

Pima County Bond Advisory Committee

October 31, 2003

8:30 A.M.

Manning House

450 West Paseo Redondo

Tucson, Arizona

Summary of Meeting

Attendance

Committee Members

Present

Chris Sheafe, District 1
Wanda Shattuck, District 1
Rene Gastelum, District 2
Tom Warne, District 2
Larry Hecker, District 3
Bill Roe, District 3
David Lyons, District 4
Jesus Gomez, District 5
Carolyn Campbell, District 5

Dan Sullivan, Town of Marana
Bob Jennens, Town of Oro Valley
John Neis, Town of Oro Valley (Alternate)
Paul Diaz, City of South Tucson
Stacey Lemos, Town of Sahuarita
Albert Elias, City of Tucson
Karen Thoreson, City of Tucson (Alternate)
Greg Saxe, Tohono O'Odham
Arlan Colton, County Administrator
Patty Richardson, County Administrator

Absent

Alex Rodriguez, District 4
Sharon Flores-Madril, Pascua Yaqui

Others Present

Pima County

Sharon Bronson, Board of Supervisors
Paul Simon, Presiding Judge, Justice Courts
Barbara Gelband, Aide, District 1
Keith Bagwell, Aide, District 5
Chuck Huckelberry, County Administrator
John Bernal, Deputy County Administrator
Mike Tuinstra, Facilities Management
Rafael Payan, Natural Resources, Parks
Robert Padilla, Parks
Linda Mayo, Cultural Resources
David Cushman, Cultural Resources

Don Spiece, CIP Unit
Jim Barry, County Administrator's Office
Linda Leatherman, Reinvestment
Bob Lutgendorf, Facilities Management
Patricia Alvarez-Hurley, Justice Court
Ann Neuman, Justice Court
Juantia Garcia-Steiger, Public Works
Nicole Fyffe, County Administrator's Office
Paul Bennett, Wastewater Management
Deseret Romero, Administrator's Office

Others

Rob Marshall, Conservation Bond Advisory Committee

Chuck Pettis, Conservation Bond Advisory Committee

Christina McVie, Conservation Bond Advisory Committee

City of Tucson

Richard Miranda, Chief of Police

Todd Sander, Manager's office

R. M. Lerner

Jim

Ray Murray

Paul Swift

Chris Kaselemis

Joan Harphant, Municipal Court

Ray W. Allen, Tucson Fire Department

Jim Glock, Transportation

Jay Gonzalez

Benny Young, Manager's Office

Scott Douthitt, Finance

Bob Martin, Parks and Recreation

Betsy Stunz-Hall, TPPL

Pat Corella, TPPL

Anabelle Nunez, TPPL

Patricia Peterson, TPPL Advisory Board

W. H. Niemann, TPPL Advisory Board

Sam Zelman, TPPL Advisory Board

Luis Lara, Parks and Recreation

Jim Perry, Operations

South Tucson

Richard Salaz, Planning and Zoning Director

Walker Smith, Manager's Office

Marana

Jaret Barr, Manager's Office

Oro Valley

Brent Sinclair, Planning Director

Others

Patrick Quinn, Tucson Youth Football

Lori J. Lustig, SAHBA

Lois Ann Miller, Tucson Youth Football

Sherry Barrett, US Fish and Wildlife Service

Pam Punsler

John Laswick, Smart Development Services

Ramon Grandserse, Tucson Chamber

Welcome

Larry Hecker began the meeting at 8:30 A.M., with a quorum of members present. Sharon Bronson made introductory remarks to the Committee, noting that the Board's priorities for the 2004 bond election were for open space as it related to the conservation plan, high resource value land, and neighborhood reinvestment, projects that come from the neighborhoods and not from the bureaucrats and which were in high stress areas.

1. Approval of summary of October 17, 2003 meeting

The summary of the meeting of October 17, 2003 was approved.

2. Presentation and discussion of requests from the City of South Tucson and Tucson and the Tucson-Pima Public Library and Town of Marana, Oro Valley and Sahuarita, and other local governments (Total Requests - \$748,215,000)

The Committee received requests from all of the other local governments and from the Tucson-Pima Public Library. The total of these requests were \$748.2 million. Each of the presentations and discussion is summarized below.

