



MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING
NOTICE AND AGENDA

11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers, December 18, 2018, at or after 7:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Marana Town Council and to the general public that the Town Council will hold a meeting open to the public on December 18, 2018, at or after 7:00 PM located in the Council Chambers of the Marana Municipal Complex, 11555 W. Civic Center Drive, Marana, Arizona.

ACTION MAY BE TAKEN BY THE COUNCIL ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*.

As a courtesy to others, please turn off or put in silent mode all electronic devices.

Meeting Times

Welcome to this Marana Town Council meeting. Regular Council meetings are usually held the first and third Tuesday of each month at 7:00 PM at the Marana Municipal Complex, although the date or time may change and additional meetings may be called at other times and/or places. Contact the Town Clerk or watch for posted agendas for other meetings. This agenda may be revised up to 24 hours prior to the meeting. In such a case a new agenda will be posted in place of this agenda.

Speaking at Meetings

If you are interested in speaking to the Council during the Call to the Public or Public Hearings, you must fill out a speaker card (located in the lobby outside the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting.

All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly will be removed from the meeting and will not be allowed to return.

Accessibility

To better serve the citizens of Marana and others attending our meetings, the Council Chambers are wheelchair and handicapped accessible. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Town Clerk at (520) 382-1999. Requests should be made as early as possible to arrange the accommodation.

Agendas

Copies of the agenda are available the day of the meeting in the lobby outside the Council Chambers or online at www.maranaaz.gov under Agendas and Minutes. For questions about the Council meetings, special services or procedures, please contact the Town Clerk, at (520) 382-1999, Monday through Friday from 8:00 AM to 5:00 PM.

This Notice and Agenda Posted no later than 24 hours prior to the meeting, at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

REGULAR COUNCIL MEETING

CALL TO ORDER AND ROLL CALL

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE

APPROVAL OF AGENDA

CALL TO THE PUBLIC

At this time any member of the public is allowed to address the Town Council on any issue within the jurisdiction of the Town Council, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Any persons wishing to address the Council must complete a speaker card located outside the Council Chambers and deliver it to the Town Clerk prior to the commencement of the meeting. Individuals addressing a meeting at the Call to the Public will not be provided with electronic technology capabilities beyond the existing voice amplification and recording capabilities in the facilities. Pursuant to the Arizona Open Meeting Law, at the conclusion of Call to the Public, individual members of the Council may respond to criticism made by those who have addressed the Council, and may ask staff to review the matter, or may ask that the matter be placed on a future agenda.

PROCLAMATIONS

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

PRESENTATIONS

- P1 Relating to Budget; presentation of independent auditor's report and final results for the 2017-2018 fiscal year (Yiannis Kalaitzidis)
- P2 Relating to Budget; presentation of first quarter results (July-September) for the Town's General Fund and other selected major funds for the 2018-2019 fiscal year (Yiannis Kalaitzidis)

CONSENT AGENDA

The Consent Agenda contains items requiring action by the Council which are generally routine items not requiring Council discussion. A single motion and affirmative vote will approve all items on the Consent Agenda, including any resolutions or ordinances. Prior to a motion to approve the Consent Agenda, any Council member may remove any item from the Consent Agenda and that item will be discussed and voted upon separately.

- C1 Resolution No. 2018-114: Relating to Public Works; approving and authorizing the Mayor to sign an Intergovernmental Agreement between Pima County and the Town of Marana for Cooperative Public Highway, Road and Street (Roadways) and Intersection Inter-Jurisdictional Maintenance (Mo El-Ali)
- C2 Resolution No. 2018-115: Relating to Police Department; approving and authorizing the Chief of Police and the Town Manager to execute a DUI Abatement Grant Program Grant Agreement number DUIAC-E-117 between the State of Arizona by and through the Oversight Council on Driving or Operating Under the Influence Abatement and the Town of Marana for grant funding for DUI Warrant Detail (Starla Anderson)
- C3 Approval of the Special Council Meeting - Council Connections Minutes from November 30, 2018; Approval of the Regular Council Meeting Minutes from December 4, 2018; Approval of the Special Council Meeting - Legislature Day Minutes from December 11, 2018 (Hilary H. Hiser)

LIQUOR LICENSES

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

- A1 PUBLIC HEARING: Ordinance 2018.023: Relating to Development; approving a rezoning of approximately 17.3 acres of land from 'R-80' (single-family residential) and Zone 'C' (Large Lot Zone) to 'R-8' (single-family residential); and approving a minor amendment to the Marana General Plan amending the land use category from Rural Density Residential (RDR) to Low Density Residential (LDR), generally located .75 miles north of Moore Road on the west

side of Tortolita Road (Cynthia Ross)

- A2 Resolution No. 2018-116: Relating to Intergovernmental Relations; adopting a 2019 Town of Marana Legislative Program and authorizing and directing those authorized to lobby on behalf of the Town of Marana to represent and pursue it (Tony Hunter)

ITEMS FOR DISCUSSION / POSSIBLE ACTION

- D1 Relating to Legislation and Government Actions; discussion and possible action regarding all pending state, federal, and local legislation/ government actions and on recent and upcoming meetings of the other governmental bodies (Jamsheed Mehta)

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

- E1 Executive Session pursuant to A.R.S. §38-431.03 (A)(3), Council may ask for discussion or consultation for legal advice with the Town Attorney concerning any matter listed on this agenda.

FUTURE AGENDA ITEMS

Notwithstanding the mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT



Council-Regular Meeting

P1

Meeting Date: 12/18/2018

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: December 18, 2018

Strategic Plan Focus Area:

Commerce, Community, Heritage, Recreation, Progress & Innovation

Strategic Plan Focus Area Additional Info:

Financial sustainability is an overriding principle of the Strategic Plan.

Subject: Relating to Budget; presentation of independent auditor's report and final results for the 2017-2018 fiscal year (Yiannis Kalaitzidis)

Discussion:

On November 13, 2018, staff provided Council with preliminary financial results for the Town's General Fund and certain other funds for fiscal year 2017-2018. The results presented in November were preliminary, unaudited, and subject to change.

Henry and Horne, LLP, the Town's independent financial statement audit firm, conducted its audit field work in October 2018 and released its opinion to the Town earlier in December 2018. The Town received a clean opinion and the financial results are now final.

The purpose of this presentation is to formally present the final results of the audit and to provide Council with a brief summary of the audit.

Copies of the Comprehensive Annual Financial Report (CAFR) and Annual Expenditure Limitation Report are attached to this item. A Single Audit Report was not required this fiscal year as the Town did not expend more than \$750,000 in federal award funding (the amount that triggers an audit of federal award funding).

Staff Recommendation:

Presentation only.

Suggested Motion:

Presentation only.

Attachments

Town of Marana - Fiscal Year 2017-18 Annual Expenditure Limitation Report

Town of Marana - Fiscal Year 2017-2018 CAFR

Year End Audit Presentation 2018



MARANA AZ

ESTABLISHED 1977

ANNUAL EXPENDITURE LIMITATION REPORT

Year Ended June 30, 2018



Henry+Horne

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT ACCOUNTANTS' REPORT

The Auditor General of the State of Arizona and
The Honorable Mayor and Town Council
of the Town of Marana, Arizona

We have examined the accompanying Annual Expenditure Limitation Report of Town of Marana, Arizona for the year ended June 30, 2018. The Town's management is responsible for presenting this report in accordance with the uniform expenditure reporting system as described in Note 1. Our responsibility is to express an opinion on this report based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether this report is presented in accordance with the uniform expenditure reporting system in all material respects. An examination involves performing procedures to obtain evidence about the amounts and disclosures in the report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the report, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Annual Expenditure Limitation Report of Town of Marana, Arizona, referred to above is presented in accordance with the uniform expenditure reporting system as described in Note 1 in all material respects.

Henry + Horne LLP

Casa Grande, Arizona
December 5, 2018

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART I
YEAR ENDED JUNE 30, 2018

1. Economic Estimates Commission expenditure limitation	\$ 18,365,284
2. Voter-approved alternative expenditure limitation (Approved November 8, 2016) See Note 1	<u>200,393,889</u>
3. Enter applicable amount from Line 1 or Line 2	<u>\$ 200,393,889</u>
4. Amount subject to the expenditure limitation (total amount from Part II, Line C)	<u>123,476,419</u>
5. Board-authorized expenditures necessitated by a disaster the Governor declared	<u>-</u>
6. Board-authorized expenditures necessitated by a disaster the Governor did not declare	<u>-</u>
7. Prior-year, voter-approved expenditures to exceed the expenditure limitation for the reporting fiscal year	<u>-</u>
8. Subtotal	<u>123,476,419</u>
9. Board-authorized excess expenditures for the previous fiscal year necessitated by a disaster the Governor did not declare and the voters did not approve	<u>-</u>
10. Total adjusted amount subject to the expenditure limitation	<u>123,476,419</u>
11. Amount under (in excess of) the expenditure limitation	<u>-</u>
	<u>\$ 76,917,470</u>

I hereby certify, to the best of my knowledge and belief, that the information contained in this report is accurate and in accordance with the requirements of the uniform expenditure reporting system.

Signature of Chief Fiscal Officer: 

Name and Title: Starla Anderson, Deputy Finance Director

Telephone Number: 520-382-1932

Date: December 5, 2018

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-PART II
YEAR ENDED JUNE 30, 2018

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
A. Amounts reported on the Reconciliation, Line D	\$ 88,077,341	\$30,654,415	\$ 4,744,663	\$ -	\$ 123,476,419
B. Less exclusions claimed:					
1. Bond proceeds					
Debt service requirements on bonded indebtedness	-	-	-	-	-
Proceeds from other long-term obligations	-	-	-	-	-
Debt service requirements on other long-term obligations	-	-	-	-	-
2. Dividends, interest, and gains on the sale or redemption of investment securities	-	-	-	-	-
3. Trustee or custodian	-	-	-	-	-
4. Grants and aid from the federal government	-	-	-	-	-
5. Grants, aid, contributions, or gifts from a private agency, organization, or individual, except amounts received in lieu of taxes	-	-	-	-	-
6. Amounts received from the State of Arizona	-	-	-	-	-
7. Quasi-external interfund transactions	-	-	-	-	-
8. Amounts accumulated for the purchase of land, and the purchase or construction of buildings or improvements	-	-	-	-	-
9. Highway user revenues in excess of those received in fiscal year 1979-80	-	-	-	-	-
10. Contracts with other political subdivisions	-	-	-	-	-
11. Refunds, reimbursements, and other recoveries	-	-	-	-	-
12. Voter-approved exclusions not identified above (attach resolution)	-	-	-	-	-
13. Prior years carryforward	-	-	-	-	-
14. Qualifying capital improvement expenditures repaid in accordance with A.R.S. §41-1279.07	-	-	-	-	-
15. Total exclusions claimed	-	-	-	-	-
C. Amounts subject to the expenditure limitation	<u>\$ 88,077,341</u>	<u>\$30,654,415</u>	<u>\$ 4,744,663</u>	<u>\$ -</u>	<u>\$ 123,476,419</u>

TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT-RECONCILIATION
YEAR ENDED JUNE 30, 2018

Description	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Total expenditures/expenses/deductions and applicable other financing uses, special items, and extraordinary items					
A. reported within the fund financial statements	\$ 88,165,429	\$ 12,393,418	\$ 4,744,663	\$ -	\$ 105,303,510
B. Deductions:					
1. Items not requiring use of working capital:					
Depreciation	-	3,573,969	-	-	3,573,969
Loss on disposal of capital assets	-	1,341,902	-	-	1,341,902
Bad debt expense	-	-	-	-	-
Other postemployment benefits (OPEB) expense	-	-	-	-	-
Claims incurred but not reported (IBNR)	-	-	-	-	-
Landfill closure and postclosure care costs	-	-	-	-	-
Pension Expense	-	171,249	-	-	171,249
2. Expenditures of separate legal entities established under Arizona Revised Statutes	-	-	-	-	-
3. Required fees paid to the Arizona Department of Revenue	88,088	-	-	-	88,088
4. Present value of net minimum capital lease and installment purchase contract payments recorded as expenditures at inception of the agreements	-	-	-	-	-
5. Involuntary court judgments	-	-	-	-	-
6. Total subtractions	88,088	5,087,120	-	-	5,175,208
C. Additions:					
1. Principal payments on long-term debt	-	378,173	-	-	378,173
2. Acquisition of capital assets	-	22,773,021	-	-	22,773,021
3. Claims paid in the current year but reported as expenses incurred but not reported in previous years	-	-	-	-	-
4. Landfill closure and postclosure care costs paid in the current year but reported as expenses in previous years	-	-	-	-	-
5. Pension Contributions	-	196,923	-	-	196,923
6. Total additions	-	23,348,117	-	-	23,348,117
D. Amounts reported on Part II, Line A	\$ 88,077,341	\$ 30,654,415	\$ 4,744,663	\$ -	\$ 123,476,419



TOWN OF MARANA, ARIZONA
ANNUAL EXPENDITURE LIMITATION REPORT
Year Ended June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Annual Expenditure Limitation Report (AELR) is presented as prescribed by the Uniform Expenditure Reporting System (UERS), as required by Arizona Revised Statutes §41-1279.07, and in accordance with the voter-approved alternative expenditure limitation adopted November 8, 2016, as authorized by the Arizona Constitution, Article IX, §20 (9).

In accordance with the UERS requirements, a note to the AELR is presented below for any exclusion claimed on part II and each subtraction or addition in the Reconciliation that cannot be traced directly to an amount reported in the fund financial statements. All references to financial statement amounts in the following notes refer to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds, Statement of Revenues, Expenses, and Changes in Net Position for the Proprietary Funds, Statement of Cash Flows for the Proprietary Funds, the Statement of Changes in Fiduciary Net Position for the Fiduciary Funds, and the Employee Retirement Systems disclosure.

NOTE 2 RECONCILIATION DEDUCTIONS AND ADDITIONS

The subtraction of \$171,249 for pension expense consists of the change in the net pension liability recognized in the current year in the Enterprise Funds. The addition of \$196,923 for pension contributions paid in the current year consists of the required pension contributions made to the Arizona State Retirement System from the Enterprise Funds.

The addition of \$378,173 for principal payments on long-term debt in the Enterprise Funds consists of \$219,485 paid on loans payable and \$158,688 paid on bonds payable, during the current fiscal year. The addition for the acquisition of capital assets consists of \$22,764,448 paid for various capital assets in the Enterprise Funds.

The subtraction of \$88,088 for fees required by law to be paid to Arizona state agencies consists of payments to the Arizona Department of Revenue as required by Laws 2015, Chapter 323, HB2617, which were recorded as general government expenditures.

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30

2018



**TOWN OF MARANA, ARIZONA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:
Town of Marana Finance Department

11555 W. Civic Center Dr., A3
Marana, Arizona 85653

TOWN OF MARANA, ARIZONA

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INTRODUCTORY SECTION



December 5, 2018

The Honorable Mayor and Town Council, and Citizens of the Town of Marana, Arizona:

State statutes require that cities and towns publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual financial report of the Town of Marana, Arizona (Town) for the fiscal year ended June 30, 2018.

This report consists of senior management's representations concerning the finances of the Town. Consequently, senior management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to protect both the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Henry & Horne, LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Marana, incorporated in 1977, is located in northern Pima County and has historically been one of the fastest growing communities in Arizona. Straddling Interstate 10, Marana is only 10 miles north of downtown Tucson and 90 miles south of downtown Phoenix. Marana's original incorporation covered approximately ten square miles. The Town's planning area currently occupies over 120 square miles and serves a population in excess

of 44,000.

In its infancy, the Town was primarily a rural, agricultural community. However, through annexations and planned growth, the Town is now home to several residential, commercial and industrial developments, including Continental Ranch, Continental Reserve, Sunflower, Heritage Highlands, Dove Mountain, Saguaro Ranch, Sky Ranch, Saguaro Bloom, Continental Ranch Business Park, Arizona Pavilions, and the Marana Center.

Legislative authority for the Town of Marana is vested in a seven-member Mayor and Council. Voters of the Town directly elect the Mayor. Council-members serve four-year staggered terms.

The Council fixes the duties and compensation of Town officials and employees, and enacts ordinances and resolutions relating to Town services, taxes, appropriating and borrowing monies, licensing and regulating businesses and trades and other municipal purposes. The Town Council appoints the Town Manager who has full responsibility for executing Council policies and administering Town operations. Town employees are hired under personnel rules approved by the Council. A staff of approximately 355 employees is responsible for the functions and operations of the Town government.

Economic Condition and Outlook

The local economy continued to improve during the current fiscal year. Revenues in the General Fund grew by approximately 9% overall with growth in licenses, fees and permits revenues of 15%. Transaction privilege taxes grew by \$1.9 million or 7.7% overall, which demonstrates continued growth and improvement in the economy. The Town has seen improvements in economically sensitive revenues over the past several years and the revenue forecast for fiscal year 2018-19 anticipates a continuation of General Fund revenue growth of 2.2%. Expenditures in the General Fund grew by approximately 2.7% overall. The Town was able to provide team based merit increases to employees while maintaining costs in commodities and services received in order to stay within budget. The General Fund expenditures were \$8.6 million under budget. The Town's budget is structurally balanced with ongoing revenues supporting ongoing expenditures. One-time revenues like contracting transaction privilege taxes and building permits support one-time expenditures. The budget maintains the investment planning, which includes three investment priorities: current employees, resources and tools, and strategic positions.

Current Condition

As described above, key revenues including transaction privilege taxes and licenses, fees and permits revenues were higher from previous years. The Town established and maintains an investment plan as a way to guide decisions made during future year's budgetary processes. Even, as revenues grow in future years, the investment plan will serve as a guide in the allocation of resources as they become available. Both the current and future programs are measured for alignment with the Strategic Plan as well as the investment plan. Those programs that are more precisely aligned with those plans and those that are sustainable are more likely to receive funding. The financial performance of the Town as a whole is reflected in its governmental funds.

As of June 30, 2018, the Town's governmental funds reported a combined fund balance of \$72.4 million, of which \$22.3 million is unassigned and available for spending at the Town's discretion.

The Town, like most municipalities, is significantly dependent upon transaction privilege tax revenues which are subject to economic fluctuations. Transaction privilege tax revenues comprised 58.4% of general fund revenues. Of those revenues, retail comprised 51.8% and restaurants and bars, construction, and utilities comprised 30.9% of total transaction privilege tax revenues. Sales taxes and revenues related to the residential and commercial construction industry continued to improve during the fiscal year. The Council approved a temporary half-cent sales tax increase, which began on July 1, 2015, for the construction of a new police facility. On October 16, 2018, Town Council repealed the half-cent sales tax effective January 1, 2019.

Future Economic Outlook

The Town of Marana has recovered from the recession in several key areas including most transaction privilege tax industry groups. The Town's goal in managing budgets is to structurally balance on-going revenues matched with on-going expenses and one-time revenues aligned with one-time expenses. The Town has been able to make strategic reinvestments in existing programs and minor investments in new programs that provide the opportunity to further position the Town as the place to live, work and play. Marana continues to lead the region in the construction of new single-family homes, with 818 new homes permitted in fiscal year 2018. In the past year, the Town has also completed construction of major community improvements, including the new Water Reclamation Facility, a major expansion to the Tangerine Road Corridor, as well as the new Tangerine Sky Community Park, and the Splash Pad at Crossroads District Park. Commercial growth continues in Marana, with several new medical facilities opening or constructing this year, including the Northwest Emergency Hospital on Twin Peaks, and the Carondelet Micro-Hospital on Cortaro, and exciting new amenities such as the upcoming Hampton Inn at Marana Center, and Top Golf, the only recreational facility of its kind in Southern Arizona. The Town will continue to facilitate economic growth through infrastructure projects in the coming year, with road, water, and parks infrastructure projects planned throughout the community.

Accomplishments and Initiatives

During fiscal year 2018, the Town had several significant accomplishments and initiatives.

Strategic Plan IV

In September 2017 the Town released Strategic Plan IV. This document presents updated goals and initiatives outlining the vision for the future, and focuses on ensuring financial sustainability, quality public service, strategic partnerships, and local resource investment. The five focus areas are commerce, community, innovation, heritage, and recreation.

Commissioning of the New Water Reclamation Facility

Marana is the fastest-growing community in Southern Arizona. To accommodate that desert growth requires water, and several years ago the Town Council made a decision to invest in that precious resource for future generations. The new Water Reclamation Facility will allow reclaimed Marana water to be treated here and to be recharged back into the aquifer, affording the Town valuable water credits for future growth.

New Marana Public Safety Facility

Several years in development, the Town of Marana welcomed a new addition to its Municipal Complex campus this year: the brand-new Public Safety Facility. The Town Council had voted to institute a temporary half-cent sales tax increase specifically allocated to fund the facility, and have now voted again to sunset the increase as of January 2019. The state-of-the-art facility houses a growing police force with everything they need to serve and protect the Marana community.

Animal Services Division

The Town of Marana is always trying to find ways to serve its residents in more efficient and effective ways. This past year saw the development of the Town's own Animal Services Division created specifically to serve that purpose. Previously, the Town had been part of a regional contract for these services, but had received many reports that the customer service was lacking. For the same cost, the Town has been able to operate its own Animal Services division and provide high-quality service directly to Marana residents and their pets.

Tangerine Corridor Expansion

Part of the Regional Transportation Authority plan, this road expansion project spanned three jurisdictions, from Marana, to Pima County, to Oro Valley. With the Town of Marana as Project Manager, the Tangerine Road Expansion included an addition of two new lanes, a landscaped median, multi-use pedestrian and cyclist paths, drainage improvements, and wildlife corridors. With the connection to Twin Peaks Road, the expansion of Tangerine

Road creates a beautified corridor from Interstate 10 to Oracle Road, representing a major economic opportunity for the three communities involved.

Expenditure Limitation

One June 30, 1980 Arizona voters approved general propositions amending the Arizona Constitution to establish expenditure and revenue limitations for local governments. The purpose of the expenditure limitation is to control expenditures and to limit future increases in spending to adjustments for inflation, deflation and population growth of the Town.

On November 8, 2016, the voters of the Town approved an alternative expenditure limitation, the effect of which is that the total budgeted expenditures of each yearly budget becomes the expenditure limitation for that year on a total budget basis. This alternative expenditure limitation is effective for four years.

Single Audit

As a recipient of Federal, State and County financial assistance, the Town is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. Internal control is subject to periodic evaluation by management.

The Office of Management and Budget (OMB) set the single audit (OMB Circular A-133) threshold for federal awards to \$750,000. As such, the Town did not meet the minimum threshold to have a single audit performed.

Certificate of Achievement

The Government Finance Officers Association of the United States (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Marana for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2017. This was the tenth consecutive year that the Town has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a one-year period only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to GFOA for consideration.

Acknowledgements

The preparation of this report would not have been possible without the efficient, effective and dedicated services of the entire staff of the Finance Department and the assistance of personnel in the various departments. We would like to express our appreciation to all members who assisted and contributed to the preparation of this report.

We would also wish to express our sincere appreciation to the Mayor and Council for unfailing support in maintaining the highest standards of professionalism in the management of the Town of Marana's finances.

Respectfully submitted,



Jamsheed Mehta
Town Manager



Yiannis Kalaitzidis
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Marana
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

**TOWN OF MARANA, ARIZONA
PRINCIPAL OFFICIALS OF THE TOWN OF MARANA
FISCAL YEAR 2018**

MAYOR AND COUNCIL

Ed Honea, Mayor

Jon Post, Vice Mayor	Herb Kai, Councilmember
John Officer, Councilmember	Roxanne Ziegler, Councilmember
Dave Bowen, Councilmember	Patti Comerford, Councilmember

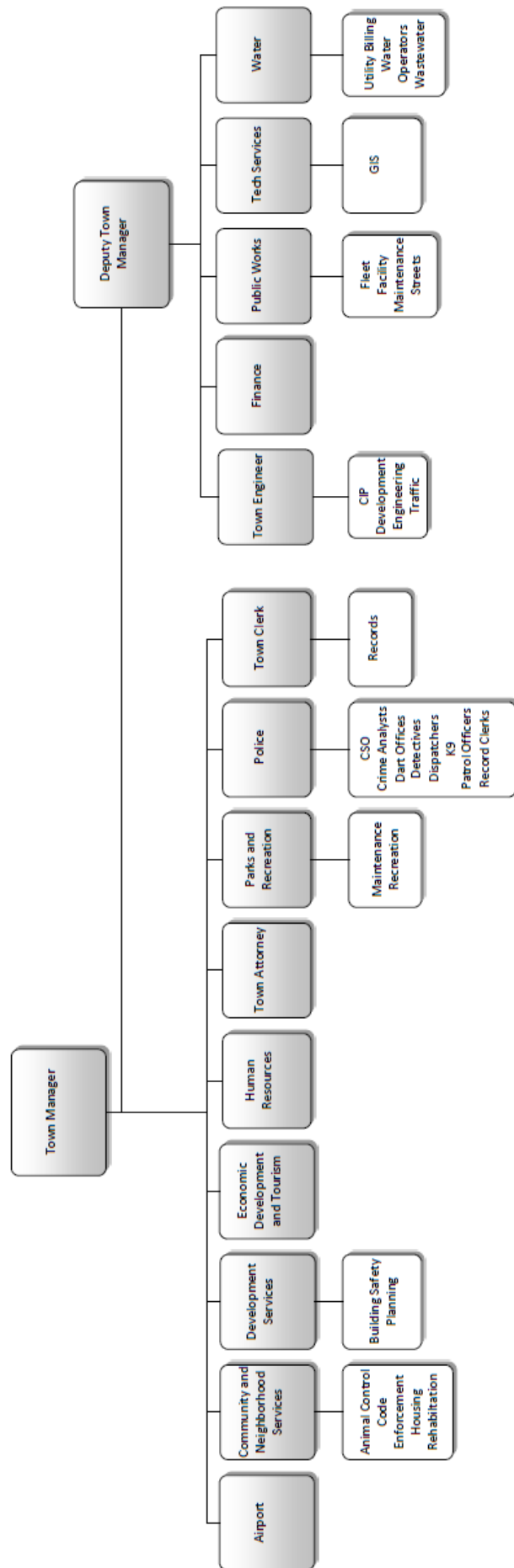
MANAGEMENT STAFF

Jamsheed Mehta, Town Manager
Erik Montague, Deputy Town Manager

DEPARTMENT HEADS

Jason Angell, Development Services Director	Curry C. Hale, Human Resources Director
Hilary Hiser, Interim Town Clerk	Frank Cassidy, Town Attorney
Keith Brann, Town Engineer	Yiannis Kalaitzidis, Finance Director
Mo El-Ali, Public Works Director	Steve Miller, Airport Director
Terry Rozema, Police Chief	Laine Sklar, Town Magistrate
Lisa Shafer, Community Development and Neighborhood Services Director	Vacant, Technology Services Director
Jim Conroy, Parks and Recreation Director	John Kmiec, Utilities Director
Curt Woody, Director of Economic Development	

TOWN OF MARANA, ARIZONA ORGANIZATIONAL CHART FISCAL YEAR 2018





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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Town Council
Town of Marana, Arizona
Marana, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Marana, Arizona, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Highway User Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the 2017 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Marana, Arizona's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the

basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Compliance Over the Use of Highway User Revenue Fund and Other Dedicated State Transportation Revenue Monies

In connection with our audit, nothing came to our attention that caused us to believe that the Town of Marana, Arizona failed to use highway user revenue fund monies received by the Town pursuant to Arizona Revised Statutes Title 28, Chapter 18, Article 2, and any other dedicated state transportation revenues received by the Town of Marana solely for the authorized transportation purposes, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Town of Marana's noncompliance with the use of highway user revenue fund monies and other dedicated state transportation revenues, insofar as they relate to accounting matters.

The communication related to compliance over the use of highway user revenue fund and other dedicated state transportation revenue monies in the preceding paragraph is intended solely for the information and use of the members of the Arizona State Legislature, the Board of Supervisors, management, and other responsible parties with the Town and is not intended to be and should not be used by anyone other than these specified parties.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2018 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marana, Arizona's, internal control over financial reporting and compliance.

Henry & Horne LLP

Casa Grande, Arizona
December 5, 2018



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**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)**



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**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

As management of the Town of Marana, Arizona, (Town) we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The Town's total net position increased by \$26.5 million or 7.9 percent from the previous fiscal year 2016-17. The increase is primarily due to an increase in capital asset. The increase in capital assets is primarily due to the Tangerine Road Corridor project, Police Facility project, Wastewater Facility project, and developer contributions of road, water, and wastewater infrastructure.
- General revenues from governmental activities, excluding transfers, accounted for \$55.8 million in revenue, or 57.7 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$40.9 million or 42.3 percent of total revenues from governmental activities. The Town had \$17.3 million of program revenues related to business-type activities. Overall revenues have decreased by 5.6 percent, which can be attributed to a decrease in governmental capital grants and contributions. This decrease is primarily due to a decrease in reimbursements for the Tangerine Road Corridor project. The largest increases in revenue in fiscal year 2017-18 was an 11.2 percent increase in sales taxes, a 203.2 percent increase in investment income, and an 11.7 percent increase in charges for services.
- The General Fund had \$46.6 million in fiscal year 2017-18 revenues, which primarily consisted of sales taxes, intergovernmental revenue and licenses, fees and permits. The General fund had \$37.7 million of expenditures, \$3.1 million transfers in, and \$7.5 million in required transfers out during the year. The \$4.5 million fund balance increase is attributed to higher than anticipated revenues in sales taxes and licenses, fees and permits as well as prudent use of Town funds for departmental expenditures.
- Highway User Revenue Fund revenues continue to grow in fiscal year 2017-18 at \$3.3 million. Expenditures were 21 percent lower than the previous year due to delayed projects for the pavement preservation program. Fund balance increased by \$495,339 and ended the fiscal year at \$1.9 million.
- Tangerine Farms Road Improvement District Debt Service Fund, which accounts for special assessments, had a \$707,418 fund balance attributable to the accumulation of prepaid assessments and resources required for debt service payment.
- The PAG/RTA Capital Fund remains a major fund in fiscal year 2017-18 due to the continued increase in revenues and expenditures primarily related to the Tangerine Road Corridor project. The revenues decreased 38.29 percent and the expenditures decreased 43.46 percent as this project is nearing completion.
- The Sales Tax Capital Fund became a major fund in fiscal year 2017-18 due to the increased liabilities and expenditures related to the Police Facility project. The project is expected to be complete in fiscal year 2018-19. Fund balance at the end of the year was \$3.1 million.
- The Transportation Fund had an increase in revenue of 31.14 percent in fiscal year 2017-18 due to increase tax revenues. There was an increase of 383.93 percent in expenditures due to certain transportation improvement projects.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. All of the activities of the Town, except those of a fiduciary nature, are included in these statements.

The Town's activities are presented in two columns on these statements; governmental activities and business-type activities. A total column for these activities is also provided.

- The governmental activities include basic services of the Town including general government (administration), public safety (police and building safety), highways and streets, health and welfare, economic and community development, and culture and recreation. These activities are primarily supported by general taxes and revenues.
- The business-type activities include the private sector-type activities such as water utility, wastewater utility, and airport operations. These activities are supported primarily through user charges and fees.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. The focus on net position is important because increases and decreases in net position may serve as a useful indicator of how the financial position of the Town may be changing. Increases may indicate an improved financial position. However, decreases in net position may not necessarily indicate the Town's financial position is deteriorating. Instead, it may reflect a situation where the Town may have used previously accumulated funds (i.e., cash collected over time to fund capital projects). As a result, other financial and non-financial indicators must also be considered to effectively assess the Town's overall financial health.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. Since economic resources measurement focus and accrual basis of accounting are used for the government-wide financial statements, all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and long-term debt that has not matured). This statement also focuses on both the gross and net costs of various Town functions, based only on direct functional revenues and expenses. This is designed to show the extent to which the various functions are dependent on general taxes and revenues for support.

In addition to the Town itself (primary government), the government-wide financial statements also the Gladden Farms Community Facilities District, Gladden Farms Community Facilities District II, Vanderbilt Farms Community Facilities District and Saguaro Springs Community Facilities District are blended component units.

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. Also presented are the financial statements for governmental funds and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements and determining what financial resources are available in the near future to fund Town programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it may be useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decision. To facilitate this comparison, reconciliations of the differences between the governmental fund balance sheet and statement of revenues, expenditures and changes in fund balances and government-wide statement of net position and statement of activities are provided immediately following the respective governmental fund statements.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, PAG/RTA Capital, Sales Tax Capital, and Transportation Capital Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules. These statements are included as supplementary information after the basic financial statements starting on page 104.

The Town adopts an annual budget and legally allocates (or appropriates) available monies for the General, Highway User Revenue, Tangerine Farms Road Improvement District Debt Service, PAG/RTA Capital, Sales Tax Capital, Transportation Capital, and other non-major governmental funds. Budgetary comparison statements are provided for the General Fund and Highway User Revenue fund within the basic financial statements on pages 40-41. Budgetary comparison schedules have been presented for the Town's major debt and capital funds on pages 99-102, and budgetary comparison schedules have been presented for the Town's non-major funds to demonstrate compliance with the annual budget.

The basic governmental fund financial statements can be found on pages 32-39 of this report.

Proprietary funds. The Town maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its water, wastewater and airport services, which are primarily supported by user charges and fees. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for the employee health and dental benefits. Because the services of internal service funds predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

Required supplementary information other than MD&A. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's progress in funding its obligation to provide pension and OPEB benefits to its employees. Governments are required to disclose certain information about employee pension funds. These disclosures are included within Note 10 Employee Retirement Systems beginning on page 63 in addition to the information on pages 86-94 reported as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$361.6 million as of June 30, 2018. Current and other assets decreased \$16.6 million or 17.5 percent primarily due to a lower cash position. This is a result of bond proceeds that were spent for Wastewater projects. Noncurrent assets decreased primarily due to a restatement, which is included in the note disclosures within Note 2 Restatement of Net Position. The current liabilities increased by \$6.4 million or 35.4 percent, which is attributable to an increase in accounts payable, accrued interest payable, and the special assessment bond and revenue bond payments due within one year.

Net position. The majority of the Town's net position reflects its investment in capital assets (land, building and improvements, infrastructure, vehicles and equipment and construction in progress) net of accumulated depreciation and any related outstanding debt used to acquire or construct those assets. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the Town's net position represents resources that are subject to external restrictions on how they may be used.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the Town's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

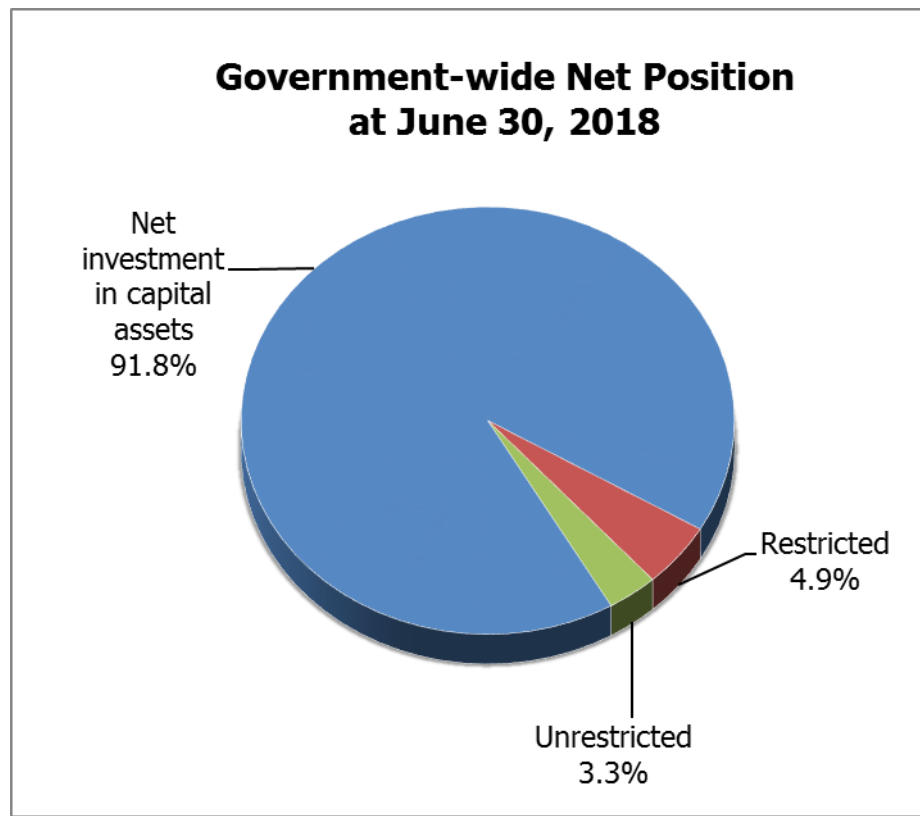
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$99,908,458	\$97,771,267	\$ 1,134,123	\$ 22,934,999	\$101,042,581	\$120,706,266
Capital assets, net	298,014,680	273,651,004	120,068,186	126,192,867	418,082,866	399,843,871
Total assets, net	397,923,138	371,422,271	121,202,309	149,127,866	519,125,447	520,550,137
Deferred outflows related to pensions	8,973,655	10,253,753	372,785	573,413	9,346,440	10,827,166
Deferred charge on refunding	1,751,302	1,879,822	-	-	1,751,302	1,879,822
Total deferred outflows of resources	10,724,957	12,133,575	372,785	573,413	11,097,742	12,706,988
Current and other liabilities	21,084,296	13,558,120	3,447,782	4,553,503	24,532,078	18,111,623
Long-term liabilities	115,703,142	120,641,925	26,161,056	26,657,272	141,864,198	147,299,197
Total liabilities	136,787,438	134,200,045	29,608,838	31,210,775	166,396,276	165,410,820
Deferred inflows related to pensions	2,138,953	2,936,513	108,826	282,195	2,247,779	3,218,708
Total deferred inflows of resources	2,138,953	2,936,513	108,826	282,195	2,247,779	3,218,708
Net position:						
Net investment in capital assets	236,207,921	210,137,199	95,777,056	101,523,564	331,984,977	311,660,763
Restricted	17,241,379	31,162,624	365,485	365,485	17,606,864	31,528,109
Unrestricted	16,272,404	5,119,465	(4,285,111)	16,319,260	11,987,293	21,438,725
Total net position	\$269,721,704	\$246,419,288	\$91,857,430	\$118,208,309	\$361,579,134	\$364,627,597

Net investment in capital assets, which reflects the Town's investment in capital assets net of accumulated depreciation and any related outstanding debt issued to acquire or construct those assets, was \$331.6 million or 91.8 percent, which represents the largest portion of net position. This portion of net position increased by \$20.3 million as of June 30, 2018. Increases in capital assets of \$70.5 million due to capital asset related expenditures and donated assets as well as decreases to outstanding debt as a result of regular principal payments contributed to the increase in net investment in capital assets. This increase was offset by deletions to capital assets as well as a restatement, which reduced the capital assets in the Wastewater fund.

The second portion of net position of \$17.6 million or 4.9 percent represents resources that are subject to external restrictions on how they may be utilized. The decrease of \$13.9 million or 44.2 percent is primarily due to the spending of impact fees toward capital projects.

The third portion consists of unrestricted net position of \$12 million or 3.3 percent. The unrestricted balance has decreased by \$9.5 million. The business-type activities had a decrease in unrestricted net position of \$20.6 million primarily related to the spent bond proceeds for the Wastewater Reclamation Facility. This decrease was offset by an increase of \$11.1 million in the governmental activities unrestricted net position primarily due to increases in General Fund and Transportation resources.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**



Changes in net position. The Town's total revenues for the fiscal year ended June 30, 2018, were \$114.2 million, which was an overall decrease of \$6.8 million or 5.6 percent. Specifically, the decrease of \$18.5 million was in governmental activities capital grants and contributions, which is due to reimbursable project costs decreasing related to the Tangerine Road Corridor project. The decrease was offset by increases in all other categories. Sales tax revenues overall have also continued to increase \$4.2 million or 11.2 percent, which is largely due to new commercial development and an overall recovering economy. Additionally, charges for services and state shared revenues continued to increase due to continued growth.

