

***AMENDED 5/24/11, 4:00 P.M.**
AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
June 1, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

ROLL CALL

***EXECUTIVE SESSION AT OR AFTER 5:00 PM**

Pursuant to ARS 38-431.03 (A)(1) to discuss personnel matters – Town Manager’s resignation and appointment of an interim Town Manager

RESUME REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

DEPARTMENT REPORTS

The Mayor and Council may consider and/or take action on the items listed below:

ORDER OF BUSINESS: MAYOR WILL REVIEW THE ORDER OF THE MEETING

INFORMATIONAL ITEMS

1. Police Department Appreciation Letter(s)
2. DIS Customer Feedback Forms

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue *not listed on today’s agenda*. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during “Call to Audience.” In order to speak during “Call to Audience” please specify what you wish to discuss when completing the blue speaker card.

PRESENTATIONS

1. Proclamation supporting the creation of a Veterans Support Group

CONSENT AGENDA

(Consideration and/or possible action)

- A. Minutes - February 23, March 9 and April 6, 2011
- B. Transit Services Monthly Report - April 2011
- C. Resolution No. (R)11-36 Authorizing and Approving the Exchange of a Portion of Right-of-Way on Vistoso Village Drive with Venture West Investment, LLC for a New Public Right-of-Way in Rancho Vistoso Neighborhood 3

REGULAR AGENDA

1. PUBLIC HEARING - ORDINANCE NO. (O)11-16 AMENDING ORO VALLEY TOWN CODE, ARTICLE 8-2, BUSINESS LICENSE TAX, SECTION 8-2-6, SCHEDULE, INCREASING THE LIQUOR LICENSE APPLICATION PROCESSING FEE FOR A LIQUOR LICENSE
2. PUBLIC HEARING - RESOLUTION NO. (R)11-37 AUTHORIZING AND APPROVING THE ELIMINATION OF THE TOWN OF ORO VALLEY DEVELOPMENT AND INFRASTRUCTURE SERVICES DEPARTMENT TRANSIT SERVICES DIVISION COYOTE RUN SERVICE
3. AMENDMENT TO ZONING CODE AND TOWN CODE RELATING TO THE ESTABLISHMENT OF THE CONCEPTUAL DESIGN REVIEW BOARD (CDRB) AND CONCEPTUAL DESIGN REVIEW PROCESS
 - a. PUBLIC HEARING: ORDINANCE NO. (O)11-17 AMENDMENT TO TOWN CODE SECTION 3-5-4 TO ESTABLISH THE CONCEPTUAL DESIGN REVIEW BOARD IN PLACE OF THE DEVELOPMENT REVIEW BOARD AND REPEAL OF TOWN CODE SECTION 3-6-9 TO ELIMINATE THE ART REVIEW COMMISSION - ****INFORMATION REGARDING THIS ITEM WILL BE INCLUDED AT A LATER DATE****
 - b. RESOLUTION NO. (R)11-32 RULES AND PROCEDURES FOR THE CONCEPTUAL DESIGN REVIEW BOARD - ****INFORMATION REGARDING THIS ITEM WILL BE INCLUDED AT A LATER DATE****
 - c. APPOINTMENT OF SEVEN MEMBERS TO THE ORO VALLEY CONCEPTUAL DESIGN REVIEW BOARD (CDRB) WITH STAGGERED TERMS EFFECTIVE THROUGH DECEMBER 31, 2012 AND DECEMBER 31, 2013 - ****INFORMATION REGARDING THIS ITEM WILL BE INCLUDED AT A LATER DATE****
4. *POSSIBLE ACTION TO ACCEPT TOWN MANAGER'S RESIGNATION AND APPOINT AN INTERIM TOWN MANAGER

FUTURE AGENDA ITEMS (The Council may bring forth general topics for future meeting agendas. Council may not discuss, deliberate or take any action on the topics presented pursuant to ARS 38-431.02H)

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue ***not listed on today's agenda***. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

ADJOURNMENT

POSTED: 05/20/11 at 5:00 p.m. by tlg

AMENDED AGENDA POSTED: 5/24/11 at 5:00 PM by tlg

When possible, a packet of agenda materials as listed above is available for public inspection at least 24 hours prior to the Council meeting in the Town Clerk's Office between the hours of 8:00 a.m. – 5:00 p.m.

The Town of Oro Valley complies with the Americans with Disabilities Act (ADA). If any person with a disability needs any type of accommodation, please notify the Town Clerk's Office at least five days prior to the Council meeting at 229-4700.

INSTRUCTIONS TO SPEAKERS

Members of the public have the right to speak during any posted public hearing. However, those items not listed as a public hearing are for consideration and action by the Town Council during the course of their business meeting. Members of the public may be allowed to speak on these topics at the discretion of the Chair.

If you wish to address the Town Council on any item(s) on this agenda, please complete a speaker card located on the Agenda table at the back of the room and give it to the Town Clerk. **Please indicate on the speaker card which item number and topic you wish to speak on, or if you wish to speak during "Call to Audience," please specify what you wish to discuss when completing the blue speaker card.**

Please step forward to the podium when the Mayor announces the item(s) on the agenda which you are interested in addressing.

1. For the record, please state your name and whether or not you are a Town resident.
2. Speak only on the issue currently being discussed by Council. Please organize your speech, you will only be allowed to address the Council once regarding the topic being discussed.
3. Please limit your comments to 3 minutes.
4. During "Call to Audience" you may address the Council on any issue you wish.
5. Any member of the public speaking must speak in a courteous and respectful manner to those present.

Thank you for your cooperation.



Town Council Regular Session

Item # 1.

Meeting Date: 06/01/2011

Submitted By: Catherine Hendrix, Police
Department

Information

Subject

Police Department Appreciation Letter(s)

Attachments

PD Appreciation Letter

Chief Daniel Sharp
Oro Valley Police Department
11000 La Cañada Drive
Oro Valley, AZ 85737

Received by

MAY 04 2011

Oro Valley Police Dept.

Dear Chief Sharp:

As the mother of the disabled woman who was rescued on March 16, 2011, I wish to express my deepest gratitude to members of the Oro Valley Police Department who saved my daughter's life. The telephone call from my daughter detailing the events of that afternoon was chilling. To Commander Jason Larter, Sergeant Carmen Trevizo, Officer Simon Enidy, and Officer Matt Roth, who were the first responders to her call for help, my daughter and I are eternally grateful. Their heroic actions far exceeded the call of duty and speak loudly to the caliber and integrity of these fine officers. A special thank you to Officer Greg Burgess for accompanying my daughter

to the safety of her home and for retrieving and returning Riley, her dog, following his escape in the desert.

I followed with great interest the first-ever presentation of the Golden Axe Award to the Oro Valley Police Department. I was especially pleased that each officer was recognized individually at the Oro Valley Town Council Meeting for the risk taken above and beyond the call of duty. Recognition for such heroism is well deserved.

Thank you, one and all, for your brave actions in rescuing my daughter. May God bless and protect you.

Most gratefully,



Town Council Regular Session

Item # 2.

Meeting Date: 06/01/2011

Submitted By: Arinda Asper, Town Manager's
Office

Information

Subject

DIS Customer Feedback Forms

Attachments

DIS Customer Feedback Forms



APR 26 2011

Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

JASON LOTOSKI 520 826 6221 4/26/11
Customer Name (Please Print) Contact Phone (Optional) Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? PHIL.

4. Did you experience any problem getting the information you needed? If yes, what aspect? NONE

5. Any general comments?

GREAT PROMPT SERVICE. PHIL WAS VERY HELPFUL AND PROVIDED A LOT OF HELPFUL INFO. ON MY PROJECT. THANKS!



APR 25 2011

Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

BEN CLARK

818-0019

21 APR 11

Customer Name (Please Print)

Contact Phone (Optional)

Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No? NOT YET DONE

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? WILLIAM VICEWS

4. Did you experience any problem getting the information you needed? If yes, what aspect? NO

5. Any general comments?

VERY ACCOMODATING + RESPONSIVE
THE BEST EVER ENCOUNTERED - LOTS OF EXPERIENCE
WITH EAST COAST BLDG DEPTS - NOTHING LIKE THIS

Thank you for taking your time to help us improve!



Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

APR 28 2011

John J. Howe, Jr.

4/13/2011

Customer Name (Please Print)

Contact Phone (Optional) 520-575-9676. Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form. Ref. Inspec.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No?

Would you like to name any employee(s) that you feel provided exceptional service? Jonathan Lew, Marsha & Suzi
Exceptional Service.

4. Did you experience any problem getting the information you needed? If yes, what aspect? NO

5. Any general comments?

Very Professional, Very helpful.
Exceptional.

Thank you for taking your time to help us improve!



Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

MAY - 8 2011

Sheffield Diamonds 520-744-3443 5-2-11
Customer Name (Please Print) Contact Phone (Optional) Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? Shirley - very helpful &

courtesy was great

4. Did you experience any problem getting the information you needed? If yes, what aspect? no

5. Any general comments?

Thank you for taking your time to help us improve!

Handwritten signature and initials



MAY - 3 2011

Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

Terry Hall

275-0281

05-03-2011

Customer Name (Please Print)

Contact Phone (Optional)

Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? _____

4. Did you experience any problem getting the information you needed? If yes, what aspect? NONE AT ALL - VERY SMOOTH

5. Any general comments?

Thank you for taking your time to help us improve!



MAY -5 2011

Development and Infrastructure Services Department
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
www.orovalleyaz.gov

Aaron Rice

Mr. Rooter Plumbing

5-4-11

Customer Name (Please Print)

Contact Phone (Optional)

Date

Meeting our Customer's needs is important to us. We welcome your suggestions and comments and encourage you to fill out this form.

1. Were the steps for the development, permit, or inspection process clearly explained and understandable?

Yes? No?

2. Were the development, permit, and/or inspection approval (s) received within the timeline goals prescribed?

Yes? No?

3. Was the service professional, courteous and helpful?

Yes? No? Would you like to name any employee(s) that you feel provided exceptional service? Phil, Shirley (great job)

4. Did you experience any problem getting the information you needed? If yes, what aspect? NO

5. Any general comments?

Thank you for taking your time to help us improve!



Town Council Regular Session

Item # 1.

Meeting Date: 06/01/2011

Requested by: Mayor Satish Hiremath

Submitted By:

Julie Bower, Town Clerk's
Office

Department: Town Clerk's Office

Information

SUBJECT:

Proclamation supporting the creation of a Veterans Support Group

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

N/A

Attachments

Veterans Support Group Proclamation

Office of the Mayor
Oro Valley, Arizona
Proclamation

CREATION OF A VETERANS SUPPORT GROUP

WHEREAS, while the community honors veterans on special occasions such as Veterans Day and Memorial Day, it would be invaluable to foster more practical assistance for veterans by non-governmental organizations in Oro Valley; and

WHEREAS, non-governmental organizations do much in helping veterans and their families in a number of ways, including offering discounts and raising funds to assist veterans; and

WHEREAS, in many instances existing programs provide a good foundation, enhancing existing programs is important to foster community support for returning veterans who seek gainful employment; and

WHEREAS, identifying and recognizing businesses that provide discounts for veterans and their families, and encouraging others to do the same, will serve as a tangible indication of practical support; and

WHEREAS, veterans who reside in Oro Valley would benefit from the creation of a five-member group comprised of veterans, family members of veterans and non-military residents, with support from Town Council, to recommend and implement ideas that encourage:

- non-governmental organizations that support veterans to expand their activities throughout the community
- retail and service businesses to provide discounts for veterans and their families
- local businesses to re-hire and hire veterans
- veterans to participate in their own well-being, education, and community life; and

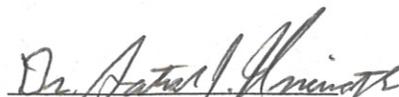
WHEREAS, veterans who take advantage of opportunities for employment, learning and participation of their own well-being, through the encouragement of aforementioned veterans group, also benefit the Oro Valley community, and

WHEREAS, on May 9, 2011, Sandra Briney, Patricia Linder and John Wickham submitted their request for support from Town Council for the creation of aforementioned veterans support group; and

WHEREAS, the town of Oro Valley recognizes that this community initiative is in response to residents' interest;

NOW, THEREFORE, I, Dr. Satish I. Hiremath, Mayor of Oro Valley, hereby proclaim support for the creation of a veterans support group, and encourage all Oro Valley residents and businesses to also show their support of our veterans.

DATED this 1st day of June, 2011


Dr. Satish I. Hiremath, Mayor



ATTEST:


Julie K. Bower, Town Clerk



Town Council Regular Session

Item # A.

Meeting Date: 06/01/2011

Requested by: Julie Bower, Town Clerk

Submitted By:

Mike Standish, Town
Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Minutes - February 23, March 9 and April 6, 2011

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the February 23, 2011 Town Council study session minutes and the April 6, 2011 Town Council regular meeting minutes.

Attachments

2 23 11 Minutes

3 9 11 Minutes

4 6 11 Minutes

MINUTES
ORO VALLEY TOWN COUNCIL
STUDY SESSION
February 23, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE

STUDY SESSION AT OR AFTER 6:00 PM

CALL TO ORDER - At 6:02 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Barry Gillaspie, Councilmember (via telephone)
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

1. Discussion Regarding Proposed Reductions to Current FY 2010/11 General Fund Budget

Finance Director Stacey Lemos reviewed the General Fund Budget from FY2007/08 to FY2010/11 and its declining revenue history and stated there would be an additional \$2 million projected drop for next year, which would bring the General Fund down to \$24 million in revenue. She showed the Highway Fund's history for the same four-year time frame and affirmed the Highway Fund is expected to have a \$1 million shortfall for FY2011/12, for a total of \$3 million in revenue.

Next, Ms. Lemos reviewed town staff cutbacks over the past two years, primarily in reduced staffing levels and consolidation of departments, increased use of volunteers and non-paid interns. Other budget actions included a one-time use of federal stimulus funds for pavement preservation, bond defeasance, and extended use of the utility sales tax. She stated negative impacts that had resulted from these actions included an increase in overtime costs, delayed customer service response times and lowered employee morale. The Finance Director recapped the budget set for FY2010/11 and stated that \$26.6 million was the General Fund's adopted budget amount (which included a \$900,000 use of contingency reserves for the town's energy project), and that the budget was funded with projected revenues of \$26.2 million and cash reserves of \$344,000.

Ms. Lemos discussed the mid-year budget projections and estimated that Oro Valley would be \$1.8 million under budget and that actual revenues for FY10/11 were projected to be closer to \$24.4 million. She stated that town Departments had already identified \$1 million in savings within their budgets (through December), but that year-

end expenditures were still expected to be at \$25.6 million, leaving an estimated \$1.2 million dollar deficit. She presented staff recommendations to close that deficit by reduced expenditures of an additional \$300,000 and a one-time use of contingency funds in the amount of \$900,000, which complied with the reserve policy and balance threshold. She stated that some of the proposed reductions were additional vacancy savings, travel and training dollars, renegotiated leases and contracts, cuts to outside professional services and office supplies, and a reduction in purchases of library collection materials. Ms. Lemos also commented on the impact those reductions would have on customers and employees.

The Finance Director stated that there were no additional cuts being recommended to the Highway Fund for the remainder of the FY2010/11, and that the Development and Infrastructure Services Department had already identified \$130,000 in savings in reduced line items and outside services. She cautioned that the pavement preservation funding levels needed to be addressed going forward because of the projected deficit to that fund if the town continued to apply \$1.2 million each year with the projected revenues. She moved to the Water Utility Fund next and commented that the fund was not at a deficit and that the Water Department had identified over \$3 million dollars in savings for FY2010/11, primarily in delayed capital projects and a vacant position that had been held open.

Councilmember Solomon asked each Department to review the General Fund reductions that were presented and explain what was included in that amount and the impact to services.

Police Chief Sharp explained that his department's \$133,000 resulted from vacancy savings, replacement of officer positions at a lower salary, copier and lease savings, reduced ammunition purchases, and cancellation of remaining travel and training dollars. He stated that service impacts included slower response times during training and shortage of officers in several units.

Councilmember Waters asked about overtime expenses and whether or not reserve officers could ameliorate the problem.

Chief Sharp explained that overtime hours had reached \$54,000 dollars for year-to-date because the department was down about 20 positions from two years ago, and that only one of the five authorized reserve officers positions were filled because reserve officers were hard to get and costly to transfer in from other states.

Councilmember Gillaspie asked if there was an option in any of the current intergovernmental agreements or contracts for redeployment of regional or federal task force officers back into the town.

The Police Chief stated that task force members were utilized back into the town as time permitted, but that the revenue that paid their salary would be lost if Oro Valley took them off the task force completely.

Councilmember Garner questioned the cost-benefit analysis of having officers on special assignments, and asked about utilizing the Municipal Operations Center for a substation or eliminating one of the current retail/commercial leases that were close to each other.

Chief Sharp commented that the Sun City substation housed the police volunteers who completed the fingerprinting cards for the department which was a significant revenue source, and that he did not know the impact to the volunteers if they were not in close proximity to the substation. The Chief also noted that the Tangerine station was full and housed the Emergency Operations Center, motors and patrol staff.

Councilmember Solomon asked if it would be more beneficial to the town to hire an officer rather than pay out in overtime expenses. Chief Sharp noted that the overtime staffing hours covered 24 hours a day, seven days a week and that it would be impossible to plug in one person to fill all of the overtime hours.

Councilmember Solomon also asked what impact the cost-saving measures would have on response times for priority one calls. Chief Sharp stated that the Department continually adjusted to meet their goals, but that officers had less time to spend dealing with the calls themselves which left more follow-up for the detectives. He noted that community policing included problem-solving and spending time with the victims as part of the service.

Ms. Lemos spoke on the General Administration reductions and explained that \$22,000 was in savings capacity that was budgeted for legal and consulting costs that effectuated annexations; \$5,000 dollars was coffee service cuts; \$3,000 dollars was a reduction in recycling service visits; and the remaining amount was for restoration of Steam Pump Ranch (SPR), which could be taken out of the SPR fund directly.

Councilmember Hornat asked if the Steam Pump Ranch fund had a balance in it and how it was acquired. Ms. Lemos explained that the SPR fund was comprised of General Fund dollars for maintenance of the property and Pima County Bond Funds, and that the balance was somewhere in the range of \$80,000-\$100,000.

Development and Infrastructure Services (DIS) Director Suzanne Smith stated that her department had previously projected to save \$300,000 for FY2010/11 because of vacant positions and reductions in operations and maintenance. She explained that the DIS General Fund reductions included a cut to custodial service visits for all buildings for the remainder of the year, which saved \$18,000, and that the impact from this cut would be felt most by the Library because of their public traffic and the Police Department because they operated 24 hours a day, seven days a week. The second cut was to the Fleet Maintenance Program at a \$3,000 savings for the remainder of the year, which included the transfer of the Police Department fleet back over to PD.

Councilmember Solomon asked whether the PD's shift of fleet maintenance last year resulted in a net savings or a cost increase to the town.