A. Town of Sahuarita (Total Request - \$6,500,000)

Stacey Lemos, Committee member and Finance Director for the Town of Sahuarita, presented on behalf of the Town.

<u>Project</u>	<u>Amount Requested</u>
Anza National Historic Trail Restoration	\$2,000,000
Neighborhood Reinvestment Project	1,000,000
Bicycle Lane Construction along Sahuarita Road	1,500,000
Open Space Preservation & Environmental Protection	1,500,000
Multi-Use Ballfield Construction - Anamax Park Expansion	500,000
Total	\$6,500,000

In response to questions from Arlen Colton, Ms. Lemos reported that the ballfields would not be lighted at this point and that development of the Town's open space and parks master plan was budgeted and the Town was ready to go to an RFP.

In response to a question from Carolyn Campbell, Ms. Lemos reported that the Anza Trail project was in addition to that already presented to the Committee.

Carolyn Campbell asked the County Administrator if the neighborhood reinvestment projects requested by the jurisdictions were in addition to the funding recommended by the Neighborhood Reinvestment Bond Committee. Chuck Huckelberry responded that he had referred the jurisdiction requests to the Reinvestment committee, which will report back to the Bond Advisory Committee by November 7. Mr. Huckelberry also reported that the Conservation Bond Advisory Committee will also report to the Committee on November 7.

B. Tohono O'Odham Nation (Total Request - \$1,500,000)

Greg Saxe, Committee member and Planning Director for the Nation, presented the Nation's request for \$1,500,000 to construct a storm drain to serve the Sells Community Center.

C. Pascua Yaqui Tribe (Total Request - \$2,500,000)

Jim Barry verbally presented for the Pascua Yaqui Tribe, requesting that the Committee accept

his report as a place holder for the Tribe's request. The Tribe is requesting \$2,500,000 from flood control improvements along the Black Wash.

D. City of South Tucson (Total Request - \$1,719,000)

Mr. Richard Salaz, Planning and Zoning Director and Personnel Director, presented the requests of the City of South Tucson. South Tucson is requesting \$1,719,000 for six flood control projects.

Project	Amount Requested
40 th St, from 4 th Ave to 10 th Ave/38 th St	\$1,000,000
26 th 1/2 St., from 4 th Ave to 5 th Ave	50,000
7 th Ave/28 th 1/2 St. link to 8 th Ave/26 th St	270,000
25 th 1/2 St./8 th Ave to 10 th Ave/25 th St	160,000
2 nd Ave/32 nd St to 3 rd Ave	136,000
7 th Ave and 34 th 1/2 St.	103,000
Total	\$1,719,000

Larry Hecker asked if the South Tucson requests were consistent with the Flood Control District program. Jim Barry responded that they were consistent with the urban drainage component of the District's proposal and would not be in addition to the District's request. Karen Thoreson asked for confirmation that the South Tucson request would not be in addition to the District's request.

E. Town of Marana (Total Request - \$9,950,000)

Jaret Barr, Assistant Town Manager, presented the requests for the Town of Marana.

Project	Amount Requested
Regional Heritage and Cultural Park	\$1,000,000
Building and Historical Preservation	1,000,000
Sewer for Northwest Regional Airport	2,800,000
Tortolita Trail System	1,250,000
Honea Heights Reinvestment	500,000
Anza National Historic Trail Restoration	1,600,000
<u>Ina Road Tire Relocation</u>	<u>1,800,000</u>
Total	\$9,950,000

Dan Sullivan asked Mr. Barr to brief the Committee on some of the development potential for the airport area.

Larry Hecker asked if the \$2.8 million for the airport sewer project would come from sewer revenue bonds. Chuck Huckelberry responded that he thought sewer revenue bonding would be appropriate in the sewer revenue bond program, though it could also be included in the general obligation bond program.

Arlen Colton asked about whether all of the proposed sewer project were on or off the airport property, because of the possibility of federal or state aviation funding. Mr. Barr said what was on the airport was minimal, so that aviation funding would not be significant. Mr. Colton asked further about whether the sewer line off of the airport would be on state trust land, because that raised the possibility of state funding. Mr. Barr said that the State has expressed an interest in granting easements but not in providing any funding.