The total cost of all programs and services was \$87.7 million. The decrease of \$13.3 million or 13.1 percent is primarily attributable to reduced spending on the Tangerine Road Corridor project costs related to other jurisdictions. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$10,389,946	\$ 9,550,903	\$ 7,405,399	\$ 6,380,137	\$17,795,345	\$15,931,040
Operating grants and contributions	4,665,038	4,619,454	-	-	4,665,038	4,619,454
Capital grants and contributions	25,856,050	44,370,835	9,890,570	5,940,747	35,746,620	50,311,582
General revenues:						
Sales taxes	41,689,482	37,500,219	-	-	41,689,482	37,500,219
Property taxes	553,403	508,819	-	-	553,403	508,819
Franchise taxes	507,073	488,477	-	-	507,073	488,477
State shared revenues	11,505,675	10,619,017	-	-	11,505,675	10,619,017
Investment income	662,797	237,809	187,213	42,545	850,010	280,354
Miscellaneous revenues	885,174	744,452	29,580	54,031	914,754	798,483
Total revenues	96,714,638	108,639,985	17,512,762	12,417,460	114,227,400	121,057,445
Expenses:						
General government	18,491,725	19,393,387	-	-	18,491,725	19,393,387
Public safety	16,114,146	16,735,675	-	-	16,114,146	16,735,675
Highways and streets	27,892,754	40,172,247	-	-	27,892,754	40,172,247
Health and welfare	236,628	277,906	-	-	236,628	277,906
Economic and community development	4,328,283	4,901,872	-	-	4,328,283	4,901,872
Culture and recreation	5,146,978	6,006,335	-	-	5,146,978	6,006,335
Interest on long-term debt	3,076,938	2,335,044	-	-	3,076,938	2,335,044
Water	-	-	5,979,081	5,367,466	5,979,081	5,367,466
Wastewater	-	-	4,598,115	3,982,665	4,598,115	3,982,665
Airport	-	-	1,816,222	1,772,285	1,816,222	1,772,285
Total expenses	75,287,452	89,822,466	12,393,418	11,122,416	87,680,870	100,944,882
Increase / (decrease) in net position before transfers	21,427,186	18,817,519	5,119,344	1,295,044	26,546,530	20,112,563
Transfers	1,875,230	(2,878,195)	(1,875,230)	2,878,195	-	-
Increase / (decrease) in net position	23,302,416	15,939,324	3,244,114	4,173,239	26,546,530	20,112,563
Net position, beginning of year, as restated	246,419,288	230,479,964	88,613,316	114,035,070	335,032,604	344,515,034
Net position, end of year	\$269,721,704	\$246,419,288	\$91,857,430	\$118,208,309	\$361,579,134	\$364,627,597

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

Governmental Activities. Governmental activities increased net position by \$23.3 million for fiscal year ended June 30, 2018. This increase is attributable to the increases in charges for services, sales tax revenue and state shared revenues. Also, as previously mentioned, the economic resources measurement focus is used for reporting government-wide financial information, as such, there was an increase in capital expenditures of \$19 million and contributions of infrastructure assets of \$6.9 million, which contributed to the increase in governmental net position. The sales tax revenue increased by \$4.2 million from the prior year, which is a larger increase from the prior year due to continued development and economic growth.

Transfers decreased by \$4.8 million from the prior year. This is primarily due to a one time transfer of funds in the prior year of \$3.2 million from refunding bonds to the Wastewater fund. Primarily the \$1.8 million of transfers are contributions from Water and Wastewater to governmental activities for debt service payments.

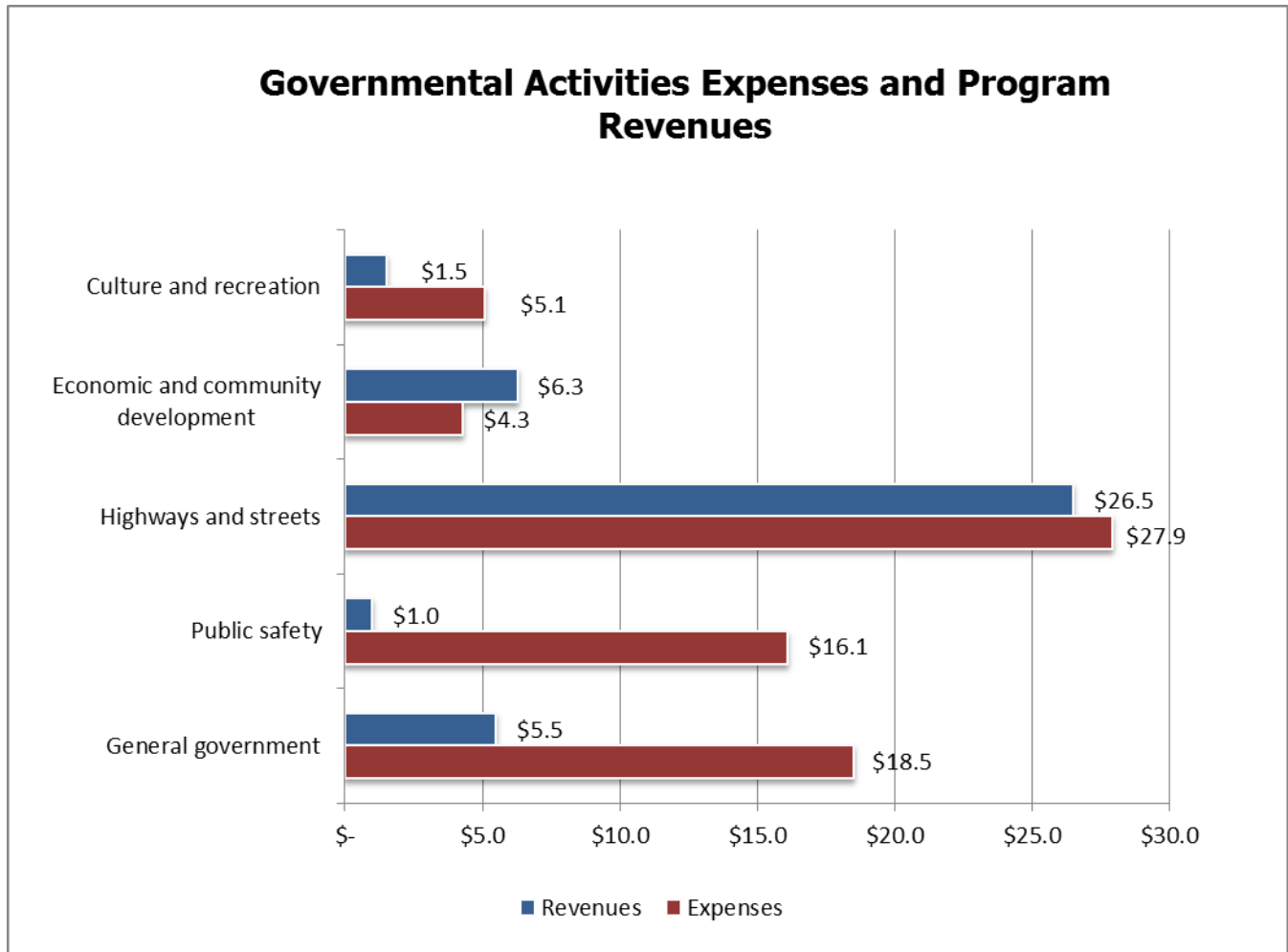
The following table presents the cost of the nine major Town functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and Town's taxpayers by each of these functions.

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Governmental Activities				
General government	\$ 18,491,725	\$ (12,954,447)	\$ 19,393,387	\$(14,113,064)
Public safety	16,114,146	(15,148,667)	16,735,675	(15,805,657)
Highways and streets	27,892,754	(1,349,573)	40,172,247	4,836,412
Health and welfare	236,628	(212,948)	277,906	(256,595)
Economic and community development	4,328,283	1,967,506	4,901,872	1,190,122
Culture and recreation	5,146,978	(3,601,351)	6,006,335	(4,797,448)
Interest on long-term debt	3,076,938	(3,076,938)	2,335,044	(2,335,044)
Total	\$ 75,287,452	\$ (34,376,418)	\$ 89,822,466	\$(31,281,274)
Business-Type Activities				
Water	5,979,081	\$ 6,387,711	\$ 5,367,466	\$ 3,048,700
Wastewater	4,598,115	7,686	3,982,665	(1,153,624)
Airport	1,816,222	(1,492,846)	1,772,285	(696,608)
Total	\$ 12,393,415	\$ 4,902,551	\$ 11,122,416	\$ 1,198,468

- The cost of all governmental activities this year was \$75.3 million. The 16.2 percent decrease in governmental activities expenses is primarily due to a reduction in highways and streets costs associated with the Tangerine Road Corridor project, which decreased \$11.7 million. Depreciation was lower in the current year by approximately \$900,000.
- Net cost of governmental activities of \$34.4 million was largely financed by general revenues, which are made up of primarily sales taxes totaling \$41.7 million.
- The Wastewater fund expenses increased \$0.6 million or 15.5 percent. This is primarily due to a loss on disposal of capital assets.

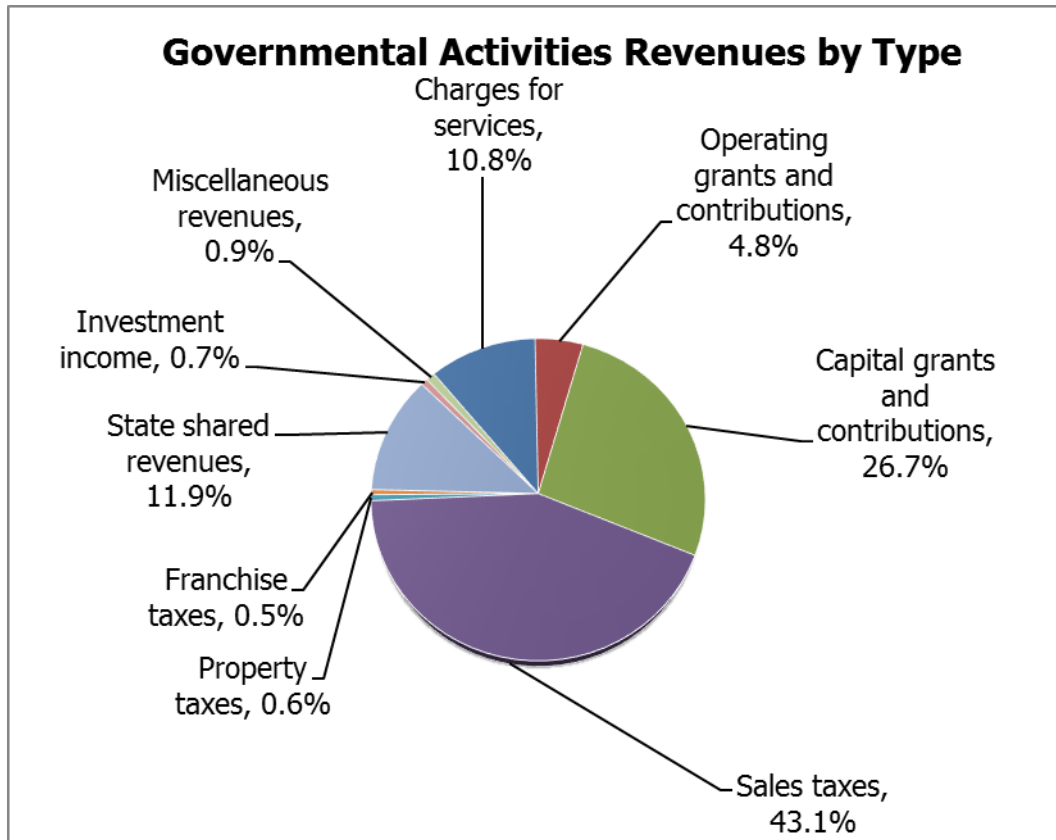
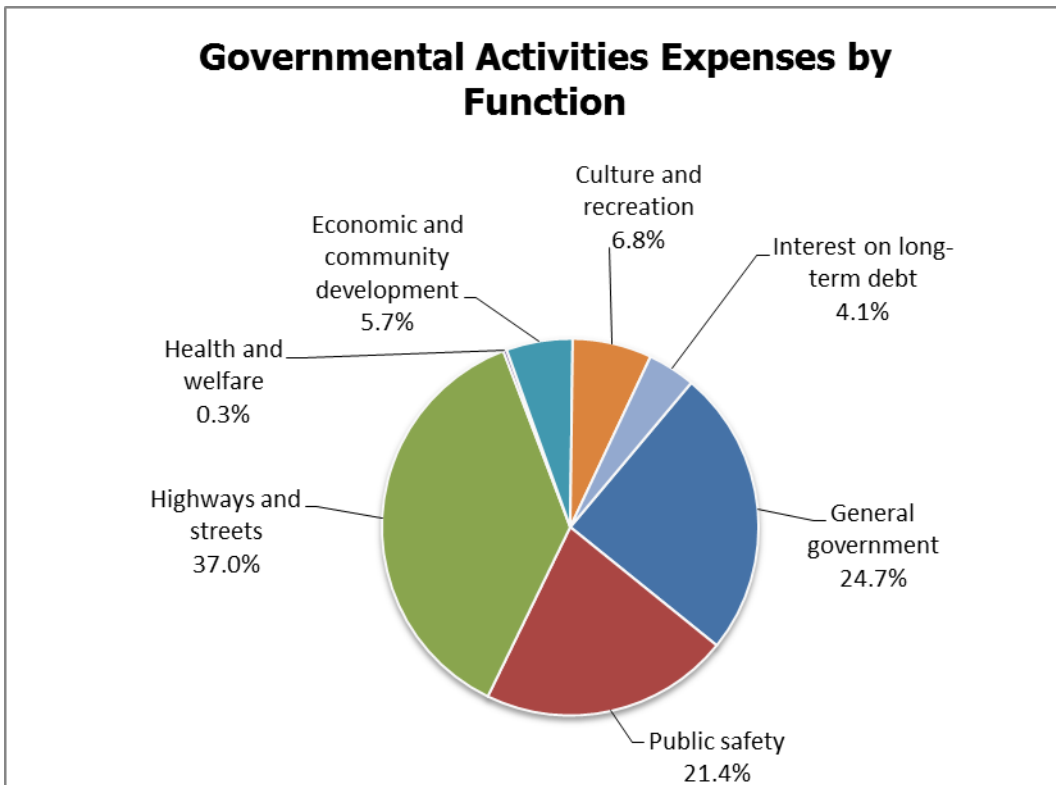
**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

The following graph shows the functional revenues and expenses of the governmental activities in order to demonstrate the extent to which the governmental functions produce direct revenues to offset related program costs. It should be noted that this graph is not intended to represent a full allocation to these functions. As described above, expenses not covered by direct program revenues are covered by the Town's general revenues which consist primarily of taxes and unrestricted State shared revenues. In governmental activities, the functional revenues of \$40.9 million are 54.3 percent of expenses for fiscal year 2018, down from 65.2 percent a year earlier. As described earlier, this decrease is attributable to lower collections in the capital grants and contributions revenues related to a one time reimbursements of major capital projects.



As seen on the following graphs, the largest revenue source for the Town's governmental activities is sales tax revenues at 43.1 percent, followed by capital grants and contributions at 26.7 percent, State shared revenues at 11.9 percent, and charges for services at 10.8 percent. This is a change from the prior year, as capital grants and contributions were the largest revenue source in fiscal year 2017. Again, this is due to rising sales tax collections and the reduction in reimbursements related to the Tangerine Road project. The Town's largest expense category is highways and streets at 37.0 percent, followed by general government at 24.7 percent and public safety at 21.4 percent.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**



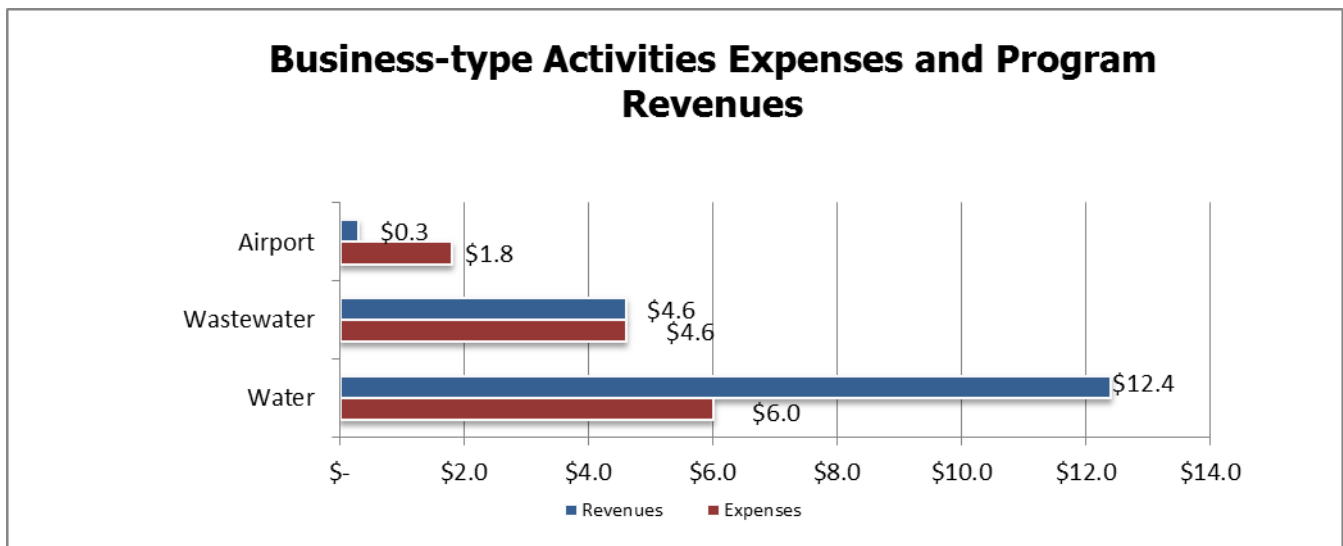
**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

Business-type Activities

Business-type activities' net position increased by \$3.2 million for fiscal year ended June 30, 2018. This increase is largely related to capital contributions in the Water fund of developer contributed infrastructure. Charges for services increased slightly due to continued growth.

Capital grants and contributions increased by \$3.9 million or 66.5 percent. This was primarily due to an increase in infrastructure contributed to the Town from developers largely for Water and Wastewater related infrastructure in Gladden Farms and Saguaro Springs (Bloom).

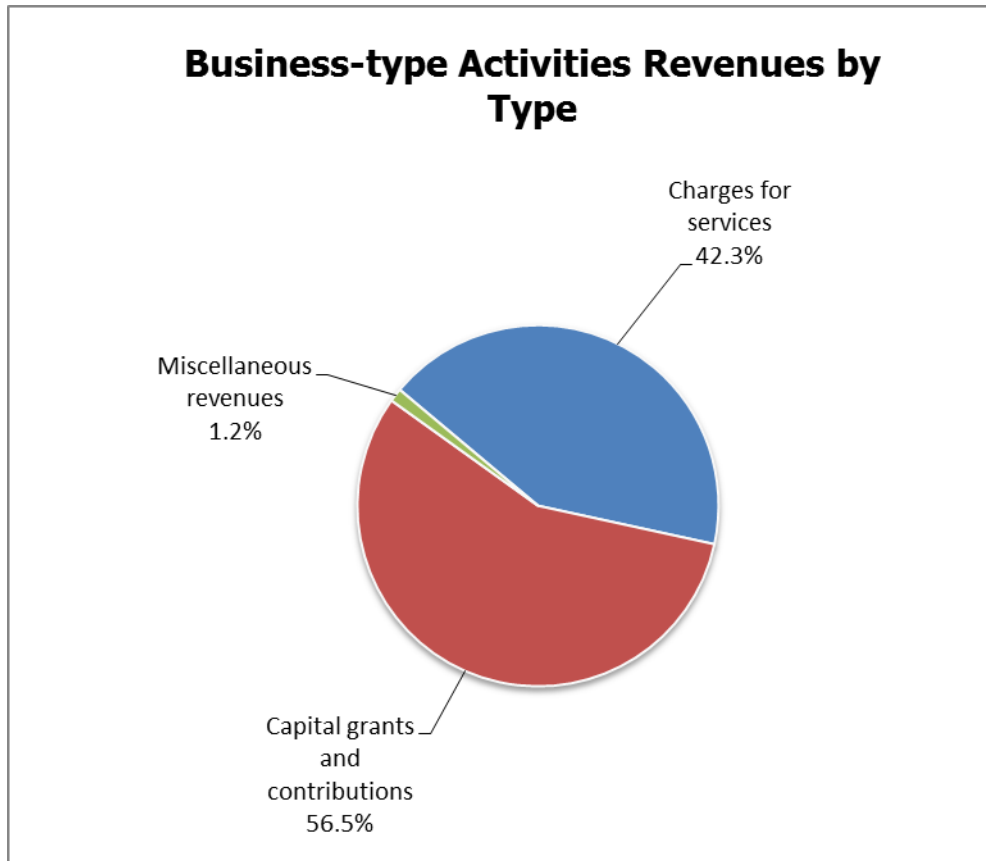
Business-type activity expenses increased by \$1.3 million or 11.4 percent primarily due to a loss on disposal of capital assets in Wastewater.



The Town's largest overall business-type activity is the Water Utility with \$6.0 million in expenses and \$12.4 million in program revenues during the year. The second largest activity is the Wastewater Utility with \$4.6 million in expenses and \$4.6 million in program revenues, followed by the Airport with \$1.8 million in expenses and \$0.3 million in program revenues.

As seen on the following graph, the largest revenue source for the Town's business-type activities is capital grants and contributions at 56.5 percent followed by charges for services revenues at 42.3 percent.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**



FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The financial performance of the Town as a whole is reflected in its governmental funds. As of June 30, 2018, the Town's governmental funds reported a combined fund balance of \$72.4 million, of which \$22.3 million is unassigned and undesignated and therefore available for spending at the Town's discretion.

The General Fund, which is the principal operating fund of the Town, had a fund balance of \$29.6 million. Revenues and expenditures increased slightly from the previous year. The primary increases in revenues were related to sales taxes, intergovernmental, and licenses, fees and permits. The increase in expenditures relates to team based increases for employees, which was offset significantly due to vacancy savings in key positions throughout the fiscal year.

The Transportation Fund had a fund balance of \$17.0 million which reflected an increase of \$4.2 million from a year earlier. Sales tax revenues increased \$1.7 million or 30.0 percent over the prior year.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

Proprietary funds. The proprietary funds in the financial statements are prepared on the same measurement focus and accounting basis as the government-wide financial statements, but they provide more detail since each major enterprise fund is presented discretely. Of the total business-type activities proprietary funds net position of \$91.9 million, \$95.8 million comprised the funds' net investment in capital assets. \$0.4 million is restricted for debt service and unrestricted net position of (\$4.3) million. The factors concerning the finances of these funds, as well as the changes in net position, have been addressed previously in the discussion of the Town's business-type activities.

BUDGETARY HIGHLIGHTS

The Town's annual adopted budget established the legal level of expenditure control. Budgetary comparison statements are required for the General Fund and all major special revenue funds. These statements compare the original budget, the budget as amended throughout the year, and the actual revenues and expenditures. Budgetary schedules for other governmental funds are also presented in this report as other supplementary information.

Although agriculture remains a major force in Marana's economy, a recent influx of residential and commercial development has occurred due to the Town's location between Phoenix and Tucson along I-10 and the Union Pacific Railroad. The Town is also a business-friendly government, which does not impose a Marana property tax. General Fund revenues exceeded conservative budget projections in several key revenue sources like sales taxes and licenses, permits and fees. Departments maintained their conservative use of available resources. The prudent use of funds as well as higher than expected revenues resulted in an increase in fund balance of \$4.6 million. The General Fund budget and actual variances are shown on page 40.

Amendments to the adopted budget may occur throughout the year between departments within the General Fund and between funds in all other funds in a legally permissible manner (see Note 4 – Budgetary Control). Budget adjustments between departments in the General Fund did occur. However, none of the amendments were significant.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2018 the Town had invested \$418.1 million in governmental and business-type capital assets (net of accumulated depreciation). Total depreciation expense for the year was \$21.3 million, with \$17.7 million attributed to governmental activities and \$3.6 million to business-type activities.

In 2012 the Town acquired the Marana Wastewater Reclamation Facility from Pima County. The facility included various components ranging from buildings to sewer lines and manholes. In fiscal year 2018, a comparative review of the system to Marana's Geographic Information System (GIS) software indicated the Town's fixed asset program included sewer lines and manholes still under the County's ownership. The beginning balance has been restated to remove County owned assets and correctly show the value of Town owned assets. The total reduction to capital assets related to the restatement is \$29.6 million in the business-type activities.

The following schedule presents capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017. Additional information on the Town's capital assets can be found in Note 6.

TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

	Governmental Activities		Business-type Activities		Total	
	As of	As of	As of	As of	As of	As of
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Land	\$ 7,659,942	\$ 6,988,518	\$ 4,465,411	\$ 4,493,811	\$ 12,125,353	\$ 11,482,329
Water rights	-	-	4,430,930	4,430,930	4,430,930	4,430,930
Construction in progress	60,357,654	30,921,798	30,315,856	12,804,795	90,673,510	43,726,593
Buildings and improvements	45,295,675	45,283,387	107,883,970	134,089,117	153,179,645	179,372,504
Machinery and equipment	20,335,042	20,258,351	1,575,133	1,426,571	21,910,175	21,684,922
Infrastructure	368,364,932	356,969,064	-	-	368,364,932	356,969,064
Less: Accumulated depreciation	(203,998,565)	(186,770,114)	(28,603,114)	(31,052,357)	(232,601,679)	(217,822,471)
Total	<u>\$298,014,680</u>	<u>\$273,651,004</u>	<u>\$120,068,186</u>	<u>\$126,192,867</u>	<u>\$418,082,866</u>	<u>\$399,843,871</u>

Major capital asset events during the current fiscal year included the following:

- Construction of the Tangerine Sky Park (construction in progress as of the close of the fiscal year had reached \$3.5 million).
- Construction of the groundwater recharge facility (construction in progress at the close of the fiscal year had reached \$2.8 million).
- Completion of the Tangerine/Downtown Sewer Conveyance System Phase 2 of \$2.2 million.
- Expansion of the wastewater reclamation facility to 1 Millions of Gallons per Day (MGD) (construction in progress as of the close of the fiscal year had reached \$26.1 million).
- Design and construction of the Marana Road Realignment (construction in progress as of the close of the fiscal year reached \$2.2 million).
- Design and construction of the new Police Facility (construction in progress as of the close of the fiscal year had reached \$14.9 million).
- Widening of Tangerine Road (construction in progress as of the close of the fiscal year had reached \$32.1 million).

Debt Administration. At year-end, the Town had \$107.9 million in long-term debt obligations outstanding with \$6 million due within one year.

The Town's total debt decreased by \$3.1 million during the current fiscal year due to regularly scheduled principal reductions.

The following table presents a summary of the Town's outstanding debt for the fiscal years ended June 30, 2018 and June 30, 2017. Additional information on the Town's long-term obligations can be found in Note 7.

**TOWN OF MARANA, ARIZONA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 7,745,000	\$ 7,955,000	\$ -	\$ -	\$ 7,745,000	\$ 7,955,000
Revenue bonds	55,835,000	57,840,000	20,719,000	20,858,000	76,554,000	78,698,000
Special assessment bonds	14,200,132	14,245,132	-	-	14,200,132	14,245,132
Loan payable	-	-	3,201,572	3,421,057	3,201,572	3,421,057
Deferred bond premium	5,812,929	6,253,495	370,558	390,246	6,183,487	6,643,741
Total	<u>\$83,593,061</u>	<u>\$86,293,627</u>	<u>\$24,291,130</u>	<u>\$24,669,303</u>	<u>\$107,884,191</u>	<u>\$110,962,930</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Our Town has been a leader in residential construction activity in Pima County since the late 1990s. The Town continues to grow in residential and commercial development. The Town is committed to provide exceptional services and programs to our citizens. As a result, the Town adopted a fiscal year 2018-19 budget focused on the Strategic Plan IV principles and goals. The 2017-18 budget decreased by \$58.7 million or 29.3%. Most of that change is attributable to several major capital projects that have been or will soon be completed. Several key revenues like sales taxes, State shared revenues, building permits and planning fees increased modestly during the fiscal year. The budget is structurally balanced with ongoing revenues supporting ongoing program expenditures. The budget document is the comprehensive decision making tool resulting from the annual budget process. The budget is a long-range plan by which financial policy is implemented and controlled.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, Town of Marana, Arizona at 11555 West Civic Center Drive, Marana, Arizona 85653, or visit www.MaranaAZ.gov.



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BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS



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**TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 59,908,816	\$ 7,359,132	\$ 67,267,948
Property taxes receivable	2,020	-	2,020
Accounts receivable	286,112	894,231	1,180,343
Interest receivable	37,679	-	37,679
Due from other governments	9,373,493	3,746	9,377,239
Internal balances	700,000	(700,000)	-
Prepaid items	688,648	37,173	725,821
Total current assets	<u>70,996,768</u>	<u>7,594,282</u>	<u>78,591,050</u>
Noncurrent assets:			
Assessment receivable	13,760,335	-	13,760,335
Restricted cash and investments	8,325,711	365,485	8,691,196
Internal balances	6,825,644	(6,825,644)	-
Capital assets not depreciated	68,017,596	39,212,197	107,229,793
Capital assets (net of depreciation)	229,997,084	80,855,989	310,853,073
Total noncurrent assets	<u>326,926,370</u>	<u>113,608,027</u>	<u>440,534,397</u>
Total assets	<u>397,923,138</u>	<u>121,202,309</u>	<u>519,125,447</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	8,973,655	372,785	9,346,440
Deferred charge on refunding	1,751,302	-	1,751,302
Total deferred outflows of resources	<u>10,724,957</u>	<u>372,785</u>	<u>11,097,742</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	10,227,213	1,832,726	12,059,939
Accrued payroll and employee benefits	819,970	51,212	871,182
Unearned revenue	358,479	1,983	360,462
Deposits held for others	1,078,810	740,657	1,819,467
Due to other government	83,730	233,845	317,575
Claims payable	305,075	-	305,075
Accrued interest payable	1,580,058	59,390	1,639,448
Compensated absences	1,035,263	103,281	1,138,544
Loan payable	-	226,000	226,000
General obligation bonds - CFD	205,000	-	205,000
Special assessment bonds - TRFID	1,766,132	-	1,766,132
Revenue bonds	3,624,566	198,688	3,823,254
Total current liabilities	<u>21,084,296</u>	<u>3,447,782</u>	<u>24,532,078</u>
Noncurrent liabilities:			
Compensated absences	115,029	11,475	126,504
Net pension liability	37,590,750	2,283,139	39,873,889
Loan payable	-	2,975,572	2,975,572
General obligation bonds - CFD	7,540,000	-	7,540,000
Special assessment bonds - TRFID	12,434,000	-	12,434,000
Revenue bonds	58,023,363	20,890,870	78,914,233
Total non-current liabilities	<u>115,703,142</u>	<u>26,161,056</u>	<u>141,864,198</u>
Total liabilities	<u>136,787,438</u>	<u>29,608,838</u>	<u>166,396,276</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	2,138,953	108,826	2,247,779
Total deferred inflows of resources	<u>2,138,953</u>	<u>108,826</u>	<u>2,247,779</u>
<u>NET POSITION</u>			
Net investment in capital assets	236,207,921	95,777,056	331,984,977
Restricted for:			
Capital projects	10,130,724	-	10,130,724
Debt service	311,756	365,485	677,241
General government	2,534,042	-	2,534,042
Public safety	2,190,586	-	2,190,586
Highways and streets	1,856,009	-	1,856,009
Economic and community development	218,262	-	218,262
Unrestricted	16,272,404	(4,285,111)	11,987,293
Total net position	<u>\$ 269,721,704</u>	<u>\$ 91,857,430</u>	<u>\$ 361,579,134</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF MARANA, ARIZONA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 18,491,725	\$ 5,073,246	\$ 464,032	\$ -
Public safety	16,114,146	-	965,479	-
Highways and streets	27,892,754	-	2,974,510	23,568,671
Health and welfare	236,628	-	23,680	-
Economic and community development	4,328,283	4,992,982	203,694	1,099,113
Culture and recreation	5,146,978	323,718	33,643	1,188,266
Interest on long-term debt	3,076,938	-	-	-
Total governmental activities	<u>75,287,452</u>	<u>10,389,946</u>	<u>4,665,038</u>	<u>25,856,050</u>
Business-type activities:				
Water	5,979,081	5,609,049	-	6,757,743
Wastewater	4,598,115	1,502,216	-	3,103,585
Airport	1,816,222	294,134	-	29,242
Total business-type activities	<u>12,393,418</u>	<u>7,405,399</u>	<u>-</u>	<u>9,890,570</u>
Total primary government	<u>\$ 87,680,870</u>	<u>\$ 17,795,345</u>	<u>\$ 4,665,038</u>	<u>\$ 35,746,620</u>

General revenues:

Taxes:

Sales taxes

Property taxes

Franchise taxes

State shared revenues, unrestricted

Investment income

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (12,954,447)	\$ -	\$ (12,954,447)
(15,148,667)	-	(15,148,667)
(1,349,573)	-	(1,349,573)
(212,948)	-	(212,948)
1,967,506	-	1,967,506
(3,601,351)	-	(3,601,351)
(3,076,938)	-	(3,076,938)
<u>(34,376,418)</u>	<u>-</u>	<u>(34,376,418)</u>
-	6,387,711	6,387,711
-	7,686	7,686
-	(1,492,846)	(1,492,846)
-	4,902,551	4,902,551
<u>(34,376,418)</u>	<u>4,902,551</u>	<u>(29,473,867)</u>
41,689,482	-	41,689,482
553,403	-	553,403
507,073	-	507,073
11,505,675	-	11,505,675
662,797	187,213	850,010
885,174	29,580	914,754
1,875,230	(1,875,230)	-
<u>57,678,834</u>	<u>(1,658,437)</u>	<u>56,020,397</u>
23,302,416	3,244,114	26,546,530
<u>246,419,288</u>	<u>88,613,316</u>	<u>335,032,604</u>
<u>\$ 269,721,704</u>	<u>\$ 91,857,430</u>	<u>\$ 361,579,134</u>



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FUND FINANCIAL STATEMENTS

TOWN OF MARANA, ARIZONA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
<u>ASSETS</u>			
Cash and cash equivalents	\$ 20,880,649	\$ 1,874,488	\$ 315,271
Property taxes receivable	-	-	-
Accounts receivable	225,778	-	-
Special assessments receivable	-	-	13,760,335
Interest receivable	155	-	-
Development agreement receivable	-	-	-
Due from other governments	3,550,393	304,337	-
Due from other funds	8,069,378	-	-
Prepaid items	427,200	-	-
Restricted cash and investments	-	-	392,147
Total assets	<u>\$ 33,153,553</u>	<u>\$ 2,178,825</u>	<u>\$ 14,467,753</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,327,262	\$ 322,657	\$ -
Accrued payroll and employee benefits	811,134	159	-
Due to other funds	-	-	-
Due to other governments	83,730	-	-
Deposits held for others	1,003,052	-	-
Unearned revenue	340,452	-	-
Total liabilities	<u>3,565,630</u>	<u>322,816</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	13,760,335
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>13,760,335</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	4,852,844	-	-
Restricted	-	1,856,009	707,418
Unassigned	24,735,079	-	-
Total fund balances (deficits)	<u>29,587,923</u>	<u>1,856,009</u>	<u>707,418</u>
Total liabilities, deferred inflow of resources, and fund balances (deficits)	<u>\$ 33,153,553</u>	<u>\$ 2,178,825</u>	<u>\$ 14,467,753</u>

The notes to the financial statements are an integral part of this statement.

<u>PAG/RTA Capital</u>	<u>Sales Tax Capital</u>	<u>Transportation</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 6,208,515	\$ 7,701,517	\$ 22,155,459	\$ 59,135,899
-	-	-	2,020	2,020
-	-	-	1,596	227,374
-	-	-	-	13,760,335
-	6,357	27,268	3,899	37,679
-	-	-	58,738	58,738
3,077,373	671,137	899,905	870,348	9,373,493
-	-	2,400,000	-	10,469,378
-	-	-	261,448	688,648
-	-	6,904,068	1,029,496	8,325,711
<u>\$ 3,077,373</u>	<u>\$ 6,886,009</u>	<u>\$ 17,932,758</u>	<u>\$ 24,383,004</u>	<u>\$ 102,079,275</u>
\$ 1,999,407	\$ 3,825,917	\$ 906,923	\$ 1,837,217	\$ 10,219,383
-	-	1,295	7,382	819,970
2,708,748	-	-	234,986	2,943,734
-	-	-	-	83,730
-	-	-	75,758	1,078,810
-	-	-	18,024	358,476
<u>4,708,155</u>	<u>3,825,917</u>	<u>908,218</u>	<u>2,173,367</u>	<u>15,504,103</u>
<u>378,086</u>	<u>-</u>	<u>-</u>	<u>2,861</u>	<u>14,141,282</u>
<u>378,086</u>	<u>-</u>	<u>-</u>	<u>2,861</u>	<u>14,141,282</u>
-	-	2,400,000	261,448	7,514,292
-	3,060,092	14,624,540	22,341,386	42,589,445
(2,008,868)	-	-	(396,058)	22,330,153
<u>(2,008,868)</u>	<u>3,060,092</u>	<u>17,024,540</u>	<u>22,206,776</u>	<u>72,433,890</u>
<u>\$ 3,077,373</u>	<u>\$ 6,886,009</u>	<u>\$ 17,932,758</u>	<u>\$ 24,383,004</u>	<u>\$ 102,079,275</u>



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**TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2018**

Total governmental fund balances **\$ 72,433,890**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	\$ 502,013,245	
Less accumulated depreciation	<u>(203,998,565)</u>	298,014,680

Long-term liabilities, such as net pension liabilities and bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:

Compensated absences	(1,150,292)	
Revenue bonds payable	(55,835,000)	
General obligation bonds payable	(7,745,000)	
Special assessment bonds	(14,200,132)	
Net pension liability	(37,590,750)	
Accrued interest payable	<u>(1,580,058)</u>	(118,101,232)

Internal Service Funds are used by management to charge the costs of health and dental services. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.

460,009

Deferred items related to the issuance of bonds and resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.

Bond premium	(5,812,929)	
Deferred charge on refunding	1,751,302	
Deferred inflows related to pensions	(2,138,953)	
Deferred outflows related to pensions	<u>8,973,655</u>	2,773,075

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Intergovernmental revenue	380,947	
Special assessments revenue	<u>13,760,335</u>	<u>14,141,282</u>

Net position of governmental activities **\$ 269,721,704**

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service
Revenues:			
Sales taxes	\$ 27,236,046	\$ -	\$ -
Property taxes	-	-	-
Intergovernmental	11,506,531	3,316,057	-
Licenses, fees & permits	5,573,620	-	-
Fines, forfeitures & penalties	612,638	-	-
Charges for services	684,076	-	-
Lease income	135,589	-	-
Special assessments	-	-	988,702
Contributions	35,017	-	-
Investment income	334,960	15,843	-
Miscellaneous	492,961	-	-
Total revenues	<u>46,611,438</u>	<u>3,331,900</u>	<u>988,702</u>
Expenditures:			
Current -			
General government	11,338,936	-	-
Public safety	14,110,604	-	-
Highways and streets	2,533,544	2,254,322	-
Health and welfare	228,479	-	-
Economic and community development	4,109,551	-	-
Culture and recreation	4,749,400	-	-
Capital outlay	667,504	582,239	-
Debt service -			
Principal retirement	-	-	45,000
Interest and fiscal charges	-	-	253,563
Total expenditures	<u>37,738,018</u>	<u>2,836,561</u>	<u>298,563</u>
Excess (deficiency) of revenues over expenditures	<u>8,873,420</u>	<u>495,339</u>	<u>690,139</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	46,243	-	-
Transfers in	3,112,608	-	-
Transfers out	(7,451,459)	-	-
Total other financing sources (uses)	<u>(4,292,608)</u>	<u>-</u>	<u>-</u>
Changes in fund balances	<u>4,580,812</u>	<u>495,339</u>	<u>690,139</u>
Fund balances (deficits), beginning of year	25,007,111	1,360,670	17,279
Fund balances (deficits), end of year	<u>\$ 29,587,923</u>	<u>\$ 1,856,009</u>	<u>\$ 707,418</u>

The notes to the financial statements are an integral part of this statement.

