projected start and completion dates.
  - d. The estimated future operating and maintenance costs; what jurisdiction or County department will be responsible for these costs and whether ability to fund these costs should impact scheduling of the project.
2. For each land acquisition project related to open space, trails or historic/cultural preservation, the following information shall be provided:
  - a. An estimate of the number of acres to be acquired and any special designation relating to the property such as recreational, open space planning, floodplain, or

historic/cultural preservation.

- b. The desirable location of the property by section, township, and range, the Assessor parcel number, and existing zoning of the property.
  - c. The benefits to be achieved by the acquisition.
  - d. The estimated future management and security costs, and identification of the management agency if other than the County.
- B. The approximate total estimated cost of each project or acquisition; total estimated costs by major task; a discussion of how estimated costs were derived, and analysis of the potential for actual costs to increase or decrease from estimated costs.
- C. The source (federal or state aid; local governments; other County revenues; private sources) of any other revenues that may be obtained for the project or revenues that are required as cost sharing from other governmental entities or private parties, including an assessment of the certainty or uncertainty that other sources will be secured and options that would be available if the other sources are not secured.
- D. ~~A projected schedule of the sale of bonds if authorized by the voters. A~~ detailed strategy for managing the sale of bonds, including discussion of the factors upon which the County will base decisions on the timing, size, and terms of bond sales.
- E. ~~An estimate of the impact of the sale of authorized bonds on secondary property tax rates and the estimated schedule of debt service payments. For~~ general obligation bonds, discussion of commitments to manage the sale of bonds within limits on secondary property tax rates and analysis of how approval and sale of general obligation bonds could impact actual property taxes paid for debt service.
- F. For revenue bonds, a discussion of sources of revenues that will be used to service bond debt and whether fees will be raised, and by how much, if revenue bonds are approved and sold.

**3.06.030 Advance Publication of Bond Improvement Implementation Plan**

A Bond Improvement Implementation Plan adopted pursuant to this Chapter shall be

published at least once in a newspaper of general circulation in the County prior to the start of early voting for the special bond election. The publication shall set forth the ordinance containing the Bond Improvement Implementation Plan adopted by the Board. Upon adoption, the Board shall also publish the Bond Implementation Plan on the County's web site prior to the start of early voting for the special bond election.

**3.06.040**      **Pima County Bond Advisory Committee: Capital Planning, Program and Implementation Review**

- A.    The duties and responsibilities of the Pima County Bond Advisory Committee as adopted by the Board of Supervisors on July 15, 2003 are expanded to include monitoring and review of implementation of the Bond Implementation Plan.
- B.    The Pima County Bond Advisory Committee members shall be appointed to a term of six years. Upon resignation of any member, the appointing authority shall appoint another member to begin a new six year term.
- C.    The Committee will meet as often as it deems necessary but in any event no less frequently than semi-annually.
- D.    Under direction of the County Administrator, County staff shall prepare progress reports and otherwise brief the committee on the status of implementation of the Bond Implementation Plan, with special attention paid to major issues impacting implementation of the Bond Improvement Plan.
- E.    The committee shall review and make recommendations to the Board of Supervisors on all proposed amendments to the Bond Implementation Plan.
- F.    The Committee shall review and approve the semi-annual progress reports on the Bond Implementation Plan prior to it being transmitted to the Board of Supervisors and published, as required by section 3.06.060.

**3.06.050**      **Conservation Acquisition Commission**

- A.    The Board of Supervisors hereby establishes the Conservation Acquisition Commission.
- B.    The Conservation Acquisition Commission shall have a total of eleven members, appointed as follows:
  - 1.    five members, one appointed by each member of the Board of Supervisors;