Arlen Colton then asked about the proposed trail system and how much was on private and on state land. Mr. Barr responded that the Town has developed an agreement with the owner of the private land on the proposed trail. Mr. Colton talked about the possibility of State Land granting easements for the trail. Mr. Barr said he would get more information on this for the Committee.

David Lyons asked about the tire project and what would the money be used for. John Bernal responded that we were looking at County owned property, so that the project would be for construction the facility. In response to a question from Tom Warne, Mr. Bernal responded that that the tire facility accepted tires from throughout the entire County.

Arlen Colton asked for a report from the Town of Marana on what State Land has said relative to trails on their land.

F. Town of Oro Valley (Total Request - \$52,700,000)

Brent Sinclair, Director of Planning, presented the requests from the Town of Oro Valley.

<u>Project</u>	<u>Amount Requested</u>
Steam Pump Ranch Acquisition and Preservation	\$2,600,000
State Land Acquisition of Tortolita Mountains Project Area	42,000,000
Kelly Ranch Acquisition	5,000,000
Honey Bee Village Acquisition and Preservation	2,000,000
<u>Oro Valley Public Library Expansion</u>	<u>1,100,000</u>
Total	\$52,700,000

Wanda Shattuck asked if Kelly Ranch was included in the package from the Conservation Bond Advisory Committee. Jim Barry responded that it was not part of that package.

Carolyn Campbell asked whether the \$42 million for the State land/API acquisitions was included in the Conservation committee's report. Jim Barry reported that it was.

G. Tucson-Pima Public Library (Total Request - \$101,840,000)

Betsy Stunz-Hall, Acting Director of the Tucson-Pima Public Library, presented on behalf of the Tucson-Pima Public Library, in the amount of \$104.5 million, but the actual total is \$101.8 million. Ms. Stunz-Hall noted that her presentation was part of a draft a facility master plan, developed in 2000, that has not been approved by either the Pima County Board of Supervisors or the City of Tucson Mayor and Council.

Sam Zelman, from the Tucson-Pima Public Library Advisory Board, reported that the Board fully supports Ms. Stunz-Hall's recommendation. Mr. Zelman spoke about how libraries are essential to the quality of life for the community.

Project	Amount Requested
Marana Continental Ranch Library New Facility	\$6,615,000
Oro Valley Library Expansion	3,500,000
Southeast Library New Facility	10,185,000
Wilmot Branch Library Relocation	10,185,000
Nanini Branch Library Relocation	10,185,000
Tucson Mountains East New Facility	8,120,000
Joyner Green Valley Library Relocation	7,350,000
Dewhirst Catalina Branch Library Relocation	1,700,000
Columbus Branch Library Expansion	1,500,000
Mission Branch Library Expansion	1,500,000
<u>Joel D. Valdez Library Expansion</u>	<u>41,000,000</u>
Total	\$101,840,000

Dan Sullivan asked whether it was not true that the Town of Marana is not essentially without library services, with the present library built before the Town was incorporated and too small to meet the needs of the community. Ms. Stunz-Hall replied that is why a new library for Marana is proposed and Mr. Sullivan said he fully supported that request.

Chris Sheafe asked why the Town of Oro Valley requested \$1.1 million for their library, while TPPL requests \$3.5 million and asked why the Town of Marana did not include a new library in its request. Mr. Sheafe asked who is ultimately responsible for requests and decisions about the libraries. Ms. Stunz-Hall said TPPL is taking a region wide approach and libraries cross jurisdictional lines, but that sometimes communications is not the best. Mr. Sheafe asked again who does the County Bond Advisory Committee listen to, TPPL or the jurisdictions, about libraries.

Mr. Sheafe asked whether TPPL went to Oro Valley to discuss their plan. Mr. Stunz-Hall responded that the conversations are an iterative process with Oro Valley and Pima County. Dan Sullivan reported that a new library was a top priority of the Town of Marana and that the Town subsumed its priority to the TPPL recommendations. Bob Jennens reported that there were regular communications between the Town of Oro Valley and TPPL, and that the discrepancy in numbers need to be reconciled. Larry Hecker asked why there is the discrepancy in numbers. Betsy Stunz-Hall said she would get back to the committee.