Ms. Smith explained that previously each department had their own fleet maintenance budget which had been centralized into DIS along with the allocation of work, and that DIS had spent \$5,000 in overtime pay for FY2010/11.

Councilmember Garner commented that the fleet maintenance shift was made to eliminate duplication of efforts, and that no policy or procedure was changed to cut the Police Department's volunteer assistance.

Vice Mayor Snider suggested that fleet maintenance should be looked at in detail to find the most cost effective method and the ramifications of the shift.

Councilmember Hornat asked for the total annual savings if the PD fleet was shifted back to the Police Department and if there was a legitimate savings in transferring their fleet back to PD.

Ms. Smith answered that if she used her current overtime costs to project savings, there would be an \$8,000 extrapolation for a year.

Police Chief Sharp stated there was an increase in overtime as a result of the centralization because of the demands on one employee traveling to various locations. He noted that if the PD fleet maintenance was shifted back they would work to minimize overtime and have someone on site to supervise the volunteers, so he thought there would be better control at PD that resulted in a cost savings and not just a cost transfer.

Councilmember Garner questioned why the police volunteers weren't currently being utilized. Chief Sharp commented that after the fleet maintenance program changed, the volunteers that were willing to shuttle vehicles dropped down to one.

Ms. Smith stated that the final reduction was the remaining portion of a program that had been absorbed in the Town Manager's Office at a savings of \$22,500 for the remaining fiscal year. She also noted that the position would be added back into the FY2011/12 budget at \$91,000 and there would not be a transfer of costs to the Town Manager's Department as it would be eliminated for the current fiscal year.

Parks, Recreation, Library & Cultural Resources (PRLCR) Director Ainsley Legner reviewed her department cuts and stated that \$15,000 in reductions was for the remainder of the year to the Library's collection that consisted of books, magazines, etc. She said that the impact to the Library would be the public's increased demand for usage and to the aging materials collection.

Councilmember Solomon asked if the town was reimbursed for collection materials purchased.

Ms. Legner explained that the total amount of reductions made would have to be \$50,000 to realize a net of \$34,000. She stated that because of the \$15,000 saved in the collection, there was a loss of \$7,500 in reimbursements from the county and that the only other source of adding to their collections was through funding provided by the Friends of the Oro Valley Public Library.

Councilmember Hornat commented that the \$75,000 budgeted for FY2011/12 was actually \$150,000 because of the county's reimbursement, and that Oro Valley was a lending library as part of a group that had access to materials in other collections.

Vice Mayor Snider asked for information about the Friends of the Library and their funding relationship. Jane Peterson, Library Manager answered that the Friends had raised \$110,000 the previous year, of which \$58,000 had been spent on the Library's collection.

Ms. Legner explained that the second cut was \$28,000 in seasonal staff from the Recreation division for June 2011, which included the elimination of traditional summer camps in favor of park-based programs that focused on the pool. She noted that the last decrease was in recreational supplies at a \$7,000 savings, which coincided with the camp eliminations.

Councilmember Waters questioned whether the town was engaged in a pool study, what the cost of the study was, and how it figured into the profit and loss.

The PRLCR Director answered that a feasibility study was underway and that the Council would have results in April; that the cost of the study was \$20,000 and no cuts had been made for that item; and that the consultant would speak to the Council about using the pool as an economic driver for the town.

Information Technology (IT) Director Kevin Verville reviewed his \$22,000 in reductions that consisted of a telecom contract renegotiation for \$12,000 and \$10,000 in outside professional services, mainly related to programming for the Permits Plus software system. He stated that the impact of that would be delayed implementation of new reports related to the reorganization of the Development and Infrastructure Services Department.

Councilmember Gillaspie asked if Permits Plus maintenance needed to be continued.

Mr. Verville answered that Permits required more than one full-time person to manage on a day-to-day basis. He stated that the Database Administrator was responsible for all of the database applications and servers and that the outside professional services supplemented what she provided to Permits Plus.

Vice Mayor Snider asked if the reduction would cause a delay in permits being issued. DIS Director Suzanne Smith responded that desired tweaks would not happen, but that it would not cause delays in the issuance of permits.

The Council's budget cuts were looked at next and Finance Director Stacey Lemos stated that the \$20,000 comprised a portion of each Councilmember's travel and training budget for the remainder of the year.

Vice Mayor Snider asked for the total annualized figure that was budgeted for each Councilmember for the FY2010/11. Ms. Lemos confirmed the amount was \$35,000.

Ms. Lemos reviewed the Human Resources, Finance, Legal, Court, Clerk, and Manager's reductions which represented \$35,550. She stated that HR had an \$8,000 savings in recruitment advertising; Finance had a \$3,000 savings in office supplies, postage, and travel and training; the Legal department, Court and the Clerk's Office had the same savings and in addition, the Clerk's Office had cut their microfilm budget; the Manager's Office had an \$11,000 savings in the Communications Administrator vacancy, office supplies, and travel and training.

Vice Mayor Snider asked what the impact was of not microfilming town records. Town Clerk Julie Bower explained that microfilming was required if an original document was destroyed, but that the Clerk's Office kept their permanent records in addition to scanning them.

Councilmember Hornat asked to review the Communications position. Assistant Town Manager Greg Caton explained that the \$11,000 in savings was through May 1, 2011 and assumed a replacement at a lower salary.

Councilmember Solomon commented that he was concerned about filling positions when there was a budget shortfall.

Councilmember Garner commented that the reductions had stopped at the \$900,000 mark and that he would have liked to have seen the town go further because the Council could put funds back in to the recommended cuts.

Ms. Lemos stated that another option under consideration for FY2010/11 resulted from the cost allocation study that evaluated the charges to the utility funds for reimbursement of the services provided, which could be implemented at the Council's approval rather than addressing further cuts.

Councilmember Waters asked how sales tax revenues were shaping up for the fiscal year.

Ms. Lemos answered that retail sales tax collections were at projected revenues, but that construction sales tax dollars were below projections which caused the revenue shortfall.

Vice Mayor Snider commented that she had asked the Finance Director to provide her with a table of general fund revenues on a percentage basis, and that Oro Valley's local sales tax was on an upswing but that the state-shared revenues were not.

Mayor Hiremath recessed the meeting at 7:25 p.m. and resumed the meeting at 7:33 p.m.

2. Presentation and Discussion Regarding Town-wide Telephone System Replacement Project

Information Technology (IT) Director Kevin Verville discussed the replacement of the town's phone system and what options were available. He stated that the town's system was 11 years old, based on 20-year old technology, and could not be expanded or upgraded to Voice Over Internet Protocol (VOIP). He also noted that the vendor no longer maintained their contract or supported their product and the department had seen increased downtime due to repairs. Mr. Verville stated that the town had planned for a replacement system in 2007 and a network upgrade was approved in the FY2010/11 budget, which was in the process of being completed.

He reviewed options and costs for replacement:

- Keep the existing system, which was risky
- Purchase a new system with capital dollars that would be managed in-house
- Have a hosted/managed system off-site

Mr. Verville stated that staff recommended replacement of the current system with a hosted/managed system that had an estimated one-time capital cost of \$100,000 for the purchase of phones and an estimated net monthly cost of \$15,800. He stated that there was no incurred maintenance costs for FY2011/12 until the third quarter and anticipated additional cost recoveries in FY2012/13. Mr. Verville reviewed the implementation timeline if the recommendation was approved, and estimated that the hosted/managed phone system would go live in March, 2012. He noted that additional costs of \$47,000 would be incurred at that time. The IT Director stated that the rough estimate in additional costs for FY2012/13 was \$62,600 and for FY2013/14 and beyond was an additional \$72,600.

Mr. Verville described the benefits of having a VOIP system and a hosted system:

- Reduced risk of failure
- Minimized down time
- Reduced administrative costs
- One network to manage instead of two
- Lowered carrier costs
- Room for expansion and growth
- Reduced energy consumption

Councilmember Waters asked if the hosted/managed system option eliminated the risks that cropped up with the existing system over the loss of support from the manufacturer.

The IT Director stated that the biggest advantage of a hosted system was the managing company shouldered most of the risks and managed the hardware, software, updates, etc. He noted that the only concern left to the department was the phone itself.

Vice Mayor Snider asked how the hosted system and T1 lines interacted with the Pima County Wireless Integrated Network (PCWIN). Mr. Verville explained that they were all forms of communication and that the PCWIN project had potential lines that could be utilized for wireless connections instead of land lines.

Councilmember Hornat asked if any of the replacement cost numbers were included in the \$3 million deficit figure for FY2011/12. The Finance Director stated that the \$100,000 one-time costs associated with implementation were factored in as well as the recurring costs for five years.

Next, Councilmember Hornat stated that Qwest was the vendor the town was looking at for the hosted/managed system and that the risk was that lines could get cut. He then asked the IT Director to give him an idea of what the length of the contract was.

Mr. Verville stated that generally hosted VOIP contracts were 3-5 years and that at the end of most contracts was the option to renew, and in some cases, the ability to walk away from the contract and look for a new vendor.

Councilmember Hornat asked if there were any penalties or any outs if the town decided they didn't like the system. Mr. Verville commented that if the town piggybacked on the state contract, there would be more outs than normal.

Councilmember Solomon reviewed the Benefits slide and asked if the net additional dollar amount included the reduced administration costs, lowered carrier costs and additional IT time. The IT Director stated that the amount shown was strictly the dollar savings from the contract renegotiations.

Councilmember Garner reminded the IT Director of his suggestion to look at the open market for VOIP systems from companies who had gone out of business. He also asked about provisions, and whether it was possible to recoup some of the costs from the existing phone system.

Mr. Verville responded that the the viability of used or reclaimed systems had been looked at, but that there were very few large-scale systems available that were intact. He also explained that the town's system utilized 400+ extensions and the most that could be found in the market was 20-30 extensions, and that another \$100,000 would have to be spent on re-engineering the system. The IT Director then clarified that other vendors in addition to Qwest were being considered, and that some trade-in value would be recouped but could not be determined until a full inventory was done.

Councilmember Garner suggested that the Procurement Division should participate during the trade-in negotiation to ensure the town receives fair market value for the current system.

Vice Mayor Snider stated that the one-time capital cost of \$100,000 was eligible to come out of contingency funds and asked if the amount could be shared with other department's contingencies such as the Water's Enterprise Fund, etc.

Mr. Verville stated that each department would be paying their fair share out of their individual reserves, and that the entire \$100,000 would not be coming from the General Fund's contingency balance.

Mayor Hiremath questioned the one-time capital purchase of phones and inquired as to the possibility of going with an all-inclusive option due to obsolescence, and asked what the advantages vs. disadvantages were of purchasing phones.

Mr. Verville stated that phones had more longevity than computers and the average lifespan was 5-7 years on a VOIP system, which was shorter than the older private branch exchange (PBX) systems, but not obsolete. He commented that it was a smart buy to purchase the phones up front, but that the monthly costs of an all-inclusive system could be added if desired.

Mayor Hiremath asked the Finance Director what the statute of limitations was on the one-time phone purchase, and questioned whether contingency funds could be used for this item in the future.

Ms. Lemos answered that the funds could be used again in five years if the system needed to be replaced.

Councilmember Hornat explained that the O&M cost difference between the all-inclusive option and the option with purchased phones was \$36,000 per year, and that the town would recoup their money in 2.5 years. He also mentioned that he was concerned about the increase in expenditures.

Councilmember Solomon agreed that it made sense to move on to a new phone system, but that money was not available for recurring costs.

3. Transit Services Operations

Transit Services Administrator Aimee Ramsey reviewed the service options for the FY2011/12 budget and Coyote Run's cost savings from the last three years. She stated that the division started freezing positions in 2007 and that they had experienced 33.2% in staff reductions since that time, which had caused shrinkage in service hours, capped ridership, and eliminated next-day trips. Ms. Ramsey declared that her division had utilized a Volunteer Driver Program which had seven drivers enlisted in it. She affirmed that the legislation for Local Transit Assistance Funding had been repealed, which had contributed up to \$300,000 to the budget in past years.

Ms. Ramsey explained the differences between the two transit services that the town offered (Sun Shuttle and Coyote Run), and stated that they complemented each other. She then reviewed the proposed options:

Option A - represented no change to the service levels that were currently in place, but would require \$393,000 from the General Fund budget.

Option B - represented the elimination of Coyote Run services and continued operation of Sun Shuttle via an intergovernmental agreement with the Regional Transportation Authority (RTA). Option B would require \$225,000 from the General Fund budget.

Option C - represented the elimination of the town's Transit Services Division and shifted operations of the Sun Shuttle to the RTA. Option C would require \$76,000 from the General Fund budget.

The Mayor asked if the RTA could contract with the town to hire drivers from Coyote Run if the Council chose Option C. Ms. Ramsey stated that would only be available through Option B as an all-inclusive service.

Councilmember Garner asked about the reimbursement structure through the RTA regarding the additional drivers the town had hired, and about volunteers.

Ms. Ramsey answered that Option A had 10.08 full-time employees (FTE's) and no volunteers were included in that figure. Option B reduced staffing levels to 7.4 FTE's and represented a \$50,000 transfer to fleet maintenance. Option C reduced staffing levels to 0 FTE's and eliminated \$101,000 transferred to fleet maintenance.

Councilmember Hornat asked the Finance Director which option had been placed in the FY2011/12 budget. Ms. Lemos stated that a transfer of \$300,000 had been budgeted to Coyote Run.

Councilmember Garner asked how the options presented factored in revenue from town-owned buses. Ms. Ramsey stated that there were costs and revenues associated with the buses being turned over to the RTA. She explained that there would be costs associated with the rolling stock of the buses because that was the only thing purchased with federal funds.

The Mayor asked to have that cost amount brought back to Council.

Vice Mayor Snider asked for clarification as to what senior services would be available outside of the blue zone area that the Sun Shuttle serviced.

Ms. Ramsey stated that areas south of Ina Road and west of La Cholla Boulevard were serviced by Coyote Run to disabled and senior citizens.

Option D - represented discussions with the RTA for expanded Coyote Run services only and no financial maintenance costs. Option D would require \$76,000 from the General Fund budget.

Option E - represented further reduced services in Council's choice of additional zones, days, or hours. Option D would require \$76,000 in maintenance.

Councilmember Waters asked what the Coyote Run usage was, the number of citizens who depended on the service and their frequency of usage.

Ms. Ramsey stated that seventy-five passengers a day utilized Coyote Run, and thirty-five passengers traveled outside of the area. She also cited the number one reason tracked for needing the service was for medical purposes.

Councilmember Hornat asked if service could be reduced to two or three days a week for \$76,000 per year. Ms. Ramsey answered that the \$76,000 barely covered fuel and maintenance costs of the vehicles during a year.

Councilmember Solomon expounded on ridership and noted that with Option C, 50% of the riders would be lost that traveled outside of the area. He asked what the repeat ridership percentage was, and if the majority of trips were being utilized by a small percentage of users.

Ms. Ramsey agreed that in general, transit users were a small number that employed the service the most.

Councilmember Garner asked if there was an alternative means of transportation for citizens to use if the transit services were eliminated in areas.

Ms. Ramsey remarked that the majority of areas had Sun Shuttle service available, but that the riders who used Coyote Run could not make the transfer to Sun Tran because of mobility issues, etc.

Councilmember Solomon asked if the area near the Northwest Hospital was available for expansion.

Ms. Ramsey stated that with the elimination of Coyote Run, having an expanded zone would diminish quality.

4. Money Bags Squad Budget Recommendations

Finance Analyst Art Cuaron presented budget recommendations from the Money Bags Squad and stated that the actions recommended fell within their purview (i.e. no large, adverse impacts on staff or staffing levels). He explained that the composition of the Squad included 13 employees from all departments of the Town, and they only brought forward the recommendations that had received a majority vote.

Immediate budget recommendations for FY2010/11 included:

Revenues – Enterprise Fund cost allocation/recovery study implementation with determinations from that study to be incorporated immediately to offset the budget shortfall

Expenditures

- Reduce custodial services contract
- Eliminate coffee service and purchase of other food incidentals (Kleenex, cutlery, paper plates, etc.)
- Minimize food service at staff meetings
- Institute cell phone stipend for eligible staff members
- Reduced travel and training budgets
- Reduced non-essential memberships and subscriptions

Kevin Verville, Information Technology Director, noted that the last time he looked the annual cell phone cost was close to \$90,000.

Mr. Cuaron explained that the Squad had not focused on individual line items but had looked at a higher level, so the cost savings recommended were not a large dollar amount.

Budget recommendations for FY2011/12 included:

Revenues

- Increase retail sales tax
- Increase utility sales tax
- Increase business license fees
- Increase user fees where appropriate
- Implementation of Enterprise Fund cost allocation study
- Implementation of liquor license fee
- Implementation of commercial property rental tax
- Pursue naming rights at Town parks and facilities
- Pursue advertising opportunities on Town website and facilities

Expenditures

- Eliminate funding for staff holiday party
- Reduce uniform budgets where appropriate
- Eliminate stand alone printers and fax machines
- Minimize overtime spending and encourage comp time usage
- Offer voluntary severance/retirement plan
- Implement formal volunteer program in departments that need assistance

Budget Recommendations for FY2012/13 included:

Revenues

- Implement property tax
- Implement Enterprise Fund cost allocation/recovery study
- Implement Utility Franchise fees

Mr. Cuaron reviewed the recommended Management/Policy considerations that the Squad supported which included:

Aggressively Pursue

- Annexations
- Grant opportunities
- Marketing the Town as a means of economic development

Continue to pursue - Regional partnerships, and Review/implement uniform policies.

Mayor Hiremath thanked Mr. Cuaron and the Squad for their proposal and commented that a majority of the items proposed a morale issue, but things like comp time usage and a voluntary severance/retirement plan could be beneficial to both the town and employees.

Councilmember Hornat suggested that the town become more aggressive in pursuing grant opportunities by adding a position to the Procurement Division that would coordinate with the different Department's when they were applying for grants.

Councilmember Solomon stated that it was irrelevant whether or not employees supported taxes and noted that the Squad knew where money was spent that could be saved.

Mayor Hiremath recessed the meeting at 8:54 p.m. and the meeting resumed at 9:04 p.m.

5. Discussion and Presentation Regarding Revenue Enhancement and Cost Reduction Options for FY 2011/12

Finance Director Stacey Lemos stated that her presentation was for Council recommendations to staff pertaining to future Study Sessions and how staff should address budget deficits for FY2011/12 and beyond.

She highlighted the main problems:

- Estimated General Fund deficit of \$3M dollars for FY 2011/12 which included funding of capital and asset replacement needs
- Estimated Highway Fund deficit of \$1 million
- Future deficits projected for four years out

Ms. Lemos cited the cause of the deficits was due to low growth projected in residential and building commercial building activity, slowed economic recovery projections, limited growth potential from State shared revenues, and increased budget expenditure pressures.