PAG/RTA Capital	Sales Tax Capital	Transportation	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 5,526,253	\$ 7,368,949	\$ 1,558,234	\$ 41,689,482
-	-	-	572,492	572,492
14,118,211	-	-	1,978,210	30,919,009
-	-	-	3,043,576	8,617,196
-	-	7,700	130,168	750,506
-	-	-	-	684,076
-	-	-	-	135,589
-	-	-	-	988,702
51,547	-	-	-	86,564
-	11,222	162,955	137,817	662,797
-	-	-	18,593	511,554
<u>14,169,758</u>	<u>5,537,475</u>	<u>7,539,604</u>	<u>7,439,090</u>	<u>85,617,967</u>
-	-	953,743	656,022	12,948,701
-	-	-	663,729	14,774,333
-	-	67,318	37,866	4,893,050
-	-	-	-	228,479
-	-	-	342,792	4,452,343
-	-	-	153,958	4,903,358
13,858,196	11,508,382	2,735,911	11,607,573	40,959,805
-	-	-	2,215,000	2,260,000
-	-	-	2,491,797	2,745,360
<u>13,858,196</u>	<u>11,508,382</u>	<u>3,756,972</u>	<u>18,168,737</u>	<u>88,165,429</u>
<u>311,562</u>	<u>(5,970,907)</u>	<u>3,782,632</u>	<u>(10,729,647)</u>	<u>(2,547,462)</u>
-	-	-	-	46,243
59,866	620,248	804,295	8,010,227	12,607,244
(472,080)	-	(391,239)	(2,417,236)	(10,732,014)
<u>(412,214)</u>	<u>620,248</u>	<u>413,056</u>	<u>5,592,991</u>	<u>1,921,473</u>
<u>(100,652)</u>	<u>(5,350,659)</u>	<u>4,195,688</u>	<u>(5,136,656)</u>	<u>(625,989)</u>
(1,908,216)	8,410,751	12,828,852	27,343,432	73,059,879
<u>\$ (2,008,868)</u>	<u>\$ 3,060,092</u>	<u>\$ 17,024,540</u>	<u>\$ 22,206,776</u>	<u>\$ 72,433,890</u>



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TOWN OF MARANA, ARIZONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Net changes in fund balances - total governmental funds **\$ (625,989)**

Amounts reported for governmental activities in the Statement of Activities are different because

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives depreciation expense.

Expenditures for capitalized assets	\$ 35,132,500	
Less current year depreciation	<u>(17,681,601)</u>	17,450,899

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Special assessment bond retirement	45,000	
General obligation bond retirement	210,000	
Revenue bond principal retirement	<u>2,005,000</u>	2,260,000

Contributions of infrastructure assets are not recorded as revenues in the governmental funds.		6,912,777
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Some revenues and expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as revenues or expenditures in governmental funds.

Accrued interest	(645,624)	
Intergovernmental revenue	48,452	
Special assessments	(484,797)	
Compensated absences	(61,236)	
Proceeds from the sale of capital assets	(46,243)	
Gain on sale of assets	46,243	
Amortization of deferred charges	<u>312,046</u>	(831,159)

Town pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the Town's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Town pension contributions	3,179,118	
Town proportionate share of State's appropriation to EORP	80,074	
Pension expense	<u>(4,878,087)</u>	(1,618,895)

Internal service funds are used by the Town to charge the costs of health and dental services. The net revenue (expense) is reported with governmental activities in the Statement of Activities.		<u>(245,217)</u>
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Change in net position in governmental activities **\$ 23,302,416**

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Sales taxes	\$ 25,817,378	\$ 25,817,378	\$ 27,236,046	\$ 1,418,668
Intergovernmental	11,479,759	11,479,759	11,506,531	26,772
Licenses, fees & permits	4,406,685	4,406,685	5,573,620	1,166,935
Fines, forfeitures & penalties	625,000	625,000	612,638	(12,362)
Charges for services	644,900	644,900	684,076	39,176
Lease income	128,750	128,750	135,589	6,839
Contributions	37,800	37,800	35,017	(2,783)
Investment income	200,000	200,000	334,960	134,960
Miscellaneous	511,719	511,719	492,961	(18,758)
Total revenues	<u>43,851,991</u>	<u>43,851,991</u>	<u>46,611,438</u>	<u>2,759,447</u>
Expenditures:				
General government:				
General government	6,877,426	6,327,426	2,074,634	4,252,792
Town council	290,628	290,628	269,988	20,640
Town clerk	429,193	429,193	417,464	11,729
Town manager	1,724,190	1,724,190	1,560,986	163,204
Human resources	869,595	869,595	809,551	60,044
Facilities	1,172,231	1,172,231	1,035,084	137,147
Finance	1,197,621	1,197,621	973,070	224,551
Legal	847,174	847,174	832,521	14,653
Technology services	2,664,643	2,664,643	2,485,176	179,467
Municipal courts	992,929	992,929	880,462	112,467
Public Safety:				
Police	13,052,320	13,252,320	13,248,171	4,149
Building safety	1,055,171	1,055,171	850,636	204,535
Code Enforcement	58,055	58,055	11,797	46,258
Highways and streets:				
Public works	3,207,009	3,207,009	2,533,544	673,465
Health and welfare:				
Animal Services	229,364	229,364	228,479	885
Economic and community development:				
Development services	3,953,312	3,953,312	3,243,668	709,644
Economic development and tourism	276,876	276,876	247,651	29,225
Community development	792,455	792,455	618,232	174,223
Culture and recreation:				
Parks and recreation	5,809,504	5,809,504	4,749,400	1,060,104
Capital outlay	1,215,640	1,215,640	667,504	548,136
Total expenditures	<u>46,715,336</u>	<u>46,365,336</u>	<u>37,738,018</u>	<u>8,627,318</u>
Excess (deficiency) of revenues over expenditures	<u>(2,863,345)</u>	<u>(2,513,345)</u>	<u>8,873,420</u>	<u>11,386,765</u>
Other financing sources (uses):				
Proceeds from the sale of capital assets	150,000	150,000	46,243	(103,757)
Transfers in	-	-	3,112,608	3,112,608
Transfers out	(6,107,870)	(6,107,870)	(7,451,459)	(1,343,589)
Total other financing sources (uses)	<u>(5,957,870)</u>	<u>(5,957,870)</u>	<u>(4,292,608)</u>	<u>1,665,262</u>
Changes in fund balances	<u>(8,821,215)</u>	<u>(8,471,215)</u>	<u>4,580,812</u>	<u>13,052,027</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>25,007,111</u>	<u>25,007,111</u>
Fund balances, end of year	<u>\$ (8,821,215)</u>	<u>\$ (8,471,215)</u>	<u>\$ 29,587,923</u>	<u>\$ 38,059,138</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY USER REVENUE FUND
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 3,455,525	\$ 3,455,525	\$ 3,316,057	\$ (139,468)
Investment income	7,500	7,500	15,843	8,343
Total revenues	<u>3,463,025</u>	<u>3,463,025</u>	<u>3,331,900</u>	<u>(131,125)</u>
Expenditures:				
Current -				
Highways and streets	3,197,363	3,017,674	2,254,322	763,352
Capital outlay	480,775	660,464	582,239	78,225
Total expenditures	<u>3,678,138</u>	<u>3,678,138</u>	<u>2,836,561</u>	<u>841,577</u>
Excess (deficiency) of revenues over expenditures	<u>(215,113)</u>	<u>(215,113)</u>	<u>495,339</u>	<u>710,452</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,360,670</u>	<u>1,360,670</u>
Fund balances, end of year	<u>\$ (215,113)</u>	<u>\$ (215,113)</u>	<u>\$ 1,856,009</u>	<u>\$ 2,071,122</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF MARANA, ARIZONA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

	Business-type Activities			Governmental Activities
	Water	Wastewater	Airport	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,109,334	\$ 3,229,888	\$ 19,910	\$ 7,359,132
Accounts receivable	615,294	210,780	68,157	894,231
Due from governments	-	-	3,746	3,746
Prepaid items	37,173	-	-	37,173
Total current assets	4,761,801	3,440,668	91,813	8,294,282
Noncurrent assets:				
Restricted cash	365,485	-	-	365,485
Capital assets not depreciated	8,173,035	29,027,913	2,011,249	39,212,197
Capital assets (net of depreciation)	29,949,499	36,712,800	14,193,690	80,855,989
Total noncurrent assets	38,488,019	65,740,713	16,204,939	120,433,671
Total assets	43,249,820	69,181,381	16,296,752	128,727,953
DEFERRED OUTFLOWS OF RESOURCES				
Employer contributions	142,002	35,112	19,809	196,923
Resources related to pensions	129,005	31,986	14,871	175,862
Total deferred outflows of resources	271,007	67,098	34,680	372,785
LIABILITIES				
Current liabilities:				
Accounts payable	482,079	1,340,742	9,905	1,832,726
Accrued payroll and employee benefits	39,141	7,971	4,100	51,212
Claims payable	-	-	-	-
Compensated absences	68,179	20,762	14,340	103,281
Due to other funds	-	500,000	200,000	700,000
Deposits held for others	740,657	-	-	740,657
Due to other governments	233,845	-	-	233,845
Bonds payable - current	179,000	19,688	-	198,688
Loan payable - current	226,000	-	-	226,000
Interest payable	59,390	-	-	59,390
Unearned revenue	-	-	1,983	1,983
Total current liabilities	2,028,291	1,889,163	230,328	4,147,782
Noncurrent liabilities:				
Due to other funds	-	5,011,943	1,813,701	6,825,644
Compensated absences	7,575	2,307	1,593	11,475
Bonds payable	760,000	20,130,870	-	20,890,870
Loan payable	2,975,572	-	-	2,975,572
Net pension liability	1,788,925	277,246	216,968	2,283,139
Total non-current liabilities	5,532,072	25,422,366	2,032,262	32,986,700
Total liabilities	7,560,363	27,311,529	2,262,590	37,134,482
DEFERRED INFLOWS OF RESOURCES				
Resources related to pensions	92,738	5,534	10,554	108,826
Total deferred inflows of resources	92,738	5,534	10,554	108,826
NET POSITION				
Net investment in capital assets	33,981,962	45,590,155	16,204,939	95,777,056
Restricted for debt service	365,485	-	-	365,485
Unrestricted	1,520,279	(3,658,739)	(2,146,651)	(4,285,111)
Total net position	\$ 35,867,726	\$ 41,931,416	\$ 14,058,288	\$ 91,857,430

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-type Activities			Governmental Activities
	Water	Wastewater	Airport	Internal Service Funds
Operating revenues:				
Licenses, fees & permits	\$ -	\$ 57,224	\$ -	\$ 57,224
Charges for services	5,609,049	1,444,992	294,134	7,348,175
Miscellaneous	2,002	-	27,578	29,580
Total operating revenues	5,611,051	1,502,216	321,712	7,434,979
Operating expenses:				
Personnel costs	1,887,163	351,377	277,869	2,516,409
Contractual services	161,184	569,221	460,193	1,190,598
Commodities	1,762,689	206,598	27,619	1,996,906
Other	1,040,674	4,190	120,203	1,165,067
Depreciation expense	1,059,196	1,584,435	930,338	3,573,969
Total operating expenses	5,910,906	2,715,821	1,816,222	10,442,949
Operating gain (loss)	(299,855)	(1,213,605)	(1,494,510)	(3,007,970)
Nonoperating revenues (expenses):				
Development fees				
Investment income	38,251	148,962	-	187,213
Interest expense	(70,756)	(544,413)	-	(615,169)
Gain (loss) on disposal of capital assets	2,581	(1,337,881)	-	(1,335,300)
Total nonoperating revenues (expenses)	(29,924)	(1,733,332)	-	(1,763,256)
Net gain (loss) before contributions and transfers	(329,779)	(2,946,937)	(1,494,510)	(4,771,226)
Development fees	2,233,149	2,007,286	-	4,240,435
Capital contributions	4,524,594	1,096,299	29,242	5,650,135
Transfers in	1,868,542	3,536,009	244,012	5,648,563
Transfers out	(1,490,159)	(6,033,634)	-	(7,523,793)
Changes in net position	6,806,347	(2,340,977)	(1,221,256)	3,244,114
Net position, beginning of year, as restated	29,061,379	44,272,393	15,279,544	88,613,316
Net position, end of year	\$ 35,867,726	\$ 41,931,416	\$ 14,058,288	\$ 91,857,430

The notes to the financial statements are an integral part of this statement.

**TOWN OF MARANA, ARIZONA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-type Activities				Governmental Activities
	Water	Wastewater	Airport	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:					
Received from customers	\$ 5,828,934	\$ 1,408,716	\$ 363,970	\$ 7,601,620	\$ 4,499,446
Payments to suppliers for goods and services	(3,172,832)	(1,881,591)	(628,342)	(5,682,765)	(4,689,278)
Payments to employees for services	(1,895,168)	(359,711)	(270,984)	(2,525,863)	-
Other receipts	2,002	57,224	27,578	86,804	-
Net cash provided by (used for) operating activities	<u>762,936</u>	<u>(775,362)</u>	<u>(507,778)</u>	<u>(520,204)</u>	<u>(189,832)</u>
Cash flows from non-capital activities:					
Interfund borrowing	-	5,511,943	(211,143)	5,300,800	-
Transfers in	1,868,542	3,536,009	244,012	5,648,563	-
Transfers out	(1,490,159)	(6,033,634)	-	(7,523,793)	-
Net cash provided by (used for) non-capital activities	<u>378,383</u>	<u>3,014,318</u>	<u>32,869</u>	<u>3,425,570</u>	<u>-</u>
Cash flows from capital activities and related financing activities:					
Capital grants received	-	7,731	29,265	36,996	-
Development fees received	2,233,149	2,007,286	-	4,240,435	-
Principal payments	(358,485)	(19,688)	-	(378,173)	-
Interest paid on debt	(75,771)	(544,413)	-	(620,184)	-
Proceeds from sale of capital assets	2,581	4,021	-	-	-
Acquisition and construction of capital assets	(2,677,287)	(20,502,916)	407,182	(22,773,021)	-
Net cash provided by (used for) capital activities	<u>(875,813)</u>	<u>(19,047,979)</u>	<u>436,447</u>	<u>(19,493,947)</u>	<u>-</u>
Cash flows from investing activities:					
Interest on investments	38,251	148,962	-	187,213	-
Net cash provided by investing activities	<u>38,251</u>	<u>148,962</u>	<u>-</u>	<u>187,213</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>303,757</u>	<u>(16,660,061)</u>	<u>(38,462)</u>	<u>(16,394,766)</u>	<u>(189,832)</u>
Cash and cash equivalents, beginning of year	<u>4,171,062</u>	<u>19,889,949</u>	<u>58,372</u>	<u>24,119,383</u>	<u>962,749</u>
Cash and cash equivalents, end of year	<u>\$ 4,474,819</u>	<u>\$ 3,229,888</u>	<u>\$ 19,910</u>	<u>\$ 7,724,617</u>	<u>\$ 772,917</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (299,855)	\$ (1,213,605)	\$ (1,494,510)	\$ (3,007,970)	\$ (245,217)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,059,196	1,584,435	930,338	3,573,969	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	83,555	(36,276)	(12,017)	35,262	-
Decrease in due from other governments	-	-	81,853	81,853	-
(Increase) decrease in prepaid items	(11,805)	-	-	(11,805)	-
(Increase) decrease in deferred outflows of resources related to pensions	163,871	13,726	23,031	200,628	-
Increase (decrease) in accounts payable	(208,285)	(1,101,582)	(20,327)	(1,330,194)	7,292
Decrease in claims payable	-	-	-	-	48,093
Increase (decrease) in accrued payroll	5,551	779	(1,055)	5,275	-
Increase (decrease) in compensated absences payable	(3,312)	4,962	9,295	10,945	-
Increase in deposits held for others	39,750	-	-	39,750	-
Increase in due to other governments	108,385	-	-	108,385	-
Increase (decrease) in net pension liability	(40,726)	(6,503)	(5,704)	(52,933)	-
(Increase) decrease in deferred inflows of resources related to pensions	(133,389)	(21,298)	(18,682)	(173,369)	-
Net cash provided (used) by operating activities	<u>\$ 762,936</u>	<u>\$ (775,362)</u>	<u>\$ (507,778)</u>	<u>\$ (520,204)</u>	<u>\$ (189,832)</u>
Noncash investing, capital and financing activities:					
Capital contributions	4,524,594	1,088,568	-	5,613,162	-
Loss on disposal of capital assets	-	1,341,902	-	1,341,902	-

The notes to the financial statements are an integral part of this statement.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing government accounting and financial reporting principles.

A. Reporting Entity

The Town of Marana, Arizona (the Town) was incorporated on March 21, 1977, under the provisions of the Constitution of Arizona and the Arizona Revised Statutes. The Town operates under a separately elected council-mayor form of government. All funds and entities related to the Town that are controlled by the Mayor and Council are included in the annual financial report. Control is determined on the basis of budget adoption, taxing authority, and the ability to significantly influence operations and accountability for fiscal matters. The Town provides a full range of services including general government, development and planning services, legal, public safety, public works, and parks and recreation services.

In accordance with generally accepted accounting principles, these financial statements present the Town and its component units, the Gladden Farms Community Facilities District (GFCFD), Gladden Farms Community Facilities District II (GFCFD II), the Vanderbilt Farms Community Facilities District (VFCFD), the Saguaro Springs Community Facilities District (SSCFD) and the Tangerine Farms Road Improvement District (TFRID). The GFCFD, GFCFD II, VFCFD, SSCFD and TFRID are blended component units with the Town in these financial statements as all five were established by the Town in order to fund the debt incurred to finance the purchase of the Town hall, various capital projects, and capital assets used by the water fund.

The GFCFD, GFCFD II, VFCFD, SSCFD and TFRID component units each have a June 30 year-end and are included in the Gladden Farms Capital Projects and Debt Service Funds, the Vanderbilt Farms Capital Projects and Debt Service Funds, the Saguaro Springs Capital Projects Fund, the Tangerine Farms Improvement District Debt Service Fund, and the Other Capital Projects Funds, respectively. Separate financial statements of the TFRID are not prepared on a stand-alone basis.

B. Basis of Presentation

The basic financial statements include both government-wide statements and fund-based financial statements. The government-wide statements focus on the Town as a whole, while the fund-based statements focus on major funds. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) present financial information about the Town as a whole. The reported information includes all of the activities of the Town and its component units. For the most part, the effect of internal activity has been removed from these statements.

These statements are to distinguish between the governmental and business-type activities of the Town. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which are financed in whole or part by fees charged to external parties.

TOWN OF MARANA, ARIZONA
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The statement of activities demonstrates the degree to which the direct expenses of a given function of the Town's governmental activities or segment of its business-type activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not currently have an indirect cost allocation system. However, the General Fund does allocate administrative charges to the Enterprise funds to support general services used by those funds (like purchasing, accounting, administration, etc.) These fees are included in the expense column on the Statement of Activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment income, and other items not included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility, Wastewater Utility, and Airport funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements to minimize the double counting of internal activities. However, charges for interfund services provided and used are not eliminated if doing so would distort the direct costs and program revenues reported by the departments concerned.

Fund Financial Statements

Fund statements provide information about the Town's funds, including blended component units. Separate statements are presented for the governmental and proprietary fund categories. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

General Fund – This fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund.

Highway User Revenue Fund – This fund accounts for excise fuel taxes which are distributed to cities and towns based on a formula. A constitutional restriction requires that these funds be used solely for street and highway purposes.

Tangerine Farms Improvement District Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Tangerine Farms Road Improvement District Special Assessment Bonds.

PAG/RTA Capital Fund – This fund accounts for proceeds from Pima Association of Governments and Regional Transportation Authority which are used for road improvement projects.

Sales Tax Capital Fund – This fund accounts for sales tax proceeds which are used for authorized capital improvements.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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Transportation Fund – This fund accounts for the financing and construction of transportation capacity improvement projects.

The Town reports the following major proprietary funds:

Water Fund – This fund is used to account for the financing and operation of the Water Utility.

Wastewater Fund – This fund is used to account for the financing and operation of the Wastewater Utility.

Airport Fund – This fund is used to account for the financing and operation of the Marana Airport.

Additionally, the Town reports the following fund types:

Internal service fund – This fund is used to account for the operating revenues and charges for health and dental benefits.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, including unbilled water services which are accrued, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon all eligibility requirements imposed by the grantor or provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year. Compensated absences are recorded only when payment is due.

Sales taxes, licenses and permits, charges for services, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Miscellaneous revenue is not susceptible to accrual because generally they are not measurable until received in cash.

Property taxes are levied by community facility districts, which are component units of the Town and collected by the Pima County Treasurer and special assessment property taxes are levied and collected by the Town. All property taxes are levied no later than the third Monday in August and are payable in two installments due October 1 of the current year and March 1 of the subsequent year. Taxes become delinquent after the first business day of November and May, respectively. Interest attaches on

TOWN OF MARANA, ARIZONA
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installments after the delinquent date. Pursuant to ARS, a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements. These bonds will be paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received.

Proceeds of long-term debt and acquisitions under capital lease agreements are reported as other financing sources.

D. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Town considers all highly liquid investments (including the funds' participation in the investment pool account, and appropriate restricted assets) to be cash equivalents. Individual fund investments with a maturity of three months or less when purchased are considered as cash equivalents.

E. Investments

Arizona Revised Statutes authorize the Town to invest public monies in the State Treasurer's Local Government Investment Pool, interest-bearing savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, towns, school districts, and special districts as specified by statute.

The State Board of Investment provides oversight for the State Treasurer's pools. The fair value of a participant's position in the pool approximates the value of that participant's pool shares

Nonparticipating interest-earning investment contracts are stated at cost. Money market investments and participating interest contracts with a remaining maturity of one year or less at time of purchase are stated at amortized cost. All investments are stated at fair value.

F. Pensions

For purposes of measuring the net pension (asset and) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

G. Restricted Assets

The trust indentures executed for the entire bond series issued require all cash and investments for each bond series to be held on deposit by the trustee/fiscal agents. These assets are restricted for payment of

TOWN OF MARANA, ARIZONA
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interest and trustee fees associated with the bond issues, retirement of principal balances, and to finance various capital projects.

In addition, the State of Arizona required that assets obtained at the completion of criminal proceedings by the Town's police department be given to Pima County for custodial purposes. These assets are restricted for expenses that will enhance the Town's ability to conduct police investigations.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements. Prepaid items are recorded as expenditures when purchased in the fund financial statements and are offset by a reserve of fund balance.

I. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All trade and other receivables are shown net of an allowance for uncollectible amounts.

J. Interfund Activity

Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

K. Capital Assets

Capital assets, including public domain infrastructure such as roads, bridges, curbs and sidewalks, lighting system, water distribution system and other assets that are immovable and of value to the Town, are defined as assets with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at actual cost or historical cost (or estimated historical cost if historical records are not available). Donated capital assets are reported at acquisition value. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. No long-term assets or depreciation are shown in the governmental funds financial statements.

The Town has chosen not to apply the modified approach to any network, system, or subsystem of infrastructure assets.

The cost of normal maintenance and repairs that do not significantly add to the value of the asset or materially extend the life of the asset are not capitalized. Major improvements are capitalized and depreciated over the remaining useful life of the related capital assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

TOWN OF MARANA, ARIZONA
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Depreciation is provided over the estimated useful lives of such assets using the straight-line method. These estimated useful lives are as follows:

	Years
Buildings	15-40
Building improvements	10-15
Pump stations, distribution systems, equipment and improvements	20-75
Public domain infrastructure	20-50
Machinery, equipment, and assets under capital lease	5-10

L. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable business-type activities and proprietary fund type statement of net position. Bond related charges and credits, such as premium discounts and issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the period incurred.

M. Compensated Absences

The Town's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Vacation leave vests with the employee as it is earned. The current and long-term liabilities for accumulated vacation, including related benefits, are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations, and retirements. Sick leave benefits provided for ordinary sick pay are not vested with the employees. Generally, resources from the General Fund are used to pay for compensated absences.

N. Transactions Between Funds

Transactions that would be treated as revenue or expenses if they involved organizations external to the governmental unit are accounted for as revenue or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenses initially made from that fund which are properly applicable to another fund are recorded as expenses in the reimbursing fund and as reductions of the expense in the fund that is reimbursed.

Interfund transfers between governmental funds are eliminated in the Statement of Activities. Interfund transfers in the fund statements are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions. This will affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

P. Seized Property

The Town Police have in their custody certain assets seized in criminal proceedings. Until formal procedures have been finalized, the ownership of this property is not determinable. In addition, legal requirements dictate that such assets not be reflected on the Town's financial records in an agency capacity until Town ownership has been determined. Consequently, no such assets are recorded on these financial statements.

Q. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

R. Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Additionally, the Town funds certain programs by a combination of grants and general revenues. The Town applies grant resources to such programs before using general revenues.

NOTE 2 – RESTATEMENT OF NET POSITION

Net position as of July 1, 2017, has been restated as follows for a change to the capital asset net book value for the Wastewater Fund. The change is due to an incorrect valuation of the assets acquired in the transfer of certain sewer facilities from Pima County to the Town on January 3, 2012. An evaluation during the fiscal year inventory discovered the discrepancy and the following change resolves the valuation error.

	Business-type Activities	Wastewater Fund
Net Position as previously reported at June 30, 2017	\$ 118,208,309	\$ 73,867,386
Correction of a misstatement –		
Capital assets (net of depreciation)	(29,594,993)	(29,594,993)
Net position as restated, July 1, 2017	<u>\$ 88,613,316</u>	<u>\$ 44,272,393</u>

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – FUND BALANCE CLASSIFICATIONS

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are Nonspendable, Restricted, Committed, Assigned, and Unassigned. Nonspendable and Restricted fund balances represent the restricted classifications and Committed, Assigned, and Unassigned represent the unrestricted classifications.

Committed fund balance can be used only for specific purposes determined by formal action of Town Council. Town Council is the highest level of decision-making authority for the town. Commitments may be established, modified, or rescinded only through resolutions approved by Town Council.

Nonspendable Fund Balance consists of funds that are not in a spendable form, such as inventories and prepaids, or can be legally or contractually required to be maintained intact.

Restricted Fund Balance consists of funds that are externally imposed by creditors, grantors, contributors, law or regulations of other governments, or by law imposed through constitutional provisions or enabling legislation. Committed Fund Balance consists of funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. Assigned Fund Balance consists of funds constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. This classification of fund balance must be designated by the Town's highest level of decision making authority or a Town official that has been delegated the authority to assign funds. Unassigned Fund Balance consists of the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund is the only fund that can report a positive unassigned fund balance and any other governmental fund can report a negative fund balance. When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources.

As of June 30, 2018, the fund balance details by classification are listed below:

	General Fund	Highway User Revenue	Tangerine Farms Improvement District Debt Service	PAG/RTA Capital Fund	Sales Tax Capital Fund	Transportation Fund	Non-Major Governmental Funds
Fund Balances:							
Nonspendable:							
Prepaid expenditures	\$427,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 261,448
Long-term due from other funds	4,425,644	-	-	-	-	2,400,000	-
Restricted:							
Courts	-	-	-	-	-	-	1,113,914
Tourism promotion	-	-	-	-	-	-	1,415,903
Police	-	-	-	-	-	-	1,981,113
Highways and streets	-	1,856,009	-	-	-	-	-
Housing programs	-	-	-	-	-	-	218,262
Capital projects	-	-	-	-	3,060,092	14,624,540	12,366,629
Debt service	-	-	707,418	-	-	-	4,849,507
Unassigned:	24,735,079	-	-	(2,008,868)	-	-	-
Total fund balances:	\$29,587,923	\$1,856,009	\$ 707,418	\$(2,008,868)	\$3,060,092	\$17,024,540	\$ 22,206,776

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 - BUDGETARY CONTROL

Excess Expenditures Over Budget – At June 30, 2018, the Town had expenditures in funds that exceeded the budget; however, this does not constitute a violation of any legal provisions.

The voters of the State of Arizona, on June 3, 1980, approved an expenditure limitation that is applicable to all local governments. This limitation, based on expenditures of the 1979-80 fiscal year, restricts the growth of expenditures based on a factor of increases in population and inflation. Certain expenditures are held to be excludable. The limitation is set by the State Economic Estimates Commission prior to April 1 of each year for the following fiscal year. As allowed, the voters of the Town of Marana, on November 8, 2016, approved an alternative expenditure limitation - home rule option to be applicable to the Town. This alternative expenditure limitation is free from any ties to the state imposed limitations and is in effect for four consecutive years beginning with the fiscal year ended June 30, 2017. This limitation provides for the Town to allow the Mayor and Council to adopt an annual expenditure limitation each year with no expenditures held to be excludable. Therefore, the annual expenditure limitation equals the adopted budget.

The Town establishes its fiscal year as the twelve-month period beginning July 1. The departments submit to the Town manager a budget of estimated expenditures for the ensuing fiscal year. The Town manager and each department head meet to discuss mutually acceptable changes for the estimated expenditures for that department after which the Town manager subsequently submits a budget of estimated expenditures and revenues to the Town Council.

Upon receipt of the budget estimates, the Town Council will hold a public meeting to obtain taxpayer comments. Concurrently, a copy of the budget estimates is published in a local newspaper. The Town Council is prevented from legally enacting the budget through passage of a resolution until 15 days have passed after the date of the public meeting. Prior to July 1, the budget is legally enacted.

The Town Council formally adopts the budget and legally allocates the available monies for the General Fund, the Highway User Revenue Fund, the Community Development Block Grant Fund, the Affordable Housing Revolving Fund, the Local JCEF Fund, the Local Technology Enhancement Fund, the Fill the Gap Fund, the Bed Tax Fund, the RICO Fund, the Emergency Telecommunications Fund, the Impound Fund, the Other Special Revenue Fund, the Gladden Farms CFD Debt Fund, the Tangerine Farms Improvement District Debt Fund, the Transportation Fund, the One-half Cent Sales Tax Fund, the Downtown Reinvestment Fund, the Impact Fee Funds, the Other Capital Projects Funds, the Regional Transportation Authority Fund, the Gladden Farms CFD Capital Fund, the Gladden Farms II CFD Capital Fund, the Vanderbilt CFD Capital Fund, the Saguaro Springs CFD Capital Fund, and the Tangerine Farms Improvement District Capital Fund. The enterprise funds, Water Utility, Wastewater Utility and Airport Authority, are subject to flexible budgets.

The Town manager is authorized to transfer budgeted amounts within any department in the General Fund or between funds for any other fund; however, any revisions that reallocate budgeted amounts between departments within the General Fund or from the budget line items labeled "contingency" must be approved by the Town Council.

NOTE 5 - CASH AND INVESTMENTS

A.R.S. authorize the Town to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, interest-bearing savings accounts, certificates of deposit,

TOWN OF MARANA, ARIZONA
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and repurchase agreements in eligible depositories; bonds or other obligations of the U.S. government that are guaranteed as to principal and interest by the U.S. government; and bonds of the State of Arizona counties, cities, towns, school districts, and special districts as specified by statute. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the Town's investments. The State Board of Investment provides oversight for the State Treasurer's pools.

At June 30, 2018, the carrying amount of the Town's deposits was \$8,724,099 and the bank balance was \$10,472,213. The differences between the book and bank balances are due to timing of certain transactions like deposits in transit and outstanding checks.

Of the bank balance, \$608,034 was covered by Federal depository insurance and \$9,726,070 was covered by collateral held by the pledging financial institution's trust department but not in the Town's name; no portion of the balance was uninsured and uncollateralized. The Town had \$4,175 in petty cash funds, change drawers and other related items at year end. Additionally, the Town had deposits of \$1,659,592 held by Pima County in a fiduciary capacity.

At June 30, 2018, the Town's investments, categorized within the fair value hierarchy established by generally accepted accounting principles, were as follows:

		Fair value measurement using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment by fair value level	Amount			
Federal Home Loan Mortgage Corp.	\$ 973,349	\$ -	\$ 973,349	\$ -
Federal National Mortgage Assn.	4,950,862	-	4,950,862	-
Federal Home Loan Bank	1,985,040		1,985,040	
Total investments by fair value level		\$ -	\$ 7,909,251	\$ -

External investment pools measured at fair value

State Treasurer's investment pool 5	23,826,894
State Treasurer's investment pool 7	8,617,279
Total investments measured at fair value	40,353,424

Investments measured at amortized costs

Money market investments	25,217,854
Total investments measured at amortized costs	25,217,854
Total investments	\$65,571,278

Investments categorized as Level 2 are valued using market-corroborated inputs by evaluating issues with its best-known market maker. Investments in the State Treasurer's investment pools are valued at the pool's share price multiplied by the number of shares the Town held. The fair value of a participant's

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position in the pools approximates the value of that participant's pool shares. The State Board of Investment provides oversight for the State Treasurer's investment pools.

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Town has no investment policy that would further limit its investment choices. As of June 30, 2018, the Town's investment in the State Treasurer's investment pool 5 and pool 7 are specifically limited to those securities that carry the full faith and credit of the United States Government. The net asset value per share of both pools at June 30, 2018 was \$1.00. Pool 5 has continued to maintain the highest credit rating of AAA f/S1+ by Standard & Poor's. Pool 7 itself is unrated, but the securities in Pool 7 had a weighted average credit rating of AAA by Standard & Poor's. The Town's investments in U.S. Agencies were rated Aaa by Moody's Investors Service and AA+ by Standard & Poor's. The Arizona State Treasurer has a publicly available financial report that includes financial statements and required supplementary information. Copies may be obtained by contacting the Arizona State Treasurer, 1700 West Washington, Phoenix, AZ 85007 or at www.aztreasury.gov.

Custodial Credit Risk. The Town's investment in the State Treasurer's investment pool represents a proportionate interest in the pool's portfolio; however, the Town's portion is not identified with specific investments and is not subject to custodial credit risk.

Concentration of Credit Risk. The Town places no limit on the amount it may invest in any one issuer. More than 5% of the Town's investments are in U.S. Agencies. These investments are 12% of the Town's total investments.

At June 30, 2018, the Town had the following investment in debt securities:

Investment Type	Amount	Investment maturities	
		Less than 1 Year	1-5 Years
Money market investments	\$ 25,217,854	\$ 25,217,854	\$ -
Federal Home Loan Mortgage Corp.	973,349		973,349
Federal National Mortgage Assn.	4,950,862	3,969,902	980,960
Federal Home Loan Bank	1,985,040		1,985,040
Total investments by fair value level		<u>\$ 29,187,756</u>	<u>\$ 3,939,349</u>

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NOTE 6 - CAPITAL ASSETS

The following is a summary of the changes in capital assets for fiscal year ended June 30, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 6,988,518	\$ 671,424	\$ -	\$ 7,659,942
Construction in progress	30,921,798	34,179,756	(4,743,900)	60,357,654
Total capital assets, not being depreciated	37,910,316	34,851,180	(4,743,900)	68,017,596
Capital assets, being depreciated:				
Buildings and improvements	45,283,387	12,288	-	45,295,675
Machinery, equipment, and other assets	20,258,351	529,841	(453,150)	20,335,042
Infrastructure	356,969,064	11,395,868	-	368,364,932
Total capital assets being depreciated	422,510,802	11,937,997	(453,150)	433,995,649
Less accumulated depreciation for:				
Buildings and improvements	(17,272,051)	(1,410,123)	-	(18,682,174)
Machinery, equipment, and other assets	(15,698,294)	(868,478)	452,949	(16,113,823)
Infrastructure	(153,799,769)	(15,403,000)	201	(169,202,568)
Total accumulated depreciation	(186,770,114)	(17,681,601)	453,150	(203,998,565)
Total capital assets, being depreciated, net	235,740,688	(5,743,604)	-	229,997,084
Governmental activities capital assets, net	<u>\$273,651,004</u>	<u>\$29,107,576</u>	<u>\$(4,743,900)</u>	<u>\$298,014,680</u>

Governmental activities depreciation expense was charged to function/programs as follows:

Governmental Activities:	
General government	\$ 886,553
Public safety	455,951
Highways and streets	14,645,197
Economic and community development	161,600
Health and Welfare	10,616
Culture and recreation	1,521,684
Total depreciation expense – governmental activities	<u>\$ 17,681,601</u>

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A summary of changes in capital assets for business-type activities is as follows:

Business-type Activities	Beginning Balance, as restated	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,493,811	\$ -	\$ (28,400)	\$ 4,465,411
Water rights	4,430,930	-	-	4,430,930
Construction in progress	12,804,795	23,299,662	(5,788,601)	30,315,856
Total capital assets, not being depreciated	21,729,536	23,299,662	(5,817,001)	39,212,197
Capital assets, being depreciated:				
Buildings, improvements and infrastructure	99,934,291	10,701,590	(2,751,911)	107,883,970
Machinery, equipment, and other assets	1,426,571	201,932	(53,370)	1,575,133
Total capital assets being depreciated	101,360,862	10,903,522	(2,805,281)	109,459,103
Less accumulated depreciation for:				
Buildings, improvements and infrastructure	(25,509,638)	(3,456,349)	1,413,860	(27,552,127)
Machinery, equipment, and other assets	(982,886)	(117,620)	49,519	(1,050,987)
Total accumulated depreciation	(26,492,524)	(3,573,969)	1,463,379	(28,603,114)
Total capital assets, being depreciated, net	74,868,338	7,329,553	1,341,902	80,855,989
Business-type activities capital assets, net	<u>\$96,597,874</u>	<u>\$30,629,215</u>	<u>\$(7,158,903)</u>	<u>\$120,068,186</u>

See Note 2 regarding the restated beginning balance in the table above.

Business-type depreciation expense was charged to functions/programs as follows:

Business-type Activities:	
Airport	\$ 930,338
Water	1,059,196
Wastewater	1,584,435
Total depreciation expense – business-type activities	<u>\$ 3,573,969</u>

NOTE 7 – LONG-TERM LIABILITIES

A. Notes Payable

Business-type activities loan payable consists of a loan from the Water Infrastructure Finance Authority (WIFA), the proceeds of which were used to acquire and construct various water related infrastructure. The loan is to be repaid in annual principal payments, plus semiannual interest payments, and a semiannual servicing fee.

During 2010, the Town obtained \$5,250,000 in financing from WIFA for the acquisition and construction of a new water infrastructure. As of year-end, the Town has drawn on \$4,690,128 of the loan and returned \$559,872. The interest rate at June 30, 2018 on the outstanding balance is 1.468 percent.

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The following is a schedule by years of the debt service requirements for the loan as of June 30, 2018.

Fiscal Year	Principal	Interest	Total
2019	\$ 226,000	\$ 45,340	\$ 271,340
2020	232,707	41,973	274,680
2021	239,614	38,506	278,120
2022	246,726	34,937	281,663
2023	254,049	31,261	285,310
2024 – 2028	1,387,924	97,236	1,485,160
2029 – 2030	614,552	9,088	623,640
Totals	<u>\$ 3,201,572</u>	<u>\$ 298,341</u>	<u>\$ 3,499,913</u>

B. Community Facilities District (CFD) General Obligation Bonds

Gladden Farms Community Facilities District (a component unit) issued general obligation bonds for infrastructure improvements and to refund prior issuances. The refunding issuance resulted in the 2004, 2006, 2007, and 2010 general obligation bond series to be considered defeased and the liability has been removed from the statement of net position. As of June 30, 2018, \$875,000 was still outstanding for the 2010 Series refunding.

These bonds are payable from the property tax collected by the District. The CFD general obligation bonds outstanding as reported in governmental activities as of June 30, 2018, were as follows:

	<u>Outstanding June 30, 2018</u>
\$7,955,000 CFD General Obligation Bonds, 2016 Series, due in annual installments of \$20,000 to \$640,000; through July 15, 2041; at a 2.0% to 4.0% interest rate.	\$ 7,745,000

Annual debt service requirements to maturity on the CFD general obligation bonds at June 30, 2018, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2019	\$ 205,000	\$ 267,012	\$ 472,012
2020	265,000	262,312	527,312
2021	410,000	255,562	665,562
2022	420,000	247,263	667,263
2023	430,000	236,613	666,613
2024 – 2028	2,365,000	957,038	3,322,038
2029 – 2033	2,840,000	447,563	3,287,563
2034 – 2038	720,000	34,362	754,362
2039 – 2042	90,000	5,938	95,938
Totals	<u>\$ 7,745,000</u>	<u>\$ 2,713,663</u>	<u>\$ 10,458,663</u>

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C. Tangerine Farms Road Improvement District Improvement Bonds

Tangerine Farms Road Improvement District (a component unit) issued special assessment bonds for infrastructure improvements and to refund prior issuances. These bonds are paid through assessments made to the property owners within the Tangerine Farms Road Improvement District. The Town is responsible for the collection of the assessments and the disbursement of funds to retire the bonds. If a delinquency on an assessment occurs, the Town is required to cover the delinquency with other resources until foreclosure proceeds are received. The TFRID special assessment bonds outstanding as reported in governmental activities as of June 30, 2018, were as follows:

	Outstanding June 30, 2018
\$14,245,132 TFRID Refunding Bonds, Series 2017, due in annual installments of \$1,618,132 to \$1,907,000; through January 1, 2026; at an interest rate of 1.96%.	\$ 14,200,132

Annual debt service requirements to maturity on the TFRID special assessment bonds at June 30, 2018, are summarized as follows:

Year ending June 30	Principal	Interest	Total
2019	\$ 1,766,132	\$ 356,613	\$ 2,122,745
2020	1,678,000	243,706	1,921,706
2021	1,709,000	210,818	1,919,818
2022	1,743,000	177,321	1,920,321
2023	1,775,000	143,159	1,918,159
2024-2026	5,529,000	218,089	5,747,089
Totals	<u>\$ 14,200,132</u>	<u>\$ 1,349,706</u>	<u>\$ 15,549,838</u>

D. Revenue Bonds

The Town issued pledged excise tax-revenue and refunding obligation bonds to finance the expansion of the Marana Wastewater Reclamation Facility and construction of the groundwater Recharge Facility, for acquiring water systems, wastewater systems, infrastructure upgrades, the design and construction of the new municipal complex and to refund prior issuances. The 2008 Series revenue bonds were refunded in 2017 and are considered defeased and the liability for the refunded bonds has been removed from the statement of net position. As of June 30, 2018, \$20,485,000 of defeased bonds are still outstanding.

