



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: May 22, 2018

Title: Fiscal Year 2018-2019 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 2018/2019 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 2018, 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 2018/19 District levies and expenditure budgets. Expenditures are projected as the maximum actual Fiscal Year 2017/18 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 2018/19 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 2018/19 Recommended Book, Summary of Tax Levy and Tax Rate Information Schedule.

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

May 22, 2018	Tentative Budget Adoption (Sets Budget Ceiling)
June 19, 2018	Public Hearing, Final Budget Adoption (Approving Resolutions stating district expenditures and revenues)
August 20, 2018	Tax Levy Adoption (Date set by state statute)

Conclusion:

The Fiscal Year 2018/19 tentative levy budgets for each District, which total \$232,042, 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 2018/2019; and set the public hearing on the budgets for June 19, 2018, at or after 9:00 a.m.

Fiscal Impact:

Revenue to Pima County of \$232,042 from Fiscal Year 2018/2019 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: _____

[Signature] 5/7/18

Deputy County Administrator Signature/Date: _____

[Signature] 5-8-18

County Administrator Signature/Date: _____

[Signature] 5/8/18

TENTATIVE FISCAL YEAR 2018-2019 BUDGETS FOR IMPROVEMENT DISTRICTS

IMPROVEMENT DISTRICTS	FY 18-19 PROPERTY TAX LEVY
<hr/>	
OTHER IMPROVEMENT DISTRICTS	
HAYHOOK RANCH	30,000
 STREET LIGHTING IMPROVEMENT DISTRICTS	
DESERT STEPPES	3,552
HERMOSA HILLS ESTATES	3,048
LONGVIEW ESTATES NO. 1	6,420
LONGVIEW ESTATES NO. 2	5,952
ROLLING HILLS	12,168
MANANA GRANDE B	5,076
MANANA GRANDE C	8,280
CARRIAGE HILLS NO. 1	5,916
LAKESIDE NO. 1	4,728
CARRIAGE HILLS NO. 3	1,269
CARDINAL ESTATES	11,339
ORANGE GROVE VALLEY	5,256
PEPPERTREE	8,514
LITTLETOWN	16,308
MIDVALE PARK	11,642
PEACH VALLEY	2,208
OAKTREE NO. 1	19,549
OAKTREE NO. 2	15,352
OAKTREE NO. 3	20,117
SALIDA DEL SOL	12,500
MORTIMORE ADDITION	22,848
 TOTAL IMPROVEMENT DISTRICTS	 <u>232,042</u>