

**AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
June 17, 2015
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

- **Spotlight on Youth**

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

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. 2015 Summer Transportation Art by Youth update
2. Proclamation - Independents Week

CONSENT AGENDA

(Consideration and/or possible action)

- A. Minutes - May 20 and June 3, 2015
- B. Fiscal Year 2014/15 financial update through April 2015
- C. Resolution No. (R)15-44, approving an amended Final Plat for modification of a conservation easement and no build area in Stone Canyon II, lot 193, located at 1206 West Tortolita Mountain Circle

- D. Resolution No. (R)15-45, approving an Intergovernmental Agreement (IGA) with the Arizona Department of Revenue (ADOR) related to uniform administration of the Town's Transaction Privilege Taxes (TPT)
- E. Resolution No. (R)15-46, authorizing and executing a Right-of-Way License Agreement between the Town of Oro Valley and Zayo Group, LLC to allow telecommunication facilities within the Town's right-of-ways
- F. Resolution No. (R)15-47, authorizing and approving an Intergovernmental Agreement between the Town of Oro Valley and Pima County regarding payment for the incarceration of municipal prisoners
- G. Cancellation of the July 15, 2015 Regular Town Council Meeting
- H. Request for Conceptual Architecture approval for a pool building in the Maracay at Vistoso subdivision located at the Northern terminus of La Cañada Drive in Rancho Vistoso
- I. Resolution No. (R)15-48, authorizing the Town Clerk to conduct a special recall election on November 3, 2015, as a consolidated election pursuant to A.R.S. § 16-204; and designating the election date, the deadline for voter registration and the place and last date for candidates to file nomination papers and approval of use of General Fund contingency reserves to pay for special election costs

REGULAR AGENDA

- 1. RESOLUTIONS AMENDING THE MAYOR AND COUNCIL WATER POLICIES AND THE FINANCIAL AND BUDGETARY POLICIES
 - A. RESOLUTION NO. (R)15-49, AMENDING THE TOWN OF ORO VALLEY TOWN COUNCIL WATER POLICIES FINANCE SECTION A.1.D. AND ADDING FINANCE SECTION A.1.G.
 - B. RESOLUTION NO. (R)15-50, AMENDING THE TOWN OF ORO VALLEY FINANCIAL BUDGETARY POLICIES SECTION C.3.
- 2. DISCUSSION AND POSSIBLE DIRECTION REGARDING A FISCAL YEAR 2015/16 BUDGET AMENDMENT FOR AN APPROPRIATION FROM THE GENERAL FUND FOR STEAM PUMP RANCH IN THE AMOUNT OF \$425,000 AND FROM THE HIGHWAY FUND FOR A NEW BACKHOE IN THE AMOUNT OF \$125,000

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: 6/10/15 at 5:00 p.m. by ms

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 office of the Town Clerk between the hours of 8:00 a.m. – 5:00p.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: 06/17/2015
2015 Summer Transportation Art by Youth Update

Information

Subject

2015 Summer Transportation Art by Youth update

Summary

The Southern Arizona Arts and Cultural Alliance (SACCA) in association with Town staff, on May 7th, selected the team of Hiro Tashima and James E Butler as the artist to lead a team of 10 students in the development of art work near the entrance of Naranja Park. With over 37 years of combined experience working with youth artists, this artist team will bring an exciting art concept to the Town of Oro Valley Naranja Park entrance. This presentation will introduce the team and the concept to the Mayor and Council as well as the community.

Student Artist:

Naomi Chandran
Mikenna Hill
Rachel Hipps
Brenna Bumb
Cassie Ho
Molly Haskell
Haley Smith
Andres Vasquez
Sophia Silva
Ariana Snyder



Town Council Regular Session

Item # 2.

Meeting Date: 06/17/2015
Proclamation - Independents Week 2015

Information

Subject

Proclamation - Independents Week

Summary

N/A

Attachments

[Proclamation](#)

Office of the Mayor
Oro Valley, Arizona
Proclamation

**INDEPENDENTS WEEK
JUNE 27 – JULY 5, 2015**

WHEREAS, locally-owned, independent businesses generate thousands of jobs for Oro Valley residents each year and provide unique services and products that give Oro Valley its distinct character and sense of place; and

WHEREAS, up to four times more money stays and circulates in the local economy when consumers spend their money at local, independent businesses instead of national chains; and

WHEREAS, Oro Valley's local independent businesses help preserve the uniqueness of the community and give us a sense of place; and

WHEREAS, Oro Valley's core of independently-owned businesses give back to this community in goods, services, time and talent; and

WHEREAS, the health of Oro Valley's economy depends on our support of businesses owned by our friends and neighbors; and

WHEREAS, Oro Valley's independent business owners and employees enrich community members' shopping experiences with their knowledge & passion; and

WHEREAS, Local First Arizona, a non-profit organization, has over 460 member businesses in Southern Arizona who are celebrating many years of raising awareness about the importance of patronizing local businesses to foster strong community ties and preserve our unique character for generations to come; and

WHEREAS, individuals will be celebrating Independents Week in communities across Arizona and the nation by taking the pledge to support local and independent businesses.

NOW, THEREFORE, I, Dr. Satish I. Hiremath, Mayor of the Town of Oro Valley, Arizona, do hereby proclaim June 27th through July 5th, 2015, **INDEPENDENTS WEEK** and salute our community members and locally owned independent businesses who are integral to the unique flavor of Oro Valley and honor their efforts to make Oro Valley the place we want to live and work.

Dated this 17th day of June, 2015


Dr. Satish I. Hiremath, Mayor



ATTEST:


Julie K. Bower, Town Clerk



Town Council Regular Session

Item # A.

Meeting Date: 06/17/2015

Requested by: Julie Bower **Submitted By:** Michelle Stine, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Minutes - May 20 and June 3, 2015

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve, approve with the following changes) the May 20 and June 3, 2015 minutes.

Attachments

5-20-15 Draft Minutes

6-3-15 Draft Minutes

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
May 20, 2015
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CANADA DRIVE**

REGULAR SESSION AT OR AFTER 5:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 5:00 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Bill Garner, Councilmember
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember

ABSENT:

Brendan Burns, Councilmember

EXECUTIVE SESSION - Pursuant to A.R.S. 38-431.03(A)(4) and ARS 38-431.03(D) for the purpose of discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public bodies regarding matters that are the subject of pending or contemplated litigation (Paula Mora v. Town of Oro Valley) or in settlement discussions conducted in order to avoid or resolve litigation

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Zinkin to go into Executive Session at 5:01 p.m. pursuant to A.R.S 38-431.03(A-(4) and ARS 38-431.03(D) for the purpose of discussion or consultation with the attorneys regarding the public body in order to consider its position and instruct its attorneys regarding the public bodies regarding matters that are the subject of pending or contemplated litigation (Paula Mora v. Town of Oro Valley) or in settlement discussions conducted in order to avoid or resolve litigation

MOTION carried, 6-0.

Mayor Hiremath said the following staff members would join Council in Executive Session: Town Manager Greg Caton, Town Attorney Kelly Schwab, Legal Services Director Tobin Sidles and Deputy Town Clerk Mike Standish.

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT: Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Hiremath led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Communications Administrator Misti Nowak announced the upcoming Town meetings and events.

COUNCIL REPORTS and Spotlight on Youth

Councilmember Zinkin presented a video that was made for the National League of Cities and Towns.

Councilmember Snider reported that she along with Mayor Hiremath, Vice Mayor Waters and Councilmember Hornat attended the Steven M. Gooter Foundation's presentation of their donation of 12 Automatic External Defibrillators to the Town's Police Department.

Councilmember Snider recognized Andres Fernandez Pallares', a recent graduate of Canyon Del Oro High School, for his outstanding academic achievements, leadership and compassion.

Councilmember Zinkin reported that Canyon Del Oro High School won the Division II State Baseball title.

DEPARTMENT REPORTS

No reports were received.

ORDER OF BUSINESS

Mayor Hiremath reviewed the order of business and stated that the order would stand as posted.

INFORMATIONAL ITEMS

1. Public Safety Providers Quarterly Reports (Jan. - Mar. 2015)

CALL TO AUDIENCE

Oro Valley resident Lyra Done spoke about the exciting things that had taken place at the newly acquired Town Community and Recreation Center.

Oro Valley resident Donald Bristow expressed his concerns over the mold report released regarding the Town's Community and Recreation Center.

Oro Valley resident Geri Ottoboni spoke about the proposed Pima County Bond election slated for November 3, 2015 and was concerned about the Town's view on the bond.

Oro Valley resident Beverly Mylan thanked the Oro Valley Police Department for their continued service.

Oro Valley resident Don Barnett was concerned with the lifeguard status at the Town's Community and Recreation Center.

Oro Valley resident Ryan Hartung was concerned about the temporary sign at Naranja Park and inquired about future plans for a more permanent sign.

Oro Valley resident Shirl Lamonna was concerned with the Town's economic development strategy and the increased focus of tourism to Oro Valley.

CONSENT AGENDA

Vice Mayor Waters requested that item (B) be removed from the Consent Agenda for discussion.

Councilmember Garner requested that item (D) be removed from the Consent Agenda for discussion.

Councilmember Hornat requested that item (E) be removed from the Consent Agenda for discussion.

A. Minutes - April 29 and May 6, 2015

C. Greater Oro Valley Chamber of Commerce Quarterly Report: January 1, 2015 -

March 31, 2015

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Zinkin to approve Consent Agenda items (A) and (C).

MOTION carried, 7-0.

B. Visit Tucson Quarterly Report: January 1, 2015 - March 31, 2015

Vice Mayor Waters gave an overview of the Town's investment in Visit Tucson and the potential benefits to Oro Valley associated with their tourism campaigns and marketing ideas.

President and CEO of Visit Tucson Brent DeRaad gave an overview of Visit Tucson's summer advertising campaigns.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to approve the Visit Tucson Quarterly Report: January 1, 2015 - March 31, 2015.

MOTION carried, 7-0.

D. Approval of the 2015/16 Employee Healthcare Insurance Premium Rates and Health Savings Account Contributions

Councilmember Garner asked for clarification on the bid solicitation process.

Town Manager Greg Caton discussed the process used for selecting a health provider.

CBIZ Vice President of Client Services Oscar Diaz explained the long term strategies for becoming self insured.

Discussion ensued amongst Council, staff and Mr. Diaz regarding Employee Healthcare Insurance Premium Rates and Health Savings Account Contributions.

MOTION: A motion was made by Councilmember Garner and seconded by Councilmember Snider to approve the recommended premium rates and health savings contributions as presented.

MOTION carried, 7-0.

E. Resolution No. (R)15-35, approving the donation of scoreboards from the Oro Valley Fast Pitch Softball League to be installed on the two softball fields at Riverfront Park

Councilmember Hornat asked if the locations of the donated scoreboards would be consistent with the current Master Park Program.

Parks and Recreation Director Kristy Diaz-Trahan said that the locations of the donated scoreboards would be consistent with the current Master Park Program.

MOTION: A motion was made by Councilmember Hornat and seconded by Councilmember Snider to approve the donation of scoreboards from the Oro Valley Fast Pitch Softball League to be installed on the two softball fields at Riverfront Park.

MOTION carried, 7-0.

REGULAR AGENDA

1. PUBLIC HEARING: DISCUSSION AND POSSIBLE ACTION REGARDING THREE APPLICATIONS FOR A SERIES 10 (BEER & WINE STORE) LIQUOR LICENSE FOR GIANT STORE #617 LOCATED AT 8080 N. ORACLE ROAD, GIANT STORE #812 LOCATED AT 10505 N. ORACLE ROAD AND GIANT STORE #813 LOCATED AT 12885 N. ORACLE ROAD

Deputy Town Clerk Mike Standish gave an overview of item #1.

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to recommend approval of the issuance of a Series 10 liquor license to Giant Store #614 located at 8080 N. Oracle Road, Giant Store #812 located at 10505 N. Oracle Road and Giant Store #813 located at 12885 N. Oracle Road.

MOTION carried, 7-0.

2. PRESENTATION OF FIVE-YEAR FINANCIAL FORECAST THROUGH FY 2019/20

Finance Director Stacey Lemos gave a presentation of the Five-Year Financial Forecast that included the following:

- Forecast Overview
- General Fund Revenues
- General Fund Expenditures
- General Fund - Highway Fund Revenues
- Highway Fund Expenditures
- Highway Fund
- Bed Tax Fund Revenues & Expenditures

- Bed Tax Fund

Discussion ensued amongst Council and staff regarding the Five-Year Financial Forecast through FY 2019/20.

3. PUBLIC HEARING: RESOLUTION NO. (R)15-36, ADOPTION OF THE TENTATIVE BUDGET FOR FY 2015/16 AND SETTING THE LOCAL ALTERNATIVE EXPENDITURE LIMITATION FOR FY 2015/16

Finance Director Stacey Lemos gave an overview of the Tentative Budget for FY 2015/16 that included the following:

- FY 15/16 Budget Timeline
- Strategic Plan Focus Areas
- Changes from April 15th Recommended Budget
- FY 14/15 to FY 15/16 Budget Comparison
- FY 15/16 Revenue Sources - \$119.7M
- FY 15/16 Expenditure Categories - 119.7M
- FY 15/16 General Fund Overview
- General Fund Authorized Use of Reserves
- Community Center and Golf Fund - IN TOTAL
- Community Center and Golf Fund - OPERATIONS
- FY 15/16 Capital Improvement Program (CIP)
- Final Notes and Next Steps

Mayor Hiremath opened the public hearing.

The following individual spoke on item #3

Oro Valley resident Bill Adler

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to approve Resolution No. (R)15-36, adopting the Tentative Budget for fiscal year 2015/16 and setting the local alternative expenditure limitation for fiscal year 2015/16 at \$119,687,709.

Discussion ensued amongst Council and staff regarding the proposed budget for FY 2015/16 and setting the Local Alternative Expenditure Limitation for FY 2015/16.

MOTION carried, 4-3 with Councilmember Burns, Councilmember Garner, and Councilmember Zinkin opposed.

Mayor Hiremath recessed the meeting at 8:45 p.m.

Mayor Hiremath reconvened the meeting at 8:54 p.m.

4. **AMENDING SECTION 28.5.B.15 OF THE ORO VALLEY ZONING CODE TO ALLOW ILLUMINATED WINDOW SIGNS ON BUSINESS STORE FRONTS AND TO SECTION 28.6.B TO ALLOW THE USE OF BALLOONS FOR A GRAND OPENING OR CHANGE OF OWNERSHIP AND MINOR CHANGES THROUGHOUT SECTION 28 RELATED TO THE AMENDMENTS**
 - a. **RESOLUTION NO. (R)15-37, DECLARING THE PROPOSED AMENDMENT TO THE ORO VALLEY ZONING CODE SECTION 28.5.B.15, RELATING TO ILLUMINATED WINDOW SIGNS AND TO SECTION 28.6.B. RELATING TO BALLOONS AND MINOR CHANGES RELATED TO THE AMENDMENTS PROVIDED AS EXHIBIT "A" WITHIN THE ATTACHED RESOLUTION AND FILED WITH THE TOWN CLERK, A PUBLIC RECORD**

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to adopt Resolution No. (R)15-37, declaring the proposed amendments to the Oro Valley Zoning Code Revised Section 28.5.B.15 and 28.6.B.7, attached hereto as Exhibit "A" and filed with the Town Clerk, a public record.

MOTION carried, 7-0.

- b. **PUBLIC HEARING: ORDINANCE NO. (O)15-08, AMENDING SECTION 28.5.B.15 OF THE ORO VALLEY ZONING CODE TO ALLOW ILLUMINATED WINDOW SIGNS ON BUSINESS STORE FRONTS AND TO SECTION 28.6.B TO ALLOW THE USE OF BALLOONS FOR A GRAND OPENING OR CHANGE OF OWNERSHIP AND MINOR CHANGES THROUGHOUT SECTION 28 RELATED TO THE AMENDMENTS**

Senior Planning Technician Patty Hayes gave an overview of the proposed amendments to the Oro Valley Zoning Code regarding illuminated window signs and balloons that included the following:

- Proposal
- Illuminated Window Sign
- Balloons
- Balloon Height
- General Plan
- Conclusion

At the conclusion of the presentation Ms. Hayes requested the word "minimum" be replaced with "maximum" in the proposed ordinance section 28.6.B, letter (g).

Councilmember Garner requested that the wording in Exhibit "A", section (d), reflect the change from "shall be not" to "shall not be".

Discussion ensued amongst Council and staff regarding illuminated window signs.

Mayor Hiremath opened the public hearing.

The following individuals spoke in opposition to item #4b:

Oro Valley resident Don Bristow
Oro Valley resident Bill Adler

The following individual spoke in favor of item #4b:

President and CEO of the Greater Oro Valley Chamber of Commerce, and Oro Valley resident Dave Perry

Mayor Hiremath closed the public hearing.

Discussion ensued amongst Council and staff regarding item #4b.

MOTION: A motion was made by Councilmember Garner and seconded by Vice Mayor Waters to approve the portion of the Sign Code that addressed balloons as written and presented in 28.6.B, with the following corrections:

Section 28.6.B, item 7, letter (g) the word "minimum" shall be replaced with the word "maximum".

Exhibit "A", item (i), letter (d) "shall be not" will be replaced with "shall not be".

MOTION carried, 7-0.

MOTION: A motion was made by Councilmember Zinkin and seconded by Vice Mayor Waters to change the Zoning Code pertaining to illuminated window signs to allow for one illuminated neon sign not to exceed six (6) square feet.

MOTION carried, 5-2 with Mayor Hiremath and Councilmember Burns opposed.

5. DISCUSSION AND POSSIBLE ACTION ON THE PLANNING DIVISION TWO YEAR WORK PLAN (FISCAL YEAR 15-16 AND FISCAL YEAR 16-17) INCLUDING LONG RANGE PLANS AND ZONING CODE AMENDMENTS

Senior Planner Chad Daines gave an overview of the Planning Work Plan that included the following:

- Purpose
- Why a Work Plan?
- Planning Work Task: January - December 2014
- General Plan: Action Item Completion Status

- Planning Work Plan FY 13-15 Report Card
- Your Voice / Our Future (General Plan Update)
- The District
- Arroyo Grande / Tangerine 550
- Zoning Code Amendments
- Planning Commission Process and Prioritization
- Recommendation

The following individual spoke in opposition to item #5.

Oro Valley resident Bill Adler

Discussion ensued amongst Council and staff regarding the Planning Division's two-year Work Plan.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to accept the Planning Division Two Year Work Plan (Fiscal Year 15-16 and Fiscal Year 16-17) as provided on Attachment 1.

Councilmember Burns requested an amendment to move Senior Care to number two (2), Annexation to number three (3) and The District to number four (4).

Councilmember's Zinkin and Garner accepted the amendment.

MOTION carried, 7-0.

6. DISCUSSION AND POSSIBLE DIRECTION REGARDING PERSONNEL POLICY 14 - OVERTIME

Discussion ensued amongst Council and staff regarding Personnel Policy 14 – Overtime.

The Town Council directed staff to gather input and develop an overtime policy and allow the Memorandum of Understanding (MOU) negotiations to begin this fall between the Town and the Police Department Union.

7. ~~*DISCUSSION AND POSSIBLE DIRECTION REGARDING ESTABLISHING A TASK FORCE FOR THE ENVIRONMENTALLY SENSITIVE LAND ORDINANCE (Removed from the agenda on 5/18/15 at 11:00 a.m.)~~

FUTURE AGENDA ITEMS

No future agenda items were requested.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Snider to adjourn the meeting at 10:34 p.m.

MOTION carried, 7-0.

Prepared by:

Michelle Stine
Senior Office Specialist

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 20th day May, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2015.

Julie K. Bower, MMC
Town Clerk

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
June 3, 2015
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CANADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember (Via telephone)

PLEDGE OF ALLEGIANCE

The Boy Scouts led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Communications Administrator Misti Nowak announced the upcoming Town meetings and events.

COUNCIL REPORTS

Vice Mayor Waters reported that on May, 26, 2015, the Arizona Supreme Court, without comment, let stand a decision by the Arizona Court of Appeals that the Oro Valley Town Clerk acted appropriately and in accordance with the law when she rejected petitions for referendum that did not contain the required serial numbers.

DEPARTMENT REPORTS

Town Clerk Julie Bower announced that new artwork was on display in the Council Chambers by artist Katrina West.

Development and Infrastructure Services Director Paul Keesler, reported that all contracts were in place for the architecture/design firms and the JOB order contracts for the contractors for the improvements at the Oro Valley Community & Recreation Center. Mr. Keesler continued that the fitness area lobby would be renovated first.

Parks and Recreation Director Kristy Diaz-Trahan said, in May, there were 176 new memberships for the Community & Recreation Center which resulted in 424 members. Ms. Diaz-Trahan said the Recreation Center was hosting the summer youth camp this year and capacity had already been met.

ORDER OF BUSINESS

Mayor Hiremath said the agenda would stand as posted.

CALL TO AUDIENCE

Oro Valley resident Geri Ottoboni spoke in opposition to the proposed Pima County Bond election slated for November 3, 2015.

Oro Valley resident Don Barnett thanked the Town Council for the dog park and new monument sign at Naranja Park. Mr. Barnett was concerned with the condition of the bunkers at the Community & Recreation Center golf courses.

Oro Valley resident Don Bristow clarified that members of the Oro Valley Citizens for Open Government (O.V.C.O.G) had not posted or supported any accusatory remarks found on various blogs, regarding the Town Clerk rejecting the referendum petitions.

PRESENTATIONS

1. 2015 Summer Transportation Art by Youth update

Mayor Hiremath said the 2015 Summer Transportation Art by Youth update would be continued to the June 17, 2015 regular Town Council meeting.

CONSENT AGENDA

Vice Mayor Waters requested to remove item (A) from the Consent Agenda for discussion.

- B. Resolution No. (R)15-38, authorizing and approving an Intergovernmental Agreement between the Town of Oro Valley and Pima County, extending the terms of the existing IGA for Pima County to provide street naming and addressing services
- C. Resolution No. (R)15-39, authorizing and approving the Town of Oro Valley to enter into a development agreement between the Town of Oro Valley and the El

Conquistador Resort Patio Homes Association, Inc. for Police Department Traffic Enforcement on private streets

- D. Resolution No. (R)15-40, approving changes to Personnel Policy 19 - Training Employees and Reimbursement for Educational Expenses

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve Consent Agenda items (B)-(D).

MOTION carried, 7-0.

A. Fiscal Year 2014/15 Financial Update through March 2015

Vice Mayor Waters referenced a slowdown in tax revenue collections during the third quarter and asked what the projections were for the fourth quarter.

Finance Director Stacey Lemos said current revenues were slightly under budget in the General Fund by a little under 2% but the Town had seen expense savings so the year end estimates were still on target.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to approve item (A).

MOTION carried, 7-0.

REGULAR AGENDA

- 1. **PUBLIC HEARING: DISCUSSION AND POSSIBLE ACTION REGARDING AN APPLICATION FOR A SERIES 9S (LIQUOR STORE WITH SAMPLING PRIVILEGES) LIQUOR LICENSE FOR WALMART SUPERCENTER #4264 LOCATED AT 7951 N. ORACLE ROAD**

Town Clerk Julie Bower presented item #1.

Mayor Hiremath opened the public hearing.

No comments were received.

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Garner to recommend approval of the issuance of a Series 9S Liquor License to the Arizona Department of Liquor Licenses and Control for Clare Abel for Walmart Supercenter #4264 located at 7951 N. Oracle Road.

MOTION carried, 7-0.

2. PUBLIC HEARING: RESOLUTION NO. (R)15-43, APPROVING THE ADOPTION OF THE FINAL BUDGET OF THE TOWN OF ORO VALLEY FOR THE FISCAL YEAR 2015/16, INCLUDING APPROVAL OF THE 15-YEAR CAPITAL IMPROVEMENT PLAN (CIP) FROM FY 2015/16 THROUGH FY 2029/30

Ms. Lemos presented item #2 and discussed the following:

- FY 15/16 Budget Timeline
- FY 15/16 Final Budget
- Budget vs. Actual Comparison - All Funds
- Actual Expenditures - All Funds
- Capital Improvement Program (CIP)
 - FY 15/16 CIP Budget - \$20,707,000
- Expenditure Reductions
- General Fund Authorized Use of Reserves

Deputy Police Chief Larry Stevens responded to questions previously raised by Councilmember Zinkin regarding public safety.

Councilmember Zinkin left the meeting at 7:06 p.m.

Mayor Hiremath opened the public hearing.

The following individuals spoke on item #2.

Oro Valley resident Bill Adler
Oro Valley resident Henry Sheetz

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Hornat and seconded by Vice Mayor Waters to approve Resolution No. (R)15-43, approving the adoption of the final budget of the Town of Oro Valley for the Fiscal Year 2015/16 and further MOVE to approve the Town of Oro Valley 15-Year Capital Improvement Plan for FY 2015/16 through FY 2029/30, with the following stipulations:

1. Remove \$425,000 for Steam Pump Ranch and transfer the funds to the General Fund Contingency Reserve Fund.
2. Remove \$125,000 for a new backhoe with the funds to remain in the Highway Fund.

Mayor Hiremath requested an additional \$5,000 to be added to the Explorer program.

Councilmember Hornat and Vice Mayor Waters agreed to the amendment.

MOTION AS AMENDED carried, 4-2 with Councilmember Burns and Councilmember Garner opposed.

3. MOTION FOR RECONSIDERATION OF THE MAY 20, 2015 APPROVAL OF ORDINANCE NO. (O)15-08, SPECIFICALLY RELATING TO ILLUMINATED SIGNS

Councilmember Garner presented item #3 and said he was concerned that there wasn't a clear definition regarding advertising.

Discussion ensued amongst Council and staff regarding the reconsideration.

MOTION: A motion was made by Councilmember Garner and seconded by Councilmember Burns to approve the motion for reconsideration of the May 20, 2015 approval of Ordinance No. (O)15-08, specifically relating to illuminated signs.

MOTION failed, 2-4 with Mayor Hiremath, Vice Mayor Waters, Councilmember Hornat, and Councilmember Snider opposed.

4. RESOLUTION NO. (R)15-41, AUTHORIZING AND APPROVING A FINANCIAL PARTICIPATION AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND THE GREATER ORO VALLEY CHAMBER OF COMMERCE

Economic Development Manager Amanda Jacobs presented item #4.

Discussion ensued amongst Council and staff regarding item #4.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to approve Resolution No. (R)15-41, authorizing and approving a Financial Participation Agreement between the Town of Oro Valley and the Greater Oro Valley Chamber of Commerce.

MOTION carried, 6-0.

5. RESOLUTION NO. (R)15-42, AUTHORIZING AND APPROVING A FINANCIAL PARTICIPATION AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND METROPOLITAN TUCSON CONVENTION AND VISITORS BUREAU (VISIT TUCSON)

Ms. Jacobs presented item #5.

Discussion ensued amongst Council and staff regarding the proposed Financial Participation Agreement.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Hornat to approve Resolution No. (R)15-42, authorizing and approving a Financial

Participation Agreement between the Town of Oro Valley and Metropolitan Tucson Convention and Visitors Bureau (Visit Tucson).

MOTION carried, 5-1 with Councilmember Garner opposed.

6. DISCUSSION AND POSSIBLE ACTION REGARDING A CONCEPTUAL SITE PLAN AND ARCHITECTURE FOR A 1,450 SQUARE FOOT ADDITION TO THE EXISTING CATHEY'S SEW AND VAC LOCATED AT 8700 NORTH ORACLE ROAD

Planner Robert Kirschmann presented item #6 and discussed the following:

- Proposal
- Location
- Site Plan/Landscape
- Architecture
- Neighborhood Meeting/Public Input
- Conceptual Design Review Board Recommendation

Kevin Hall, Principal at Cypress Civil Development, presented item #6.

Discussion ensued amongst Council and Mr. Hall regarding the proposed expansion.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Garner to approve the Conceptual Site Plan for Cathey's Sew and Vac, subject to the conditions in Attachment 1, based on the findings that the Conceptual Site Plan is in conformance with the Design Principles and applicable Design Standards.

Attachment 1
Conditions of Approval
Cathey's Sew & Vac
OV1215-05

Conceptual Site Plan/ Conceptual Landscape Plan

Planning

1. The applicant shall relocate the trash enclosure as approved by the Planning Zoning Administrator, to provide safer access on the site and reduce the visibility along Oracle Road, prior to the Town Council hearing.

Engineering

1. An in-lieu fee be required for future construction of a 5' sidewalk along the Oracle Road frontage. An easement dedicated to the Town of Oro Valley will also be required for construction of the sidewalk. The fee and easement will need to be in place prior to issuance of a Certificate of Occupancy.

MOTION carried, 6-0.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Garner to approve the Conceptual Architecture for Cathey's Sew and Vac, finding that the proposed Conceptual Architecture is in conformance with the Design Principles and applicable Design Standards.

MOTION carried, 6-0.

FUTURE AGENDA ITEMS

Councilmember Hornat requested a future agenda item for the June 17th regular Council meeting to bring back funding for Steam Pump Ranch and the backhoe, seconded by Councilmember Snider.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to adjourn the meeting at 8:04 p.m.

MOTION carried, 6-0.

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 3rd day of June, 2015. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2015.

Julie K. Bower, MMC
Town Clerk



Town Council Regular Session

Item # **B.**

Meeting Date: 06/17/2015

Requested by: Stacey Lemos

Submitted By: Wendy Gomez, Finance

Department: Finance

Information

SUBJECT:

Fiscal Year 2014/15 financial update through April 2015

RECOMMENDATION:

This item is for information only.

EXECUTIVE SUMMARY:

In the General Fund (see attachment A), revenues collected through April totaled \$25.7 million or 79.7% of the budget amount of \$32.3 million. Year-to-date expenditures through April totaled \$26.4 million or 78.6% of the budget amount of \$33.7 million. Please note that transfers out now include the Council-approved loan of \$1.2 million to the Community Center & Golf Fund. The budget also includes a transfer out of one-time revenues in the amount of \$2.7 million to the General Government CIP Fund for capital projects. Please note that year-to-date expenditures include approximately two-thirds of this budgeted transfer out to the General Government CIP Fund of about \$1,740,000.