Wanda Shattuck asked how long the current library was in existence. Ms. Hall responded one year. Ms. Shattuck then asked how long will the improvements proposed by TPPL last. Ms. Hall said this proposal takes us out 5 to 7 years.

Karen Thoreson asked about how operation and maintenance costs will be covered. Ms. Hall responded that the annual library budget is shared 50/50 by the Library District and City of Tucson.

Wanda Shattuck asked about a library taxing district. Ms. Hall noted that the County Library District is a taxing district and that the remainder comes from City of Tucson general funds. Ms. Hall said there are other funding models, such as a possible impact fee for libraries. Wanda Shattuck asked for more information on the operation and maintenance costs of this proposal.

Arlan Colton asked whether the TPPL proposal represents a priority order. Ms. Hall said that it did, with Marana and Oro Valley as the top two projects.

Mr. Colton then commented how impact fees can be generated in developing areas and might be appropriate for the Southeast Library. Mr. Colton then commented on the libraries proposed for relocation and suggested that TPPL look at expanding vertically rather than horizontally. Then, Mr. Colton asked where the proposed expansion of the Valdez Main Library. Ms. Hall responded that earlier site constraints are no longer applicable.

Councilman Diaz asked about working with the nations. Ms. Hall said that the nations typically build their own libraries.

Chris Sheafe pointed out that with the Nanini Library, there were parking solutions that would not require relocation.

Carolyn Campbell asked about the decision of Tucson Mayor and Council to delete some libraries from their request. Ms. Hall replied that Mayor and Council deleted libraries outside of the City of Tucson, but that TPPL kept those libraries.

Tom Warne asked about proposals for acquisition of computers and asked if there were already computers at the libraries. Ms. Hall replied that there were already computers, but the demand was for even more computers and to respond to new technologies.

Larry Hecker asked about operation and maintenance impacts from the projects. Ms. Hall replied that the costs are shared between the County Library District and City of Tucson. Jim Barry asked for clarification that the reported operation and maintenance costs were in addition to the current

operating budgets. Ms. Hall said these were additional costs associated with the improvements. Larry Hecker asked for clarification about the Oro Valley library operating costs, which are shared between the County Library District and the Town of Oro Valley.

H. **City of Tucson (Total Request - \$643,996,000)**

Albert Elias, Committee member and Director of the Comprehensive Planning Task Force, presented the City of Tucson's requests, with a total request of \$644 million (see Attachment A). (The City's presentation included six libraries inside the City limits that were also part of the Tucson-Pima Public Library presentation, with a resultant \$72,490,000 duplication in costs.)

Sharon Bronson asked for clarification about whether the City's presentation includes the individual requests that had been received by Board members. Benny Young responded that the individual requests from Council members were included, though some of the requests listed in individual communications to Board members were deleted by the Council member at the meeting of October 27.

Albert Elias reported that Mayor and Council were not in favor of raising property taxes to pay for the bond package. Secondly, Mr. Elias reported that Mayor and Council want a binding agreement between City of Tucson and Pima County ninety days prior to the election regarding how projects will proceed, how much will be spent, the schedule for the project, and who will manage the projects. Third, Mayor and Council request a joint meeting with the Board of Supervisors, after the County Bond Advisory Committee has made its recommendations to the Board, to discuss the City of Tucson's priorities directly with the Board. Finally, Mr. Elias reported that all of the projects to be recommended have a strong planning foundation and reflect the priorities of the residents of City of Tucson.

Dan Sullivan raised a point of order that, if there is a joint meeting between the City of Tucson and Pima County after the Committee forwarded its recommendations, to move that all of the jurisdictions have the right for a "second bite of the apple: if the jurisdiction is unhappy with the Committee's recommendations. Mr. Hecker stated he thought that this was an excellent idea that might be better addressed in the Committee's recommendations to the Board.

Greg Saxe asked for overlaps in the library requests. Karen Thoreson explained that the City request only included libraries inside of the City, but that these were also included in the TPPL request and she said there were probably other overlaps between City and County projects. Greg Saxe asked for a matrix of the overlaps, which Jim Barry said would be developed for the Committee.

