



## BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

\*All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.\*

Award Type:	Agenda Item
BOSAIR Activity:	Board Meeting Request
Requested Board Meeting Date:	05/26/2026
Project Title / Description:	Fiscal Year 2026-2027 Proposed budget for Improvement Districts

### Agenda Item Report

**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 2026/27 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 2026, 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 2026/27 District levies and expenditure budgets. Expenditures are projected as the maximum actual Fiscal Year 2025/26 monthly expense times twelve months.

SLID expenditure budgets are set at above 100% of the projected expenses, in order to accommodate potential electricity rate increases or increased usage. Transportation staff provided an estimate for Fiscal Year 2026/27 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 2026/27 Recommended Book, Summary of Tax Levy and Tax Rate Information Schedule.

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

May 26, 2026 Tentative Budget Adoption (Sets Budget Ceiling)

June 23, 2026 Public Hearing, Final Budget Adoption (Approving Resolutions stating district expenditures and revenues)

August 11, 2026 Tax Levy Adoption (Date set by state statute)

**Conclusion:** The Fiscal Year 2026/27 tentative levy budgets for each District, which total \$372,139 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 2026/27; and set the public hearing on the budgets for June 23, 2026, at or after 5:00 p.m.

**Fiscal Impact:** Revenue to Pima County of \$372,139 from the Fiscal Year 2026/27 property tax levy. In addition, expenses of \$332,240 are included within the Fiscal Year 2026/27 Recommended Budget for the Districts.

**Support of Prosperity Initiative:** N/A

**Provide information that explains how this activity supports the selected Prosperity Initiative** N/A

**Board of Supervisor District:**

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**Department:** Finance and Risk Management

**Name:** Art Cuaron

**Telephone:** 520-724-3138

Department Director Signature:  Date: 5-7-2026

Deputy County Administrator Signature:  Date: 5/8/2024

County Administrator Signature:  Date: 5/10/2024

# TENTATIVE FISCAL YEAR 2026-27 BUDGETS FOR IMPROVEMENT DISTRICTS

		FY 2026-27 PROPERTY TAX LEVY
<b>OTHER IMPROVEMENT DISTRICTS</b>		
HAYHOOK RANCH IMPROVEMENT DISTRICT	\$	39,087
<b>STREET LIGHTING IMPROVEMENT DISTRICTS</b>		
CARDINAL ESTATES	\$	17,888
CARRIAGE HILLS NO. 1		10,330
CARRIAGE HILLS NO. 3		3,487
DESERT STEPPES		6,029
HERMOSA HILLS ESTATES		4,779
LAKESIDE NO. 1		7,276
LITTLETOWN		30,606
LONGVIEW ESTATES NO. 1		10,818
LONGVIEW ESTATES NO. 2		13,031
MAÑANA GRANDE B		8,716
MAÑANA GRANDE C		13,002
MIDVALE PARK		18,693
MORTIMORE ADDITION		44,021
OAK TREE NO. 1		30,371
OAK TREE NO. 2		23,922
OAK TREE NO. 3		30,247
ORANGE GROVE VALLEY		7,857
PEACH VALLEY		4,945
PEPPERTREE RANCH		12,760
ROLLING HILLS		14,780
SALIDA DEL SOL		19,494
<b>TOTAL IMPROVEMENT DISTRICTS</b>	\$	372,139