In the Highway Fund (see attachment B), revenues collected through April totaled \$2.5 million or 84.9% of the budget amount of \$3.0 million. Year-to-date expenditures through April totaled \$2.6 million or 60.3% of the budget amount of \$4.4 million. It is important to note that the Highway Fund budget includes the planned use of \$1.4 million in reserves, as all construction sales tax revenues are now fully accounted for in the General Fund.

In the Bed Tax Fund (see attachment C), revenues collected through April totaled \$807,931 or 85.2% of the budget amount of \$949,000. Year-to-date expenditures through April totaled \$589,881 or 61.4% of the budget amount of \$961,000.

BACKGROUND OR DETAILED INFORMATION:

GENERAL FUND

Attachment A shows General Fund revenues and expenditures through April, as well as year-end estimates for each category. The estimated year-end projections in the General Fund are as follows:

Revenues	\$31,629,922
<u>Less:</u>	
Expenditures	(\$32,862,966) (A)
<u>Less:</u>	
Approved Use of Contingency	(\$ 300,000) **
Est. Decrease in Fund Balance	(\$ 1,533,044)

(A) Includes Council-approved loan of \$1.2 million to the Community Center & Golf Fund

** Council-approved payment to Public Safety Personnel Retirement System (PSPRS)

General Fund Revenues

- Local sales tax collections in the General Fund total \$12.5 million or 79.5% of the budget amount of \$15.7 million. Sales tax collections in the General Fund are estimated to come in below budget by approximately \$404,000 or 2.6% based on current collections-to-date trending slightly below budgeted levels. Please see Attachment E for a monthly tracking of General Fund local sales tax collections, including construction and utility sales tax.
- License and permit revenues are estimated to come in under budget by about \$317,000 or 17.6% due to commercial and single family residential (SFR) permitting trends. A total of 135 SFR permits are projected for FY 14/15, compared to the 200 that were budgeted.
- Federal grant revenues are estimated to come in over budget by about \$67,000 or 11.3% due to grant funds received for a Police DUI Tahoe and hosting of collision investigation training classes funded by the Governor's Office of Highway Safety.
- State grant revenues are estimated to come in under budget by about \$225,000 or 14.0%. Of this amount, approximately \$105,000 reflects RTA reimbursements for Transit, which corresponds to estimated expenditure savings. Capacity of \$75,000 was placed in the budget for potential funding of a new school resource officer and is not expected to be utilized this fiscal year. Corresponding personnel savings of \$75,000 is included in the Police Department's year-end estimated expenditures. Finally, capacity of \$50,000 was placed in the budget for a potential Steam Pump Ranch grant from Freeport McMoran, which the Town does not expect to receive.
- Charges for Services revenues are estimated to come in over budget by about \$227,000 or 13.4% due to revenue trends at the Aquatic Center, zoning & subdivision fees, engineer plan review fees and user fee revenues for field and court rentals.
- Fine revenues are estimated to come in under budget by \$40,000 or 22.2% based on current trends and citation filings.

Staff will continue to monitor revenue collections and may adjust the year-end estimates based on actual trends.

General Fund Expenditures

- Expenditures are estimated to come in under budget by approximately \$794,000 or 2.4% due primarily to projected personnel vacancy savings, as well as projected operations and maintenance (O&M) savings by departments. Due to the observed slowdown in revenue collections, with a considerable amount classified as one-time, the estimated transfer to the General Government CIP Fund for one-time capital projects has been reduced by \$120,000, which will not affect current year budgeted projects, but rather the banking of funds for the future PD Property ID and Substation building. The timeline on this project is likely to be extended out further, as efforts on securing a building location are still underway.

HIGHWAY FUND

Highway Fund Revenues

- State shared highway user revenue funds (HURF) total \$2.3 million or 84.4% of the budget amount of \$2.8 million. Highway Fund revenues in total are expected to come in over budget by about \$137,000 or 4.6%, due primarily to HURF revenues. These revenues are up nearly 9% over last fiscal year due to economic growth and Senate Bill 1487, which allocated additional monies to

HURF for FY 14/15. The year-end estimate for HURF revenues was provided by the League of Arizona Cities & Towns.

Highway Fund Expenditures

- Expenditures are estimated to come in under budget by about \$293,000 or 6.7%, which is due in large part to capacity of \$180,000 for the Tangerine Access to Safeway (1st Ave) CIP project, which is expected to rollover into FY 15/16, as well as projected division O&M savings. Please note that these savings are estimates and are subject to change.

BED TAX FUND

Bed Tax Revenues

- Bed tax revenues total \$803,162 or 85.0% of the budget amount of \$945,000 and are estimated to come in on budget at this time.

Bed Tax Fund Expenditures

- Expenditures are estimated to come in under budget by about \$15,000 or 1.5%, due to projected O&M and personnel vacancy savings. Please note that these savings are estimates and are subject to change.

Please see Attachments A, B, and C for additional details on the General Fund, Highway Fund and Bed Tax Fund respectively. See Attachment D for a fiscal year-to-date consolidated summary of all Town funds. In addition, as noted earlier, Attachment E includes a breakdown of monthly local sales tax collections for the General Fund.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

This item is for information only.

Attachments

[Attachment A - General Fund](#)

[Attachment B - Highway Fund](#)

[Attachment C - Bed Tax Fund](#)

[Attachment D - Summary All Funds](#)

[Attachment E - GF Local Sales Tax](#)



General Fund

% Budget Completion through April --- 83.3%

	Actuals thru 4/2015	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
REVENUES:					
LOCAL SALES TAX	12,456,500	15,676,905	79.5%	15,273,251	-2.6%
LICENSES & PERMITS	1,282,911	1,805,547	71.1%	1,488,500	-17.6%
FEDERAL GRANTS	569,017	597,365	95.3%	664,804	11.3%
STATE GRANTS	1,017,815	1,607,300	63.3%	1,382,155	-14.0%
STATE/COUNTY SHARED	8,477,680	10,303,762	82.3%	10,303,762	0.0%
OTHER INTERGOVERNMENTAL	10,000	15,000	66.7%	15,000	0.0%
CHARGES FOR SERVICES	1,541,484	1,688,995	91.3%	1,916,137	13.4%
FINES	123,173	180,000	68.4%	140,000	-22.2%
INTEREST INCOME	92,568	81,125	114.1%	93,000	14.6%
MISCELLANEOUS	167,413	135,000	124.0%	168,313	24.7%
TRANSFERS IN	-	185,000	0.0%	185,000	0.0%
TOTAL REVENUES	25,738,560	32,275,999	79.7%	31,629,922	-2.0%

	Actuals thru 4/2015	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
EXPENDITURES:					
COUNCIL	172,674	207,022	83.4%	203,847	-1.5%
CLERK	308,206	497,102	62.0%	381,802	-23.2%
MANAGER	578,636	721,724	80.2%	716,195	-0.8%
HUMAN RESOURCES	277,928	371,998	74.7%	353,929	-4.9%
FINANCE	577,636	748,060	77.2%	724,482	-3.2%
INFORMATION TECHNOLOGY	1,072,404	1,432,374	74.9%	1,400,705	-2.2%
GENERAL ADMINISTRATION	1,496,376	1,867,600	80.1%	1,860,600	-0.4%
LEGAL	584,279	756,855	77.2%	727,405	-3.9%
COURT	605,313	789,826	76.6%	776,499	-1.7%
DEV & INFRASTRUCTURE SVCS	3,409,047	4,564,803	74.7%	4,254,061	-6.8%
PARKS & RECREATION	2,244,293	2,722,617	82.4%	2,722,617	0.0%
POLICE	12,009,525	14,885,819	80.7%	14,769,859	-0.8%
TRANSFERS OUT (A)	3,101,497	4,090,965	75.8%	3,970,965	-2.9%
TOTAL EXPENDITURES	26,437,815	33,656,765	78.6%	32,862,966	-2.4%

SURPLUS / (DEFICIT) (699,255) (1,380,766) (1,233,044)

BEGINNING FUND BALANCE 11,534,023

Plus: Surplus / (Deficit) (1,233,044)

Less: Approved Use of Contingency Reserves during FY 14/15 - payment to PSPRS (300,000)

ENDING FUND BALANCE ** 10,000,979

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision

(A) Includes Council-approved loan of \$1.2 million to Community Center and Golf Fund



Highway Fund

% Budget Completion through April --- 83.3%

REVENUES:

LICENSES & PERMITS
 STATE GRANTS
 STATE/COUNTY SHARED
 CHARGES FOR SERVICES
 INTEREST INCOME
 MISCELLANEOUS
TOTAL REVENUES

Actuals thru 4/2015	Budget	% Actuals to Budget
45,483	52,000	87.5%
3,875	-	0.0%
2,325,722	2,754,947	84.4%
107,910	129,493	83.3%
24,381	19,250	126.7%
9,550	10,000	95.5%
2,516,920	2,965,690	84.9%

Year End Estimate *	YE % Variance to Budget
52,000	0.0%
3,875	0.0%
2,882,445	4.6%
129,493	0.0%
25,000	29.9%
10,000	0.0%
3,102,813	4.6%

EXPENDITURES:

ADMINISTRATION
 TRANSPORTATION ENGINEERING
 PAVEMENT MANAGEMENT
 STREET MAINTENANCE
 TRAFFIC ENGINEERING
TOTAL EXPENDITURES

Actuals thru 4/2015	Budget	% Actuals to Budget
429,532	610,478	70.4%
418,646	537,275	77.9%
432,974	1,219,002	35.5%
827,029	1,053,631	78.5%
516,623	934,276	55.3%
2,624,805	4,354,662	60.3%

Year End Estimate *	YE % Variance to Budget
596,169	-2.3%
527,433	-1.8%
1,161,843	-4.7%
1,028,845	-2.4%
747,782	-20.0%
4,062,072	-6.7%

SURPLUS / (DEFICIT)

(107,885) (1,388,972)

(959,259)

BEGINNING FUND BALANCE

4,175,161

Plus: Surplus / (Deficit)

(959,259)

ENDING FUND BALANCE **

3,215,902

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision



Bed Tax Fund

% Budget Completion through April --- 83.3%

REVENUES:

BED TAXES
 INTEREST INCOME
TOTAL REVENUES

Actuals thru 4/2015	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
803,162	944,571	85.0%	944,571	0.0%
4,769	4,125	115.6%	5,500	33.3%
807,931	948,696	85.2%	950,071	0.1%

EXPENDITURES:

ECONOMIC DEVELOPMENT
 TRANSFERS OUT
TOTAL EXPENDITURES

Actuals thru 4/2015	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
422,338	608,457	69.4%	593,658	-2.4%
167,543	352,543	47.5%	352,543	0.0%
589,881	961,000	61.4%	946,201	-1.5%

SURPLUS / (DEFICIT)

218,050 (12,304) 3,870

BEGINNING FUND BALANCE

425,099

Plus: Surplus / (Deficit)

3,870

ENDING FUND BALANCE **

428,969

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision



Consolidated Year-to-Date Financial Report through April, 2015

FY 2014/2015

Fund	FY 14/15 Begin Bal.	Revenue	Other Fin Sources/Tfrs	Total In	Capital Leases/ Transfer Out	Personnel	O&M	Capital	Contingency	Debt Service	Total Out	Left in Accounts Thru Apr 2015
General Fund - Unassigned	9,925,988	25,738,560	-	25,738,560	3,105,351	17,319,027	5,764,889	248,548	-	-	26,437,815	9,226,733
General Fund - Assigned	1,608,035											1,608,035
Highway Fund - Restricted	4,175,161	2,516,920	-	2,516,920	-	1,446,698	529,446	648,661	-	-	2,624,805	4,067,276
Seizure & Forfeiture - State	526,901	99,783	-	99,783	-	7,577	137,173	280,513	-	-	425,263	201,421
Seizure & Forfeiture - Justice	349,724	15,531	-	15,531	-	101,457	49,453	147,000	-	-	297,910	67,345
Bed Tax Fund - Committed	425,099	807,931	-	807,931	167,543	192,240	230,098	-	-	-	589,881	643,149
Impound Fee Fund	7,346	34,950	-	34,950	-	21,421	-	-	-	-	21,421	20,874
Community Center & Golf Fund	-	186,800	1,200,000	1,386,800	-	-	-	-	-	-	-	1,386,800
Municipal Debt Service Fund	533,928	134,262	329,627	463,889	-	-	13,301	-	-	847,433	860,733	137,084
Oracle Road Debt Service Fund	281	156,363	2,000	158,363	-	-	2,495	-	-	154,356	156,851	1,793
Alternative Water Resources Dev Impact Fee Fund	3,336,099	1,058,739	-	1,058,739	-	-	39,127	112,547	-	-	151,674	4,243,164
Potable Water System Dev Impact Fee Fund	4,505,635	544,649	-	544,649	-	-	-	-	-	48,263	48,263	5,002,021
Townwide Roadway Development Impact Fee Fund	2,791,166	830,404	-	830,404	-	-	-	968,593	-	-	968,593	2,652,977
Parks & Recreation Impact Fee Fund	21,555	89,704	-	89,704	-	-	-	-	-	-	-	111,260
Library Impact Fee Fund	114,798	-	-	-	-	-	-	20,000	-	-	20,000	94,798
Police Impact Fee Fund	205,936	39,613	-	39,613	-	-	-	-	-	-	-	245,549
General Government Impact Fee Fund	3,502	3	-	3	-	-	-	-	-	-	-	3,505
Naranja Park Fund	737,056	-	-	-	-	-	-	636,366	-	-	636,366	100,690
General Government CIP Fund	1,500,000	-	1,740,532	1,740,532	-	-	-	1,455,240	-	-	1,455,240	1,785,292
Water Utility	11,823,342	12,591,957	-	12,591,957	3,119	2,276,807	4,399,648	2,615,886	-	718,078	10,013,539	14,401,760
Stormwater Utility	503,474	579,321	-	579,321	-	261,633	367,546	151,719	-	-	780,899	301,896
Fleet Fund	84,949	1,251,918	-	1,251,918	-	63,876	482,403	553,443	-	-	1,099,722	237,145
Benefit Self Insurance Fund	584,509	1,954,948	-	1,954,948	-	-	2,257,899	5,905	-	-	2,263,805	275,652
Recreation In-Lieu Fee Fund	6,190	-	-	-	-	-	-	-	-	-	-	6,190
Total	43,770,674	48,632,356	3,272,159	51,904,515	3,276,013	21,690,735	14,273,478	7,844,422	-	1,768,130	48,852,779	46,822,410



General Fund Local Sales Tax Collections

CATEGORY	JULY	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	TOTAL
Construction Sales Tax	353,257	365,877	343,071	317,595	291,816	293,032	358,773	265,075	207,738	207,620			3,003,853
Utility Sales Tax	269,772	299,154	292,456	261,333	135,966	197,341	227,742	268,039	207,117	189,547			2,348,467
Retail Sales Tax	392,417	414,639	383,853	390,567	415,388	507,949	667,732	411,301	436,257	529,048			4,549,151
All Other Local Sales Tax *	231,603	1,026	969	450,444	285,443	347,679	315,824	227,740	255,315	347,956			2,463,999
TOTAL	\$ 1,247,049	\$ 1,080,696	\$ 1,020,349	\$ 1,419,939	\$ 1,128,613	\$ 1,346,001	\$ 1,570,071	\$1,172,155	\$1,106,427	\$ 1,274,171			\$ 12,365,471

* Note: Does not include cable franchise fees or sales tax audit revenues



Town Council Regular Session

Item # **C.**

Meeting Date: 06/17/2015
Requested by: Bayer Vella
Submitted By: Robert Kirschmann
Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Resolution No. (R)15-44, approving an amended Final Plat for modification of a conservation easement and no build area in Stone Canyon II, lot 193, located at 1206 West Tortolita Mountain Circle

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The applicant, Joe McHallam, requests a modification of a conservation easement and no build area to construct a cantilevered addition to an existing home as depicted in Attachment 2. The property is located in Stone Canyon II (Lot 193), 1206 West Tortolita Mountain Circle as mapped in Attachment 3.

The 1.27 acre property is currently developed with an existing 7,500 square foot residence. The applicant is requesting to modify the existing conservation easement and no build areas to allow a 680 square foot, cantilevered addition to the residence. The addition will occur over an area which has been previously disturbed.

The request involves the removal of 200 square feet of the conservation easement; addition of 480 square feet of conservation easement and removal of eight (8) square feet of no build area.

BACKGROUND OR DETAILED INFORMATION:

Current Site Conditions:

- Zoning is Rancho Vistoso PAD, Very Low Density Residential
- Lot is 1.27± acres
- The lot is currently developed with a 7,500 square foot residence
- The proposed addition is 680 square feet
- The subject lot contains a conservation easement and no build areas impacting approximately 55 percent of the lot as shown in Attachment 3

Prior approvals:

- Stone Canyon II final plat was approved in 2000
- Minor Plat amendment approved in 2007

The subject property contains a conservation easement within a wash area. The addition is proposed to occur over an area that has already been disturbed by landscaping and mechanical equipment. The applicant requests that 200 square feet of the conservation easement and eight (8) square feet of the no

build area be removed.

There are no proposed encroachments into 25 percent slopes. Therefore, the mitigation standards and criteria in the Rancho Vistoso PAD are not applicable to this project.

Staff is recommending approval of the request to the conservation easement and no build areas as designated on the plat, based on the following findings:

- Small encroachment, 200 square feet
- Located along the edge of the easement
- The area has been previously disturbed
- The applicant is proposing to add 480 square feet to the conservation easement, contiguous to surrounding open space

The request has been evaluated and is consistent with General Plan policies, as provided within Attachment 5.

Public Notification and Comment:

- Notification of residents within 600 feet
- Posting at Town Hall
- All affected HOAs

No adverse comments have been registered to date. An email was received stating that there was "no objection to the addition or changes to the conservation easement ... only to high-pitched, continuous-looking extended roof design." A copy of the email and associated materials are included in Attachment 6.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve Resolution No. (R)15-44, approving OV1215-09, a plat amendment to modify the conservation easement and no build areas as shown in Attachment 2, based on the findings in the staff report.

OR

I MOVE to deny Resolution No. (R)15-44, denying OV1215-09, a plat amendment to modify the conservation easement and no build areas as shown in Attachment 2, based upon

_____.

Attachments

(R)15-44 Amended Final Plat - Stone Canyon II

Site Plan - Attachment 2

Location Map - Attachment 3

Existing Plat - Attachment 4

General Plan Policies - Attachment 5

Email Communication - Attachment 6

RESOLUTION NO. (R)15-44

**A RESOLUTION OF THE TOWN OF ORO VALLEY, ARIZONA,
APPROVING AN AMENDED FINAL PLAT FOR MODIFICATION
OF A CONSERVATION EASEMENT AND NO BUILD AREA IN
STONE CANYON II, LOT 193, LOCATED AT 1206 WEST
TORTOLITA MOUNTAIN CIRCLE**

WHEREAS, the Town of Oro Valley residents ratified the Oro Valley General Plan on November 8, 2005; and

WHEREAS, applicant, Joe McHallam, has requested a modification of a conservation easement and no build area to construct a cantilevered addition to an existing home located at 1206 West Tortolita Mountain Circle as depicted in Exhibit "A"; and

WHEREAS, the addition to the existing home is proposed to occur over an area that had already been disturbed by landscaping and mechanical equipment; and

WHEREAS, the applicant is requesting that 200 square feet of the conservation easement and eight (8) square feet of the no build area be removed; and

WHEREAS, applicant is proposing to add 480 square feet to the conservation easement, contiguous to the surrounding open space; and

WHEREAS, the applicant's request is consistent with the General Plan; and

WHEREAS, Mayor and Council duly considered the proposed amended final plat for modification of a conservation easement and no build area in Stone Canyon II, Lot 193, located at 1206 West Tortolita Mountain Circle and a public hearing on June 17, 2015.

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

SECTION 1. The Mayor and Council hereby approved the amended final plat for modification of a conservation easement and no build area in Stone Canyon II, Lot 193, located at 1206 West Tortolita Mountain Circle as depicted in Exhibit "A" attached hereto and incorporated herein by reference.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

APPROVED AS TO FORM:

Tobin Sidles, Legal Services Director

ATTEST:

Julie K. Bower, Town Clerk

Date: _____

Date: _____

EXHIBIT “A”

**RANCHO VISTOSO NEIGHBORHOOD 11
STONE CANYON II - LOT 193
BOOK 53, PAGE 48**

CODE CHECK

Urban Zone:	Oro Valley PAD
Oro Valley Minimum Setbacks:	Front Yard 30' Rear Yard 40' Side Yard 20'
Stone Canyon Minimum Setbacks:	Front Yard 30' Rear Yard 40' Side Yard 20'

LEGAL DESCRIPTION

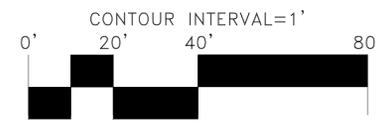
Lot 193 of Stone Canyon II as recorded in Book 53 of Maps and Plats at Page 48 in Pima County Recorder's Office, Tucson, Arizona.

ADDRESS

1206 West Tortolita Mountain Circle
Oro Valley, Arizona 85755
Tax Code #219-06-0740

LEGEND

-  TOTAL TO BE REMOVED FROM CONSERVATION EASEMENT = 206± SQ. FT.
-  TOTAL TO BE ADDED TO CONSERVATION EASEMENT = 480± SQ. FT.
-  EXISTING NO-BUILD LIMIT
-  EXISTING NO-BUILD (CONSERVATION EASEMENT) LIMIT
-  PROPOSED NO-BUILD (CONSERVATION EASEMENT) LIMIT
-  EXISTING SAGUARO (& HEIGHT) TO BE ADDED TO CONSERVATION AREA
-  EXISTING SAGUARO



CONSERVATION EASEMENT LINE TABLES

EXISTING CONSERVATION EASEMENT LINE TABLE (PROPOSED ABANDONMENT)

LINE	LENGTH	BEARING
ECE1	20.28'	N05°42'37"E
ECE2	6.97'	N74°18'12"E
ECE3	16.39'	S24°32'36"E
ECE4	17.11'	S65°16'09"W
TOTAL = 206 SQ.FT.		

PROPOSED CONSERVATION EASEMENT LINE TABLE

LINE	LENGTH	BEARING
PCE1	20.00'	N58°11'21"W
PCE2	10.80'	N05°42'37"E
PCE3	40.75'	N86°49'12"W
PCE4	13.11'	S36°07'24"W
PCE5	47.40'	S87°04'40"E
TOTAL = 480 SQ.FT.		

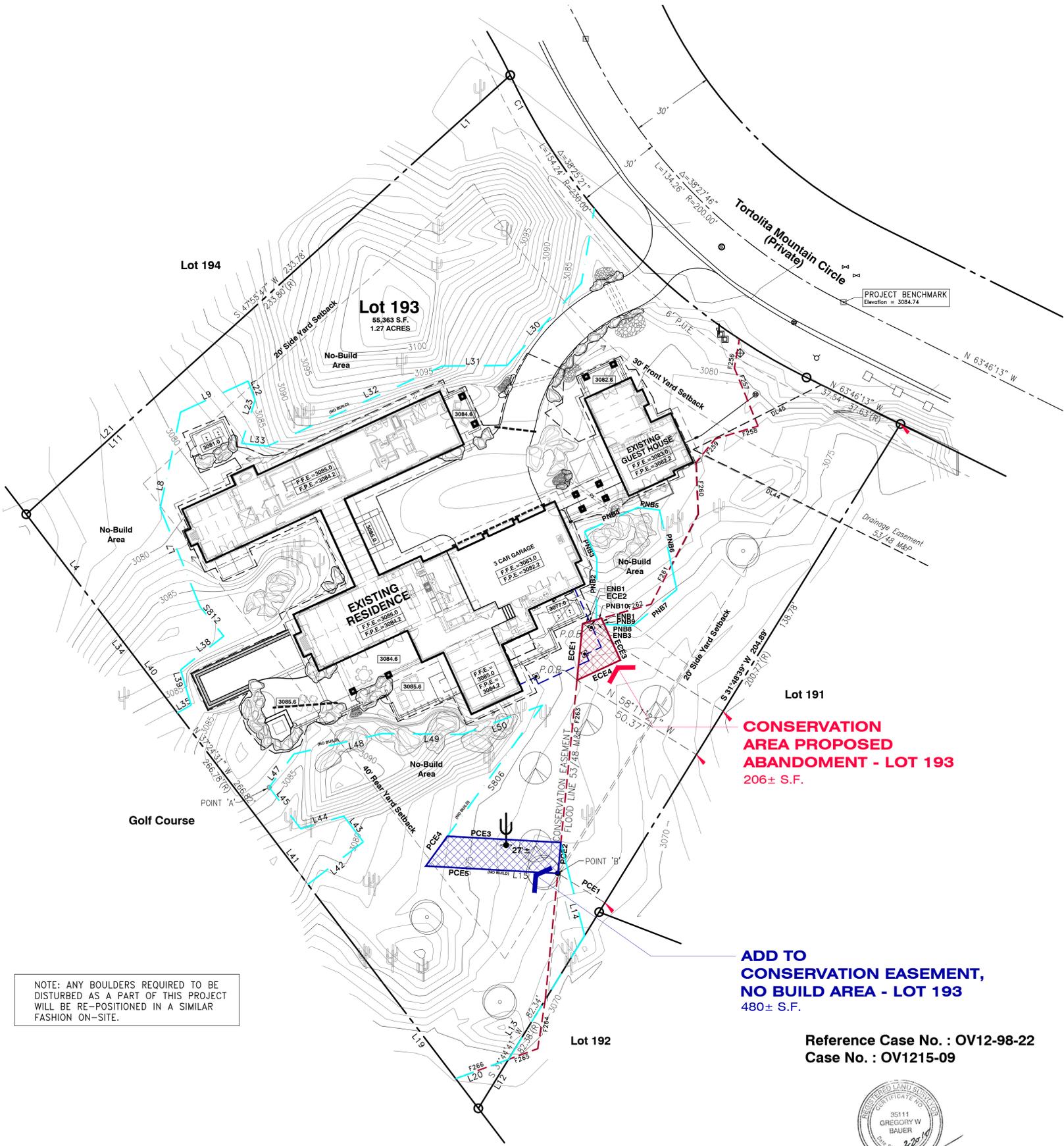
NO BUILD LINE TABLES

EXISTING NO-BUILD LINE TABLE (PROPOSED ABANDONMENT)

LINE	LENGTH	BEARING
ENB1	6.97'	N74°18'12"E
ENB2	2.38'	S24°32'36"E
ENB3	7.70'	N87°55'07"W
TOTAL = 6.2 SQ.FT.		

PROPOSED NO-BUILD LINE TABLE

LINE	LENGTH	BEARING
PNB1	5.11'	N74°18'12"E
PNB2	21.70'	N00°30'30"E
PNB3	10.63'	N24°32'36"W
PNB4	20.99'	N65°27'24"E
PNB5	7.85'	S82°53'37"E
PNB6	29.03'	S12°15'51"E
PNB7	20.07'	S50°23'46"W
PNB8	10.59'	N87°55'07"W
PNB9	2.38'	N24°32'36"W
PNB10	1.86'	N74°18'12"W
TOTAL = 981.6 SQ.FT.		



NOTE: ANY BOULDERS REQUIRED TO BE DISTURBED AS A PART OF THIS PROJECT WILL BE RE-POSITIONED IN A SIMILAR FASHION ON-SITE.

CONSERVATION AREA PROPOSED ABANDONMENT - LOT 193
206± S.F.

ADD TO CONSERVATION EASEMENT, NO BUILD AREA - LOT 193
480± S.F.