Staff-recommended Solutions:

Short term

- New and/or increased sales taxes and fees
- Core service prioritization/program reductions = reduced FTE's
- Evaluate service level standards using performance measures

Long-term

- Primary property tax
- Utility franchise fees
- Evaluate partnerships - library, transit, fleet maintenance
- Actions/policies to stimulate economic development, create jobs
- Annexations

Ms. Lemos reported that a new or increased sales tax action required public notice, which took about 5 months to take effect before revenue was realized by the town.

The Finance Director reviewed the following options for closing the \$3M dollar General Fund deficit:

Option A

- 2% Utility Tax Increase = \$ 1.3 million
- Cuts and Other Fees = \$1.7 million

Option B

- 1% Utility Tax Increase = \$650,000
- Cuts and Other Fees = \$2.4 million

Option C

- 2% Utility Tax Increase = \$1.3 million
- 2% Commercial Rent Tax = \$900,000
- Cuts and Other Fees = \$800,000

Option D

- 2% Utility Tax Increase = \$1.3 million
- .25% Local Tax Increase = \$800,000
- Cuts and Other Fees = \$1 million

Option E

- .50% Local Tax Increase = \$1.8 million
- Cuts and Other Fees = \$1.2 million

The following options were given for closing the Highway Fund deficit of \$1 million:

Option A

- .25% Local Tax = \$800,000
- Cuts = \$200,000

Option B

- 1% Utility Tax Increase = \$650,000
- Cuts = \$350,000

Option C

- 2% Commercial Rent Tax = \$900,000
- Cuts = \$100,000

Ms. Lemos stated that she was asked to bring back the costs for providing a one-time employee bonus, which were not included in the projections for FY2011/12:

Employees w/Annual Salary of \$60,000 or less

1% = \$118,000 (\$87,000 General Fund)

2% = \$236,000 (\$174,000 General Fund)

All Employees

1% = \$208,000 (\$161,000 General Fund)

2% = \$417,000 (\$322,000 General Fund)

Vice Mayor Snider asked to see what the \$3 million budget deficit was comprised of so the Council could make educated decisions regarding revenue enhancements and to ensure prioritization was given to the core services recognized at the Budget Retreat.

Councilmember Hornat asked to see what the program cuts were that totaled \$2.35 million per year to determine what was viable.

Councilmember Garner commented that nothing should be left off of the table regarding non-essential services and that the town's reduced population numbers should match the service levels.

Councilmember Hornat referred to a handout and asked what the difference was between the budgeted amount of Full-time Employees and those that actually showed up for work in Town Hall.

Ms. Lemos responded that vacant positions accounted for monies held in the budget and there were 5-6 vacancies during any time in the year.

Councilmember Solomon remarked that in 2001, \$662 was spent per resident in the town and that in 2010, \$662 was the projected expenditure per resident as well. He stated that spending levels were being maintained but that revenues had decreased.

Councilmember Garner asked to have benefits looked at and what the fair share is that employees are contributing.

6. FUTURE BUDGET AGENDA ITEMS

Councilmember Hornat directed staff to forward the necessary items to implement a 2% increase in the Utility Tax for discussion at the March 2, 2011 Regular Session meeting, seconded by Vice Mayor Snider.

Councilmember Hornat directed staff to bring forward a Council policy/resolution for discussion and possible action that provides that funded but unfilled FTE's (full-time equivalent employees) will not be filled until approved by Council as a whole. Any existing policies, directives, resolutions or codes to the contrary should be brought forward for discussion and action, seconded by Councilmember Garner.

Councilmember Hornat directed staff to bring forward for discussion and possible action any codes, policy, resolutions, or directives that provides that the Chief of Police reports directly to anyone other than Council as a whole. Further, if no such code, policy, resolution, or directive exists, that a policy/resolution be prepared for discussion and action, seconded by Vice Mayor Snider.

Councilmember Hornat directed staff to bring forward a policy for discussion and possible action authorizing Council to appoint one or two members of Council to be present at and privy to any and all communiqués, discussions, or meetings involving negotiations or memorandums of understanding for Public Safety employees. Any existing policies, directives, resolutions, or codes to the contrary should be brought forward for discussion and action of this point. In addition, Council as a whole may wish to consider a permanent Council liaison for this purpose, seconded by Councilmember Solomon.

Councilmember Garner requested that any authorized position that had been frozen for two or more years should be eliminated from the current fiscal year budget that the Council was going to be negotiating up front for the next fiscal cycle, and then if those unfunded positions needed to be filled, the Department heads would need to show where the money would come from, seconded by Councilmember Hornat.

Ainsley Legner, Director of Parks, Recreation, Library, and Cultural Resources, communicated that her department was going to present a recommendation for a fee increase after the pool feasibility study results were distributed to Council. She stated that the recommendations would have to be offered at a later date because of the timeline necessary for public notices.

ADJOURNMENT

MOTION: A motion was made by Councilmember Waters to adjourn the meeting at 9:51 p.m., seconded by Councilmember Hornat.

MOTION carried, 7-0.

Prepared by:

Tracey L. Gransie
Assistant to the Town Clerk

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I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the study session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 23rd day of February 2011. I further certify that the meeting was duly called and held and that a quorum was present.

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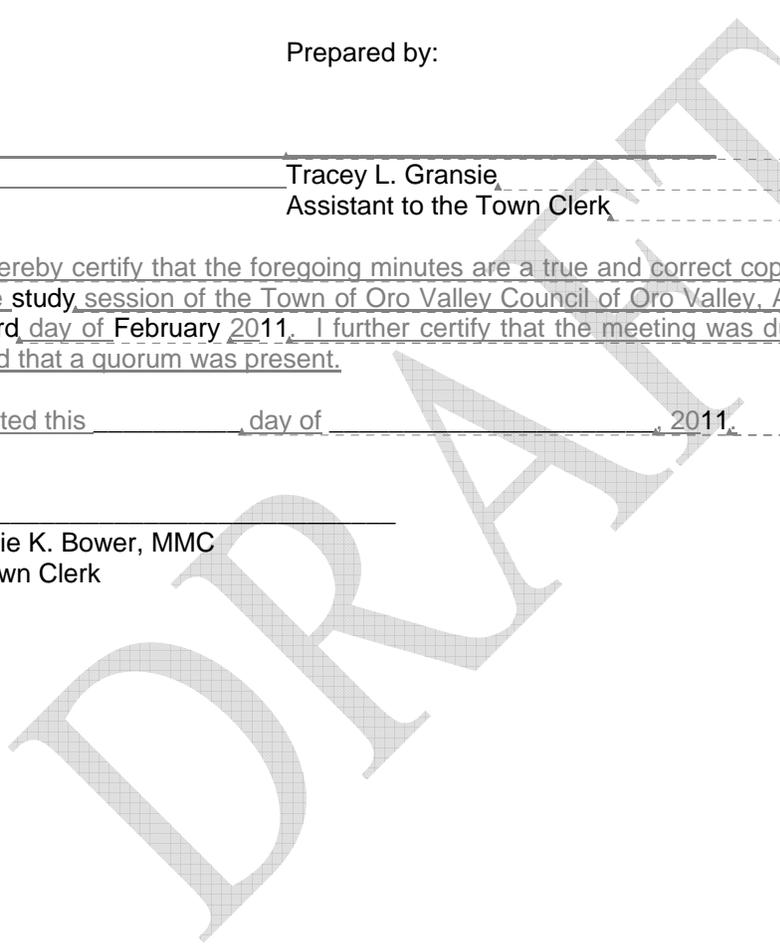
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Julie K. Bower, MMC
Town Clerk

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**MINUTES
ORO VALLEY TOWN COUNCIL
SPECIAL SESSION / STUDY SESSION
March 9, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

SPECIAL SESSION AT OR AFTER 5:00 PM

CALL TO ORDER - at 5:00 PM

ROLL CALL

PRESENT: Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

EXCUSED: Barry Gillaspie, Councilmember

EXECUTIVE SESSION AT OR AFTER 5:00 PM

MOTION: A motion was made by Councilmember Waters and seconded by Councilmember Solomon to go into Executive Session at 5:01 p.m. for the purpose of receiving legal advice regarding litigation pursuant to ARS 38-431.03(A)(3).

MOTION carried, 6-0

Mayor Hiremath stated that the following staff members would join Council in Executive Session: Town Attorney Tobin Rosen, Assistant Town Manager Greg Caton, Town Manager Jerene Watson, Town Clerk Julie Bower, and Finance Director Stacey Lemos.

SPECIAL SESSION

1. DISCUSSION REGARDING TERMS AND CONDITIONS OF EMPLOYMENT OF THE CHIEF OF POLICE
2. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION TO AMEND TOWN CODE SECTION 3-2-3

Section 2-3-3 of the Town Code reflected the Chief of Police review on employment agreement. Contract is to be evaluated by the Town Council.

Councilmember Garner asked to confirm that they were receiving the Sub-Section (C) where it discussed the annual meeting for performance goals.

Town Attorney Tobin Rosen confirmed Section 6-C of the contract defines goal performance objectives. He explained Section 6-C remains in the Police Chief's contract and that it was subject to review by the Council.

Vice Mayor Snider stated that from a public policy standpoint, there is a conflict with the Code. The Code states that the Town Council appoints the position of the Town Manager, Chief of Police and Town Attorney. She stated that in Section 3-2, the Chief of Police is appointed by and may be terminated by Town Council pursuant to employment agreement. The new language that was added in 2007 stated "daily oversight and performance evaluation shall be completed by the Town Manager." There is a conflict with the current agreement. From a policy standpoint, the Town Code states that the Chief of Police is hired or fired by the Town Council, but is not responsible for evaluating performance. Discrepancy is that Council is responsible for hiring but not for performance.

Mayor Hiremath preferred to keep it through, "administration for daily oversight."

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Hornat to approve Ordinance No. (O)11-10.

Councilmember Gillaspie stated he would vote against the motion. He believed it was in the best interest of the Town for the Police Chief to report to the Town Manager.

Mayor Hiremath asked Town Manager Jerene Watson if any of the concerns that Councilmember Gillaspie stated would prevent the Council from working with the Town Manager on the Chief's performance review.

Ms. Watson stated that the Chief reported to her predecessor.

MOTION carried, 6-1 with Councilmember Gilliaspie opposed.

ADJOURN SPECIAL SESSION

Mayor Hiremath adjourned the Special Session at 5:35 PM

STUDY SESSION AT OR AFTER 6:00 PM

CALL TO ORDER - 6:00 PM

ROLL CALL**PRESENT:**

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Barry Gillaspie, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

1. **DISCUSSION AND PRESENTATION REGARDING FY 2011/12 - FY 2015/16 BUDGET ESTIMATES, DEPARTMENT PROGRAMS AND SERVICE LEVELS AND POSSIBLE REVENUE ENHANCEMENTS**

Town Manager Jerene Watson discussed the format for the evening and stated that staff had been working collaboratively with Council on the budget for FY2011/12. The town does not have a budget as of yet. Meeting with Council will provide information to help them formulate budget priorities which will be presented later in April.

Finance Director Stacey Lemos began the budget discussion and explained the \$3 million dollar deficit.

Ms. Lemos explained what made up the deficit as projected for next year. The matrix given at the budget retreat listed three tiers. These tiers consisted of (1) mandates (2) Code's and (3) non-mandate Code or law. A (3) may still be a core service area that didn't fall into (1) or (2).

Ms. Lemos reviewed the budget schedule and forecast assumptions for the General Fund for FY2011/12. There were significant areas of revenue decline and limited construction projects. Ms. Lemos explained that they were forecasting a slight increase in retail and restaurant tax in the amount of \$6 million dollars, and a continued drop in state shared income taxes. Ms. Lemos noted there will be \$23.4 million dollars in revenues and \$26.5 million dollars in expenditures totaling an estimated deficit of \$3.1 million dollars.

Departments have cut almost \$6 million dollars over the last two fiscal years (08/09 through 10/11.) Police have cut \$2,107,527 dollars; General Administration has cut \$1,685,064 dollars; DIS have cut \$960,992; Parks and Recreation along with other departments have cut approximately a half of a million dollars each over the last several years. To cut another \$3 million dollars would have a dramatic impact on the fabric of the community.

Ms. Lemos provided a pictorial of Town staff as a puzzle of how departments are inter-related. If you impact one piece of the puzzle then other departments are affected.

Police Chief Daniel Sharp stated that the Town exists as a symbiotic organization. The organization works with other departments. For example, recreation programs and the library provide crime prevention activities and offer a safe environment from predators who may do harm. If a recreation program that is a 'tier 3' is cut, then it may have a direct impact on the police department's ability to do the job. In a recent survey, Oro Valley was the best place to live, based on three criteria: education, median income and crime statistics. Town population is growing and traffic flow is increasing. The police department wants to provide quality service to the resident in Oro Valley.

Economic Development Manager Amanda Jacobs explained that Roche announced 500 jobs. Mayor Hiremath, Councilmember Gillaspie and Town Manager Ms. Watson were all part of the negotiation. One of the angles they presented to Roche was that Oro Valley is one of the safest places to live. If the Town continues to make cuts from the Police Department, then we will not be able to convince the business owners that the Town is still safe.

Judge George Dunscomb agreed with the Police Chief. Some officers who are leaving are trained specifically in writing trucker code tickets. Trucking violations are high dollar citations which cannot be given by an ordinary officer. Crimes that are rising consist of criminal citations such as shoplifting which is time intensive for the Court. The number of overall citations are down due to the low staffing levels of the Police Department.

Town Attorney Tobin Rosen stated that with the increase of property crimes, it increases the case load for town prosecutors. Staffing levels have remained the same since 2005 yet staffing levels have not increased with the workload. Parks, Recreation, Cultural Resources and Library Director Ainsley Legner focused on recreation and how they had cut about \$90,000 dollars in the past two years. Two years ago they had three sites for summer camps. They are now down to just one. With different programs being cut, there are consequences and children won't have programs available. Recreation staff has shifted some resources with the elimination of the summer program. The recreational staff has also been utilized to help with the dramatic increase of special events.

Ms. Legner stated that the recreation room that the town leased located across the street from Town Hall is providing recreation programs for children, adults and seniors. There are about 1,200 people a month attending different programs.

Nancy Ellis handles all bicycle, pedestrian and trail issues and is responsible for a major amount of the grants for the Town.

Assistant to the Town Manager Kevin Burke stated that grant writing is a collaborative effort from different departments. The individuals who write the grants actually bring in a lot more revenue.

Library Administrator Jane Peterson presented the importance of Library services. The Library budget has decreased \$200,000 dollars in the last five years. The staffing levels have decreased from 19.4 to 18.1. The usage of the library has had a fifty percent increase. From what use to be 500 - 700 people a day, has increased to 700-1000 people a day. This is happening throughout the nation due to the economic down turn. People want free books, free c.d.'s, free DVD's and Audio books. Ms. Peterson also stated how there are a large number of children who come to the library since it is a safe place. Schools also look for support for their curriculum. The library assists people in looking for jobs and has found work for twelve people. She discussed listing several other cuts to the Library. She also stated how the library relies heavily on volunteer help and also stated that the Library is the only community center and that more than two thirds of Oro Valley residents have library cards.

Development and Infrastructure Services Director Suzanne Smith focused on the Development portion. The three divisions that are inter-related are planning, permitting and inspections. A reduction to any one of these departments would impact all of them. Planning sets the standards and vision for the community. Permitting is the foundation which ensures our life safety to building. Inspections ensure that a structure is built to the approved plans and is up to Code.

Ms. Smith presented a chart and discussed how there has been an over all reduction in work force not only in DIS but town wide. With the overall reductions with personnel in the development department it has decreased the departments' ability to provide a consistent level of service.

Ms. Smith stated that the Town needs to keep their eye on redevelopment since houses will degrade and thus neighborhoods will become unsafe and property values decrease. If further reduction occurs in Development staff, this would reduce the departments' ability to meet performance goals. There are several areas in the department that have been neglected due to the decrease in staff.

Ms. Smith addressed tier 3 programs. The Conservation and Sustainability program was established in 2009 which resulted in savings for this year in the amount of over \$400,000 dollars and an additional \$200,000 dollars that will be saved due to the energy efficiency. Other positions were restructured. There would be potential delays for development projects and public notifications. Facilities maintenance has two employees for all of the town facilities, including emergency repairs for after hours as well as the municipal center and Calle Concordia with a budget of \$330,000 dollars. Over \$200,000 dollars has already contracted out of which \$120,000 dollars has for custodial services.

Ms. Smith emphasized the economical difference of having large corporations built and how they may equate rather than having custom or model homes built.

Mayor Hiremath recessed the meeting at 6:27 PM.

Mayor Hiremath reconvened the meeting at 6:45 PM.

Finance Director Stacey Lemos requested direction from the Council regarding the budget.

Councilmember Waters thanked everyone who made presentations. He talked about the budget retreat and stated that the Town either needs to tax or grow to recover from structural problems. The Town has to deal with the fact that it is a structural deficit.

Councilmember Gillaspie requested the total percent decrease in the last 3-5 years including the percentage of total budget that each department would cut. He agreed that there is a structural deficit and when Oro Valley was founded, they never adopted a property tax. What is required is a way to balance income with expenditures and deal with political realities. If the Town asks citizens for more revenue, then it is our responsibility to present a balanced portfolio.

Ms. Lemos addressed Councilmember Gillaspie and stated that the total percentage drop was 20% from where the Town was three years ago. It is about a 33% budget cut of where they were three years ago.

Vice Mayor Snider stated she would like to see a figure that eliminates the 12% health insurance increase, the transit fund for \$300,000 and the \$666,000 for CIP. Ms. Lemos stated that she will be able to provide that information later in the evening.

Councilmember Solomon recognized the commitment and contribution that staff has put forth. He presented a chart which consisted of a list of his priorities.

Councilmember Garner stated that departments listed things that can be cut but are now defending the tier 3 and tier 2. It comes down to efficiencies. When staff presented a tier 3 item, staff should have already figured out how they were going to deal with it. He gave an example of when DIS was consolidated into one department to be efficient but what he heard was people defending the tier 3 position. He continued on stating that the Town Manager should bring back a new budget that doesn't bring any increased taxes. Councilmember Garner is not convinced with the present budget cuts.

Town Manager Jerene Watson stated there was no budget presented tonight due to the fact that staff wanted the Town Council priorities. Ms. Watson stated they could present a budget but were trying to do this in a collaborative effort with the Town Council.

Vice Mayor Snider had a different understanding. She did not see any services that were offered up on the table to cut. Revenue enhancements in the budget will need to be looked at.

Councilmember Hornat appreciated what staff presented and understood the responsibility of the Town Council. He stated it was important to show the people of Oro Valley that the Town was fiscally responsible and examined what services may be removed before starting to ask for revenue increases.

Mayor Hiremath stated that the town had an overage in the contingency fund and the timing for these discussions was good. The Town had revenue sources which need to be looked at. Mayor Hiremath stated that the Town Council was elected to make decisions for the residents and maintain a level of quality of life the Council wants for the residents. Council must first look at the expenditures and then come to a mutual agreement on how to generate revenue.

Vice Mayor Snider asked Jane Peterson from the Library if there were charges for computer classes.