Dan Sullivan asked about the regional communications proposals, noting that the Sheriff asked for \$70 million and asked what the additional \$20 million in the City's proposal (\$90 million). Todd Sanders, the City's chief information officer, discussed the City's proposal. Mr. Sanders reported that the City had conducted a detailed engineering study of the City's needs and the \$90 million represented those needs. Mr. Sanders did say there was some overlap between the two proposals and there was a need to bring the two proposals together. But, Mr. Sanders said there were two separate proposals for \$70 million and \$90 million, but that the combined project is probably something less than \$160 million. Mr. Sanders said he thought there were opportunities

for cost savings by bringing the two proposals together.

Chris Sheafe said the Sheriff said his proposal did not include the City's building, but did include all of the equipment the City and other jurisdictions would need. Mr. Sheafe then asked about the rapidly changing pace of change and the danger that the system could be obsolete before it is completed, asking whether the timing of this project was critical or could it be delayed. Mr. Sanders responded that the time is right now. The two proposed systems are based upon a common standard for technology and we will have the system that we need if we follow the standards.

Sharon Bronson argued that we do not have a national standard for technology at this time; it is still being worked now. Mr. Bronson believes that we are dealing with frequency issues locally, because of border issues. Ms. Bronson said that interoperability is good, but does not know that all of the blocks are in place right now. Mr. Sanders agreed that there are no absolute standards and developments will take place. However, the current systems for the City and Sheriff are rapidly failing and not meeting our needs. There is a baseline standard for communication equipment and the proposals being recommended will not box us in, leaving us with an obsolete system, but will have one that goes a long way to meeting the immediate needs of our systems.

Dan Sullivan asked for a "shake out" of the City's and Sheriff's proposals before the Committee completes its deliberations. Mr. Sanders said he believed that was possible and there was a need for both entities to meet to clarify the proposals and look for duplications.

Arlan Colton said that he wanted to see a coordinated report from the City and Sheriff before he would consider such proposals. He would also like to know how it relates to the urban/wildlife interface and fire suppression. Mr. Colton asked about what the other jurisdictions will do about equipment or was that included in the Sheriff's proposal. Mr. Colton asked whether the communications systems could be phased in, since the two proposals, if they happen at all, could be over 25 percent of the entire bond package. Finally, Mr. Colton noted that Mr. Sanders said the engineering was done, but the City's proposal asked for \$2 million for design.

Mr. Sanders noted that this \$2 million was for the vendor-specific engineering, as well as the specific sites, that would still need to be completed.

Larry Hecker commented that all of the jurisdictions to participate in the discussion if this is going to be a regional program.

Sharon Bronson noted again that the border issues need to be addressed as well.

Tom Warne asked about whether it is possible to say away from proprietary specs, which result in higher bid costs. Mr. Sanders said that is the purpose of the emerging national standards that promote technical interoperability.

Mr. Warne asked about whether a user tax could be used to fund this system. Chuck Huckelberry said this would need state enabling legislation and noted that we only retain \$10 of every \$100 fines from the Justice Court.

Greg Saxe asked about the possibility of homeland security funding of these projects. Mr. Sanders said that the needs far exceed the available federal funding and that we will need to fund such a system ourselves.

Wanda Shattuck asked about whether this system should be a southern Arizona approach, rather than just Pima County. Mr. Sanders said that this was a possibility if we build to the national standard. Mr. Sanders reported that there have been such discussions already.

Joan Harphant, Municipal Court Administrator, made a brief presentation on the Municipal Court project. Ms. Harphant felt this was a unique opportunity for a shared facility between Municipal Court and Justice Court and discussed the ways in which a shared facility could work. Ms. Harphant noted that the current Municipal Court is in a converted parking structure, which was inappropriate for the needs and functioning of the Court.

Bill Roe noted that he is a City resident and can empathize with its needs, but with the City's request for \$643 million there is no sense of priority. Mr. Roe said worried that if the Committee does not guess right about the City's priorities, the City will complain to the Board of Supervisors. Albert Elias replied that the issue of priorities did come up, but the Mayor and Council decided to show the full range of requests and that no one else prioritized their requests. Mr. Elias said that if the Committee asks, Mayor and Council is willing to deal with this issue.

Carolyn Campbell said that there was a proposal at the last Mayor and Council meeting to prioritize and get the list done to around \$300 million. Ms. Campbell said she heard that the City Manager argued against prioritization. Ms. Campbell said she believes the other jurisdictions have prioritized, asking for only limited amounts of funding. She also said she heard that the regional communications project was a top priority.

