

DEBT OVERSIGHT COMMISSION

Arizona Department of Administration



Minutes of Meeting

Thursday, December 5, 2019
10:00 a.m.

Andy Tobin
ADOA Director

Jim Brodnax
Member

Jennifer Stielow
Member

Jason Baran
Member

Arizona Department of Administration

100 North 15th Avenue,
First Floor, Conference Room

Members Present

Andy Tobin, Chairman
Jim Brodnax, Member
Jennifer Stielow, Member
Jason Baran, Member

Others Present

Michael Smarik, Deputy State Comptroller
Angela Dillard, General Accounting Office Staff
Jolene Teeters, General Accounting Office Staff

1. Call to Order

Director Tobin called the Debt Oversight Commission meeting to order at 10:00 a.m. and noted attendance for the record.

2. Approval of Minutes

The minutes of the December 6, 2018 meeting were reviewed. No additions or deletions were recommended. Jennifer Stielow made a motion to approve the minutes as presented. Jason Baran seconded the motion. Members unanimously approved the minutes.

3. Review Draft of “FY2019 Report of Bonded Indebtedness”

A copy of the draft report was distributed to the Commission members for review prior to the meeting.

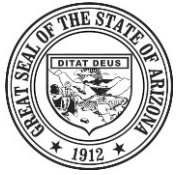
Staff discussed the following statistics:

- We ended with 948 entities that should report
- 376 Reported no debt; 40% of the entities
- 69 Reported exempt from reporting; 7% of the entities
- 82 Entities did not submit or send any response; 9% of the entities
- 866 Entities reported to ADOA; 91% of the entities

Staff reported the following:

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a. Entities in Excess of their Bonding Capacity –As of the date of this report, it does not appear as though any entity has exceeded their capacity through the issuance of new debt. Entities that are over 50% of their full general obligation debt limit are:

- 79.96% - Rio Rico Fire District
- 75.04% - Avra Valley Fire District
- 74.90% - Tubac Fire District
- 70.07% - City of Tempe
- 62.65% - Lake Havasu City
- 59.18% - City of El Mirage
- 57.02% - Buckeye Valley Rural Volunteer Fire District
- 56.44% - Fry Fire District
- 52.39% - City of Maricopa

b. How data is collected - Staff sent emails to all the entities from the previous year's contact list and used the State and County 2019 Abstract of the Assessment Roll presented by State of Arizona Department of Revenue. An Excel spreadsheet was sent to these entities at their request and available online to download for them to input their information. Then, staff inputs the data into an Access database in order to produce the report. There were questions about non-reporting from entities last year, which showed great improvement this year with staff sending email reminders

GAO is looking at improving the process for next year because the numbers don't add up in many cases. We're looking into either improving the spreadsheet for data collection or have some other method that they report, possibly through our website directly. GAO will also look at doing a webinar to educate entities on filling out the report correctly.

The committee discussed that the report is important and the public wants to see the information, but an easier way of collecting the data would be highly beneficial.

c. Non-Reporting Political Subdivisions – The list of entities that did not report their debt status for FY2019 can be found on the FY 2019 Un-submitted Debt Reports. There were 82 of these entities as of December 15, 2019. For the FY 2018 report from last year, 206 entities did not submit their data timely, and 91 never submitted.

d. Late Entity submissions – The deadline for entity submission was September 15, 2019, however, due to changes, late submissions were accepted and included in report through December 10, 2019.

Review of the report was done and Commission members discussed that some of the large ticket items in the report that aren't adding up correctly should be corrected before the December 15, 2019 deadline. Changes that were suggested by commission were completed before the final version was released and are in the final version. All numbers and percentages were updated due to the changes.

4. Adjournment

Director Tobin motioned to adjourn the Debt Oversight Commission meeting. Jennifer Lielow seconded the motion. The meeting was adjourned at 10:18 a.m.