Ms. Peterson stated there was no charge for computer classes.

Vice Mayor Snider asked DIS Director Suzanne Smith if the reductions she mentioned regarding the tier 3 utilities were reflected in the \$3 million dollar budget deficit.

Ms. Smith directed the question to Finance Director Stacey Lemos who replied that they were offset by the Krebs Bond step service and by next year, the town will be able to evaluate the energy savings.

Vice Mayor Snider needed clarification from Ms. Smith as to why personnel costs were rising. She also stated that she has met with the General Manager's from

the Hilton El Conquistador Resort and the Wingate and that occupancy has increased.

Ms. Lemos explained that the increase for DIS personnel were due to the Health Insurance percentage increase.

Vice Mayor Snider explained that she attended a health benefit presentation and explained that the consultants were going out to bid as to not have an increase in costs and that the Town should receive a response by the following week.

Councilmember Garner asked Ms. Lemos for the figure of dental benefits.

Ms. Lemos stated that the costs for Dental services were \$158,000 for all fees.

Councilmember Garner asked Ms. Lemos if the figures in the budget reflected the bed tax expiration.

Ms. Lemos explained that the figures do reflect the bed tax due to the fact that it expires in September 2011.

Ms. Lemos explained that there has not been an overall increase in bed tax revenue.

Councilmember Garner requested a breakdown from each department for the current budget and stated once the town receives the figures for the State shared revenues, another budget session should be conducted.

Mayor Hiremath confirmed that May 18 was when departments were required to submit their final budgets.

Councilmember Hornat asked if the 12% increase was to the Town or to the employees.

Ms. Lemos explained it was 12% or \$240,000 overall which is shared between the Town as well as to the employee.

Councilmember Hornat needed clarification on the bed tax fund.

Ms. Lemos gave a brief overview of how the bed tax was allocated.

Councilmember Hornat stated that he would like to see the Town use those funds.

Councilmember Solomon stated that the Town Council needs to prioritize so that they can give direction to staff. The area that has not been discussed so that the

Council can justify increases and revenue was the administration and management.

Councilmember Waters stated that the town is in good shape by not having the general fund decline and the Town Council needs to evaluate the importance of Economic Development and investments for future growth.

Vice Mayor Snider stated that economic development was on the uptick and has heard of more support for revenue enhancement than opposed and stressed how important it is to lead and develop the community.

Councilmember Garner wanted to clarify that there was \$250,000 dollars available that was donated for the Naranja project should the town need it for other uses. He would like to see the partnership with Marana in the economic development department continue. He would like all the director's of departments to look at possibly having a partnership with other jurisdictions for fleet maintenance and also extending into different services that the town may provide or retrieve from. This could bring in some revenue enhancements to the Town. He stated taxes should not be the focus but rather focus on partnerships with different municipalities.

Vice Mayor Snider was in agreement with Councilmember Garner and was pleased to report that department heads were already in discussion with other jurisdictions such as Chief Sharp has had conversations with the Marana Police Chief Rozema.

Mayor Hiremath inquired as to why the budget of \$110,000 dollars was set for election costs.

Town Clerk Julie Bower stated there are two elections, the primary and the general which is coordinated with Pima County. The \$110,000 dollars was budgeted to cover all activities for both elections.

Mayor Hiremath requested Ms. Lemos to figure in a one time 2% bonus to give as an increase for employees exclusive of upper management. He would like the Council to come to an agreement toward giving staff some direction to assist in what Council would like to see in the budget.

Vice Mayor Snider stated that she agreed with Councilmember Solomon's priority 1's and would like to tell staff what her priorities were in the budget. Public works, public safety, parks and development are critical. She requested Ms. Lemos to bring back revised figures of a budget that removed the following:

- 12% Health Insurance Increase
- \$47,000 Phone System

- \$220,000 Transit Fund
- \$666,000 CIP Asset Replacement

Councilmember Hornat stated the Town does not have \$100,000 dollars for a new phone system and would rather see a reserve where the town could place the \$47,000 dollars should the town need to replace any parts of the old system. He would like to review the replacement of computers budget portion as well as the potential expenditure for this year or next year of the bed tax surplus.

Councilmember Gillaspie asked IT Director Kevin Verville what the replacement cycle was for the computers.

Mr. Verville stated that it was four years for computers and five years for servers. This year the Town has replaced 80 computers which is 20% of the computers that are five years old.

Councilmember Gillaspie suggested a five year replacement schedule for computers.

Councilmember Garner requested the Economic Development Manager to re-evaluate the funding and to look at opportunities to partner with Marana to offset some of the cost and to look at the bed tax since the town is at 2%.

He agreed with the capital replacement program and would like the Chief of Police to look at the take home vehicle policy and efficiencies that may or may not be born out with a concept of a motor pool or a way to eliminate the amount of vehicles that the town is replacing on a frequent basis. With capitol expenditures looming and having to replace vehicles, the town could cut down the exposure of how many vehicles would be replaced. The policy needs to be re-evaluated.

Councilmember Waters inquired at to what the fuel situation was and if the town has their own tank. He asked if the town contracts out to get a certain amount of fuel and what the price was.

Procurement Manager Brian Garrity stated that the town utilized a cooperative contract that was based with the City of Tucson which allows the town to purchase fuel from Western refinery. The town has two fuel tanks and purchases fuel based on the national fuel index at around an average of \$3.25 per gallon.

Mr. Garrity said they will use the figure of \$3.25 per gallon as the average for the year.

Police Chief Sharp added that in 2002 the police department started an evaluation since fuel costs were rising and in 2003 decided to purchase only fuel efficient vehicles.

Mayor Hiremath stated the important roles that Metropolitan Tucson Convention and Visitors Bureau and Tucson Regional Economic Opportunities, Inc. (TREO), has with the town's economic development in the town specifically regarding Roche. Without the involvement of TREO, the town would not have landed the Roche development.

Councilmember Solomon stated that he does not want to lose the current level of service to the community and that Council has to make policy decisions.

Mayor Hiremath stated that if staff presents a budget with a cut of \$3 million dollars, it was fair to assume the level of services that have been provided will be the same with no decline. His concern was if the \$3 million dollar gap was filled, would that put the town back to a level that can be maintained.

Councilmember Solomon discussed how the Town was losing ground in different areas and if the town refuses to lose anymore, expenditures need to be increased to reverse the trend. He stated it is obvious we have to raise more revenue.

Ms. Lemos stated that if a budget was presented at a \$26 million dollar level, it would not have merit increases for staff, step plan increases for police officers, as well as several existing vacancies that would be carried forward.

Mayor Hiremath stated that a decision needs to be made by Council to give staff some direction of what Council's priorities are.

Vice Mayor Snider stated that she thought the priorities were already given and she agreed to give staff direction.

Councilmember Garner stated the importance of not focusing only on top priorities but also on the efficiencies.

Mayor Hiremath concurred with Councilmember Garner and stated that any efficiencies that are realized will only allow revenues to be re-allocated.

Councilmember Solomon stated that for three years staff has made cuts. They have made things more efficient, reorganized and are now barely existing with the service levels with the current \$26 million dollars. Council has to set the metric and be specific and work with the department heads about what our expectations are.

Councilmember Hornat stated that Council and staff need to review the cuts and determine how it can narrow the gap.

Mayor Hiremath directed staff to come back with the numbers realizing the efficiencies and present them to the Town Council. Mayor Hiremath thanked staff and the members of the audience for their hard work.

FUTURE AGENDA ITEMS

ADJOURNMENT

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Hornat to adjourn the Special Session meeting at 8:45 p.m.

MOTION carried, 7-0.

Prepared by:

Sylvia Sepulveda
Licensing & Customer Service Rep.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 9th day of May 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2011.

Julie K. Bower, CMC-MMC
Town Clerk

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
April 6, 2011
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 5:01 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

ABSENT:

Barry Gillaspie, Councilmember

EXECUTIVE SESSION AT OR AFTER 5:00 PM

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Waters to go into Executive Session at 5:01 p.m. for the purpose of receiving legal advice regarding outside employment of Town employees pursuant to ARS 38-431.03(A)(3) and for discussion or consultation with the Town Attorney with regard to the Town of Oro Valley v. Vestar Development et. al. litigation pursuant to ARS 38-431.03(A)(4).

MOTION carried, 6-0 with Councilmember Gillaspie absent.

Mayor Hiremath stated that the following staff members would join Council in both Executive Sessions: Town Manager Jerene Watson, Assistant Town Manager Greg Caton, Town Attorney Tobin Rosen, and Town Clerk Julie Bower. Human Resources Director Betty Dickens would join Council in the Executive Session regarding outside employment and the Water Utilities Director Philip Saletta would join Council in the Executive Session pertaining to Vestar Development litigation.

RESUME REGULAR SESSION AT OR AFTER 6:00 PM**CALL TO ORDER**

Mayor Hiremath called the meeting to order at 6:01 p.m.

ROLL CALL**PRESENT:**

Satish Hiremath, Mayor
Mary Snider, Vice Mayor
Bill Garner, Councilmember
Barry Gillaspie, Councilmember
Joe Hornat, Councilmember
Steve Solomon, Councilmember
Lou Waters, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Hiremath led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Assistant Town Manager Greg Caton announced the upcoming Town meetings.

COUNCIL REPORTS

Councilmember Waters reported that realtors and brokers expressed their appreciation for having the Real Estate Sign Code matter settled in a civil and respectful manner.

Vice Mayor Snider reported that this past week, Councilmember's attended their first dinner at Harvest restaurant to kick off the "Dine Out Oro Valley" campaign. Once a month, Council would select a restaurant at random to dine at. She clarified that Councilmembers would pay out of their own pockets for the meals.

Councilmember Garner reported that Vice Mayor Snider, Councilmember Hornat, Police Chief Danny Sharp, Water Utility Director Philip Saletta, and himself attended Zev Cywan's tree dedication on Saturday at Riverfront Park. The event went extremely well and was very well organized by Town Staff.

Councilmember Solomon attended the citizens' volunteer barbecue for all of the police volunteers this past Saturday. Since 1997, a total of 166,000 hours of service had been volunteered.

Councilmember Solomon stated that the angel dedication ceremony at James D. Kriegh Park went extremely well and congratulated Town Staff for all of their hard work in coordinating a great event in such a short period of time.

Vice Mayor Snider reported that the Oro Valley Optimist Club and the Oro Valley Police Department partnered for their 3rd annual Drug Awareness Day for fifth graders at James Kriegh Park.

Councilmember Solomon also congratulated Golder Ranch Fire District for their help with unveiling the angel statue at James Kriegh Park.

Mayor Hiremath thanked Parks, Recreation, Cultural Resources & Library Director Ainsley Legner and Assistant Town Manager Greg Caton for an excellent job with coordinating the angel dedication event. The level of cooperation throughout departments was phenomenal.

DEPARTMENT REPORTS

Parks, Recreation, Cultural Resources & Library Director Ainsley Legner announced that the regional Ironkids event would take place Saturday at James D. Kriegh Park. Ms. Legner introduced the National Ironkids Director Michelle Payette.

Town Clerk Julie Bower announced that the artwork on display in the Council Chambers was created by artist Christine Lytwynczuk.

ORDER OF BUSINESS

Mayor Hiremath announced that item number three (3) would be discussed after item five (5).

INFORMATIONAL ITEMS

1. Staff Recognition Letters
2. DIS Customer Feedback Forms
3. Agency Letters of Appreciation

CALL TO AUDIENCE

Oro Valley resident Donald Bristow encouraged the Council to discuss A-frames soon. He felt that A-frames were aesthetically displeasing and should be prohibited. The use of A-frames didn't help to deliver additional sales tax revenue. He urged the Council to follow the reasonable directions provided by the residents and accept the facts even if they didn't support one's own agenda.

Oro Valley resident Ben Baker, representing the Oro Valley American Legion Post #132, invited the Council to see what the Post was proposing to help develop within the town. The Oro Valley American Legion Post was willing and able to raise funds in the six figures in order to assist with town projects. He also extended an invitation to the Council, Staff and community to attend a breakfast at the American Legion Post #109 on Saturday morning at 9:30 a.m.

Town Clerk Julie Bower noted that written comments were received from Oro Valley resident Bill Adler and the comments would be made part of the record.

Mr. Adler indicated that a Community of Excellence serviced the needs of the Community as a whole; not just the majority; not just the obligations of the many, but of everyone.

PRESENTATIONS

1. Presentation of Certificates of Appreciation to the Public Advisory Committee for their work on successfully completing the Environmentally Sensitive Lands project

Mayor Hiremath presented certificates of appreciation to Bill Adler, Don Chatfield, Susan Simms, Steve Taley, Philip Kline, Doug McKee, and Councilmember Steve Solomon.

Councilmember Solomon said that the ESL public advisory committee had met roughly 34 times within a year in order to derive the final product. He thanked Planning Manager David Williams and Construction/Sustainability Manager Bayer Vella for spearheading and guiding the entire ESL process.

2. Presentation by Helen Dankwerth on behalf of the Friends of the Library

Ms. Dankwerth presented a check to Mayor Hiremath in the amount of \$15,000. She hoped that the Council would continue to consider funding the library next year.

CONSENT AGENDA

Councilmember Hornat requested that items (H) and (J) be pulled from the Consent Agenda and discussed separately.

Councilmember Garner requested that items (K) and (L) be pulled from the Consent Agenda and discussed separately.

- A. Minutes - February 16, 2011 Town Council Meeting

- B. Development & Infrastructure Services Department - Permitting Division - January 2011 Reports
- C. Development & Infrastructure Services Department Permitting Division - February 2011 Reports
- D. Transit Division Monthly Report - February 2011
- E. Consideration of acceptance of the Oro Valley Water Utility Commission Annual Report dated April, 2011
- F. Council approval of market adjustments for two job classifications both lagging by greater than 25% of market
- G. Resolution No. (R)11-18 Authorizing and Approving a Line Extension Agreement for Construction of Protected Water Facilities Under Private Contract Between the Town of Oro Valley and The Shoppes at Oracle Road, LLC
- I. Resolution No. (R)11-20 Authorizing and approving a License Agreement between the Town of Oro Valley and Michael J. and Karen M. Duellman for the installation and maintenance of landscaping on Town owned property located at Sun City Vistoso Unit 12, Lot 277, Parcel Number 223-01-8240

MOTION: A motion was made by Councilmember Garner and seconded by Councilmember Hornat to approve the Consent Agenda with the exclusion of items (H), (J), (K), and (L).

MOTION carried, 7-0.

- H. Resolution No. (R)11-19 Authorizing and Approving a Temporary Lease Agreement between the Town of Oro Valley and EC Tenant Corporation for Storage and Staging of Materials and Equipment

Councilmember Hornat asked who would be responsible for payment if the area was damaged.

Water Utility Director Philip Saletta clarified that if staff damaged the area, the Town would pay for the repair costs, if there were other damages related to vandalism etc, the Town would not have to pay.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Waters to approve Resolution No. (R)11-19, authorizing and approving a temporary lease agreement between the Town of Oro Valley and EC Tenant Corporation for storage and staging of materials and equipment.

MOTION carried, 7-0.

- J. Resolution No. (R)11-21 Authorizing and Approving an Employment Agreement for the Town Magistrate, George Dunscomb

Councilmember Hornat asked whether or not the Town would be obligated to pay the remainder of the Town Magistrate's salary if he was released from employment for any reason other than cause.

Town Attorney Tobin Rosen clarified that in the event that the Magistrate was terminated, which would have to be for cause under state law, his salary would cease at that time.

MOTION: A motion was made by Councilmember Hornat and seconded by Vice Mayor Snider to approve Resolution No. (R)11-21, authorizing and approving an employment agreement for the Town Magistrate, George Dunscomb.

MOTION carried, 7-0.

- K. Council Approval for In-Kind Support from the Town of Oro Valley for the Arizona Distance Classic
- L. Council Approval for Tucson Sports' Request for In-Kind Support from the Town of Oro Valley for the IronKids National Triathlon Series and National Duathlon Championships from USA Triathlon

Councilmember Garner pulled items (K) and (L) because of the economic development impacts that these types of events had on the Town. He requested that a follow up or action report be submitted to the Town in order to receive a more accurate economic impact of the event.

Economic Development Manager Amanda Jacobs stated that there currently was no provision in the Special Events Policy that required event organizers to submit an action report after the special event ended.

Councilmember Hornat agreed that a post event report would be advantageous so that the Council would be made aware of the actual economic impact that these events had on the Town so that Council could continue to support such events in the future.

MOTION: A motion was made by Councilmember Garner and seconded by Councilmember Waters to approve items (K) and (L).

Oro Valley resident John Musolf approved of items (K) and (L) but inquired as to why item (K) was listed on an agenda after the event took place. These items

should be placed on an agenda before the event takes place.

MOTION carried, 7-0.

REGULAR AGENDA

1. PUBLIC HEARING - DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 12 (RESTAURANT) LIQUOR LICENSE FOR PICAZZO'S ORGANIC ITALIAN KITCHEN LOCATED AT 7850 N. ORACLE ROAD

Town Clerk Julie Bower gave an overview of the series 12 liquor license for Picazzo's Organic Italian Kitchen.

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Waters to recommend approval of the issuance of the series 12 liquor license to the Arizona Department of Liquor Licenses and Control for Therese Morse at Picazzo's Organic Italian Kitchen located at 7850 N. Oracle Road.

MOTION carried, 7-0.

2. POSSIBLE DIRECTION TO TOWN ATTORNEY WITH REGARD TO THE TOWN OF ORO VALLEY v. VESTAR DEVELOPMENT ET. AL. LITIGATION

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Waters to direct the Town Attorney to proceed as discussed in Executive Session with regards to the case of the Town of Oro Valley v. Vestar Development ET. AL. litigation.

MOTION carried, 7-0.

4. DISCUSSION AND POSSIBLE ACTION REGARDING A VOLUNTARY RETIREMENT PLAN OFFERING TO ELIGIBLE TOWN EMPLOYEES

Town Manager Jerene Watson said that the town had been doing their due diligence with researching this item for the past two months. A teleconference was held today with the Arizona State Retirement System at which time the town was made aware of information that would impact this item. Ms. Watson

requested that this item be tabled and brought back before Council only if it proved to be advantageous.

Ms. Watson stated that the town had seen twenty-seven straight months of declining sales revenue. The town was seeing decreases in historic proportions. The town was back at FY 05-06 revenue and spending levels. Revenues had shrunk by six million dollars which equated to twenty percent of the Town's operating budget. The workforce had shrunk by forty-six (46) employees or 13% of the workforce. What was going to be presented tonight was an effort to allow a capacity to come into the budget and present some possible options for additional revenue capacity in out years because it would be recurring. However, the town understood that it's not likely that the savings would be as significant as previously thought.

MOTION: A motion was made by Vice Mayor Snider and seconded by Councilmember Hornat to table item number four (4) and allow the Town Manager to bring forth the item upon the conclusion of her findings.

MOTION carried, 7-0.