2. two members appointed by land conservation organizations active in Pima County;
  3. one member appointed from the Natural Resources, Parks and Recreation Commission; and
  4. one member appointed by the local board of realtors.
  5. one member appointed by the ranching community.
  6. one member appointed by the County Administrator.
- C. Appointments to the Commission are for a term of eight years. Upon the resignation of any member, the appointing authority shall appoint another member to begin a new eight year term.
- D. The duties and responsibilities of the Commission are as follows:
1. Oversee and monitor all open space bond acquisitions placed before the Board of Supervisors for consideration, including but not limited to acquisitions funded by general obligation bonds.
  2. Make recommendations to the Board of Supervisors and the Pima County Bond Advisory Committee for priorities in the scheduling of open space acquisitions and periodic assessment and change in priorities as necessary.
  3. Make of recommendations to the Board of Supervisors and the Pima County Bond Advisory Committee on any aspects of open space land management, including management of lands acquired for open space.
  4. Make of recommendations to the County Administrator, and the Pima County Bond Advisory Committee on any aspect relating to internal County management of the open space acquisition process.
- E. The Commission will meet as often as it deems necessary but in any event no less frequently than quarterly.
- F. Under direction of the County Administrator, County staff shall prepare progress reports and otherwise brief the commission on the status of implementation of the conservation bond program component of the Bond Implementation Plan, with special attention paid to major issues impacting implementation of conservation bond program.

- G. The Commission shall review and make recommendations to the Board of Supervisors on all potential amendments to conservation bond program component of the Bond Implementation Plan.
- H. The Commission shall review and approve the semi-annual progress reports on the conservation bond program component of the Bond Implementation Plan prior to it being transmitted to the County Bond Advisory Committee as required by section 3.06.040.

**~~3.06.040~~3.06.060      Monitoring and Reporting on Sold Bonds**

The County Administrator shall prepare semi-annual reports on the progress of the Bond Improvement Implementation Plan implementation which shall be transmitted to the Board for review. Upon transmittal to the Board of Supervisors on or before January 1 and July 1, semi-annual progress reports shall also be posted on the County's web site. Progress reports shall be prepared and transmitted by the County Administrator until a Bond Improvement Implementation Plan is determined by the board to have been completed. Each progress report shall contain the following information on the status of every project or program contained in the plan:

- A. The project implementation schedule status, including design, construction, acquisition and completion.
- B. Any estimated substantial variances from the project cost and revenue sources in the adopted Bond Improvement Implementation Plan.
- C. Any major issues that may affect implementation of the Bond Improvement Implementation Plan.
- D. Plans and options for addressing substantial modifications in costs or revenue sources or other major issues, including the potential need for substantial modifications in the Bond Implementation Plan as provided for in section 3.06.070.
- E. A fiscal status report, including discussion of bond sales completed and projected; interest rates and terms of completed sales; interest rates received on deposits of bond proceeds; updated projections on conditions in municipal bond markets; current debt service schedules and updated projections of secondary property tax rates for debt service; updated projections of secondary property tax rates with projected future sales of bonds; and analysis and projection of fiscal impacts of completed and projected sales of revenue bonds.

**3.06.0503.06.070 Substantial Modification of An Adopted Bond Improvement Implementation Plan**

A. A substantial modification in the implementation of an adopted Bond Improvement Implementation Plan shall not be made except as provided in this section.

B. For purposes of this section, “substantial modification” means any of the following:

1. An increase or decrease in total actual project costs by twenty-five percent or more.
2. An increase or decrease in ~~estimated~~ actual bond costs by twenty-five percent or more.
3. An increase or decrease in actual other revenues by twenty-five percent or more.
4. A delay in a project construction or implementation schedule of twelve months or more.
5. A delay in the scheduled years of sale of bonds of twenty-four months or more caused by changes in municipal bond market conditions or County financial conditions and necessary to maintain commitments to capping the secondary property tax rate for debt service.
6. Any project that is not constructed.
7. Any project that is added to those to be constructed.
8. Any increase or decrease in the project scope that alters the disclosed project benefits.
9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election.

C. Cost estimates may vary, up or down, as a project proceeds through planning, design, procurement, contract award, and construction, or through appraisals and negotiations for conservation acquisitions. Variations in cost estimates do not constitute “substantial modifications.” “Substantial modifications” relating only to cash amounts may occur pursuant to official action by the Board of Supervisors, in

open session, that establish actual costs through awards of construction contracts, contact amendments or change orders, or approval of a contract for acquisition. Such Board actions shall be accompanied by notice that the action will require a bond ordinance amendment.