These bonds are payable from the excise taxes collected by the Town, wastewater utility revenue, and water utility revenue. The revenue bonds outstanding as of June 30, 2018 were as follows:

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	Outstanding June 30, 2018	
	Governmental	Business-type
\$34,780,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2013 Series, due in annual installments of \$315,000 to \$2,570,000; through July 1, 2033; at a 2.0% to 5.0% interest rate.	\$ 30,600,000	
\$6,493,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2014 Series, due in annual installments of \$353,000 to \$735,000; through July 1, 2025; at a 2.55% interest rate.	5,370,000	
\$1,343,000 Water Utility Revenue Refunding Obligations, 2014 Series, due in annual installments of \$129,000 to \$197,000; through July 1, 2022; at a 2.53% interest rate.		\$ 939,000
\$17,215,000 Pledged Excise Tax Revenue Bonds, 2017 Series A, due in annual installments of \$1,920,000 to \$2,420,000; through July 1, 2042; at a 2.0% to 5.0% interest rate.		17,215,000
\$19,865,000 Pledged Excise Tax Revenue and Revenue Refunding Obligations, 2017 Series B, due in annual installments of \$840,000 to \$2,580,000; through July 1, 2028; at a 2.0% to 5.0% interest rate.	19,865,000	
\$2,565,000 Pledged Excise Tax Revenue Bonds, 2017 Series C, due in annual installments of \$30,000 to \$1,980,000; through July 1, 2034; at a 2.0% to 5.0% interest rate.		2,565,000
Total	<u>\$ 55,835,000</u>	<u>\$ 20,719,000</u>

Annual debt service requirements to maturity on revenue bonds at June 30, 2018, are summarized as follows:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 3,184,000	\$ 2,402,294	\$ 179,000	\$ 830,561
2020	3,624,000	2,303,358	184,000	825,969
2021	3,726,000	2,185,415	186,000	821,289
2022	3,865,000	2,037,374	193,000	816,494
2023	4,535,000	1,864,137	197,000	811,561
2024-2028	23,881,000	6,040,565	-	4,045,344
2029-2033	11,300,000	1,437,950	410,000	4,016,844
2034-2038	1,720,000	43,000	8,150,000	3,194,269
2039-2042	-	-	11,220,000	1,152,709
Totals	<u>\$ 55,835,000</u>	<u>\$ 18,314,093</u>	<u>\$ 20,719,000</u>	<u>\$ 16,515,040</u>

E. Pledged Revenues

The Town has pledged certain future revenues to repay specific bonded debt as follows. The Town has pledged future excise tax revenues to repay \$80.9 million in Excise Tax Revenue Bonds issued in 2013,

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2014, and 2017. The various bonds were issued for the expansion of the Marana Wastewater Reclamation Facility, construction of the groundwater Recharge Facility, construction of the municipal complex, the acquisition of certain water systems, acquisition of the Marana Wastewater Reclamation Facility, infrastructure upgrades and to refund prior debt issuances. At year end, \$75.6 million in bonds remain outstanding to be repaid by future excise tax revenues and the net revenues available for service of this debt were \$54.2 million. The debt principal and interest paid on this debt during fiscal year 2018 was \$4.8 million (8.9% of available net pledged revenues).

In addition, the Town has pledged future water utility revenues to repay a \$4.7 million Water Infrastructure Financing Authority loan and a \$1.3 million Revenue Refunding Bond. The loan was issued for the acquisition of well sites and the construction of certain infrastructure. The bond was issued in 2014 to refund prior debt issuances. At year end, \$4.1 million remains outstanding to be repaid by future water revenues. For the fiscal year ended June 30, 2018, the net revenues available for service of this debt were \$1.9 million. The debt principal and interest paid on this debt during fiscal year 2018 was \$432,611.

F. Changes in Long-term Liabilities

The following is a summary of changes in long-term liability activity for fiscal year ended June 30, 2018.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 7,955,000	-	\$ (210,000)	\$ 7,745,000	\$ 205,000
Revenue bonds	57,840,000	-	(2,005,000)	55,835,000	3,184,000
Compensated absences	1,089,056	278,991	(217,755)	1,150,292	1,035,263
Net pension liability	36,454,393	1,519,645	(383,288)	37,590,750	-
Special assessment bonds	14,245,132	-	(45,000)	14,200,132	1,766,132
Deferred bond premium	6,253,495	-	(440,566)	5,812,929	440,566
Total	\$123,837,076	\$ 1,798,636	\$(3,301,609)	\$122,334,103	\$6,630,961
Business-type activities:					
Loan payable	\$ 3,421,057	\$ -	\$ (219,485)	\$ 3,201,572	\$ 226,000
Net pension liability	2,336,072	-	(52,933)	2,283,139	-
Revenue bonds	20,858,000	-	(139,000)	20,719,000	179,000
Compensated absences	103,811	37,797	(26,852)	114,756	103,281
Deferred bond premium	390,246	-	(19,688)	370,558	19,688
Total	\$ 27,109,186	\$ 37,797	\$ (457,958)	\$ 26,689,025	\$ 527,969

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NOTE 8 – DEFERRED AMOUNTS

Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred amounts reported in the governmental funds were as follows:

Deferred revenue	Unavailable	Unearned
Program revenues (General Fund)	\$ -	\$ 340,452
Intergovernmental (PAG/RTA Capital Fund)	378,086	-
Intergovernmental (Non-Major governmental funds)	2,861	18,024
Special assessments (Tangerine Farms Improvement District Debt Service Fund)	13,760,335	-
Total deferred amounts for governmental funds	<u>\$ 14,141,282</u>	<u>\$ 358,476</u>

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At June 30, 2018, several funds were involved in interfund borrowing arrangements with the General Fund due to insufficient resources available in the funds to cover expenditures. Through the fiscal year 2017-2018, these interfund borrowing will be eliminated as sufficient resources become available. A portion of the amount due from the Airport Fund, \$1,813,701 and a portion of the amount due from the Wastewater Fund, \$2,400,000 to the Transportation Fund and \$2,611,943 to the General Fund, is considered long term. Listed below is a summary of the interfund borrowing transactions.

Due To	Due From				
	PAG/RTA Capital Fund	Non-Major Governmental Funds	Enterprise Funds		
			Wastewater Fund	Airport Fund	Total
General Fund	\$ 2,708,748	\$ 234,986	\$ 3,111,943	\$ 2,013,701	\$ 8,069,378
Transportation Fund	-	-	2,400,000	-	2,400,000
Total	\$ 2,708,748	\$ 234,986	\$ 5,511,943	\$ 2,013,701	\$ 10,469,378

Interfund transfers:

Interfund transfers were made by the Town during the fiscal year to ensure that sufficient resources were available to cover expenditures in the applicable funds. These were direct transfers between funds and will not be eliminated as sufficient resources become available in the receiving funds. Listed below is a summary of transfers between funds.

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Transfer Out	Transfers In								
	General Fund	PAG/RTA Capital	Sales Tax Capital	Transportation	Non-Major Governmental Funds	Enterprise Funds			
						Water	Wastewater	Airport	Total
General Fund					\$4,108,448		\$3,100,000	\$243,011	\$7,451,459
PAG/RTA Capital					472,080				472,080
Transportation					391,239				391,239
Non-Major Governmental Funds	665	59,866	620,248	804,295	932,162				2,417,236
Water					1,053,149		436,009	1,001	1,490,159
Wastewater	3,111,943				1,053,149	1,868,542			6,033,634
Total	\$3,112,608	\$ 59,866	\$620,248	\$ 804,295	\$8,010,227	\$1,868,542	\$3,536,009	\$244,012	\$18,255,807

NOTE 10 - EMPLOYEE RETIREMENT SYSTEMS

All full-time and permanent part-time employees participate in one of four different retirement plans. With the exception of public safety personnel, police dispatchers and elected officials, all other employees participate in the Arizona State Retirement System (ASRS). Certified public safety personnel participate in the Public Safety Retirement Systems (PSPRS). Police dispatch and communication staff participate in the Corrections Officer Retirement Plan (CORP). The Town's Mayor and Council Members participate in the Elected Officials' Retirement Plan (EORP).

At June 30, 2018, the Town reported the following aggregate amounts related to pensions for all plans to which it contributes:

Statement of Net Position and Statement of Activities	Governmental Activities	Business-Type Activities	Total
Net pension liabilities	\$ 37,590,750	\$ 2,283,139	\$ 39,873,889
Deferred outflows of resources	8,973,655	372,785	9,346,440
Deferred inflows of resources	2,138,953	108,826	2,247,779
Pension expense	4,878,087	171,249	5,049,336

The Town reported \$3,179,118 of pension contributions as expenditures in the governmental funds related to all pension plans to which it contributes.

A. Public Safety Personnel Retirement System and Corrections Officer Retirement Plan

All of the Town's full-time police officers are covered by the Arizona Public Safety Personnel Retirement System (PSPRS), which is an agent multiple-employer defined benefit plan. PSPRS was established by Title 38, Chapter 5, Article 4 of the Arizona Revised Statutes to provide pension benefits for public safety personnel who are regularly assigned hazardous duty as employees of the State of Arizona or one of its political subdivisions. The PSPRS is jointly administered by the Board of Trustees (formerly fund manager) and participating local boards. The Board of Trustees is a nine-member board appointed by the Governor and the State Legislature. The Board of Trustees is responsible for establishing contribution rates in accordance with an actuarial study.

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All full-time and permanent part-time employees employed as police dispatchers or communications operators are eligible to participate in the Corrections Officers Retirement Plan (CORP), an agent multiple-employer defined benefit pension plan and an agent multiple-employer defined benefit health insurance premium benefit (OPEB) plan. The CORP is governed by the PSPRS Board of Trustees and the local participating local boards according to the provisions of A.R.S. Title 38, Chapter 5, Article 6. PSPRS and CORP net OPEB liabilities have not been recorded, or further disclosed at June 30, 2018 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements.

PSPRS and CORP issue publicly available financial reports that include financial statements and required supplemental information. This report may be obtained on the PSPRS website at www.psprs.com or by writing to 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

Benefits provided—The PSPRS and CORP provide retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

PSPRS

Initial membership date:

Before January 1, 2012

On or after January 1, 2012 and
before July 1, 2017

Retirement and Disability

Years of service and age required to receive benefit	20 years of service, any age 15 years of service, age 62	25 years of service or 15 years of credited service, age 52.5
Final average salary is based on	Highest 36 consecutive months of last 20 years	Highest 60 consecutive months of last 20 years

Benefit percent

Normal Retirement	50% less 2.0% for each year of credited service less than 20 years OR plus 2.0% to 2.5% for each year of credited service over 20 years, not to exceed 80%	1.5% to 2.5% per year of credited service, not to exceed 80%
Accidental Disability Retirement	50% or normal retirement, whichever is greater	
Catastrophic Disability Retirement	90% for the first 60 months then reduced to either 62.5% or normal retirement, whichever is greater	
Ordinary Disability Retirement	Normal retirement calculated with actual years of credited service or 20 years of credited service, whichever is greater, multiplied by years of credited service (not to exceed 20 years) divided by 20	

Survivor Benefit

Retired Members	80% to 100% of retired member's pension benefit
Active Members	80% to 100% of accidental disability retirement benefit or 100% of average monthly compensation if death was the result of injuries received on the job

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CORP

Initial membership date:

Before January 1, 2012

On or after January 1, 2012

Retirement and Disability

Years of service and age required to receive benefit	Sum of years and age equals 80 25 years, any age (dispatchers) 20 years, any age (all others) 10 years, age 62	25 years, age 52.5 10 years, age 62
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years

Benefit percent

Normal Retirement	2.0% to 2.5% per year of credited service, not to exceed 80%	
	Before January 1, 2012	On or after January 1, 2012
Accidental Disability Retirement	50% or normal retirement if more than 20 years of credited service	50% or normal retirement if more than 25 years of credited service
Total and Permanent Disability Retirement	50% or normal retirement if more than 25 years of credited service	
Ordinary Disability Retirement	2.5% per year of credited service	

Survivor Benefit

Retired Members	80% of retired member's pension benefit
Active Members	40% of average monthly compensation or 100% of average monthly compensation if death was the result of injuries received on the job. If there is no surviving spouse or eligible children, the beneficiary is entitled to 2 times the member's contributions.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments. The adjustments are based on inflation of PSPRS and excess investment earnings for CORP. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan. PSPRS also provides temporary disability benefits of 50 percent of the member's compensation for up to 12 months.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. Benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents.

Employees covered by benefit terms—At June 30, 2018, the following employees were covered by the agent pension plans' benefit terms:

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	PSPRS	CORP Dispatchers
Inactive employees or beneficiaries currently receiving benefits	29	-
Inactive employees entitled to but not yet receiving benefits	21	2
Active employees	79	7
Total	<u>129</u>	<u>9</u>

Contributions—State statutes establish the pension contribution requirements for active PSPRS and CORP employees. In accordance with state statutes, annual actuarial valuations determine employer contribution requirements for PSPRS and CORP pension and health insurance premium benefits. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. Contributions rates for the year ended June 30, 2018, are indicated below. Rates are a percentage of active members' annual covered payroll.

	PSPRS Tier 1	PSPRS Tier 2	PSPRS Tier 3 Defined Contribution	CORP Dispatchers
Active members—Pension	7.65%	11.65%	10.55%	7.96%
Town				
Pension	32.69%	32.69%	28.07%	14.05%
Health insurance premium benefit	.41%	.41%		.39%

In addition, statute required the Town to contribute at the actuarially determined rate of 17.52 percent for the PSPRS of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the PSPRS would typically fill.

The Town's contributions to the pension plan and contributions for the health insurance premium benefit for the year ended June 30, 2018, were:

	PSPRS	CORP Dispatchers
Pension Contributions	\$ 1,782,576	\$ 57,269
Health Insurance Premium Benefit	22,357	1,590
Total Contributions	<u>\$ 1,804,933</u>	<u>\$ 58,859</u>

During fiscal year 2018, the Town paid for PSPRS and CORP pension contributions as follows: 92% percent from the General Fund and 8% percent from other funds.

Pension liability—At June 30, 2018, the Town reported the following net pension liabilities:

	Net Pension Liability
PSPRS	15,423,434
CORP Dispatchers	790,163

TOWN OF MARANA, ARIZONA
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The net pension liabilities were measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liabilities as of June 30, 2017, reflect the following changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

- Decreasing the investment rate of return from 7.5 percent to 7.4 percent.
- Decreasing the wage inflation from 4 percent to 3.5 percent.
- Updating mortality, withdrawal, disability, and retirement assumptions.

The total pension liabilities for CORP also reflect changes of benefit terms for a court decision that increased cost-of-living adjustments for retirees who became members before July 20, 2011. The total pension liabilities for PSPRS also reflect changes of benefit terms for legislation that changed benefit eligibility and multipliers for employees who became members on or after January 1, 2012, and before July 1, 2017, and a court decision that decreased the contribution rates for employees who became members before July 20, 2011.

Pension actuarial assumptions – The significant actuarial assumptions used to measure the total pension liability are as follows:

<u>PSPRS and CORP—Pension</u>	
Actuarial valuation date	June 30, 2017
Actuarial cost method	Individual entry age normal
Investment rate of return	7.40%
Wage inflation	3.5%
Price Inflation	2.5%
Permanent benefit increase	Included
Mortality rates	RP-2014 tables using MP-2016 improvement scale with adjustments to match current experience
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on PSPRS and CORP pension plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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PSPRS and CORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Equity	16%	7.60%
Non-U.S. Equity	14%	8.70%
Private Credit	12%	6.75%
Fixed Income	5%	1.25%
Credit Opportunities	16%	5.83%
Absolute Return	2%	3.75%
GTAA	10%	3.96%
Real Assets	9%	4.52%
Real Estate	10%	3.75%
Risk Parity	4%	5.00%
Short Term Investments	2%	0.25%
Total	<u>100%</u>	

Pension discount rates—The following discount rates were used to measure the total pension liabilities:

	PSPRS	CORP Dispatchers
Discount rates	7.40%	7.40%
Change from prior year	(0.1)	(0.1)

The projection of cash flows used to determine the PSPRS and CORP discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Changes in the Net Pension Liability (Asset)

PSPRS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2017	31,059,879	16,535,203	14,524,676
Changes for the year:			
Service cost	1,213,757	-	1,213,757
Interest on the total pension liability	2,322,987	-	2,322,987
Changes of benefit terms	367,673	-	367,673
Differences between expected and actual experience in the measurement of the pension liability	340,373	-	340,373
Changes of assumptions or other inputs	725,862	-	725,862
Contributions—employer	-	1,384,924	(1,384,924)
Contributions—employee	-	621,583	(621,583)
Net investment income	-	2,081,790	(2,081,790)
Benefit payments, including refunds of employee contributions	(1,387,192)	(1,387,192)	-
Pension plan administrative expense	-	(18,820)	18,820
Other changes	-	2,417	(2,417)
Net changes	3,583,460	2,684,702	898,758
Balances at June 30, 2018	34,643,339	19,219,905	15,423,434

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CORP

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at June 30, 2016	1,548,120	1,015,820	532,300
Changes for the year:			
Service cost	59,139	-	59,139
Interest on the total pension liability	118,108	-	118,108
Changes of benefit terms	312,169	-	312,169
Differences between expected and actual experience in the measurement of the pension liability	(18,913)	-	(18,913)
Changes of assumptions or other inputs	(5,967)	-	(5,967)
Benefit payments, including refunds of employee contributions	(5,825)	(5,825)	-
Contributions—employer	-	51,162	(51,162)
Contributions—employee	-	32,199	(32,199)
Net investment income	-	124,809	(124,809)
Pension plan administrative expense	-	(1,491)	1,491
Other changes	-	(6)	6
Net changes	458,711	200,848	257,863
Balances at June 30, 2018	2,006,831	1,216,668	790,163

Sensitivity of the Town's net pension liability to changes in the discount rate—The following table presents the Town's net pension liabilities calculated using the discount rates noted above, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Pension plan fiduciary net position—Detailed information about the pension plans' fiduciary net position is available in the separately issued PSPRS and CORP financial reports.

	1% Decrease	Current Discount Rate	1% Increase
PSPRS			
Rate	6.40%	7.40%	8.40%
Net pension liability	\$20,802,372	\$15,423,434	\$11,097,179
CORP Dispatchers			
Rate	6.40%	7.40%	8.40%
Net pension liability	\$1,143,839	\$790,163	\$504,351

Pension expense—For the year ended June 30, 2018, the Town recognized the following pension expense:

	Pension Expense
PSPRS	2,908,449
CORP Dispatchers	372,799

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Pension deferred outflows/inflows of resources—At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PSPRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 884,651	\$ -
Changes of assumptions or other inputs	2,152,941	
Net difference between projected and actual earnings on pension plan investments	936,165	798,045
Town contributions subsequent to the measurement date	1,782,576	
Total	<u>\$ 5,756,333</u>	<u>\$ 798,045</u>

CORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 50,366
Changes of assumptions or other inputs	8,435	4,895
Net difference between projected and actual earnings on pension plan investments	13,461	163
Town contributions subsequent to the measurement date	57,269	
Total	<u>\$ 79,165</u>	<u>\$ 55,424</u>

The amounts reported as deferred outflows of resources related to pensions resulting from town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PSPRS	CORP Dispatchers
Year ending June 30		
2019	\$875,022	\$(6,923)
2020	1,017,832	1,683
2021	651,637	(5,988)
2022	297,788	(20,201)
2023	278,612	(2,099)
Thereafter	54,821	-

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Agent plan OPEB actuarial assumptions—The health insurance premium benefit contribution requirements for the year ended June 30, 2018, were established by the June 30, 2015, actuarial valuations, and those actuarial valuations were based on the following actuarial methods and assumptions.

Actuarial valuations involve estimates of the reported amounts' value and assumptions about the probability of events in the future. Amounts determined regarding the plans' funded status and the annual required contributions are subject to continual revision as actual results are compared to past expectations and new estimates are made. The required schedule of funding progress for the health insurance premium benefit presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plans' assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on (1) the plans as the Town and plans' members understand them and include the types of benefits in force at the valuation date, and (2) the pattern of sharing benefit costs between the Town and plans' members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant actuarial methods and assumptions used are the same for all PSPRS and CORP plans and related benefits (unless noted), and the following actuarial methods and assumptions were used to establish the fiscal year 2017 contribution requirements:

PSPRS and CORP—OPEB Contribution Requirements

Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	21 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.4%
Projected salary increases	4.00%–8.00% for PSPRS and 4.00%–7.25% for CORP
Wage growth	4.00% for PSPRS and CORP

Agent plan OPEB trend information—Annual OPEB cost information for the health insurance premium benefit for the current and 2 preceding years follows for each of the agent plans:

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Year Ended June 30	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
PSPRS			
2018	\$ 22,357	100	\$ -
2017	13,062	100	-
2016	19,742	100	-
CORP Dispatchers			
2018	1,590	100	-
2017	1,578	100	-
2016	1,475	100	-

Agent plan OPEB funded status—The health insurance premium benefit plans' funded status as of the most recent valuation date, June 30, 2017, along with the actuarial assumptions and methods used in those valuations follow.

	PSPRS	CORP Dispatchers
Actuarial value of assets (a)	\$813,401	\$43,507
Actuarial accrued liability (b)	693,231	42,677
Unfunded actuarial accrued liability (funding excess)		
(b) – (a)	(120,170)	(830)
Funded ratio (a)/(b)	117.3%	101.9%
Annual covered payroll (c)	\$5,318,831	\$404,506
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll		
(b) – (a) / (c)	2.26%	0.20%

The actuarial methods and assumptions used are the same for all the PSPRS and CORP health insurance premium benefit plans (unless noted), and for the most recent valuation date are as follows:

PSPRS and CORP—OPEB Funded Status

Actuarial valuation date	June 30, 2017
Actuarial cost method	Entry age normal
Amortization method	Level percent closed for unfunded actuarial accrued liability, open for excess
Remaining amortization period	19 years for unfunded actuarial accrued liability, 20 years for excess
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	7.40%
Projected salary increases	3.5%–7.5% for PSPRS and 3.5%–6.5% for CORP
Payroll growth	3.5% for PSPRS and CORP

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B. Arizona State Retirement System

All full-time and permanent part-time employees not in the Public Safety Retirement System, Corrections Officers Retirement System or Elected Officials Retirement System are eligible to participate in the Arizona State Retirement System (ASRS) a cost sharing multiple-employer defined benefit plan. The ASRS was established by the State of Arizona to provide pension benefits for employees of the State and employees of participating political subdivisions and school districts. The ASRS is administered in accordance with the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1. The ASRS provides for retirement, death, long-term disability, survivor, and health insurance premium benefits. ASRS net OPEB liabilities have not been recorded, or further disclosed at June 30, 2018 in accordance with GASB Statement 75, due to the relative insignificance to the Town's financial statements. ASRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on its website at www.azasrs.gov or by writing to ASRS, 3300 N. Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling 602-240-2000 or 1-800-621-3778.

Cost-sharing plan - Arizona Revised Statutes provide statutory authority for determining the employees' and employers' contribution amounts. The ASRS funding policy provides for actuarially determined employer contributions at rates which will provide assets sufficient to pay benefits when due. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

ASRS	Retirement	
	Initial membership date:	
	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*With actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

Contributions—In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2018, statute required active ASRS members to contribute at the actuarially determined rate of 11.5 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the Town to contribute at the actuarially determined rate of 11.5 percent (10.9 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. In addition, the Town was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 percent for retirement, 0.1 percent for health insurance premium benefit, and 0.13 percent for long-term disability) of annual covered payroll of retired members who worked for the Town in positions that would typically be filled by an employee who contributes to the ASRS. The Town's contributions to the pension plan for the year ended June 30, 2018, were \$1,620,757. The Town's contributions for the current and 2 preceding years for OPEB, all of which were equal to the required contributions, were as follows:

Years ended		Health	Long-term	
<u>June 30,</u>	<u>Retirement</u>	<u>Insurance</u>	<u>Disability</u>	<u>Total</u>
2018	\$ 1,536,196	\$ 62,011	\$ 22,550	\$ 1,620,757
2017	1,496,440	77,738	19,434	1,593,612
2016	1,426,881	65,755	15,780	1,508,416

During fiscal year 2018, the Town paid for ASRS pension and OPEB contributions as follows: 86.14% percent from the General Fund, .34% percent from major funds, 12.82% from enterprise funds and .7% percent from other funds.

Pension liability—At June 30, 2018, the Town reported a liability of \$22,254,803 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The total pension liability as of June 30, 2017, reflects a change in actuarial assumption related to changes in loads for future potential permanent benefit increases.

The Town's proportion of the net pension liability was based on the Town's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The Town's proportion measured as of June 30, 2017, was 0.14286 percent, which was a decrease of 0.002276 percent from its proportion measured as of June 30, 2016

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2018, the Town recognized pension expense for ASRS of \$1,411,258. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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ASRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 667,322
Changes of assumptions or other inputs	966,577	665,459
Net difference between projected and actual earnings on pension plan investments	159,774	-
Changes in proportion and differences between contributions and proportionate share of contributions	571,988	-
Town contributions subsequent to the measurement date	1,536,196	
Total	<u>\$ 3,234,535</u>	<u>\$ 1,332,781</u>

The \$1,536,196 reported as deferred outflows of resources related to ASRS pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30,	
2019	\$(501,219)
2020	1,082,995
2021	295,710
2022	(511,928)

Actuarial Assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

ASRS	
Actuarial valuation date	June 30, 2016
Actuarial roll forward date	June 30, 2017
Actuarial cost method	Entry age normal
Investment rate of return	8%
Projected salary increases	3–6.75%
Inflation	3%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.7 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding

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expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

ASRS Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Equity	58%	6.73%
Fixed income	25%	3.70%
Real estate	10%	4.25%
Multi-asset	5%	3.41%
Commodities	2%	3.84%
Total	<u>100%</u>	

Discount Rate—The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute.

Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s proportionate share of the ASRS net pension liability to changes in the discount rate—The following table presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

ASRS	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Proportionate share of the net pension liability	\$28,564,427	\$22,254,803	\$16,982,573

Pension plan fiduciary net position—Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

C. Elected Officials’ Retirement Plan

The Town’s Mayor and Council Members are eligible to participate in the Elected Officials’ Retirement Plan (EORP), a multiple employer cost-sharing defined benefit plan. The EORP pension plan was closed to new members as of January 1, 2014. The EORP is governed by the Public Safety Retirement System Board of Trustees according to the provisions of A.R.S. Title 38, Chapter 5, Article 3. EORP issues a publicly available financial report that includes financial statements and required supplementary information. At the time of issuance, the most recent report for EORP was unavailable. The report may be obtained on PSPRS’s website at www.psprs.com or by writing to EORP, 3010 E Camelback Rd, Ste 200, Phoenix, AZ 85016 or by calling (602) 255-5575.

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Benefits provided—The EORP provides retirement, health insurance premium supplement, disability, and survivor benefits. State statute establishes benefit terms. Retirement, disability, and survivor benefits are calculated on the basis of age, average yearly compensation, and service credit as follows:

EORP	Initial membership date:	
	Before January 1, 2012	On or after January 1, 2012
Retirement and Disability		
Years of service and age required to receive benefit	20 years, any age 10 years, age 62 5 years, age 65 5 years, any age* any years and age if disabled	10 years, age 62 5 years, age 65 any years and age if disabled
Final average salary is based on	Highest 36 consecutive months of last 10 years	Highest 60 consecutive months of last 10 years
Benefit percent		
Normal Retirement	4% per year of service, not to exceed 80%	3% per year of service, not to exceed 75%
Disability Retirement	80% with 10 or more years of service 40% with 5 to 10 years of service 20% with less than 5 years of service	75% with 10 or more years of service 37.5% with 5 to 10 years of service 18.75% with less than 5 years of service
Survivor Benefit		
Retired Members	75% of retired member's benefit	50% of retired member's benefit
Active Members and Other Inactive Members	75% of disability retirement benefit	50% of disability retirement benefit

* With reduced benefits of 0.25% for each month early retirement precedes the member's normal retirement age, with a maximum reduction of 30%.

Retirement and survivor benefits are subject to automatic cost-of-living adjustments based on excess investment earning. In addition, the Legislature may enact permanent one-time benefit increases after a Joint Legislative Budget Committee analysis of the increase's effects on the plan.

Contributions—State statutes establish active member and employer contribution requirements. Statute also appropriates \$5 million annually through fiscal year 2043 for the EORP from the State of Arizona to supplement the normal cost plus an amount to amortize the unfunded accrued liability. For the year ended June 30, 2018, statute required active EORP members to contribute 7 or 13 percent of the members' annual covered payroll and the Town to contribute 23.5 percent of all active EORP members' annual covered payroll. In addition, statute required the Town to contribute 23.5 percent of annual covered payroll of retired members who worked for the Town in positions that an employee who contributes to the EORP would typically fill. The Town's contributions to the pension plan for the year ended June 30, 2018, was \$27,266. No OPEB contributions were required or made for the years ended June 30, 2016, 2017, and 2018.

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During fiscal year 2018, the Town paid for EORP pension contributions 100 percent from the General Fund.

Pension liability—The most recent EORP Schedule of Employer Allocations, Schedule of Pension Amounts by Employer was unavailable. At June 30, 2018, Town reported the previous year's liability for its proportionate share of the EORP's net pension liability. The amount the Town recognized as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the EORP net pension liability	\$ 1,405,489
State's proportionate share of the EORP net pension liability associated with the Town	<u>290,197</u>
Total	<u><u>\$ 1,695,686</u></u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability as of June 30, 2016, reflects a decrease in the investment rate of return actuarial assumption from 7.85 percent to 7.50 percent.

The Town's proportion of the net pension liability as of June 30, 2016, was based on the Town's actual contributions to the plan relative to the total of all participating employers' actual contributions for the year ended June 30, 2016. The Town's proportion measured as of June 30, 2016, was .1488 percent, which was an increase of .0154 percent from its proportion measured as of June 30, 2015.

The collective net pension liability measured as of June 30, 2017, will reflect changes of actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016. The change in the Town's proportionate share of the collective net pension liability as a result of these changes is not known.

Pension expense and deferred outflows/inflows of resources—For the year ended June 30, 2018, the Town recognized pension expense for EORP from the prior year due to the unavailability of the current year report. At June 30, 2018, the Town reported the June 30, 2017 deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

EORP	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 26,431
Changes of assumptions or other inputs	157,801	-
Net difference between projected and actual earnings on pension plan investments	32,558	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	57,983	35,098
Town contributions subsequent to the measurement date	<u>28,065</u>	
Total	<u><u>\$ 276,407</u></u>	<u><u>\$ 61,529</u></u>

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The \$28,065 reported as deferred outflows of resources related to EORP pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to EORP pensions will be recognized in pension expense as follows:

Year ending June 30	
2017	\$116,908
2018	51,553
2019	11,831
2020	6,521

Actuarial assumptions—The significant actuarial assumptions used to measure the total pension liability are as follows:

<u>EORP</u>	
Actuarial valuation date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	7.50%
Projected salary increases	4.25%
Inflation	4.0%
Permanent benefit increase	Members retired on or before July 1, 2011: 3% of benefit Members retired on or after August 1, 2011: 0.5% of benefit
Mortality rates	RP-2000 mortality table projected to 2025 with projection scale AA

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2011.

The long-term expected rate of return on EORP pension plan investments was determined to be 7.40 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

EORP Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Short term investments	2%	0.25%
Absolute return	2%	3.75%
Risk parity	4%	5.00%
Fixed income	5%	1.25%
Real assets	9%	4.52%
GTAA	10%	3.96%
Private credit	12%	6.75%
Real estate	10%	3.75%
Credit opportunities	16%	5.83%
Non-U.S. equity	14%	8.70%
U.S. equity	<u>16%</u>	7.60%
Total	<u>100%</u>	

Discount rate—At June 30, 2017, the discount rate used to measure the EORP total pension liability was 3.91 percent, which was an increase of 0.23 from the discount rate used as of June 30, 2016. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, employer contributions will be made at the statutorily set rates, and state contributions will be made as currently required by statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members. Therefore, to determine the total pension liability for the plan, the long-term expected rate of return on pension plan investments of 7.40 percent was applied to periods of projected benefit payments through the year ended June 30, 2026. A municipal bond rate of 3.56 percent obtained from the Fidelity 20-year Municipal GO AA Index as of June 30, 2017, was applied to periods of projected benefit payments after June 30, 2026.

Sensitivity of the Town's proportionate share of the EORP net pension liability to changes in the discount rate—The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 3.68, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

EORP	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
Town's proportionate share of the net pension liability	\$1,636,058	\$1,405,489	\$1,213,022

Pension Plan Fiduciary Net Position—Detailed information about the pension plan's fiduciary net position is available in the separately issued EORP financial report.

NOTE 11 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The Town's insurance protection is provided by the Arizona Municipal Risk Retention Pool, of which the

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Town is a participating member. The limit for basic coverage is for \$2,000,000 per occurrence on a claims-made purpose. Excess coverage is for an additional \$12,000,000 per occurrence on a follow form, claims-made basis. The Arizona Municipal Risk Retention Pool is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The Town continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Town is subject to a number of lawsuits, investigations, and other claims (some of which involve substantial amounts) that are incidental to the ordinary course of its operations, including those related to wrongful death and personal injury matters. Although the Town Attorney does not currently possess sufficient information to reasonably estimate the amounts of the liabilities to be recorded upon the settlement of such claims and lawsuits, some claims could be significant to the Town's operations. While the ultimate resolution of such lawsuits, investigations, and claims cannot be determined at this time, in the opinion of Town management, based on the advice of the Town Attorney, the resolution of these matters will not have a material adverse effect on the Town's financial position.

Significant Contractual Commitments

At the end of fiscal year 2018, the Town was obligated to \$7.2 million in significant contractual commitments for transportation, park, police facility, water facility, and wastewater facility related construction projects. The Tangerine Corridor improvements accounted for \$1.2 million and the Public Safety Facility accounted for \$4.6 million. The remaining commitments were for other transportation projects of \$441,000, water projects of \$97,000, wastewater projects of \$421,000, and park related projects accounted for \$479,000.

Additionally, the Town entered into an agreement with Motorola Solutions, Inc. for \$351,948 for an equipment lease-purchase agreement. While we have executed an agreement, no drawdowns have occurred, thus no liability is present for fiscal year 2018.

NOTE 13 - LEASING ARRANGEMENTS

Land – State of Arizona

The Town has assigned and assumed a non-cancelable long-term operating lease for 2,400 acres of land with the State of Arizona with an expiration of October 2099. This lease had an initial annual rent of \$432,000 that requires 10% increases in the annual rent payments for each succeeding five year period.

In conjunction with the Town assuming the long-term operating lease, a developer signed a non-cancelable agreement to reimburse the Town the annual rental payment for either a minimum of twenty years or until the first twelve consecutive months the developer generates more than \$1,000,000 in resort sales tax to the Town from the development project known as "Dove Mountain". This threshold was reached on June 30, 2011, and therefore the developer ceased reimbursing the Town for the annual rent payment. These leases provide for payments of minimum annual rentals as follows, excluding real estate taxes, common area charges, management fees, and sales taxes:

TOWN OF MARANA, ARIZONA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Years Ending June 30,	
2019	574,992
2020	574,992
2021	632,491
2022	632,491
2023	632,491
2024 - 2028	3,352,202
2029 - 2033	3,687,422
2034 - 2038	4,056,163
2039 - 2043	4,461,780
2044 - 2048	4,907,959
2049 - 2053	5,398,754
2054 - 2058	5,938,630
2059 - 2063	6,532,495
2064 - 2068	7,185,745
2069 - 2073	7,904,319
2074 - 2078	8,694,751
2079 - 2083	9,564,226
2084 - 2088	10,520,649
2089 - 2093	11,572,714
2094 - 2098	12,729,984
2099 - 2099	2,642,072
Total	\$ 112,197,322

Minimum annual rentals above excludes annual rental under the remaining renewal options as of June 30, 2018. Rent expense under the above leases for fiscal 2017-18 aggregated \$574,992.

NOTE 14 – SUBSEQUENT EVENTS

Saguaro Springs Community Facilities District – Debt Issuance

In July 2018, the District issued the Series 2018 General Obligation Bonds (Bonds) in the amount of \$3,845,000, maturing in 2043, with an interest rate of 2% to 4%. The Bonds were issued to finance the costs to acquire and construct certain public infrastructure benefiting the District and to pay costs of issuance related to the Bonds.

Town of Marana – Debt Issuance

In August 2018, the Town entered into the Water Infrastructure Finance Authority Loan Agreement (Loan) in the amount of \$1,481,990 with 50% forgivable principal (total principal \$740,995), maturing in 2038, with an interest rate of 2.508%. The Loan was acquired to finance the costs to design and construct a new lift station and force main to convey flow from the Adonis collection system to the existing Town of Marana system.



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REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COST-SHARING PENSION PLANS
JUNE 30, 2018**

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Town's proportion of the net pension liability	0.14286%	0.140584%	0.136510%	0.129998%	Information not available
Town's proportionate share of the net pension liability	\$ 22,254,803	\$ 22,691,024	\$ 21,263,376	\$ 19,235,271	
Town's covered payroll	\$ 13,881,636	\$ 13,150,962	\$ 12,565,464	\$ 11,714,615	10 years of information will be reported as it becomes available
Town's proportionate share of the net pension liability as a percentage of its covered payroll	160.32%	172.54%	169.22%	164.20%	
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%	

Elected Officials Retirement Plan	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Town's proportion of the net pension liability	Information not available	.148768%	.133401%	.1658860%	Information not available
Town's proportionate share of the net pension liability		\$1,405,489	\$1,042,465	\$ 1,112,385	
State's proportionate share of the net pension liability associated with the Town		290,197	324,997	341,068	10 years of information will be reported as it becomes available
Total		\$1,695,686	\$1,367,462	\$ 1,453,453	
Town's covered payroll		\$119,424	\$119,424	\$ 119,423	
Town's proportionate share of the net pension liability as a percentage of its covered payroll		1,176.89%	872.91%	931.15%	
Plan fiduciary net position as a percentage of the total pension liability		23.42%	28.32%	31.91%	

See accompanying notes to pension plan schedules.

TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2018

PSPRS

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2009
Total pension liability					
Service cost	\$ 1,213,757	\$ 994,058	\$ 891,324	\$ 876,619	Information not available
Interest on the total pension liability	2,322,987	2,005,255	1,844,654	1,551,602	
Changes of benefit terms	367,673	1,837,430	-	308,515	
Differences between expected and actual experience in the measurement of the pension liability	340,373	536,692	333,269	148,583	10 years of information will be reported as it becomes available
Changes of assumptions or other inputs	725,862	1,226,081	-	1,933,583	
Benefit payments, including refunds of employee contributions	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Net change in total pension liability	3,583,460	5,424,991	2,094,297	3,607,644	
Total pension liability—beginning	31,059,879	25,634,888	23,540,591	19,932,947	
Total pension liability—ending (a)	<u>\$34,643,339</u>	<u>\$31,059,879</u>	<u>\$25,634,888</u>	<u>\$ 23,540,591</u>	
Plan fiduciary net position					
Contributions—employer	\$1,384,924	\$1,323,677	\$1,006,859	\$ 797,871	
Contributions—employee	621,583	672,181	579,390	578,596	
Net investment income	2,081,790	95,438	533,938	1,698,902	
Benefit payments, including refunds of employee contributions	(1,387,192)	(1,174,525)	(974,950)	(1,211,258)	
Pension plan administrative expense	(18,820)	(14,134)	(13,410)	-	
Other changes	2,417	223,597	46,032	(543,969)	
Net change in plan fiduciary net position	2,684,702	1,126,234	1,177,859	1,320,142	
Plan fiduciary net position—beginning	16,535,203	15,408,969	14,231,110	12,910,968	
Plan fiduciary net position—ending (b)	<u>\$19,219,905</u>	<u>\$16,535,203</u>	<u>\$15,408,969</u>	<u>\$ 14,231,110</u>	
Town's net pension liability (asset)— ending (a) – (b)	<u>\$15,423,434</u>	<u>\$14,524,676</u>	<u>\$10,225,919</u>	<u>\$ 9,309,481</u>	
Plan fiduciary net position as a percentage of the total pension liability	55.48%	53.24%	60.11%	60.45%	
Covered payroll	\$5,318,831	\$5,182,784	\$4,900,569	\$ 4,638,415	
Town's net pension liability (asset) as a percentage of covered payroll	289.98%	280.25%	208.67%	200.70%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOWN'S
NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
AGENT PENSION PLANS
JUNE 30, 2018**

CORP – Dispatchers

	Reporting Fiscal Year (Measurement Date)				
	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2008
Total pension liability					
Service cost	\$ 59,139	\$ 57,866	\$ 64,307	\$ 63,474	Information not available
Interest on the total pension liability	118,108	113,075	105,144	94,360	
Changes of benefit terms	312,169	15,002	-	-	
Differences between expected and actual experience in the measurement of the pension liability	(18,913)	(25,358)	(18,303)	(16,512)	10 years of information will be reported as it becomes available
Changes of assumptions or other inputs	(5,967)	(136)	-	18,699	
Benefit payments, including refunds of employee contributions	(5,825)	(47,673)	(46,131)	-	
Net change in total pension liability	458,711	112,776	105,017	160,021	
Total pension liability—beginning	1,548,120	1,435,344	1,330,327	1,170,306	
Total pension liability—ending (a)	\$ 2,006,831	\$ 1,548,120	\$ 1,435,344	\$ 1,330,327	
Plan fiduciary net position					
Contributions—employer	\$ 51,162	\$ 48,648	\$ 49,045	\$ 48,667	
Contributions—employee	32,199	32,623	35,981	36,306	
Net investment income	124,809	6,034	34,230	102,910	
Benefit payments, including refunds of employee contributions	(5,825)	(47,673)	(46,131)	-	
Pension plan administrative expense	(1,491)	(1,253)	(1,233)	-	
Other changes	(6)	(5)	(635)	(24,446)	
Net change in plan fiduciary net position	200,848	38,374	71,257	163,437	
Plan fiduciary net position—beginning	1,015,820	977,446	906,189	742,752	
Plan fiduciary net position—ending (b)	\$ 1,216,668	\$ 1,015,820	\$ 977,446	\$ 906,189	
Town's net pension liability (asset)— ending (a) – (b)	\$ 790,163	\$ 532,300	\$ 457,898	\$ 424,138	
Plan fiduciary net position as a percentage of the total pension liability	60.63%	65.62%	68.10%	68.12%	
Covered payroll	\$ 404,506	\$ 397,428	\$ 430,892	\$ 456,107	
Town's net pension liability (asset) as a percentage of covered payroll	195.34%	133.94%	106.27%	92.99%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2018**

**Arizona State
Retirement
System**

Reporting Fiscal Year

	2018	2017	2016	2015	2014
Statutorily required contribution	\$1,536,196	\$1,496,440	\$1,426,879	\$ 1,367,122	\$ 1,253,464
Town's contributions in relation to the statutorily required contribution	1,536,196	1,496,440	1,426,879	1,367,122	1,253,464
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$14,093,538	\$13,881,636	\$13,150,962	\$12,565,464	\$11,714,615
Town's contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.88%	10.70%
	2013	2012	2011	2010	2009
Statutorily required contribution	\$1,172,006	\$1,095,471	\$934,621	\$929,807	\$961,911
Town's contributions in relation to the statutorily required contribution	1,172,006	1,095,471	934,621	929,807	961,911
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$11,434,201	\$11,098,998	\$10,373,156	\$11,148,776	\$12,038,936
Town's contributions as a percentage of covered payroll	10.25%	9.87%	9.00%	8.34%	7.99%

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2018**

Elected Officials Retirement Plan	Reporting Fiscal Year				
	2018	2017	2016	2015	2014
Statutorily required contribution	\$27,266	\$28,065	\$28,065	\$28,065	\$38,431
Town's contributions in relation to the statutorily required contribution	27,266	28,065	28,065	28,065	38,431
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$116,021	\$119,423	\$119,423	\$119,424	\$119,423
Town's contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%	32.18%
Statutorily required contribution	2013 \$43,518	2012 \$40,861	2011 \$34,226	2010 \$29,793	2009 Information not available
Town's contributions in relation to the statutorily required contribution	43,518	40,861	34,226	29,793	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$119,423	\$123,858	\$114,891	\$113,497	
Town's contributions as a percentage of covered payroll	36.44%	32.99%	29.79%	26.25%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2018**

PSPRS	Reporting Fiscal Year				
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$1,384,924	\$1,323,677	\$1,006,859	\$ 797,871	\$ 831,677
Town's contributions in relation to the actuarially determined contribution	1,384,924	1,323,677	1,006,859	797,871	831,677
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$5,318,831	\$5,182,784	\$4,900,569	\$4,638,418	\$4,498,048
Town's contributions as a percentage of covered payroll	26.04%	25.54%	20.55%	17.20%	18.49%
Actuarially determined contribution	2013 \$778,039	2012 \$644,505	2011 \$554,133	2010 \$457,749	2009 Information not available
Town's contributions in relation to the actuarially determined contribution	778,039	644,505	554,133	457,749	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$4,512,699	\$4,254,314	\$4,345,965	\$4,625,605	
Town's contributions as a percentage of covered payroll	17.24%	15.15%	12.75%	9.90%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
JUNE 30, 2018**

**CORP -
Dispatchers**

Reporting Fiscal Year

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$51,210	\$48,648	\$49,045	\$ 48,667	\$ 32,506
Town's contributions in relation to the actuarially determined contribution	51,210	48,648	49,045	48,667	32,506
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 404,506	\$ 397,428	\$ 430,892	\$ 456,106	\$ 443,980
Town's contributions as a percentage of covered payroll	12.66%	12.24%	11.38%	10.67%	7.32%
Actuarially determined contribution	2013 \$ 25,550	2012 \$ 24,843	2011 \$ 22,805	2010 \$ 28,540	2009 Information not available
Town's contributions in relation to the actuarially determined contribution	25,550	24,843	22,805	28,540	
Town's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Town's covered payroll	\$ 530,695	\$ 536,843	\$ 593,407	\$ 603,377	
Town's contributions as a percentage of covered payroll	4.25%	4.63%	3.84%	4.73%	

See accompanying notes to pension plan schedules.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO PENSION PLAN SCHEDULES
JUNE 30, 2018**

Note 1 - Actuarially Determined Contribution Rates

Actuarial determined contribution rates for PSPRS and CORP are calculated as of June 30 two years prior to the end of the fiscal year in which contributions are made. The actuarial methods and assumptions used to establish the contribution requirements are as follows:

Actuarial cost method	Entry age normal
Amortization method	Level percent-of-pay closed
Remaining amortization period as of the 2016 actuarial valuation	19 years
Asset valuation method	7-year smoothed market value; 80%/120% market corridor
Actuarial assumptions:	
Investment rate of return	In the 2016 actuarial valuation, the investment rate of return was decreased from 7.85% to 7.5% In the 2013 actuarial valuation, the investment rate of return was decreased from 8.0% to 7.85%
Projected salary increases	In the 2014 actuarial valuation, projected salary increases were decreased from 4.5%–8.5% to 4.0%–8.0% for PSPRS and from 4.5%–7.75% to 4.0%–7.25% for CORP. In the 2013 actuarial valuation, projected salary increases were decreased from 5.0%–9.0% to 4.5%–8.5% for PSPRS and from 5.0%–8.25% to 4.5%–7.75% for CORP.
Wage growth	In the 2014 actuarial valuation, wage growth was decreased from 4.5% to 4.0% for PSPRS and CORP. In the 2013 actuarial valuation, wage growth was decreased from 5.0% to 4.5% for PSPRS and CORP
Retirement age	Experience-based table of rates that is specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period July 1, 2006 - June 30, 2011.
Mortality	RP-2000 mortality table (adjusted by 105% for both males and females)

Note 2 – Factors that affect trends

Arizona courts have ruled that provisions of a 2011 law that changed the mechanism for funding permanent pension benefit increases and increased employee pension contribution rates were unconstitutional or a breach of contract because those provisions apply to individuals who were members as of the law's effective date. As a result, the PSPRS, CORP, and EORP changed benefit terms to reflect the prior mechanism for funding permanent benefit increases for those members and revised actuarial assumptions to explicitly value future permanent benefit increases. PSPRS and EORP also reduced those members' employee contribution rates. These changes are reflected in the plans' pension liabilities for fiscal year 2015 (measurement date 2014) for members who were retired as of the law's effective date and fiscal year 2018 (measurement date 2017) for members who retired or will retire after the law's effective date. These changes also increased the PSPRS and CORP required pension contributions beginning in fiscal year 2016 for members who were retired as of the law's effective date. These changes will increase the PSPRS and CORP required contributions beginning in fiscal year 2019 for members who retired or will retire after the law's effective date. EORP required contributions are not based on actuarial valuations, and therefore, these changes did not affect them.

**TOWN OF MARANA, ARIZONA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENT OPEB PLANS' FUNDING PROGRESS
JUNE 30, 2018**

Health Insurance Premium Benefit

Actuarial Valuation Date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded actuarial accrued liability (UAAL) (funding excess) (b) – (a)	Funded ratio (a)/(b)	Annual covered payroll (c)	UAAL (funding excess) as a percentage of covered payroll (b) – (a)/c)
PSPRS						
6/30/17	\$ 784,926	\$ 693,231	\$ (91,695)	113.23%	\$ 5,318,831	(1.72)%
6/30/16	768,883	739,259	(29,624)	104.00%	5,182,784	(0.57)%
6/30/15	724,917	607,586	(117,331)	119.31%	4,900,569	(2.39)%
CORP Dispatchers						
6/30/17	\$ 42,148	\$ 42,677	\$ 529	98.76%	\$ 404,506	0.13%
6/30/16	39,112	51,144	12,032	76.50%	397,428	3.03%
6/30/15	35,178	47,755	12,577	73.66%	430,892	2.92%

See accompanying notes to schedule of agent OPEB plans' funding progress.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**



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**OTHER MAJOR GOVERNMENTAL FUNDS
SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL**



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TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TANGERINE FARMS
IMPROVEMENT DISTRICT DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Special assessments	\$ 2,251,074	\$ 2,251,074	\$ 988,702	\$ (1,262,372)
Total revenues	<u>2,251,074</u>	<u>2,251,074</u>	<u>988,702</u>	<u>(1,262,372)</u>
Expenditures:				
Debt service -				
Principal retirement	1,584,000	1,584,000	45,000	1,539,000
Interest and fiscal charges	667,074	667,074	253,563	413,511
Total expenditures	<u>2,251,074</u>	<u>2,251,074</u>	<u>298,563</u>	<u>1,952,511</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>690,139</u>	<u>690,139</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>17,279</u>	<u>17,279</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 707,418</u>	<u>\$ 707,418</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - PAG CAPITAL
YEAR ENDED JUNE 30, 2018

	PAG Capital			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental	\$40,382,226	\$ 40,382,226	\$ 14,118,211	\$(26,264,015)
Contributions	-	-	51,547	51,547
Total revenues	<u>40,382,226</u>	<u>40,382,226</u>	<u>14,169,758</u>	<u>(26,212,468)</u>
Expenditures:				
Capital outlay	<u>26,825,611</u>	<u>26,825,611</u>	<u>13,858,196</u>	<u>12,967,415</u>
Total expenditures	<u>26,825,611</u>	<u>26,825,611</u>	<u>13,858,196</u>	<u>12,967,415</u>
Excess (deficiency) of revenues over expenditures	<u>13,556,615</u>	<u>13,556,615</u>	<u>311,562</u>	<u>(13,245,053)</u>
Other financing sources (uses):				
Transfers in	-	-	59,866	59,866
Transfers out	-	-	(472,080)	(472,080)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(412,214)</u>	<u>(412,214)</u>
Changes in fund balances	<u>13,556,615</u>	<u>13,556,615</u>	<u>(100,652)</u>	<u>(13,657,267)</u>
Fund balance (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>(1,908,216)</u>	<u>(1,908,216)</u>
Fund balance (deficit), end of year	<u><u>13,556,615</u></u>	<u><u>13,556,615</u></u>	<u><u>(2,008,868)</u></u>	<u><u>(15,565,483)</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - SALES TAX CAPITAL
YEAR ENDED JUNE 30, 2018

	Sales Tax Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Sales tax	\$ 5,579,676	\$ 5,579,676	\$ 5,526,253	\$ (53,423)
Investment income	-	-	11,222	11,222
Total revenues	<u>5,579,676</u>	<u>5,579,676</u>	<u>5,537,475</u>	<u>(42,201)</u>
Expenditures:				
Capital outlay	17,175,455	17,175,455	11,508,382	5,667,073
Total expenditures	<u>17,175,455</u>	<u>17,175,455</u>	<u>11,508,382</u>	<u>5,667,073</u>
Excess (deficiency) of revenues over expenditures	<u>(11,595,779)</u>	<u>(11,595,779)</u>	<u>(5,970,907)</u>	<u>5,624,872</u>
Other financing sources (uses):				
Transfers in	-	-	620,248	620,248
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>620,248</u>	<u>620,248</u>
Changes in fund balances	<u>(11,595,779)</u>	<u>(11,595,779)</u>	<u>(5,350,659)</u>	<u>6,245,120</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>8,410,751</u>	<u>8,410,751</u>
Fund balances, end of year	<u>\$ (11,595,779)</u>	<u>\$ (11,595,779)</u>	<u>\$ 3,060,092</u>	<u>\$ 14,655,871</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - TRANSPORTATION CAPITAL
YEAR ENDED JUNE 30, 2018

	Transportation Capital			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Sales taxes	\$ 7,018,183	\$ 7,018,183	\$ 7,368,949	\$ 350,766
Fines, forfeitures & penalties	-	-	7,700	7,700
Investment income	-	-	162,955	162,955
Total revenues	<u>7,018,183</u>	<u>7,018,183</u>	<u>7,539,604</u>	<u>521,421</u>
Expenditures:				
Current -				
General government	-	-	953,743	(953,743)
Highways and streets	202,227	202,227	67,318	134,909
Capital outlay	18,141,609	18,141,609	2,735,911	15,405,698
Total expenditures	<u>18,343,836</u>	<u>18,343,836</u>	<u>3,756,972</u>	<u>14,586,864</u>
Excess (deficiency) of revenues over expenditures	<u>(11,325,653)</u>	<u>(11,325,653)</u>	<u>3,782,632</u>	<u>15,108,285</u>
Other financing sources (uses):				
Transfers in	-	-	804,295	804,295
Transfers out	(641,740)	(641,740)	(391,239)	250,501
Total other financing sources (uses)	<u>(641,740)</u>	<u>(641,740)</u>	<u>413,056</u>	<u>1,054,796</u>
Changes in fund balances	<u>(11,967,393)</u>	<u>(11,967,393)</u>	<u>4,195,688</u>	<u>16,163,081</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>12,828,852</u>	<u>12,828,852</u>
Fund balances (deficits), June 30, 2018	<u><u>\$(11,967,393)</u></u>	<u><u>\$(11,967,393)</u></u>	<u><u>\$17,024,540</u></u>	<u><u>\$28,991,933</u></u>

NON-MAJOR GOVERNMENTAL FUNDS

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE
JUNE 30, 2018

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,538,996	\$ 12,769,147	\$ 4,847,316	\$ 22,155,459
Taxes receivable	-	310	1,710	2,020
Accounts receivable	1,596	-	-	1,596
Interest receivable	-	3,418	481	3,899
Development agreement receivable	-	58,738	-	58,738
Due from governments	265,700	604,648	-	870,348
Prepaid items	210,837	50,611	-	261,448
Restricted cash and investments	-	1,029,496	-	1,029,496
Total assets	\$ 5,017,129	\$ 14,516,368	\$ 4,849,507	\$ 24,383,004
<u>LIABILITIES</u>				
Accounts payable	\$ 28,048	\$ 1,809,169	\$ -	\$ 1,837,217
Accrued payroll and employee benefits	7,382	-	-	7,382
Due to other funds	20,785	214,201	-	234,986
Deposits held for others	-	75,758	-	75,758
Unearned revenue	18,024	-	-	18,024
Total liabilities	74,239	2,099,128	-	2,173,367
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	2,861	-	-	2,861
Total deferred inflows of resources	2,861	-	-	2,861
<u>FUND BALANCES (DEFICITS)</u>				
Fund balances:				
Nonspendable	210,837	50,611	-	261,448
Restricted	4,729,192	12,762,687	4,849,507	22,341,386
Unassigned	-	(396,058)	-	(396,058)
Total fund balances	4,940,029	12,417,240	4,849,507	22,206,776
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,017,129	\$ 14,516,368	\$ 4,849,507	\$ 24,383,004

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2018

	Special Revenue	Capital Projects	Debt Service	Total Non-Major Governmental Funds
Revenues:				
Sales tax	\$ 1,327,289	\$ 230,945	\$ -	\$ 1,558,234
Property tax	-	80,973	491,519	572,492
Intergovernmental	1,079,948	898,262	-	1,978,210
Licenses, fees & permits	-	3,043,576	-	3,043,576
Fines, forfeitures & penalties	130,168	-	-	130,168
Investment income	14,381	121,940	1,496	137,817
Miscellaneous	18,593	-	-	18,593
Total revenues	<u>2,570,379</u>	<u>4,375,696</u>	<u>493,015</u>	<u>7,439,090</u>
Expenditures:				
Current -				
General government	655,694	328	-	656,022
Public safety	663,729	-	-	663,729
Highways and streets	-	37,866	-	37,866
Economic and community development	342,792	-	-	342,792
Culture and recreation	-	153,958	-	153,958
Capital outlay	14,736	11,592,837	-	11,607,573
Debt service -				
Principal retirement	-	-	2,215,000	2,215,000
Interest and fiscal charges	-	-	2,491,797	2,491,797
Total expenditures	<u>1,676,951</u>	<u>11,784,989</u>	<u>4,706,797</u>	<u>18,168,737</u>
Excess (deficiency) of revenues over expenditures	<u>893,428</u>	<u>(7,409,293)</u>	<u>(4,213,782)</u>	<u>(10,729,647)</u>
Other financing sources (uses):				
Transfers in	-	3,129,090	4,881,137	8,010,227
Transfers out	(665)	(2,416,571)	-	(2,417,236)
Total other financing sources (uses)	<u>(665)</u>	<u>712,519</u>	<u>4,881,137</u>	<u>5,592,991</u>
Change in fund balances	<u>892,763</u>	<u>(6,696,774)</u>	<u>667,355</u>	<u>(5,136,656)</u>
Fund balances, beginning of year	<u>4,047,266</u>	<u>19,114,014</u>	<u>4,182,152</u>	<u>27,343,432</u>
Fund balances, end of year	<u>\$ 4,940,029</u>	<u>\$ 12,417,240</u>	<u>\$ 4,849,507</u>	<u>\$ 22,206,776</u>



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NON-MAJOR SPECIAL REVENUE FUNDS

Community Development Grant Fund (CDBG) – This fund accounts for the CDBG program which provides resources to address community development needs

Affordable Housing Fund – This revolving fund accounts for resources utilized on affordable housing projects and programs.

Bed Tax Fund – This fund accounts for the collection of the discriminatory portion of bed tax revenues which funds economic development and tourism initiatives.

Judicial Collection Enhancement Fund – This fund accounts for resources required to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts including restitution, child support, fines and civil penalties; and to improve court automation projects likely to improve case processing or the administration of justice.

Fill-the-Gap Fund – This fund accounts for local Fill-the-Gap resources which shall be used to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts, to improve court automation and to improve case processing or the administration of justice.

Local Technology Fund – This fund accounts for resources required to fund local or collaborative technology improvement projects and programs.

Other Special Revenue Fund – Includes all other grant related programs and projects.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Community Development Block Grant	Affordable Housing	Bed Tax
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 232,997	\$ 1,301,224
Accounts receivable	-	-	-
Due from governments	23,872	-	123,922
Prepaid	-	-	4,225
Total assets	<u>\$ 23,872</u>	<u>\$ 232,997</u>	<u>\$ 1,429,371</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 3,086	\$ 14,736	\$ 7,077
Accrued payroll and employee benefits	-	-	2,166
Due to other funds	20,785	-	-
Unearned revenue	-	-	-
Total liabilities	<u>23,871</u>	<u>14,736</u>	<u>9,243</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES (DEFICITS)</u>			
Nonspendable	-	-	4,225
Restricted	1	218,261	1,415,903
Total fund balances	<u>1</u>	<u>218,261</u>	<u>1,420,128</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,872</u>	<u>\$ 232,997</u>	<u>\$ 1,429,371</u>

Judicial Collection Enhancement	Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
\$ 152,387	\$ 90,078	\$ 871,204	\$ 1,891,106	\$ 4,538,996
-	1,596	-	-	1,596
-	-	-	117,906	265,700
-	-	-	206,612	210,837
<u>\$ 152,387</u>	<u>\$ 91,674</u>	<u>\$ 871,204</u>	<u>\$ 2,215,624</u>	<u>\$ 5,017,129</u>
\$ -	\$ -	\$ 264	\$ 2,885	\$ 28,048
-	-	1,087	4,129	7,382
-	-	-	-	20,785
-	-	-	18,024	18,024
<u>-</u>	<u>-</u>	<u>1,351</u>	<u>25,038</u>	<u>74,239</u>
-	-	-	2,861	2,861
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,861</u>	<u>2,861</u>
-	-	-	206,612	210,837
152,387	91,674	869,853	1,981,113	4,729,192
<u>152,387</u>	<u>91,674</u>	<u>869,853</u>	<u>2,187,725</u>	<u>4,940,029</u>
<u>\$ 152,387</u>	<u>\$ 91,674</u>	<u>\$ 871,204</u>	<u>\$ 2,215,624</u>	<u>\$ 5,017,129</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Community Development Block Grant	Affordable Housing	Bed Tax	Judicial Collection Enhancement
Revenues:				
Sales taxes	\$ -	\$ -	\$ 1,327,289	\$ -
Intergovernmental	87,807	-	-	-
Fines, forfeitures & penalties	-	-	-	8,691
Investment income	-	-	-	-
Miscellaneous	-	12,840	-	-
Total revenues	<u>87,807</u>	<u>12,840</u>	<u>1,327,289</u>	<u>8,691</u>
Expenditures:				
Current -				
General government	-	-	576,832	-
Public safety	-	-	-	-
Economic and community development	87,806	-	254,986	-
Capital outlay	-	14,736	-	-
Total expenditures	<u>87,806</u>	<u>14,736</u>	<u>831,818</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>(1,896)</u>	<u>495,471</u>	<u>8,691</u>
Other financing sources (uses):				
Transfers out	(665)	-	-	-
Total other financing sources (uses)	<u>(665)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(664)</u>	<u>(1,896)</u>	<u>495,471</u>	<u>8,691</u>
Fund balances (deficits), beginning of year	<u>665</u>	<u>220,157</u>	<u>924,657</u>	<u>143,696</u>
Fund balances (deficits), end of year	<u>\$ 1</u>	<u>\$ 218,261</u>	<u>\$ 1,420,128</u>	<u>\$ 152,387</u>

Fill-the-Gap	Local Technology	Other Special Revenue Fund	Totals
\$ -	\$ -	\$ -	\$ 1,327,289
-	-	992,141	1,079,948
5,301	63,376	52,800	130,168
-	-	14,381	14,381
-	-	5,753	18,593
<u>5,301</u>	<u>63,376</u>	<u>1,065,075</u>	<u>2,570,379</u>
-	78,862	-	655,694
-	-	663,729	663,729
-	-	-	342,792
-	-	-	14,736
<u>-</u>	<u>78,862</u>	<u>663,729</u>	<u>1,676,951</u>
<u>5,301</u>	<u>(15,486)</u>	<u>401,346</u>	<u>893,428</u>
-	-	-	(665)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(665)</u>
<u>5,301</u>	<u>(15,486)</u>	<u>401,346</u>	<u>892,763</u>
<u>86,373</u>	<u>885,339</u>	<u>1,786,379</u>	<u>4,047,266</u>
<u>\$ 91,674</u>	<u>\$ 869,853</u>	<u>\$ 2,187,725</u>	<u>\$ 4,940,029</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
YEAR ENDED JUNE 30, 2018

	Community Development Block Grant Fund			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Intergovernmental	\$ 175,000	\$ 175,000	\$ 87,807	\$ (87,193)
Total revenues	<u>175,000</u>	<u>175,000</u>	<u>87,807</u>	<u>(87,193)</u>
Expenditures:				
Current -				
Economic and community development	185,000	185,000	87,806	97,194
Capital outlay	25,000	25,000	-	25,000
Total expenditures	<u>210,000</u>	<u>210,000</u>	<u>87,806</u>	<u>122,194</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>(35,000)</u>	<u>1</u>	<u>35,001</u>
Other financing sources:				
Transfer out	-	-	(665)	(665)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(665)</u>	<u>(665)</u>
Change in fund balance	<u>(35,000)</u>	<u>(35,000)</u>	<u>(664)</u>	<u>34,336</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>665</u>	<u>665</u>
Fund balance, June 30, 2018	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>\$ 1</u>	<u>\$ 35,666</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
AFFORDABLE HOUSING REVOLVING FUND
YEAR ENDED JUNE 30, 2018

	Affordable Housing Revolving Fund			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 12,840	\$ 2,840
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>12,840</u>	<u>2,840</u>
Expenditures:				
Current -				
Economic and community development	215,720	215,720	-	215,720
Capital outlay	90,000	90,000	14,736	75,264
Total expenditures	<u>305,720</u>	<u>305,720</u>	<u>14,736</u>	<u>290,984</u>
Excess (deficiency) of revenues over expenditures	<u>(295,720)</u>	<u>(295,720)</u>	<u>(1,896)</u>	<u>293,824</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>220,157</u>	<u>220,157</u>
Fund balance (deficits), June 30, 2018	<u>\$ (295,720)</u>	<u>\$ (295,720)</u>	<u>\$ 218,261</u>	<u>\$ 513,981</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
BED TAX FUND
YEAR ENDED JUNE 30, 2018

	Bed Tax Fund			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Sales taxes	\$ 989,558	\$ 989,558	\$ 1,327,289	\$ 337,731
Total revenues	<u>989,558</u>	<u>989,558</u>	<u>1,327,289</u>	<u>337,731</u>
Expenditures:				
Current -				
General government	679,922	679,922	576,832	103,090
Economic and community development	309,636	309,636	254,986	54,650
Total expenditures	<u>989,558</u>	<u>989,558</u>	<u>831,818</u>	<u>157,740</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>495,471</u>	<u>495,471</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>924,657</u>	<u>924,657</u>
Fund balance (deficits), June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,420,128</u>	<u>\$ 1,420,128</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
JUDICIAL COLLECTION ENHANCEMENT FUND
YEAR ENDED JUNE 30, 2018

	Judicial Collection Enhancement Fund			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	\$ 15,000	\$ 15,000	\$ 8,691	\$ (6,309)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>8,691</u>	<u>(6,309)</u>
Expenditures:				
Current -				
General government	82,000	82,000	-	82,000
Total expenditures	<u>82,000</u>	<u>82,000</u>	<u>-</u>	<u>82,000</u>
Excess (deficiency) of revenues over expenditures	<u>(67,000)</u>	<u>(67,000)</u>	<u>8,691</u>	<u>75,691</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>143,696</u>	<u>143,696</u>
Fund balance (deficits), June 30, 2018	<u>\$ (67,000)</u>	<u>\$ (67,000)</u>	<u>\$ 152,387</u>	<u>\$ 219,387</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
FILL-THE-GAP FUND
YEAR ENDED JUNE 30, 2018

	Fill-the-Gap			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	\$ 6,500	\$ 6,500	\$ 5,301	\$ (1,199)
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>5,301</u>	<u>(1,199)</u>
Expenditures:				
Current -				
General government	34,500	34,500	-	34,500
Total expenditures	<u>34,500</u>	<u>34,500</u>	<u>-</u>	<u>34,500</u>
Excess (deficiency) of revenues over expenditures	<u>(28,000)</u>	<u>(28,000)</u>	<u>5,301</u>	<u>33,301</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>86,373</u>	<u>86,373</u>
Fund balance (deficits), June 30, 2018	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	<u>\$ 91,674</u>	<u>\$ 119,674</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
LOCAL TECHNOLOGY
YEAR ENDED JUNE 30, 2018

	Local Technology Fund			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Fines, forfeitures & penalties	\$ 130,000	\$ 130,000	\$ 63,376	\$ (66,624)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>63,376</u>	<u>(66,624)</u>
Expenditures:				
Current -				
General government	288,191	288,191	78,862	209,329
Total expenditures	<u>288,191</u>	<u>288,191</u>	<u>78,862</u>	<u>209,329</u>
 Change in fund balance	 <u>(158,191)</u>	 <u>(158,191)</u>	 <u>(15,486)</u>	 <u>142,705</u>
 Fund balance, July 1, 2017	 <u>-</u>	 <u>-</u>	 <u>885,339</u>	 <u>885,339</u>
 Fund balance (deficits), June 30, 2018	 <u><u>\$ (158,191)</u></u>	 <u><u>\$ (158,191)</u></u>	 <u><u>\$ 869,853</u></u>	 <u><u>\$ 1,028,044</u></u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR SPECIAL REVENUE FUNDS
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018

	Other Special Revenue Fund			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,256,804	\$ 1,256,804	\$ 992,141	\$ (264,663)
Fines, forfeitures & penalties	50,000	50,000	52,800	2,800
Contributions	789	789	-	(789)
Investment income	1,615	1,615	14,381	12,766
Miscellaneous	10,000	10,000	5,753	(4,247)
Total revenues	<u>1,319,208</u>	<u>1,319,208</u>	<u>1,065,075</u>	<u>(254,133)</u>
Expenditures:				
Current -				
General government	680,789	680,789	-	680,789
Public safety	1,582,028	582,028	663,729	(81,701)
Total expenditures	<u>2,262,817</u>	<u>1,262,817</u>	<u>663,729</u>	<u>599,088</u>
Excess (deficiency) of revenues over expenditures	<u>(943,609)</u>	<u>56,391</u>	<u>401,346</u>	<u>344,955</u>
Other financing sources:				
Transfer in	100,000	100,000	-	(100,000)
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Change in fund balance	<u>(843,609)</u>	<u>156,391</u>	<u>401,346</u>	<u>244,955</u>
Fund balance, July 1, 2017	<u>-</u>	<u>-</u>	<u>1,786,379</u>	<u>1,786,379</u>
Fund balance (deficits), June 30, 2018	<u>\$ (843,609)</u>	<u>\$ 156,391</u>	<u>\$ 2,187,725</u>	<u>\$ 2,031,334</u>

NON-MAJOR CAPITAL PROJECTS FUND

Capital Projects Funds are created to account for the purchase or construction of major capital facilities which are not financed by the general, enterprise, or special revenue funds.

Northwest (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northwest benefit area.

Northeast (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the northeast benefit area.

South (Benefit Area) Transportation Impact Fees – This fund accounts for the financing and construction of transportation projects that are defined within the south benefit area.

Park Impact Fees Fund – This fund accounts for park impact fees collected by the Town and utilized for authorized capital improvements.

Downtown Reinvestment Fund – This fund accounts for sales tax proceeds which are used for authorized capital improvements in the Downtown area.

Other Capital Projects Fund – Includes all other capital related funding and projects.

Gladden Farms Capital Fund – This fund accounts for the proceeds from the sale of general obligation bonds which are used for authorized capital improvements.

Vanderbilt Farms Capital Fund – This fund accounts for the proceeds from property tax revenues to be used for authorized capital improvements.

Saguaro Springs Capital Fund – This fund accounts for the financing and construction of authorized capital improvements.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS (Cont'd)
YEAR ENDED JUNE 30, 2018

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
<u>ASSETS</u>				
Cash and cash equivalents	\$ 260,240	\$ -	\$ 4,208,138	\$ 2,350,543
Taxes receivable	-	-	-	-
Interest receivable	-	-	2,240	-
Development agreement receivable	-	-	-	-
Due from governments	-	-	-	833
Prepaid items	-	-	-	-
Restricted cash	-	-	-	-
Total assets	<u>\$ 260,240</u>	<u>\$ -</u>	<u>\$ 4,210,378</u>	<u>\$ 2,351,376</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 123,106	\$ 181,857	\$ 174	\$ 1,176,653
Due to other funds	-	214,201	-	-
Deposits held for others	-	-	-	-
Total liabilities	<u>123,106</u>	<u>396,058</u>	<u>174</u>	<u>1,176,653</u>
<u>FUND BALANCES (DEFICITS)</u>				
Nonspendable	-	-	-	-
Restricted	137,134	-	4,210,204	1,174,723
Unassigned	-	(396,058)	-	-
Total fund balances (deficits)	<u>137,134</u>	<u>(396,058)</u>	<u>4,210,204</u>	<u>1,174,723</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 260,240</u>	<u>\$ -</u>	<u>\$ 4,210,378</u>	<u>\$ 2,351,376</u>

Downtown Reinvestment	Other Capital Projects	Gladden Farms Capital	Vanderbilt Farms Capital	Saguaro Springs Capital	Totals
\$ 785,871	\$ 4,400,021	\$ 607,213	\$ 57,265	\$ 99,856	\$ 12,769,147
-	-	205	-	105	310
-	1,178	-	-	-	3,418
-	58,738	-	-	-	58,738
27,953	575,862	-	-	-	604,648
-	50,611	-	-	-	50,611
-	1,029,496	-	-	-	1,029,496
<u>\$ 813,824</u>	<u>\$ 6,115,906</u>	<u>\$ 607,418</u>	<u>\$ 57,265</u>	<u>\$ 99,961</u>	<u>\$ 14,516,368</u>
\$ 263	\$ 326,788	\$ 164	\$ 82	\$ 82	\$ 1,809,169
-	-	-	-	-	214,201
-	72,373	-	-	3,385	75,758
<u>263</u>	<u>399,161</u>	<u>164</u>	<u>82</u>	<u>3,467</u>	<u>2,099,128</u>
-	50,611	-	-	-	\$ 50,611
813,561	5,666,134	607,254	57,183	96,494	12,762,687
-	-	-	-	-	(396,058)
<u>813,561</u>	<u>5,716,745</u>	<u>607,254</u>	<u>57,183</u>	<u>96,494</u>	<u>12,417,240</u>
<u>\$ 813,824</u>	<u>\$ 6,115,906</u>	<u>\$ 607,418</u>	<u>\$ 57,265</u>	<u>\$ 99,961</u>	<u>\$ 14,516,368</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECT FUNDS
YEAR ENDED JUNE 30, 2018

	Northwest Transportation Impact Fees	Northeast Transportation Impact Fees	South Transportation Impact Fees	Park Impact Fees
Revenues:				
Sales tax	\$ -	\$ -	\$ -	\$ -
Property tax	-	-	-	-
Intergovernmental	-	-	-	830
Licenses, fees & permits	77,207	573,592	1,016,237	1,149,486
Investment income	12,583	29,826	3,954	43,177
Miscellaneous revenue	-	-	-	-
Total revenues	<u>89,790</u>	<u>603,418</u>	<u>1,020,191</u>	<u>1,193,493</u>
Expenditures:				
Current -				
General government	-	-	-	-
Highways and streets	4,839	9,130	7,809	-
Culture and recreation	-	-	-	153,250
Capital outlay	1,277,549	3,642,502	2,048	3,335,596
Total expenditures	<u>1,282,388</u>	<u>3,651,632</u>	<u>9,857</u>	<u>3,488,846</u>
Excess (deficiency) of revenues over expenditures	<u>(1,192,598)</u>	<u>(3,048,214)</u>	<u>1,010,334</u>	<u>(2,295,353)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(380)	(248,718)	(254,681)	(488,249)
Total other financing sources (uses)	<u>(380)</u>	<u>(248,718)</u>	<u>(254,681)</u>	<u>(488,249)</u>
Change in fund balances	<u>(1,192,978)</u>	<u>(3,296,932)</u>	<u>755,653</u>	<u>(2,783,602)</u>
Fund balances (deficits), beginning of year	<u>1,330,112</u>	<u>2,900,874</u>	<u>3,454,551</u>	<u>3,958,325</u>
Fund balances (deficits), end of year	<u>\$ 137,134</u>	<u>\$ (396,058)</u>	<u>\$ 4,210,204</u>	<u>\$ 1,174,723</u>

<u>Downtown Reinvestment</u>	<u>Other Capital Projects</u>	<u>Gladden Farms Capital</u>	<u>Vanderbilt Farms Capital</u>	<u>Saguaro Springs Capital</u>	<u>Totals</u>
\$ 230,945	\$ -	\$ -	\$ -	\$ -	\$ 230,945
-	-	59,183	2,702	19,088	80,973
-	897,432	-	-	-	898,262
-	227,054	-	-	-	3,043,576
-	32,400	-	-	-	121,940
-	-	-	-	-	-
<u>230,945</u>	<u>1,156,886</u>	<u>59,183</u>	<u>2,702</u>	<u>19,088</u>	<u>4,375,696</u>
-	-	164	82	82	328
-	16,088	-	-	-	37,866
-	708	-	-	-	153,958
<u>24,280</u>	<u>3,310,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,592,837</u>
<u>24,280</u>	<u>3,327,658</u>	<u>164</u>	<u>82</u>	<u>82</u>	<u>11,784,989</u>
<u>206,665</u>	<u>(2,170,772)</u>	<u>59,019</u>	<u>2,620</u>	<u>19,006</u>	<u>(7,409,293)</u>
-	3,129,090	-	-	-	3,129,090
-	(1,424,543)	-	-	-	(2,416,571)
-	<u>1,704,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712,519</u>
<u>206,665</u>	<u>(466,225)</u>	<u>59,019</u>	<u>2,620</u>	<u>19,006</u>	<u>(6,696,774)</u>
<u>606,896</u>	<u>6,182,970</u>	<u>548,235</u>	<u>54,563</u>	<u>77,488</u>	<u>19,114,014</u>
<u>\$ 813,561</u>	<u>\$ 5,716,745</u>	<u>\$ 607,254</u>	<u>\$ 57,183</u>	<u>\$ 96,494</u>	<u>\$ 12,417,240</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHWEST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2018

	Northwest Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 38,500	\$ 38,500	\$ 77,207	\$ 38,707
Investment income	-	-	12,583	12,583
Total revenues	<u>38,500</u>	<u>38,500</u>	<u>89,790</u>	<u>51,290</u>
Expenditures:				
Current -				
Highways and streets	-	-	4,839	(4,839)
Capital outlay	1,253,564	1,253,564	1,277,549	(23,985)
Total expenditures	<u>1,253,564</u>	<u>1,253,564</u>	<u>1,282,388</u>	<u>(28,824)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,215,064)</u>	<u>(1,215,064)</u>	<u>(1,192,598)</u>	<u>22,466</u>
Other financing sources (uses):				
Transfers out	-	-	(380)	(380)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(380)</u>	<u>(380)</u>
Change in fund balances	<u>(1,215,064)</u>	<u>(1,215,064)</u>	<u>(1,192,978)</u>	<u>22,086</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>1,330,112</u>	<u>1,330,112</u>
Fund balances (deficits), June 30, 2018	<u>\$ (1,215,064)</u>	<u>\$ (1,215,064)</u>	<u>\$ 137,134</u>	<u>\$ 1,352,198</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
NORTHEAST TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2018