5. DISCUSSION AND POSSIBLE ACTION BY THE TOWN COUNCIL AUTHORIZING A COUNCILMEMBER LIAISON TO BE PRESENT AT MEETINGS AND INFORMED OF COMMUNICATIONS OR DISCUSSIONS REGARDING NEGOTIATIONS OVER THE MEMORANDUM OF UNDERSTANDING BETWEEN THE TOWN AND PUBLIC SAFETY EMPLOYEES

Town Attorney Tobin Rosen gave an overview of agenda item number five (5) and stated that at the February 23, 2011 Town Council Study Session, the Council directed staff to bring forward for discussion, a policy where the Council could appoint one or more members of the Council to be present during negotiations with the Public Safety group during negotiations which occurred on an annual basis. The Memorandum of Understanding (MOU) was negotiated pursuant to the Town's meet and confer ordinance found in section 4-1-8 of the Oro Valley Town Code. There was nothing in the ordinance that would prohibit Town Council participation in the negotiations or discussions. In its current form, the ordinance did not call directly for Council participation but rather had the public safety negotiations group meeting with a management group and then presenting an MOU to the Council for consideration and action. However, there was nothing in the ordinance itself that would prohibit the Council from designating one or more members as a liaison to the MOU negotiations.

Councilmember Hornat said the intent was not to be a negotiator but rather have a Councilmember in the room to hear both sides. The liaison would listen to both sides and would not participate in negotiations.

Councilmember Garner felt that it would set a bad precedence and it would politicize the whole activity. Since Council would become the arbitrator for any impasses during the negotiations, the liaison should not participate or cast any votes regarding the MOU since they would be privy to information and discussions that the rest of the Council would not be.

Councilmember Solomon felt that it would be irresponsible for Council not to be present during the negotiations as a neutral observer.

Councilmember Waters felt that there was no purpose in having a liaison present at the MOU negotiations since Council okayed the committee that conducted these negotiations.

Vice Mayor Snider clarified that the liaison would strictly be used for MOU issues, not all police matters. Councilmember's had been present during MOU negotiations in the past. The liaison would not speak or offer any input.

Councilmember Gillaspie stated that a Council liaison to MOU negotiations would undermine the management team and influence the discussions. If there was an impasse, he would expect the union members and management to come before Council and discuss the impasse.

Mayor Hiremath said that the scope of discussions changed when a Councilmember was present in the room and it would undermine the political process. He noted that the Town of Marana did not have a Council liaison present at MOU negotiations.

Oro Valley resident Don Bristow felt that there was no need for the activity and it would defy the element of trust within groups.

No vote was taken.

3. DISCUSSION AND POSSIBLE ACTION REGARDING THE ORO VALLEY MUNICIPAL POOL FEASIBILITY STUDY

Aquatics Manager Catherine Atalla introduced Ken Ballard, President of Ballard-King & Associates, Ltd and Doug Whiteaker, President of Water Technology Inc.

Mr. Ballard said that a market analysis was first completed in order to see who the pool was currently serving in order to determine opportunities for the future. The three service areas that were analyzed were: Town, Secondary Service Area, and Tertiary Service Area.

Mr. Ballard discussed other providers who had aquatic services in the area. These other providers included: City of Tucson, Pima County, Town of Marana, non-profit pools and private aquatic facilities.

Mr. Ballard highlighted possible opportunities for the Oro Valley pool which included:

- Only two other 50-meter pools in the area
- Existing pools did not have a strong recreational orientation
- HOA pools serve different markets
- A high performance competitive pool would give Oro Valley a strong identity
- There was a market for visitors and second homeowners

Mr. Ballard discussed possible constraints which included:

- The number of conventional pools in the area
- Easy access to a variety of aquatic facilities
- Existing facilities had very low fees
- Swim teams were paying low fees
- Expense of a high performance competitive pool
- 50-meter pools required a substantial operating subsidy
- The limited number of swim meets

The study also included an aquatic event analysis which listed types of events that Oro Valley could attract either with the existing pool or with improvements to the pool. The aquatic event analysis included:

- Exploration of a world class aquatic event venue
- Regional and state meets were realistic
- Hosting 2-3 such events a year was possible
- These events would have a positive economic impact on the community

As part of the municipal pool study, input was received from Town Council interviews, Town Staff interviews and focus groups which consisted of current facility users from the competitive side as well as users from the recreational/program side.

The market/current users of the pool consisted of:

- Regional orientation
- Lacked a recreational appeal
- Greatest year round users were swim teams
- There were a variety of program offerings
- A number of swim meets were currently held
- The pool was used by a variety of age groups but mostly youth
- Difficult to support competitive swimming, programming and recreational swimming at the same site

Mr. Whiteaker gave an overview of the physical condition of the pool. He reported that overall, the pool had been very well maintained by staff.

- The mechanical system was in good condition
- The tank was in good condition but was too shallow at one end
- The wading pool was not viable
- The single tank required a single water temperature
- The greatest issues were with the support amenities
- Competitive swimming had a number of issues
- Was a perception of inadequate parking

Mr. Ballard noted that the pool was forty (40) years old but was still functional and would not have to be completely redone. The assessment also looked at the pool operations and concluded:

- Low cost recovery
- Very little promotion or marketing
- Controlling costs had resulted in limited hours and services
- Utilized Ellis Lifeguard training program
- External programs paid only 20% of revenues to the pool
- There was a demand for more lanes during high use times
- Pool must balance the aquatic needs of the community

Mr. Ballard discussed possible future directions of the pool which consisted of:

- Who should the pool serve? Local or regional?
- How important was increasing the cost recovery level?
- A world class competitive pool would require a significant capital investment
- A world class competitive pool would likely increase the operational subsidy which would require an equity partner
- Regional and national swim meets would be difficult to attract, would not be a revenue producer but would provide a strong economic impact
- Basic improvements to the facility were necessary and fees needed to be increased

Mr. Whiteaker discussed the recommended Phase I improvements which included:

- Locker room renovations
- Pool check-in relocation
- Expansion of the pool fence
- Improved lighting
- Removal of the kid's pool and the addition of a splash pad
- Improved and expanded pool deck
- Add shade and furniture
- Improved pool gutters and depth

Mr. Whiteaker discussed the recommended Phase II improvements which included major upgrades & significant increases in attraction value:

- Assumed all of phase I was accomplished
- New changing facility
- New recreational pool
- More shade structures
- Additional deck furniture

Mr. Whiteaker noted that upon completion of Phase II improvements, the Town could conduct a competitive swimming meet and not have to close the swimming pool down for the rest of the community.

Phase III recommended improvements would expand the competitive venue. These improvements included:

- Assumed that phases I & II were accomplished
- New 6 lane x 25 yard lap pool
- Drop slide added to this pool
- Additional seating for the competitive pool
- Timing system and scoreboard installation
- New shade structures

Phase I would take approximately 2-3 months to design, 3-4 months to build and would cost approximately \$1,999,680.

Phase II would take approximately 3-4 months to design, 4-6 months to build and would cost approximately \$2,994,807.

Phase III would take approximately 2-3 months to design, 3-4 months to build and would cost approximately \$1,200,364.

The total for all three phases was \$6,194,851.

Mr. Ballard stated that in addition to the capital costs, the study also looked at the operational implications of the three phases. Phase I would produce a revenue of approximately \$13,295. Phase II would produce a revenue of approximately \$8,971 and Phase III would produce an expense of approximately \$117,150. If all three phases were implemented, a net cost to the Town of approximately \$94,884 would be realized.

An economic impact analysis was also calculated as part of the study. Phase I would produce approximately \$111,490; Phase II would produce approximately \$375,440; and Phase III would produce approximately \$2,386,160 in economic dollars spent in the area.

Mr. Ballard discussed possible capital and operations funding which consisted of partnerships, fundraising, grants/endowments, naming rights and Town funds.

Mayor Hiremath inquired how much cost was recovered by current fees.

Mr. Ballard replied that in general, pools that had one large conventional body of water usually did not have a high cost recovery and also, the current pool fees were low which was typical for pools in Arizona.

Mayor Hiremath left the meeting at 7:20 p.m.

Councilmember Waters congratulated Mr. Ballard and Mr. Whiteaker on an excellent study and asked whether or not if the improvements were made; would there be a demand for the renovated pool?

Mr. Ballard replied that the Town would have to market the pool in order to bring in more users, especially to bring in major competitive swimming events.

Councilmember Garner asked what it would cost to replace the pool with a comparable pool in today's dollars.

Mr. Whiteaker stated that to replace the current pool, it would cost approximately \$3.5 to \$4.2 million dollars.

Councilmember Garner was looking for a blending of the phases. He wanted to see a level of comfort where families could bring their kids to a safe environment. He would also like to see the locker rooms renovated in phase I and eliminate some of the add-ons such as a kid's pool area. As revenue started to increase, then the extra amenities such as a splash pad could be built.

Mr. Whiteaker stated that there was a blending of the phases such as during the recommended removal of the wading pool, there would be a family recreational amenity available for use. This would provide a blend between recreational/family users and the high-end competitive users.

Councilmember Hornat asked what costs were currently not recovered by the pool.

Mr. Ballard stated that in the FY 09/10, the loss was approximately \$400,000.

Councilmember Hornat asked how much would the annual loss be reduced by if the phase I improvements were made.

Mr. Ballard stated that with the phase I improvements, there would be an increase of approximately \$13,295 on the operational side. The indirect economic impact from completing phase I would be approximately \$111,490.

Councilmember Solomon said it was unfortunate that the item was being discussed at this time in light of the current budget deficit. It was important to take a step back and determine what the function of the pool was and what was the Town's role in operating and maintaining the pool. There seem to be a bias toward swim teams for generating revenue. The number of years it would take to recoup the costs of the improvements would be enormous.

Councilmember Waters said that the municipal pool study was intended to explore an economic engine generated by the pool for the enhancement of recreational activities in Oro Valley. In order to attract visitors to the community, there must be things for them to come and see.

Councilmember Gillaspie commended Mr. Ballard and Mr. Whiteaker on a great study and presentation. He felt that in order to make things happen, money had to be spent. Even though the pool was not a source of revenue, it could be utilized as an economic development engine for small businesses in Oro Valley. He also felt that if the pool had a splash pad or other amenities, it would help draw more families and children to the pool.

Councilmember Garner stated that swimming ranked fourth in the nation and third in Oro Valley and surpassed baseball, softball, running, etc. He would like to market the pool by leveraging the expertise of Olympic swimmer Nancy Neimeyer.

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Waters to accept the municipal pool feasibility study.

MOTION carried, 6-0 with Mayor Hiremath absent.

FUTURE AGENDA ITEMS

Councilmember Garner directed staff to bring back a proposal that would enhance the current Special Event permitting process by requiring an after action report so that Council was made aware of the economic impact of the Special Event, seconded by Councilmember Gillaspie.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Councilmember Waters and seconded by Councilmember Gillaspie to adjourn the meeting at 7:43 p.m.

Prepared by:

Michael Standish, CMC
Deputy Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 6th day of April 2011. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2011.

Julie K. Bower, MMC
Town Clerk

DRAFT



Town Council Regular Session

Meeting Date: 06/01/2011

Requested by: Aimee Ramsey

Item # B.

Submitted By:

Aimee Ramsey,
Development Infrastructure
Services

Information

SUBJECT:

Transit Services Monthly Report - April 2011

SUMMARY:

N/A

DISCUSSION:

N/A

FISCAL IMPACT:

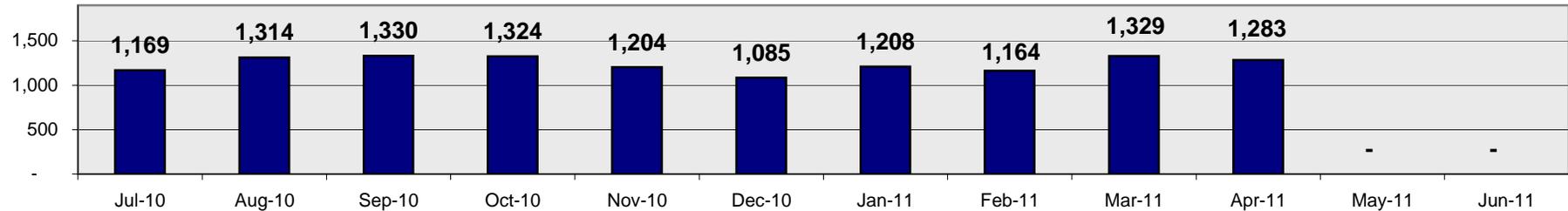
N/A

Attachments

April 2011 Monthly Report

Month	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Revenue Hours	584.5	546.5	626.2	631.7	699.7	500.7	523.7	522.0	607.3	594.8	-	-
Passengers*	1,169	1,314	1,330	1,324	1,204	1,085	1,208	1,164	1,329	1,283	-	-
Pass/Rhour	2.00	2.40	2.12	2.10	1.72	2.17	2.31	2.23	2.19	2.16	-	-
YTD Rev. Hours	584.5	1,130.9	1,757.1	2,388.8	3,088.5	3,589.2	4,112.9	4,634.9	5,242.3	5,837.1	-	-
YTD Passengers	1,169	2,483	3,813	5,137	6,341	7,426	8,634	9,798	11,127	12,410	-	-
YTD Pass/RHour	2.00	2.20	2.17	2.15	2.05	2.07	2.10	2.11	2.12	2.13	-	-

Passenger Trips* * A trip is defined as a one-way passenger trip. Each trip is a one-way trip.

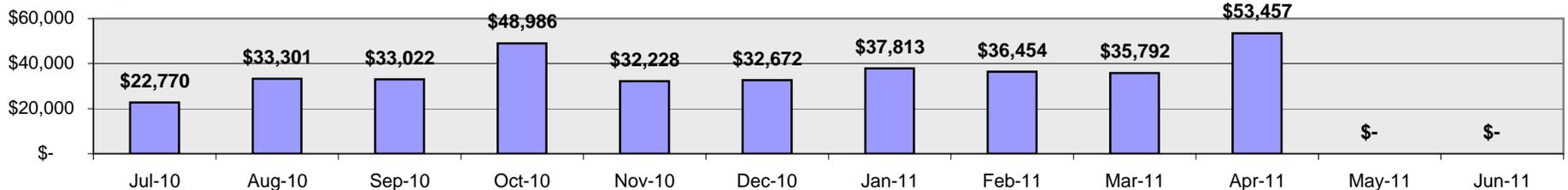


Month	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Oper Expenses	\$ 22,770	\$ 33,301	\$ 33,022	\$ 48,986	\$ 32,228	\$ 32,672	\$ 37,813	\$ 36,454	\$ 35,792	\$ 53,457	\$ -	\$ -
Total Expenses ¹	\$ 35,814	\$ 33,703	\$ 33,022	\$ 48,986	\$ 32,601	\$ 32,672	\$ 37,813	\$131,279	\$ 35,792	\$ 53,457	\$ -	\$ -
YTD TExpenses	\$ 35,814	\$ 69,517	\$102,539	\$151,525	\$184,126	\$216,798	\$254,611	\$385,890	\$ 421,682	\$ 475,139	\$ -	\$ -
RTA Billing								\$ 8,305	\$ 15,970	\$ 14,145	\$ -	\$ -
YTD RTA								\$ 8,305	\$ 24,275	\$ 38,420	\$ -	\$ -
Farebox	\$ 2,524	\$ 5,112	\$ 3,101	\$ 7,080	\$ 3,018	\$ 4,224	\$ 1,584	\$ 6,651	\$ 5,612	\$ 4,195	\$ -	\$ -
YTD Farebox	\$ 2,524	\$ 7,636	\$ 10,737	\$ 17,817	\$ 20,835	\$ 25,059	\$ 26,643	\$ 33,294	\$ 38,906	\$ 43,101	\$ -	\$ -
Volunteer Hours ²	104.0	88.5	61.8	137.2	91.5	60.3	76.5	33.0	5.5	-	-	-

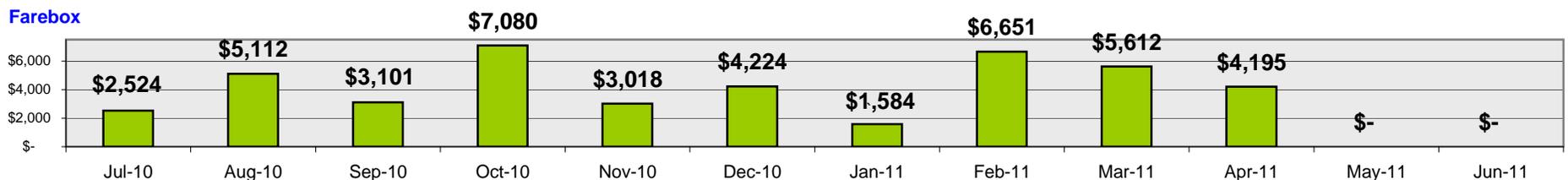
¹ Total Expenses include outside services and other non-operating capital. (Maintenance Estimated)

² YTD 658 Hours ≈ \$10,743

Operating Expenses



Farebox





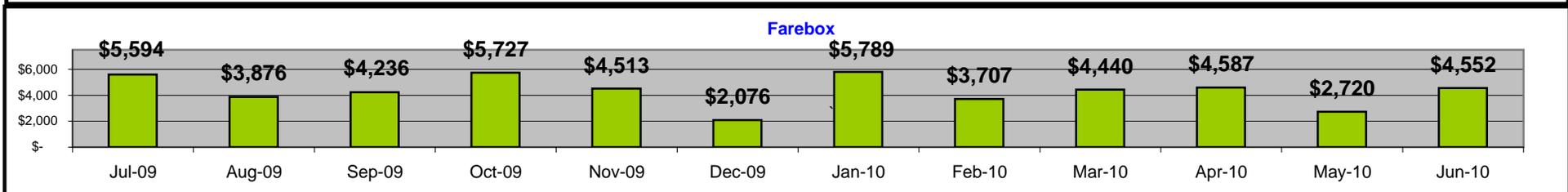
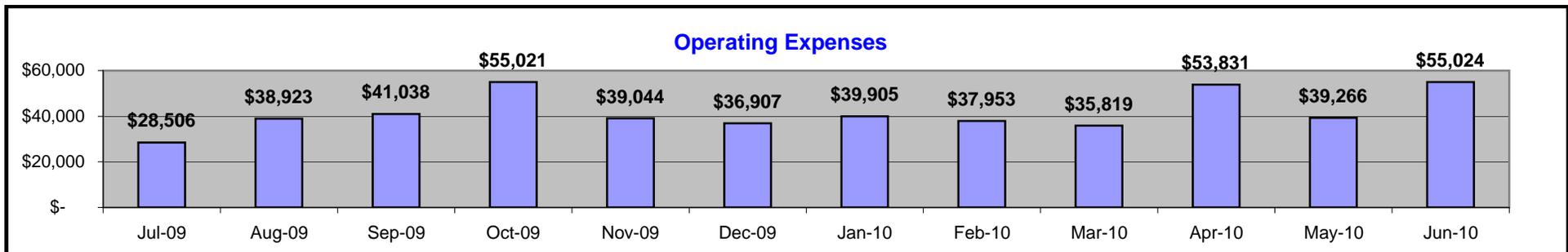
Month	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Revenue Hours	663.6	695.6	680.9	668.7	609.2	643.0	601.4	561.1	675.4	622.7	582.5	513.9
Passengers*	1,405	1,352	1,372	1,407	1,226	1,349	1,271	1,177	1,365	1,259	1,183	1,162
Pass/Rhour	2.12	1.94	2.01	2.10	2.01	2.10	2.11	2.10	2.02	2.02	2.03	2.26
YTD Rev. Hours	663.6	1,359.2	2,040.2	2,708.9	3,318.0	3,961.0	4,562.4	5,123.6	5,798.9	6,421.6	7,004.1	7,518.0
YTD Passengers	1,405	2,757	4,129	5,536	6,762	8,111	9,382	10,559	11,924	13,183	14,366	15,528
YTD Pass/RHour	2.12	2.03	2.02	2.04	2.04	2.05	2.06	2.06	2.06	2.05	2.05	2.07



Month	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Oper Expenses	\$ 28,506	\$ 38,923	\$ 41,038	\$ 55,021	\$ 39,044	\$ 36,907	\$ 39,905	\$ 37,953	\$ 35,819	\$ 53,831	\$ 39,266	\$ 55,024
Total Expenses ¹	\$ 28,999	\$ 39,452	\$ 41,226	\$ 55,167	\$ 39,426	\$ 40,609	\$ 39,961	\$ 38,013	\$ 35,869	\$ 53,855	\$ 39,291	\$ 68,112
YTD TExpenses	\$ 28,999	\$ 68,451	\$ 109,676	\$ 164,844	\$ 204,270	\$ 244,879	\$ 284,840	\$ 322,853	\$ 358,722	\$ 412,578	\$ 451,868	\$ 519,980
Farebox	\$ 5,594	\$ 3,876	\$ 4,236	\$ 5,727	\$ 4,513	\$ 2,076	\$ 5,789	\$ 3,707	\$ 4,440	\$ 4,587	\$ 2,720	\$ 4,552
YTD Farebox	\$ 5,594	\$ 9,470	\$ 13,706	\$ 19,433	\$ 23,946	\$ 26,022	\$ 31,811	\$ 35,518	\$ 39,958	\$ 44,545	\$ 47,265	\$ 51,817
Volunteer Hours ²	90.5	107.8	63.5	75.5	40.0	49.9	67.0	48.5	84.8	77.3	96.0	63.5

¹ Total Expenses include outside services such as the RTA Park and Ride costs and other non-operating capital.