D. Any substantial modification in the implementation of an adopted Bond Improvement Implementation Plan shall requires an specific amendment to the ordinance that adopted the plan, ~~that is~~ The ordinance amendment must be enacted by the board at a public hearing for which at least fifteen days prior notice of which shall be given by publication was published in a newspaper of general circulation in the County.

1. Bond ordinance amendments shall be scheduled to coincide with transmittal of the semi-annual bond progress reports as required by section 3.06.060.
2. Recommendations for bond ordinance amendments shall be reviewed by the Pima County Bond Advisory Committee, as required by section 3.06.040, and for conservation acquisitions by the Conservation Acquisition Commission, as required by section 3.06.050.
3. Substantial modifications of costs, bond funding, or other funding ordinance amendments may be scheduled for the next regular transmission of the semi-annual bond progress report, provided the modifications were previously approved by the Board of Supervisors.
4. All other substantial modifications require amendment of the bond ordinance prior to the substantial modification.

For purposes of this section, “substantial modification” means any of the following:

- ~~1. An increase or decrease in estimated bond costs by twenty-five percent or more.~~
- ~~2. A delay in a project construction or implementation schedule of twelve months or more.~~
- ~~3. A delay in the scheduled sale of bonds of twenty-four months or more.~~
- ~~4. Any project that is not constructed.~~
- ~~5. Any project that is added to those to be constructed.~~
- ~~6. Any increase or decrease in the project scope by twenty percent or~~

more:

- ~~7. All changes to a Bond Improvement Plan necessitated by only a portion of the proposed bond questions being approved at the special election.~~

~~**3.06.060 Capital Planning, Programming and Implementation Review Board**~~

~~The Board may establish and appoint a committee to monitor or review the implementation of a Bond Improvement Plan.~~

**3.06.0703.06.080 Coordination with Other Capital Planning of the County and Region, and Applicability to County Bond Projects Within Other Jurisdictions**

A Bond Implementation Plan shall be integrated into a five year capital improvement plan to be adopted at the time the annual budget of the County is adopted. The County five year capital improvement program shall be reported to the Metropolitan Planning Organization for all necessary coordination and integration into a regional capital plan. Any project contained within a Bond Implementation Plan that is being implemented by a political subdivision other than the County shall conform with the requirements of this chapter. Specific program or project oversight for the purposes of conforming with this chapter shall remain with the County.

**3.06.080 3.06.090 Implementation of County Bond Projects in Other Jurisdictions Design, Construction, and Equipping of County Bond Projects by Other Jurisdictions**

~~Bond projects authorized by the Board to be implemented by another political subdivision shall not be funded by the County unless an intergovernmental agreement is executed which authorizes the jurisdiction to construct the project. Unless waived by the Board of Supervisors as being in the best interests of the County and warranted by the circumstances of the bond funded project at issue, the intergovernmental agreement shall contain at least the following:~~

A. Pursuant to Pima County Code section 3.06.080, bond projects authorized by the board in a bond implementation plan for a special bond election to be designed, constructed, or equipped by another political subdivision using County general obligation bonds to fund a project in whole or part shall be funded by the County only pursuant to an intergovernmental agreement executed between Pima County and the implementing subdivision. Each such project shall be authorized and implemented with separate intergovernmental agreements. The intergovernmental agreement shall

authorize the jurisdiction to design, construct, or equip the project, subject to compliance with the terms and mutual responsibilities of the parties agreed upon in the intergovernmental agreement.

B. Unless waived by the Board of Supervisors as being in the best interests of the County and warranted by the circumstances of the bond funded project at issue, the intergovernmental agreement shall include, but not be limited to, the following responsibilities of the implementing subdivision:

A.1. That the implementing political subdivision shall operate and maintain the improvements constructed by County bond funds for a period of not less than twenty-five (25) years.

B2. That the implementing political subdivision shall not charge a fee for use of the constructed improvement that is more than a fee charged by the County for a similar purpose.

C3. That the implementing political subdivision agrees to insure the improvements constructed with County bond funds and will replace ~~same~~ them if they are damaged or destroyed.

D4. That the implementing political subdivision agrees to make the improvements available to all residents of Pima County without restriction or preference to jurisdiction of residence.