	Northeast Transportation Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Licenses, fees & permits	\$ 234,980	\$ 234,980	\$ 573,592	\$ 338,612
Investment income	-	-	29,826	29,826
Total revenues	<u>234,980</u>	<u>234,980</u>	<u>603,418</u>	<u>368,438</u>
Expenditures:				
Current -				
Highways and streets	-	-	9,130	(9,130)
Capital outlay	3,642,682	3,642,682	3,642,502	180
Total expenditures	<u>3,642,682</u>	<u>3,642,682</u>	<u>3,651,632</u>	<u>(8,950)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,407,702)</u>	<u>(3,407,702)</u>	<u>(3,048,214)</u>	<u>359,488</u>
Other financing sources (uses):				
Transfers out	(449,218)	(449,218)	(248,718)	200,500
Total other financing sources (uses)	<u>(449,218)</u>	<u>(449,218)</u>	<u>(248,718)</u>	<u>200,500</u>
Change in fund balances	<u>(3,856,920)</u>	<u>(3,856,920)</u>	<u>(3,296,932)</u>	<u>559,988</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>2,900,874</u>	<u>2,900,874</u>
Fund balances (deficits), June 30, 2018	<u>\$ (3,856,920)</u>	<u>\$ (3,856,920)</u>	<u>\$ (396,058)</u>	<u>\$ 3,460,862</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SOUTH TRANSPORTATION IMPACT FEES
YEAR ENDED JUNE 30, 2018

	South Transportation Impact Fees			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Licenses, fees & permits	\$ 850,450	\$ 850,450	\$ 1,016,237	\$ 165,787
Investment income	-	-	3,954	3,954
Total revenues	<u>850,450</u>	<u>850,450</u>	<u>1,020,191</u>	<u>169,741</u>
Expenditures:				
Current -				
Highways and streets	-	-	7,809	(7,809)
Capital outlay	-	-	2,048	(2,048)
Total expenditures	<u>-</u>	<u>-</u>	<u>9,857</u>	<u>(9,857)</u>
Excess (deficiency) of revenues over expenditures	<u>850,450</u>	<u>850,450</u>	<u>1,010,334</u>	<u>159,884</u>
Other financing sources (uses):				
Transfers out	(463,479)	(463,479)	(254,681)	208,798
Total other financing sources (uses)	<u>(463,479)</u>	<u>(463,479)</u>	<u>(254,681)</u>	<u>208,798</u>
Change in fund balances	<u>386,971</u>	<u>386,971</u>	<u>755,653</u>	<u>368,682</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>3,454,551</u>	<u>3,454,551</u>
Fund balances (deficits), June 30, 2018	<u>\$ 386,971</u>	<u>\$ 386,971</u>	<u>\$ 4,210,204</u>	<u>\$ 3,823,233</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
PARK IMPACT FEES
YEAR ENDED JUNE 30, 2018

	Park Impact Fees			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 830	\$ 830
Licenses, fees & permits	890,795	890,795	1,149,486	258,691
Investment income	-	-	43,177	43,177
Total revenues	<u>890,795</u>	<u>890,795</u>	<u>1,193,493</u>	<u>302,698</u>
Expenditures:				
Current -				
Culture and recreation	-	156,751	153,250	3,501
Capital outlay	4,633,793	4,477,042	3,335,596	1,141,446
Total expenditures	<u>4,633,793</u>	<u>4,633,793</u>	<u>3,488,846</u>	<u>1,144,947</u>
Excess (deficiency) of revenues over expenditures	<u>(3,742,998)</u>	<u>(3,742,998)</u>	<u>(2,295,353)</u>	<u>1,447,645</u>
Other financing sources:				
Transfers out	-	-	(488,249)	(488,249)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(488,249)</u>	<u>(488,249)</u>
Change in fund balances	<u>(3,742,998)</u>	<u>(3,742,998)</u>	<u>(2,783,602)</u>	<u>959,396</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>3,958,325</u>	<u>3,958,325</u>
Fund balances (deficits), June 30, 2018	<u>\$ (3,742,998)</u>	<u>\$ (3,742,998)</u>	<u>\$ 1,174,723</u>	<u>\$ 5,405,970</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
DOWNTOWN REINVESTMENT
YEAR ENDED JUNE 30, 2018

	Downtown Reinvestment			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Sales tax	\$ 223,600	\$ 223,600	230,945	\$ 7,345
Total revenues	<u>223,600</u>	<u>223,600</u>	<u>230,945</u>	<u>7,345</u>
Expenditures:				
Economic and community development	223,600	203,200	-	203,200
Capital outlay	-	370,400	24,280	346,120
Total expenditures	<u>223,600</u>	<u>573,600</u>	<u>24,280</u>	<u>549,320</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(350,000)</u>	<u>206,665</u>	<u>556,665</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>606,896</u>	<u>(606,896)</u>
Fund balances (deficits), June 30, 2018	<u>\$ -</u>	<u>\$ (350,000)</u>	<u>\$ 813,561</u>	<u>\$ (50,231)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - OTHER CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2018

	Other Capital Projects			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Intergovernmental	\$ 516,075	\$ 516,075	\$ 897,432	\$ 381,357
Licenses, fees & permits	-	-	227,054	227,054
Contributions	410,000	410,000	-	(410,000)
Investment income	-	-	32,400	32,400
Total revenues	<u>926,075</u>	<u>926,075</u>	<u>1,156,886</u>	<u>230,811</u>
Expenditures:				
Highways and streets	35,000	35,000	16,088	18,912
Culture and recreation	-	-	708	(708)
Capital outlay	7,569,041	7,569,041	3,310,862	4,258,179
Total expenditures	<u>7,604,041</u>	<u>7,604,041</u>	<u>3,327,658</u>	<u>4,276,383</u>
Excess (deficiency) of revenues over expenditures	<u>(6,677,966)</u>	<u>(6,677,966)</u>	<u>(2,170,772)</u>	<u>4,507,194</u>
Other financing sources (uses):				
Transfers in	3,000,000	3,000,000	3,129,090	129,090
Transfers out	-	-	(1,424,543)	(1,424,543)
Total other financing sources (uses)	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,704,547</u>	<u>(1,295,453)</u>
Changes in fund balances	<u>(3,677,966)</u>	<u>(3,677,966)</u>	<u>(466,225)</u>	<u>3,211,741</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>6,182,970</u>	<u>6,182,970</u>
Fund balances (deficits), June 30, 2018	<u>\$ (3,677,966)</u>	<u>\$ (3,677,966)</u>	<u>\$ 5,716,745</u>	<u>\$ 9,394,711</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
GLADDEN FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2018

	Gladden Farms Community Facilities District Capital			
	Original Budget	Final Budget	Actual	Variance - Positive (Negative)
Revenues:				
Property tax	\$ 59,111	\$ 59,111	\$ 59,183	\$ 72
Total revenues	<u>59,111</u>	<u>59,111</u>	<u>59,183</u>	<u>72</u>
Expenditures:				
Current -				
General government	548,693	548,693	164	548,529
Capital outlay	900,000	900,000	-	900,000
Debt service -				
Bond issuance costs	100,000	100,000	-	100,000
Total expenditures	<u>1,548,693</u>	<u>1,548,693</u>	<u>164</u>	<u>1,548,529</u>
Excess (deficiency) of revenues over expenditures	<u>(1,489,582)</u>	<u>(1,489,582)</u>	<u>59,019</u>	<u>1,548,601</u>
Other financing sources (uses):				
Bond proceeds	1,000,000	1,000,000	-	(1,000,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Change in fund balances	<u>(489,582)</u>	<u>(489,582)</u>	<u>59,019</u>	<u>548,601</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>548,235</u>	<u>548,235</u>
Fund balances (deficits), June 30, 2018	<u>\$ (489,582)</u>	<u>\$ (489,582)</u>	<u>\$ 607,254</u>	<u>\$ 1,096,836</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
VANDERBILT FARMS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2018

	Vanderbilt Farms Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 2,397	\$ 2,397	\$ 2,702	\$ 305
Contributions	29,839	29,839	-	(29,839)
Total revenues	<u>32,236</u>	<u>32,236</u>	<u>2,702</u>	<u>(29,534)</u>
Expenditures:				
Current -				
General government	32,194	32,194	82	32,112
Total expenditures	<u>32,194</u>	<u>32,194</u>	<u>82</u>	<u>32,112</u>
Excess (deficiency) of revenues over expenditures	<u>42</u>	<u>42</u>	<u>2,620</u>	<u>2,578</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>54,563</u>	<u>54,563</u>
Fund balances (deficits), June 30, 2018	<u>\$ 42</u>	<u>\$ 42</u>	<u>\$ 57,183</u>	<u>\$ 57,141</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR CAPITAL PROJECTS FUNDS
SAGUARO SPRINGS COMMUNITY FACILITIES DISTRICT CAPITAL
YEAR ENDED JUNE 30, 2018

	Saguaro Springs Capital			Variance - Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Property tax	\$ 19,230	\$ 19,230	\$ 19,088	\$ (142)
Contributions	384,086	384,086	-	(384,086)
Total revenues	<u>403,316</u>	<u>403,316</u>	<u>19,088</u>	<u>(384,228)</u>
Expenditures:				
Current -				
General government	442,000	442,000	82	441,918
Capital outlay	4,000,000	4,000,000	-	4,000,000
Debt service -				
Bond issuance costs	450,000	450,000	-	450,000
Total expenditures	<u>4,892,000</u>	<u>4,892,000</u>	<u>82</u>	<u>4,891,918</u>
Excess (deficiency) of revenues over expenditures	<u>(4,488,684)</u>	<u>(4,488,684)</u>	<u>19,006</u>	<u>4,507,690</u>
Other financing sources (uses):				
Bond proceeds	4,500,000	4,500,000	-	(4,500,000)
Total other financing sources (uses)	<u>4,500,000</u>	<u>4,500,000</u>	<u>-</u>	<u>(4,500,000)</u>
Change in fund balances	<u>11,316</u>	<u>11,316</u>	<u>19,006</u>	<u>7,690</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>77,488</u>	<u>77,488</u>
Fund balances (deficits), June 30, 2018	<u>\$ 11,316</u>	<u>\$ 11,316</u>	<u>\$ 96,494</u>	<u>\$ 85,178</u>

NON-MAJOR DEBT SERVICE FUNDS

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

2013 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2013 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2014 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2014 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

2017 Bond Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the series 2017 revenue bonds. The Town has pledged Town sales tax revenue and state shared revenues to make the required payments for this series.

Gladden Farms Debt Service Fund – This fund accounts for the accumulation of resources and payment of principal and interest on the Gladden Farms general obligation bonds.

TOWN OF MARANA, ARIZONA
COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2018

	2013 Bond Debt Service	2014 Bond Debt Service
<u>ASSETS</u>		
Cash and cash equivalents	\$ 2,372,063	\$ 732,512
Property taxes receivable	-	-
Interest receivable	481	-
Total assets	<u><u>\$ 2,372,544</u></u>	<u><u>\$ 732,512</u></u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Reserved for:		
Restricted	<u>2,372,544</u>	<u>732,512</u>
Total fund balances	<u><u>2,372,544</u></u>	<u><u>732,512</u></u>
 Total liabilities and fund balances	 <u><u>\$ 2,372,544</u></u>	 <u><u>\$ 732,512</u></u>

<u>2017 Bond Debt Service</u>	<u>Other Debt Service</u>	<u>Gladden Farms Debt Service</u>	<u>Totals</u>
\$ 1,305,850	\$ 45,514	\$ 391,377	\$ 4,847,316
-	-	1,710	1,710
-	-	-	481
<u>\$ 1,305,850</u>	<u>\$ 45,514</u>	<u>\$ 393,087</u>	<u>\$ 4,849,507</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
1,305,850	45,514	393,087	4,849,507
<u>1,305,850</u>	<u>45,514</u>	<u>393,087</u>	<u>4,849,507</u>
<u>\$ 1,305,850</u>	<u>\$ 45,514</u>	<u>\$ 393,087</u>	<u>\$ 4,849,507</u>

TOWN OF MARANA, ARIZONA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES -
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	2013 Bond Debt Service	2014 Bond Debt Service
Revenues:		
Property Taxes	\$ -	\$ -
Investment income	627	66
Total revenues	<u>627</u>	<u>66</u>
Expenditures:		
Debt service -		
Principal retirement	1,615,000	390,000
Interest and fiscal charges	1,416,424	143,908
Total expenditures	<u>3,031,424</u>	<u>533,908</u>
Excess (deficiency) of revenues over expenditures	<u>(3,030,797)</u>	<u>(533,842)</u>
Other financing sources (uses):		
Transfers in	<u>3,065,881</u>	<u>802,914</u>
Total other financing sources (uses)	<u>3,065,881</u>	<u>802,914</u>
Change in fund balances	<u>35,084</u>	<u>269,072</u>
Fund balances, beginning of year	<u>2,337,460</u>	<u>463,440</u>
Fund balances, end of year	<u><u>\$ 2,372,544</u></u>	<u><u>\$ 732,512</u></u>

2017 Bond Debt Service	Other Debt Service	Gladden Farms Debt Service	Totals
\$ -	\$ -	\$ 491,519	\$ 491,519
2	-	801	1,496
<u>2</u>	<u>-</u>	<u>492,320</u>	<u>493,015</u>
-	-	210,000	2,215,000
655,602	-	275,863	2,491,797
<u>655,602</u>	<u>-</u>	<u>485,863</u>	<u>4,706,797</u>
(655,600)	-	6,457	(4,213,782)
<u>1,012,342</u>	<u>-</u>	<u>-</u>	<u>4,881,137</u>
<u>1,012,342</u>	<u>-</u>	<u>-</u>	<u>4,881,137</u>
<u>356,742</u>	<u>-</u>	<u>6,457</u>	<u>667,355</u>
<u>949,108</u>	<u>45,514</u>	<u>386,630</u>	<u>4,182,152</u>
<u>\$ 1,305,850</u>	<u>\$ 45,514</u>	<u>\$ 393,087</u>	<u>\$ 4,849,507</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2013 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	2013 Bond Debt Service			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	627	627
Total revenues	<u>-</u>	<u>-</u>	<u>627</u>	<u>627</u>
Expenditures:				
Debt service -				
Principal retirement	1,615,000	1,615,000	1,615,000	-
Interest and fiscal charges	1,418,425	1,418,425	1,416,424	2,001
Total expenditures	<u>3,033,425</u>	<u>3,033,425</u>	<u>3,031,424</u>	<u>2,001</u>
Excess (deficiency) of revenues over expenditures	<u>(3,033,425)</u>	<u>(3,033,425)</u>	<u>(3,030,797)</u>	<u>2,628</u>
Other financing sources (uses):				
Transfers in	3,069,439	3,069,439	3,065,881	3,558
Total other financing sources (uses)	<u>3,069,439</u>	<u>3,069,439</u>	<u>3,065,881</u>	<u>3,558</u>
Change in fund balances	<u>36,014</u>	<u>36,014</u>	<u>35,084</u>	<u>(930)</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>2,337,460</u>	<u>2,337,460</u>
Fund balances (deficits), June 30, 2018	<u>\$ 36,014</u>	<u>\$ 36,014</u>	<u>\$ 2,372,544</u>	<u>\$ 2,336,530</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2014 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	2014 Bond Debt Service			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	66	66
Total revenues	<u>-</u>	<u>-</u>	<u>66</u>	<u>66</u>
Expenditures:				
Debt service -				
Principal retirement	390,000	390,000	390,000	-
Interest and fiscal charges	143,908	143,908	143,908	-
Total expenditures	<u>533,908</u>	<u>533,908</u>	<u>533,908</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(533,908)</u>	<u>(533,908)</u>	<u>(533,842)</u>	<u>66</u>
Other financing sources (uses):				
Transfers in	531,908	531,908	802,914	(271,006)
Total other financing sources (uses)	<u>531,908</u>	<u>531,908</u>	<u>802,914</u>	<u>(271,006)</u>
Change in fund balances	<u>(2,000)</u>	<u>(2,000)</u>	<u>269,072</u>	<u>271,072</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>463,440</u>	<u>463,440</u>
Fund balances (deficits), June 30, 2018	<u>\$ (2,000)</u>	<u>\$ (2,000)</u>	<u>\$ 732,512</u>	<u>\$ 734,512</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
2018 BOND DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	2017 Bond Debt Service			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	-
Investment income	-	-	2	2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Expenditures:				
Debt service -				
Principal retirement	-	-	-	-
Interest and fiscal charges	649,602	649,602	655,602	(6,000)
Total expenditures	<u>649,602</u>	<u>649,602</u>	<u>655,602</u>	<u>(6,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(649,602)</u>	<u>(649,602)</u>	<u>(655,600)</u>	<u>(5,998)</u>
Other financing sources (uses):				
Transfers in	2,665,564	2,665,564	1,012,342	1,653,222
Total other financing sources (uses)	<u>2,665,564</u>	<u>2,665,564</u>	<u>1,012,342</u>	<u>1,653,222</u>
Change in fund balances	<u>2,015,962</u>	<u>2,015,962</u>	<u>356,742</u>	<u>(1,659,220)</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>949,108</u>	<u>949,108</u>
Fund balances (deficits), June 30, 2018	<u>\$ 2,015,962</u>	<u>\$ 2,015,962</u>	<u>\$ 1,305,850</u>	<u>\$ (710,112)</u>

TOWN OF MARANA, ARIZONA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - NON-MAJOR DEBT SERVICE FUNDS
GLADDEN FARMS DEBT SERVICE
YEAR ENDED JUNE 30, 2018

	Gladden Farms Debt Service			Variance -
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Property Taxes	\$ 490,934	\$ 490,934	\$ 491,519	\$ 585
Contributions	10,229	10,229	-	(10,229)
Investment income	-	-	801	801
Total revenues	<u>501,163</u>	<u>501,163</u>	<u>492,320</u>	<u>(8,843)</u>
Expenditures:				
Debt service -				
Principal retirement	210,000	210,000	210,000	-
Interest and fiscal charges	291,163	291,163	275,863	15,300
Total expenditures	<u>501,163</u>	<u>501,163</u>	<u>485,863</u>	<u>15,300</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>6,457</u>	<u>6,457</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>6,457</u>	<u>6,457</u>
Fund balances (deficits), July 1, 2017	<u>-</u>	<u>-</u>	<u>386,630</u>	<u>386,630</u>
Fund balances (deficits), June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,087</u>	<u>\$ 393,087</u>



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STATISTICAL INFORMATION



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**TOWN OF MARANA, ARIZONA
STATISTICAL SECTION
JUNE 30, 2018**

Statistical Section

Financial presentations included in the Statistical Section provide data and information on the financial, physical, a and economic characteristics of the Town of Marana. The following schedules cover multiple fiscal years and provide users with a broader and more complete understanding of the Town and its financial affairs and economic condition. They also present detailed information as a context for understanding this year's financial statements, note disclosures, and required supplementary information.

	<u>Schedule</u>	<u>Page</u>
Financial Trends		
These schedules contain trend information to help users understand and assess how the Town's financial position has changed over time.		
Net Position by Component - Last Ten Fiscal Years	1	146
Changes in Net Position - Last Ten Fiscal Years	2	148
Governmental Activities Tax Revenues by Source - Last Ten Years	3	152
Fund Balances of Governmental Funds - Last Ten Fiscal Years	4	153
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Revenue Capacity		
These schedules contain information to help users understand and assess the Town's local revenue source, the property tax.		
Assessed Value, Estimated Actual Value and Assessment Ratios of Taxable Property - Last Ten Years	6	158
Property Tax Rates - Direct and Overlapping Governments - Last Ten Years	7	160
Principal Property Taxpayers - Current Year and Nine Years Ago	8	162
Property Tax Levies and Collections - Last Ten Fiscal Years	9	163
Tangerine Farms Road Improvement District Active Assessments	10	164
Debt Capacity		
These schedules present information to help users understand and assess the Town's debt burden and its ability to service current debt and to issue additional debt in the future.		
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Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	12	189
Direct and Overlapping Governmental Activities Debt	13	190
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Pledged-Revenue Coverage - Last Ten Fiscal Years	15	192
Demographic and Economic Information		
These schedules present economic and demographic indicators to help users understand the environment within which the Town's financial activities take place.		
Demographic and Economic Statistics - Last Ten Fiscal Years	16	193
Principal Employers - Current Year and Nine Years Ago	17	194
Operating Information		
These schedules present information to help users understand the Town's operations and resources as well as to provide a context for understanding and assessing the Town's economic condition.		
Full-time Equivalent City Government Employees by Function - Last Ten Fiscal Years	18	195
Other Information		
These schedules present information to help users understand potential for growth and economic opportunities within the town.		
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TOWN OF MARANA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 1

	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 174,286	\$ 193,721	\$ 196,326	\$ 194,287
Restricted	45,727	25,459	28,136	29,004
Unrestricted	39,916	39,929	38,889	39,911
Total governmental activities net position	259,929	259,109	263,351	263,202
Business-type activities				
Net investment in capital assets	41,643	44,310	42,148	112,528
Restricted	-	-	73	146
Unrestricted	(4,714)	(5,813)	(2,683)	(17,519)
Total business-type activities net position	36,929	38,497	39,538	95,155
Primary government				
Net investment in capital assets	215,929	238,031	238,474	306,815
Restricted	45,727	25,459	28,209	29,150
Unrestricted	35,202	34,116	36,206	22,392
Total primary government net position	<u>\$ 296,858</u>	<u>\$ 297,606</u>	<u>\$ 302,889</u>	<u>\$ 358,357</u>

Source: Statement of Net Position

2013	2014	2015 (as restated)	2016	2017	2018
\$ 184,949	\$ 189,171	\$ 190,297	\$ 193,845	\$ 210,137	\$ 236,208
62,437	58,820	36,418	43,127	31,163	17,242
1,384	(283)	(4,283)	(6,492)	5,119	16,272
<u>248,770</u>	<u>247,708</u>	<u>222,432</u>	<u>230,480</u>	<u>246,419</u>	<u>269,722</u>
111,045	109,111	109,649	112,357	101,524	95,777
219	293	365	365	365	365
(2,677)	(208)	984	1,313	16,319	(4,285)
<u>108,587</u>	<u>109,196</u>	<u>110,998</u>	<u>114,035</u>	<u>118,208</u>	<u>91,857</u>
295,994	298,282	299,946	306,202	311,661	331,985
62,656	59,113	36,783	43,492	31,528	17,607
(1,293)	(491)	(3,299)	(5,179)	21,439	11,987
<u>\$ 357,357</u>	<u>\$ 356,904</u>	<u>\$ 333,430</u>	<u>\$ 344,515</u>	<u>\$ 364,628</u>	<u>\$ 361,579</u>

TOWN OF MARANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 2

	2009	2010	2011	2012
Expenses				
Governmental activities:				
General government	\$ 9,565	\$ 14,638	\$ 10,643	\$ 10,833
Development & planning services	1,304	-	-	-
Town Attorney *	917	-	-	-
Public safety	12,255	10,675	9,044	10,206
Magistrate court *	946	-	-	-
Highways and streets	6,734	14,986	15,425	17,233
Health & Welfare	112	102	86	23
Culture & recreation	4,818	3,943	3,335	2,173
Economic & community development	12,751	4,835	4,596	4,258
Interest on long-term debt	2,530	865	5,173	4,721
Total governmental activities expenses	51,932	50,044	48,302	49,447
Business-type activities:				
Airport	2,546	3,803	3,392	1,112
Wastewater	N/A	N/A	N/A	3,831
Water	1,178	1,136	1,273	3,074
Total business-type activities expenses	3,724	4,939	4,665	8,017
Total primary government expenses	<u>\$ 55,656</u>	<u>\$ 54,983</u>	<u>\$ 52,967</u>	<u>\$ 57,464</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 918	\$ 939	\$ 830	\$ 881
Culture and recreation	315	211	140	134
Economic & community development	1,740	1,974	2,256	2,513
Operating grants and contributions	3,537	4,221	3,555	3,202
Capital grants and contributions	40,725	11,618	14,963	9,017
Total government activities program revenues	47,235	18,963	21,744	15,747
Business-type activities:				
Charges for services:				
Airport	227	235	238	233
Wastewater	N/A	N/A	N/A	241
Water	2,718	3,035	3,103	3,281
Capital grants and contributions	5,269	3,489	2,669	60,207
Total business-type activity program revenues	8,214	6,759	6,010	63,962
Total primary government program revenues	<u>55,449</u>	<u>25,722</u>	<u>27,754</u>	<u>79,709</u>
Net (expense)/revenue				
Governmental activities	(4,697)	(31,081)	(26,558)	(33,700)
Business-type activities	4,490	1,820	1,345	55,945
Total primary government net expense	<u>\$ (207)</u>	<u>\$ (29,261)</u>	<u>\$ (25,213)</u>	<u>\$ 22,245</u>

2013	2014	2015	2016	2017	2018
\$ 9,532	\$ 10,662	\$ 14,707	\$ 17,531	\$ 19,393	\$ 18,492
-	-	-	-	-	-
-	-	-	-	-	-
11,777	12,134	14,324	14,423	16,736	16,114
-	-	-	-	-	-
18,327	19,053	18,522	22,659	40,172	27,893
23	23	-	-	278	236
3,831	3,131	4,433	3,422	6,006	5,147
4,123	4,691	4,796	4,779	4,902	4,328
4,312	4,543	4,106	3,962	2,335	3,077
51,925	54,237	60,888	66,776	89,822	75,287
1,179	1,197	1,289	1,829	1,772	1,816
2,599	2,756	3,431	3,662	3,983	4,598
3,779	5,244	4,150	4,405	5,368	5,979
7,557	9,197	8,870	9,896	11,123	12,393
\$ 59,482	\$ 63,434	\$ 69,758	\$ 76,672	\$ 100,945	\$ 87,680
\$ 975	\$ 941	\$ 4,490	\$ 4,787	\$ 4,909	\$ 5,073
216	200	305	265	287	324
3,906	3,386	4,585	4,027	4,355	4,992
3,747	4,442	4,360	4,507	4,619	4,665
12,373	10,268	11,281	17,157	44,371	25,856
21,217	19,237	25,021	30,743	58,541	40,910
239	248	239	247	251	294
730	834	933	1,016	1,065	1,502
3,455	3,766	4,146	4,243	5,064	5,609
1,958	2,534	4,015	5,214	5,941	9,891
6,382	7,382	9,333	10,720	12,321	4,665
27,599	26,619	34,354	41,463	70,862	45,575
(33,699)	(35,000)	(35,867)	(36,033)	(31,281)	(34,376)
55,944	(1,815)	463	824	1,198	4,902
\$ 22,245	\$ (36,815)	\$ (35,404)	\$ (35,209)	\$ (30,083)	\$ (29,474)

TOWN OF MARANA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 2

	2009	2010	2011	2012
General Revenues and Other Changes in Net Position				
Governmental activities:				
General revenues				
City sales taxes	\$ 22,404	\$ 21,662	\$ 22,948	\$ 24,539
Property taxes	691	623	584	506
Franchise fees	315	313	322	333
State shared revenues	7,221	6,462	5,719	6,943
Investment income (loss)	595	135	105	97
Miscellaneous	1,227	774	814	803
Gain on sale of assets	-	-	-	-
Transfers	(8)	291	309	329
Total governmental activities	<u>32,445</u>	<u>30,260</u>	<u>30,801</u>	<u>33,550</u>
Business-type activities:				
General revenues				
Investment income	8	1	1	1
Miscellaneous	26	38	4	1
Transfers	8	(291)	(309)	(329)
Special item	-	-	-	-
Total business-type activities	<u>42</u>	<u>(252)</u>	<u>(304)</u>	<u>(327)</u>
Total primary government	<u><u>32,487</u></u>	<u><u>30,008</u></u>	<u><u>30,497</u></u>	<u><u>33,223</u></u>
Change in Net Position				
Governmental activities	27,748	(821)	4,243	(150)
Business-type activities	4,532	1,568	1,041	55,618
Total primary government	<u><u>\$ 32,280</u></u>	<u><u>\$ 747</u></u>	<u><u>\$ 5,284</u></u>	<u><u>\$ 55,468</u></u>

* In prior fiscal years, 2003 through 2009, the functions of Town Attorney and Magistrate Court were reported separately. However, both functions have been consolidated as part of the General Government function, as per General Accounting and Financial Reporting standards.

Source: Statement of Activities

2013	2014	2015	2016	2017	2018
\$ 24,768	\$ 26,226	\$ 28,059	\$ 35,442	\$ 37,500	\$ 41,689
447	421	442	482	509	553
349	377	401	447	488	507
7,714	8,273	8,820	9,039	10,619	11,506
152	171	149	173	238	663
737	854	813	676	744	885
36	-	116	-	-	-
(15,912)	(2,384)	(404)	(2,177)	(2,878)	1,875
18,291	33,938	38,396	44,082	47,220	57,678
2	1	9	16	43	187
19	39	19	19	54	30
15,911	2,384	404	2,177	2,878	(1,875)
(1,326)	-	-	-	-	-
14,606	2,424	432	2,212	2,975	(1,658)
32,897	36,362	38,828	46,294	50,195	56,020
(15,408)	(1,062)	2,529	8,049	15,939	23,302
70,550	609	895	3,036	4,173	3,244
\$ 55,142	\$ (453)	\$ 3,424	\$ 11,085	\$ 20,112	\$ 26,546

TOWN OF MARANA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 3

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Highway User Revenue taxes</u>	<u>Total</u>
2018	\$ 41,689	\$ 3,316	\$ 45,005
2017	37,500	3,099	40,599
2016	35,442	2,623	38,065
2015	28,059	2,484	30,458
2014	25,958	2,286	28,244
2013	24,618	2,257	26,875
2012	24,300	2,061	26,361
2011	22,800	1,869	24,669
2010	21,578	1,806	23,384
2009	22,718	1,936	24,654

Source: Statement of Revenues

TOWN OF MARANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	2009	2010	2011*	2012	2013
General Fund					
Reserved	\$ 185	\$ 313	\$ -	\$ -	\$ -
Unreserved	14,299	14,779	-	-	-
Nonspendable	-	-	229	293	2,803
Unassigned	-	-	16,149	18,004	18,115
Total general fund	14,484	15,092	16,378	18,297	20,918
All other governmental funds					
Reserved	\$ 7,221	\$ 7,099	\$ -	\$ -	\$ -
Unreserved, reported in:					
Major governmental funds	23,762	6,341	-	-	-
Special revenue funds	2,561	4,844	-	-	-
Capital revenue funds	4,648	7,174	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	-	-	-	-	-
Restricted	-	-	28,137	29,821	47,616
Unassigned	-	-	-	(816)	(444)
Total all other governmental funds	\$ 38,192	\$ 25,458	\$ 28,137	\$ 29,005	\$ 47,172
Total fund balance of governmental funds	<u>\$ 52,676</u>	<u>\$ 40,550</u>	<u>\$ 44,515</u>	<u>\$ 47,302</u>	<u>\$ 68,090</u>
	2014	2015	2016	2017	2018
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	2,540	2,282	2,418	2,367	4,853
Unassigned	21,123	22,309	20,425	22,640	24,735
Total general fund	23,663	24,591	22,843	25,007	29,588
All other governmental funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Major governmental funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Nonspendable	33	-	3	1	7,514
Restricted	40,774	40,771	48,486	49,960	42,589
Unassigned	(472)	(863)	(525)	(1,908)	22,388
Total all other governmental funds	\$ 40,335	\$ 39,908	\$ 47,964	\$ 48,053	\$ 72,491
Total fund balance of governmental funds	<u>\$ 63,998</u>	<u>\$ 64,499</u>	<u>\$ 70,807</u>	<u>\$ 73,060</u>	<u>\$ 102,079</u>

*GASB Statement No. 54 implemented in fiscal year 2011, changed the way fund balances are classified.

Source: Governmental Fund Statements

TOWN OF MARANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 5

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Sales taxes	\$ 22,404	\$ 21,662	\$ 22,948	\$ 24,539
Property taxes	692	622	584	506
Intergovernmental revenues	21,607	16,331	17,707	14,960
Licenses, fees and permits	2,521	3,681	4,361	4,906
Fines, forfeitures and penalties	869	879	730	752
Charges for services	706	621	430	456
Lease Income	543	555	647	92
Special assessments	2,136	2,352	2,239	2,302
Contributions	658	381	3,690	537
System development fees	-	-	-	-
Investment earnings	595	135	105	97
Miscellaneous	286	820	614	636
Total revenues	53,017	48,039	54,055	49,783
Expenditures				
General government	8,947	9,080	9,661	8,481
Public safety	11,204	10,164	9,334	10,590
Highways and streets	3,693	2,854	3,043	3,657
Health and welfare	113	75	59	-
Economic and community development	4,405	4,654	4,520	4,259
Culture and recreation	3,665	3,309	2,552	2,604
Town attorney	917	-	-	-
Magistrate Court	946	-	-	-
Community development	370	-	-	-
Capital outlay	35,888	29,420	13,800	7,040
Debt service				
Principal	2,535	3,191	3,490	6,059
Interest	2,313	4,931	4,832	4,635
Other charges	628		109	-
Total expenditures	75,624	67,678	51,400	47,325
Excess of revenues over (under) expenditures	(22,607)	(19,639)	2,655	2,458

2013	2014	2015	2016	2017	2018
\$ 24,768	\$ 26,226	\$ 28,058	\$ 35,442	\$ 37,500	\$ 41,689
497	424	447	489	521	572
18,000	12,732	14,927	20,537	43,261	30,919
8,586	6,549	7,048	6,243	7,078	8,617
871	831	889	750	728	750
379	509	692	500	563	684
105	99	96	90	113	136
2,337	2,176	2,050	2,129	2,340	989
589	1,098	583	1,216	214	87
-	-	-	-	-	-
152	171	149	173	238	663
804	927	853	376	460	512
57,088	51,742	55,792	67,945	93,016	85,618
7,860	8,953	9,652	12,017	13,347	12,949
12,067	11,952	13,886	14,068	14,477	14,774
4,026	4,214	5,441	5,796	6,037	4,893
-	-	-	-	365	229
4,479	4,508	4,351	4,146	4,642	4,452
2,859	3,195	3,598	3,710	4,266	4,903
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,700	4,453	9,885	11,840	34,275	40,960
4,177	10,338	3,412	3,992	5,083	2,260
4,408	4,522	4,491	4,212	3,882	2,745
521	97	-	-	1,023	-
44,097	52,232	54,716	59,781	87,397	88,165
12,991	(490)	1,076	8,164	5,619	(2,547)

TOWN OF MARANA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Schedule 5

	Fiscal Year			
	2009	2010	2011	2012
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	-	-
Bonds issued	39,790	-	1,000	-
Premium on bonds issued	443	-	-	-
Discount on bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Residual equity transfer out	-	-	-	-
Total other financing sources (uses)	40,224	291	1,309	329
Net change in fund balance	<u>\$ 20,585</u>	<u>\$ 2,946</u>	<u>\$ 3,767</u>	<u>\$ 13,320</u>
Debt service as a percentage of noncapital expenditures	13.9%	27.0%	27.5%	26.5%

Source: Governmental Fund Statements

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
57	-	-	321	45	46
34,780	6,493	-	-	42,065	-
3,031	-	-	-	4,089	-
-	-	-	-	-	-
(14,160)	(14,160)	-	-	(46,865)	-
<u>7,797</u>	<u>(10,052)</u>	<u>(575)</u>	<u>(1,856)</u>	<u>(3,366)</u>	<u>1,921</u>
<u>\$ 7,307</u>	<u>\$ (8,976)</u>	<u>\$ (575)</u>	<u>\$ 6,308</u>	<u>\$ 2,253</u>	<u>\$ (626)</u>
21.5%	31.3%	18.1%	16.5%	12.6%	5.2%

TOWN OF MARANA
ASSESSED VALUE AND ESTIMATED ACTUAL OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Schedule 6

Fiscal Year Ended June 30	Fiscal Year	Residential Property	Commercial Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2019	2018/19	\$ 22,757	\$ 2,289	\$ 2,662	\$ 22,385	2.8000	\$233,870	9.6%
2018	2017/18	20,719	182	1,264	19,637	2.8000	201,092	9.8%
2017	2016/17	19,250	42	1,202	18,091	2.8000	185,483	9.8%
2016	2015/16	18,274	5	1,228	17,051	2.8000	173,938	9.8%
2015	2014/15	17,078	4	1,359	15,724	2.8000	160,756	9.8%
2014	2013/14	16,176	5	1,354	14,826	2.8000	150,182	9.9%
2013	2012/13	17,851	4	1,343	16,512	2.8000	165,517	10.0%
2012	2011/12	18,920	10	1,339	17,591	2.8000	176,256	10.0%
2011	2010/11	21,859	7	1,251	20,616	2.8000	201,039	10.3%
2010	2009/10	23,438	9	1,190	22,257	2.8000	215,989	10.3%

Notes:

- 1) The Town of Marana does not impose a property tax; principal property taxpayers represented above reflect those properties within the boundaries of the Gladden Farms Community Facilities District, which does impose a property tax.
- 2) The valuations shown are consistent with Gladden Farms CFD Property Tax Levy as adopted by the board of supervisors on the third Monday in August of each year.

Source: Pima County Assessor's Office



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**TOWN OF MARANA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Schedule 7

Fiscal Year	Tax Year	State of Arizona	Pima County (General Fund)	Road Tax	County Library District
2018/19	2018	-	4.0696	-	0.5153
2017/18	2017	-	4.2096	0.2500	0.5053
2016/17	2016	-	4.2896	-	0.5153
2015/16	2015	-	4.3877	-	0.5153
2014/15	2014	-	4.2779	-	0.4353
2013/14	2013	-	3.6665	-	0.3753
2012/13	2012	-	3.4178	-	0.3460
2011/12	2011	-	3.4178	-	0.3460
2010/11	2010	-	3.3133	-	0.3100
2009/10	2009	-	3.3133	-	0.2643

Fiscal Year	Tax Year	Fire District Assistance	Central Arizona Water Conservation District	Total Overlapping Rates	Town of Marana
2018/19	2018	0.0441	0.1400	17.6010	-
2017/18	2017	0.0459	0.1400	17.6822	-
2016/17	2016	0.0468	0.1400	17.6018	-
2015/16	2015	0.0467	0.1400	17.3338	-
2014/15	2014	0.0472	0.1400	17.1007	-
2013/14	2013	0.0456	0.1400	16.6268	-
2012/13	2012	0.0447	0.1000	15.2648	-
2011/12	2011	0.0418	0.1000	15.0224	-
2010/11	2010	0.0430	0.1000	14.5833	-
2009/10	2009	0.0406	0.1000	14.2903	-

Notes:

- 1) The Flowing Wells School District (a school district of approximately 13 miles) intersects approximately one mile of the Town's boundaries. Marana School District covers the remaining approximate 69 miles of the Town's boundaries.
- 2) The Town intersects several fire districts. Prior to fiscal year 1999, the Town contracted for fire service for the Town until fire districts could be established.
- 3) The Pima County Flood Control District tax levy applies only to real property.
- 4) Primary and secondary tax rates are assessed per \$100 of the net assessed value and are set by the County Board of Supervisors or governing board of taxing jurisdiction.

Source: Pima County

Debt Service	Flood Control District	State Education Equalization Assistance Tax	Flowing Wells School District	Community College District	Northwest Fire District
0.6900	0.3335	0.4741	6.8860	1.3983	3.0501
0.7000	0.3135	0.4875	6.7539	1.389	3.0734
0.7000	0.3335	0.5010	6.8971	1.3733	2.9920
0.7000	0.3135	0.5054	6.6292	1.3689	2.9138
0.7000	0.3035	0.5089	6.6135	1.3344	2.9272
0.7800	0.2635	0.5123	6.7146	1.2933	3.0213
0.7800	0.2635	0.4717	5.9778	1.1741	2.8339
0.7800	0.2635	0.4259	5.9689	1.1094	2.7109
0.7500	0.2635	0.3564	6.0407	1.0848	2.4646
0.7100	0.2635	0.3306	6.1239	1.0770	2.2077

Marana School District	Gladden Farms Community Facilities District	Vanderbilt Farms Community Facilities District	Saguaro Springs Community Facilities District	Total Direct Rates	Total Direct & Overlapping Rates
6.0840	2.4400	0.3000	2.8000	11.6240	29.2250
6.2334	2.8000	0.3000	0.3000	9.6334	27.3156
6.3871	2.8000	0.3000	0.3000	9.7871	27.3889
6.3370	2.8000	0.3000	0.3000	9.7370	27.0708
6.2288	2.8000	0.3000	0.3000	9.6288	26.7295
6.0085	2.8000	0.3000	0.3000	9.4085	26.0353
5.5863	2.8000	0.3000	0.3000	8.9863	24.2511
5.2047	2.8000	0.3000	0.3000	8.6047	23.6271
4.6995	2.8000	0.3000	0.3000	8.0995	22.6828
4.9286	2.8000	0.3000	0.3000	8.3286	22.6189

TOWN OF MARANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Amounts expressed in thousands)

Taxpayer	2018			2009		
	Full Cash Value	Rank	Percentage of Total taxable Assessed Value	Full Cash Value	Rank	Percentage of Total taxable Assessed Value
UNISOURCE ENERGY CORPORATION	11,622	1	25.7%	-	-	-
HSL COTTONWOOD RC HOTEL LLC	6,127	2	13.5%	-	-	-
TUCSON PREMIUM OUTLETS LLC	5,804	3	12.8%	-	-	-
FRYS FOOD STORE OF ARIZONA	4,009	4	8.9%	-	-	-
VERIZON WIRELESS	3,307	5	7.3%	-	-	-
TRICO ELECTRIC COOPERATIVE INC	3,050	6	6.7%	-	-	-
AZPAV WEST LLC	3,022	7	6.7%	-	-	-
WALMART STORES INCORPORATED	2,881	8	6.4%	-	-	-
KREBS FLSMIDTH INC	2,772	9	6.1%	-	-	-
UNION PACIFIC RAILROAD	2,657	10	5.9%	-	-	-
Fidelity National Title TR 30212				2,300	1	52.2%
Fidelity National Title TR 60360				340	2	7.7%
Fidelity National Title TR 60338				328	3	7.4%
Smith Food & Drug Centers Inc				324	4	7.4%
Gladden 25 LLC				282	5	6.4%
Weingarten Newquist LLC				224	6	5.1%
Freedber Barry & Freedbrg Bella				201	7	4.6%
Miramonte Gladden Farms LLC				171	8	3.9%
OS Realty LLC				134	9	3.0%
Title Security Agency of AZ TR 891				103	10	2.3%
Totals	<u>\$ 45,251</u>			<u>\$ 4,407</u>		

Notes:

1) The Town of Marana does not impose a property tax.