Reference Case No. : OV12-98-22
Case No. : OV1215-09



Site Plan

Scale: 1" = 20'-0" NORTH

McHallam/Harris Addition
Lot 193, Stone Canyon II
1206 W. Tortolita Mountain Circle
Oro Valley, Arizona 85755
Project No. 14-12

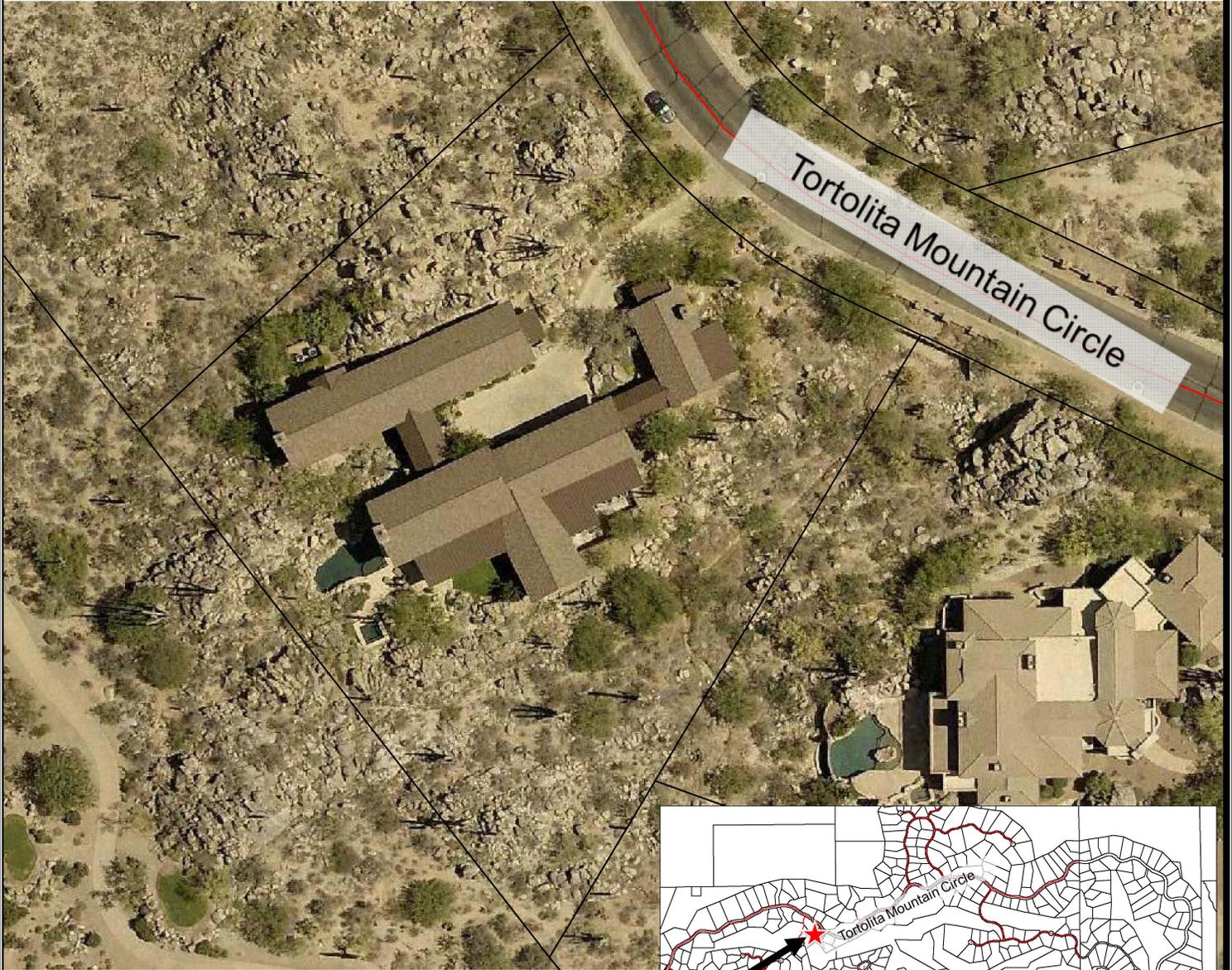
Robbinette
robinnette architects, inc.
1670 east river road, suite 112,
tucson, arizona 85718
(520) 323-3979
www.robinnettearchitect.com

PROPOSED NO-BUILD TRADE AREA

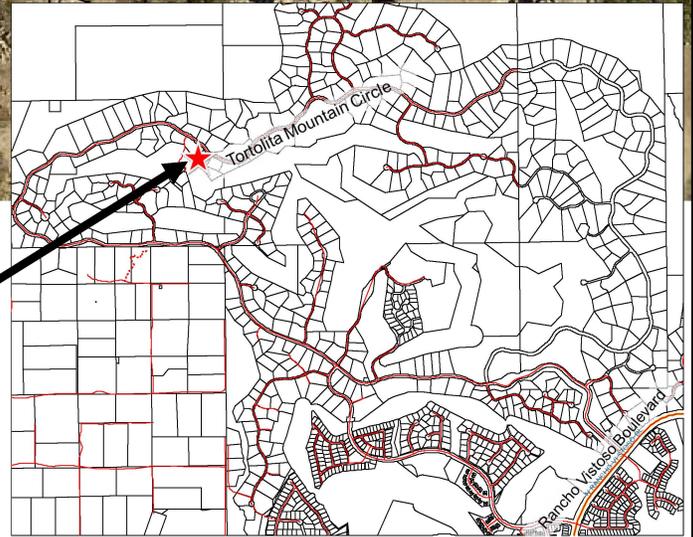
REVISIONS	BY

DRAWN: SDA
CHECKED: RWR
DATE: May 13th, 2015
JOB NO.: 14-12
SHEET: NB
1 OF 1 SHEETS

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Project Location

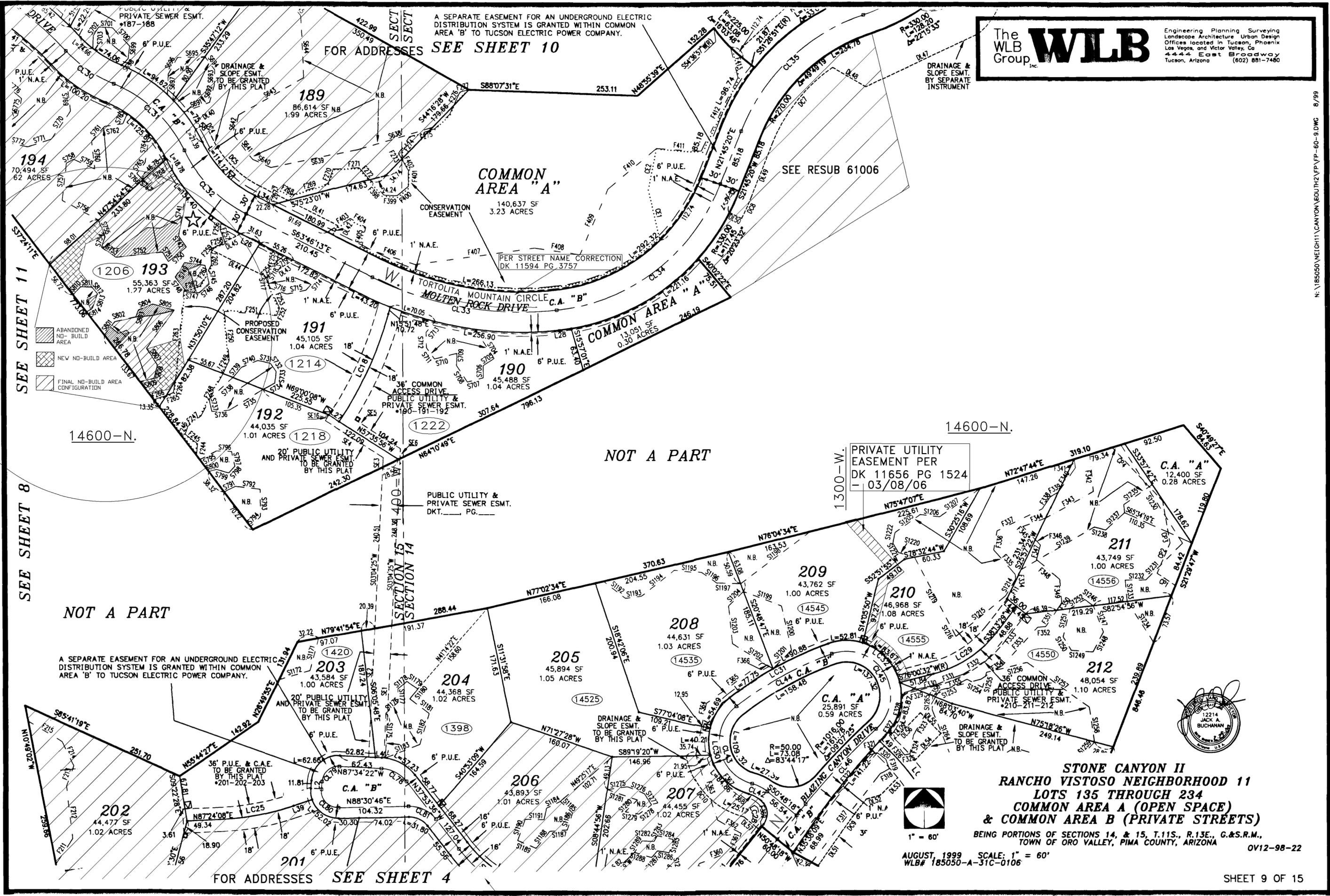


LOCATION MAP

FINAL PLAT AMENDMENT (OV1215-09)

The WLB Group Inc. **WLB**

Engineering Planning Surveying
Landscape Architecture Urban Design
Offices located in Tucson, Phoenix
Las Vegas, and Victor Valley, Ca
4444 East Broadway
Tucson, Arizona (602) 881-7480



A SEPARATE EASEMENT FOR AN UNDERGROUND ELECTRIC DISTRIBUTION SYSTEM IS GRANTED WITHIN COMMON AREA 'B' TO TUCSON ELECTRIC POWER COMPANY.

FOR ADDRESSES SEE SHEET 10

SEE RESUB 61006

NOT A PART

NOT A PART

A SEPARATE EASEMENT FOR AN UNDERGROUND ELECTRIC DISTRIBUTION SYSTEM IS GRANTED WITHIN COMMON AREA 'B' TO TUCSON ELECTRIC POWER COMPANY.

FOR ADDRESSES SEE SHEET 4

STONE CANYON II
RANCHO VISTOSO NEIGHBORHOOD 11
LOTS 135 THROUGH 234
COMMON AREA A (OPEN SPACE)
& COMMON AREA B (PRIVATE STREETS)
 BEING PORTIONS OF SECTIONS 14, & 15, T.11S., R.13E., G.&S.R.M.,
 TOWN OF ORO VALLEY, PIMA COUNTY, ARIZONA

AUGUST, 1999 SCALE: 1" = 60'
WLB# 185050-A-31C-0106

N:\185050\WEIGHT11\CANYON\GOUTH2\FP-FP-60-9.DWG 8/99

Attachment 4
General Plan Goals and Policies
Town Council
June 17, 2015

General Plan Goals and Policies.

Policy 1.1 To preserve Oro Valley's natural Sonoran Desert environment and the scenic resources that are an important part of the community's quality of life.

Policy 1.1.2 The Town shall continue to consider development impacts on natural rolling terrain and emphasize low-density developments in these areas. This will include evaluating areas with slopes of 15 percent and greater for development compatibility and safety, with the possibility of preserving them as natural open space.

Policy 11.2.9 The Town shall require project designs that:

- place development in areas not defined as key habitat when possible;
- provide deed restrictions regarding treatment of identified habitats and natural open space on private property;
- minimize adverse impacts to these habitats;
- provide for connectivity between on- and off-site essential and key habitat areas; and,
- are designed to reduce overall habitat impacts.

Policy 11.2.11 The Town shall protect and enhance contiguous areas of key habitats rather than small, segmented remainder parcels.

The project proposes a two hundred (200±) square foot encroachment into a conservation easement and an eight (8±) square foot encroachment into the no build area. The area has been largely disturbed by landscaping and mechanical equipment and does not include slopes of fifteen (15) percent. The applicant proposes to add an additional four hundred eighty (480±) square feet to the conservation easement. This additional area abuts the no build area, and provides better connectivity to the larger open space area in the development.

The applicant's proposal meets these General Plan Policies.

Kirschmann, Robert

From: djackson@jacksonsports1.com
Sent: Thursday, June 04, 2015 2:55 PM
To: Kirschmann, Robert
Cc: 'Daniel Jackson'
Subject: Fwd: Stone Canyon Design Submittal - Harris Residence (Lot 193)
Attachments: Stone Canyon - DRC Response Letter - Lot 193 Structural Addition; Lot 193 - Roof # 11.pdf; Lot 193 - Roof #1.pdf

Hi Richard -

It was nice speaking with you earlier this week about the recent Oro Valley Notice for Stone Canyon Lot 193. Please see "email trail" below and specifically my March 27 correspondence to Associa Arizona c/o Stone Canyon Design Review Committee. Please note that my primary concern is with the residence's high-pitched roof design, massive "continuous-looking" parallel roof structures...and how the now existing roof design negatively impacts views of the Catalina Mountains and marketability of adjacent properties located directly above.

I have no objection to a structural addition or changes to the conservation easement...only to the high-pitched, continuous-looking extended roof design. As we discussed, perhaps Sonoran Desert natural vegetation (i.e.; saguaro cactus, pale verde/mesquite trees) can be strategically placed in the outdoor courtyards (between parallel rooflines) to "break the plane" and help restore the true essence and natural aesthetics of Stone Canyon environment.

See four (4) photos and DRC Response Letter dtd May 15 also attached for your review.

Richard, please contact me at 949.275.6862 if you have any questions. Thank you for your time and consideration.

Daniel Jackson
Owner - Stone Canyon Lot 194

----- Original Message -----

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>
To: Michele Ganey <Michele.Ganey@associa.us>
Cc: "gina.marcus@associa.us" <gina.marcus@associa.us>, 'Daniel Jackson' <daniel.jackson330@gmail.com>
Date: April 23, 2015 at 8:27 PM
Subject: RE: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Michele - Thank you for your email reply and forwarding photos to Stone Canyon DRC prior to April 24 monthly review meeting.

What is "formal process" moving forward...will I hear back, receive any feedback directly from Stone Canyon DRC or from Associa Arizona?

Sincerely,

Daniel Jackson
Owner - Stone Canyon Lot 194
Tel: 949.275.6862

On April 23, 2015 at 7:12 PM Michele Ganey <Michele.Ganey@associa.us> wrote:

Hi Mr. Jackson,

I have received all four photos and will forward to the DRC committee.

Steve is no longer with the company; he retired.

Michele Ganey
Community Association Manager



6840 N Oracle Road Suite 130
D 520-877-4618
O 520-742-5674
FAX 520-742-1523

From: djackson@jacksonsports1.com [mailto:djackson@jacksonsports1.com]
Sent: Thursday, April 23, 2015 4:04 PM
To: Steve Barker
Cc: Michele Ganey; Gina Marcus; 'Daniel Jackson'
Subject: RE: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Steve - Two (2) additional photos attached, apparently original email was too large...got bounced back . Please confirm receipt of total four (4) photos. Thanks.

----- Original Message -----

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>
To: Steve Barker <Stephen.Barker@associa.us>
Cc: "gina.marcus@associa.us" <gina.marcus@associa.us>, "michele.ganey@associa.us" <michele.ganey@associa.us>, 'Daniel Jackson' <daniel.jackson330@gmail.com>
Date: April 23, 2015 at 6:58 PM
Subject: RE: Stone Canyon Design Submittal - Harris Residence (Lot 193)

RESEND - photos sent two parts...via separate emails. Please confirm receipt.

Steve -

FYI, I have not heard back from Stone Canyon DRC regarding my comments for Lot 193 design review submittal...assume it will be addressed in tomorrow's meeting? Please confirm status and kindly provide attached and four (4) additional photos for DRC's review.

Thank you,

Daniel Jackson
Owner - Stone Canyon Lot 194

Tel: 949.275.6862

On March 31, 2015 at 2:06 PM Steve Barker <Stephen.Barker@associa.us> wrote:

Mr. Jackson,

I received your email dated March 27th. I have forwarded your email to the DRC for their consideration. I anticipate that the DRC will get back to you soon, probably sometime next week.

Thank you,

Steve Barker
Steve.Barker@associa.us
Community Association Manager
Architectural and Design Review Specialist



6840 N. Oracle Rd, Suite #130 Tucson, AZ 85704
D 520-877-4662
O 520-742-5674

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From: djackson@jacksonsports1.com [<mailto:djackson@jacksonsports1.com>]
Sent: Tuesday, March 31, 2015 10:23 AM
To: Steve Barker
Cc: Michele Ganey; Gina Marcus
Subject: RE: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Steve -

Just wanted to make sure you received my email dated March 27, 2015 (see below). Please confirm receipt and kindly advise status...next steps with Stone Canyon Design Committee. I'm available to discuss at your soonest.

Thank you.

Daniel Jackson
Owner - Stone Canyon Lot 194
Direct Tel: (949) 275-6862

----- Original Message -----

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>

To: Steve Barker <Stephen.Barker@associa.us>

Cc: "michele.ganey@associa.us" <michele.ganey@associa.us>, 'Daniel Jackson' <daniel.jackson330@gmail.com>

Date: March 27, 2015 at 4:56 PM

Subject: RE: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Steve -

I reviewed Lot 193 Design Submittal plans and provide the following comments to the Stone Canyon - Design Review Committee:

I'm concerned about the elevated roof design, high-pitch and overall site-lines as viewed from my property (Lot 194) located directly above. Unfortunately, the existing roof structures for Lot 193 that run parallel to each other actually appear to be connected (one massive, continuous and extended roofline) when viewed from Lot 194 above looking towards the beautiful Catalina Mountains in South/Southeast direction. I realize the structures of the residence are not actually connected but the existing "parallel roof design" and high-pitched roof angles make them appear to be one prominent, continuous structure when viewed from properties located above. Please refer to Section 1 - Architectural Design Guidelines...Paragraph 5. Roofs, Paragraph 6. Height of Structures and Paragraph 43. Size and Massing.

Please note the now existing roof design negatively impacts Catalina Mountain views and potential marketability of adjacent properties. The new structural addition design submittal for Lot 193 also runs parallel to its other structures so I have same concerns about these high-pitched rooflines appearing continuous as well?

I admire and respect architect Ron Robinette. Perhaps we can discuss roof design alternatives for the structural addition and also the possibility of strategically planting natural desert vegetation (i.e. several tall saguaro cactus and indigenous Sonoran desert trees between the existing high-pitched rooflines to help "break the plane" and delicately preserve our precious Catalina Mountain views? I look forward to discussing/reviewing mutually agreeable options at your soonest.

Thank you for your time and consideration. Please confirm receipt and feel free to contact me at (949) 275-6862 if you have any questions.

Daniel Jackson
Owner - Stone Canyon Lot 194
c/o 31762 Paseo Terraza
San Juan Capistrano, California 92675
Direct Tel: (949) 275-6862

On March 25, 2015 at 2:40 PM Steve Barker <Stephen.Barker@associa.us> wrote:

Mr. Jackson,

I just received approval from Ron Robinette to email you the submittal plans for the addition on lot 193. Please provide any commentary you may have and I will see that the committee is informed accordingly. I apologize for any delays in providing these drawings to you.

Thank you

Steve Barker

Steve.Barker@associa.us

Community Association Manager

Architectural and Design Review Specialist



6840 N. Oracle Rd, Suite #130 Tucson, AZ 85704

D 520-877-4662

O 520-742-5674

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From: djackson@jacksonsports1.com [<mailto:djackson@jacksonsports1.com>]

Sent: Wednesday, March 25, 2015 11:32 AM

To: Steve Barker

Cc: Michele Ganey; Gina Marcus

Subject: Fwd: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Steve - Per our telecon today, please see emails below. Please arrange to email/send Harris Residence - Lot 193 detailed structural renderings at your soonest for formal review prior to Stone Canyon approvals. Call me at (949) 275-6862 if you have any questions. Thank you.

Daniel Jackson

Owner - Stone Canyon Lot 194

c/o 31762 Paseo Terraza

San Juan Capistrano, California 92675

Direct Tel: (949) 275-6862

----- Original Message -----

From: Daniel Jackson <daniel.jackson330@gmail.com>

To: gina.marcus@associa.us

Cc: michele.ganey@associa.us, Daniel Jackson <djackson@jacksonsports1.com>

Date: March 24, 2015 at 2:06 PM

Subject: Fwd: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Gina - Thanks, much appreciated. See my emails sent to Michele Ganey and Amy Kent (Associa Arizona) below for your files.

All the best,

Daniel Jackson
Owner - Stone Canyon Lot 194
Direct Tel: (949) 275-6862

Begin forwarded message:

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>
Subject: Fwd: Stone Canyon Design Submittal - Harris Residence (Lot 193)
Date: March 24, 2015 at 11:00:37 AM PDT
To: michele.ganey@associa.us
Cc: "Daniel Jackson" <daniel.jackson330@gmail.com>
Reply-To: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>

Michele - Please call me at (949) 275-6862 to discuss/review Stone Canyon Design Submittal - Harris Residence (Lot 193). See emails below to Amy Kent dated March 17 and March 23, 2015.

Thank you.

Daniel Jackson
Owner - Stone Canyon Lot 194
c/o 31762 Paseo Terraza
San Juan Capistrano, California 92675
Direct Tel: (949) 275-6862
Email: djackson@jacksonsports1.com

----- Original Message -----

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>
To: Amy Kent <Amy.Kent@associa.us>, Amy Kent <akent@lmri.org>
Cc: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>
Date: March 24, 2015 at 12:05 AM
Subject: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Hi Amy -

Please contact me regarding the Harris Residence - Lot 193 Design Submittal (Notice dated March 10, 2015). As Owner of adjacent Lot 194, I request formal review of detailed "structural addition" plans prior to Stone Canyon/Associa Arizona approvals. I've left several phone messages at Associa Arizona offices during the past week along with sending of March 17 email below; unfortunately, without any response.

I look forward to speaking with you asap to discuss and make arrangements for my formal review of Lot 193 Design Submittal plans. Thank you in advance for your cooperation.

Sincerely,

Daniel Jackson
Owner - Stone Canyon Lot 194
c/o 31762 Paseo Terraza
San Juan Capistrano, CA 92675
Direct Tel: (949) 275-6862

----- Original Message -----

From: "djackson@jacksonsports1.com" <djackson@jacksonsports1.com>

To: Amy Kent < Amy.Kent@associa.us >
Cc: 'Daniel Jackson' < daniel.jackson330@gmail.com >
Date: March 17, 2015 at 6:33 PM
Subject: Stone Canyon Design Submittal - Harris Residence (Lot 193)

Hi Amy -

If possible, please email me detailed "design renderings" for Harris Residence - Lot 193 for review asap...prior to the March 23 deadline. Thank you for your cooperation.

Daniel Jackson
Lot 194

THE STONE CANYON COMMUNITY ASSOCIATION, INC.

c/o Associa Arizona
6840 N. Oracle Road, Suite 130
Tucson, AZ 85704
tel. no. (520) 742-5674 tucinfo@associa.us

May 15, 2015

Mr. Daniel Jackson
31762 Paseo Terraza
San Juan Capistrano, California 92675

Re: Stone Canyon Lot 193 Addition Project

Dear Mr. Jackson,

Thank you for providing your comments and later your photographs regarding the proposed addition project on Lot 193. The Design Review Committee gave consideration to the project and your initial comments during the March meeting cycle.

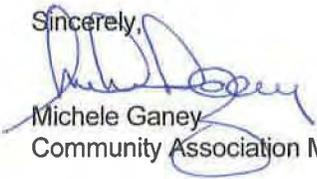
During their review of this project, the Committee noted that the addition is located on the opposite side of the home from your Lot. The height of the proposed gable end new roof form is below the existing lower roof ridge height that corresponds with the garage area of the home. The new roof form runs perpendicular to the existing major roof forms.

After receiving your March 27th email comments, a follow-up on site review was conducted from various vantage points, including your Lot. The Committee found no reason to reverse their conclusion that the proposed addition was reasonable. Further, had it been included as part of the original construction it would have been approved. The project was approved on a preliminary design basis as submitted.

Subsequently, the series of photographs emailed by you on April 23rd were circulated to the Committee. These photographs focus on and highlight the southwest end of the existing home on Lot 193. The proposed addition is on the opposite northeast end of the home. The Committee is confident that the existing rock outcroppings separating the two lots building areas and the existing home's location, mass and forms will effectively shield the addition when viewed from the buildable area of your Lot. Even after viewing your photographs, the Committee sees no reason to reconsider their conclusion or approval of the addition project on Lot 193.

We apologize for the delays in getting a letter back to you. As you are aware, there have been some changes in personnel at Associa Arizona which have resulted in our falling behind in our response time. We appreciate your understanding of this situation.

Sincerely,


Michele Ganey
Community Association Manager

Cc: Design Review Committee











Town Council Regular Session

Item # D.

Meeting Date: 06/17/2015

Requested by: Stacey Lemos

Submitted By: Stacey Lemos, Finance

Department: Finance

Information

SUBJECT:

Resolution No. (R)15-45, approving an Intergovernmental Agreement (IGA) with the Arizona Department of Revenue (ADOR) related to uniform administration of the Town's Transaction Privilege Taxes (TPT)

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The approval of a new IGA is required between the Town of Oro Valley and the ADOR related to the administration of TPT taxes, as required under A.R.S. section 42-6001. Currently, ADOR administers the TPT for the Town of Oro Valley; however, a new IGA is required in order to reflect the recent statutory changes in this area relating to tax simplification. The Town's current IGA with ADOR will be cancelled effective June 30, 2015. The new agreement and related appendices (please see attached) are effective beginning July 1, 2015.

BACKGROUND OR DETAILED INFORMATION:

Local TPT administration is governed by A.R.S. section 42-6001. This statute was recently modified for the purpose of tax simplification with the passage of House Bill 2111 in 2013 and House Bill 2389 in 2014. This statute now requires the ADOR to administer the transaction privilege and use taxes imposed by all cities and towns and to enter into a new IGA with each city and town to reflect these changes, as well as clearly define the working relationship between ADOR and Arizona cities and towns.

Currently, there are several cities and towns in Arizona that self-collect their TPT taxes. These cities and towns are referred to as non-program cities. Since ADOR currently administers the tax collection for the Town of Oro Valley, we are considered a program city. The recent changes to state statute require all cities and towns in Arizona to become program cities, with ADOR administering the collection of TPT taxes for all jurisdictions state-wide effective January 2016.

Although tax simplification will have the greatest impact on those cities and towns that are currently self-collecting local taxes, there are also considerable improvements for cities and towns in the State collection program as a result of simplification, particularly in the form of receiving much more detailed taxpayer data.

The first changes related to tax simplification that went into effect were new rules dealing with auditing, which ADOR and the cities began following in January 2015. The IGA formalizes both the concepts included in statute and the main concepts used in practice by auditors in the field.

Key factors include a commitment to audit for all jurisdictions whenever any audit is being done; the continued authority for any city or town to perform an audit of a taxpayer that is engaged in business only

in their town; the general guidance that ADOR will lead all multi-jurisdictional audits, coupled with the option for ADOR to delegate actual audit performance to a city or town when circumstances indicate it would be the most efficient means of completing the audit.

Also addressed in the IGA are standards for confidentiality, the proper handling of taxpayer data and the provision of a formal review process using the new "State and Local Uniformity Group" made up of four city and four ADOR tax experts who will work together to resolve problems or conflicts between the cities and the State.

The term of this IGA is July 1, 2015, through June 30, 2016, and renews automatically each year.

FISCAL IMPACT:

This agreement will not result in any budgetary impact to the Town.

SUGGESTED MOTION:

I MOVE to approve Resolution No. (R)15-45, approving the IGA with the Arizona Department of Revenue related to the uniform administration of the Town's transaction privilege taxes.

Attachments

(R)15-45 ADOR - Transaction Privilege Taxes

ADOR IGA

IGA Appendix A

Joint Tax Application JT2

TPT-2 Form

RESOLUTION NO. (R)15-45

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE ARIZONA DEPARTMENT OF REVENUE AND THE TOWN OF ORO VALLEY REGARDING ADMINISTRATION, COLLECTION, AUDIT AND/OR LICENSING OF TRANSACTION PRIVILEGE TAX, USE TAX, SEVERANCE TAX, JET FUEL EXCISE AND USE TAX AND RENTAL OCCUPANCY TAXES IMPOSED BY THE STATE, CITIES OR TOWNS

WHEREAS, the Town of Oro Valley, is a municipal corporation within the State of Arizona, and pursuant to A.R.S. § 11-952, the Town Council is authorized to enter into Intergovernmental Agreements; and

WHEREAS, pursuant to A.R.S. § 42-6001, et. seq., the Department of Revenue may collect and administer any transaction privilege license tax or use tax imposed by any city or town; and

WHEREAS, pursuant to A.R.S. § 42.6001, et. seq., the Department of Revenue provides for uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns; and

WHEREAS, the Town wishes to enter into this Intergovernmental Agreement, attached hereto as Exhibit "A", with the Department of Revenue to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State or cities or towns;

WHEREAS, it is in the best interest of the Town to enter into the Intergovernmental Agreement and that the Mayor and Council of the Town of Oro Valley, authorize and approve the Intergovernmental Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Intergovernmental Agreement, attached hereto as Exhibit "A" between the Arizona Department of Revenue and the Town, to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State or cities or towns is hereby authorized and approved.

BE IT FURTHER RESOLVED that the Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Intergovernmental Agreement.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

APPROVED AS TO FORM:

Tobin Sidles, Legal Services Director

Date: _____

ATTEST:

Julie K. Bower, Town Clerk

Date: _____

EXHIBIT A
INTERGOVERNMENTAL AGREEMENT

**INTERGOVERNMENTAL AGREEMENT BETWEEN
THE STATE OF ARIZONA AND
THE CITY/TOWN OF ORO VALLEY, ARIZONA**

THIS AGREEMENT is entered into this 17th day of June, 2015, by and between the Arizona Department of Revenue, hereinafter referred to as Department, and the City/Town of Oro Valley, Arizona, an Arizona municipal corporation, hereinafter referred to as City/Town. This Agreement shall supersede and replace all previous intergovernmental agreements, including amendments thereto, entered into by the Department and City/Town regarding the administration, collection, audit and/or licensing of transaction privilege tax, use tax, severance tax, jet fuel excise and use taxes and rental occupancy taxes imposed by the State, cities or towns.

R E C I T A L S

WHEREAS, Title 11, Chapter 7, Article 3 (A.R.S. § 11-952) authorizes two or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

WHEREAS, A.R.S. § 42-6001 et seq. was amended effective January 1, 2015 to provide that the Department shall collect and administer any transaction privilege and affiliated excise taxes imposed by any city or town in Arizona and that the Department and each city or town shall enter into an intergovernmental contract or agreement pursuant to A.R.S. § 11-952 to provide a uniform method of administration, collection, audit and licensing of transaction privilege and affiliated excise taxes imposed by the State, cities or towns.

WHEREAS, City/Town has taken appropriate action by ordinance, resolution or otherwise, pursuant to the laws applicable to the governing body of City/Town, to approve and authorize City/Town to enter into this Agreement.

A G R E E M E N T

NOW, THEREFORE, in consideration of the foregoing, the Department and City/Town enter into this intergovernmental agreement as follows:

1. Definitions

- 1.1 A.R.S.** means the Arizona Revised Statutes.
- 1.2 Adoption of an Ordinance** means final approval by majority vote of the City/Town council.
- 1.3 Audit** means a review to determine the correct amount of tax owed by a taxpayer and includes, but is not limited to, desk reviews and reviews of claims for refund.
- 1.4 Closing Agreement** means an agreement to compromise or settle a tax liability.

- 1.5 Confidential Information** means all such information as defined in A.R.S. § 42-2001.
- 1.6 Confidentiality Standards** means the standards set forth in Appendix A or such other written standards mutually agreed to by the Department and City/Town.
- 1.7 Federal Tax Information** means federal return or return information the Department receives from the Internal Revenue Service including any information created by the Department derived from that information. Documents obtained from a taxpayer or State records are not considered Federal Tax Information.
- 1.8 Model City Tax Code** means the document defined in A.R.S. § 42-6051. The official copy of the Model City Tax Code is published at modelcitytaxcode.az.gov.
- 1.9 Modification** means a change to an assessment required or authorized by statute.
- 1.10 Municipal Tax(es)** means transaction privilege and affiliated excise taxes, including use tax, severance tax, jet fuel excise and use tax, and rental occupancy tax, imposed by City/Town in accordance with the Model City Tax Code. Unless the context provides otherwise, this definition includes tax, license fees, penalties, interest and other similar charges.
- 1.11 State** means the State of Arizona.
- 1.12 State and Local Uniformity Group (“SLUG”)** means an advisory group comprised of four representatives from municipal taxing jurisdictions and four representatives of the Department as set forth in Section 13 below.
- 1.13 Taxpayer Information** means information protected from disclosure pursuant to Model City Tax Code § 510.