5. That the implementing political subdivision agrees to comply with all provisions of Chapter 3.06, bonding disclosure, accountability, and implementation, of the Pima County Code and will provide all reports to the County in a format and schedule agreed upon by the parties.

6. That the County will only transfer County general obligation bond proceeds to the implementing jurisdiction upon request from the implementing jurisdiction, with full documentation.

G. That the implementing political subdivision agrees to a provision requiring compliance with federal arbitrage regulations.

H. That the implementing jurisdiction, by action of its governing body at a public hearing, shall notify the County of events that would require an amendment of the Bond Implementation Plan ordinance and formally request the Board of Supervisors to hold a public hearing on the necessary ordinance amendment.

- I. That the intergovernmental agreement shall establish the amount of County bond funds to be allocated to a specific project, establish the stated amount as a maximum of County bond monies to be allocated to the project, and commit the implementing political subdivision to pay for any and all costs in excess of County bond funds.

**SECTION 2.** It is the intent of the Board of Supervisors to make staff and budget resources available to the Conservation Acquisition Commission and the Pima County Bond Advisory Committee sufficient for it to discharge its duties and responsibilities.

**SECTION 3.** The Pima County Bond Advisory Committee as listed in Exhibit A is hereby reappointed to a term of six years. Upon resignation of any member, the appointing authority as designated in Exhibit A shall appoint another member to begin a six year term.

**SECTION 4.** That this ordinance shall not become effective sooner than 31 days from and after its adoption.

**PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona this \_\_\_\_\_ day of April, 2004.**

\_\_\_\_\_  
Chairman, Board of Supervisors

Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk, Board of Supervisors

Approved as to Form:

\_\_\_\_\_  
Civil Deputy County Attorney

## ATTACHMENT 2

**FINAL  
ORDINANCE NO.2004- \_\_\_\_\_**

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF PIMA COUNTY;  
RELATING TO REVENUE AND FINANCE; AMENDING THE PIMA COUNTY CODE,  
CHAPTER 3.06, BONDING DISCLOSURE, ACCOUNTABILITY AND  
IMPLEMENTATION**

**BE IT ORDAINED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY:**

**SECTION 1.** Chapter 3.06 of the Pima County Code is hereby amended to read as follows:

**Chapter 3.06**

**BONDING DISCLOSURE,  
ACCOUNTABILITY AND  
IMPLEMENTATION**

**3.06.010      Intent**

The Board is authorized by Arizona Revised Statutes §35-452 to call special elections for the purpose of seeking voter authorization to incur bonded indebtedness. The Board desires to provide voters with complete information on projects, along with their estimated costs, that will be constructed from proceeds of bonded indebtedness, as well as provide voters, to the maximum extent practicable, firm assurances that these projects will be constructed within the estimated costs and timetables established by the Board. Because it is not practicable to list on a ballot question all of the projects and estimated costs that would be constructed from the sale of authorized bonded indebtedness, the Board establishes this Chapter setting forth requirements for presenting general obligation and revenue bond packages to the electorate for approval and for monitoring utilization of the proceeds from authorized bonds.

### **3.06.020 Bond Implementation Plan**

Prior to the start of early voting for a special election called by the Board pursuant to ARS §35-452, the Board shall adopt by ordinance a “Bond Implementation Plan,” which shall be adopted for each bond election and question ordered by the Board pursuant to ARS §35-452. The title of the ordinance shall contain the date of the special bond election. After adoption, the ordinance shall govern the development or construction of all listed projects, including the approximate project cost and the proposed construction schedule, unless the ordinance is amended pursuant to Section 3.06.050. The ordinance shall contain the following information:

A. A complete list of all projects to be constructed or acquired by proceeds from the sale of authorized bonds. The project list shall identify each project by name and location, and provide a short narrative project description.

1. For capital construction projects, the following information shall also be provided for each project:
  - a. A project scope of work containing a description of the facility to be constructed including the size or capacity and whether construction is for a new facility or an expansion, rehabilitation or reconstruction of an existing facility.
  - b. The purpose and specific benefits to be achieved by construction of the project.
  - c. A construction schedule that identifies by major task (i.e., planning/design/right-of-way; construction; other) and by fiscal year the projected start and completion dates.
  - d. The estimated future operating and maintenance costs; what jurisdiction or County department will be responsible for these costs and whether ability to fund these costs should impact scheduling of the project.
2. For each land acquisition project related to open space, trails or historic/cultural preservation, the following information shall be provided:
  - a. An estimate of the number of acres to be acquired and any special designation relating to the property such as recreational, open space planning, floodplain, or historic/cultural preservation.