² YTD 864.17 Hours ≈ \$14,103





Town Council Regular Session

Item # C.

Meeting Date: 06/01/2011

Requested by: Paul Keesler

Submitted By:

Paul Keesler, Development
Infrastructure Services

Department: Development Infrastructure Services

Information

SUBJECT:

Resolution No. (R)11-36 Authorizing and Approving the Exchange of a Portion of Right-of-Way on Vistoso Village Drive with Venture West Investment, LLC for a New Public Right-of-Way in Rancho Vistoso Neighborhood 3

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

Rancho Vistoso Neighborhood 3, Parcel 3-AA is situated on the west corner of Rancho Vistoso Boulevard and Vistoso Village Drive (see Exhibit A). The parcel is currently owned by VWI Investment, LLC (Venture West). Venture West has requested the realignment of the adjacent Vistoso Village Drive right-of-way (ROW) to increase the size of parcel 3-AA in order to accommodate a new industrial/commercial development. This realignment will be accomplished by the Town abandoning that portion of the existing Vistoso Village Drive ROW needed for the parcel expansion, and Venture West dedicating new land to recreate the street connectivity. Exhibit B provides an overview of the request.

BACKGROUND OR DETAILED INFORMATION:

Rancho Vistoso Parcel 3-AA is a long narrow parcel sandwiched between Rancho Vistoso Boulevard to the northeast, Big Wash to the west and northwest and the undeveloped Vistoso Village Drive ROW to the east. Venture West is proposing to locate a light industrial distribution center on this parcel.

In order to accommodate the development, parcel 3-AA must be widened. There are existing physical constraints limiting the expansion of this parcel; Big Wash along the west and northwest and Rancho Vistoso Boulevard to the northeast. Since Vistoso Village Drive is currently undeveloped in the area, its ROW can be shifted east to accommodate the land area required for the project. Also, as a result of the ROW realignment, a handful of adjacent private parcels will require modifications to their legal descriptions.

Venture West intends to phase the project and construct an initial 80,000 square foot facility on the north end of parcel 3-AA. The entire parcel will be mass graded in advance of future phases of development. Venture West will also construct Vistoso Village drive from its existing termination point just south of Ventana Medical's Building #6 (the old Integrated Biomolecule) north to the intersection with Rancho Vistoso Boulevard.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve, approve with conditons, or deny) Resolution No. (R)11-36, Authorizing and Approving the Exchange of a Portion of Right-of-Way on Vistoso Village Drive with Venture West Investment, LLC for a New Public Right-of-Way in Rancho Vistoso Neighborhood 3.

Attachments

Reso 11-36

Exhibit A - Legal Description

Exhibit B - Map

RESOLUTION NO. (R)11-36

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING THE EXCHANGE OF A PORTION OF RIGHT-OF-WAY ON VISTOSO VILLAGE DRIVE WITH VENTURE WEST INVESTMENT, LLC FOR A NEW PUBLIC RIGHT-OF-WAY IN RANCHO VISTOSO NEIGHBORHOOD 3

WHEREAS, the Town of Oro Valley is a political subdivision of the State of Arizona vested with all associated rights, privileges and benefits and is entitled to the immunities and exemptions granted municipalities and political subdivisions under the Constitution and laws of the State of Arizona and the United States; and

WHEREAS, pursuant to A.R.S. § 9-276, the Town is authorized to lay out, maintain, control and manage public roads within its jurisdictional boundaries; and

WHEREAS, pursuant to A.R.S. § 28-7203, the Town has the authority to exchange public roadways or portions of roadways for new public roadways; and

WHEREAS, VWI Investment, LLC (Venture West) requests the realignment of the current Vistoso Village Drive right-of-way to increase the size of Parcel 3-AA, as described in Exhibit “A” attached hereto, to create a usable parcel for future development; and

WHEREAS, the Town desires to vacate the existing portion of the Vistoso Village Drive right-of-way needed for Parcel 3-AA expansion and Venture West desires to dedicate a new realigned right-of-way to recreate Vistoso Village Drive connectivity as shown on Exhibit “A”; and

WHEREAS, the right-of-way to be vacated is not needed for public use; and

WHEREAS, it is in the best interest of the Town to vacate the existing portion of the Vistoso Village Drive right-of-way in exchange for the dedication of the realigned right-of-way on Vistoso Village Drive in order to increase the size of Parcel 3-AA and recreate Vistoso Village Drive connectivity.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of the Town of Oro Valley, Arizona, that:

SECTION 1. The portion of the current Vistoso Village Drive right-of-way, described in Exhibit “A” and attached hereto by this reference, is hereby vacated.

SECTION 2. The exchange of the vacated right-of-way to Venture West Investment, LLC for portion of Vistoso Village Drive realignment, described in Exhibit “A” attached hereto and incorporated herein by this reference, is approved upon Venture West Investment, LLC’s dedication of the realigned right-of-way to the Town.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona this 1st_ day of June, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

Date: _____

EXHIBIT “A”



**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
80 FOOT WIDE RIGHT-OF-WAY ABANDONMENT
WITHIN VISTOSO VILLAGE DRIVE**

Abandonment of a portion of Vistoso Village Drive within Rancho Vistoso Neighborhood 3, Lots 1-6 and 9-12 and Common Area "A", a subdivision of record in the office of the Pima County Arizona Recorder, in Book 56 of Maps and Plats at Page 65, said portion being forty (40) feet on each side of the following described centerline;

COMMENCING at the centerline intersection of Rancho Vistoso Boulevard and Vistoso Village Drive as shown on said plat;

THENCE S 69°07'27" W, along the centerline of said Vistoso Village Drive, a distance of 240.56 feet to the **TRUE POINT OF BEGINNING**;

THENCE continue S 69°07'27" W along said centerline, a distance of 243.66 feet to the beginning of a curve, concave to the Southeast, having a radius of 800.00 feet;

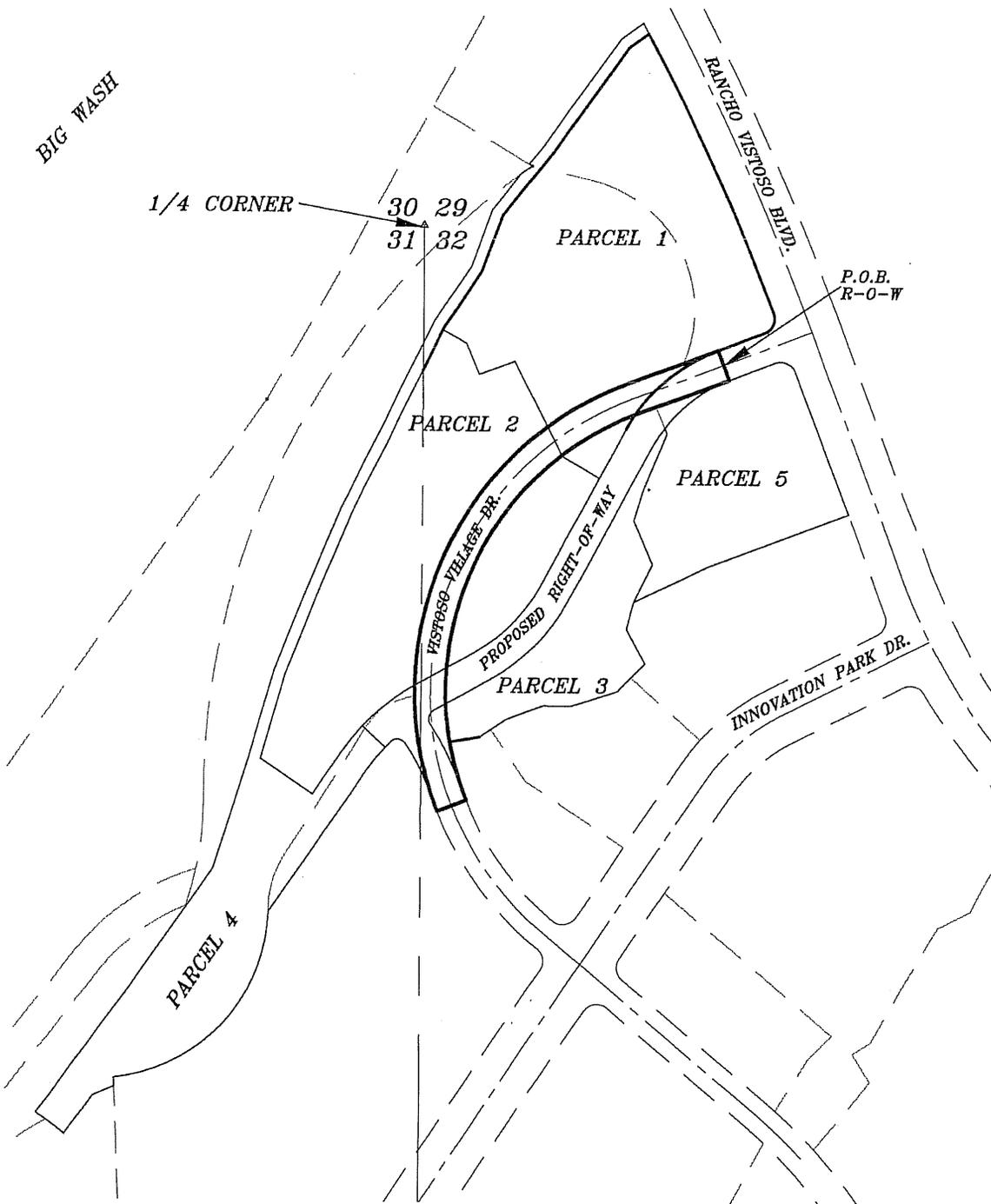
THENCE Southerly along said curve to the left, through a central angle of 90°42'51", a distance of 1266.61 feet to the **POINT OF TERMINUS**.

Containing 2.77 acres, more or less.

Prepared by:
THE WLB GROUP, INC.

Robert L. Larson, RLS
RLL: cll





**EXHIBIT TO ACCOMPANY DESCRIPTION OF
 A PORTION OF VISTOSO VILLAGE DRIVE
 RIGHT-OF-WAY TO BE ABANDONED
 WITHIN
 RANCHO VISTOSO NEIGHBORHOOD 3
 SECTIONS 29, 32, T. 11 S., R. 14 E., G.S.R.M.,
 PIMA COUNTY, ARIZONA**

1"=400'



**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW RIGHT-OF-WAY**

Portions of Vistoso Village Drive and Lots 1, 2 and 4 of the Final Plat of Rancho Vistoso Neighborhood 3, Lots 1-6 & 9-12 & Common Area "A" as recorded in Book 56 Maps and Plats, Page 65, records of Pima County, and a portion of Section 29, within Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the most easterly corner common to Lots 1 and 11 of said plat on the southeasterly right-of-way line of Rancho Vistoso Boulevard;

THENCE along said right-of-way N 20°52'33" W, a distance of 386.71 feet to a point of reverse curve;

THENCE Northwesterly along the arc of a curve to the left, having a radius of 40.00 feet, a central angle of 90°00'00", for an arc distance of 62.83 feet to a point of tangency;

THENCE S 69°07'27" W, 125.56 feet to a point of a tangent curve concave to the southeast being the **POINT OF BEGINNING**;

THENCE Westerly along the arc of a non-tangent curve to the left, having a radius of 360.00 feet, a central angle of 40°51'08", a radial line through said point bears S 20°52'33" E for an arc distance of 256.68 feet to a point of tangency;

THENCE S 28°16'19" W, 455.40 feet to a point of curvature of a tangent curve concave to the northwest;

THENCE Westerly along the arc of said tangent curve to the right, having a radius of 500.00 feet, a central angle of 32°51'10", for an arc distance of 286.69 feet to a point of tangency;

THENCE S 61°07'29" W, a distance of 164.62 feet to a point of curvature of a tangent curve concave to the east;

THENCE Southerly along the arc of said tangent curve to the left, having a radius of 25.00 feet, a central angle of 96°10'12", for an arc distance of 41.96 feet to a point of a reverse curve;

THENCE Southerly along the arc of said curve to the right, having a radius of 540.00 feet, a central angle of 13°22'43", for an arc distance of 126.09 feet to a point of tangency;

THENCE S 21°40'00" E, a distance of 88.40 feet to a point on the easterly right-of-way line of Vistoso Village Drive per said plat;

THENCE S 68°20'00" W, a distance of 80.00 feet to the westerly right-of-way line of Vistoso Village Drive per said plat;

THENCE N 21°40'00" W, 88.40 feet to a point of curvature of a tangent curve concave to the southwest;

THENCE Northerly along the arc of said tangent curve to the left, having a radius of 460.00 feet, a central angle of 13°00'01", for an arc distance of 104.37 feet to a point of a compound curve;

THENCE Westerly along the arc of said curve to the left, having a radius of 25.00 feet, a central angle of 99°30'21", for an arc distance of 43.42 feet to a point of a compound curve;

THENCE Southerly along the arc of said curve to the left, having a radius of 500.00 feet, a central angle of 2°23'59", for an arc distance of 20.94 feet;

THENCE N 46°34'20" W, 80.00 feet to a point of a non-tangent curve concave to the southeast;

THENCE Easterly along the arc of a non-tangent curve to the right, having a radius of 580.00 feet, a central angle of 17°41'49", a radial line through said point bears S 46°34'20" E for an arc distance of 179.14 feet to a point of tangency;

THENCE N 61°07'29" E, 168.25 feet to a point of curvature of a tangent curve concave to the northwest;

THENCE Easterly along the arc of said tangent curve to the right, having a radius of 420.00 feet, a central angle of 32°51'10", for an arc distance of 240.82 feet to a point of tangency;

THENCE N 28°16'19" E, 455.40 feet to a point of curvature of a tangent curve concave to the southeast;

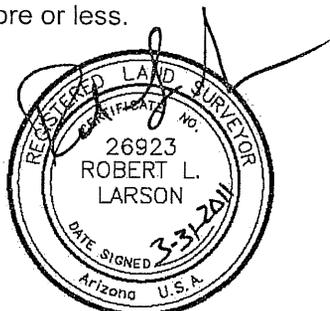
THENCE Easterly along the arc of said tangent curve to the right, having a radius of 440.00 feet, a central angle of 40°51'08", for an arc distance of 313.72 feet to a point of a non-tangent line;

THENCE S 20°52'33" E, a distance of 80.00 feet to the **POINT OF BEGINNING**.

CONTAINING 2.9 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.

Robert L. Larson, RLS
RLL: cll



EXPIRES 3/31/2014

MAR 23 2011

March 21, 2011
WLB No. 185050-VW05-1003
W:\LEGALS\185050\Nh03\Venture-West\Parcel 1 (3AA-North).doc

**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW PARCEL 1 (3AA-NORTH)**

Those portions of Sections 29 and 30, all within Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Quarter corner common to Sections 29 and 30;

THENCE S 00°04'29" W, along the East Line of said Section 30 as shown on Sheet 2 of Block Plat Neighborhood 3, Phase 1, Lot 2 and Lots 4 through 8, recorded in Book 54, Maps and Plats, Page 36 a distance of 367.49 feet;

THENCE N 26°20'04" E, 114.13 feet to the **TRUE POINT OF BEGINNING**;

THENCE continue N 26°20'04" E, 6.04 feet;

THENCE N 34°13'45" E, 174.57 feet;

THENCE N 20°10'48" E, 150.70 feet;

THENCE N 38°47'54" E, 207.42 feet;

THENCE N 35°00'19" E, 140.97 feet;

THENCE N 35°39'12" E, 188.29 feet;

THENCE N 53°59'09" E, 60.62 feet to a point on the Southeasterly right-of-way line of Rancho Vistoso Boulevard;

THENCE S 27°10'33" E, along said right-of-way line a distance of 43.78 feet to a point of curvature of a tangent curve concave to the Southwest;

THENCE Southeasterly along said right-of-way line and the arc of said tangent curve to the right, having a radius of 6745.93 feet, and a central angle of 6°12'52", for an arc distance of 731.68 feet to a point of curvature of a tangent compound curve concave to the Northwest;

THENCE Southerly along the arc of said compound curve to the right, having a radius of 40.00 feet, and a central angle of 90°05'08", for an arc distance of 62.89 feet to a point of tangency;

THENCE S 69°07'27" W, 125.55 feet to a point of curvature of a tangent curve concave to the Southeast;

THENCE Southwesterly along the arc of said tangent curve to the left, having a radius of 440.00 feet, and a central angle of 40°51'08", for an arc length of 313.72 feet to a point of tangency;

THENCE S 28°16'19" W, 142.87 feet;

THENCE N 59°00'19" W, 109.38 feet;

THENCE N 26°46'49" W, 268.69 feet;

THENCE S 70°11'52" W, 97.60 feet;

THENCE N 24°10'06" W, 84.98 feet;

THENCE N 60°38'04" W, 69.39 feet to the **TRUE POINT OF BEGINNING.**

CONTAINING 10.8 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.