2. Disclosure of Information by City/Town to Department

- 2.1 Qualified Recipients of Information:** The Department shall provide a list of the names and job titles of Department employees authorized to request and receive Taxpayer Information from City/Town. The Department shall inform City/Town of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to City/Town at slemos@orovalleyaz.gov. The City/Town will not disclose Taxpayer Information to a Department employee whose name is not included on this list. City/Town may contact the Department with any questions related to qualified recipients by contacting the Cities Unit at CitiesUnit@azdor.gov.
- 2.2 Use of Information:** Any Taxpayer Information released by City/Town to the Department may only be used by the Department for tax administration and collection purposes, and may not be disclosed to the public in any manner that does not comply with the Model City Tax Code. All Taxpayer Information shall be stored and destroyed in accordance with the Confidentiality Standards.

2.3 Municipal Ordinance:

- (a) City/Town shall provide the Department with a copy of its Municipal Tax code or any City/Town ordinances imposing the taxes to be collected hereunder within ten calendar days of a request for such information from the Department. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov.
- (b) City/Town shall provide the Department with a copy of any ordinance adopted by City/Town after execution of this Agreement that imposes or modifies the Municipal Taxes to be collected hereunder, including a new or different tax rate as defined by A.R.S. § 42-6053(E), within ten calendar days of Adoption of an Ordinance. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. No such ordinance shall take effect on a date other than the first day of the month that is at least sixty calendar days after city/town provides notice to the Department unless City/Town and the Department agree otherwise. The Department shall add the change to the official copy of the Model City Tax Code within ten business days of receipt of notice from City/Town. City/Town is responsible for confirming the change has been made. Pursuant to A.R.S. § 42-6053(E)(2), changes in tax rates have no effect unless reflected in the official copy of the Model City Tax Code.
- (c) Within fifteen calendar days following the adoption of an annexation ordinance, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at GIS@azdor.gov. City/Town shall also include with the notice a list of businesses City/Town knows to be located in the annexed area. The Department shall not be obligated to begin collection of Municipal Tax any sooner than the first day of the month that is at least sixty calendar days after the date the Department received notice from City/Town of the annexation.

2.4 Development and Impact Fees: Upon request, City/Town shall provide to the Department any information regarding development and impact fees to assist the Department with the auditing of taxpayers and billing and collection of taxes.

2.5 Audits: Upon request by the Department, City/Town shall allow inspections and copies of any City/Town tax audits.

2.6 Other Information: City/Town shall also provide other relevant information necessary for tax administration and collection purposes as requested by the Department.

2.7 Statutory Authority: The disclosure of confidential City/Town tax information is governed by Model City Tax Code Section 510.

3. Disclosure of Information by Department to City/Town.

3.1 Qualified Recipients of Information: City/Town shall provide a list of the names and job titles of City/Town employees and any independent auditors acting on behalf of City/Town authorized to receive Confidential Information. City/Town shall inform the Department of any additions, deletions or changes to this list within fifteen calendar days after the change occurs and shall provide an updated list at least annually. This information shall be sent via email to the Cities Unit at CitiesUnit@azdor.gov. The Department will not disclose any Confidential Information to a City/Town employee or independent auditor whose name is not included on this list. The Department may contact City/Town with any questions related to qualified recipients by contacting slemos@orovalleyaz.gov.

3.2 Suspension of Information: The Department will not withhold Confidential Information from City/Town so long as City/Town complies with A.R.S. § 42-2001 et seq. and the Confidentiality Standards.

(a) If the Department has information to suggest City/Town, or any of its duly authorized representatives, has violated A.R.S. § 42-2001 or the Confidentiality Standards, the Department will send written notice to City/Town detailing the alleged breach as understood by the Department and requesting a response to the allegation within twenty calendar days of the date of the letter.

(b) The Department will review the written response from City/Town and consider the information contained therein and all relevant circumstances surrounding the alleged violation before making a written determination as to whether a suspension of information is warranted and the length of the suspension.

(c) If City/Town is dissatisfied with the Department's determination it may within ten calendar days, submit a written request to SLUG requesting the group review the determination.

(d) If the Department has information to suggest City/Town has violated the Confidentiality Standards, the Department may inspect City/Town's records, facilities, and equipment to confirm whether there has been a violation.

3.3 Information to be Provided: Within the restrictions outlined in this Section, the Department shall provide all of the information detailed in Appendix B, which may be modified by the mutual agreement of the parties. The Department shall not provide Federal Tax Information to City/Town. In addition to the information detailed in Appendix B, City/Town may obtain upon request:

(a) Inspections and/or copies of Department tax audits, including all information related to all cities and towns included in the tax audit; and

- (b) Other relevant information necessary for tax administration and collection purposes, including all information necessary to verify City/Town received all revenues collected by the Department on behalf of City/Town.

3.4 Storage and Destruction of Confidential Information: All Confidential Information provided by the Department to City/Town shall be stored, protected, and destroyed in accordance with the Confidentiality Standards.

3.5 Statutory Authority: The Department may disclose Confidential Information to City/Town pursuant to A.R.S. § 42-2003(H) if the information relates to a taxpayer who is or may be taxable by a county, city or town. Any Confidential Information released to City/Town:

- (a) May only be used for internal tax administration purposes as defined in A.R.S. § 42-2001(4); and
- (b) May not be disclosed to the public in any manner that does not comply with the Confidentiality Standards.

A.R.S. § 42-2003(H)(2) provides that any release of Confidential Information that violates the Confidentiality Standards will result in the immediate suspension of any rights of City/Town to receive taxpayer information pursuant to A.R.S. § 42-2003(H).

3.6 Specificity of Data: A.R.S. § 42-6001 provides that taxpayers shall file and pay Municipal Taxes to the Department if the Department has developed the electronic and nonelectronic tools necessary to capture data with sufficient specificity to meet the needs of all taxing jurisdictions, including specific data regarding each tax classification and any corresponding deductions at each business location of the taxpayer. Pursuant to A.R.S. § 42-5015, the electronic system utilized by the Department must be able to capture data with sufficient specificity to meet the needs of the taxing jurisdiction. The Department and City/Town agree that JT2 and TPT2 (as summarized in Appendix C) are required to meet the specificity needs of City/Town.

(a) Non-Program City/Town: If City/Town performed its own Municipal Tax administration, collection, and licensing prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the following shall take place:

- (1) The term of the agreement entered into by the Department and City/Town pertaining to City/Town performing municipal licensing services on behalf of the Department shall be extended for one (1) year; and
- (2) All provisions in this Agreement pertaining to the administration, collection, and licensing of Municipal Taxes shall not go into effect until such time as the Department is able to meet the requirements of A.R.S. § 42-6001 and

A.R.S. § 42-5015, however all language in this Agreement related to audit functions shall remain in full force and effect.

- (b) **Program Cities/Towns:** If the Department performed Municipal Tax administration, collection and licensing for City/Town prior to July 1, 2015, then if the Department is unable to commit by September 1, 2015 that the data detail behind the JT2 and TPT2 will be provided to City/Town beginning and from January 1, 2016, the Department will continue to perform those functions. The continued provision of such service, however, shall not be deemed waiver of any legal rights or remedies afforded to City/Town including, but not limited to, a failure to meet the requirements of A.R.S. § 42-6001 and A.R.S. § 42-5015.

4. Audit.

The Department shall administer the audit functions for City/Town in accordance with the following provisions.

- 4.1 **Training:** All auditors and supervisors shall be trained in accordance with the policies of the Department. Auditors who have not completed the training may only work in connection with a trained auditor and cannot be the only auditor assigned to the audit. The Department shall:
- (a) Provide audit training at least three times per year, or more frequently if there is a demonstrated need, and be responsible for its costs of the training and any associated materials;
 - (b) Provide additional training when practical;
 - (c) Notify City/Town of any training sessions at least thirty calendar days before the date of the training session;
 - (d) Provide copies of State tax statutes, audit reference materials and audit procedures and manuals;
 - (e) Permit City/Town auditors and supervisors to attend any scheduled training as space permits at designated training location: and
 - (f) Provide additional training as needed to inform auditors and supervisors regarding changes in State law or Department policy.
- 4.2 **Conflict of Interest:** An auditor or supervisor trained and authorized to conduct an audit may not conduct any of the following prohibited acts:
- (a) Represent a taxpayer in any tax matter against the Department or City/Town while employed or in an independent contractor relationship with the Department or City/Town.
 - (b) Attempt to use his/her official position to secure any valuable thing or valuable benefit for himself/herself or his/her family members.

- (c) Represent a taxpayer before the Department or City/Town concerning any matter in which he/she personally participated for a period of one year after he/she ends employment or the independent contractor relationship with the Department or City/Town.
- (d) Use information he/she acquires in the course of the official duties as an auditor or supervisor in a manner inconsistent with his/her official duties without prior written approval from the Department.
- (e) For a period of one year after he/she ends employment or an independent contractor relationship with the Department or City/Town, work in the same firm as a person who represents a taxpayer against the Department or City/Town unless the firm institutes formal barriers to prevent any sharing of information between the trained auditor or supervisor and the remainder of the firm.

The Department may revoke an individual's authority to audit and prohibit the use of any auditor or supervisor who violates this provision.

4.3 Audits and Refunds:

- (a) City/Town may conduct an audit of a taxpayer engaged in business only in City/Town. Before commencing such audit, City/Town shall notify the Department to ensure the taxpayer is not already scheduled for an audit. The Department will provide City/Town with a written response within fifteen calendar days of the notice from City/Town.
- (b) Except as permitted below, the Department shall conduct all audits of taxpayers having locations in two or more cities or towns. A City/Town auditor may participate in any audit City/Town requested the Department to perform.
- (c) City/Town shall notify the Department if it wants an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business activity is in the following business classifications taxable by City/Town, but not a taxable activity under State law:
 - 1. Residential rentals;
 - 2. Commercial rentals;
 - 3. Speculative Builders; or
 - 4. Advertising.

The Department will authorize such audits, to be overseen by the Department, unless there is already an audit of the taxpayer scheduled, or the Department determines the audit selection is discriminatory, an abuse of process or poses other similar defects. The Department will notify City/Town of its determination within thirty calendar days. No initial audit contact may occur

between City/Town and a taxpayer until the Department approves the audit notice.

- (d) City/Town may request the Department conduct an audit of a taxpayer having locations in two or more Arizona cities or towns and whose primary business is subject to both city and state tax. The request must be made using the Department's audit request form. Copies of the form can be obtained from the Department's TPT Hub Unit at HubUnit@azdor.gov. The Department shall notify City/Town of the decision regarding the request within thirty calendar days of receipt of the request.
- (e) The Department may deny a request for an audit for the following reasons:
 - 1. An audit is already scheduled or planned for the taxpayer within six months of the request;
 - 2. The requested audit would interfere with strategic tax administration planning;
 - 3. The audit selection is discriminatory, an abuse of process or poses other similar defects;
 - 4. The request lacks sufficient information for the Department to determine whether it is appropriate;
 - 5. The Taxpayer was audited within the previous two years;
 - 6. The Department lacks sufficient resources to conduct the audit; or
 - 7. The scope or subject of the audit does not justify the use of Department resources.
- (f) If the Department denies a request to conduct an audit because it either lacks resources to conduct the audit itself or the scope or subject of the audit does not justify the use of Department resources then City/Town shall notify the Department if it wants to conduct the audit under the supervision of the Department. No initial audit contact may occur between City/Town and a taxpayer until the Department appoints someone to supervise the audit.
- (g) Any decision by the Department denying City/Town's request to conduct any audit may be referred to SLUG in accordance with Section 13 of this Agreement.
- (h) All audits conducted by City/Town shall be in accordance with standard audit procedures defined in the Department audit manual. All auditors shall be trained in accordance with Section 4.1 above.
- (i) The Department may appoint a manager to supervise any audit conducted by City/Town.

- (j) All audits shall include all taxing jurisdictions in the State regardless of which jurisdiction's auditors participate in the audit. All desk reviews must include all taxing jurisdictions for which there is information available.
- (k) The Department shall issue all audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.
- (l) The Department shall issue Modifications to audit assessments on behalf of all taxing jurisdictions in a single notice to the taxpayer.

4.4 Claims for Refund:

- (a) When a taxpayer files a request for refund, including refunds requested by filing amended returns, the Department shall process the request and review it for mathematical errors or for the failure of the taxpayer to properly compute the tax based on the taxable income reported on the return or refund request.
- (b) The Department will notify City/Town of all refund requests that are processed involving City/Town's Municipal Taxes within thirty calendar days of processing the refund. City/Town may request an audit of the taxpayer as set forth in Section 4.3 above. .
- (c) The Department may assign an auditor to review requests for refunds. The Department will notify City/Town, within thirty calendar days of initiating a review, of all refunds under review by an auditor pertaining to a taxpayer who engages in business within City/Town's taxing jurisdiction and may request that City/Town assign an auditor to assist with such reviews.
- (d) City/Town is responsible for payment of all amounts to be refunded to taxpayers for Municipal Tax incorrectly paid to City/Town. The Department may offset a remittance to City/Town under this Agreement to cover the amounts of allowed refunds. If there are insufficient funds available to pay the refund, City/Town must pay the Department within sixty days of written demand from the Department.
- (e) The Department shall issue refund approvals/denials on behalf of all taxing jurisdictions in a single notice to the taxpayer. City/Town may request copies of such determinations.

4.5 Protests: Taxpayer protests of audit assessments and desk review assessments and refund denials shall be directed to the Department. Appeals of audit assessments, desk review assessments and refund denials shall be administered pursuant to Title 42, Chapter 1, Article 6, Arizona Revised Statutes. Upon request, the Department shall notify City/Town of any appeals within 30 days of receipt of the protest.

- 4.6 Notice of Resolution:** The Department shall notify City/Town when a protest is resolved, including information concerning the resolution of the protest, within 30 days after the resolution of a protest.
- 4.7 Status Reports:** The Department shall keep SLUG apprised of the status of each protested matter involving the imposition of Municipal Taxes. City/Town may request to be on a distribution list for monthly status reports by contacting the Department's Cities Unit.

5. Voluntary Disclosure Agreements

The Department may enter into a voluntary disclosure agreement with a taxpayer. A voluntary disclosure agreement may limit the years subject to audit and waive penalties. City/Town may request to be kept informed of voluntary disclosure agreements involving City/Town Municipal Tax. If City/Town makes that request, the Department will notify City/Town of the Department's intent to enter into an agreement and the Department will provide the taxpayer's identity within thirty calendar days of disclosure. City/Town may request an audit of a taxpayer subject to a voluntary disclosure agreement pursuant to Section 4.3 above.

6. License Compliance

6.1 License Issuance and Renewal: The Department shall issue new Municipal Tax licenses and renew such licenses for City/Town Municipal Tax. The Department of Revenue shall provide City/Town with information about all persons obtaining and renewing tax licenses as set forth in Appendix B.

6.2 License Checks: The Department and City/Town shall coordinate efforts to conduct tax license compliance checks through canvassing and other compliance methods.

6.3 Confidentiality: Any tax license information City/Town obtains from the Department is considered Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. Any tax license information City/Town obtains through its own efforts may be disclosed as allowed by applicable City/Town laws.

6.4 Changes to License Fees: Within fifteen calendar days following the Adoption of an Ordinance (or official acknowledgment of approval of an ordinance by voters in an election of a charter city) issuing or modifying a tax license fee, one copy of the ordinance and notification of the effective date of such ordinance shall be sent to the Department via email at CitiesUnit@azdor.gov. The Department shall not be obligated to begin collection of the new or modified fee any sooner than sixty calendar days after the date the Department received the ordinance from City/Town. Notice of an ordinance concerning a renewal tax license fee must be received by the Department by July 31 in order to be collected the following calendar year.

7. Closing Agreements

- 7.1 **Approval** - The Department shall notify City/Town before entering into a Closing Agreement related to the tax levied and imposed by City/Town. The Department shall seek approval from either City/Town or SLUG before entering into such Closing Agreement. If the Closing Agreement concerns only City/Town, then the Department will attempt to obtain approval from City/Town first, and will only seek approval from SLUG if City/Town is unresponsive or the Department and City/Town cannot reach an agreement. Approval and notice is not required for Modifications of assessments.
- 7.2 **Litigation** - During the course of litigation, the Department shall seek a range of settlement authority from City/Town or SLUG, unless the circumstances prevent such action. The Department may also request a telephonic meeting of SLUG if time and circumstances require immediate action.

8. Responsibility for Representation in Litigation.

- 8.1 **Administrative Proceedings:** The Department shall be responsible for coordinating the litigation and defending the assessment or refund denial in any administrative appeals before the Office of Administrative Hearings or the Director of the Department regardless of who conducted the audit. The Department shall be reasonably diligent in defending the interests of City/Town and City/Town shall assist in such representation as may be requested by the Department.
- 8.2 **Further Appeals:** The Arizona Attorney General is responsible for defending the assessment or refund denial at the Board of Tax Appeals, the Arizona Tax Court and all higher courts. City/Town shall assist the Attorney General in such representation and litigation as requested by the Attorney General's Office.
- 8.3 **Mutual Cooperation:** The Department and City/Town agree they shall cooperate in the appeal and litigation processes and shall ensure their auditors, supervisors, and other necessary employees are available to assist the Department and the Attorney General for informal interviews, providing documents and computer records, preparing for depositions, attending depositions and trial as witnesses, and assisting in trial/hearing preparation as needed.
- 8.4 **Administrative Decisions:** The Department shall provide a copy of any and all administrative hearing level decisions, including Director's decisions issued by the Department to all jurisdictions on a distribution list. City/Town may request to be on the distribution list by contacting the Department's Cities Unit. Administrative decisions are Confidential Information and must be stored and destroyed in accordance with the Confidentiality Standards.

9. Collection of Municipal Taxes

- 9.1 Tax Returns:** Taxpayers who are subject to City/Town Municipal Taxes shall pay such taxes to the Department. Tax payments shall be accompanied by a return prepared by taxpayer on a form prescribed by the Department.
- 9.2 Collection:** The Department shall collect any Municipal Tax imposed by City/Town recorded on the Department's tax accounting system. Amounts the Department collects for delinquent City/Town Municipal Tax accounts after the termination of this Agreement shall be forwarded to City/Town.
- 9.3 Remittance:** All amounts collected by the Department for Municipal Taxes under this Agreement shall be remitted to City/Town weekly on the basis of actual collections. The Department shall initiate the electronic payment by noon on the Monday after the end of the week in which the collections were made. Remittance shall be made in the form of immediately available funds transferred electronically to the bank account designated by City/Town.
- 9.4 Abatement:** The Department, with the approval of the Attorney General, may abate tax under certain circumstances. During the ordinary course of business, the Department may determine for various reasons that certain accounts shall be closed or cancelled. The Department shall seek input from City/Town or SLUG before abating tax or closing accounts. The Department may request a telephonic meeting of SLUG if time and circumstances require immediate action.
- 9.5 Funds Owed to City/Town:** At all times and under all circumstances payments remitted by a taxpayer to the Department for City/Town Municipal Taxes will be considered property of City/Town. The Department may not retain or fail to remit such funds to City/Town for any reason not specifically set forth in this Agreement including, but not limited to, during the course of a dispute between City/Town and the Department.

10. Financing Collection of Taxes.

The costs incurred by the Department in administering this Agreement shall be financed through the State general fund appropriation to the Department.

11. Inter-Jurisdictional Transfers.

All inter-jurisdictional transfers of Municipal Tax monies by the Department shall be handled in the following manner:

- 11.1 Requests:** Requests for inter-jurisdictional transfers shall be made to the Department. The Department will review the request and will not automatically accept the request.

11.2 Notice: The Department shall notify City/Town and any other city or town implicated in the requested transfer a minimum of thirty calendar days prior to any inter-jurisdictional transfer of money.

11.3 Dispute Resolution: Any city or town subject to an inter-jurisdictional transfer shall resolve any dispute over the allocation of the tax in accordance with A.R.S. § 42-6003 and the Department shall transfer the funds subject to an inter-jurisdictional transfer in accordance with the agreed upon allocation in a timely manner.

12. Educational Outreach.

City/Town may conduct, at its own expense, educational outreach to taxpayers who are conducting business activities within City/Town's taxing jurisdiction concerning the Model City Tax Code and the collection and administration of Municipal Taxes. Educational outreach shall be consistent with applicable law and Department written guidance. Upon request, City/Town shall provide information to the Department concerning such educational outreach efforts.

13. SLUG.

The Department shall create an advisory group to help resolve issues

13.1 Members: The members shall consist of four seats representing municipal taxing jurisdictions and four seats representing the Department. Member seats may be split so some people fill the position for only certain issues, such as audit selection or collection abatement. There shall also be a list of alternate members, who may be asked by a regular member who is unable to attend a meeting to take that member's place at a SLUG meeting.

13.2 Selection: The Director of the Department shall appoint people to serve as members of SLUG. Municipal taxing jurisdictions shall nominate members from municipal taxing jurisdictions. All members shall serve for a period of one year unless they resign at an earlier date. Members may be appointed to serve consecutive terms. Members appointed to fill vacancies shall serve for the time remaining on the term.

13.3 Meetings: SLUG shall meet on a regular basis and at least monthly unless the members agree to cancel the meetings due to a lack of agenda items. It can schedule additional meetings as necessary to timely discuss issues presented. Alternate members may attend meetings, but cannot participate in any discussion or voting, unless filling the seat of a regular member.

13.4 Issues: City/Town may refer issues to SLUG involving the following:

- (a) Decisions by the Department to not audit a taxpayer;
- (b) Amendments to Department audit procedures or manuals;
- (c) Closing Agreements or a range of settlement authority;
- (d) Abatement or account closure in collections;
- (e) Suspension of disclosure of information from the Department; and
- (f) Other issues as authorized by the Director of the Department or agreed upon by the parties.

13.5 Recommendations: SLUG shall make recommendations to the Director of the Department. If the recommendation is approved by at least five members of SLUG, the Director will accept the recommendation of SLUG. If SLUG cannot reach a recommendation agreeable to at least five members of the group, the Director may act as he deems to be in the best interests of all parties.

13.6 Voting: Voting shall be by secret ballot.

13.7 Procedures: SLUG may develop procedures concerning the operation of the group as long as they are not inconsistent with this Agreement.

14. Funding of Additional Auditors by City/Town.

14.1 Funding: At the sole discretion of City/Town, City/Town may contribute funding to the Department to pay for additional auditors to assist the Department in the performance of audits of Municipal Tax owed to City/Town. Such additional auditors funded by City/Town shall at all times be deemed to be employees of the Department and under no circumstances shall be deemed to be employees or agents of City/Town. It is the parties' intention that City/Town funding be used to increase the capabilities of the Department to perform Municipal Tax audits and not to subsidize or replace State funding required for audit and collection of taxes.

14.2 Use of Funds: City/Town funding for additional auditors under this Section shall be used to fund the auditors' salaries and employee related expenses and shall not be used to pay for Department office space, utilities, equipment, supplies, or similar kinds of overhead.

14.3 Pool of Funds: The Department may pool any City/Town funding with any other similar funding provided by other municipal taxing jurisdictions to pay for additional auditors. The Department shall separately account for such funds in its annual budget.

14.4 Accounting: The Department shall provide an annual accounting to City/Town, by August 31 each year describing how City/Town funding was used during the prior fiscal year.

15. Satellite Offices for Department Auditors.

15.1 Funding: City/Town, at its own expense and at its sole discretion, may provide one or more satellite offices and associated amenities for use by Department employees to provide audit and/or customer service to taxpayers. Use of such facilities by Department employees shall be at the sole discretion of the Department. Nothing in this section shall require the Department to make use of such facilities provided by City/Town.

15.2 Requirements: Any Department employee using a City/Town satellite office must meet reasonable requirements of City/Town related to the use of the facility. City/Town shall be responsible for notifying the Department of any concerns, and the Department shall be responsible for taking appropriate actions to resolve those concerns.

15.3 Termination: Once a satellite office is established, City/Town shall provide at least 180 calendar days written notice to the Department prior to the termination or relocation of a satellite office. The Department may discontinue the use of a satellite office at any time upon notice to City/Town and shall promptly remove all Department property.

15.4 License: All requirements of City/Town and the Department related to the satellite office shall be outlined in a mutually acceptable form of license and subject to separate approval.

16. Non-availability of Funds.

Every payment obligation of the Department and the City/Town pursuant to this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation, except for the rendering of funds to City/Town paid by a taxpayer for Municipal Taxes or tax license fees of City/Town. If funds are not appropriated, allocated and available or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this Section. The termination of this Agreement shall not entitle the Department to retain any Municipal Tax collected on behalf of City/Town pursuant to this Agreement.

17. Waiver.

Nothing in this Agreement should be interpreted as City/Town relinquishing its legal rights under the Arizona Constitution or other applicable law, nor that City/Town is conceding the administration and collection of its Municipal Tax is not of a local interest or should not be under local control.

18. Cancellation

The requirements of A.R.S. § 38-511 apply to this Agreement. The Department or City/Town may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Department or City/Town is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of the other party with respect to the subject matter of this Agreement.

19. Notice.

- (a) When any Notice to City/Town is required under the terms of this Agreement, such Notice shall be mailed to City/Town at the following address, directed to the attention of:

_Town of Oro Valley, ATTN: Finance Director_____

_11000 N. La Canada Dr._____

_Oro Valley, AZ 85737_____

- (b) When any Notice to the Department is required under the terms of this Agreement, such Notice shall be mailed to:

Arizona Department of Revenue
Attn: Director, Division Code 20
1600 W. Monroe
Phoenix, AZ 85007

Notice to the Department’s Hub Unit or City Unit may be mailed to:

Arizona Department of Revenue
Division Code 16
1600 W. Monroe
Phoenix, AZ 85007

20. Non-discrimination.

The Department and City/Town shall comply with Executive Order 2009-9, which mandates all persons, regardless of race, color, religion, sex, age, or national origin, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Department and City/Town shall take affirmative action to ensure applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

21. Compliance with Immigration Laws and A.R.S. § 41-4401.

- 21.1** The Department and City/Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A) which reads in part: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program.”
- 21.2** A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement.
- 21.3** The Department and City/Town retain the legal right to inspect the papers of any employee who works on the Agreement to ensure the Department and City/Town is complying with the applicable Federal immigration laws and regulations and State statutes as set forth above.

22. Audit of Records.

City/Town and the Department shall retain all data, books, and other records (“Records”) relating to this Agreement for at least six (6) years (a) after termination of this Agreement, and (b) following each annual renewal thereof. All Records shall be subject to inspection by audit by the State at reasonable times. Upon request, the Department and City/Town shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and -215.

23. Amendments.

Any amendments to or modifications of this Agreement must be executed in writing in accordance with the provisions of this Agreement.

24. Mutual Cooperation.

In the event of a disagreement between the parties with regard to the terms, provisions and requirements of this Agreement or in the event of the occurrence of any circumstances bearing

upon or affecting this Agreement, parties hereby agree to mutually cooperate in order to resolve the said disagreement or deal with the said circumstance.

25. Arbitration.

To the extent required by A.R.S. § 12-1518(B) and as provided for in A.R.S. § 12-133, the parties agree to resolve any dispute arising out of this Agreement by arbitration. The parties agree that any lawsuit filed by City/Town relating to the issues outlined in Section 17 of this Agreement is not considered to be a dispute arising out of this Agreement.

26. Implementation.

The implementation and execution of the provisions of this Agreement shall be the responsibility of the Director of the Department or his representative and the Mayor his/her designee, or another party with designated authority pursuant to applicable law or City/Town charter on behalf of City/Town.

27. Limitations.

Nothing in this Agreement shall be construed as limiting or expanding the statutory responsibilities of the parties in performing functions beyond those granted to them by law, or as requiring the parties to expend any sum in excess of their appropriations.

28. Duration.

- 28.1 The term of this Agreement shall be from July 1, 2015 through June 30, 2016. This Agreement shall automatically be renewed for successive one year terms thereafter unless either party shall terminate this Agreement by notice, in writing, no later than sixty calendar days prior to the expiration of the term then in effect.
- 28.2 If State legislation enacted subsequent to the date of this Agreement substantially affects the performance of this Agreement by either party or substantially diminishes the benefits either party would receive under this Agreement, either party may then terminate this Agreement by giving at least thirty calendar days' notice to the other party. The termination will become effective immediately upon the expiration of the notice period unless otherwise agreed to by the parties.
- 28.3 Notwithstanding any provision to the contrary herein, both parties may by mutual agreement provide for the termination of this contract upon such terms and at such time as is mutually agreeable to them.
- 28.4 Any notice of termination shall be mailed and served on the other party in accordance with Section 19 of this Agreement.

28.5 During the term of this Agreement, the terms and conditions of this Agreement will undergo an annual review to be completed no later than March 1st of each year. The review will be performed by a committee made up of equal parts representatives of the Department and representatives of the municipal taxing jurisdictions entering into an IGA with the Department for the administration and collection of Municipal Taxes.

29. Choice of Law.

The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Agreement, and any disputes arising from this Agreement.

30. Entire Agreement.

This document, including other documents referred herein, and any approved subcontracts, amendments and modifications made thereto, shall constitute the entire Agreement between the parties and shall supersede all other understandings, oral or written.

31. Signature Authority.

31.1 By signing below, the signer certifies he or she has the authority to enter into this Agreement on behalf of his or her respective party, and he or she has read the foregoing and agrees to accept the provisions herein on said party's behalf.