Source: Pima County Assessor's Office - IS Dept
 (Information System's Coordinator)

TOWN OF MARANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Schedule 9

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2018	\$ 571	568	99.47%	569	99.65%
2017	521	515	98.85%	520	99.81%
2016	489	485	99.18%	438	99.80%
2015	440	436	99.09%	438	99.55%
2014	415	411	99.04%	412	99.28%
2013	462	456	98.65%	456	98.65%
2012	492	489	99.39%	491	99.80%
2011	623	563	97.57%	563	97.57%
2010	623	623	100.00%	623	100.00%
2009	688	681	98.98%	687	99.85%

Notes:

- 1) The Town does not impose a property tax; levies and collections presented above reflect assessments directly related to the Gladden Farms Community Facilities District I and II, Vanderbilt, and Saguaro Springs.

Source: Pima County Treasurer's Office

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
242-C1	215-01-003P	Tangerine/I-10, LLC	\$1,135,478.05	\$681,092.81	\$12,587.00	1,015,384	Commercial
242-A	215-01-003R	Tangerine/I-10, LLC	910,428.35	546,102.01	8,440.00	814,136	Commercial
242-B3-1	215-01-003S	INTERNATION AL CENTER TUCSON LLC & SECUNDUS	87,681.70	52,594.14	3,543,600.00	78,565	Commercial
242-B1/2	215-01-003T	Tangerine/I-10, LLC	266,454.95	159,827.16	2,954.00	238,273	Commercial
242-B4/5	215-01-003U	Tangerine/I-10, LLC	620,104.49	371,957.14	6,874.00	554,519	Commercial
242-B1/2/4/5	215-01-003V	Tangerine/I-10, LLC	1,240,696.11	744,205.60	13,759.00	1,109,473	Commercial
242-B3-2	215-01-003W	INTERNATION AL CENTER TUCSON LLC & SECUNDUS	82,323.38	49,379.55	296,239.00	73,738	Commercial
242-D1	216-12-0250	Tangerine/I-10, LLC	82,810.50	49,671.79	29,546.00	73,864	Commercial
242-D2	216-12-0260	Tangerine/I-10, LLC	\$430,127.46	\$258,002.71	\$153,923.00	384,808	Commercial
242-D3	216-12-0270	Tangerine/I-10, LLC	608,900.71	365,236.64	217,717.00	544,292	Commercial
242-D4	216-12-0300	Tangerine/I-10, LLC	29,227.23	17,531.38	10,409.00	26,023	Commercial
242-C2	216-12-0330	Tangerine/I-10, LLC	197,770.95	118,628.37	8,120.00	176,854	Commercial

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
237	217-53-040A	TOWN OF MARANA	119,965.96	71,959.10	1,242,000.00	1,019,740	Park
235	217-53-8060	KB Home Tucson Inc. / Attn: John W. Ward	504,741.16	302,758.52	419,263.00	-	Residential
236	217-53-8070	KB Home Tucson Inc. / Attn: John W. Ward	319,456.43	191,619.33	315,775.00	-	Residential
238/239-1	217-53-8080	WALGREEN CO. / Real Estate Property Tax	47,073.12	28,235.83	397,520.00	79,504	Commercial
238/239-2	217-53-8090	GLADDEN 25 LLC / The Aspen Group	34,021.62	20,407.15	114,954.00	57,477	Residential and Commercial
238/239-3	217-53-8100	GLADDEN 25 LLC / The Aspen Group	36,317.24	21,784.14	122,704.00	61,352	Residential and Commercial
238/239-4	217-53-8110	GLADDEN 25 LLC / The Aspen Group	34,975.98	20,979.61	118,098.00	59,049	Residential and Commercial
238/239-5	217-53-8120	GLADDEN 25 LLC / The Aspen Group	31,674.41	18,999.25	107,006.00	53,503	Residential and Commercial
238/239-6	217-53-8130	GLADDEN 25 LLC / The Aspen Group	33,583.13	20,144.14	113,434.00	56,717	Residential and Commercial
238/239-7	217-53-8140	GLADDEN 25 LLC / The Aspen Group	25,767.70	15,456.22	87,048.00	43,524	Residential and Commercial
238/239-8	217-53-8150	GLADDEN 25 LLC / The Aspen Group	59,118.69	35,461.12	169,764.00	99,861	Residential and Commercial
238/239-9	217-53-8160	GLADDEN 25 LLC / The Aspen Group	54,733.79	32,830.94	157,140.00	92,435	Residential and Commercial

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
238/239-10	217-53-8170	GLADDEN 25 LLC / The Aspen Group	51,638.56	30,974.33	148,232.00	87,195	Residential and Commercial
230-1	217-54-0110	Gladden Phase II, LLC / Attn: Jennifer Barlow	511,130.62	306,591.11	13,295.00	1,072,447	Residential and Commercial
230-2	217-54-0120	Gladden Phase II, LLC / Attn: Jennifer Barlow	648,590.84	389,043.77	17,744.00	1,431,382	Residential and Commercial
230-3	217-54-0130	Gladden Phase II, LLC / Attn: Jennifer Barlow	550,694.98	330,322.98	15,066.00	1,215,324	Residential and Commercial
230-4	217-54-0140	Northwest Medical Center / Attn: Chief Financial	1,140,957.82	684,379.91	31,212.00	2,517,768	Hospital
230-5	217-54-0150	Gladden Phase II, LLC / Attn: Jennifer Barlow	766,695.93	459,886.66	137,732.00	1,930,109	Residential and Commercial
230-6	217-54-0160	Gladden Phase II, LLC / Attn: Jennifer Barlow	626,135.01	375,574.12	11,961.00	964,854	Residential and Commercial
230-7	217-54-0180	Gladden Phase II, LLC / Attn: Jennifer Barlow	715,582.86	429,227.55	14,742.00	1,189,188	Residential and Commercial
230-8	217-54-0190	Gladden Phase II, LLC / Attn: Jennifer Barlow	597,781.67	358,566.94	16,351.00	1,318,997	Residential and Commercial
230-9	217-54-0200	Gladden Phase II, LLC / Attn: Jennifer Barlow	530,298.02	318,088.28	16,492.00	1,330,522	Residential and Commercial
230-10	217-54-0210	Gladden Phase II, LLC / Attn: Jennifer Barlow	690,026.33	413,898.00	13,970.00	1,126,897	Residential and Commercial
230-11	217-54-0220	Gladden Phase II, LLC / Attn: Jennifer Barlow	1,181,989.55	708,991.95	21,902.00	1,766,794	Residential and Commercial

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230-12	217-54-0230	Gladden Phase II, LLC / Attn: Jennifer Barlow	659,991.24	395,882.07	18,052.00	1,456,211	Residential and Commercial
230-14	217-54-0250	Gladden Phase II, LLC / Attn: Jennifer Barlow	779,474.19	467,551.44	14,602.00	1,177,862	Residential and Commercial
230-15	217-54-0260	Gladden Phase II, LLC / Attn: Jennifer Barlow	632,524.14	379,406.50	14,546.00	955,706	Residential and Commercial
230-16	217-54-0270	Gladden Phase II, LLC / Attn: Jennifer Barlow	894,478.58	536,534.45	17,809.00	1,436,609	Residential and Commercial
442	217-54-3440	Gladden Phase II, LLC / Attn: Jennifer Barlow	342,327.13	342,327.13	15,612.00	1,252,529	Residential and Commercial
443	217-54-028B	Northwest Fire District / Attn: Phyllis Shumacher	32,681.52	32,681.52	1,490.00	119,680	Residential and Commercial
319	217-54-0290	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
320	217-54-0300	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
321	217-54-0310	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
322	217-54-0320	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
323	217-54-0330	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
324	217-54-0340	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
325	217-54-0350	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
326	217-54-0360	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
327	217-54-0370	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
328	217-54-0380	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
329	217-54-0390	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
330	217-54-0400	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
331	217-54-0410	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
332	217-54-0420	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
333	217-54-0430	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
334	217-54-0440	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
335	217-54-0450	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
336	217-54-0460	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
337	217-54-0470	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
338	217-54-0480	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
339	217-54-0490	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
340	217-54-0500	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
341	217-54-0510	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
342	217-54-0520	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
343	217-54-0530	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
344	217-54-0540	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
345	217-54-0550	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
346	217-54-0560	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
347	217-54-0570	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
348	217-54-0580	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
349	217-54-0590	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
350	217-54-0600	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
351	217-54-0610	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
352	217-54-0620	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
353	217-54-0630	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
354	217-54-0640	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
355	217-54-0650	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
356	217-54-0660	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
357	217-54-0670	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
358	217-54-0680	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
359	217-54-0690	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
360	217-54-0700	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
361	217-54-0710	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
362	217-54-0720	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
363	217-54-0730	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
364	217-54-0740	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
365	217-54-0750	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
366	217-54-0760	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
367	217-54-0770	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
368	217-54-0780	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
369	217-54-0790	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
370	217-54-0800	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
371	217-54-0810	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
372	217-54-0820	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
373	217-54-0830	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
374	217-54-0840	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
375	217-54-0850	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
376	217-54-0860	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
377	217-54-0870	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
378	217-54-0880	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
379	217-54-0890	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
380	217-54-0900	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
381	217-54-0910	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
382	217-54-0920	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
383	217-54-0930	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
384	217-54-0940	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
385	217-54-0950	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
386	217-54-0960	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
387	217-54-0970	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
388	217-54-0980	Lennar Homes / Attn: Karla Lane	3,770.07	3,770.07	503.00	-	Residential
389	217-54-0990	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
390	217-54-1000	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
391	217-54-1010	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
392	217-54-1020	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
393	217-54-1030	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
394	217-54-1040	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
395	217-54-1050	Richmond American Homes / M.D.C.	3,770.07	3,770.07	503.00	-	Residential
396	217-54-1060	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
397	217-54-1070	Lennar Homes / Attn: Karla Lane	3,770.08	3,770.08	503.00	-	Residential
398	217-54-1080	Lennar Homes / Attn: Karla Lane	3,770.08	3,770.08	503.00	-	Residential
399	217-54-1090	Lennar Homes / Attn: Karla Lane	3,770.08	3,770.08	503.00	-	Residential
400	217-54-1100	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
401	217-54-1110	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
402	217-54-1120	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
403	217-54-1130	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
404	217-54-1140	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
405	217-54-1150	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
406	217-54-1160	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
407	217-54-1170	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
408	217-54-1180	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential

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409	217-54-1190	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
410	217-54-1200	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
411	217-54-1210	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
412	217-54-1220	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
413	217-54-1230	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
414	217-54-1240	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
415	217-54-1250	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
416	217-54-1260	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
417	217-54-1270	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
418	217-54-1280	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
419	217-54-1290	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
420	217-54-1300	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
421	217-54-1310	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
422	217-54-1320	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
423	217-54-1330	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
424	217-54-1340	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
425	217-54-1350	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
426	217-54-1360	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
427	217-54-2190	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
428	217-54-2200	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
429	217-54-2210	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
430	217-54-2220	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
431	217-54-2230	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
432	217-54-2240	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential

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433	217-54-2250	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
434	217-54-2260	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
435	217-54-2270	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
436	217-54-2280	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
437	217-54-2290	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
438	217-54-2300	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
439	217-54-2310	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
440	217-54-2320	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
441	217-54-2330	Richmond American Homes / M.D.C.	3,770.08	3,770.08	503.00	-	Residential
231	217-55-012A	WESTCOR MARANA LLC / Barbara Hailtern	2,645,066.47	1,586,588.33	32,195.00	2,597,047	Commercial
162	217-56-3070	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	173,392.00	-	Residential
163	217-56-3080	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	195,151.00	-	Residential

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District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
164	217-56-3090	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	166,369.00	-	Residential
165	217-56-3100	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	27,329.00	-	Residential
166	217-56-3110	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	27,329.00	-	Residential
167	217-56-3120	KB Home Tucson Inc. / Attn: John W. Ward	6,389.13	3,832.39	27,329.00	-	Residential
248	217-56-6600	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
249	217-56-6610	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
250	217-56-6620	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
251	217-56-6630	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
252	217-56-6640	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
253	217-56-6650	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
254	217-56-6660	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
255	217-56-6670	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
256	217-56-6680	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
257	217-56-6690	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
258	217-56-6700	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
259	217-56-6710	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
260	217-56-6720	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
261	217-56-6730	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
262	217-56-6740	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
263	217-56-6750	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
264	217-56-6760	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
265	217-56-6770	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
266	217-56-6780	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
267	217-56-6790	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
268	217-56-6800	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
269	217-56-6810	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
270	217-56-6820	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
271	217-56-6830	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
272	217-56-6840	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
273	217-56-6850	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
284	217-56-6960	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
285	217-56-6970	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
286	217-56-6980	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
287	217-56-6990	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
288	217-56-7000	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential
289	217-56-7010	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.96	3,781.96	8,001.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
290	217-56-7020	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
291	217-56-7030	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
292	217-56-7040	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
293	217-56-7050	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
294	217-56-7060	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
295	217-56-7070	MERITAGE HOMES OF ARIZONA / Attn: Becky	3,781.97	3,781.97	8,001.00	-	Residential
218	217-57-3660	NP Investments LLC / Dave Newquist	30,562.80	18,332.46	260,465.00	52,093	Gladden Farms Commercial Center -
219	217-57-3670	Weingarten Realty / Attn: Deborah	20,712.16	12,423.76	67,076.00	35,303	Gladden Farms Commercial Center - Fast
220	217-57-3680	Brennand, Weingarten Realty / Attn: Deborah	24,176.01	14,501.49	78,293.00	41,207	Gladden Farms Commercial Center - Fast
221	217-57-3690	Brennand, Weingarten Realty / Attn: Deborah	19,133.95	11,477.10	61,965.00	32,613	Gladden Farms Commercial Center
222	217-57-3700	Brennand, Weingarten Realty / Attn: Deborah	45,150.43	27,082.56	146,218.00	76,957	Gladden Farms Commercial Center
224	217-57-3720	Brennand, Weingarten Realty / Attn: Deborah	69,415.04	41,637.17	189,304.00	118,315	Gladden Farms Commercial Center -

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
225	217-57-3730	Weingarten Realty / Attn: Deborah Brennand, Weingarten	15,904.18	9,539.79	43,373.00	27,108	Gladden Farms Commercial Center
226	217-57-3740	Weingarten Realty / Attn: Deborah Brennand, Weingarten	30,604.45	18,357.45	99,112.00	52,164	Gladden Farms Commercial Center
227	217-57-3750	Weingarten Realty / Attn: Deborah Brennand, Richmond	21,497.74	12,894.96	69,620.00	36,642	Gladden Farms Commercial Center
228/229-1	217-57-3760	American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-2	217-57-3770	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-3	217-57-3780	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-4	217-57-3790	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-5	217-57-3800	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-6	217-57-3810	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-7	217-57-3820	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-8	217-57-3830	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-9	217-57-3840	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
228/229-11	217-57-3860	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-13	217-57-3880	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-24	217-57-3990	Richmond American Homes / M.D.C.	6,389.13	3,832.39	18,628.00	-	Residential
228/229-39	217-57-4140	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-42	217-57-4170	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-43	217-57-4180	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-44	217-57-4190	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-45	217-57-4200	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-46	217-57-4210	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-47	217-57-4220	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-48	217-57-4230	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-49	217-57-4240	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
228/229-51	217-57-4260	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-52	217-57-4270	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-53	217-57-4280	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-54	217-57-4290	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-55	217-57-4300	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-56	217-57-4310	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	218,642.00	-	Residential
228/229-57	217-57-4320	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	169,841.00	-	Residential
228/229-58	217-57-4330	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-59	217-57-4340	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-60	217-57-4350	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-61	217-57-4360	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-63	217-57-4380	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
228/229-64	217-57-4390	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-65	217-57-4400	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-66	217-57-4410	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-67	217-57-4420	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-68	217-57-4430	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-69	217-57-4440	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-70	217-57-4450	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-71	217-57-4460	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-72	217-57-4470	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-73	217-57-4480	Lennar Homes / Attn: Karla Lane	6,389.13	3,832.39	18,628.00	-	Residential
228/229-74	217-57-4490	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-77	217-57-4520	Lennar Homes / Attn: Todd Alexander	6,389.12	3,832.39	18,628.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
228/229-95	217-57-4700	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-97	217-57-4720	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-99	217-57-4740	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-100	217-57-4750	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-101	217-57-4760	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-102	217-57-4770	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-103	217-57-4780	Lennar Homes / Attn: Karla Lane	6,389.12	3,832.39	18,628.00	-	Residential
228/229-105	217-57-4800	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-113	217-57-4880	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-114	217-57-4890	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-115	217-57-4900	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
228/229-116	217-57-4910	Richmond American Homes / M.D.C.	6,389.12	3,832.39	219,126.00	-	Residential

Town of Marana, Arizona
Tangerine Farms Road Improvement District
All Active Assessments As of 6/30/2018

District Assessment Number	Tax Assessor's Parcel Number	Owner	Original Assessment Amount (1)	Remaining Assessment Amount (2)	2018 Full Cash Value (3)	Non- Residential Square Footage (4)	Expected Future Use
228/229-117	217-57-4920	Richmond American Homes / M.D.C.	6,389.12	3,832.39	182,889.00	-	Residential
228/229-118	217-57-4930	Richmond American Homes / M.D.C.	6,389.12	3,832.39	18,628.00	-	Residential
<u>Residential Totals:</u>		228 Active Assessments	<u>\$1,846,924.49</u>	<u>\$1,350,916.81</u>	<u>\$3,532,822.00</u>	<u>0</u>	
<u>Non-Residential Totals:</u>		50 Active Assessments	<u>\$20,444,457.74</u>	<u>\$12,413,250.58</u>	<u>\$8,522,267.00</u>	<u>32,132,613</u>	
<u>Totals:</u>		278 Active Assessments	<u>\$22,291,382.23</u>	<u>\$13,764,167.39</u>	<u>\$12,055,149.00</u>	<u>32,132,613</u>	(4)

(1) Includes capitalized interest on the Bonds as sold.

(2) Amount remaining after billing for the 6/1/2018 assessment installment.

(3) As current Full Cash Value data is not available from Pima County for certain parcels that have changed during Fiscal Year 2017.

(4) The Pima County Assessor does not provide the square footage for most residential properties.

TOWN OF MARANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands, except per capita amount)

Schedule 11

Fiscal Year	Governmental Activities				Business-Type Activities		Total Primary Government	Percentage of Personal Income (4)	Per Capita
	Revenue Bonds(1)	General Obligation Bonds(2)	Special Assessment Bonds(3)	Capital Leases	Revenue Bonds	Loans Payable			
2018	\$ 55,835	\$ 7,745	\$ 14,200	\$ -	\$ 20,719	\$ 3,202	101,701	260.3%	2,271
2017	57,840	7,955	14,245	-	20,858	3,421	104,319	267.0%	2,400
2016	66,715	7,835	15,927	-	1,214	3,634	95,325	251.3%	2,307
2015	69,299	8,085	17,246	-	1,343	3,841	97,028	263.5%	2,406
2014	71,659	8,325	18,488	-	1,343	4,042	100,641	281.5%	2,628
2013	81,720	8,550	19,926	-	-	4,265	111,076	293.9%	3,022
2012	60,699	8,765	21,288	-	-	4,480	94,848	261.0%	2,645
2011	65,384	8,965	22,492	-	-	4,586	101,013	289.1%	2,931
2010	67,344	8,155	23,828	33	-	1,562.00	100,478	299.0%	2,944
2009	67,975	8,335	24,823	75	-	-	101,208	313.3%	3,039

Notes:

- (1) Presented net of original issuance discounts and premiums
- (2) Bonds issued for Gladden Farms Facilities District , a component unit of the Town.
- (3) Bonds issued for Tangerine Farms Road Improvement District FY 2008, a component unit of the Town.
- (4) Individual statistics not available for Marana, included in figures for Pima County and Tucson Metropolitan area.

Source: US Census Bureau, Bureau of Economic Analysis

TOWN OF MARANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Amounts expressed in thousands, except per capita amount)

Schedule 12

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of property	Per Capita
2018	\$ 7,745	\$ 1,029	\$ 6,716	0.14%	15.0%
2017	7,955	1,021	6,934	0.15%	15.9%
2016	7,835	1,025	6,810	0.16%	16.5%
2015	8,085	900	7,185	0.18%	17.8%
2014	8,325	881	7,444	0.19%	19.4%
2013	8,550	689	7,861	0.22%	21.4%
2012	8,765	886	7,879	0.21%	22.0%
2011	8,765	1,066	7,699	0.19%	23.1%
2010	8,965	963	8,002	0.24%	26.7%
2009	8,335	957	7,378	0.30%	27.6%

Notes:

- 1) The Town of Marana does not impose a property tax; any property taxes presented in this report are directly related to the Gladden Farms Community Facilities District (formed in fiscal year 2005) or the Saguaro Springs Community Facilities District (formed in fiscal year 2007).

Source: General Obligation Bonds

TOWN OF MARANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
(Amounts expressed in thousands)

Schedule 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
State of Arizona	None	N/A	None
Pima County	\$ 288,182	6.30%	\$ 18,155
Pima County Community College District	None	N/A	None
Pima County Flood Control District	None	N/A	None
Northwest Fire District	35,359	46.80%	16,548
Flowing Wells Unified School District No. 8	23,380	100.00%	23,380
Marana Unified School District No. 6	129,771	63.07%	81,847
Total overlapping debt			<u>139,930</u>
Gladden Farms Community Facilities District	7,745	100.00%	7,745
Tangerine Farms Road Improvement District	14,200	100.00%	14,200
Town of Marana	62,018	100.00%	62,018
Total direct debt			<u>\$ 83,963</u>
Total direct and overlapping debt			<u><u>\$ 223,893</u></u>

Notes:

* The estimated percentage of debt applicable to the Town is calculated based on the Town's secondary assessed valuation as a percentatge of the secondary assessed valuation of the overlapping jurisdiction.

Sources: The various entities

**TOWN OF MARANA
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2018**

Schedule 14

Legal Debt Margin Calculation for Fiscal Year 2018

Full Cash Net Assessed	\$ 575,899,299
Debt Limit:	-
6% of assessed value	34,553,958
20% of assessed value	115,179,860
Total debt limit:	<u>149,733,818</u>
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for the repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal Debt Margin	<u><u>\$ 149,733,818</u></u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt limit equal to 6% of assessed	\$ 33,009,019	\$ 60,524,235	\$ 27,274,051	\$ 25,992,985	\$ 24,745,839
Debt limit equal to 20% of assessed	110,030,063	201,747,448	90,913,503	86,643,283	82,486,130
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 143,039,082</u></u>	<u><u>\$ 262,271,683</u></u>	<u><u>\$ 118,187,553</u></u>	<u><u>\$ 112,636,268</u></u>	<u><u>\$ 107,231,969</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit equal to 6% of assessed	\$ 28,630,929	\$ 29,446,070	\$ 31,218,157	\$ 32,138,944	\$ 34,553,958
Debt limit equal to 20% of assessed	95,436,430	98,153,568	104,060,525	107,129,981	115,179,860
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u><u>\$ 124,067,359</u></u>	<u><u>\$ 127,599,639</u></u>	<u><u>\$ 135,278,682</u></u>	<u><u>\$ 139,268,925</u></u>	<u><u>\$ 149,733,818</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Notes:

* The Gladden Farms Community Facilities District, a legally separate entity, is a special taxing district whose debt was approved by voters of the District. The District's general obligation debt does not count towards the Town's legal debt limit.

Sources: Financial Statements; Pima County

TOWN OF MARANA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

Schedule 15

Gladden Farms Community Facilities District General
Obligation Bonds *

Fiscal Year	Property Tax Collections	Debt Service		Coverage
		Principal	Interest	
2018	\$ 551	\$ 210	\$ 271	114.6%
2017	507	265	295	90.5%
2016	479	250	445	68.9%
2015	441	240	458	63.2%
2014	418	225	470	60.1%
2013	444	215	481	63.8%
2012	503	200	490	72.9%
2011	576	190	477	86.4%
2010	609	180	455	95.9%
2009	616	-	233	264.4%

Tangerine Road Farms Improvement District Special
Assessment Bonds **

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2018	\$ 989	\$ 45	\$ 254	330.8%
2017	2,351	1,328	732	114.1%
2016	2,141	1,319	792	101.4%
2015	2,065	1,242	849	98.8%
2014	2,210	1,438	913	94.0%
2013	2,337	1,362	976	100.0%
2012	2,302	1,204	1,035	102.8%
2011	2,239	1,336	1,096	92.1%
2010	2,352	995	1,142	110.1%
2009	2,136	951	593	138.3%

Notes:

* Bonds issued for Gladden Farms Facilities District FY 05, a component unit of the Town. Principal debt payoff did not begin until FY 2008. Collection of property tax revenues to begin fiscal year 2008. Shortfalls are covered by a standby contribution agreement.

**Special assessment amounts issued for Tangerine Road Farms Improvement District, a governmental fund of the Town. Principal debt payoff begins fiscal year 2009. Collection fees related to special assessment to begin fiscal year 2009.

Source: Financial statements

**TOWN OF MARANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Schedule 16

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income*</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2018	44,792	N/A	\$ 33,111	37.9	12,470	2.8%
2017	43,474	N/A	32,646	48.1	12,050	4.3%
2016	41,315	N/A	37,107	29.7	12,350	4.7%
2015	40,324	N/A	34,026	39.6	12,326	5.9%
2014	38,290	N/A	33,196	39.4	12,476	6.9%
2013	36,756	N/A	29,626	37.7	12,361	6.1%
2012	35,858	N/A	31,085	37.6	12,576	9.7%
2011	35,124	N/A	N/A	37.4	12,314	7.9%
2010	34,961	35,172,000	N/A	37.4	12,426	8.7%
2009	34,466	34,516,000	31,648	37.4	12,546	4.7%

Notes:

* Information published for census year only.

N/A indicates that the information is not available.

Sources: U.S. Census Bureau, Population Division; Arizona Department of Commerce; Pima Association of Governments; Arizona's Economy; Marana Unified School District.

**TOWN OF MARANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Schedule 17

	2018		2009	
	Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Employer				
Marana Unified School District	1,404	6.3%	1,775	24.1%
Top Golf	435	2.0%	-	-
Town of Marana	365	1.6%	365	5.0%
Marana Health Center	356	1.6%	-	-
Wal-Mart	356	1.6%	450	6.1%
The Ritz Carlton, Dove Mountain	320	1.4%	-	-
Sargent Aerospace & Defense	313	1.4%	250	3.4%
Costco	250	1.1%	275	3.7%
FLSmidth Krebs	239	1.1%	-	-
Northwest Fire District	230	1.0%	-	-
Army Reserve/National Guard Training Center			635	8.63%
Evergreen Air Center, Inc.			605	8.63%
Target			225	3.1%
Comcast of Arizona			200	2.7%
Fry's Food & Drug			200	2.7%

Source: ArizonaCommerce.com, Marana Chamber of Commerce

TOWN OF MARANA
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General Government	90.4	62.8	72.5	62.5	62.5	62.5	67.5	70.9	72.9	73.3
Public Safety										
Police										
Officers	81.0	78.0	80.0	79.0	80.0	80.0	81.0	83.0	85.0	87.0
Civilians	30.0	28.0	28.8	28.5	26.0	26.0	28.0	28.0	28.0	28.0
Building Safety	-	5.0	6.0	6.0	9.0	9.0	13.0	13.0	12.0	12.0
Highways and streets	24.0	31.0	32.0	32.0	36.0	36.0	35.0	35.0	34.0	36.0
Engineering	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Culture and recreation	50.0	43.8	41.5	41.7	33.3	33.3	36.5	38.5	41.8	41.0
Community Development	3.0	3.0	4.0	3.0	-	-	-	-	-	-
Economic & Community Development	45.1	54.6	52.4	53.4	48.5	48.5	40.4	39.4	43.0	46.5
Water Utilities	17.4	15.4	18.1	20.1	19.1	19.1	22.0	23.0	23.0	24.0
Wastewater Utilities	N/A	N/A	N/A	-	4.0	4.0	4.0	4.0	4.0	5.0
Municipal Airport	2.0	-	-	-	1.0	1.0	1.0	3.0	3.0	3.0
Total	342.9	321.6	335.3	326.1	319.3	319.3	328.3	337.8	346.7	355.8

Source: Town of Marana; Annual Budget; Authorized position schedule.

**TOWN OF MARANA
SALES TAX BY INDUSTRY
LAST TEN FISCAL YEARS**

Industry Group	FY 2009	%	FY 2010	%
Construction	\$ 6,450,530	28.79%	\$ 4,448,469	20.54%
Manufacturing	154,594	0.69%	138,817	0.64%
Transportation, Communications, & Utilities	2,522,671	11.26%	2,768,198	12.78%
Wholesale Trade	339,051	1.51%	184,203	0.85%
Retail Trade	8,554,332	38.18%	8,673,055	40.04%
Restaurant & Bars	1,384,914	6.18%	1,555,032	7.18%
Fire, Insurance & Real Estate	903,810	4.03%	1,050,046	4.85%
Hotels & Other Lodging	508,199	2.27%	1,378,271	6.36%
Services	1,002,992	4.48%	1,057,433	4.88%
All Others	583,330	2.60%	408,581	1.89%
	<u>\$ 22,404,422</u>	<u>100.00%</u>	<u>\$ 21,662,105</u>	<u>100.00%</u>

Industry Group	FY 2014	%	2015	%
Construction	\$ 6,411,509	24.45%	\$ 6,838,195	24.37%
Manufacturing	97,014	0.37%	100,329	0.36%
Transportation, Communications, & Utilities	3,182,854	12.14%	3,318,976	11.83%
Wholesale Trade	213,657	0.81%	305,012	1.09%
Retail Trade	9,593,163	36.58%	10,133,523	36.12%
Restaurant & Bars	1,865,602	7.11%	2,038,788	7.27%
Fire, Insurance & Real Estate	1,256,418	4.79%	1,240,196	4.42%
Hotels & Other Lodging	2,064,986	7.87%	2,481,304	8.84%
Services	1,031,325	3.93%	1,046,669	3.73%
All Others	509,351	1.94%	555,522	1.98%
	<u>\$ 26,225,881</u>	<u>100.00%</u>	<u>\$ 28,058,514</u>	<u>100.00%</u>

Note:

*In fiscal year 2016, the Arizona Department of Revenue began using a new form and payment journal, which affected the classification of certain tax revenues within the industry groups

Source: Town of Marana Finance Department, Arizona Department of Revenue

<u>FY 2011</u>	<u>%</u>	<u>FY 2012</u>	<u>%</u>	<u>FY 2013</u>	<u>%</u>
\$ 4,870,797	21.23%	\$ 5,782,644	23.57%	\$ 5,260,345	21.33%
123,524	0.54%	128,089	0.52%	127,214	0.52%
2,927,271	12.76%	2,985,979	12.17%	3,038,071	12.32%
194,392	0.85%	233,850	0.95%	296,077	1.20%
8,667,896	37.77%	8,804,206	35.88%	9,380,544	38.03%
1,658,180	7.23%	1,789,232	7.29%	1,819,588	7.38%
1,253,481	5.46%	1,350,977	5.51%	1,234,426	5.00%
1,914,004	8.34%	1,991,767	8.12%	2,140,493	8.68%
982,631	4.28%	1,026,443	4.18%	1,003,377	4.07%
355,642	1.55%	445,774	1.81%	363,807	1.47%
<u>\$ 22,947,818</u>	<u>100.00%</u>	<u>\$ 24,538,961</u>	<u>100.00%</u>	<u>\$ 24,663,942</u>	<u>100.00%</u>
<u>2016*</u>	<u>%</u>	<u>2017</u>	<u>%</u>	<u>2018</u>	<u>%</u>
\$ 6,883,116	19.42%	\$ 7,557,292	20.15%	\$ 9,825,265	23.58%
-	0.00%	-	0.00%	-	0.00%
3,919,633	11.06%	3,809,315	10.16%	4,234,220	10.16%
-	0.00%	-	0.00%	-	0.00%
16,305,878	46.01%	17,120,561	45.65%	17,757,284	42.61%
3,076,737	8.68%	3,295,734	8.79%	3,616,110	8.68%
1,339,496	3.78%	1,540,358	4.11%	1,661,010	3.99%
2,292,705	6.47%	2,558,312	6.82%	2,827,338	6.78%
-	0.00%	-	0.00%	-	0.00%
1,624,023	4.58%	1,618,648	4.32%	1,751,170	4.20%
<u>\$ 35,441,588</u>	<u>100.00%</u>	<u>\$ 37,500,220</u>	<u>100.00%</u>	<u>\$ 41,672,397</u>	<u>100.00%</u>

**TOWN OF MARANA
EXCISE TAX COLLECTIONS
LAST TEN FISCAL YEARS**

Industry Classification	2008/09	2009/10
Town Sales Tax	\$ 22,404,422	\$ 21,662,077
State-shared Sales Taxes	2,126,326	1,961,225
State-shared Income Taxes	3,971,447	3,450,478
Licenses and permits	1,932,797	2,150,360
Fines and forfeitures and penalties	692,514	641,484
TOTAL	<u>\$ 31,127,506</u>	<u>\$ 29,865,624</u>

Industry Classification	2013/14	2014/2015
Town Sales Tax	\$ 26,225,881	\$ 28,058,823
State-shared Sales Taxes	3,043,102	3,195,042
State-shared Income Taxes	3,896,487	4,232,245
Licenses and permits	3,932,108	4,813,378
Fines and forfeitures and penalties	635,869	664,955
TOTAL	<u>\$ 37,733,447</u>	<u>\$ 40,964,443</u>

Source: Statement of Revenues

<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
\$ 22,947,818	\$ 24,538,961	\$ 24,768,104
2,099,083	2,731,863	2,861,622
2,601,218	2,950,734	3,571,191
2,502,494	2,720,872	4,323,155
537,680	558,393	661,341
<u>\$ 30,688,293</u>	<u>\$ 33,500,823</u>	<u>\$ 36,185,413</u>

<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>	<u>Budgeted 2018/2019</u>
\$ 35,441,585	\$ 37,500,219	\$ 39,628,395	\$ 36,455,488
3,344,679	3,798,503	4,077,246	4,314,755
4,209,300	5,054,592	5,384,087	5,336,906
4,468,910	4,848,237	4,490,185	4,581,090
579,369	574,884	625,000	826,500
<u>\$ 48,043,843</u>	<u>\$ 51,776,435</u>	<u>\$ 54,204,913</u>	<u>\$ 51,514,739</u>

TOWN OF MARANA
PRINCIPAL RETAIL AND CONTRACTING SALES TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 21

		Fiscal Year 2018			Fiscal Year 2009		
		Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments	Sales Tax Payments	Rank	Percentage of Total Sales Tax Payments
RETAIL							
Taxpayer	A	\$ 2,358,950	1	5.7%	\$ 1,598,055	1	7.1%
Taxpayer	B	1,466,002	2	3.5%	1,142,303	2	5.1%
Taxpayer	C	1,046,204	3	2.5%	603,564	3	2.7%
Taxpayer	D	839,259	4	2.0%	446,533	5	2.0%
Taxpayer	E	676,421	5	1.6%	435,425	7	1.9%
Taxpayer	F	599,190	6	1.4%	440,564	6	2.0%
Taxpayer	G	564,412	7	1.4%	539,728	4	2.4%
Taxpayer	H	338,084	8	0.8%	202,402	10	0.9%
Taxpayer	I	270,891	9	0.7%	278,691	9	1.2%
Taxpayer	J	257,096	10	0.6%			0.0%
Taxpayer	K				302,158	8	1.4%
		<u>\$ 8,416,510</u>		<u>20.2%</u>	<u>\$ 5,989,421</u>		<u>26.8%</u>
CONTRACTING							
Taxpayer	A	\$ 1,522,772	1	3.7%	\$ 237,228	7	1.1%
Taxpayer	B	1,360,926	2	3.3%			0.0%
Taxpayer	C	1,113,332	3	2.7%			0.0%
Taxpayer	D	660,549	4	1.6%	611,213	3	2.7%
Taxpayer	E	544,995	5	1.3%			0.0%
Taxpayer	F	387,495	6	0.9%			0.0%
Taxpayer	G	356,464	7	0.9%	345,234	5	1.5%
Taxpayer	H	311,834	8	0.7%			0.0%
Taxpayer	I	292,618	9	0.7%			0.0%
Taxpayer	J	279,203	10	0.7%			0.0%
Taxpayer	K				1,115,117	1	5.0%
Taxpayer	L				798,978	2	3.6%
Taxpayer	M				362,374	4	1.6%
Taxpayer	N				335,746	6	1.5%
Taxpayer	O				130,962	8	0.6%
Taxpayer	P				129,801	9	0.6%
Taxpayer	Q				127,030	10	0.6%
		<u>\$ 6,830,188</u>		<u>16.4%</u>	<u>\$ 4,193,683</u>		<u>18.7%</u>

Source: Town of Marana Finance Department, Arizona Department of Revenue

**TOWN OF MARANA
SINGLE FAMILY RESIDENTIAL PERMITS
LAST TEN FISCAL YEARS**

Schedule 22

Month	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	3	38	17	22	60	39	42	39	54	82
February	9	25	28	31	52	61	51	58	73	65
March	2	46	38	46	125	42	57	59	76	58
April	11	48	14	41	64	47	55	54	52	60
May	13	20	35	53	46	55	87	37	85	78
June	20	23	22	49	61	59	67	50	63	80
July	31	44	32	70	74	41	59	36	73	79
August	46	28	31	46	60	50	35	47	75	67
September	27	18	22	29	44	29	52	37	40	
October	14	22	30	56	46	71	62	57	62	
November	12	12	22	35	27	88	22	51	75	
December	12	19	46	48	43	30	33	58	45	
Calendar Total	200	343	337	526	702	612	622	583	773	569
Fiscal Total	593	342	297	425	692	597	668	560	689	793

Source: Town of Marana Finance Department, Town of Marana Building Services

**TOWN OF MARANA
CAPITAL ASSET STATISTICS BY FUNCTION
AS OF JUNE 30, 2018**

Schedule 23

Function	Fiscal Year							
	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety								
Police:								
Stations	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1
Police Vehicles	113	113	99	118	129	128	129	129
Highways and Streets								
Street (miles)	300	300	494	494	511	518	520	524
Culture and Recreation								
Parks	7	7	8	8	8	9	9	9
Parks Acreage	84	84	139	139	139	157	157	158
Trails in Miles - Hiking	28	28	37	37	37	38	39	39
Trails in Miles - Paved	16	16	16	16	18	19	21	21
Splash Pads	-	-	-	-	-	-	1	1
Swimming Pools	1	1	1	1	1	1	1	1
Tennis Courts	5	5	6	6	6	6	6	6
Senior/Community Center	1	1	1	1	1	1	1	1
Water Systems								
Miles of Water Mains	70	70	128	132	135	138	146	149
Number of Meters	5,556	5,734	6,002	6,272	6,429	6,745	7,205	7,850
Wastewater*								
Number of Manholes	N/A	841	863	863	891	909	978	1066
Sewer Mains (miles)	N/A	46.4	47.5	47.5	48.33	49.2	53.6	58.5
Avg Daily Sewage Treated (MGD)	N/A	0.192	0.198	0.287	0.348	0.360	0.425	0.480

Notes:

*Due to the wastewater plant transfer from Pima County on January 3, 2012 information is reflected from that point forward. Prior years are not available however will be accumulated and reported each year until the ten years of data is presented.