Robert L. Larson, RLS
RLL: rll

**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW PARCEL 2 (3AA-SOUTH)**

Those portions of Sections 29 and 30, all within Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Quarter corner common to Sections 29 and 30;

THENCE S 00°04'29" W, along the East Line of said Section 30 as shown on Sheet 2 of Block Plat Neighborhood 3, Phase 1, Lot 2 and Lots 4 through 8, recorded in Book 54, Maps and Plats, Page 36 a distance of 367.49 feet to the **TRUE POINT OF BEGINNING**;

THENCE N 26°20'04" E, 114.13 feet

THENCE S 60°38'04" E, 69.39 feet;

THENCE S 24°10'06" E, 84.98 feet;

THENCE N 70°11'52" E, 97.60 feet;

THENCE S 26°46'49" E, 268.69 feet;

THENCE S 59°00'19" E, 109.38 feet;

THENCE S 28°16'19" W, 312.52 feet to a point of curvature of a tangent curve concave to the Northwest;

THENCE Southwesterly along the arc of said tangent curve to the right, having a radius of 420.00 feet, and a central angle of 32°51'10", for an arc distance of 240.82 feet to a point of tangency;

THENCE S 61°07'29" W, 168.25 feet to a point of curvature of a tangent curve concave to the Southeast;

THENCE Southwesterly along the arc of said tangent curve to the left, having a radius of 580.00 feet, and a central angle of 26°31'41", for an arc distance of 268.54 feet to a point of tangency;

THENCE S 34°35'48" W, 129.89 feet;

THENCE N 55°24'12" W, 159.21 feet;

THENCE N 15°43'50" E, 224.82 feet;

THENCE N 21°26'40" E, 205.57 feet;

THENCE N 22°50'39" E, 238.06 feet;

THENCE N 26°54'27" E, 223.36 feet

THENCE N 26°20'04" E, 185.82 feet to the **TRUE POINT OF BEGINNING.**

CONTAINING 10.5 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.

Robert L. Larson, RLS
RLL: rll



EXPIRES 3/31/2014

**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW PARCEL 3**

A portion of Lot 2 of the Final Plat of Rancho Vistoso Neighborhood 3, Lots 1-6 & 9-12 & Common Area "A" as recorded in Book 56 Maps and Plats, Page 65, records of Pima County, and a portion of Section 29, within Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

BEGINNING at the corner common to Lots 1, 2 and 11 of said plat;

THENCE S 14°16'35" W along the easterly line of Lot 2, 70.98 feet;

THENCE S 28°26'42" E along said line, 98.54 feet;

THENCE S 44°06'12" W along the southerly line of Lot 2, 100.95 feet;

THENCE S 72°16'21" W along said line, a distance of 123.18 feet;

THENCE N 89°54'17" W along said line, a distance of 70.11 feet;

THENCE S 69°19'07" W along said line, a distance of 101.91 feet;

THENCE S 56°06'53" W along said line, a distance of 80.54 feet;

THENCE S 80°03'55" W along said line, a distance of 78.16 feet to a point of a non-tangent curve concave to the east;

THENCE Southerly along the arc of a said curve to the left, having a radius of 760.00 feet, a central angle of 11°39'05", a radial line through said point bears S 80°03'55" W for an arc distance of 154.55 feet to a point of a non-tangent line;

THENCE N 21°40'00" W, a distance of 88.40 feet to a point of curvature of a tangent curve concave to the southwest;

THENCE Northerly along the arc of said tangent curve to the left, having a radius of 540.00 feet, a central angle of 13°22'43", for an arc distance of 126.09 feet to a point of a reverse curve;

THENCE Easterly along the arc of said curve to the right, having a radius of 25.00 feet, a central angle of 96°10'12", for an arc distance of 41.96 feet to a point of tangency;

THENCE N 61°07'29" E, a distance of 164.62 feet to a point of curvature of a tangent curve concave to the northwest;

THENCE Northeasterly along the arc of said tangent curve to the left, having a radius of 500.00 feet, a central angle of 32°51'10", for an arc distance of 286.69 feet to a point of tangency;

THENCE N 28°16'19" E, a distance of 455.40 feet to a point of curvature of a tangent curve concave to the southeast;

THENCE Northeasterly along the arc of said tangent curve to the right, having a radius of 360.00 feet, a central angle of 7°48'28", for an arc distance of 49.06 feet to a point of tangency;

THENCE S 20°52'33" E, 15.93 feet;

THENCE S 21°49'02" W, 159.50 feet;

THENCE S 16°41'13" W, 76.82 feet;

THENCE S 22°52'56" E, 120.88 feet;

THENCE S 25°53'53" W, a distance of 106.82 feet to the **POINT OF BEGINNING**.

CONTAINING 2.89 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.

Robert L. Larson, RLS
RLL: rll



EXPIRES 3/31/2014

**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW PARCEL 4**

Those portions of Sections 29 and 30, all within Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

COMMENCING at the Quarter corner common to Sections 29 and 30;

THENCE S 00°04'29" W, along the East Line of said Section 30 as shown on Sheet 2 of Block Plat Neighborhood 3, Phase 1, Lot 2 and Lots 4 through 8, recorded in Book 54, Maps and Plats, Page 36 a distance of 367.49 feet to the **POINT OF BEGINNING**;

THENCE N 26°20'04" E, 120.17 feet;

THENCE N 34°13'45" E, 174.57 feet;

THENCE N 20°10'48" E, 150.70 feet;

THENCE N 38°47'54" E, 207.42 feet;

THENCE N 35°00'19" E, 140.97 feet;

THENCE N 35°39'12" E, 188.29 feet;

THENCE N 53°59'09" E, 60.62 feet to a point on the southeasterly right-of-way line of Rancho Vistoso Boulevard;

THENCE N 27°10'33" W, 30.36 feet;

THENCE S 53°59'09" W, 70.13 feet;

THENCE S 35°39'12" W, 193.30 feet;

THENCE S 35°00'19" W, 140.14 feet;

THENCE S 38°47'54" W, 61.22 feet;

THENCE S 59°35'05" E, a distance of 9.55 feet to a point of a non-tangent curve;

THENCE Westerly along the arc of said curve to the left, having a radius of 1948.00 feet, a central angle of 1°00'54", a radial line through said point bears N 34°48'18" W for an arc distance of 34.51 feet to a point of a non-tangent line;

THENCE S 38°47'54" W, 118.33 feet;

THENCE S 20°10'48" W, 151.92 feet;

THENCE S 34°13'45" W, 172.94 feet;

THENCE S 26°20'04" W, 307.91 feet;

THENCE S 26°54'27" W, 224.28 feet;

THENCE S 22°50'39" W, 239.49 feet;

THENCE S 21°26'40" W, 207.43 feet;

THENCE S 15°43'50" W, 225.84 feet;

THENCE S 17°32'54" W, 305.46 feet;

THENCE S 34°50'13" W, 368.24 feet;

THENCE S 36°11'44" W, 402.68 feet;

THENCE S 53°48'16" E, 90.00 feet;

THENCE N 36°11'35" E, a distance of 121.63 feet to a point of a non-tangent curve concave to the southeast;

THENCE Easterly along the arc of said curve to the right, having a radius of 1430.00 feet, a central angle of 2°25'04", a radial line through said point bears N 24°49'56" W for an arc distance of 60.34 feet to a point of a non-tangent line;

THENCE N 02°26'29" W, 22.48 feet to a point of a non-tangent curve concave to the northwest;

THENCE Northeasterly along the arc of said curve to the left, having a radius of 440.00 feet, a central angle of 82°24'05", a radial line through said point bears S 06°19'53" E, for an arc distance of 632.80 feet to a point of a non-tangent line;

THENCE N 34°35'48" E, a distance of 439.44 feet to a point of a tangent curve concave to the southeast;

THENCE Northerly along the arc of said curve to the right, having a radius of 500.00 feet, a central angle of 8°49'52", for an arc distance of 77.07 feet to a point of a non-tangent line;

THENCE N 46°34'20" W, 80.00 feet to a point of a non-tangent curve;

THENCE Southerly along the arc of said curve to the left, having a radius of 580.00 feet, a central angle of 8°49'52", a radial line through said point bears N 46°34'20" W, for an arc distance of 89.40 feet;

THENCE S 34°35'48" W, 129.89 feet;

THENCE N 55°24'12" W, 159.21 feet;

THENCE N 15°43'50" E, 224.82 feet;

THENCE N 21°26'40" E, 205.57 feet;

THENCE N 22°50'39" E, 238.06 feet;

THENCE N 26°54'27" E, 223.36 feet;

THENCE N 26°20'04" E, a distance of 185.82 feet to the **POINT OF BEGINNING**.

CONTAINING 6.71 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.

Robert L. Larson, RLS
RLL: rll



EXPIRES 3/31/2014

Rev. March 31, 2011

March 21, 2011

WLB No. 185050-VW05-1003

W:\LEGALS\185050\Nh03\Venture-West\Parcel 5 Rev Lot 1.doc

**LEGAL DESCRIPTION
RANCHO VISTOSO NEIGHBORHOOD 3
NEW PARCEL 5**

A portion of Lot 1 of the Final Plat of Rancho Vistoso Neighborhood 3, Lots 1-6 & 9-12 & Common Area "A" as recorded in Book 56 Maps and Plats, Page 65, records of Pima County, within Section 29, Township 11 South, Range 14 East, Gila and Salt River Meridian, Pima County, Arizona, described as follows:

BEGINNING at the most easterly corner common to Lots 1 and 11 of said plat on the southeasterly right-of-way line of Rancho Vistoso Boulevard;

THENCE along said right-of-way N 20°52'33" W, a distance of 386.71 feet to a point of reverse curve;

THENCE Northwesterly along the arc of a curve to the left, having a radius of 40.00 feet, a central angle of 90°00'00", for an arc distance of 62.83 feet to a point of tangency;

THENCE S 69°07'27" W, 125.56 feet to a point of a tangent curve concave to the southeast;

THENCE Westerly along the arc of said tangent curve to the left, having a radius of 360.00 feet, a central angle of 33°02'41", for an arc distance of 207.63 feet to a point on the common line of Lots 1 and 2 of said plat;

THENCE along said lot line, S 20°52'33" E, a distance of 15.93;

THENCE along said lot line, S 21°49'02" W, a distance of 159.50 feet;

THENCE along said lot line, S 16°41'13" W, a distance of 76.82 feet;

THENCE along said lot line, S 22°52'56" E, a distance of 120.88 feet;

THENCE along said lot line, S 25°53'53" W, a distance of 106.82 feet;

THENCE along the southerly line of Lot 1, N 63°44'08" E, a distance of 208.07 feet;

THENCE continue along said line, N 69°07'27" E, a distance of 383.30 feet to the **POINT OF BEGINNING**.

CONTAINING 4.47 acres of land, more or less.

Prepared by:
THE WLB GROUP, INC.
Robert L. Larson, RLS
RLL: rll



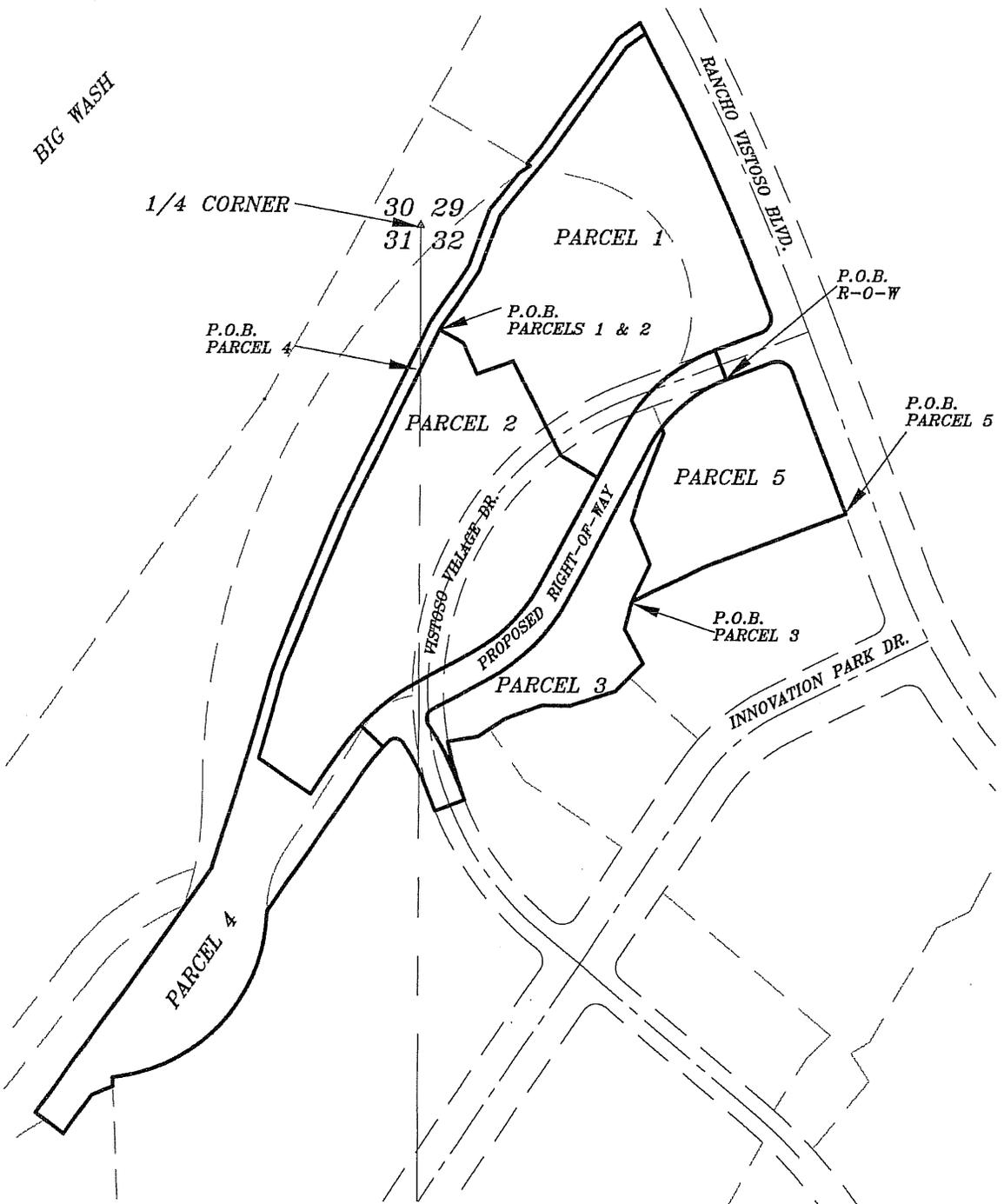
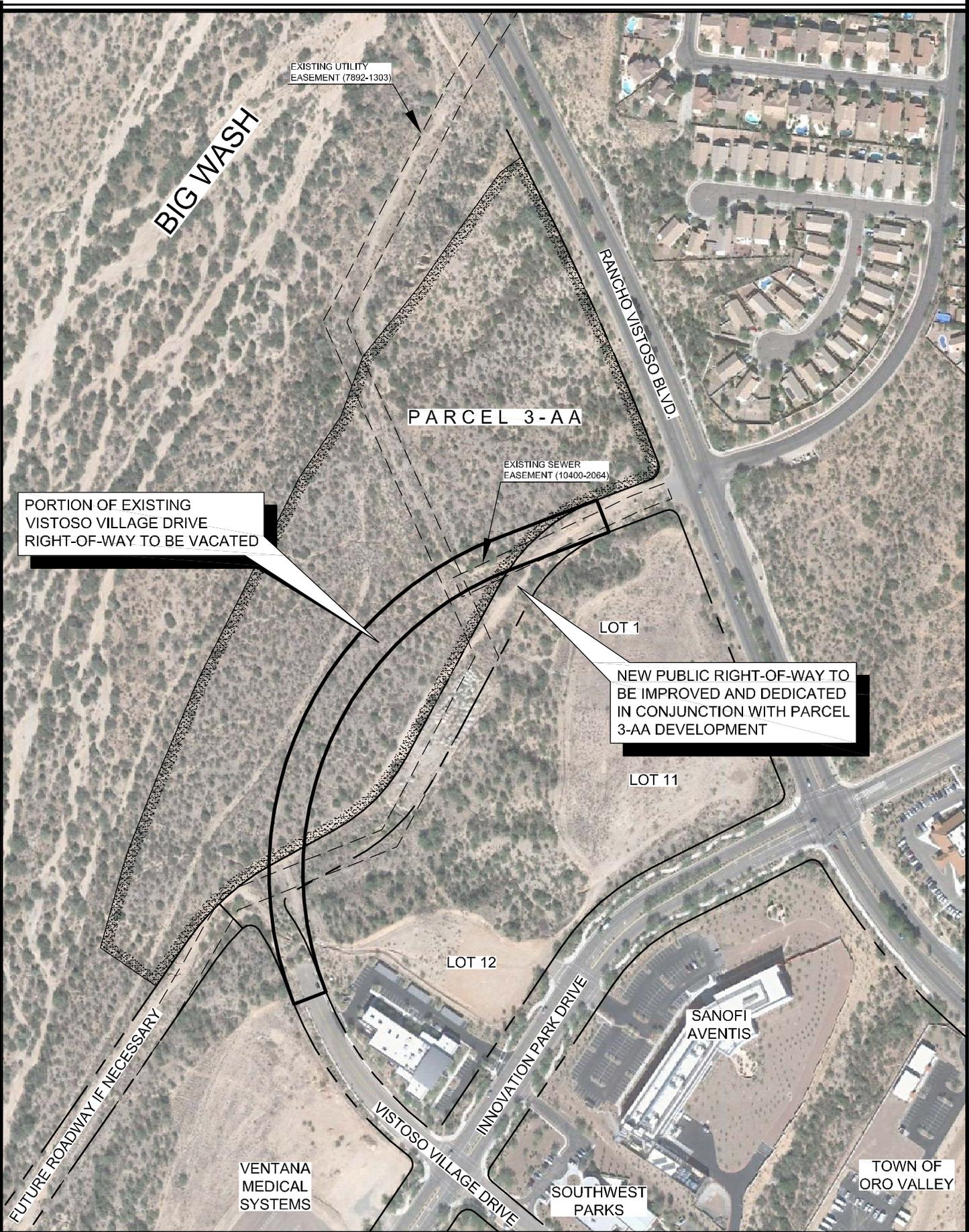


EXHIBIT TO ACCOMPANY DESCRIPTION OF
 NEW PARCELS 1 THRU 5
 AND PROPOSED RIGHT-OF-WAY
 WITHIN
 RANCHO VISTOSO NEIGHBORHOOD 3
 SECTIONS 29, 32, T. 11 S., R. 14 E., G.S.R.M.,
 PIMA COUNTY, ARIZONA

1"=400'





PORTION OF EXISTING VISTOSO VILLAGE DRIVE RIGHT-OF-WAY TO BE VACATED

NEW PUBLIC RIGHT-OF-WAY TO BE IMPROVED AND DEDICATED IN CONJUNCTION WITH PARCEL 3-AA DEVELOPMENT

FUTURE ROADWAY IF NECESSARY



Town Council Regular Session

Item # 1.