31.2 This Intergovernmental Agreement may be executed in counterpart.

Signature _____ Date _____	Signature _____ Date _____
Typed Name and Title _____	Typed Name and Title _____
Entity Name _____	Entity Name _____
Address _____	Address _____
City _____ State _____ Zip _____	City _____ State _____ Zip _____
RESERVED FOR THE ATTORNEY GENERAL:	RESERVED FOR CITY/TOWN ATTORNEY:
<p>This agreement between public agencies has been reviewed pursuant to A.R.S. § 11-952 by the undersigned Assistant Attorney General who has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Arizona Department of Revenue represented by the Attorney General.</p> <p style="text-align: center;">MARK BRNOVICH The Attorney General</p> <hr/> <p style="text-align: center;">Signature Assistant Attorney General</p> <p>Date: _____</p>	<p>APPROVED AS TO FORM AND AUTHORITY:</p> <p>BY: _____ CITY/TOWN ATTORNEY</p> <p>Date: _____</p>

APPENDIX A

ARIZONA DEPARTMENT OF REVENUE CONFIDENTIALITY REQUIREMENTS

1. Confidential Information

- 1.1 Confidential Information is defined in A.R.S § 42-2001. Confidential Information may not be disclosed except as provided by statute. A.R.S. § 42-2001(B).
- 1.2 License information obtained from the Department of Revenue is Confidential Information and may only be disclosed as authorized by A.R.S. § 42-2003. License information obtained from other sources is not Confidential Information.
- 1.3 Information about a taxpayer's identity obtained from the Department of Revenue is Confidential information and may only be disclosed as authorized by A.R.S. § 42-2003. Identity information obtained from other sources is not Confidential Information.
- 1.4 Confidential Information includes information about a single taxpayer and also aggregated information about a group of identified or identifiable taxpayers. Aggregated information from fewer than three taxpayers in a grouping on a statewide basis or fewer than ten taxpayers in a grouping for an area that is less than state level (city or town) may be Confidential Information. Such information may not be released unless the City/Town Administrator reviews the relevant information concerning the aggregate data and makes a determination in writing that the aggregate data does not reveal information about any specific taxpayer. Such determination should take into consideration the following:
 - a. The proportionality of the tax information applicable to individual members of the group of taxpayers; no individual taxpayer's information should be discernable due to its relative size/taxable sales, compared to other members of the group;
 - b. The total aggregated tax information; the aggregate information cannot allow viewers to draw conclusions about individual taxpayers (e.g., there are 6 car dealers in the city and the total aggregate sales were \$900,000 and none of them reported individual sales above the \$20,000 mark, which would have qualified for the lower tax rate on large purchases)
 - c. Any other factor that could cause the aggregate data to be used to determine information specific to a single taxpayer.

2. Protecting Information

- 2.1 City/Town must identify all places, both physical and logical, where Confidential Information is received, processed and stored and create a plan to adequately secure those areas.

- 2.2 Confidential Information must be protected during transmission, storage, use, and destruction. City/Town must have policies and procedures to document how it protects its information systems, including Confidential Information contained therein. An example of appropriate protection standards is set forth in National Institute of Standards and Technology Special Publication 800-53. The publication may be found at <http://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-53r4.pdf>
- 2.3 Employees are prohibited from inspecting information unless they have a business reason for the information. Browsing information concerning friends, neighbors, family members, or people in the news is strictly prohibited.
- 2.4 All removable media, including paper and CDs, containing Confidential Information must be secured when not in use and after normal business hours by placing all materials in a locked drawer or cabinet. During use, Confidential Information must be protected so that it is not visible to members of the public or anyone without a business need for the information.
- 2.5 All individuals accessing or storing Confidential Information from an alternative work site must enter into a signed agreement that specifies how the Confidential Information will be protected while at that site. Only trusted employees shall be permitted to access Confidential Information from alternative sites. Confidential Information may not be accessed while in public places such as restaurants, lounges, or pools.
- 2.6 Confidential Information may not be sent outside the local area network by unencrypted email. City/Town is responsible for ensuring in-flight email communications containing Confidential Information are sent through a secure process. This may include encryption of the email message, a secure mailbox controlled by City/Town, an encrypted point-to-point tunnel between the correspondents or use of Transport Layer Security (TLS) between correspondents. The acceptable encryption algorithms are set forth in the standards attached as Exhibit 1, which may be updated to accommodate changed technology.
- 2.7 Confidential Information may not be discussed in elevators, restrooms, the cafeteria, or other public areas. Terminals should be placed in such a manner that prohibits public viewing of Confidential Information.
- 2.8 When transporting confidential materials the materials should be covered so that others cannot see the Confidential Information. When sending Confidential Information by fax a cover sheet should always be used.
- 2.9 Any person with unsupervised access to Confidential Information shall receive training on the confidentiality laws and requirements to protect such information before being given access to such Information and annually thereafter. They must sign certificates after the training acknowledging that they understand their responsibilities. City/Town must keep records to document this training and certification.

3. Disclosure of Information

- 3.1 Confidential Information may only be disclosed as permitted by A.R.S. § 42-2003.
- 3.2 Confidential Information is confidential by statute and, therefore, does not have to be disclosed in response to a public records request. A state agency may deny inspection of public records if the records are confidential by statute. *Berry v. State*, 145 Ariz. 12, 13 699 P.2d 387, 388 (App. 1985).
- 3.3 A taxpayer may designate a person to whom Confidential Information may be disclosed by completing a Department of Revenue Form 285, or such other form that contains the information included in the Form 285. City/Town may contact the Department of Revenue's Disclosure Officer if there are any questions concerning this requirement.

Disposal of Information

- 4.1 All removable media containing Confidential Information must be returned to the Department of Revenue or sanitized before disposal or release from the control of City/Town.
- 4.2 Confidential Information may be destroyed by shredding or burning the materials when no longer needed. Confidential Information may not be disposed of by placing the materials in the garbage or recycle bins. Destruction of Confidential Information may be performed by a third party vendor. City/Town must take appropriate actions to protect the Confidential Information in transit and storage before it is destroyed, such as periodic inspections of the vendor.
- 4.3 Computer system components and devices such as copiers and scanners that have been used to store or process Confidential Information may not be repurposed for non-tax administration uses unless the memory or hard drive of the device is sanitized to ensure under no circumstances Confidential Information can be restored or recovered.

EXHIBIT 1

ENCRYPTION STANDARDS

1.0 Acceptable Encryption Algorithms – The following encryption algorithms are considered acceptable for use in information systems to protect the transmission or storage of Confidential Information and system access.

1.1.1 Acceptable Security Strength – the security strength of an encryption algorithm is a projection of the time frame during which the algorithm and the key length can be expected to provide adequate security. The security strength of encryption algorithms is measured in bits, a measure of the difficulty of discovering the key.

a. The current minimum key strength for Confidential Information is 112 bits.

1.1.2 Symmetric Encryption Algorithms – The following symmetric encryption algorithms are considered acceptable for use.

Algorithm	Reference	Acceptable Key Strengths
Advanced Encryption Standard (AES)	FIPS 197	128, 192 or 256 bits
Triple Data Encryption Algorithm (TDEA) (three key 3DES)	SP 800-67	168 bits

1.1.3 Key Agreement Schemes – The following key agreement schemes are considered acceptable for use

Key Agreement Scheme	Reference	Acceptable Key Strengths	
		Finite Fields	Elliptical Curves
Diffie-Hellman (DH) or MOV	SP 800-56A	P = 2048	N: 224-255 and H=14 N: 256-383 and H=16
	SP 800-135	Q = 224 or 256	N: 384-511 and H=24 N: 512+ and H=32
RSA – based	SP 800-131A	N = 2048	

1.1.4 Hash Functions – The following hash functions are considered acceptable for use

Digital Signature Generation	Digital Signature Verification	Non-digital signature generation applications
SHA-224	SHA-224	SHA-1
SHA-256	SHA-256	SHA-224
SHA-384	SHA-384	SHA-256

SHA-512	SHA-512	SHA-384 SHA-512
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1.1.5 Digital Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Digital Signature Algorithm	FIPS Publication	Digital Signature Generation Settings	Digital Signature Verification Settings	Relative Strengths
Digital Signature Standard (DSA)	FIPS 186-4	p >= 2048 q = 224	p >= 2048 q = 224	>= 112 bits
RSA Digital Signature	FIPS 186-4	2048	2048	>= 112 bits
ECDSA	FIPS 186-4	224	224	>= 112 bits

1.1.6 Message Signature Algorithms – The following digital signature algorithms are considered acceptable for use.

Hash Algorithms	Hash Generation	Hash Verification
HMAC	>= 112 bits	>= 112 bits
CMAC	AES, 3DES	AES, 3DES
CCM and GCM/GMAC	AES	AES

APPENDIX B

From the effective date of this Agreement until the new functionalities set forth below are implemented, the Department of Revenue will provide the following reports:

City Payment Journal Detail;
City Payment Journal Summary;
New License Report

Within 30 days after the first month's implementation of the JT2, the Department of Revenue will provide a new License Report and License Update Report containing at least the following fields:

NEW LICENSE REPORT AND LICENSE UPDATE REPORT

Fields displayed:

- Region Code
- Run Date
- Report Start Date
- Report End Date
- Update Date
- ID Type
- ID
- Account ID
- Entity Name
- Ownership Type
- License ID
- OTO/Applied For indicator
- Bankruptcy Indicator
- Filing Frequency
- Issue Date
- Account Start Date
- Business Start Date
- Arizona Start Date
- Doc Loc Nbr
- Accounting Method
- Close Date
- Close Code
- Business Description
- NAICS1
- NAICS2
- NAICS3
- NAICS4
- Mailing Street1
- Mailing Street2
- Mailing Street3
- Mailing City

- Mailing State
- Mailing ZIP
- Mailing Country
- Mailing Phone Number
- Mailing Address Add date
- Mailing Address End Date
- Audit Street 1
- Audit Street 2
- Audit Street 3
- Audit City
- Audit State
- Audit Zip
- Audit Country
- Audit Phone Number
- Audit Address Add Date
- Audit Address End Date
- Location Code
- Business Codes
- Location Name (DBA)
- Number of Units
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- Location Phone Number
- Location Start Date
- Location End Date
- Primary Location Street 1
- Primary Location Street 2
- Primary Location Street 3
- Primary Location City
- Primary Location State
- Primary Location Zip Code
- Primary Location Country
- Primary Location Phone Number
- Primary Location Start Date
- Primary Location End Date
- Owner Name
- Owner Title
- Owner Name 2
- Owner Title 2
- Owner Name 3
- Owner Title 3

Within 30 days of the implementation of the TPT2, the Department of Revenue will provide the following reports with at least the fields indicated below:

CITY PAYMENT JOURNAL

- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype
- Rev Type

CITY PAYMENT JOURNAL SUMMARY

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Business Code
- Number of Accounts

- Collections

Within 30 days after the first month's implementation of the TPT2, the following reports with at least the fields indicated below:

NO MONEY REPORT

- Region Code
- GL Accounting Period
- Period End Date
- Payment received date
- Return received date
- Payment process date
- Return process date
- Filing Frequency
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Location Street 1
- Location Street 2
- Location Street 3
- Location City
- Location State
- Location Zip
- Location Country
- NAICS
- Business Code
- Doc Loc Nbr
- Pmt Loc Nbr
- Gross Receipts
- Total Deductions
- Tax or Fee Collected
- P & I Collected
- Audit Collections
- Tran Type
- Tran Subtype

DEDUCTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- License ID
- Entity Name

- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Deduction Code
- Deduction Amount
- Tran Type
- Tran Subtype
- Rev Type

Within 30 days after taxes (subject to fund distributions) are collected, the Department of Revenue will provide the following report with at least the fields indicated below:

FUND DISTRIBUTION REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Period End Date
- Payment Received Date
- Return Received Date
- Payment Processed Date
- Return Processed Date
- License ID
- Entity Name
- Location Code
- Location Name (DBA)
- Business Code
- Doc Loc Nbr
- Fund Allocation Code
- Amount Distributed

FUND DISTRIBUTION SUMMARY REPORT

- Region Code
- Run Date
- Report Start Date
- Report End Date
- GL Accounting Period
- Fund Allocation Code
- Amount Distributed

ARIZONA JOINT TAX APPLICATION (JT-2)



License & Registration
ARIZONA DEPARTMENT OF REVENUE
 PO BOX 29032
 Phoenix, AZ 85038-9032

- IMPORTANT!** Incomplete applications WILL NOT BE PROCESSED.
- Please read form instructions while completing the application. Additional information and forms available at www.azdor.gov
 - Required information is designated with an asterisk (*).
 - Return completed application AND applicable license fee(s) to address shown at left.
 - For licensing questions regarding transaction privilege tax, call Taxpayer Information & Assistance: (602) 542-4576

You can file and pay for this application online at www.AZTaxes.gov. It is fast and secure.

SECTION A: Business Information

1* Federal Employer Identification No. or Social Security No. <small><i>if sole proprietor without employees</i></small>		2* License Type – <i>Check all that apply:</i> <input type="checkbox"/> Transaction Privilege Tax (TPT) <input type="checkbox"/> Use Tax <input type="checkbox"/> Withholding/Unemployment Tax <small><i>(if hiring employees)</i></small> <input type="checkbox"/> TPT for Cities ONLY	
3* Type of Organization/Ownership – <i>Tax exempt organizations must attach a copy of the Internal Revenue Service's letter of determination.</i> <input type="checkbox"/> Individual/Sole Proprietorship <input type="checkbox"/> Subchapter S Corporation <input type="checkbox"/> Government <input type="checkbox"/> Joint Venture <input type="checkbox"/> Corporation <input type="checkbox"/> Association <input type="checkbox"/> Estate <input type="checkbox"/> Receivership State of Inc. _____ <input type="checkbox"/> Partnership <input type="checkbox"/> Trust Date of Inc. <u> M </u> / <u> M </u> / <u> D </u> <u> D </u> <u> Y </u> <u> Y </u> <u> Y </u> <u> Y </u> <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> Limited Liability Partnership			
4* Legal Business Name			
5* Mailing Address – number and street County/Region		City State ZIP Code Country	
6* Business Phone No. <small><i>(with area code)</i></small>	7 Email Address	8 Fax Number <small><i>(with area code)</i></small>	
9* Description of Business: <i>Describe merchandise sold or taxable activity.</i>			
10* NAICS Codes: Available at www.azdor.gov			
11* Did you acquire or change the legal form of an existing business? <input type="checkbox"/> No <input type="checkbox"/> Yes → You must complete Section F.		12* Are you a construction contractor? <input type="checkbox"/> No <input type="checkbox"/> Yes <small><i>(see bonding requirements)</i></small>	
BONDING REQUIREMENTS: Prior to the issuance of a Transaction Privilege Tax license, new or out-of-state contractors are required to post a Taxpayer Bond for Contractors unless the contractor qualifies for an exemption from the bonding requirement. The primary type of contracting being performed determines the amount of bond to be posted. Bonds may also be required from applicants who are delinquent in paying Arizona taxes or have a history of delinquencies. Refer to the publication, Taxpayer Bonds, available online at www.azdor.gov or in Arizona Department of Revenue offices.			
WITHHOLDING LICENSE ONLY			
13* Withholding Physical Location <small>Number and street <i>(Do not use PO Box, PMB or route numbers)</i></small>		City State ZIP Code	
County/Region		Country	

Continued on page 2 →

FOR AGENCY USE ONLY		
<input type="checkbox"/> New	ACCOUNT NUMBER	DLN
	START	TRANSACTION PRIVILEGE TAX
<input type="checkbox"/> Change	S/E DATE	WITHHOLDING / SSN / EIN
	COMPLETED DATE	EMPLOYEE'S NAME
<input type="checkbox"/> Reopen	LIABILITY	LIABILITY ESTABLISHED

CASHIER'S STAMP ONLY. DO NOT MARK IN THIS AREA.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION B: Identification of Owners, Partners, Corporate Officers Members/Managing Members or Officials of this Employing Unit

If you need more space, attach Additional Owner, Partner, Corporate Officer(s) form available at www.azdor.gov. If the owner, partners, corporate officers or combination of partners or corporate officers, members and/or managing members own more than 50% of or control another business in Arizona, attach a list of the businesses, percentages owned and unemployment insurance account numbers or provide a Power of Attorney (Form 285) which must be filled out and signed by an authorized corporate officer.

Owner 1	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country
Owner 2	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country
Owner 3	*Social Security No.	*Title	*Last Name	First Name	Middle Intl.
	*Street Address		*City	*State	* % Owned
	*ZIP Code	*County	*Phone Number (with area code)		*Country

SECTION C: Transaction Privilege Tax (TPT)

1* Date Business Started in Arizona <i>M, M D, D Y, Y, Y, Y</i>	2* Date Sales Began <i>M, M D, D Y, Y, Y, Y</i>	3 What is your anticipated annual income for your first twelve months of business?
4 Filing Frequency <input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Seasonal <input type="checkbox"/> Annual <i>If seasonal filer, check the months for which you intend to do business:</i> <input type="checkbox"/> JAN <input type="checkbox"/> FEB <input type="checkbox"/> MAR <input type="checkbox"/> APR <input type="checkbox"/> MAY <input type="checkbox"/> JUN <input type="checkbox"/> JUL <input type="checkbox"/> AUG <input type="checkbox"/> SEP <input type="checkbox"/> OCT <input type="checkbox"/> NOV <input type="checkbox"/> DEC		
5 Does your business sell tobacco products? <input type="checkbox"/> Yes → <input type="checkbox"/> Retailer OR <input type="checkbox"/> Distributor	6 TPT Filing Method <input type="checkbox"/> Cash Receipts <input type="checkbox"/> Accrual	7 Does your business sell new motor vehicle tires or vehicles? <input type="checkbox"/> Yes → You will have to file Motor Vehicle Tire Fee form available at www.azdor.gov
8* Tax Records Physical Location – number and street <i>(Do not use PO Box, PMB or route numbers)</i>		City State ZIP Code
County		Country
9* Name of Contact		* Phone Number (with area code) Extension

SECTION D: Transaction Privilege Tax (TPT) Physical Location

1* Business Name, "Doing Business As" or Trade Name at this Physical Location							
2* Physical Location of Business or Commercial/Residential Rental Number and street <i>(Do not use PO Box, PMB or route numbers)</i>				City	State	ZIP Code	
County/Region				Country			
Residential Rental Only – Number of Units				Reporting City <i>(if different than the physical location city)</i>			
3* Additional County/Region Indian Reservation: County/Region and Indian Reservation Codes available at www.azdor.gov							
County/Region				City			
Business Codes (Include all codes that apply): See instructions. Complete list available at www.azdor.gov							
State/County				City			

If you need more space, attach Additional Business Locations form available at www.azdor.gov

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
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SECTION E: Withholding & Unemployment Tax Applicants

<p>1* Regarding THIS application, Date Employees First Hired in Arizona M, M, I, D, D, I, Y, Y, Y, Y</p>	<p>2 Are you liable for Federal Unemployment Tax? <input type="checkbox"/> Yes → First year of liability: Y, Y, Y, Y</p>								
<p>3 Are individuals performing services that are excluded from withholding or unemployment tax? <input type="checkbox"/> Yes → Describe services:</p>	<p>4 Do you have an IRS ruling that grants an exclusion from Federal Unemployment Tax? <input type="checkbox"/> Yes → Attach a copy of the Ruling Letter.</p>								
<p>5 Do you have, or have you previously had, an Arizona unemployment tax number? <input type="checkbox"/> No <input type="checkbox"/> Yes → Business Name: _____ Unemployment Tax Number: _____</p>									
<p>6 First calendar quarter Arizona employees were/will be hired and paid (indicate quarter as 1, 2, 3, 4):</p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:25%;">Hired Year</th> <th style="width:25%;">Hired Quarter</th> <th style="width:25%;">Paid Year</th> <th style="width:25%;">Paid Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Hired Year	Hired Quarter	Paid Year	Paid Quarter	Y, Y, Y, Y	Q	Y, Y, Y, Y	Q
Hired Year	Hired Quarter	Paid Year	Paid Quarter						
Y, Y, Y, Y	Q	Y, Y, Y, Y	Q						
<p>7 When did/will you first pay a total of \$1,500 or more gross wages in a calendar quarter? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: \$20,000 gross cash wages Agricultural: \$1,000 gross cash wages Domestic/Household: not applicable to 501(c)(3) Non-Profit.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Year</th> <th style="width:50%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q				
Year	Quarter								
Y, Y, Y, Y	Q								
<p>8 When did/will you first reach the 20th week of employing 1 or more individuals for some portion of a day in each of 20 different weeks in the same calendar year? (indicate quarter as 1, 2, 3, 4) <small>Exceptions: 10 or more individuals Agricultural; 4 or more individuals 501(c)(3) Non-Profit; not applicable to Domestic/Household.</small></p>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:50%;">Year</th> <th style="width:50%;">Quarter</th> </tr> <tr> <td style="text-align: center;">Y, Y, Y, Y</td> <td style="text-align: center;">Q</td> </tr> </table>	Year	Quarter	Y, Y, Y, Y	Q				
Year	Quarter								
Y, Y, Y, Y	Q								

SECTION F: Acquired Business Information

If you answered "Yes" to Section A, question 11, you must complete Section F.

<p>1* Did you acquire or change all or part of an existing business? <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>2* Date of Acquisition M, M, I, D, D, I, Y, Y, Y, Y</p>	<p>3* EIN of Business Under Previous Owner</p>
<p>4* Previous Owner's Telephone Number</p>	<p>5* Name of Business Under Previous Owner</p>	<p>6* Name of Previous Owner</p>
<p>7* Did you change the legal form of all or part of the Arizona operations of your existing business? (e.g., change from sole proprietor to corporation or etc.) <input type="checkbox"/> All <input type="checkbox"/> Part</p>	<p>8* Date of Change M, M, I, D, D, I, Y, Y, Y, Y</p>	<p>9* EIN of Previous Legal Form</p>

SECTION G: AZTaxes.gov Security Administrator (authorized users)

By electing to register for www.AZTaxes.gov, you can have online access to account information, file and pay Arizona transaction privilege, use, and withholding taxes. You may also designate authorized users to access these services. Please provide the name of the authorized user for AZTaxes.gov.

Name of Authorized User
Title
Email Address
Phone Number (with area code)

SECTION H: Required Signatures

This application must be signed by either a sole owner, at least two partners, managing member or corporate officer legally responsible for the business, trustee or receiver or representative of an estate that has been listed in Section B.

Under penalty of perjury I (we), the applicant, declare that the information provided on this application is true and correct. I (we) hereby authorize the security administrator, if one is listed in Section G, to access the AZTaxes.gov site for the business identified in Section A. This authority is to remain in full force and effect until the Arizona Department of Revenue has received written termination notification from an authorized officer.

1 Print or Type Name	2 Print or Type Name
Title	Title
Date	Date
Signature	Signature

This application must be completed, signed, and returned as provided by A.R.S. § 23-722.

Equal Opportunity Employer/Program
This application available in alternative formats at Unemployment Insurance Tax Office.

PLEASE COMPLETE SECTION I: STATE/COUNTY & CITY LICENSE FEE WORKSHEET TO CALCULATE AND REMIT TOTAL AMOUNT DUE WITH THIS APPLICATION.

Name (as shown on page 1)	FEIN or SSN (as shown on page 1)
---------------------------	----------------------------------

SECTION I: State/County & City License Fee Worksheet

ALL FEES ARE SUBJECT TO CHANGE. Check for updates at azdor.gov.

To calculate **CITY FEE**: Multiply **No. of Locations** by the **License Fee** and enter sum in **License Subtotal**.

City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal	City/Town	Code	No. of Loc's	License Fee	License Subtotal
Apache Junction	AJ		\$50.00		Goodyear	GY		\$5.00		Sahuarita	SA		\$5.00	
Avondale	AV		\$40.00		Guadalupe	GU		\$2.00		San Luis	SU		\$2.00	
Benson	BS		\$5.00		Hayden	HY		\$5.00		Scottsdale	SC		\$50.00	
Bisbee	BB		\$1.00		Holbrook	HB		\$1.00		Sedona	SE		\$2.00	
Buckeye	BE		\$2.00		Huachuca City	HC		\$2.00		Show Low	SL		\$2.00	
Bullhead City	BH		\$2.00		Jerome	JO		\$2.00		Sierra Vista	SR		\$1.00	
Camp Verde	CE		\$2.00		Kearny	KN		\$2.00		Snowflake	SN		\$2.00	
Carefree	CA		\$10.00		Kingman	KM		\$2.00		Somerton	SO		\$2.00	
Casa Grande	CG		\$2.00		Lake Havasu	LH		\$5.00		South Tucson	ST		\$2.00	
Cave Creek	CK		\$20.00		Litchfield Park	LP		\$2.00		Springerville	SV		\$5.00	
Chandler	CH		\$50.00		Mammoth	MH		\$2.00		St. Johns	SJ		\$2.00	
Chino Valley	CV		\$2.00		Marana	MA		\$5.00		Star Valley	SY		\$2.00	
Clarkdale	CD		\$2.00		Maricopa	MP		\$2.00		Superior	SI		\$2.00	
Clifton	CF		\$2.00		Mesa	ME		\$30.00		Surprise	SP		\$10.00	
Colorado City	CC		\$2.00		Miami	MM		\$2.00		Taylor	TL		\$2.00	
Coolidge	CL		\$2.00		Nogales	NO		\$25.00		Tempe	TE		\$50.00	
Cottonwood	CW		\$2.00		Oro Valley	OR		\$12.00		Thatcher	TC		\$2.00	
Dewey/Humboldt	DH		\$2.00		Page	PG		\$2.00		Tolleson	TN		\$2.00	
Douglas	DL		\$5.00		Paradise Valley	PV		\$2.00		Tombstone	TS		\$1.00	
Duncan	DC		\$2.00		Parker	PK		\$2.00		Tucson	TU		\$45.00	
Eagar	EG		\$10.00		Patagonia	PA		\$25.00		Tusayan	TY		\$2.00	
El Mirage	EM		\$15.00		Payson	PS		\$2.00		Wellton	WT		\$2.00	
Eloy	EL		\$10.00		Peoria	PE		\$50.00		Wickenburg	WB		\$2.00	
Flagstaff	FS		\$46.00		Phoenix	PX		\$50.00		Willcox	WC		\$25.00	
Florence	FL		\$2.00		Pima	PM		\$2.00		Williams	WL		\$2.00	
Fountain Hills	FH		\$2.00		Pinetop/Lakeside	PP		\$2.00		Winkelman	WM		\$2.00	
Fredonia	FD		\$10.00		Prescott	PR		\$25.00		Winslow	WS		\$10.00	
Gila Bend	GI		\$2.00		Prescott Valley	PL		\$2.00		Youngtown	YT		\$10.00	
Gilbert	GB		\$2.00		Quartzsite	QZ		\$2.00		Yuma	YM		\$2.00	
Glendale	GE		50.00		Queen Creek	QC		\$2.00						
Globe	GL		\$2.00		Safford	SF		\$2.00						

Subtotal City License Fees (column 1)	Subtotal City License Fees (column 2)	Subtotal City License Fees (column 3)
---------------------------------------	---------------------------------------	---------------------------------------

AA TOTAL City License Fee(s) (column 1 + 2 + 3)..... \$

	No. of Loc's	Fee per Location	TOTAL
BB TOTAL State License Fee(s): Calculate by multiplying number of business locations by \$12.00		\$12.00	\$
Residential Rental License Fees - Multiply the number of units per locations by \$2.00 (\$50.00 Annual Cap per license).			
	No. of Units	No. of Loc's	City Fee
ONLY CHANDLER, PHOENIX, and SCOTTSDALE need to use this section, and NOT the fee chart above, to calculate license fee(s). The amount for each city CANNOT EXCEED \$50.00	Residential Rental License-Chandler		\$
	Residential Rental License-Phoenix		\$
	Residential Rental License-Scottsdale		\$

CC TOTAL City Residential Rental License Fees (Add Chandler, Phoenix, & Scottsdale)..... \$

DD TOTAL DUE (Add lines AA + BB + CC)..... \$

- Make check payable to Arizona Department of Revenue.
- Include FEIN or SSN on payment.
- Do not send cash.
- License will not be issued without full payment of fee.

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)

LICENSE NUMBER: _____

PAGE 2 OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	AZ / COUNTY TAX RATE	(H) X (I) = (J) TOTAL TAX	ACCTNG CREDIT RATE	(H) X (K) = (L) ACCOUNTING CREDIT	(J) - (L) = (M) AZ/COUNTY TAX DUE
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
GG SUBTOTAL												
HH TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S)												
II TOTAL (LINE GG + LINE HH = LINE II).....												
JJ EXCESS TAX COLLECTED												
KK EXCESS TAX ACCOUNTING CREDIT: (SEE INSTRUCTIONS).....												
LL NET AZ/COUNTY EXCESS TAX COLLECTED (LINE JJ, COLUMN (M) - LINE KK, COLUMN (M))												
MM NET AZ/COUNTY TAX (LINE II, COLUMN (M) + LINE LL, COLUMN (M)).....												

