



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: May 21, 2019

Title: Fiscal Year 2019-2020 Proposed Budget for Improvement Districts

Introduction/Background:

Pursuant to A.R.S. §48-955 and §48-960, the Board of Supervisors formed twenty-one (21) improvement districts for the purpose of purchasing energy for lighting of the public streets and parks, and one street improvement district, and sits as the Board of Directors.

Pursuant to A.R.S. §48-952, the obligations of the districts shall be provided for by the levy and collection of taxes on property in the districts.

Prior to levying a tax for improvement districts, A.R.S. §48-954 requires that the Board of Directors make annual statements and estimates, publish notice thereof, hold public hearings and adopt the budgets at the time and in the manner provided for County statements and estimates, pursuant to A.R.S. §42-17101 et seq.

Discussion:

Pursuant to A.R.S. §48-955 and §48-960, the County improvement district budgets for fiscal year 2019/2020 have been prepared to reflect the estimated cost of maintaining Hayhook Ranch Road, and purchasing electricity for the street lighting improvement districts,(SLID).

In March 2019, after period 8 closing, Budget staff compiled the previous year actual expenses and tax collections, and the current year-to-date monthly expenses and cash balances for estimating the Fiscal Year 2019/20 District levies and expenditure budgets. Expenditures are projected as the maximum actual Fiscal Year 2018/19 monthly expense times twelve months.

SLID expenditure budgets are set at 105% of the projected expenses, in order to accommodate potential electricity rate increases. Transportation staff provided an estimate for Fiscal Year 2019/20 road maintenance expenditures for Hayhook Ranch Road.

In order to best serve the residents of each District, the levy and cash balance should not be excessive or insufficient. SLID levies are estimated as the expenditure budget, with an adjustment to maintain an appropriate cash balance of four to six months of expenditures. Staff estimates the Hayhook Ranch District levy and cash balance as to accommodate occasional major road projects.

The tax rate for each District is determined by dividing the proposed levy by the total property valuation for that District. The tax rates for each District are published in the Fiscal Year 2019/20 Recommended Book, Summary of Tax Levy and Tax Rate Information Schedule.

Board of Supervisor Review and Adoption of Improvement Districts Budgets and Levies

May 21, 2019	Tentative Budget Adoption (Sets Budget Ceiling)
June 18, 2019	Public Hearing, Final Budget Adoption (Approving Resolutions stating district expenditures and revenues)
August 19, 2019	Tax Levy Adoption (Date set by state statute)

Conclusion:

The Fiscal Year 2019/20 tentative levy budgets for each District, which total \$270,317, are attached.

Recommendation:

Staff recommends that the Board of Directors of the Hayhook Ranch Improvement District and the various Pima County Street Lighting Improvement Districts receive the statements and estimates for the property tax levy; review and adopt the tentative budgets for Fiscal Year 2019/2020; and set the public hearing on the budgets for June 18, 2019, at or after 9:00 a.m.

Fiscal Impact:

Revenue to Pima County of \$270,317 from Fiscal Year 2019/2020 Property Tax Levy and Improvement District Fund Balances.

Board of Supervisor District:

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☒ All

Department: Finance and Risk Management

Telephone: 724-7248

Department Director Signature/Date: Michelle Gentry 5-14-19

Deputy County Administrator Signature/Date: Tom Burke 5-14-19

County Administrator Signature/Date: C. R. DeLuca 5/14/19

TENTATIVE FISCAL YEAR 2019/20 BUDGETS FOR IMPROVEMENT DISTRICTS

	FY 2019/20 PROPERTY TAX LEVY
OTHER IMPROVEMENT DISTRICT	
HAYHOOK RANCH IMPROVEMENT DISTRICT	\$40,000
 STREET LIGHTING IMPROVEMENT DISTRICT	
DESERT STEPPES	\$ 3,690
HERMOSA HILLS ESTATES	\$ 3,797
LONGVIEW ESTATES NO. 1	\$ 6,680
LONGVIEW ESTATES NO. 2	\$ 7,736
ROLLING HILLS	\$ 12,659
MANANA GRANDE B	\$ 5,272
MANANA GRANDE C	\$ 8,611
CARRIAGE HILLS NO. 1	\$ 6,152
LAKESIDE NO. 1 STREET	\$ 5,905
CARRIAGE HILLS NO. 3	\$ 1,264
CARDINAL ESTATES	\$ 14,573
ORANGE GROVE VALLEY	\$ 5,441
PEPPERTREE	\$ 8,100
LITTLETOWN	\$ 13,595
MIDVALE PARK	\$ 13,301
PEACH VALLEY	\$ 2,885
OAK TREE NO. 1	\$ 25,138
OAK TREE NO. 2	\$ 19,734
OAK TREE NO. 3	\$ 25,872
SALIDA DEL SOL	\$ 16,053
MORTIMORE ADDITION	\$ 23,859
 TOTAL IMPROVEMENT DISTRICTS	 \$ 270,317