



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: May 19, 2020

Title: Fiscal Year 2020-2021 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 2020/2021 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 2020, 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 2020/21 District levies and expenditure budgets. Expenditures are projected as the maximum actual Fiscal Year 2019/20 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 2020/21 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 2020/21 Recommended Book, Summary of Tax Levy and Tax Rate Information Schedule.

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

May 19, 2020 Tentative Budget Adoption (Sets Budget Ceiling)

June 23, 2020 Public Hearing, Final Budget Adoption (Approving Resolutions stating district expenditures and revenues)

August 17, 2020 Tax Levy Adoption (Date set by state statute)

Conclusion:

The Fiscal Year 2020/21 tentative levy budgets for each District, which total \$267,265, 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 2020/21; and set the public hearing on the budgets for June 23, 2020, at or after 9:00 a.m.

Fiscal Impact:

Revenue to Pima County of \$267,265 from Fiscal Year 2020/2021 Property Tax Levy and Improvement District Fund Balances.

Board of Supervisor District:

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County Administrator Signature/Date: *C. J. Durbet* 5/6/20

TENTATIVE FISCAL YEAR 2020/21 BUDGETS FOR IMPROVEMENT DISTRICTS

OTHER IMPROVEMENT DISTRICT	FY 2020/21 PROPERTY TAX LEVY
HAYHOOK RANCH IMPROVEMENT DISTRICT	\$ 40,000
STREET LIGHTING IMPROVEMENT DISTRICT	
CARDINAL ESTATES	15,729
CARRIAGE HILLS NO. 1	6,183
CARRIAGE HILLS NO. 3	1,588
DESERT STEPPES	3,712
HERMOSA HILLS ESTATES	3,812
LAKESIDE NO. 1	5,935
LITTLETOWN	13,678
LONGVIEW ESTATES NO. 1	6,710
LONGVIEW ESTATES NO. 2	7,774
MANANA GRANDE B	5,299
MANANA GRANDE C	8,660
MIDVALE PARK	13,405
MORTIMORE ADDITION	24,050
OAK TREE NO. 1	22,544
OAK TREE NO. 2	17,690
OAK TREE NO. 3	23,186
ORANGE GROVE VALLEY	5,418
PEACH VALLEY	2,900
PEPPERTREE	9,486
ROLLING HILLS	12,753
SALIDA DEL SOL	16,753
TOTAL IMPROVEMENT DISTRICTS	\$ 267,265