FINAL

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
1												
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6												
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20												
21												
22												
23												
24												
25												
NN	CITY SUBTOTAL											
OO	CITY SUBTOTALS FROM ADDITIONAL CITY PAGE(S)											
PP	CITY TOTAL (LINE NN + LINE OO = LINE PP)											
QQ	CITY EXCESS TAX COLLECTED											
RR	NET CITY TAX (LINE PP, COLUMN (M) + LINE QQ, COLUMN (M))											

FINAL

TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX RETURN - (TPT-2)
ADDITIONAL TRANSACTIONS

LICENSE NUMBER: _____

PAGE 2A OF _____

STATE (AZ) /COUNTY TRANSACTION DETAIL (See Table 1 on the Tax Rate Table, www.azdor.gov)

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
	REG. CODE	NAME OF REGION	BUS. CODE	DESC. OF BUS. ACTIVITY	GROSS RECEIPTS	DEDUCTIONS FROM SCHEDULE A	(F) - (G) = (H) NET TAXABLE	AZ / COUNTY TAX RATE	(H) X (I) = (J) TOTAL TAX	ACCTNG CREDIT RATE	(H) X (K) = (L) ACCOUNTING CREDIT	(J) - (L) = (M) AZ/COUNTY TAX DUE
1												
2												
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9												
10												
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13												
14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
AZ/COUNTY SUBTOTAL					\$	\$					\$	\$

ADD SUBTOTALS OF AZ/COUNTY ADDITIONAL TRANSACTIONS TO THE 2ND PAGE OF RETURN

CITY TRANSACTION DETAIL (See Table 2 on the Tax Rate Table, www.azdor.gov)

(A) LOC. CODE	(B) CITY CODE	(C) NAME OF CITY	(D) BUS. CODE	(E) DESC. OF BUS. ACTIVITY	(F) GROSS RECEIPTS	(G) DEDUCTIONS FROM SCHEDULE A	(H) (F) - (G) = (H) NET TAXABLE	(I) CITY TAX RATE	(J) (H) X (I) = (J) TOTAL TAX	(K)	(L) CITY CREDIT	(M) (J) - (L) = (M) CITY TAX DUE
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
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14												
15												
16												
17												
18												
19												
20												
21												
22												
23												
24												
25												
CITY SUBTOTAL					\$	\$				\$	\$	

ADD SUBTOTALS OF CITY ADDITIONAL TRANSACTIONS TO THE 3RD PAGE OF RETURN

TPT-2 – SCHEDULE A DEDUCTIONS – STATE/COUNTY TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX

LICENSE NUMBER: _____

Page ____ of ____

STATE (AZ) /COUNTY DEDUCTIONS DETAIL

	(A)	(B) REGION CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1					\$	
2					\$	
3					\$	
4					\$	
5					\$	
6					\$	
7					\$	
8					\$	
9					\$	
10					\$	
11					\$	
12					\$	
13					\$	
14					\$	
15					\$	
16					\$	
17					\$	
18					\$	
19					\$	
20					\$	
21					\$	
22					\$	
23					\$	
24					\$	
25					\$	
26					\$	
27					\$	
28					\$	
29					\$	
30					\$	
31					\$	
32					\$	
33					\$	
34					\$	
35					\$	
AA	SUBTOTAL OF DEDUCTIONS.....				\$	
BB	DEDUCTION TOTALS FROM ADDITIONAL AZ/COUNTY PAGE(S) ...				\$	
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....				\$	

TOTAL MUST EQUAL TOTAL ON PAGE 2, LINE II, COLUMN G

FINAL

**TPT-2 – SCHEDULE A DEDUCTIONS – CITY
TRANSACTION PRIVILEGE, USE, AND SEVERANCE TAX**

LICENSE NUMBER: _____

Page ____ of ____

CITY DEDUCTIONS DETAIL

	(A) LOCATION CODE	(B) CITY CODE	(C) BUSINESS CODE	(D) DEDUCTION CODE	(E) DEDUCTION AMOUNT	(F) DESCRIPTION OF DEDUCTION CODE
1					\$	
2					\$	
3					\$	
4					\$	
5					\$	
6					\$	
7					\$	
8					\$	
9					\$	
10					\$	
11					\$	
12					\$	
13					\$	
14					\$	
15					\$	
16					\$	
17					\$	
18					\$	
19					\$	
20					\$	
21					\$	
22					\$	
23					\$	
24					\$	
25					\$	
26					\$	
27					\$	
28					\$	
29					\$	
30					\$	
31					\$	
32					\$	
33					\$	
34					\$	
35					\$	
AA	SUBTOTAL OF DEDUCTIONS.....				\$	
BB	DEDUCTION TOTALS FROM ADDITIONAL CITY PAGE(S).....				\$	
CC	TOTAL DEDUCTIONS (LINE AA + LINE BB = LINE CC).....				\$	

TOTAL MUST EQUAL TOTAL ON PAGE 3, LINE PP, COLUMN G

FINAL



Town Council Regular Session

Item # **E.**

Meeting Date: 06/17/2015
Requested by: Jose Rodriguez
Submitted By: Jose Rodriguez, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Resolution No. (R)15-46, authorizing and executing a Right-of-Way License Agreement between the Town of Oro Valley and Zayo Group, LLC to allow telecommunication facilities within the Town's right-of-ways

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The Zayo Group is a provider of bandwidth infrastructure services, and is requesting permission to expand its network within Oro Valley's jurisdiction. Its plan includes pulling fiber optics through existing CenturyLink ducts, and adding short runs of new ductwork as necessary for continuity. Zayo has contracted with CenturyLink in the use of the ducts.

Per Town Code 7-4-1 (Construction in Town right-of-ways), a right-of-way permit is required for the proposed work. However, due to the nature of the work, dark fiber, a license agreement would be required before a right-of-way permit can be issued. Attachment "Exhibit A" shows various locations installation will be placed throughout the Town.

BACKGROUND OR DETAILED INFORMATION:

The Zayo Group applied for a right-of-way permit to install telecommunication facilities within the Town's public right-of-ways. The proposed work consists of pulling fiber optics through existing conduits owned by CenturyLink and located within and along the edge of the Town's right-of-ways, and installing new conduits at various locations for continuity with existing conduits. The majority of the work is outside of the roadway pavement sections except for two locations where they will bore underneath to avoid cutting the pavement.

DIS engineering staff has reviewed the documents outlining the proposed work and has no objections with respect to the locations in the right-of-way. If approved, the license agreement sets forth the conditions to install telecommunication facilities within the Town's right-of-ways.

In addition, a Conditional Use Permit will be required for any aerial installation over 600' in length, as per the Town Zoning Code.

FISCAL IMPACT:

There will be no fiscal impact to the Town; however, the Zayo Group would pay \$0.22 per lineal foot annually per the license agreement. This equates to an annual revenue of approximately \$8,000.

SUGGESTED MOTION:

I MOVE to (approve / deny) Resolution No. (R)15-46, authorizing and executing a Right-of-Way License Agreement between the Town of Oro Valley and Zayo Group, LLC to allow telecommunication facilities within the Town's right-of-ways.

Attachments

(R)15-46 License Agreement - Zayo Group LLC

Exhibit A

Exhibit B License Agreement

RESOLUTION NO. (R)15-46

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND EXECUTING A RIGHT OF WAY LICENSE AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND ZAYO GROUP, LLC TO ALLOW ZAYO GROUP INSTALL NEW TELECOMMUNICATION FACILITIES WITHIN THE TOWN'S RIGHT OF WAY

WHEREAS, the Town is the owner of the right-of-way as depicted in Exhibit "A"; and

WHEREAS, ZAYO Group, LLC desires to expand their telecommunication network within the Town by pulling fiber optics through existing CenturyLink ducts and adding short runs of new ductwork as is necessary for continuity; and

WHEREAS, pursuant to Town Code 7-4-1, Construction in Town rights-of-way, a right of way permit is required for ZAYO Group to complete their work; and

WHEREAS, a permit cannot be issued without a license agreement approved by the Town; and

WHEREAS, the Town desires to permit ZAYO Group to use the Town's right of way to expand their telecommunication network within the Town of Oro Valley.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona that the License Agreement between the Town of Oro Valley and ZAYO Group, LLC, attached hereto as Exhibit "B" and incorporated herein by this reference is hereby approved.

BE IT FURTHER RESOLVED that the Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

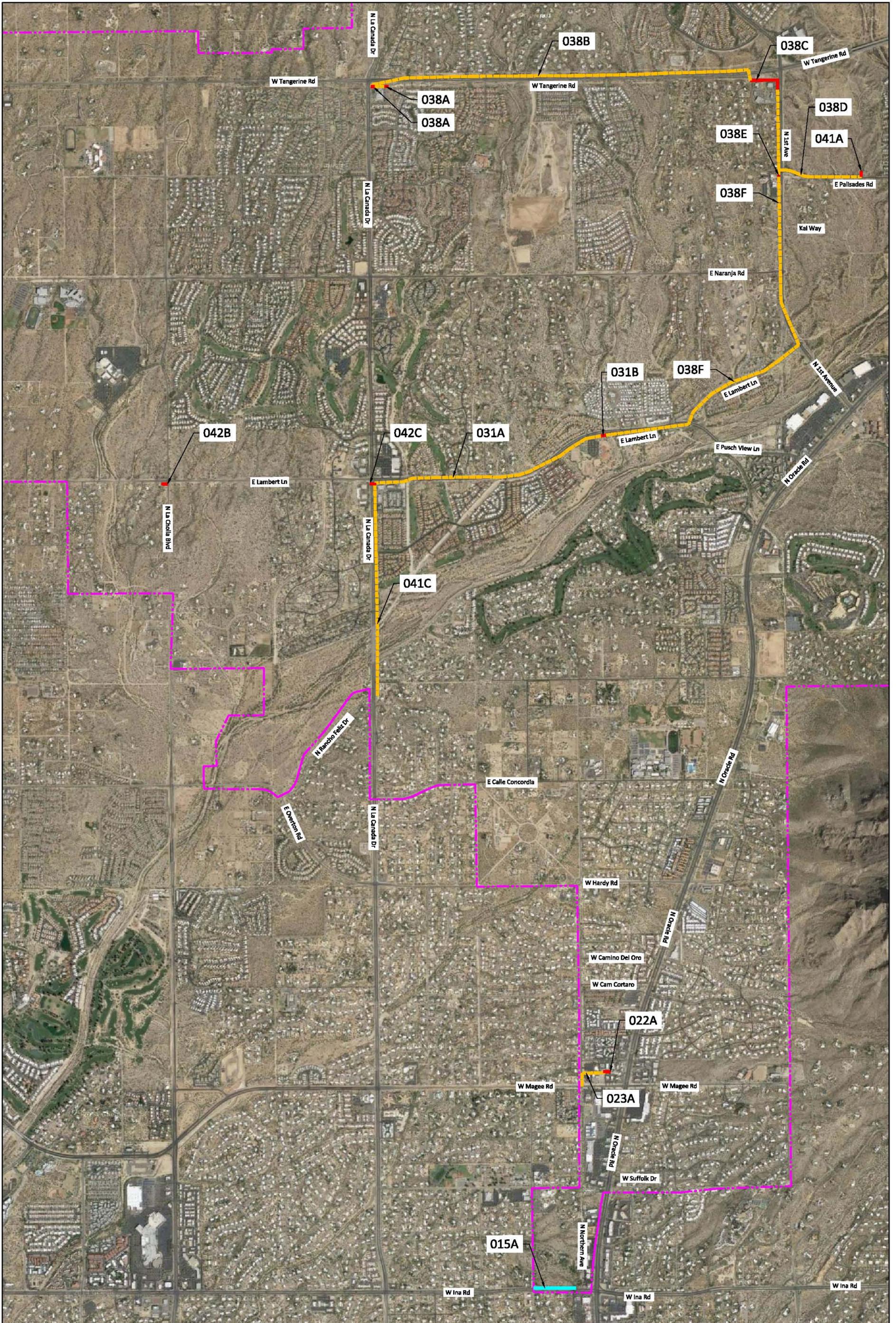
Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT “A”

EXHIBIT “B”



DATE:
5-20-15

SHEET NUMBER:
1 OF 1

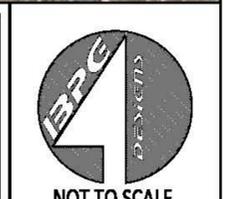
DRAWING NUMBER:
N/A



Oro Valley Overall Sites

LEGEND:

NEW AERIAL	
NEW UNDERGROUND	
EXISTING CENTURYLINK	
ORO VALLEY LIMITS	



**TOWN OF ORO VALLEY RIGHT-OF-WAY
LICENSE**

(Zayo Group, LLC)

LICENSOR: Town of Oro Valley
Attn: Town Engineer
11000 N. La Canada Dr.
Oro Valley, AZ 85737

Licensee: ZAYO GROUP, LLC
1805 29th Street
Boulder, Colorado 80301

1) Definitions:

- a) "Dark fiber" refers to unused fiber-optic cable installed by Licensee.
- b) "Effective Date" means the date on which all persons necessary to sign this Agreement in order for it to be binding on both parties have executed this Agreement as indicated on the signature page(s), unless a specific date is otherwise provided in the "Term" section herein.
- c) "Licensee" includes any person or entity employed by, contracted by, or acting on behalf of Licensee.
- d) "License Agreement" or "Agreement" shall mean this Agreement and any amendments or modifications hereto.
- e) "License Area" means the present legal boundaries of the Town as of the Effective Date, as described in attached Exhibit "A".
- f) "Licensor" means the Town or the lawful successor, transferee, designee.
- g) The definitions of the Oro Valley Town Code, are incorporated herein.

- 2) In consideration of Licensee's payment of a license fee, the receipt of which is acknowledged by the Licensor, and Licensee's performance of its obligations under this License, Licensor hereby authorizes Licensee to use, in conformance with this License and all applicable local, state, and federal laws and regulations, Licensor's public right-of-way referred to in this License as the License Area, The License Area as described in Exhibit A may be amended by written instrument signed by the Oro Valley Town Engineer and a duly authorized officer of Licensee.

- 3) License Fee. The Licensee shall pay to Licensor a license fee in an amount equal to \$0.22 per linear foot annually for all used or Dark Fiber installed within the Town's right of way.
- 4) This license is not transferrable without the written consent of Licensor.
- 5) Licensee may use the License Area for installation of telecommunications facilities in a manner consistent with this License and conforming to plans approved and permits issued by the Town of Oro Valley for each installation.
- 6) This License is evidence of Licensee's right to use the public right-of-way-a precondition and prerequisite to obtaining one or more Town of Oro Valley right-of-way use permits in accordance with Oro Valley Town Code 7-4-1 (Construction in Town rights-of-way). All Licensee work in the License Area shall be accomplished pursuant to a right-of-way use permit in accordance with the requirements of Oro Valley Town Code 7-4-1 (Construction in Town rights-of-way) as follows:
 - a) Licensee shall submit to Licensor all of the following with any right of way permit application:
 - i) Engineered construction plans with specifications for the facilities Licensee proposes to install in the License Area.
 - ii) A construction cost estimate for the installation of Licensee's facilities proposed to be installed in the License Area.
 - iii) The "Right-of-Way Permit; Construction Plan Check Fee" and any other applicable review fee set forth in the then-effective Oro Valley Comprehensive Fee Schedule.
 - iv) If Licensee is using or occupying facilities owned or operated by another entity, or is installing new facilities for another entity, a true and correct copy of a lease or other agreement evidencing Licensee's legal right or authority to use, occupy, or install the facilities.
 - b) During Licensor's review of Licensee's right-of-way application and associated documents, Licensor will:
 - i) Identify any potential pending Oro Valley Capital Improvement Program (CIP) project conflict and route plan review through the CIP Project Manager for designer review.
 - ii) Determine if the permit can be issued, and if so notify Licensee of any applicable standard or special permit conditions.

- iii) Require the posting of a cash bond or some form of security when and to the extent the Licensor reasonably determines that it is prudent to do so to protect against any direct financial impacts on Licensor that may be caused by Licensee's:
 - (1) failure to perform,
 - (2) facilities conflict,
 - (3) failure to relocate its facilities, and/or
 - (4) any other similar reasons.
 - iv) Decline to issue a right-of-way permit for areas that will or may conflict with public works projects in circumstances where the Licensor reasonably determines that Licensee's posting of a cash bond or other security is not sufficient to address Licensor's concerns or interests.
- 7) This License does not authorize Licensee to provide "cable service" as defined in Oro Valley Town Code Articles 12-17 and 12-6. See Oro Valley Town Code Chapter 12 (Cable Communications).
 - 8) Licensee's use of the License Area shall comply with all applicable local, state, and federal requirements.
 - 9) Licensee shall pay any and all taxes, charges, and fees applicable to this License or applicable to Licensee's use of the License Area that may hereafter be adopted by Licensor in conformance with Arizona Revised Statutes section (A.R.S. §) 9-582 (Taxes and other charges; telecommunications facilities; limitations) and A.R.S. § 9-583 (Issuance of license or franchise; use of public highways; limitations).
 - 10) Licensee shall bring into compliance with Town-approved plans and all applicable local, state, and federal requirements any use of the License Area installed by or on behalf of Licensee. If Licensee is unable to bring any such use of the License Area into compliance, Licensee shall remove such use at Licensee's cost.
 - 11) Licensee shall maintain any use of the License Area installed by or on behalf of Licensee.
 - 12) Licensor shall have the right to modify or terminate this License at any time.
 - 13) This License shall remain in effect unless and until it is terminated (a) by and at the sole discretion of Licensor or (b) by written agreement of Licensor and Licensee.
 - 14) Licensor shall give Licensee written notice of full or partial termination of this

License at least 60 calendar days before the termination unless an emergency requires a shorter notice period, and in that event Licensor shall notify Licensee as early as practicable.

- 15) Upon demand by Licensor for any reason, including without limitation Licensor's construction of a road widening or other capital project that conflicts with or otherwise affects Licensee's facilities, Licensee shall at its sole cost either (i) relocate Licensee's facilities to a portion of the remaining License Area not in conflict with the capital project, or (ii) completely remove everything maintained by Licensee in the portion of the License Area affected by the capital project. Licensor shall not be responsible for damages resulting from Licensee's failure to timely remove or relocate its facilities pursuant to this paragraph.
- 16) This License shall not be assigned by Licensee, but Licensee's obligations under this License shall be binding upon Licensee's heirs, contractors, assignees, designees, agents, and representatives.
- 17) Licensor issues this License to Licensee as an accommodation for the provision of telecommunication services to businesses and residents of the Town of Oro Valley and the surrounding area.
- 18) Licensee shall defend, indemnify and hold harmless Licensor, its officers, agents, and employees from and against any and all claims, demands, causes of action, complaints, suits, losses, damages, injuries, and liabilities whatsoever (including those for costs, expenses, and attorneys' fees) to any person, persons, or property arising out of either
 - (i) Licensee's use or maintenance of the License Area or (ii) Licensee's negligent acts or omissions in connection with anything installed by or on behalf of Licensee in the License Area.
- 19) Licensee shall obtain liability insurance for the term of this License in minimum amounts of \$1,000,000.00 per occurrence and \$2,000,000.00 per occurrence for general aggregate. Licensee may satisfy the minimum insurance requirement with excess or umbrella liability coverage. This insurance shall be updated annually and shall be kept in force while this License is in force. Licensor may, if it deems necessary, require additional coverage. Licensor shall be named as an "additional insured" endorsee for the coverage, evidenced by endorsement number on the face of the insurance certificate and submittal of a copy of the additional insured endorsement or any other required endorsement. If available through Licensee's insurance carrier, Licensee shall obtain a "cancellation notice recipient" endorsement, evidenced by endorsement number on the face of the insurance certificate and submittal of a copy of the cancellation notice recipient endorsement, in all its insurance policies, requiring Licensee's insurance carrier to provide notice to Licensor of cancellation or reduction of insurance coverage. CERTIFICATES OF INSURANCE FOR COVERAGE AS DESCRIBED IN THIS LICENSE SHALL BE FILED WITH LICENSOR PRIOR TO COMMENCEMENT OF ANY ACTIVITY

UNDER THIS LICENSE. Licensee SHALL ALSO FILE ALL CERTIFICATES OF INSURANCE AND REQUIRED ENDORSEMENTS EACH TIME THE POLICY IS UPDATED OR RENEWED. Certificates of insurance and endorsements shall be sent to the Town of Oro Valley Engineering Division, 11000 N. La Canada Dr., Oro Valley, AZ 85737, annually commencing on the date of execution of this License.

- 20) Licensee shall give Licensor written notice within two working days after Licensee receives notice of any cancellation or reduction of its insurance coverage.
- 21) If Licensee causes any damage to the License Area, Licensee shall promptly make and pay for the repairs necessary to restore the License Area to its pre-damaged condition. At the discretion of Licensor, if repairs are not initiated and completed within a reasonable length of time, but in any event within 14 calendar days after Licensor gives written notice of damage to Licensee, Licensor may make the repairs and bill Licensee for all costs plus a 25% administrative fee. Licensee shall pay the bill within ten calendar days of receipt.
- 22) This License is effective for five years from its effective date. So long as Licensee is not then in default under this License, this License shall be automatically renewable for an additional five-year period at the written request of Licensee delivered to Licensor not less than 30 days before the end of the five-year term.
- 23) This License is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511.
- 24) If at any time and within the State of Arizona any other similar License agreement entered into by Licensee is found to contain terms more favorable than those terms provided to Licensor herein, the terms of this License shall automatically conform to the more favorable terms for Licensor and Licensee shall promptly pay Licensor any amounts owing and perform any and all in kind services there-from upon request by Licensor. Licensor shall have the right to conduct periodic reviews of Licensor's books and records with respect to the provisions of this paragraph.

IN WITNESS WHEREOF, the parties have executed this License effective as of the Licensor's signature date below.

"LICENSOR":
TOWN OF ORO VALLEY

an Arizona municipal corporation

"Licensee"
ZAYO GROUP, LLC, A Delaware
limited liability company

By: _____

By: _____

Date: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

Tobin Sidles, Legal Services Director

STATE OF COLORADO)
) ss.
County of Boulder)

The foregoing instrument was acknowledged before me this _____ day of March, 2015 by _____, the _____ of ZAYO GROUP, LLC, a Delaware limited liability company, on behalf of the LLC.

(seal)

Notary Public

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this _____ day of March, 2015 by _____, the _____ for the Town of Oro Valley, an Arizona Municipal corporation.

EXHIBIT A: THE "LICENSE AREA"

1. The following public road rights-of-way owned by the Licensor:
 - a.



Town Council Regular Session

Item # F.

Meeting Date: 06/17/2015

Requested by: Julie Bower **Submitted By:** Julie Bower, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Resolution No. (R)15-47, authorizing and approving an Intergovernmental Agreement between the Town of Oro Valley and Pima County regarding payment for the incarceration of municipal prisoners

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

The annual Intergovernmental Agreement with Pima County that permits the Town to house Oro Valley municipal prisoners in the Pima County jail is up for renewal as of June 30, 2015. Payment for incarceration of municipal prisoners in county jails is necessary because of a state law passed in 1989 mandating that cities and towns pay for this service.

Pima County has set the incarceration fees for FY 2015/16 as follows: \$279.51 to cover booking and intake expenditures and prisoner housing for the first day, and \$85.15 per subsequent day for each prisoner. The initial day amount has increased \$21.68, and the cost for each additional day has increased \$5.05. The alternative is for the Town to house its own municipal prisoners, which would be cost prohibitive.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

The FY 2015/16 Custody of Prisoners budget has been decreased by \$10,000 to \$130,000 based on past trends in custody expenditures. It is anticipated that this will be sufficient budget capacity even with the projected prisoner housing costs outlined above.

SUGGESTED MOTION:

I MOVE to approve Resolution No. (R)15-47, authorizing and approving an Intergovernmental Agreement between the Town of Oro Valley and Pima County regarding payment for the incarceration of municipal prisoners.

Attachments

(R)15-47 Municipal Prisoners IGA

IGA

RESOLUTION NO. (R)15-47

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING AND APPROVING AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF ORO VALLEY AND PIMA COUNTY FOR PAYMENT FOR THE INCARCERATION OF MUNICIPAL PRISONERS

WHEREAS, pursuant to A.R.S. § 11-952, the Town of Oro Valley is authorized to enter into or renew agreements for joint and cooperative action with other public agencies; and

WHEREAS, the Town of Oro Valley is authorized to establish and maintain the Oro Valley Police Department, pursuant to A.R.S. § 9-240 (B)(12); and

WHEREAS, pursuant to A.R.S. § 31-121(D), an individual may be incarcerated in a county jail and the costs of incarceration shall be paid by the municipality having established the municipal court in which the charges have been filed; and

WHEREAS, Pima County shall receive and detain all municipal prisoners who are medically fit to be incarcerated in the detention facilities maintained and operated by Pima County; and

WHEREAS, the Town desires to enter into an Intergovernmental Agreement with Pima County to set forth the terms and conditions for the incarceration of municipal prisoners in the detention facilities maintained and operated by Pima County; and

WHEREAS, it is in the best interest of the Town to enter into the Intergovernmental Agreement, attached hereto as “Exhibit “A” and incorporated herein by this reference, in order to set forth the terms and conditions relating to the incarceration of municipal prisoners in the detention facilities maintained and operated by Pima County for a term effective July 1, 2015 through June 30, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that the Intergovernmental Agreement, attached hereto as “Exhibit “A”, between the Town of Oro Valley and Pima County for the incarceration of municipal prisoners is hereby authorized and approved.

BE IT FURTHER RESOLVED that the Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the terms of the Intergovernmental Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona, this 17th day of June, 2015.

TOWN OF ORO VALLEY, ARIZONA

Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

EXHIBIT “A”

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
PIMA COUNTY
AND
TOWN OF ORO VALLEY
FOR
PAYMENT FOR THE INCARCERATION
OF MUNICIPAL PRISONERS**

This Intergovernmental Agreement (IGA) is entered into by and between Pima County, a body politic and corporate of the State of Arizona (“County”) and the Town of Oro Valley, a municipal corporation (“Town”) pursuant to A.R.S. § 11-952.

Recitals

County and Town may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.

County and Town desire to enter into an agreement to incarcerate Town’s municipal prisoners in the Pima County Adult Detention Complex (“PCADC”).

NOW, THEREFORE, County and Town, pursuant to the above, mutually agree as follows:

Agreement

I. Purpose

This IGA sets forth the terms and conditions under which Town’s municipal prisoners shall be incarcerated in the PCADC.

II. Scope

County shall receive and detain all Town municipal prisoners who are medically fit to be incarcerated by County. County shall provide booking services, and after booking provide for the care, feeding and medical care of said prisoners.

“Town municipal prisoner” shall mean any person who has been incarcerated as a result of a charge pending in the Town of Oro Valley Court, or as a result of an agreement between the Town and another jurisdiction to allow the person to serve his sentence locally, or has been sentenced pursuant to an order of the Oro Valley Town Court and for whom the Town has the legal obligation to provide or pay for prisoner housing. A prisoner arrested by Town of Oro

Valley Police Department solely on another governmental entity's warrant is not a Town prisoner.

In regard to booking and related services and procedures, upon submission of the completed booking document to the PCADC Intake Support Specialist, County will immediately accept into custody all Town arrestees that present no obvious health issues that make the prisoner medically unacceptable for booking. Town agrees that such conditional acceptance will shorten the time officers spend in the booking process and benefit the Town. Within the initial ninety (90) minutes, County medical providers shall make a determination as to the prisoner's medical condition. Town agrees that if the prisoner presents a serious, emergent medical problem requiring hospital examination or medical rejection for booking within ninety (90) minutes of the time of conditional acceptance, Town shall send an officer to the PCADC to transport the prisoner for such medical examination or care as may be medically required as soon as possible. If a prisoner is taken from the PCADC for medical evaluation and returned to be incarcerated, Town shall not be charged twice for the first day billing rate of \$279.51. By conditionally accepting the prisoner for the initial ninety (90) minute evaluation period, County does not in any way accept responsibility for the cost of medical care to be provided to that prisoner should it be determined by County that the prisoner requires hospitalization or that the prisoner is medically unacceptable for booking.

Transportation of prisoners to Town of Oro Valley Court or other locations, only as ordered by Town of Oro Valley Court, shall be the responsibility of the Town. County shall be responsible for transportation of prisoners for medical care after the prisoner has been in PCADC custody for ninety (90) minutes or more.

III. Financing

Town shall pay a first day billing rate of \$279.51 to cover booking and intake expenditures. For each billable day following the first day, Town shall pay \$85.15 per day. The two rates are applicable to the period July 1, 2015 through June 30, 2016. The billing day as defined herein applies to each Town prisoner who is an inmate in, or under the control of the PCADC.

A. Criteria and Rules Governing Billing:

1. A "billable day" means that period commencing at 0000 hours and ending as 2359 hours that same day, or any fractional part thereof, of any day the Town prisoner is in the custody or control of the PCADC.
2. A "modified billable day" means a billable day which is modified to reduce billing to one billable day at the first rate. "Modified billable days" are only applicable when applied to pretrial Town defendants who are booked between 1800-2359 hours one day and released on the Town charge at the first AM initial appearance the following day.

3. "Billable custody" means any pretrial custody involving a misdemeanor offense which will be tried or adjudicated in Town of Oro Valley Court, or any custody pursuant to a sentence imposed by Town Of Oro Valley Court.
4. "Local limited jurisdiction courts" means those courts whose criminal jurisdiction is limited to misdemeanor offenses.

B. Criteria for Assessment of Billing:

1. The costs of incarceration of Town prisoners shall commence on the day the prisoner is booked or held based on a Town charge into, or sentenced by, Town Of Oro Valley Court. Costs for incarceration shall cease under the guidelines established under the definition of "billable day." For Town pretrial defendants booked between 1800 and 2400 hours one day and released on all Town charges at or by the AM initial appearance the following morning, the Town shall be billed according to the guidelines established under the definition of "modified billable day."
2. When a prisoner is in custody for a charge or sentence from more than one local limited jurisdiction court, the billing charges for days of joint custody shall be apportioned. Costs for incarceration for days of joint custody shall be apportioned evenly based on the guidelines established under the definition of "billable day" among those jurisdictions from which the joint custody arises.
3. A Town prisoner who is subsequently charged into Pima County Superior Court and held in-custody on felony charges will cease to accrue billing charges after 2359 hours on the date that custody for felony charges is established. Felony custody shall take effect on the date when charging information is received in the PCADC Records Section and the prisoner is actually being held in-custody on the felony charges.
4. In the event of an escape, billing charges will cease to accrue after 2359 hours on the day of escape. In the event of a failure to report from authorized leave, billing charges will cease after 2359 hours of the last day of custody. Billing charges will begin again on the day the prisoner is recaptured or returned to custody and is actually being held in the PCADC.

County will submit a statement of Town prisoner charges on a monthly basis. This statement shall provide information in alphabetical order as follows: name of prisoner, booking date, release date, indication of booking day billing or subsequent day billing, billing period, daily rates, total billing days, and the total bill.