Larry Hecker asked Benny Young if he thought they could come back with a prioritized list. Mr. Young said they could go back to Mayor and Council to ask for further direction. Mr. Young says Mayor and Council did say the regional communications system was their top priority and there was some discussion that the courts might be number two and the environment number three, but that did not receive a motion or support from the entire Council.

Greg Saxe noted that the Tohono O'Odham Nation did prioritize, requesting only one project, and noted if transportation were on the table they would have had a much larger request.

Karen Thoreson noted that Mayor and Council understood that there was a very deep level of needs inside the City and did not want to cut out projects in case, if the Committee did not recommend the regional communications system, that the City would lose out entirely in bond funding. Ms. Thoreson said she believed Mayor and Council was very willing to prioritize. Ms. Thoreson said that the desire for a joint meeting was not about saying the Committee was wrong but to talk about how projects inside the City would be constructed.

Larry Hecker said he believed the Committee was saying it would be beneficial for the Committee to receive some sense of prioritization from the City. Chris Sheafe said he believed that it would be better for jurisdictions to give us their priorities. Mr. Sheafe also stated his support for all of the jurisdictions meeting with the Board of Supervisors.

Mr. Sheafe then asked about the Neighborhood Reinvestment program, which was \$30 million and this version was well represented inside the City. But, the City has neighborhood reinvestment for \$50 million. We need to make sure we have a neighborhood reinvestment component that represents a base needs level for the City and elsewhere and whether the City's numbers are incorporated in the Neighborhood Reinvestment Committee's numbers. Jim Barry replied that the Reinvestment committee discussed how large the program should be at some length. The Committee felt that given the program was to be 5 to 7 years, and because a community drive program takes some time, and based upon our experiences with the last program, it was reasonable to try to get \$20million to \$30 million expended in the period of time. Of the \$20 million for neighborhood reinvestment, \$5 million, matching the allocation from the previous program, would be targeted to Tucson and South Tucson and, of the remaining \$15 million, \$7.5 million would also be targeted on Tucson and South Tucson, with the remaining \$7.5 million to fund the expansion of the program. Therefore, the committee's recommendation would have \$12.5 million in new reinvestment expenditures targeted in Tucson and South Tucson.

Arlen Colton asked about projects in the City proposals with unfunded amounts and wondered if unfunded projects should be a low priority. With respect to City landfill proposals, Benny Young noted that the "unfunded" categories would be funded with the County bond funds.

Wanda Shattuck said the City needs to present a phasing schedule if you agree we cannot fund all of these projects.

Chris Sheafe noted that he believed the Sheriff said his regional communications project could not be phased in.

Carolyn Campbell asked whether Back to Basics money was still available. Benny Young said that those monies were still available and would be used with the neighborhood reinvestment funds.

Ms. Campbell asked about the tracking sheets noting that the bulk of County projects would benefit City residents and asked if the City disagreed with that analysis and is that a reason for bringing this much need under the 50 percent to the Committee. Benny Young responded that the City did not necessarily disagree with that analysis and that they have not analyzed the other requests in detail, but that the City is not arguing there are no benefits. We wanted to bring what we believed are the most critical needs of the City.

Larry Hecker said he would like for the City to prioritize the County projects which benefit City residents. Mr. Young said they would ask Mayor and Council prioritization of the \$643 million, but also of the other projects as you request.

Tom Warne asked what the line item budget for Back to Basics was. Mr. Young replied that the Council removed general funds from this program. Paul Swift reported that the budget was \$2 million, coming from HURF revenues and Community Development Block Grant funding.

In response to a question from Larry Hecker, Mr. Young replied that they would try to get this item on the Mayor and Council agenda for November 10, 2003.

3. Presentation from Pima County Justice Court (continuation from September 4, 2003 meeting) (Total Request - \$45,500,000)

Patricia Alvarez-Hurley presented the request for a new Justice Court facility, at a total estimated cost of \$45,500,000. This project was first presented at the September 4, 2003 meeting and continued to this meeting at the request of the Committee in order to hear from the City of Tucson about whether it would include the Municipal Court project. Ms. Alvarez-Hurley presented background information on Justice Court, stressing the growing work load and that Justice Court provides services to all citizens and to all jurisdictions. Ms. Alvarez-Hurley also discussed the problems with the current Justice Court facilities leading to the proposal for a new building.

