

**Pima County Bond Advisory Committee**  
**March 4, 2005**  
**8:00 A.M.**  
**Manning House**  
**450 West Paseo Redondo**  
**Tucson, Arizona**

**Summary of Meeting**

**Attendance**

**Committee Members**

**Present**

Larry Hecker, Chair, District 3

Carolyn Campbell, Vice Chair District 5

Chris Sheafe, District 1

Peter Backus, District 1

Rene Gastelum, District 2

Tom Warne, District 2

Debbv Hecht District 3

David Lvons District 4

Dan Sullivan, Town of Marana

John Neis, Town of Oro Valle

Paul Diaz, City of South Tucson

Albert Elias, City of Tucson

Kelly Gomez, Pascua Yaqui

Patty Richardson, County Administrator

Wade McLean County Administrator

**Absent**

Jesus Gomez, District 5

A.C. Marriotti, Town of Sahuarita

**Others Present**

**Pima County**

John Bernal, Deputy County Administrator

Capt. Paul Wilson, Sheriff's Dept

Mike Hein, Deputy County Administrator

Tom Burke, Finance

Mike Tuinstra, Facilities Management

Rafael Pavan, Parks

Kurt Weinrich, Transportation/Flood Control

Suzanne Shields, Flood Control

Paul Bennett, Wastewater Management

Jeff Nichols, Wastewater

Bob Lutgendorf, Facilities Management

Linda Leatherman, Neighborhood Reinvestment

Don Spiece, CIP Unit

Carlo DiPilato, Parks

Linda Mayro, Cultural Resources

Joanne Homer, Transportation

Lola Pollack, CIP Unit

Juanita Garcia-Sieger, Public Works

Nicole Fyffe, Administrator's Office

Deseret Romero, Administrator's Office

Jim Barry, Consultant to Pima County

**Others**

**City of Tucson**

Fred Gray, Parks Director

Andy Dinauer, City Engineer

Andy McGovern, Transportation

**City of South Tucson**

Fernando Castro, Manager

**Town of Marana**

Mike Reuwsaat, Manager

Kevin Thorton, CIP

Carl Larson, Bond Program

1. Welcome

Larry Hecker began the meeting at 8:05 A.M., with a quorum of members present. Jim Barry announced that Alex Rodriguez has resigned from the Committee and introduced three new Committee members who did not make the October meeting: Peter Backus, District 1; Debby Hecht, District 3; and Kelly Gomez, Pascua Yaqui Tribe. Jim Barry introduced Nicole Fyffe, his replacement as Executive Assistant to the County Administrator and Tom Burke, the new Finance Director.

Mike Reuwsaat introduced Kevin Thorton and Carl Larson, newly hired by the Town of Marana to work on the Town's capital improvement program and the County bond funded programs to be implemented by the Town.

Jim Barry recommended that the Committee move discussion scheduled under Item 4.B. dealing with the status of 2004 County Bond Program projects inside of the jurisdictions forward to Item 3, the discussion of the recommended May 2005 General Obligation Bond Sale.

John Bernal reminded the Committee that it had jurisdiction over all existing County bond programs, as well as any future authorizations that might be approved by voters.

2. Approval of minutes from the October 29, 2004 meeting

John Neis noted that he now was the Town of Oro Valley representative to the Committee, not the alternate. With that correction, the minutes were approved unanimously.

3. Spring 2005 General Obligation and HURF Revenue Bond Sales (Discussion/Action)

Jim Barry began this agenda item with a financial status report on the sales and expenditures of 1997 and 2004 bond authorizations. Most of the 1997 General Obligation Bond and Sewer Revenue Bond authorizations have been sold. Of the 1997 HURF Revenue Bond authorization, \$130 million has been sold, with \$230 remaining to be sold. Of the 2004 General Obligation Bond authorization, \$54 million has already been sold. There has been no sale of the 2004 Sewer Revenue Bond authorization. A total of \$487 million in 1997 and 2004 bond authorizations have been sold

Authorization	Amount	Amount Sold	Amount To Be
	Authorized		Sold
1997 GO	256,980,000	203,739,101	53,240,899
1997 Sewer	105,000,000	99,105,505	5,894,495
1997 HURF	350,000,000	130,025,027	219,974,973
2004 GO	582,250,000	54,313,228	527,936,772
2004 Sewer	150,000,000	0	150,000,000
Total	1,444,230,000	487,182,861	957,047,139

As of December 31, 2004, of the \$487 million in 1997 and 2004 bond authorization that has been sold, \$444.5 million has been expended and the remaining \$42.7 million is scheduled for expenditure by May 2005. All of the remaining expenditures are from the June 2004 bond sale (\$65 million). Of the \$65 million from the June 2004 sale, approximately \$45 million will be expended for open space acquisitions authorized under Question 1 of the May 18, 2004 bond election.