Any individual prisoner charges disputed shall be made known to the County within thirty (30) days after receipt of the monthly billing. If Town notifies County of a dispute within thirty (30) days of receipt of the monthly billing, Town may withhold payment on those specific prisoners for whom billing is disputed until the dispute is resolved. No dispute will be accepted if not made within thirty (30) days after receipt of the monthly billing. Disputes about the billing statement shall be jointly reviewed by both parties and satisfactorily resolved within forty-five (45) days of the monthly billing. All charges shall be paid within sixty (60) days of receipt of the monthly billing, excluding disputed charges. Disputed charges shall be paid within thirty (30) days of resolution of the dispute. Charges remaining unresolved after the sixty (60) day period may be arbitrated by a mutually accepted third party. Town agrees to pay interest on outstanding charges beginning on the tenth day after resolution of the billing at a rate of 10% per annum until paid. Town agrees that when a check is sent to County in payment of a previously disputed charge, Town will attach an invoice detailing what specific charges are being paid. Town agrees that when funds are withheld due to a disputed charge, the specific charge disputed and the amount of payment being withheld will be specified on an invoice attached to the payment check for the period in which the disputed charge was included. Town agrees to attach to each check submitted to County an invoice indicating the dates for which that check is to be applied.

Neither Party shall be obligated to the other for any costs incurred pursuant to this IGA except as proved herein.

IV. Term

This IGA is for the period July 1, 2015 through June 30, 2016 and shall be effective upon execution by the governing boards of the Parties. The Parties shall have the option of extending this IGA for four (4) additional one-year periods or any portion thereof. Any revisions or extensions of this IGA shall be by written amendment executed by the governing boards of the Parties.

V. Termination

Either Party may at any time and without cause terminate this IGA by providing the other Party ninety (90) days written notice of intent to terminate.

VI. Jurisdiction

Nothing in this IGA shall be construed as either limiting or extending the statutory jurisdiction of the Parties.

VII. Indemnification

To the extent permitted by law, each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the Indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

VIII. Insurance

Each Party shall obtain and maintain at its own expense, during the entire term of this IGA the following type(s) and amounts of insurance:

- a) Commercial General Liability in the amount of \$1,000,000.00 combined single limit Bodily Injury and Property Damage.
- b) Commercial or Business automobile liability coverage for owned, non-owned and hired vehicles used in the performance of this Contract with limits in the amount of \$1,000,000.00 combined single limit or \$1,000,000.00 Bodily Injury, \$1,000,000.00 Property Damage.
- c) If required by law, workers' compensation coverage including employees' liability coverage.

Parties to this IGA shall provide thirty (30) days written notice to all other Parties of cancellation, non-renewal or material change of coverage.

The above requirement may be alternatively met through self insurance pursuant to A.R.S. §§ 11-261 and 11-981 (or if a school district, § 15-382) or participation in an insurance risk pool under A.R.S. § 11.952.01 (if a school district, § 15-382), at no less than the minimal coverage levels set forth in this article. Parties to this agreement shall provide thirty (30) days written notice to all other Parties of cancellation, non-renewal or material change of coverage.

IX. Compliance With Laws

The Parties shall comply with all federal, state and local laws, rules, regulations, standards and Executive Orders, without limitation to those designated within this IGA. The laws and regulations of the State of Arizona shall govern the rights of the Parties, the performance of this IGA and any disputes hereunder. Any action relating to this IGA shall be brought in an Arizona court in Pima County.

X. Arbitration

The Parties agree to be bound by arbitration, as provided by in Arizona Revised Statutes § 12-1501 *et. seq.*, to resolve disputes arising out of this IGA where the sole relief sought is monetary damages not in excess of the jurisdictional limit set by the Pima County Superior Court.

XI. Non-Discrimination

The Parties shall not discriminate against any County or Town employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin in the course of carrying out their duties pursuant to this IGA. The Parties shall comply with the provisions of Executive Order 75-5, as amended by Executive Order 99-4, which is incorporated into this IGA by reference, as if set forth in full herein.

XII. ADA

The Parties shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.

XIII. Severability

If any provision of this IGA, or any application thereof to the Parties or any person or circumstances, is held invalid, such invalidity shall not affect other provisions or applications of this IGA which can be given effect, without the invalid provision or application and to this end the provisions of this IGA are declared to be severable.

XIV. Conflict of Interest

This contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.

XV. Non-Appropriation

Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, County shall have no further obligation to Town other than for payment for services rendered prior to cancellation.

XVI. Legal Authority

Neither Party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either Party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, shall be null and void, and no recovery may be had by either Party against the other for lack of performance or otherwise.

XVII. Worker's Compensation

Each Party shall comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each Party is solely responsible for the payment of worker's compensation benefits for its employees.

XVIII. No Joint Venture

It is not intended by this IGA to, and nothing contained in this IGA shall be construed to, create any partnership, joint venture or employment relationship between the Parties or create any employer-employee relationship between County and any Town employees, or between Town and any County employees. Neither Party shall be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.

XIX. No Third Party Beneficiaries

Nothing in the provisions of this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affects the legal liability of either Party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.

XX. Notices

Any notice required or permitted to be given under this IGA shall be in writing and shall be served by delivery or by certified mail upon the other Party as follows (or at such other address as may be identified by a party in writing to the other party):

County:

Pima County Sheriff's Department
Corrections Bureau Chief
1750 E. Benson Hwy.
Tucson, AZ 85714

Town:

TOWN OF ORO VALLEY
11000 North La Canada Dr.
Oro Valley, AZ 85737

With copies to:

County Administrator
130 West Congress Street, 10th Floor
Tucson, Arizona 85701

Clerk of the Board
130 West Congress, 5th Floor
Tucson, Arizona 85701

XXI. Entire Agreement

This document constitutes the entire Agreement between the Parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This IGA shall not be modified, amended, altered or extended except through a written amendment signed by the Parties.

In Witness Whereof, County has caused this Intergovernmental Agreement to be executed by the Chair of its Board of Supervisors, upon resolution of the Board and attested to by the Clerk of the Board, and Town has caused this Intergovernmental Agreement to be executed by the Mayor upon resolution of the Town Council and attested to by the Town Clerk:

PIMA COUNTY:

TOWN OF ORO VALLEY

Chair, Board of Supervisors

Mayor

Date

Date

Clerk, Board of Supervisors

Town of Oro Valley Clerk

Date

Date



Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the Town Of Oro Valley has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

PIMA COUNTY:

TOWN OF ORO VALLEY



Deputy County Attorney

Town of Oro Valley Attorney



Town Council Regular Session

Item # **G.**

Meeting Date: 06/17/2015

Requested by: Mayor Hiremath **Submitted By:** Julie Bower, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Cancellation of the July 15, 2015 Regular Town Council Meeting

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

At its regular meeting on December 3, 2014, the Council approved the 2015 Regular Town Council Meeting Schedule. There were no meetings scheduled in August to accommodate a summer break. Currently, there is no business scheduled for the July 15, 2015, regular Town Council meeting. In the event that the Mayor and Town Council would like to cancel the July 15 regular Town Council meeting, the Mayor and Council must take formal action.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to cancel the July 15th regular Town Council meeting.



Item # **H.**

Town Council Regular Session

Meeting Date: 06/17/2015
Requested by: Bayer Vella
Submitted By: Rosevelt Arellano
Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

Request for Conceptual Architecture approval for a pool building in the Maracay at Vistoso subdivision located at the Northern terminus of La Cañada Drive in Rancho Vistoso

RECOMMENDATION:

The Conceptual Design Review Board has recommended approval of the Conceptual Architecture, subject to the conditions in Attachment 1.

EXECUTIVE SUMMARY:

The project involves the development of a 1,900 square foot pool building on approximately four (4) acres to serve the larger residential 130-acre development (see Attachment 2). The proposed pool building contains a meeting room, storage room and bathrooms.

On May 12, 2015, the Conceptual Design Review Board (CDRB) reviewed the proposed architecture and recommended approval subject to the conditions in Attachment 1. The staff report to the CDRB is included as Attachment 3 and the draft CDRB minutes are included as Attachment 4.

BACKGROUND OR DETAILED INFORMATION:

Related Approvals

- September 2013: Maracay at Vistoso Conceptual Site Plan approved
- June 2014: Block Plat for entire development
- 2014 to present date: Model home architecture for the entire development

Existing Site Conditions

- Vacant land with platted common areas, streets and 343 lots
- Zoning is Rancho Vistoso Planned Area Development

Proposed Conceptual Architecture

The following is a summary of the proposed architecture (Attachment 5):

- Elements of Southwest Traditional style architecture
- Building height: 27', 6" and one-story
- Varied materials including stucco, brick, metal and tile
- Earth tone color palette

The proposed pool building incorporates architectural elements that are compatible with the future

homes in the development (see Attachment 6). The following is a list of design features for the proposed pool building.

- Decorative stucco accents
- Tower element
- Window lintels
- Recessed door (meeting room)
- Tile and metal roof
- Masonry brick
- Exposed rafter tails
- Covered metal trellis

The CDRB considered this request on May 12, 2015, and recommended approval based on the finding that the request meets Design Review Principles and applicable Design Standards. The discussion at the meeting focused on improving the proposed architecture for the right side of the building. To address this concern, the CDRB added a condition of approval requiring additional architectural detail on that portion of the building. For additional information, please refer to the CDRB staff report (Attachment 3) and the draft CDRB minutes (Attachment 4).

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve the Conceptual Architecture for the Maracay at Vistoso Pool Building, based on the finding that the request conforms with the Design Review Principles and Standards, subject to the conditions in Attachment 1.

OR

I MOVE to deny the Conceptual Architecture for the Maracay at Vistoso Pool Building, as it does not meet the finding that _____.

Attachments

Attachment 1 - Conditions of Approval

Attachment 2 - Location Map

Attachment 3 - CDRB Report

Attachment 4 - CDRB Minutes

Attachment 5 - Application

Attachment 6 - Approved Model Homes

Maracay at Vistoso
Conceptual Architecture for Pool Building
Conditions of Approval
Attachment 1

1. The following architectural features shall be incorporated into the portion of the building containing the pool yard room:
 - a. Light fixtures to match the front (south) elevation
 - b. Cornice element



La Cañada Dr.

Moore Rd.

Rancho Vistoso Blvd.



LOCATION MAP

MARCAY AT VISTOSO (OV1315-06)



Conceptual Design Review Board Staff Report Conceptual Architecture

3

CASE NUMBER: OV1315-06 Maracay at Vistoso Pool Building
MEETING DATE: May 12, 2015
AGENDA ITEM: 3
STAFF CONTACT: Rosevelt Arellano, Senior Planner
rarellano@orovalleyaz.gov (520) 229-4817

Applicant: Diana K. Flynn, Architectural Design Group, Inc.
Request: **Conceptual Architecture for a proposed pool building in the Maracay at Vistoso subdivision**
Location: Northern terminus of La Cañada Drive in Rancho Vistoso
Recommendation: Approve requested Conceptual Architecture subject to the condition in Attachment 4

SUMMARY:

The Conceptual Design Review Board (CDRB) makes recommendations to the Town Council regarding conceptual architecture submittals for all non-residential developments. The applicant proposes to build a 1,900 square foot pool building in the Maracay at Vistoso subdivision. The Maracay at Vistoso subdivision is a 343-lot residential development, located at the northern terminus of La Cañada Drive in Rancho Vistoso (Attachment 1).

The proposed pool building incorporates elements of Southwest Traditional architecture similar to the approved model homes in the development and the surrounding area. The proposed design includes façade articulation and fenestration, varied rooflines, a tower element, window lintels, exposed rafter tails, stucco accents, masonry brick, tile roof and exposed wood posts. One condition of approval is proposed to improve the building architecture and compatibility within the surrounding area.

BACKGROUND:

Related Approvals:

- September 2013: Maracay at Vistoso Conceptual Site Plan approved
- June 2014: Block Plat for entire development
- 2014 to present date: Model home architecture for entire development

Existing Site Conditions:

- Vacant land with platted common areas, streets and 343 lots
- Zoning is Rancho Vistoso Planned Area Development

Proposed Conceptual Architecture:

The following is a summary of the proposed architecture (Attachment 2):

- Elements of Southwest Traditional style architecture
- Building height: 27', 6" and one-story
- Varied materials including stucco, brick and tile
- Earth tone color palette

The overarching goal of the Town's review is to ensure that the proposed architecture contains appropriate design features which produce variation in building massing, wall planes and surface articulation.

The proposed pool building incorporates elements of Southwest Traditional architecture that is compatible with the development's approved model homes (see Attachment 3). The following is a list of design features for the proposed pool building.

- Decorative stucco accents
- Tower element
- Window lintels
- Exposed rafter tails
- Covered metal trellis
- Tile and metal roof
- Masonry brick
- Exposed wood posts
- Recessed door (meeting room)

The proposed colors and materials (Attachment 2) are appropriate with the context of the development and the surrounding area. The range of natural earth tones provide contrast in color, and highlight a variety of architectural features such as stucco accents, window lintels and varying wall planes.

DISCUSSION / ANALYSIS:

The CDRB reviews conceptual architecture for conformance with the adopted Design Principles. The Design Principles and Design Standards (*italics*) are listed below, followed by staff comments.

Design Principle Analysis

Conceptual Architectural Design Review Principles-Zoning Code Section 22.9.D.5.b

- *Section 22.9.D.5.b.i: "Design: building architectural design shall be appropriate for the climate and characteristics of the Sonoran Desert, including indigenous and traditional textures, colors, and shapes found in and around Oro Valley. All*

development shall maintain and strengthen the high quality of design exemplified in Oro Valley through project creativity and design excellence.”

Staff Commentary: The architectural design is appropriate for the area and is complimentary to the future homes in the vicinity. The style proposed by the applicant incorporate textures, colors and shapes which are indigenous and traditionally found within Oro Valley. The proposed pool building includes features which reinforce high quality design.

- *Section 22.9.D.5.b.ii: “Scale, Height, and Mass: building scale, height and mass shall be consistent with the Town-approved intensity of the site, designated scenic corridors, and valued mountain views. Buildings shall be designed to respect the scale of adjoining areas and should mitigate the negative and functional impacts that arise from scale, bulk and mass.”*

Staff Commentary: The scale and single-story height of the pool building is appropriate to the area and is in conformance with the building height requirement of the Rancho Vistoso Planned Area Development. The proposed tower compliments the building design and provides a focal element into the main building entry.

- Section 22.9.D.5.b.iii: “Façade Articulation: all building facades shall be fully articulated, including variation in building massing, roof planes, wall planes, and surface articulation. Architectural elements including, but not limited to, overhangs, trellises, projections, awnings, insets, material, and texture shall be used to create visual interest that contributes to a building’s character.”

Staff Commentary: Overall, the building has significant façade articulation through the use of varied roof planes, wall planes and surface articulation. The architectural treatments include a tower element, window lintels, stucco accents, masonry brick, exposed rafter tails and wood posts. The proposed building contains a pool yard room at one end of the building (right side). This section of the building lacks architectural features and is not consistent with the building’s overall design theme of Southwest Traditional Style architecture. A condition requiring additional architectural treatment has been proposed.

Design Standards Analysis (area of conflict)

- Section 2.2.A.3.b.1: “Provide consistent architectural treatments, articulation, and fenestration to present a coherent design theme for all sides of a building.”

Staff Commentary: The application does not meet the above standard because a coherent design theme (i.e. pitch roof, decorative doors, architectural feature, varying colors and/or materials) has not been incorporated on the right side of the building containing a pool yard room. The pool yard room is uncovered and contains few architectural embellishments, and a small range of colors and materials. Staff recommends a condition to provide additional architectural treatment for this portion of the building.

CONCLUSION/RECOMMENDATION:

The proposed pool building incorporates elements of Southwest Traditional style architecture that is complimentary to the future homes in the vicinity. The proposed pool building with a recommended condition conforms with the Rancho Vistoso Planned Area Development and the Zoning Code including Design Principles and applicable Design Standards.

It is recommended that the Conceptual Design Review Board take the following action:

Approve the requested Conceptual Architecture under case OV1315-06, subject to the condition in Attachment 4.

SUGGESTED MOTIONS:

I move to approve the Conceptual Architecture for the proposed Maracay at Vistoso pool building based on the findings that the request complies with the provisions in the Zoning Code, subject to the condition in Attachment 4:

OR

I move to deny the Conceptual Architecture for the proposed Maracay at Vistoso pool building as it does not meet the finding that _____.

ATTACHMENTS:

1. Location Map
2. Proposed Conceptual Architecture
3. Previously approved model homes
4. Conditions of Approval



Bayer Vella, Planning Manager

**MINUTES
ORO VALLEY CONCEPTUAL DESIGN REVIEW BOARD
REGULAR SESSION/STUDY SESSION
MAY 12, 2015
HOPI ROOM
11000 N. LA CANADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

Chairman Eggerding called the Regular Session of the Conceptual Design Review Board at 6:00 PM.

ROLL CALL

PRESENT: Richard Eggerding, Chairman
Bruce Wyckoff, Vice Chairman
Jacob Herrington, Member
Sarah Chen, Member
Nathan Basken, Member
Harold Linton, Member
Kit Donley, Member

ABSENT: None.

ALSO PRESENT:

Joe Hornat, Council Member
Lou Waters, Vice-Mayor
Joe Andrews - Chief Civil Deputy Attorney

PLEDGE OF ALLEGIANCE

Chairman Eggerding led the Conceptual Design Review Board members and audience in the Pledge of Allegiance.

CALL TO AUDIENCE

There were no speaker request.

COUNCIL LIAISON COMMENTS

Lou Water, Vice-Mayor had no comments.

1. REVIEW AND/OR APPROVAL OF THE MARCH 10, 2015 REGULAR SESSION MEETING MINUTES

MOTION: A motion was made by Bruce Wyckoff, Vice Chairman and seconded by Jacob Herrington, Member to approve the March 10, 2015 regular session meeting minutes.

MOTION carried, 7-0.

2. CONCEPTUAL SITE PLAN AND CONCEPTUAL ARCHITECTURE FOR A PROPOSED EXPANSION OF THE CATHEY'S SEW AND VAC BUSINESS, LOCATED NEAR THE SOUTHEAST CORNER OF ORACLE AND HARDY ROADS, OV1215-05

Robert Kirschmann, Planner, presented the following:

- Proposal
- Location
- Existing/Proposed Site Plan
- Neighborhood Meeting/Public Input

Kevin Hall with Cypress Civil Development, representing the applicant, presented the following:

- Existing Views
- Proposed Entry View
- Site Plan

MOTION: A motion was made by Sarah Chen, Member and seconded by Nathan Basken, Member to recommend approval of the Conceptual Site Plan subject to the condition in Attachment 1, finding that the proposed Conceptual Site Plan for the Cathey's Sew and Vac is in conformance with the Oro Valley Design Principles and applicable Design Standards.

MOTION carried, 7-0.

MOTION: A motion was made by Nathan Basken, Member and seconded by Jacob Herrington, Member to recommend approval of the Conceptual Architecture, finding that the proposed Conceptual Architecture for Cathey's Sew and Vac is in conformance with the Oro Valley Design Principles and applicable Design Standards.

MOTION carried, 7-0.

Joe Andrews - Chief Civil Deputy Attorney left the meeting, due to a conflict with item 3.

3. CONCEPTUAL ARCHITECTURE FOR A POOL BUILDING IN THE MARACAY AT VISTOSO SUBDIVISION, LOCATED AT THE NORTHERN TERMINUS OF LA CAÑADA DRIVE IN RANCHO VISTOSO, OV1315-06

Rosevelt Arellano, Senior Planner, presented the following:

- Purpose
- Location Map
- Site Plan
- Surrounding Homes
- Front Elevation (South)
- Old/New Submittal
- Rear Elevation (North)
- Side Elevation (East and West)
- Summary and Recommendation

Cindy Paddock, with Maracay Homes, gave a brief update on the Maracay project.

David Garcia, with the Architectural Design Group, Inc, representing the applicant, presented the following:

- Location Map
- Recreational Area Plan
- Area Plan
- Site Plan
- Floor Plan
- Elevations: North & South
- Color Board - Materials
- Perspective Views from South
- Perspective Views from North

Cindy Paddock, with Maracay Homes, gave a brief explanation of the redesign elements of equipment yard.

MOTION: A motion was made by Sarah Chen, Member and seconded by Harold Linton, Member to approve the Conceptual Architecture for the proposed Maracay at Vistoso pool building based on the findings that the request complies with the provisions in the Zoning Code, subject to the conditions in Attachment 4. Including adding in more of a design features from the current submittal of pool yard to include the wrought iron lanterns and corncing.

Jacob Herrington, Member offered a friendly amendment to add a sign with mechanical area to the building.

Sarah Chen, Member denied the friendly amendment.

MOTION carried, 5-2 with Bruce Wyckoff, Vice Chairman, and Nathan Basken, Member opposed.

4. YOUR VOICE, OUR FUTURE CONCEPTUAL DESIGN REVIEW BOARD LIAISON UPDATE

Kit Donley, Member gave a brief update on the Your Voice, Our Future meetings.

ADJOURMENT

MOTION: A motion was made by Bruce Wyckoff, Vice Chairman and seconded by Jacob Herrington, Member to adjourn the May 12, 2015, Conceptual Design Review Board meeting at 6:57 PM.

MOTION carried, 7-0.

STUDY SESSION AT OR AFTER 6:30 PM

Chairman Eggerding called the Study Session of the Conceptual Design Review Board meeting to order at 6:58 PM.

1. DISCUSSION OF ESL AND MODIFIED REVIEW PROCESS

Michael Spaeth, Senior Planner, presented the following:

- General Plan Policies
- Environmentally Sensitive Lands/Conservation Subdivisions (Cluster)
- Incentives - Flexible Design Options
- Modified Review Process

Discussion ensued amongst the Board Members in reference to the modified review process.

Joe Hornat, Council Member, encouraged the Board Members to attend the neighborhood meeting and hear the issues first hand.

PLANNING UPDATE (INFORMATIONAL ONLY)

Michael Spaeth, Senior Planner, presented the following Planning update:

- Planning items on the May 20th Town Council agenda
- Planning items on the June 3rd Town Council agenda
- Upcoming Conceptual Design Review Board agenda item for June 9th

- Community Academy
- Upcoming Neighborhood Meetings

ADJOURNMENT

MOTION: A motion was made by Bruce Wyckoff, Vice Chairman and seconded by Kit Donley, Member to adjourn the May 12, 2015 Conceptual Design Review Board Study Session at 7:44 PM.

MOTION carried, 7-0.

DRAFT



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architectural design group inc.

2510 E. Grant, Suite 140
Tucson, AZ 85716



MARACAY POOL BUILDING

MARACAY @ VISTOSO

2510 e. grant road #140 tucson, az 85716

t 520.323.2227

f 520.323.3337

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MARACAY POOL BUILDING

MARACAY @ VISTOSO

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t 520.323.2227

f 520.323.3337

5/12/2015 9:51:29 AM

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MATERIALS/COLORS

WESTERN STATES METAL ROOFING

A

WEATHERED RUSTIC
24 GAUGE
PVDF PAINT FINISH



EAGLE ROOF TILE

B

CAPISTRANO
ADOBE BLEND



SUPERLITE MASONRY

C

SLUMP BLOCK
PIMA ADOBE



COLOR #1

D

FRAZEE/SHERWIN WILLIAMS
WRINKLE
#CL 2724D
LRV 37



COLOR #2

E

SHERWIN WILLIAMS
KILIM BEIGE
#SW 6106
LRV 60%



COLOR #4

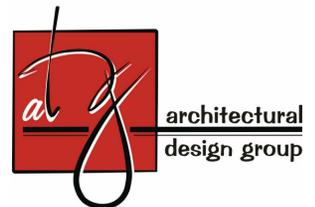
F

FRAZEE/SHERWIN WILLIAMS
WIGWAM
#CL 2646N
LRV 12



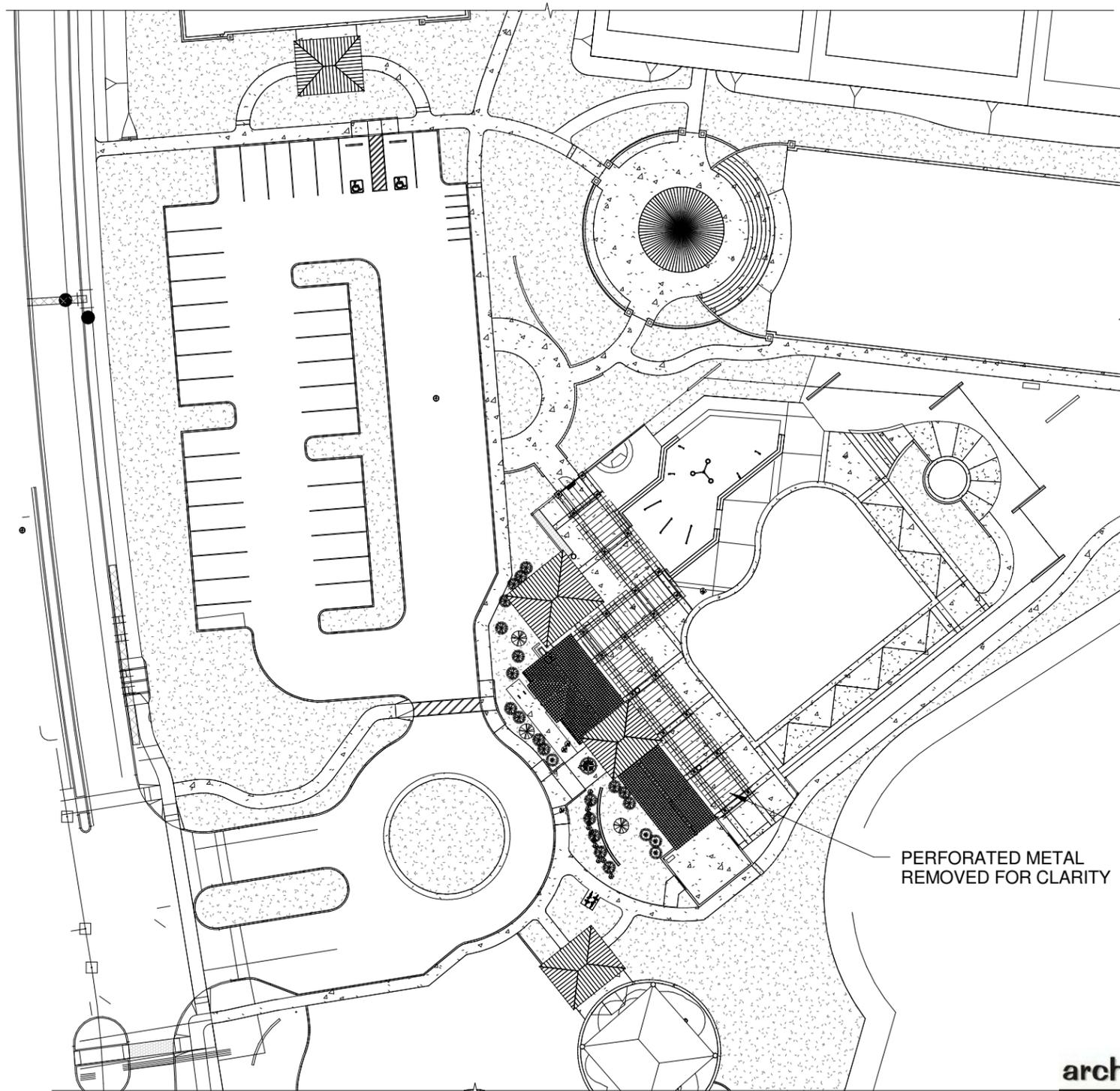
MARACAY POOL BUILDING

MARACAY @ VISTOSO



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4/15/2015 1:38:33 PM



architectural design group inc.