Dan Sullivan told the Committee of his tour of Justice Court and stressed the lack of security and tightness of the chambers.

Chris Sheafe asked how much space Justice Court currently has. Mike Tuinstra replied that there was 25,000 square feet in the Old Courthouse; 4,200 at 97 E. Congress; and 1,500 square feet in the Legal Services Building.

Arlan Colton asked how many jury trials are heard by Justice Court. Presiding Judge Paul Simon replied that there were 5,000 trials pending at any one time.

Mr. Colton then asked about the opportunities for consolidating the functions of Justice Court and Municipal Court. Chuck Huckelberry discussed the opportunities for shared locations, facilities, and functions. Mr. Huckelberry said there were two proposals, both of which are high priorities, and that there was a need to bring everyone together to develop a "consolidated" cost estimate to bring back to the Committee. Presiding Judge Simon spoke to the benefits of co-location of both courts.

Chris Sheafe noted the real needs of both courts and asked for more information about priorities and timing, whether there was empty offices downtown and the proper staging of construction of improvements.

4. Discussion of Committee deliberation and decision process (Discussion/Action)

Larry Hecker asked Chuck Huckelberry to discuss his memorandum to the Committee on how much general obligation bond debt Pima County can incur without raising the secondary property tax for debt service. Chris Sheafe commented that this memorandum was very informative.

Chuck Huckelberry then discussed the issue of size of debt and property taxes. Mr. Huckelberry said that the probable ceiling on maximum amount of new debt would be \$450 million. That estimate is based upon a number of assumptions. The controlling factor would be the secondary property tax for debt service, which cannot vary dramatically from what it is today. In the 1997 bond election, the Board assumed a ceiling of \$1.00 per \$100 of assessed valuation, but that rate is down now to \$0.81 per \$100 of assessed valuation. So one assumption is that the secondary property tax rate would not exceed \$0.85 per \$100 of assessed valuation. Secondly, we assume

that Pima County will continue to pay down its existing debt rapidly, at the rate of about \$30 million per year, with most of the pre-1997 debt already paid off and the 1997 debt being paid off rapidly. We also assume that assessed valuation will continue to grow, about 7% to 8% for two years and then to drop back to a conservative estimate of 5% per year thereafter for 10 years. We also assume that we sell the new bonds over a period of seven years, rather than five years. All of these assumptions support a ceiling of about \$450 million. The constraint on the County is not the constitutional debt limit and we could fund all of the requests (about \$1.4 billion) if we stretched out the program to about thirty years.

Therefore, the practical upper limit is around \$450 million. We can go below that amount, but probably not go above it.

Bob Jennens asked whether sewer revenue bond capacity were a separate issue. Mr. Huckelberry replied that sewer revenue bond capacity is a matter of system revenues and that they can probably afford more than the \$150 million that they have asked for. Mr. Huckelberry said he would be reluctant to recommend more than \$150 million and would probably recommend less. Sewer revenue bonding is heavily dependent on connection fees, which is tied to growth and development.

Chris Sheafe noted that Mr. Huckelberry's memo is based upon assumptions that seem reasonable based upon past experience. Mr. Sheafe asked about whether the longer period of the program suggested as an assumption for a \$450 million program does not involve more uncertainty. He noted the City of Tucson's demand for an agreement on what will be done with the bonds and the sense that we will never do what we said. Mr. Sheafe asked whether a smaller program over a shorter period of time would not lessen that uncertainty. Mr. Huckelberry discussed the pro's and con's of Mr. Sheafe's question. It is possible to go for a shorter period, say three years to five years, but would limit the amount of the bonds to less than \$300 million. Also need to have a jump on design of projects. More complex projects, say a joint courts project, will probably take 18 to 24 months to design and another two years to construct.

With the longer time frames, the Board adopts a bond improvement plan in ordinance form, that lays out bond commitments, projects, schedules, costs, and funding. While the ballot may only be one page long, the bond improvement plan for the 1997 G.O. bond question was 105 pages. That is the kind of thing you will want to see in the assurances area. The only constraint will be holding the tax rate steady. Larry Hecker noted that the 1997 bond ordinance was included in the information provided to the Committee.