- b. The desirable location of the property by section, township, and range, the Assessor parcel number, and existing zoning of the property.
  - c. The benefits to be achieved by the acquisition.
  - d. The estimated future management and security costs, and identification of the management agency if other than the County.
- B. The total estimated cost of each project or acquisition; total estimated costs by major task; a discussion of how estimated costs were derived, and analysis of the potential for actual costs to increase or decrease from estimated costs.
- C. The source (federal or state aid; local governments; other County revenues; private sources) of any other revenues that may be obtained for the project or revenues that are required as cost sharing from other governmental entities or private parties, including an assessment of the certainty or uncertainty that other sources will be secured and options that would be available if the other sources are not secured.
- D. A detailed strategy for managing the sale of bonds, including discussion of the factors upon which the County will base decisions on the timing, size, and terms of bond sales.
- E. For general obligation bonds, discussion of commitments to manage the sale of bonds within limits on secondary property tax rates and analysis of how approval and sale of general obligation bonds could impact actual property taxes paid for debt service.
- F. For revenue bonds, a discussion of sources of revenues that will be used to service bond debt and whether fees will be raised, and by how much, if revenue bonds are approved and sold.

**3.06.030 Advance Publication of Bond Implementation Plan**

A Bond Implementation Plan adopted pursuant to this Chapter shall be published at least once in a newspaper of general circulation in the County prior to the start of early voting for the special bond election. The publication shall set forth the ordinance containing the Bond Implementation Plan adopted by the Board. Upon adoption, the Board shall also publish the Bond Implementation Plan on the County's web site prior to the start of early voting for the special bond election.

**3.06.040 Pima County Bond Advisory Committee: Capital Planning, Program and Implementation Review**

- A. The duties and responsibilities of the Pima County Bond Advisory Committee as adopted by the Board of Supervisors on July 15, 2003 are expanded to include monitoring and review of implementation of the Bond Implementation Plan.
- B. The Pima County Bond Advisory Committee members shall be appointed to a term of six years. Upon resignation of any member, the appointing authority shall appoint another member to begin a new six year term.
- C. The Committee will meet as often as it deems necessary but in any event no less frequently than semi-annually.
- D. Under direction of the County Administrator, County staff shall prepare progress reports and otherwise brief the committee on the status of implementation of the Bond Implementation Plan, with special attention paid to major issues impacting implementation of the Bond Improvement Plan.
- E. The committee shall review and make recommendations to the Board of Supervisors on all proposed amendments to the Bond Implementation Plan.
- F. The Committee shall review and approve the semi-annual progress reports on the Bond Implementation Plan prior to it being transmitted to the Board of Supervisors and published, as required by section 3.06.060.

**3.06.050 Conservation Acquisition Commission**

- A. The Board of Supervisors hereby establishes the Conservation Acquisition Commission.
- B. The Conservation Acquisition Commission shall have a total of eleven members, appointed as follows:
  - 1. five members, one appointed by each member of the Board of Supervisors;
  - 2. two members appointed by land conservation organizations active in Pima County;
  - 3. one member appointed from the Natural Resources, Parks and Recreation Commission; and