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Tucson, AZ 85716



1 PRESENTATION SITE PLAN
1" = 50'-0"

MARACAY POOL BUILDING

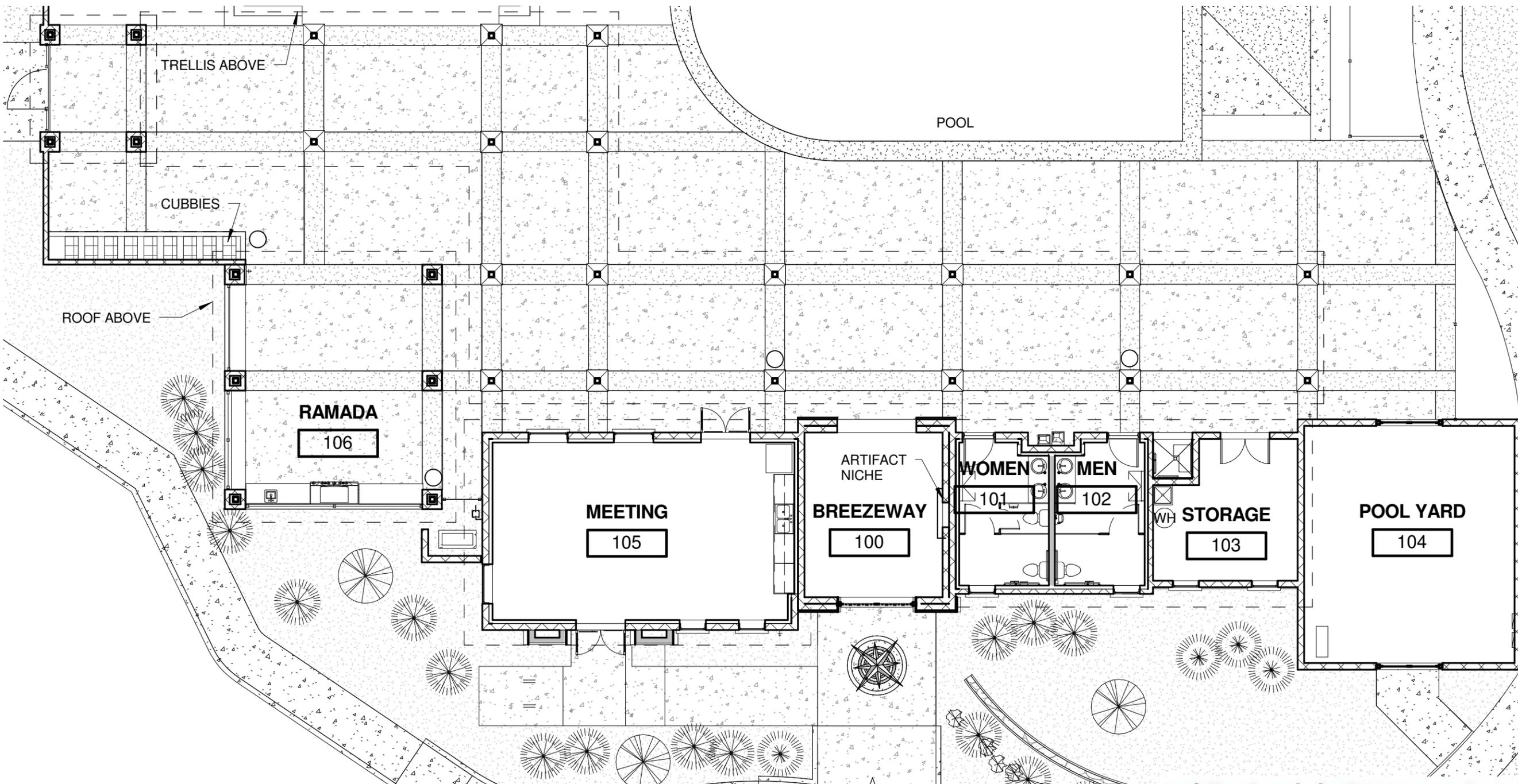
MARACAY @ VISTOSO

2510 e. grant road #140 tucson, az 85716

t 520.323.2227

f 520.323.3337

5/12/2015 9:02:04 AM



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 Tucson, AZ 85716



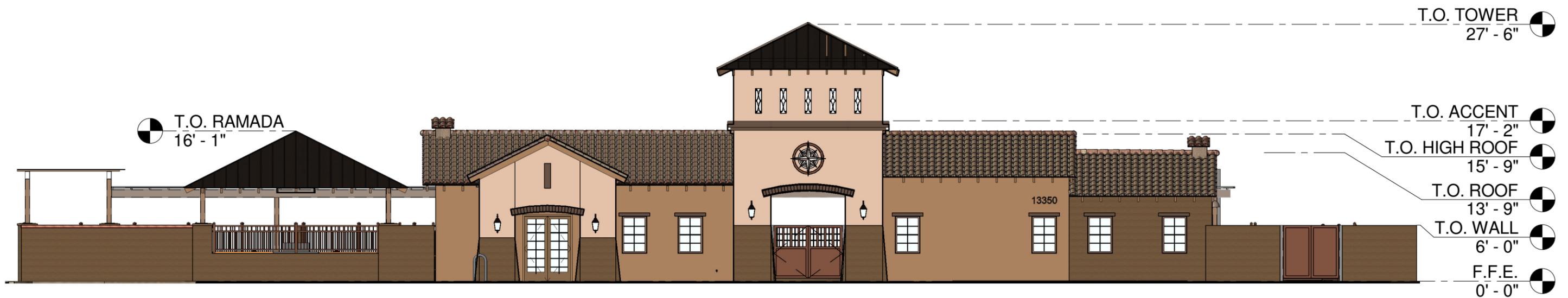
1

PRESENTATION FLOOR PLAN
 3/32" = 1'-0"



MARACAY POOL BUILDING

MARACAY @ VISTOSO



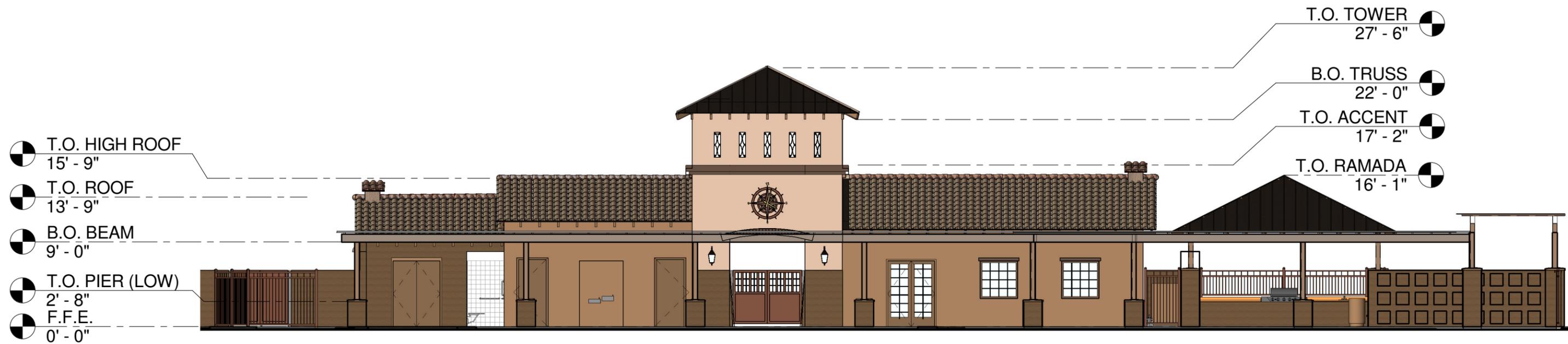
1 PRESENTATION SOUTH ELEVATION
3/32" = 1'-0"

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MARACAY POOL BUILDING

MARACAY @ VISTOSO



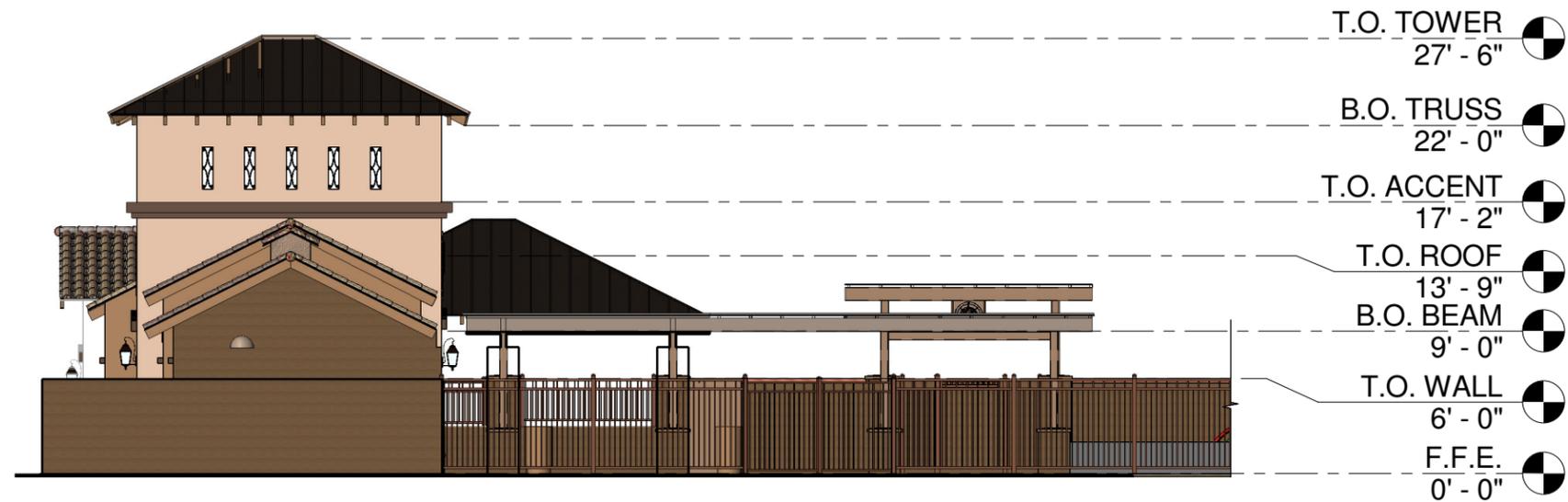
1 PRESENTATION NORTH ELEVATION
3/32" = 1'-0"

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MARACAY POOL BUILDING

MARACAY @ VISTOSO



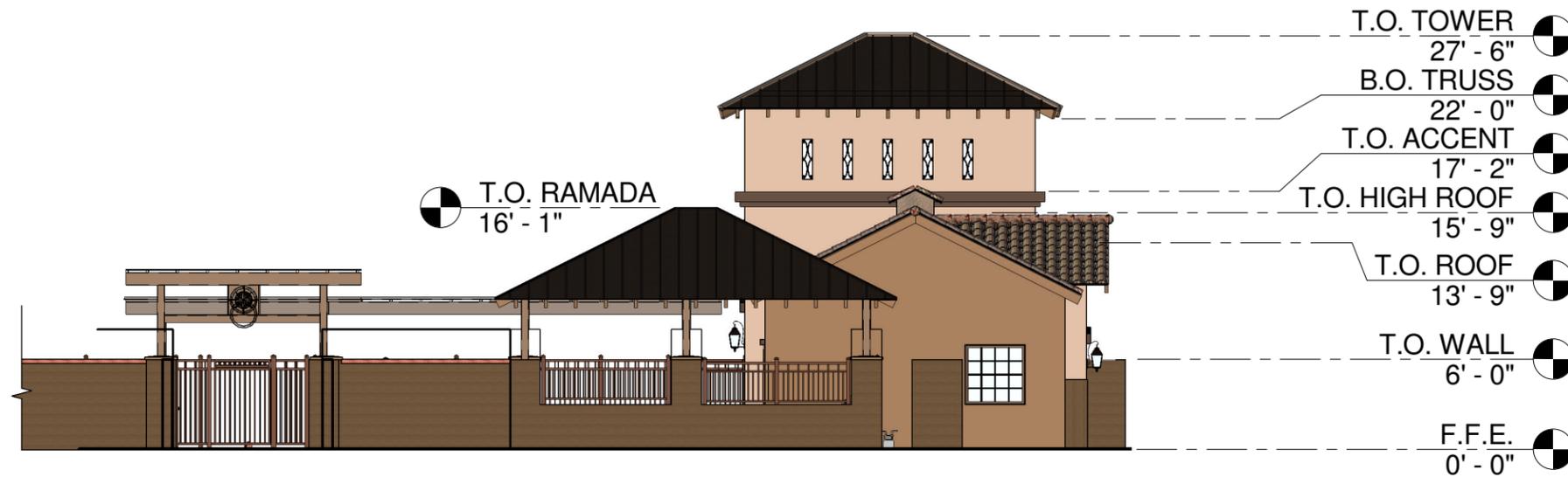
1 PRESENTATION EAST ELEVATION
3/32" = 1'-0"

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Tucson, AZ. 85716



MARACAY POOL BUILDING

MARACAY @ VISTOSO



1 PRESENTATION WEST ELEVATION
3/32" = 1'-0"

architectural design group inc.

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Tucson, AZ 85716



MARACAY POOL BUILDING

MARACAY @ VISTOSO

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f 520.323.3337

5/12/2015 9:26:07 AM



Maracay
Homes
recently
approved in
the same
area by case
OV1313-02
Z Lots
One-Story
Homes

Recently Approved Models

Maracay Homes (OV1315-06)

Attachment 6





Maracay
Homes
recently
approved in
the same
area by case
OV1313-02a
5500 Lots
One-Story
Homes

Recently Approved Models
Maracay Homes (OV1315-06)
Attachment 6





Maracay
Homes
recently
approved in
the same
area by case
OV1313-02b
6500 Lots
One-Story
Homes

Recently Approved Models

Maracay Homes (OV1315-06)

Attachment 6





Town Council Regular Session

Item # 1.

Meeting Date: 06/17/2015

Requested by: Julie Bower **Submitted By:** Julie Bower, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Resolution No. (R)15-48, authorizing the Town Clerk to conduct a special recall election on November 3, 2015, as a consolidated election pursuant to A.R.S. § 16-204; and designating the election date, the deadline for voter registration and the place and last date for candidates to file nomination papers and approval of use of General Fund contingency reserves to pay for special election costs

RECOMMENDATION:

Staff recommends that Council approve the resolution calling the special recall election as part of a consolidated election with Pima County for November 3, 2015.

EXECUTIVE SUMMARY:

Petitions containing a sufficient number of valid signatures were filed with the Town Clerk's Office on June 4, 2015, seeking to recall Councilmember Hornat, Councilmember Snider and Vice Mayor Waters; therefore, it is necessary to call a special recall election.

BACKGROUND OR DETAILED INFORMATION:

The attached resolution calls November 3, 2015, as the date to conduct a special recall election as a consolidated election with Pima County.

The deadline to register to vote in the recall election is October 5, 2015.

Qualified Town residents interested in running for one of the Council positions may file nomination papers with the Office of the Town Clerk no earlier than 8:00 a.m. on Wednesday, August 5, 2015 and no later than 5:00 p.m. on September 5, 2015. Nomination petitions must be signed by a number of qualified electors that is equal to at least two percent of the total votes cast for all candidates for the office at the last election for that office. There were 26,311 total votes cast for the office of Councilmember at the last election. The minimum number of signatures required on the nomination petition is 526.

FISCAL IMPACT:

The Town is able to consolidate the special recall election with the Pima County bond election scheduled for November 3, 2015, which will considerably reduce its election expenses. Cost estimates for a consolidated election are approximately \$25,000 - \$30,000. The Town's last stand-alone mail ballot election, conducted in 2012, cost approximately \$73,000. The adopted FY 2015/16 budget did not include a budget allocation in the Town Clerk's budget for election costs; therefore, staff recommends Council authorization of General Fund contingency reserves in the amount of \$30,000 to pay for the special election costs.

SUGGESTED MOTION:

I MOVE to adopt Resolution No. (R)15-48, authorizing the Town Clerk to conduct a special recall election on November 3, 2015, as a consolidated election pursuant to A.R.S. § 16-204; and designating the election date, the deadline for voter registration and the place and last date for candidates to file nomination papers. I further MOVE to approve the use of General Fund contingency reserves in the amount of \$30,000 to pay for the special election costs.

Attachments

(R)15-48 Call of Special Recall Election

RESOLUTION NO. (R)15-48

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, AUTHORIZING THE TOWN CLERK TO CONDUCT A SPECIAL RECALL ELECTION ON NOVEMBER 3, 2015 AS A CONSOLIDATED ELECTION PURSUANT TO A.R.S. § 16-204; AND DESIGNATING THE ELECTION DATE, THE DEADLINE FOR VOTER REGISTRATION AND THE PLACE AND LAST DATE FOR CANDIDATES TO FILE NOMINATION PAPERS

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

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

SECTION 1. The Town Clerk is authorized to conduct consolidated elections for the special Recall Election to be held on November 3, 2015 in accordance with A.R.S. Title 16.

SECTION 2. The deadline to register to vote in the Recall Election is October 5, 2015.

SECTION 3. Qualified Town residents interested in running for Council may file nomination papers with the Office of the Town Clerk no earlier than 8:00 a.m. on Wednesday, August 5, 2015 and no later than 5:00 p.m. on September 4, 2015.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona, this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____



Town Council Regular Session

Item # 1.

Meeting Date: 06/17/2015

Requested by: Philip Saletta

Submitted By: Shirley Seng, Water

Department: Water

Information

SUBJECT:

RESOLUTIONS AMENDING THE MAYOR AND COUNCIL WATER POLICIES AND THE FINANCIAL AND BUDGETARY POLICIES

A. RESOLUTION NO. (R)15-49, AMENDING THE TOWN OF ORO VALLEY TOWN COUNCIL WATER POLICIES FINANCE SECTION A.1.D. AND ADDING FINANCE SECTION A.1.G.

B. RESOLUTION NO. (R)15-50, AMENDING THE TOWN OF ORO VALLEY FINANCIAL BUDGETARY POLICIES SECTION C.3.

RECOMMENDATION:

The Water Utility Commission and staff recommend approval of the resolution amending the Mayor and Council Water Policies and the resolution amending the Financial and Budgetary Policies.

EXECUTIVE SUMMARY:

The Water Utility Commission and staff are recommending that a policy be added to expand the use of Groundwater Preservation Fee (GPF) revenue to include costs of wheeling CAP water to the Town since these wheeling costs are for the development of our renewable CAP water. This policy would be added as section A.1.g. of the water policies.

The current cash reserves policies need to be clarified, updated and modified to maintain financial stability for the Water Utility, and to be commensurate with the current financial conditions of the utility. The Water Utility Commission and staff are recommending that the existing section, A.1.d., be amended to increase the percentage of the budgeted costs that would define the cash reserve requirement, and to clarify specifically what budgeted costs would be included in the calculation for the cash reserve requirement. This change would be consistent with the budgeted costs used by the General Fund. The amendment would also clarify that there is no cash reserve requirement for impact fee funds.

The Town of Oro Valley Financial and Budgetary Policies, section C.3, includes a statement on the cash reserve policy for the Water Enterprise Fund, which would also need to be amended to be consistent with the new language in the Mayor and Town Council Water Policies.

BACKGROUND OR DETAILED INFORMATION:

The Town of Oro Valley Mayor and Town Council Water Policies (water policies) were first adopted in 1996 to support measures necessary to protect, sustain, augment and finance affordable water supplies for present and future Town of Oro Valley water consumers. The water policies have been amended from time to time in order to maintain long-term sustainability and a positive financial condition.

The GPF was established by Council in 2003 for debt repayment of capital projects for the development

of renewable water supplies. The documentation establishing the GPF dedicates the use of the GPF's generated revenue to pay for renewable water resources, renewable water infrastructure and related debt, but specifically excludes the revenue from being used for routine operating costs.

Once the Water Utility developed a wheeling agreement for our CAP water through the Tucson Water system, this deferred significant capital costs related to constructing our own CAP water delivery system. The Water Utility Commission and staff are recommending expansion of the allowable uses of GPF revenue to include costs to wheel CAP water to the Town. Adopting Resolution No. (R)15-49 would add a policy on the use of GPF revenue to the Mayor and Town Council Water Policies as section A.1.g. The GPF would not be used for routine operating costs under this policy addition, as it is specific to the wheeling costs to deliver CAP water to the Town. This policy addition is consistent with the initial intent of the GPF and will be beneficial since it provides for financial flexibility.

In addition to a new GPF policy, the current cash reserves policy needs to be clarified, updated and modified to better reflect the current financial condition of the Water Utility. Section A.1.d. in the water policies sets forth the policy on cash reserves for the Water Enterprise Fund. The Water Utility Commission and staff are recommending that the policy be amended to increase the percentage of the budgeted costs that would define the cash reserve requirement, and to clarify specifically what budgeted costs are included in the calculation for the cash reserve requirement. This change would be consistent with the costs included for the calculation used by the General Fund. Further clarification is also needed to address the Water Utility impact fee funds. The cash in the impact fee funds is revenue from development impact fees paid when water meters are purchased. There are no cash reserve requirements for impact fee funds because these funds are restricted for growth-related capital expenditures. Adoption of Resolution No. (R)15-49 would amend the existing cash reserve policy in section A.1.d. of the Mayor and Town Council Water Policies.

The Town of Oro Valley Financial and Budgetary Policies (financial policies) were adopted in 2008 to help ensure the Town's capability to adequately fund and provide the government services desired by the community. Section C.3 of the financial policies also references the cash reserve policy for the Water Enterprise Fund. As a result, the financial policies must be amended when changes are made to the cash reserves section of the water policies. Adoption of Resolution No. (R)15-50 would amend the Financial and Budgetary Policies to be consistent with the language in the Mayor and Town Council Water Policies.

These recommended policy changes will provide for flexibility and will be beneficial in maintaining the future financial stability of the Water Utility. The attached resolutions contain the specific recommended policy language.

FISCAL IMPACT:

Adoption of both resolutions enables the Water Utility to achieve and maintain long-term sustainability and a continued positive financial condition. The addition of the GPF policy is further beneficial in that it allows for an additional use of the GPF revenues and provides for financial flexibility to maintain the appropriate GPF cash balances.

The changes to the cash reserves policy will increase the current minimum cash reserve requirement from approximately \$1.63 million to \$2.95 million for the Water Utility operating fund based upon current fiscal year budgeted amounts. This increase is appropriate for the utility, which has assets of approximately \$100 million and an operating budget of \$14.8 million. The proposed policy change will also be applied to future water rates analyses. It should be noted that current cash balances are approximately \$10.6 million which significantly exceeds both the current and recommended cash reserve requirement.

SUGGESTED MOTION:

A.) I MOVE to approve Resolution No. (R)15-49, amending the Town of Oro Valley Mayor and Town Council Water Policies finance section A.1.d and adding finance section A.1.g.

and

B.) I MOVE to approve Resolution No. (R)15-50, amending the Town of Oro Valley Financial and Budgetary Policies section C.3.

Attachments

(R)15-49 Amending Water Policies

(R)15-50 Amending Financial Policies

RESOLUTION NO. (R)15-49

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, TO AMEND THE TOWN OF ORO VALLEY MAYOR AND TOWN COUNCIL WATER POLICIES FINANCE SECTION A.1.d. AND TO ADD FINANCE SECTION A.1.g.

WHEREAS, pursuant to ARS § 9-511, *et seq.*, the Town has the requisite statutory authority to acquire, own and maintain a water utility for the benefit of the residents within and without the Town's corporate boundaries; and

WHEREAS, on October 23, 1996, the Town Council approved Resolution No. (R) 96-87, adopting the Oro Valley Mayor and Council Water Policies; and

WHEREAS, amending the Oro Valley Mayor and Council Water Policies from time to time enables the Water Utility to achieve and maintain long-term sustainability and a positive financial condition; and

WHEREAS, the Water Utility has determined that it is necessary to amend the Finance Section A.1.d. of the Oro Valley Mayor and Council Water Policies to clarify the cash reserve requirements for the Oro Valley Water Utility; and

WHEREAS, the Water Utility has determined that it is necessary to add a policy in the Finance Section A.1.g. of the Oro Valley Mayor and Council Water Policies to clarify how revenue from the Groundwater Preservation Fees will be used; and

WHEREAS, the Council has determined that amending the Town of Oro Valley Mayor and Town Council Water Policies Finance Section A.1.d. and adding Finance Section A.1.g., attached hereto as Exhibit "A" and incorporated herein by this reference, is just and appropriate and in the best interest of the Town.

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

SECTION 1. The Town of Oro Valley Mayor and Town Council Water Policies amending Section A.1.d and adding Section A.1.g., attached as Exhibit "A", with additions in all CAPS and deletions in ~~strikethrough text~~, are hereby approved.

SECTION 2. The Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to implement the Town of Oro Valley Mayor and Town Council Water Policies as amended.

SECTION 3. If any portion of these policies is found to not be enforceable by a court of competent jurisdiction, that portion shall be declared severable, and the remainder of the policies will remain in full force and effect.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona, this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

Julie K. Bower, Town Clerk

Date: _____

APPROVED AS TO FORM:

Tobin Sidles, Legal Services Director

Date: _____

EXHIBIT “A”

A. Finance

1. Enterprise Basis

- a. The Utility shall be a financially self-supporting enterprise with all costs associated with operation of the Utility to be funded from revenues derived from the sale of water and other water-related income sources.
- b. An annual average debt service coverage of 1.3 times or 130% shall be maintained.
- c. Water revenues collected in excess of operating needs of the Utility shall be carried forward for future operating or future bond funding requirements and shall not be transferred to the Town’s General Fund.
- d. ~~The Utility shall maintain cash reserves for known future obligations plus an allowance for unbudgeted contingencies set at 5 percent (5%) of the total annual budget.~~

THE UTILITY SHALL MAINTAIN A CASH RESERVE IN THE OPERATING FUND OF NOT LESS THAN 20% OF THE COMBINED TOTAL OF THE ANNUAL BUDGETED AMOUNTS FOR PERSONNEL, OPERATIONS AND MAINTENANCE, AND DEBT SERVICE. THIS CASH RESERVE AMOUNT SPECIFICALLY EXCLUDES BUDGETED AMOUNTS FOR CAPITAL PROJECTS, DEPRECIATION, AMORTIZATION AND CONTINGENCY. NO CASH RESERVE IS REQUIRED FOR THE WATER UTILITY IMPACT FEE FUNDS.

- e. Should the Mayor and Council determine the need for a minimum amount of water at reduced rates or other forms of subsidized water service for low income water users within the service area, the costs of such subsidies will be funded from the Town’s General Fund and not from water rates, fees and charges.
- f. The Town shall not enter into a development agreement for any purpose that permits the developer to pay reduced water rates and/or reduced development impact fees.
- g. REVENUE FROM THE GROUNDWATER PRESERVATION FEES SHALL BE USED FOR RENEWABLE WATER CAPITAL COSTS AND ASSOCIATED DEBT; RENEWABLE WATER RESOURCES AND RELATED DEBT; AND FOR COSTS TO WHEEL CENTRAL ARIZONA PROJECT WATER TO THE TOWN.

RESOLUTION NO. (R)15-50

**A RESOLUTION OF THE MAYOR AND COUNCIL OF
THE TOWN OF ORO VALLEY, ARIZONA, TO AMEND
THE TOWN OF ORO VALLEY FINANCIAL AND
BUDGETARY POLICIES SECTION C.3**

WHEREAS, on May 7, 2008, the Town Council approved Resolution No. (R) 08-29, adopting the Town of Oro Valley Financial and Budgetary Policies for the Administration of the financial operations of the Town of Oro Valley; and

WHEREAS, the Water Utility desires to amend the Mayor and Town Council Water Policies Finance Section which requires an amendment to Section C.3 of the Town of Oro Valley Financial and Budgetary Policies; and

WHEREAS, the proposed amendment will be to clarify the Fund Balance Reserve policy in light of the changes made to the Mayor and Town Council Water Policies Finance Sections; and

WHEREAS, the Council has determined that amending the Town of Oro Valley Financial and Budgetary Policies Section C.3, attached hereto as Exhibit "A" and incorporated herein by this reference, is just and appropriate and in the best interest of the Town.

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

SECTION 1. The Town of Oro Valley Financial and Budgetary Policies Section C.3, attached as Exhibit "A", with additions in all CAPS and deletions in ~~striketrough text~~, is hereby approved.

SECTION 2. The Mayor and any other administrative officials of the Town of Oro Valley are hereby authorized to take such steps as are necessary to implement the Town of Oro Valley Financial and Budgetary Policies as amended.

SECTION 3. All Oro Valley Ordinances, Resolutions, or Motions and parts of Ordinances, Resolutions or Motions of the Council in conflict with the provisions of this Resolution are hereby repealed.

PASSED AND ADOPTED by the Mayor and Council of the Town of Oro Valley, Arizona, this 17th day of June, 2015.

TOWN OF ORO VALLEY

Dr. Satish I. Hiremath, Mayor

ATTEST:

Julie K. Bower, Town Clerk

Date: _____

APPROVED AS TO FORM:

Tobin Sidles, Legal Services Director

Date: _____

DRAFT

EXHIBIT “A”

C.3 Fund Balance Reserve Policies

Fund balance reserves will be established to offset difficult economic times, stabilize fluctuations in cash flow requirements, provide for emergency situations threatening the public health or safety and provide for unanticipated increases in service delivery costs, unanticipated declines in revenues, unforeseen opportunities and contingencies. Use of reserves should be utilized only after all budget sources have been examined for available funds, and subject to Town Council approval.

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balances will be classified in the following components:

- A. **Nonspendable Fund Balance:** That portion of a fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, supplies inventory or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. This category was traditionally reported as a “reserved” fund balance under the old standard.
- B. **Restricted Fund Balance:** That portion of a fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either (a) externally imposed by creditors, such as debt covenants, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a “reserved” fund balance under the old standard.
- C. **Committed Fund Balance:** That portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority, and remain binding unless removed in the same manner. This category was traditionally reported as a “designated” fund balance under the old standard.
- D. **Assigned Fund Balance:** That portion of a fund balance that includes amounts that are constrained by the government’s intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose. This category was traditionally reported as a “designated” fund balance under the old standard.
- E. **Unassigned Fund Balance:** That portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance. This category was traditionally reported as an “undesigned” fund balance under the old standard.

The Town shall maintain, at a minimum, a fund balance contingency reserve in the General Fund that represents 25% of the General Fund’s annual expenditures with no use of the General Fund contingency to support ongoing operational expenditures. This minimum reserve amount will be incorporated into the General Fund budget adopted by formal action taken by the Town Council. Accordingly, these reserves will be classified as committed fund balances.

Fund balance reserves may only be appropriated by authorization of the Town Council. A plan will be developed to adequately replenish reserves when appropriations are projected to reduce reserves below the required minimum levels.

When multiple categories of fund balance reserves are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council and unassigned fund balance), the Town will start with the most restricted category – spending those funds first – before moving down to the next category with available funds.

~~Contingency reserves will be maintained at 5% of the operating budget expenditures for the Water Enterprise Fund.~~

THE WATER ENTERPRISE FUND SHALL MAINTAIN A CASH RESERVE IN THE OPERATING FUND OF NOT LESS THAN 20% OF THE COMBINED TOTAL OF THE ANNUAL BUDGETED AMOUNTS FOR PERSONNEL, OPERATIONS AND MAINTENANCE, AND DEBT SERVICE. THIS CASH RESERVE AMOUNT SPECIFICALLY EXCLUDES BUDGETED AMOUNTS FOR CAPITAL PROJECTS, DEPRECIATION, AMORTIZATION AND CONTINGENCY. NO CASH RESERVE IS REQUIRED FOR THE WATER UTILITY IMPACT FEE FUNDS.

All Town budgetary fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the Town's long-term financial forecast.



Town Council Regular Session

Item # 2.

Meeting Date: 06/17/2015
Requested by: Councilmember Hornat & Councilmember Snider
Submitted By: Julie Bower, Town Clerk's Office
Department: Town Clerk's Office

Information

SUBJECT:

DISCUSSION AND POSSIBLE DIRECTION REGARDING A FISCAL YEAR 2015/16 BUDGET AMENDMENT FOR AN APPROPRIATION FROM THE GENERAL FUND FOR STEAM PUMP RANCH IN THE AMOUNT OF \$425,000 AND FROM THE HIGHWAY FUND FOR A NEW BACKHOE IN THE AMOUNT OF \$125,000

RECOMMENDATION:

N/A

EXECUTIVE SUMMARY:

Councilmember Hornat and Councilmember Snider have requested that the item be placed on the agenda for discussion.

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

If approved, this budget amendment would cause the General Fund adopted surplus for FY 2015/16 to reduce by \$425,000 from \$514,521 to \$89,521, for an ending fund balance of \$9,946,137. In the Highway Fund, the planned adopted deficit would increase by \$125,000 from approximately \$1.5 million to \$1.6 million, for an ending fund balance of \$1,270,839.

SUGGESTED MOTION:

I MOVE _____