The Committee then considered staff recommendations for May 2005 bond sales from 1997 General Obligation Bond authorization, 2004 General Obligation Bond authorization, and 1997 HURF Revenue Bond authorization. Jim Barry explained that Pima County is very cautious in selling bonds; that the County does not "sell on spec," but only for projects that we are reasonably certain are ready for expenditures. Larry Hecker explained federal tax laws regarding arbitrage. Jim Barry explained that Pima County planned to sell only an amount that could be reasonably expended in twelve months, which would keep the County in compliance with arbitrage regulations. The County is still finalizing details for the May 2005 bond sales and would ask that the Committee approve going to the Board with amounts for General Obligation Bonds not to exceed \$75 million and for HURF Revenue Bonds in an amount not to exceed \$55 million. In response to a question from Larry Hecker, Jim Barry explained that the detailed list of projects that would receive allocations from the May 2005 bond sales were planning documents and that the County had the flexibility to shift expenditures among authorized projects. The schedule would be for a sale on May 3, 2005, with the Board authorizing the sale at its meeting of April 5, 2005.

For the General Obligation Bond sale, County staff was tentatively looking at an amount not to exceed \$75 million, with \$15 million allocated to 1997 projects and \$60 million to 2004 projects. Of the \$60 million for 2004 projects, \$10 million would be allocated to open space; \$35 million to construction of County projects; and \$15 million was available to be allocated to jurisdictional projects, with the final amount dependant upon detailed discussions with the jurisdictions.

Jim Barry highlighted 1997 projects included in the proposed bond sale and the County projects in the sale from the 2004 authorization. Jim Barry noted that the County Administrator had sent letters to four jurisdictions asking for information about projects from the 2004 program that could be included in the May 2005 bond sale. The remainder of the discussion on the 2005 bond sale focused on the jurisdiction projects that could be included, with the understanding that the discussions would continue between the County and jurisdictions to finalize their projects. It was moved by Tom Warne and seconded by Dan Sullivan that the Pima County Bond Advisory Committee recommend to the Board of Supervisors a May 2005 sale of General Obligation Bonds in an amount not to exceed \$75 million and of HURF Revenue Bonds in an amount not to exceed \$55 million, with the understanding that further discussions might lower those amounts before the recommendation is taken to the Board of Supervisors. The Committee approved the motion

unanimously.

John Bernal briefly discussed the possibility of action on the 1997 and 2004 Sewer Revenue Bond authorizations, which was not included on the Committee's agenda and staff would not be asking the committee to take any action. Of the 1997 authorization, \$99 million has been sold and there has been no sale of the 2004 authorization yet. On February 1, 2005, staff presented the Board of Supervisors with a complete audit of the Wastewater Management Department. John Bernal noted that the Wastewater Management Advisory Committee and staff have noted that the revenues derived from the current rate structure are inadequate, but the Board does not plan to raise rates until a rate study is completed and transmitted to the Board in June 2005. The Advisory Committee has recommended that the Board raise rates before completion of the rate study in an amount sufficient to support sale of approximately \$8 million from the 2004 authorization.

4. Review of Pima County Bond Program (Discussion)

For the remainder of the meeting, County staff presented overviews on the status of the 1997 and 2004 County Bond Programs. A more complete record of these status reports will be prepared and distributed. The report will be posted on the County's bond web page (<http://www.bonds.pima.gov>.)

5. Agenda for next meeting (Discussion only)

There were no special items placed on the agenda for the September 23, 2005 meeting. The meeting will focus on regular status reports on the County 1997 and 2004 Bond Programs.

6. Call to the audience

There was no response from the Call to the Audience.

7. Adjournment

The meeting was adjourned at approximately 10:20 a.m.