Meeting Date: 06/01/2011

Requested by: Council

Submitted By:

Julie Bower, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

PUBLIC HEARING - ORDINANCE NO. (O)11-16 AMENDING ORO VALLEY TOWN CODE, ARTICLE 8-2, BUSINESS LICENSE TAX, SECTION 8-2-6, SCHEDULE, INCREASING THE LIQUOR LICENSE APPLICATION PROCESSING FEE FOR A LIQUOR LICENSE

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

Currently, a \$50 application processing fee is assessed when an establishment applies for a liquor license. Liquor licensed establishments pay an annual Liquor License Tax of \$80 instead of an annual Business License Tax. The \$50 fee has not increased since it was established in 1998.

The proposed increase was discussed by Council at a regular meeting on May 4, 2011. Council directed staff to prepare a resolution increasing the liquor license application processing fee to \$500. Because this change affects a provision of the Oro Valley Town Code, an ordinance is required to increase the fee.

BACKGROUND OR DETAILED INFORMATION:

The Town's \$50 application processing fee does not cover costs incurred by the Town to process the liquor application and is much lower than the fee assessed by surrounding communities. Marana's application fee is \$500; Tucson's is \$1,636 and Sahuarita's is \$400. Please see Attachment 1 for comparisons to several other Arizona towns and cities.

The Town's cost to process a new liquor license application is approximately \$217 to \$679 depending upon the amount of time involved for the Police Department to complete a thorough background investigation. Please see Attachment 2 for a breakdown of costs incurred by the Town.

The Town's \$80 annual liquor license tax is commensurate with many Arizona towns and cities; however, some communities charge up to \$1,200 annually for liquor licenses depending upon the type of license being sought.

FISCAL IMPACT:

The Town is not recovering its costs to process liquor license applications and loses approximately \$167 when the background investigation is straightforward and \$629 when the background investigation is more complicated. If we use the lower end of the cost scale, for the 20 applications processed in 2010, the Town failed to recover \$3,340 in costs and on the higher end, \$12,580. A liquor license adds value and revenue to the business and this increase will help the Town to recoup the costs of processing the application from the business.

SUGGESTED MOTION:

I MOVE to (approve, deny) Ordinance No. (O)11-16, increasing the liquor license application processing fee to \$500.

Attachments

Ord 11-16

Attachment 1 - Liquor Fee Comparison

Attachment 2 - Processing Costs

ORDINANCE NO. (O)11-16

A ORDINANCE OF TOWN OF ORO VALLEY, ARIZONA, AMENDING ORO VALLEY TOWN CODE, ARTICLE 8-2, BUSINESS LICENSE TAX, SECTION 8-2-6, SCHEDULE, INCREASING THE LICENSE APPLICATION PROCESSING FEE FOR A LIQUOR LICENSE; REPEALING ALL RESOLUTIONS, ORDINANCES AND RULES OF THE TOWN OF ORO VALLEY IN CONFLICT THEREWITH; PRESERVING THE RIGHTS AND DUTIES THAT HAVE ALREADY MATURED AND PROCEEDINGS THAT HAVE ALREADY BEGUN THEREUNDER

WHEREAS, the Town of Oro Valley is a municipal corporation within the State of Arizona and is vested with all the rights, privileges and benefits and is entitled to the immunities and exemptions granted to municipalities and political subdivisions under the Constitution and laws of the State of Arizona and the United States; and

WHEREAS, on March 4, 1998, Mayor and Council adopted Ordinance No. (O)98-06 amending Oro Valley Town Code, Section 8-2-6(2a), approving an application processing fee of fifty dollars (\$50.00) for a liquor license and the fee has not increased since that time; and

WHEREAS, the current liquor license application processing fee of fifty dollars (\$50.00) does not cover costs incurred by the Town to process the application and is significantly lower than surrounding municipalities; and

WHEREAS, on May 4, 2011, Mayor and Council directed staff to return to Council with an increase in the liquor license application processing fee from fifty dollars (\$50.00) to five hundred dollars (\$500.00).

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Oro Valley, Arizona, that:

SECTION 1. Oro Valley Town Code, Article 8-2, Business License Tax, Section 8-2-6(2a) is hereby amended to read as follows with additions being shown in ALL CAPS and deletions being shown in ~~strikethrough~~ text:

Article 8-2 Business License Tax

Section 8-2-6 Schedule

(2a)	Application Processing Fee	\$50.00 \$500.00
------	----------------------------	-----------------------------

Applications for liquor licenses, whether for an original or a transfer, shall be made on forms furnished by the State and shall be accompanied by all information furnished to the State with the application to the State Department of Liquor Licensing and Control. Every application shall be accompanied by a ~~\$50.00~~ \$500.00 application processing fee which shall be retained by the Town.

SECTION 2. All Oro Valley Ordinances, Resolutions, or Motions and parts of Ordinances, Resolutions, or Motions of the Council in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 3. If any section, subsection, sentence, clause, phrase or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona this 1st day of June, 2011.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

Date: _____

COMPARISON OF LIQUOR LICENSE APPLICATION FEES AND LICENSE FEES

ATTACHMENT A

JURISDICTION	APPLICATION FEE	LICENSE FEE	LICENSE FEE NOTES
Oro Valley	\$50.00	\$80.00	Liquor License Tax
Marana	\$500.00	\$50.00	Business Transaction License
Sahuarita	\$400.00	\$60.00	Business License Fee
Tucson	\$1,636.00	\$45.00	Business License Fee
Casa Grande	\$100.00	\$50.00	Business License Fee
Gilbert	\$200.00	\$360 - \$1,200 Plus \$36 business registration fee	Price based on License Series: Bar - \$1,200; Beer/Wine Bar or Liquor store - \$480; Beer/Wine Store or Private Club - \$360; Restaurant or Hotel/Motel - \$600
Peoria	\$240.00	\$200 - \$600	Price based on License Series: Bar \$600; Beer/Wine Bar or Liquor store or Restaurant or Hotel/Motel - \$400; Beer/Wine Store or Private Club - \$200
Prescott	\$354.00	\$266 - \$662	Price based on License Series: Bar or Restaurant - \$662; Hotel/Motel - \$575; Beer/Wine Bar or Liquor store or Private Club - \$354; Beer/Wine Store - \$266
Flagstaff	\$560.00	\$46.00	Transaction Privilege License
Goodyear	\$635.00	\$635.00	Annual Liquor License Fee
Queen Creek	\$1,500.00	\$60.00	Business License Fee
Sierra Vista (Sierra Vista may consider implementing application fees in the future)	\$0.00	\$18.75 - \$75.00 Plus \$130 business license fee	Price based on type: Groc/convenience \$18.75; Liquor Store - \$56.75; Restaurant -\$75.00
Surprise (Surprise may consider implementing application fees in the future)	\$0.00	\$80.00	Business License Fee

TOWN COSTS TO PROCESS NEW LIQUOR LICENSE APPLICATION

ATTACHMENT B

DEPARTMENT	TIME SPENT	COST OF TIME AND MATERIALS
Town Clerk	2 hours	\$75.00
Police	2 - 14 hours	\$82.00 - \$544.00
DIS - Bldg Inspector	45 minutes	\$35.00
DIS - Planner	30 minutes	\$25.00
Total Cost:		\$217.00 - \$679.00

Forward information to PD, DIS;
correspondence; prepare
communication
Background investigation
Posting premises with liquor sign
Conditional Use Permit review

Annual Number of Applications Submitted	Year	Submitted
	2011 YTD	6
	2010	20
	2009	9
	2008	8



Town Council Regular Session

Item # 2.

Meeting Date: 06/01/2011

Requested by: Aimee Ramsey

Submitted By:

Aimee Ramsey,
Development Infrastructure
Services

Department: Development Infrastructure Services

Information

SUBJECT:

PUBLIC HEARING - RESOLUTION NO. (R)11-37 AUTHORIZING AND APPROVING THE ELIMINATION OF THE TOWN OF ORO VALLEY DEVELOPMENT AND INFRASTRUCTURE SERVICES DEPARTMENT TRANSIT SERVICES DIVISION COYOTE RUN SERVICE

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The Council Communication dated February 23, 2011 provided the Town Council with several transit service options. Authorization to proceed with Option C, the elimination of Coyote Run, was provided by Town Council on April 20, 2011. This Resolution authorizes the elimination of Coyote Run transit service.

The Town will transition transit services to Regional Transit Authority. To that end, the Town will provide annual maintenance of effort funding of approximately \$76,000 for transit services provided by the Regional Transit Authority. The Sun Shuttle dial-a-ride service is available to Town residents and provides connections to the regional Sun Tran system.

BACKGROUND OR DETAILED INFORMATION:

The attached Council Communications from February 23, and April 20, 2011 contain additional detailed information.

FISCAL IMPACT:

Continued funding for the Coyote Run transit service is not included in the FY 2011/12 Town Manager's Recommended Budget.

SUGGESTED MOTION:

I MOVE to (approve/deny) Resolution No. (R)11-37, Authoring and Approving the Elimination of the Town of Oro Valley Development and Infrastructure Services Department Transit Services Division Coyote Run Service.

or

I MOVE to ...

Attachments

Reso 11-37

February 23 Council Communication

April 20 Council Communication

RESOLUTION NO. (R)11-37

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING THE ELIMINATION OF THE TOWN OF ORO VALLEY DEVELOPMENT AND INFRASTRUCTURE SERVICES DEPARTMENT TRANSIT SERVICES DIVISION COYOTE RUN SERVICE

WHEREAS, the Town of Oro Valley is a municipal corporation within the State of Arizona and is vested with all the rights, privileges and benefits and is entitled to the immunities and exemptions granted to municipalities and political subdivisions under the laws of the State of Arizona; and

WHEREAS, Town Council was provided options regarding the Development and Infrastructure Services Department Transit Services Division Coyote Run service at a Town Council meeting on February 23, 2011 including the elimination of Coyote Run service; and

WHEREAS, at the Town Council meeting on April 20, 2011, Council directed staff to eliminate the Coyote Run service; and

WHEREAS, the Town Manager's recommended budget for the Coyote Run service for the fiscal year 2011/2012 includes a 100% services reduction for Town provided transit services; and

WHEREAS, elimination of the Coyote Run service significantly reduces the Town's involvement in transit although the Town will contribute approximately \$76,000 annually towards its maintenance of effort for transit services provide by the Regional Transit Authority which will operate a dial-a-ride Sun Shuttle service for the residents of Oro Valley with connection to the regional Sun Tran system; and

WHEREAS, it is in the best interest of the Town to approve the elimination of the Town of Oro Valley Development and Infrastructure Services Department Transit Services Division Coyote Run service.

NOW, THEREFORE, BE IT RESOLVED by Mayor and Council of the Town of Oro Valley, Arizona that the elimination of the Development and Infrastructure Services Department Transit Services Division Coyote Run service is hereby authorized and approved.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona, this 1st day of June, 2011.

TOWN OF ORO VALLEY

Dr. Satish Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Rosen, Town Attorney

Date: _____

Date: _____



Item #: 3.

CC-448

Town Council Study Session

Date: 02/23/2011

Submitted By: Aimee Ramsey, Development Infrastructure Services

Department: Development Infrastructure Services

Information

SUBJECT:

Transit Services Operations

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

Staff was asked to bring forward service options for the FY 2011/12 budget. The options proposed are:

- Option A - No change
- Option B - Keep operating Sun Shuttle and Eliminate Coyote Run
- Option C - Eliminate Coyote Run and the RTA will subcontract the Sun Shuttle operation
- Option D - Negotiate with the RTA to give more financial support to Coyote Run
- Option E - Further reduce Coyote Run and Operate Sun Shuttle

BACKGROUND OR DETAILED INFORMATION:

Cost cutting cost savings in the last three years:

- Work force reduction of 33.2%
- Service hour reductions in Zone B & Zone C
- Service capped at 65 passengers/day
- No next day service
- Volunteer Driver Program
- Systematic changes to operations to reduce costs

Service today:

- New Sun Shuttle Dial-A-Ride covering an expanded Zone A
 - Expanded service hours on Sun Shuttle
- Service hour reductions in Zone B & Zone C continue
- Service cap eliminated
- Volunteer Driver Program on-going for Coyote Run

In depth review of each option:

- Option A – No Change to Service Levels
- Meets the present demand of the community.
 - Staffing levels are at FY 2009 budget level (10.08 FTE)
 - General public service for residents and non-residents
 - Coyote Run is available for services outside the area

- No trip denials

Option B - Keep operating Sun Shuttle and Eliminate Coyote Run

- Continues Sun Shuttle operations by Transit Division
- Eliminates Coyote Run Service
 - Public Meeting Required
 - 35+ daily trips eliminated - denied
 - Staff reductions from 10.08 to 7.4 FTE
 - \$50K Reduction in projected fleet maintenance transfer
 - No Senior service outside Sun Shuttle Blue Zone
 - Service efficiencies lost

Option C – Eliminate Coyote Run and the RTA will subcontract the Sun Shuttle operation

- Continues Sun Shuttle operations by third party
- Eliminates Transit Services
 - Public Meeting Required
 - 35+ daily trips eliminated - denied
 - Staff reductions from 10.08 to 0 FTE
 - \$101K Reduction in projected fleet maintenance transfer
 - \$5,800 Reduction in Software Maintenance
 - No Senior service outside Sun Shuttle Blue Zone

Option D - Negotiate with the RTA to give more financial support to Coyote Run

- Mayor would need to open discussions with the Regional Transportation Authority

Option E - Further reduce Coyote Run and Operate Sun Shuttle

- Possible service reductions not vetted
 - Reduction in Zones (service area)
 - Reduction in Days (operate three days a week)
 - Additional service hour reductions

100% reduction in general fund would most likely end all transit services in the area as it is a requirement of the 2006 legislation and maintenance of effort requirements.

FISCAL IMPACT:

General Fund Requirements for each Option:

Option A	\$393,000
Option B	\$225,000
Option C	\$76,000
Option D	NA
Option E	NA

SUGGESTED MOTION:

Information only.



Town Council Regular Session

Item # 3.

Meeting Date: 04/20/2011

Requested by: Aimee Ramsey

Submitted By:

Aimee Ramsey,
Development Infrastructure
Services

Department: Development Infrastructure Services

SUBJECT:

DISCUSSION AND POSSIBLE ACTION REGARDING DISPOSITION OF THE DEVELOPMENT AND INFRASTRUCTURE SERVICES DEPARTMENT TRANSIT SERVICES DIVISION

RECOMMENDATION:

As part of the Town Manager Recommended Budget for FY 2011/12, staff recommends moving forward with Transit Services Option C as discussed during the February 23, 2011 Town Council Study Session. This will begin the processes necessary to discontinue the Transit Service Division (Coyote Run).

EXECUTIVE SUMMARY:

The elimination of the service has several public notice requirements, hearings, etc. In order to eliminate the service, and the costs, prior to the end of the fiscal year this action is needed at this time. Due to the timing, if this item is acted on at a later Council meeting, then the \$220,000 savings in FY 11/12 would need to be reduced. If we wait until the June adoption of the budget to start the process, we will be unable to meet a July 1st implementation date and would be looking at a September 30th implementation date, costing the Town funding. Even with approval today, we will be late with the termination letter but the RTA is aware of the situation and will work with us.

The Transit Services Administrator is seeking direction to proceed with the elimination of Coyote Run in response to discussion among Council during the Finance Director's presentation at the March 9, 2011 budget session. At this time, staff requests authorization to begin the following processes necessary to discontinue Coyote Run and continue RTA Sun Shuttle service:

- Public Hearing – public outreach process
- Vehicle Disposal – FTA and ADOT required
- Service Transfer – RTA negotiations
- Refunds for Coyote Run passes that riders may not have been able to use
- Work towards a seamless transition of all riders impacted, introducing and encouraging senior riders to access personalized services provided by Interfaith Community Services, connected services matched through a referral service of Pima Council on Aging, and working to connect and encourage ADA-eligible riders to utilize Handi-car services

BACKGROUND OR DETAILED INFORMATION:

The Council Communication dated February 23, 2011, presented five (5) options for future transit service. Option C involved the elimination of Coyote Run, allowing the RTA to subcontract Sun Shuttle dial-a-ride service. Attachment #1 outlines service Option C. Elimination of Coyote Run significantly reduces the Town's involvement in regional transit; however, the Town will be required to contribute annual maintenance of effort funding of approximately \$76,000 to the RTA for transit services. The RTA will manage operation of the Sun Shuttle service within the blue zone.

If existing Town staff meets minimum requirements, they will be eligible to go through the MV Transportation (RTA contractor) hiring process should positions become available.

TRANSIT SERVICES HISTORY

- March 2010 – LTAF Repealed
- March 31, 2010 – Study Session - three locally controlled options presented to Council
- April 21, 2010 – Discussions with RTA developed two new options
- May 17, 2010 – Public Forum on service options
- June 16, 2010 – Direction to begin negotiations of IGA for Sun Shuttle
- December 1, 2010 – Regular session moving forward Option 3 allowing staff to coordinating both Coyote Run service with the Sun Shuttle regional service
- January 5, 2011 – Council approves IGA with RTA approved for Sun Shuttle operations
- February 14, 2011 – Sun Shuttle service begins
- February 23, 2011 – Budget session discussion on transit services options
- March 9, 2011- Budget session direction to Finance Director to remove Coyote Run from FY 2011/12 budget

FISCAL IMPACT:

Estimated annual savings if approved at this juncture = \$220,000

SUGGESTED MOTION:

I MOVE to direct staff to move forward with Option C as discussed February 23, 2011 and begin the processes necessary to discontinue the Transit Service Division.

or

I MOVE to ...

Attachments

Option C Outline

Transit Disposal Timeline

Public Hearing Notice

Draft IGA termination letter



Town Council Regular Session

Item # 4.

Meeting Date: 06/01/2011

Requested by: Town Council

Submitted By:

Julie Bower, Town Clerk's
Office

Department: Town Clerk's Office

Information

SUBJECT:

*POSSIBLE ACTION TO ACCEPT TOWN MANAGER'S RESIGNATION AND APPOINT AN INTERIM TOWN MANAGER

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

Town Manager Jerene Watson has tendered her resignation effective June 30, 2011. Council may officially accept the resignation and appoint an interim town manager.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I move that Council accept Town Manager Jerene Watson's resignation and appoint _____
as interim Town Manager

or

I move