Arlan Colton asked about the County's capacity to do transportation bonds. Chuck Huckelberry noted that transportation bonds are not tied to property taxes, but to HURF revenues. Mr. Colton asked how Pima County compares to other counties in the size of the secondary property tax rate for debt service. Chuck Huckelberry noted that Maricopa County has used general obligation for capital improvements infrequently and that is true of the other counties as well.

Larry Hecker asked the Committee if there was a sense that \$450 million should be the ceiling. Karen Thoreson asked whether it would be better to pick an upper and a lower limit to help with the prioritization process.

There then followed a general discussion of the need to prioritize requests.

Karen Thoreson asked that the County and the other jurisdictions prioritize their requests.

Carolyn Campbell noted that the Committee has asked the County to prioritize their projects and that the Committee needs to ask Mr. Huckelberry to give his priorities.

Larry Hecker said that we have three categories – open space/cultural resources, neighborhood reinvestment, and the other project requests - and asked if the Committee wanted Mr. Huckelberry to establish those three categories or is some of that the responsibility of this Committee.

Carolyn Campbell and Rene Gastelum said they believed it was necessary for both Mr. Huckelberry and the Committee to establish priorities.

Mr. Huckelberry replied that the Board set open space and neighborhood reinvestment as its priority and the "other" category which was the other needs of the County and said he could give the other category the bureaucratic priority, then the Committee will decide what to do. Arlan Colton noted it was the "other" category that he was concerned with. Wanda Shattuck noted that Mr. Huckelberry would know where the flaws in these proposals were.

David Lyons asked what the focus of the Committee was: was the bond election only for open space and neighborhood reinvestment and was everything else the Committee heard just for show. Mr. Lyons said if that were true, he would be very disappointed. Mr. Lyons said we need to hear priorities from the Board of Supervisors and Mayor and Council. Dan Sullivan asked whether open space and neighborhood reinvestment were untouchable or was the Committee free to look at everything. Larry Hecker commented that it is "an open pot," but with understanding stated in our Mission Statement that we will be guided by our enabling legislation that the Board of Supervisors put an emphasis on open space and neighborhood reinvestment without indicating equal one-third allocations to each.

Tom Warne is unclear on neighborhood reinvestment and asked for whether there is any definition of neighborhood reinvestment. Jim Barry responded that the legal answer is that reinvestment can be any project the County is legally authorized to do: it would be hard to do something with schools but would be possible to do something with health. Practically, the program has been structured by what the neighborhoods have requested, provided the neighborhoods demonstrated cohesion around the project request. Tom Warne asked whether it was possible to more specifically define neighborhood reinvestment in terms of the types of projects eligible.

Greg Saxe pointed out that the Tohono O'Odham Nation is facing this same kind of question - more needs than resources. Mr. Saxe asked if there are base minimum projects that need to be funded.

Carolyn Campbell noted that the Committee does not have a blank slate, because the Board gave the Committee clear direction. Ms. Campbell stated that the Committee needed to respect the work of the other two advisory committees, that had been meeting for months. Now they are being asked to review another set of numbers.

Chris Sheafe asked for more information on projects, whether they can only be funded through bonds or are they included simply because it would be nice to fund them with bonds but other funds are available.

Larry Hecker discussed the ranking sheets that were placed before the Committee. Mr. Hecker noted that the list in front of the Committee is incomplete and County staff will send out the complete list of what has been presented. Mr. Hecker asked the Committee to fill out the rankings and send it in. Mr. Huckelberry explained that staff would take the Committee rankings and tabulate the results and provide the analysis at next Friday's meeting.

5. Agenda for next meeting

The agenda for the November 7, 2003 meeting will include reports from the Conservation Bond Advisory Committee and Neighborhood Reinvestment Bond Advisory Committee and continuation of discussions and deliberations on prioritization, Committee procedures, and structure of the bond package

6. Call to the audience

Mr. Patrick Quinn, Tucson Youth Football, addressed the Committee about the need for lighting of Mac Donald Park.

7. Adjournment

The meeting adjourned at approximately 12:05 p.m.