4. one member appointed by the local board of realtors.
  5. one member appointed by the ranching community.
  6. one member appointed by the County Administrator.
- C. Appointments to the Commission are for a term of eight years. Upon the resignation of any member, the appointing authority shall appoint another member to begin a new eight year term.
- D. The duties and responsibilities of the Commission are as follows:
1. Oversee and monitor all open space bond acquisitions placed before the Board of Supervisors for consideration, including but not limited to acquisitions funded by general obligation bonds.
  2. Make recommendations to the Board of Supervisors and the Pima County Bond Advisory Committee for priorities in the scheduling of open space acquisitions and periodic assessment and change in priorities as necessary.
  3. Make recommendations to the Board of Supervisors and the Pima County Bond Advisory Committee on any aspects of open space land management, including management of lands acquired for open space.
  4. Make recommendations to the County Administrator, and the Pima County Bond Advisory Committee on any aspect relating to internal County management of the open space acquisition process.
- E. The Commission will meet as often as it deems necessary but in any event no less frequently than quarterly.
- F. Under direction of the County Administrator, County staff shall prepare progress reports and otherwise brief the commission on the status of implementation of the conservation bond program component of the Bond Implementation Plan, with special attention paid to major issues impacting implementation of the conservation bond program.
- G. The Commission shall review and make recommendations to the Board of Supervisors on all potential amendments to conservation bond program component of the Bond Implementation Plan.

- H. The Commission shall review and approve the semi-annual progress reports on the conservation bond program component of the Bond Implementation Plan prior to it being transmitted to the County Bond Advisory Committee as required by section 3.06.040.

**3.06.060 Monitoring and Reporting on Sold Bonds**

The County Administrator shall prepare semi-annual reports on the progress of the Bond Implementation Plan implementation which shall be transmitted to the Board for review. Upon transmittal to the Board of Supervisors on or before January 1 and July 1, semi-annual progress reports shall also be posted on the County's web site. Progress reports shall be prepared and transmitted by the County Administrator until a Bond Implementation Plan is determined by the board to have been completed. Each progress report shall contain the following information on the status of every project or program contained in the plan:

- A. The project implementation schedule status, including design, construction, acquisition and completion.
- B. Any estimated substantial variances from the project cost and revenue sources in the adopted Bond Implementation Plan.
- C. Any major issues that may affect implementation of the Bond Implementation Plan.
- D. Plans and options for addressing substantial modifications in costs or revenue sources or other major issues, including the potential need for substantial modifications in the Bond Implementation Plan as provided for in section 3.06.070.
- E. A fiscal status report, including discussion of bond sales completed and projected; interest rates and terms of completed sales; interest rates received on deposits of bond proceeds; updated projections on conditions in municipal bond markets; current debt service schedules and updated projections of secondary property tax rates for debt service; updated projections of secondary property tax rates with projected future sales of bonds; and analysis and projection of fiscal impacts of completed and projected sales of revenue bonds.

**3.06.070 Substantial Modification of An Adopted Bond Implementation Plan**

- A. A substantial modification in the implementation of an adopted Bond

Implementation Plan shall not be made except as provided in this section.

B. For purposes of this section, “substantial modification” means any of the following:

1. An increase or decrease in total actual project costs by twenty-five percent or more.
2. An increase or decrease in actual bond costs by twenty-five percent or more.
3. An increase or decrease in actual other revenues by twenty-five percent or more.
4. A delay in a project construction or implementation schedule of twelve months or more.
5. A delay in the scheduled years of sale of bonds of twenty-four months or more caused by changes in municipal bond market conditions or County financial conditions and necessary to maintain commitments to capping the secondary property tax rate for debt service.
6. Any project that is not constructed.
7. Any project that is added to those to be constructed.
8. Any increase or decrease in the project scope that alters the disclosed project benefits.
9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election.

C. Cost estimates may vary, up or down, as a project proceeds through planning, design, procurement, contract award, and construction, or through appraisals and negotiations for conservation acquisitions. Variations in cost estimates do not constitute “substantial modifications.” “Substantial modifications” relating only to cash amounts may occur pursuant to official action by the Board of Supervisors, in open session, that establish actual costs through awards of construction contracts, contract amendments or change orders, or approval of a contract for acquisition. Such Board actions shall be accompanied by notice that the action will require a bond ordinance amendment.

D. Any substantial modification in the implementation of an adopted Bond Implementation Plan requires an amendment to the ordinance that adopted the plan. The ordinance amendment must be enacted by the board at a public hearing for which at least fifteen days prior notice was published in a newspaper of general circulation in the County.

1. Bond ordinance amendments shall be scheduled to coincide with transmittal of the semi-annual bond progress reports as required by section 3.06.060.
2. Recommendations for bond ordinance amendments shall be reviewed by the Pima County Bond Advisory Committee, as required by section 3.06.040, and for conservation acquisitions by the Conservation Acquisition Commission, as required by section 3.06.050.
3. Substantial modifications of costs, bond funding, or other funding ordinance amendments may be scheduled for the next regular transmission of the semi-annual bond progress report, provided the modifications were previously approved by the Board of Supervisors.
4. All other substantial modifications require amendment of the bond ordinance prior to the substantial modification.

**3.06.080 Coordination with Other Capital Planning of the County and Region, and Applicability to County Bond Projects Within Other Jurisdictions**

A Bond Implementation Plan shall be integrated into a five year capital improvement plan to be adopted at the time the annual budget of the County is adopted. The County five year capital improvement program shall be reported to the Metropolitan Planning Organization for all necessary coordination and integration into a regional capital plan. Any project contained within a Bond Implementation Plan that is being implemented by a political subdivision other than the County shall conform with the requirements of this chapter. Specific program or project oversight for the purposes of conforming with this chapter shall remain with the County.

**3.06.090 Design, Construction, and Equipping of County Bond Projects by Other Jurisdictions**

A. Pursuant to Pima County Code section 3.06.080, bond projects authorized by the board in a bond implementation plan for a special bond election to be designed, constructed, or equipped by another political subdivision using County general

obligation bonds to fund a project in whole or part shall be funded by the County only pursuant to an intergovernmental agreement executed between Pima County and the implementing subdivision. Each such project shall be authorized and implemented with separate intergovernmental agreements. The intergovernmental agreement shall authorize the jurisdiction to design, construct, or equip the project, subject to compliance with the terms and mutual responsibilities of the parties agreed upon in the intergovernmental agreement.

B. Unless waived by the Board of Supervisors as being in the best interests of the County and warranted by the circumstances of the bond funded project at issue, the intergovernmental agreement shall include, but not be limited to, the following responsibilities of the implementing subdivision:

1. That the implementing political subdivision shall operate and maintain the improvements constructed by County bond funds for a period of not less than twenty-five (25) years.
2. That the implementing political subdivision shall not charge a fee for use of the constructed improvement that is more than a fee charged by the County for a similar purpose.
3. That the implementing political subdivision agrees to insure the improvements constructed with County bond funds and will replace them if they are damaged or destroyed.
4. That the implementing political subdivision agrees to make the improvements available to all residents of Pima County without restriction or preference to jurisdiction of residence.
5. That the implementing political subdivision agrees to comply with all provisions of Chapter 3.06, bonding disclosure, accountability, and implementation, of the Pima County Code and will provide all reports to the County in a format and schedule agreed upon by the parties.
6. That the County will only transfer County general obligation bond proceeds to the implementing jurisdiction upon request from the implementing jurisdiction, with full documentation.
7. That the implementing political subdivision agrees to a provision requiring compliance with federal arbitrage regulations.
8. That the implementing jurisdiction, by action of its governing body at a public hearing, shall notify the County of events that would require

an amendment of the Bond Implementation Plan ordinance and formally request the Board of Supervisors to hold a public hearing on the necessary ordinance amendment.

9. That the intergovernmental agreement shall establish the amount of County bond funds to be allocated to a specific project, establish the stated amount as a maximum of County bond monies to be allocated to the project, and commit the implementing political subdivision to pay for any and all costs in excess of County bond funds.

**SECTION 2.** It is the intent of the Board of Supervisors to make staff and budget resources available to the Conservation Acquisition Commission and the Pima County Bond Advisory Committee sufficient for it to discharge its duties and responsibilities.

**SECTION 3.** The Pima County Bond Advisory Committee as listed in Exhibit A is hereby reappointed to a term of six years. Upon resignation of any member, the appointing authority as designated in Exhibit A shall appoint another member to begin a six year term.

**SECTION 4.** That this ordinance shall not become effective sooner than 31 days from and after its adoption.

**PASSED AND ADOPTED by the Board of Supervisors of Pima County, Arizona this \_\_\_\_\_ day of April, 2004.**

\_\_\_\_\_  
Chair, Board of Supervisors  
Date: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk, Board of Supervisors

Approved as to Form:

\_\_\_\_\_  
Civil Deputy County Attorney