**Due to cost considerations for the accumulation of data, the Town has elected to present less than ten years of data statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

Source: This information is provided from the Town's facility records.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

The Honorable Mayor and Town Council
Town of Marana, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marana, Arizona, (Town), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Town of Marana's basic financial statements, and have issued our report thereon dated December 5, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Marana, Arizona's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Marana, Arizona's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Marana, Arizona's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Marana, Arizona's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry + Horne LLP

Casa Grande, Arizona
December 5, 2018



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Fiscal Year 2017-2018 Audit Summary and Final Results

Yiannis Kalaitzidis, CPA
Finance Director

December 18, 2018

Auditors' Report on the Financial Statements

- Unmodified Opinion - Financial Statements are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP).
- Compliance on Internal Controls over Financial Reporting

Other issues discussed

- Restatement of Wastewater asset balances
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management

- Annual Expenditure Limitation Report
 - Town's voter-approved alternative expenditure limitation for 2018 was \$200.4 million. Actual expenditures were \$76.9 million.
- No Single Audit
 - Audit report required when federal expenditures exceed \$750,000
 - F/Y 2018 federal expenditures were \$562,798 (unaudited)

FINAL RESULTS – GENERAL FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Percent of Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$43,851,991	\$43,851,991	\$46,611,438	106.3%
Expenditures	46,715,336	46,365,336	37,738,018	81.4%
Excess (deficiency) of revenues over expenditures	<u>(2,863,345)</u>	<u>(2,513,345)</u>	<u>8,873,420</u>	<u>-353.1%</u>
Other financing sources (uses)	<u>(5,957,870)</u>	<u>(5,957,870)</u>	<u>(4,292,608)</u>	
Changes in fund balances	<u>(8,821,215)</u>	<u>(8,471,215)</u>	<u>4,580,812</u>	
Fund balances, beginning of year	<u>25,007,111</u>	<u>25,007,111</u>	<u>25,007,111</u>	
Fund balances, end of year	<u><u>\$16,185,896</u></u>	<u><u>\$16,535,896</u></u>	<u><u>\$29,587,923</u></u>	

FINAL RESULTS – HIGHWAY USER REVENUE FUND

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Percent of Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$3,463,025	\$3,463,025	\$3,331,900	96.2%
Expenditures	3,678,138	3,678,138	2,836,561	77.1%
Excess (deficiency) of revenues over expenditures	<u>(215,113)</u>	<u>(215,113)</u>	<u>495,339</u>	<u>-230.3%</u>
Changes in fund balances	<u>(215,113)</u>	<u>(215,113)</u>	<u>495,339</u>	
Fund balances, beginning of year	<u>1,360,670</u>	<u>1,360,670</u>	<u>1,360,670</u>	
Fund balances, end of year	<u><u>\$1,145,557</u></u>	<u><u>\$1,145,557</u></u>	<u><u>\$1,856,009</u></u>	

FINAL RESULTS – BED TAX FUND

	Budgeted Amounts		Actual	Percent of Budget
	Original	Final		
Revenues	\$989,558	\$989,558	\$1,327,289	134.1%
Expenditures	989,558	989,558	831,818	84.1%
Excess (deficiency) of revenues over expenditures	-	-	495,471	
Changes in fund balances	-	-	495,471	
Fund balances, beginning of year	924,657	924,657	924,657	
Fund balances, end of year	<u>\$924,657</u>	<u>\$924,657</u>	<u>\$1,420,128</u>	

FINAL RESULTS – ½ CENT TAX FUND

	Budgeted Amounts		Actual	Percent of Budget
	Original	Final		
Revenues	\$5,579,676	\$5,579,676	\$5,537,475	99.2%
Expenditures	17,175,455	17,175,455	11,508,382	67.0%
Excess (deficiency) of revenues over expenditures	(11,595,779)	(11,595,779)	(5,970,907)	51.5%
Other financing sources (uses)			620,248	
Changes in fund balances	(11,595,779)	(11,595,779)	(5,350,659)	
Fund balances, beginning of year	8,410,751	8,410,751	8,410,751	
Fund balances, end of year	<u>(\$3,185,028)</u>	<u>(\$3,185,028)</u>	<u>\$3,060,092</u>	

FINAL RESULTS – TRANSPORTATION FUND

	Budgeted Amounts			Percent of Budget
	Original	Final	Actual	
Revenues	\$7,018,183	\$7,018,183	\$7,539,604	107.4%
Expenditures	18,343,836	18,343,836	3,756,972	20.5%
Excess (deficiency) of revenues over expenditures	(11,325,653)	(11,325,653)	3,782,632	-33.4%
Other financing sources (uses)	(641,740)	(641,740)	413,056	
Changes in fund balances	(11,967,393)	(11,967,393)	4,195,688	
Fund balances, beginning of year	12,828,852	12,828,852	12,828,852	
Fund balances, end of year	<u>\$861,459</u>	<u>\$861,459</u>	<u>\$17,024,540</u>	

FINAL RESULTS – ENTERPRISE FUNDS

	<u>Water</u>	<u>Wastewater</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$5,611,051	\$1,502,216	\$321,712	\$7,434,979
Operating expenses	<u>5,910,906</u>	<u>2,715,821</u>	<u>1,816,222</u>	<u>10,442,949</u>
Operating loss	<u>(299,855)</u>	<u>(1,213,605)</u>	<u>(1,494,510)</u>	<u>(3,007,970)</u>
Nonoperating revenue (expense)	(29,924)	(1,733,332)	-	(1,763,256)
Contributions and transfers	<u>7,136,126</u>	<u>605,960</u>	<u>273,254</u>	<u>8,015,340</u>
Changes in net position	<u>6,806,347</u>	<u>(2,340,977)</u>	<u>(1,221,256)</u>	<u>3,244,114</u>
Net position, beginning of year	29,061,379	44,272,393	15,279,544	88,613,316
Net position, end of year	<u><u>\$35,867,726</u></u>	<u><u>\$41,931,416</u></u>	<u><u>\$14,058,288</u></u>	<u><u>\$91,857,430</u></u>

Questions?



MARANA AZ

ESTABLISHED 1991
Marana Regular Council Meeting 12/18/2018



Council-Regular Meeting

P2

Meeting Date: 12/18/2018

To: Mayor and Council

From: Yiannis Kalaitzidis, Finance Director

Date: December 18, 2018

Strategic Plan Focus Area:
Commerce

Subject: Relating to Budget; presentation of first quarter results (July-September) for the Town's General Fund and other selected major funds for the 2018-2019 fiscal year (Yiannis Kalaitzidis)

Discussion:

The purpose of this item is to present a summary of the Town's first quarter financial results (July-September) for the Town's General Fund and other selected major funds for fiscal year 2018-2019. It is important to note that these results are preliminary, unaudited and subject to change based upon adjusting entries, as necessary. The attached provides a high-level revenue and expenditure summary at the end of the current quarter.

Revenue

Overall, revenues are within expectations for most funds at this time of the year. Revenues for the Bed Tax Fund, which accounts for the portion of bed tax revenues restricted for tourism related costs, is lagging modestly, but is expected to approach budget in future quarters due to seasonality of this revenue stream. Airport revenues are lagging primarily due to the timing of the quarterly lease revenues which are expected to approach budget in the future quarters. Water Reclamation Fund revenues meet expectations at 25% of budgeted amounts, when excluding scheduled transfers from other funds and inflows of debt proceeds related to the recently completed plant expansion. Additional detail on these variances is included within the visualization slides attached to this item.

Expenditures

Expenditures in all funds are at or below expectations. This is primarily due to the timing of one-time projects and programs which are expected to occur in future quarters.

Staff Recommendation:

Presentation of first quarter results only.

Suggested Motion:

Presentation of first quarter results only.

Attachments

FY2018-2019 1st Quarter Presentation

Financial Brief – 1st Quarter 2019



FY 2018-19

Prepared by: Finance Department

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FY 2018 - 2019 FIRST QUARTER FINANCIAL BRIEF

This financial brief is intended to provide a broad overview and status of revenues and expenditures for the Town's selected major funds through the first quarter of fiscal year 2019 (July 2018 - September 2018). Major funds included in this financial brief are the General Fund, Highway User Revenue Fund (HURF), Bed Tax Fund, 1/2 Cent Sales Tax Fund and Transportation Fund. Also included are the enterprise funds Airport, Water, and Water Reclamation. Please note that all amounts are preliminary, un-audited and subject to change based upon adjusting entries, as necessary.

The table below shows an overview for each fund.

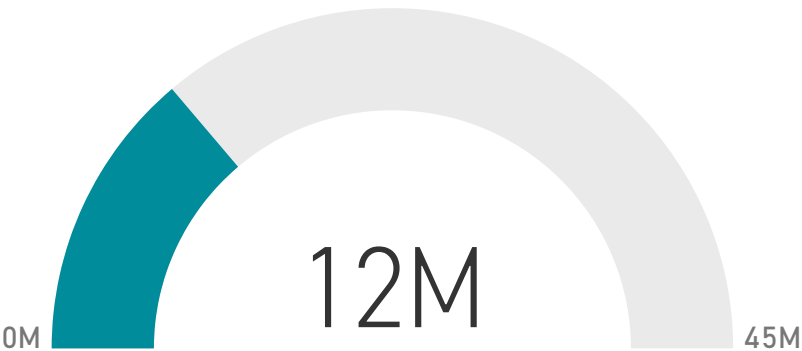
Revenues				Expenditures			YTD Over/Under
Fund	FY 2019 Budget	Revenue Amount	% Budget	FY 2019 Budget	Expenditure Amount	% of Budget	Over/(Under)
GENERAL FUND	44,956,009	12,410,133	28 %	48,829,804	9,037,766	19 %	3,372,367
HURF	3,276,078	871,020	27 %	3,763,784	228,129	6 %	642,891
TRANSPORTATION FUND	5,906,742	2,034,934	34 %	22,054,047	214,478	1 %	1,820,456
BED TAX FUND	1,088,016	159,142	15 %	878,799	54,069	6 %	105,073
1/2 CENT SALES TAX FUND	2,952,570	1,392,096	47 %	4,852,956	1,175,522	24 %	216,574
WATER FUND	6,013,950	1,496,947	25 %	6,153,934	1,533,128	25 %	-36,181
WATER RECLAMATION FUND	2,258,671	364,340	16 %	2,261,593	588,400	26 %	-224,060
AIRPORT FUND	557,704	75,645	14 %	575,204	78,528	14 %	-2,883

FY 2018 - 2019 FIRST QUARTER RESULTS: GENERAL FUND

Select Revenues or Expenses

ExpensesRevenues

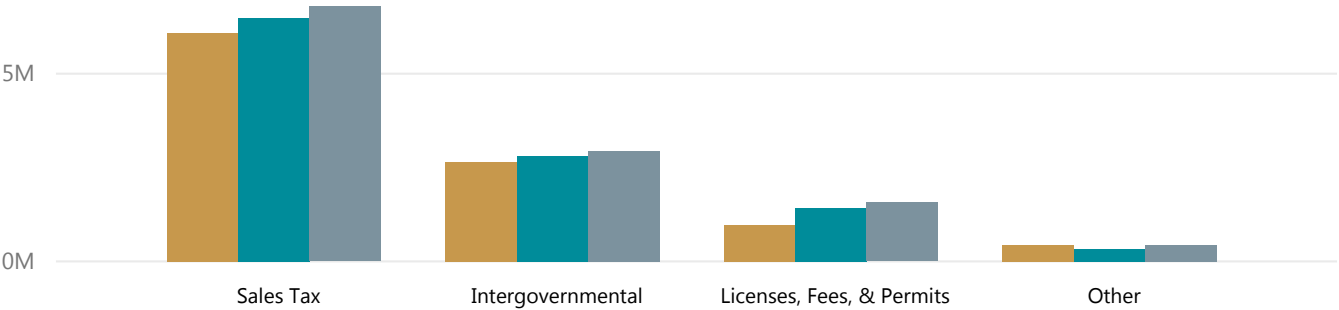
Revenues			
Category	FY 2019 Budget	Amount	% Budget
Sales Tax	26,284,560	6,790,954	26 %
Intergovernmental	11,748,196	2,950,239	25 %
Licenses, Fees, & Permits	4,818,090	1,654,259	34 %
Charges for Services	518,637	133,628	26 %
Other	1,586,526	881,052	56 %
Total	44,956,009	12,410,133	28 %



General Fund Relevant Information

The General Fund is the Town's primary operating fund. Sales Tax, Intergovernmental Revenues and Licenses, Fees, & Permits makes up 95% of budgeted revenues for the General Fund. Overall preliminary first quarter collections are slightly above budgeted expectations for FY2019. Intergovernmental Revenues are amounts received from the State's shared revenue program and are distributed based upon population estimates. Licenses, Fees, & Permits are above budgeted expectations due to higher than anticipated Single Family Residential (SFR) permits thru the first quarter.

Year 2017 2018 2019



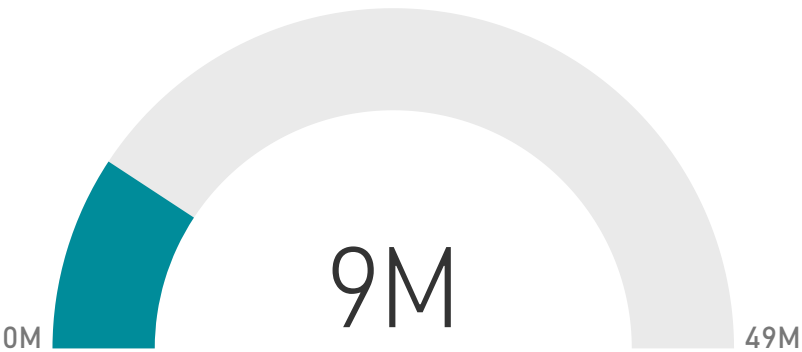
Category	2017	2018	2019
Sales Tax	6,077,543	6,513,575	6,790,954
Intergovernmental	2,647,293	2,817,376	2,950,239
Licenses, Fees, & Permits	979,862	1,489,739	1,654,259
Charges for Services	153,332	167,185	133,628
Other	433,654	413,605	881,052
Total	10,291,685	11,401,481	12,410,133

FY 2018 - 2019 FIRST QUARTER RESULTS: GENERAL FUND

Select Revenues or Expenses

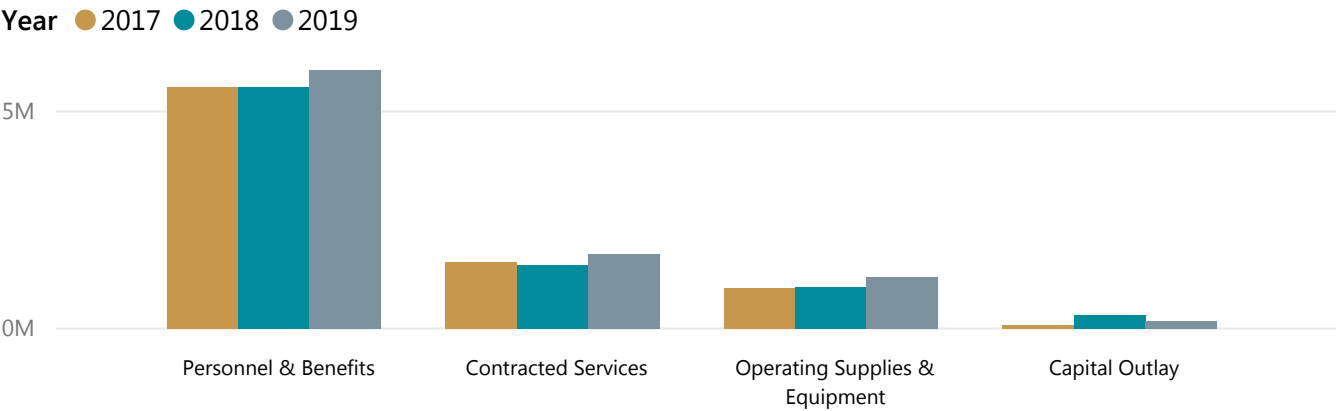
ExpensesRevenues

Expenses			
Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	29,920,421	5,955,212	20 %
Contracted Services	7,728,240	1,724,856	22 %
Operating Supplies & Equipment	5,687,079	1,194,163	21 %
Capital Outlay	1,191,418	163,535	14 %
Other Financing Uses	4,302,646		
Total	48,829,804	9,037,766	19 %



General Fund Relevant Information

General Fund Expenses through the first quarter of FY2019 are slightly below budgeted expectations. Capital expenditures for the General Fund are below budgeted levels due the timing of several CIP projects scheduled for later this fiscal year. Other Financing Uses is related to budgeted transfers scheduled to take place later in the fiscal year.



Category	2017	2018	2019
Personnel & Benefits	5,554,521	5,570,676	5,955,212
Contracted Services	1,540,252	1,466,762	1,724,856
Operating Supplies & Equipm...	931,119	945,795	1,194,163
Capital Outlay	83,415	299,809	163,535
Other Financing Uses	165,158	2,000	
Total	8,274,465	8,285,042	9,037,766

FY 2018 - 2019 FIRST QUARTER RESULTS: HURF

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Intergovernmental	3,268,578	864,915	26 %
Other	7,500	6,105	81 %
Total	3,276,078	871,020	27 %

A gauge chart with a semi-circular arc. The arc is divided into two segments: a teal segment on the left and a light gray segment on the right. The teal segment represents the current revenue of 871K. The scale starts at 0M on the left and ends at 3M on the right. The number 871K is displayed in the center of the gauge.

HURF Relevant Information

The Highway User Revenue Fund or HURF is set by the collection of fees and taxes from users of the State's road and highways which the State collects. Cities and towns receive a percentage of revenues based on population estimates and gasoline sales within each county. Preliminary first quarter HURF revenue collections are as expected. Investment income makes up the small amount of Other revenue for the fund.

Year

2017

2018

2019

A bar chart comparing revenue for two categories: Intergovernmental and Other. For each category, there are three bars representing the years 2017 (orange), 2018 (teal), and 2019 (gray). The y-axis ranges from 0.0M to 1.0M. Intergovernmental revenue is significantly higher than Other revenue. For Intergovernmental, 2017 is approximately 0.7M, 2018 is approximately 0.87M, and 2019 is approximately 0.87M. For Other, 2017 is approximately 0.001M, 2018 is approximately 0.003M, and 2019 is approximately 0.006M.

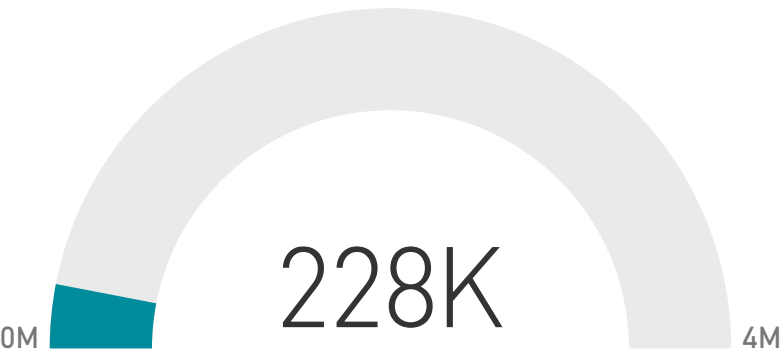
Category	2017	2018	2019
Intergovernmental	702,565	864,951	864,915
Other	1,201	2,926	6,105
Total	703,766	867,877	871,020

FY 2018 - 2019 FIRST QUARTER RESULTS: HURF

Select Revenues or Expenses

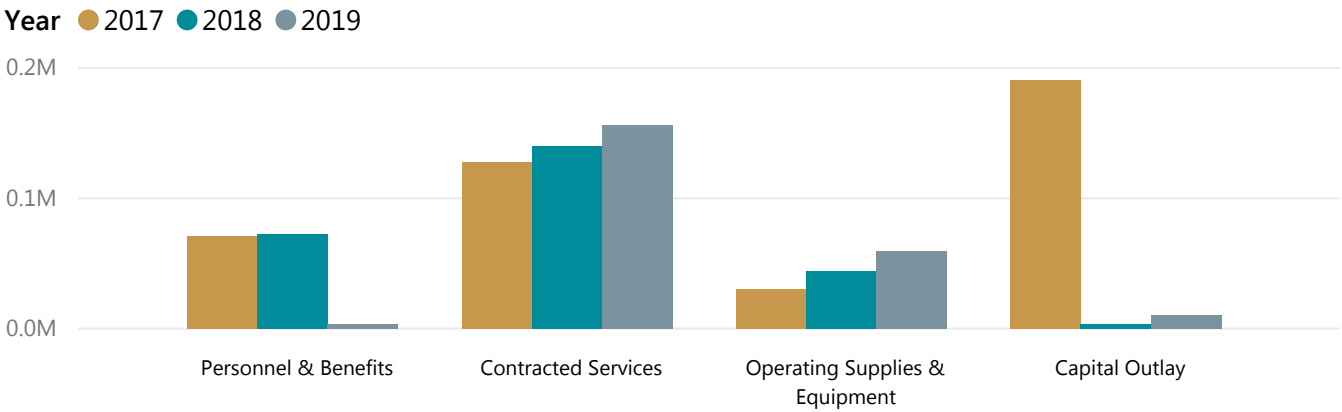
ExpensesRevenues

Expenses			
Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	23,600	3,194	14 %
Contracted Services	2,665,357	155,992	6 %
Operating Supplies & Equipment	407,000	58,693	14 %
Capital Outlay	667,827	10,250	2 %
Total	3,763,784	228,129	6 %



HURF Relevant Information

FY2019 HURF expenses are modestly below budgeted amounts through the first quarter but are expected to reach budgeted expectations as the fiscal year progresses. Contracted Services are currently below budget due to several large projects that will be completed later this fiscal year. Below budget expenses within Capital Outlay are due to the timing of several planned equipment purchases.



Category	2017	2018	2019
Personnel & Benefits	70,992	72,286	3,194
Contracted Services	127,569	139,972	155,992
Operating Supplies & E...	30,463	44,475	58,693
Capital Outlay	190,570	3,196	10,250
Total	419,594	259,929	228,129

FY 2018 - 2019 FIRST QUARTER RESULTS: TRANSPORTATION FUND

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Sales Tax	5,906,742	1,911,167	32 %
Other	0	123,766	0 %
Total	5,906,742	2,034,934	34 %

A gauge chart with a semi-circular arc. The arc is divided into two segments: a teal segment on the left and a light gray segment on the right. The teal segment represents 2M, and the light gray segment represents 4M. The scale is marked with 0M at the start, 2M in the middle, and 6M at the end. The number '2M' is displayed in the center of the gauge.

Transportation Fund Relevant Information

The Transportation Fund is comprised of 75% of all contracting taxes collected by the Town and is to be used for new road construction and reconstruction projects. Preliminary first quarter revenue collection for FY2019 is slightly higher than anticipated. It is important to note that as several major construction projects come to completion, revenue collection is expected to meet forecasted levels. Other revenue is comprised of investment income.

Year 2017 2018 2019

A bar chart comparing revenue for 2017, 2018, and 2019 across two categories: Sales Tax and Other. The y-axis represents revenue in millions, with markers at 0M, 1M, and 2M. For Sales Tax, the 2017 bar is orange (approx. 1.3M), the 2018 bar is teal (approx. 1.7M), and the 2019 bar is gray (approx. 1.9M). For Other, the 2017 bar is orange (approx. 0.01M), the 2018 bar is teal (approx. 0.06M), and the 2019 bar is gray (approx. 0.12M).

Category	2017	2018	2019
Sales Tax	1,328,108	1,677,275	1,911,167
Other	14,871	59,821	123,766
Total	1,342,979	1,737,096	2,034,934

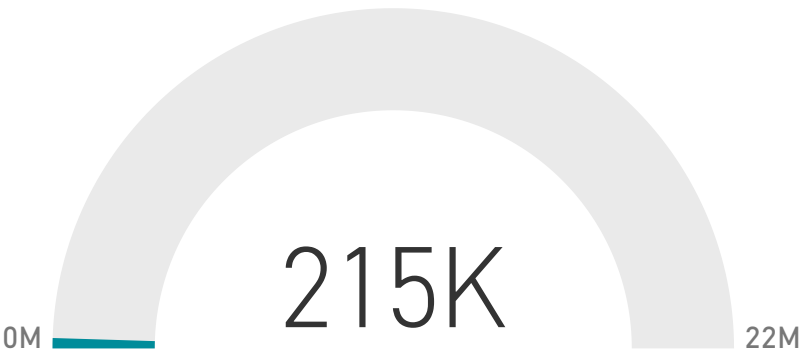
FY 2018 - 2019 FIRST QUARTER RESULTS: TRANSPORTATION FUND

Select Revenues or Expenses

Expenses

Revenues

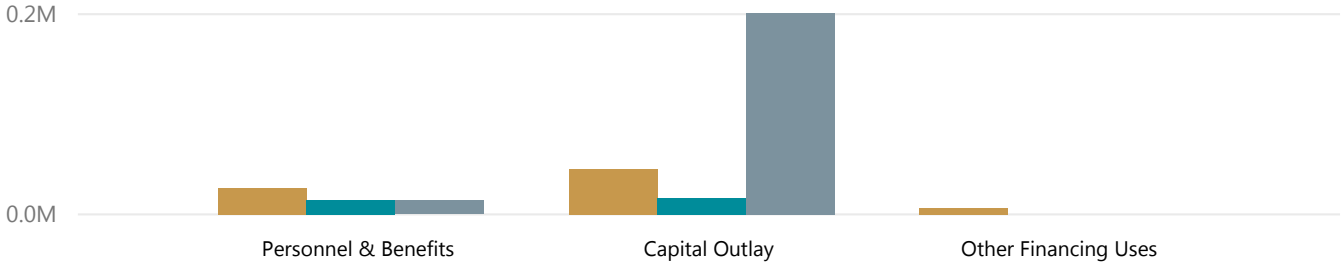
Expenses			
Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	17,425	13,956	80 %
Capital Outlay	20,391,126	199,279	1 %
Debt Service	0	1,243	0 %
Other Financing Uses	1,645,496		
Total	22,054,047	214,478	1 %



Transportation Fund Relevant Information

Transportation Fund expenses are far below budgeted expectations through the first quarter of FY2019 but are expected to reach budgeted levels as several major projects such as the Ina Road area projects, Coachline, and Lon Adams reconstruction are completed or commence later in the fiscal year. Personnel & Benefit costs are associated contract employees tied to the Tangerine Road project that is now completed.

Year ● 2017 ● 2018 ● 2019



Category	2017	2018	2019
Personnel & Benefits	26,250	14,703	13,956
Capital Outlay	45,624	16,585	199,279
Debt Service	1,552	762	1,243
Other Financing Uses	6,252		
Total	79,678	32,050	214,478

FY 2018 - 2019 FIRST QUARTER RESULTS: BED TAX FUND

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Sales Tax	1,088,016	159,142	15 %
Total	1,088,016	159,142	15 %

A gauge chart with a semi-circular arc. The scale ranges from 0M to 1M. A teal-colored segment represents the current revenue of 159K. The number '159K' is displayed in the center of the gauge.

Bed Tax Fund Relevant Information

The Bed Tax Fund accounts for the collection of the discriminatory portion of revenues restricted for tourism initiatives. First Quarter revenue for FY2019 is slightly below budgeted expectations. This was anticipated due to the temporary closure of one resort for renovations as well as the lower tourism numbers during the summer months. The fund is expected to reach budgeted levels by the end of the fiscal year.

Year 2017 2018 2019

A bar chart showing Sales Tax revenue for three years. The y-axis ranges from 0.0M to 0.2M. The x-axis is labeled 'Sales Tax'. The bars are colored: 2017 (orange), 2018 (teal), and 2019 (gray). The 2018 bar is the tallest, followed by 2017, and then 2019.

Category	2017	2018	2019
Sales Tax	182,851	199,728	159,142
Total	182,851	199,728	159,142

FY 2018 - 2019 FIRST QUARTER RESULTS: BED TAX FUND

Select Revenues or Expenses

ExpensesRevenues

Expenses

Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	116,477	24,594	21 %
Contracted Services	760,322	29,475	4 %
Operating Supplies & Equipment	2,000		
Total	878,799	54,069	6 %

0K54K879K

Bed Tax Fund Relevant Information

As a whole, the Bed Tax Fund is spending it's resources as expected through the first quarter of FY2019. Contracted services are sharply below budget but will normalize as tourism related projects and planned State land lease payments are made.

Year 201720182019

0.0M0.5M

Personnel & BenefitsContracted ServicesOperating Supplies & Equipment

Category	2017	2018	2019
Personnel & Benefits	5,958	21,494	24,594
Contracted Services	14,569	595,987	29,475
Operating Supplies & Equipm...	29	170	
Total	20,556	617,651	54,069

FY 2018 - 2019 FIRST QUARTER RESULTS: 1/2 CENT SALES TAX FUND

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Sales Tax	2,952,570	1,371,687	46 %
Other	0	20,409	0 %
Total	2,952,570	1,392,096	47 %

A gauge chart with a semi-circular arc. The arc is divided into two segments: a teal segment on the left and a light gray segment on the right. The teal segment represents approximately 47% of the total arc. The number '1M' is displayed in the center of the gauge. The scale is marked with '0M' at the start and '3M' at the end.

1/2 Cent Sales Tax Fund Relevant Information

On April 28, 2015 the Town Council adopted Ordinance 2015.011 to amend the Town Tax Code by increasing the tax rate on certain activities by one-half cent for a new police facility. A total of \$18,000,000 is expected to be collected through December 2018. Per Ordinance 2018.020 adopted by Town Council on October 16, 2018, the Town Tax Code will be reduced on certain activities by one-half cent beginning January 1, 2019. The Town has notified the AZ Department of Revenue to cease collection as of January 1, 2019.

Year 2017 2018 2019

A bar chart comparing 'Sales Tax' and 'Other' revenue categories for the years 2017, 2018, and 2019. The y-axis is labeled with '0M' and '1M'. The 'Sales Tax' category has three bars: 2017 (orange, ~1.2M), 2018 (teal, ~1.3M), and 2019 (gray, ~1.4M). The 'Other' category has three very short bars: 2017 (orange, ~0.003M), 2018 (teal, ~0.008M), and 2019 (gray, ~0.02M).

Category	2017	2018	2019
Sales Tax	1,203,462	1,312,344	1,371,687
Other	2,971	7,836	20,409
Total	1,206,433	1,320,179	1,392,096

FY 2018 - 2019 FIRST QUARTER RESULTS: 1/2 CENT SALES TAX FUND

Select Revenues or Expenses

Expenses

Revenues

Expenses

Category	FY 2019 Budget	Amount	% Budget
Capital Outlay	4,852,956	1,175,522	24 %
Total	4,852,956	1,175,522	24 %

0M 1M 7M

1/2 Cent Sales Tax Fund Relevant Information

Estimated expenses through the first quarter of FY2019 are as expected. As final invoices related to the police facility are paid the fund is expected to reach budgeted levels.

Year 2017 2018 2019

Capital Outlay

Category	2017	2018	2019
Capital Outlay	147,047	372,075	1,175,522
Total	147,047	372,075	1,175,522

FY 2018 - 2019 FIRST QUARTER RESULTS: WATER OPERATING FUND

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Intergovernmental	60,000		
Licenses, Fees, & Permits	25,000	13,704	55 %
Charges for Services	5,637,381	1,413,986	25 %
Other	291,569	69,257	24 %
Total	6,013,950	1,496,947	25 %

0M 1M 6M

Water Fund Relevant Information

The current rates and fees for Marana Water customers can be at - <http://www.maranaaz.gov/water-rates-and-fees> . Charges for Services (water sales) comprise of the majority of the operating revenue for the fund.

Year 2017 2018 2019

Licenses, Fees, & Permits Charges for Services Other

Category	2017	2018	2019
Licenses, Fees, & Permits	21,062	18,628	13,704
Charges for Services	1,215,237	1,358,157	1,413,986
Other	9,931	10,379	69,257
Total	1,246,230	1,387,163	1,496,947

FY 2018 - 2019 FIRST QUARTER RESULTS: WATER OPERATING FUND

Select Revenues or Expenses

ExpensesRevenues

Expenses

Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	2,030,413	398,912	20 %
Contracted Services	1,733,699	259,589	15 %
Operating Supplies & Equipment	1,662,279	377,056	23 %
Capital Outlay	210,000	90,571	43 %
Debt Service	517,543	407,000	79 %
Total	6,153,934	1,533,128	25 %

A gauge chart with a semi-circular arc. The arc is divided into three segments: a teal segment from 0M to 2M, a light gray segment from 2M to 4M, and a medium gray segment from 4M to 6M. The needle points to the 2M mark. The text '2M' is displayed in the center of the gauge.

Water Fund Relevant Information

Overall, FY2019 preliminary first quarter expenses for the Water Operating Fund are as expected. The large amount of Debt Service is due to the timing of a scheduled payment. Capital costs associated with infrastructure and CIP projects are captured in separate funds.

Year 201720182019

A bar chart comparing expenses for three categories across three years: 2017 (orange), 2018 (teal), and 2019 (gray). The y-axis ranges from 0.0M to 0.4M. For Personnel & Benefits, 2017 is ~0.38M, 2018 is ~0.39M, and 2019 is ~0.40M. For Contracted Services, 2017 is ~0.10M, 2018 is ~0.23M, and 2019 is ~0.26M. For Operating Supplies & Equipment, 2017 is ~0.27M, 2018 is ~0.38M, and 2019 is ~0.38M.

Category	2017	2018	2019
Personnel & Benefits	374,580	381,894	398,912
Contracted Services	97,092	230,032	259,589
Operating Supplies & Equipment	269,785	387,410	377,056
Capital Outlay			90,571
Debt Service	0	0	407,000
Total	741,457	999,336	1,533,128

FY2018-2019 FIRST QUARTER RESULTS: WATER RECLAMATION OPERATING FUND

Select Revenues or Expenses

ExpensesRevenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Licenses, Fees, & Permits	30,000	10,018	33 %
Charges for Services	1,419,602	353,359	25 %
Other	809,069	962	0 %
Total	2,258,671	364,340	16 %

364K

Water Reclamation Fund Relevant Information

The current rates and fees for Marana Sewer customer can be found at - <http://www.maranaaz.gov/water-rates-and-fees> . Charges for Services (sewer rates) comprise the majority of the revenue for the fund. Preliminary FY2019 first quarter revenue collections are as expected. The majority of Other revenue is related to a planned transfer scheduled for later in the fiscal year

Year 201720182019

Category	2017	2018	2019
Licenses, Fees, & Permits	8,950		10,018
Charges for Services	257,452	293,393	353,359
Other		54,758	962
Total	266,402	348,150	364,340

Category	2017	2018	2019
Licenses, Fees, & Permits	8,950		10,018
Charges for Services	257,452	293,393	353,359
Other		54,758	962
Total	266,402	348,150	364,340

FY2018-2019 FIRST QUARTER RESULTS: WATER RECLAMATION OPERATING FUND

Select Revenues or Expenses

ExpensesRevenues

Expenses

Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	601,211	96,134	16 %
Contracted Services	438,965	48,091	11 %
Operating Supplies & Equipment	357,548	39,641	11 %
Capital Outlay	54,800		
Debt Service	809,069	404,534	50 %
Total	2,261,593	588,400	26 %

A gauge chart with a semi-circular arc. The arc is divided into two segments: a teal segment on the left and a light gray segment on the right. The teal segment represents approximately 26% of the total range. The number '588K' is displayed in the center of the gauge. The scale is marked with '0M' at the start and '2M' at the end.

Water Reclamation Fund Relevant Information

Overall, preliminary expenses for the Water Reclamation Operating Fund are slightly below expectations through the first quarter of FY2019. The amount associated with Debt Service is due to the timing of a scheduled payment. Capital costs associated with infrastructure and CIP projects are captured in separate funds.

Year 201720182019

A bar chart comparing expenses for three categories across three years: 2017 (orange), 2018 (teal), and 2019 (gray). The y-axis ranges from 0.0M to 0.1M. For Personnel & Benefits, 2017 is ~0.08M, 2018 is ~0.07M, and 2019 is ~0.09M. For Contracted Services, 2017 is ~0.08M, 2018 is ~0.11M, and 2019 is ~0.05M. For Operating Supplies & Equipment, 2017 is ~0.02M, 2018 is ~0.03M, and 2019 is ~0.04M.

Category	2017	2018	2019
Personnel & Benefits	79,566	70,936	96,134
Contracted Services	85,162	115,457	48,091
Operating Supplies & Equipm...	23,486	32,154	39,641
Capital Outlay		261	
Debt Service			404,534
Total	188,214	218,808	588,400

FY 2018 - 2019 FIRST QUARTER RESULTS: AIRPORT OPERATING FUND

Select Revenues or Expenses

Expenses

Revenues

Revenues

Category	FY 2019 Budget	Amount	% Budget
Charges for Services	330,068	69,318	21 %
Other	227,636	6,327	3 %
Total	557,704	75,645	14 %

76K

0K 558K

Airport Fund Relevant Information

Charges for Services comprise of the majority of budgeted operating revenue for the Airport Fund. Preliminary first quarter revenue collection for the Airport Fund near budgeted expectations and is expected to reach budget as the year progresses. Other revenue is primarily comprised of scheduled transfers between funds.

Year 2017 2018 2019

Category	2017	2018	2019
Charges for Services	55,937	57,756	69,318
Other	1,640	2,645	6,327
Total	57,577	60,401	75,645

Category	2017	2018	2019
Charges for Services	55,937	57,756	69,318
Other	1,640	2,645	6,327
Total	57,577	60,401	75,645

FY 2018 - 2019 FIRST QUARTER RESULTS: AIRPORT OPERATING FUND

Select Revenues or Expenses

ExpensesRevenues

Expenses

Category	FY 2019 Budget	Amount	% Budget
Personnel & Benefits	292,114	55,598	19 %
Contracted Services	176,090	9,881	6 %
Operating Supplies & Equipment	79,500	13,049	16 %
Capital Outlay	27,500		
Total	575,204	78,528	14 %

A gauge chart with a semi-circular arc. The center of the arc displays the number '79K'. The arc starts at '0K' on the left and ends at '575K' on the right. A teal-colored segment fills the arc from 0K to approximately 79K.

Airport Fund Relevant Information

Overall, expenses for the Airport Fund are slightly below budgeted levels through the first quarter of FY2019 but are expected to be at or near budgeted levels as the fiscal year progresses.

Year 201720182019

A bar chart comparing expenses for four categories across three years: 2017 (orange), 2018 (teal), and 2019 (gray). The y-axis ranges from 0K to 50K. Personnel & Benefits shows the highest values, followed by Contracted Services, Operating Supplies & Equipment, and Capital Outlay.

Category	2017	2018	2019
Personnel & Benefits	55,652	56,936	55,598
Contracted Services	16,258	24,134	9,881
Operating Supplies & Equipment	19,126	9,274	13,049
Capital Outlay	6,282	668	
Total	97,318	91,012	78,528

Category	2017	2018	2019
Personnel & Benefits	55,652	56,936	55,598
Contracted Services	16,258	24,134	9,881
Operating Supplies & Equipm...	19,126	9,274	13,049
Capital Outlay	6,282	668	
Total	97,318	91,012	78,528



Council-Regular Meeting

C1

Meeting Date: 12/18/2018

To: Mayor and Council

From: Mo El-Ali, Public Works Director

Date: December 18, 2018

Strategic Plan Focus Area:
Commerce

Strategic Plan Focus Area Additional Info:

Strategic Plan IV, The Commerce Focus Area, Principle Statement 2, Initiative 13 states, "Invest Town resources to ensure travel ways, public spaces, parks, public facilities, and other community spaces are clean, maintained, and showcase Marana's high standard of excellence."

Subject: Resolution No. 2018-114: Relating to Public Works; approving and authorizing the Mayor to sign an Intergovernmental Agreement between Pima County and the Town of Marana for Cooperative Public Highway, Road and Street (Roadways) and Intersection Inter-Jurisdictional Maintenance (Mo El-Ali)

Discussion:

The Town had a 2007 IGA with Pima County that has now lapsed. It is in the mutual interest of both the County and Town to address cooperative maintenance of certain roadways within the respective jurisdictions by the use of this new IGA. As several roadway segments that belong to a jurisdiction are disconnected from other roadway segments of the same jurisdiction, it is preferable to identify maintenance responsibilities to the jurisdiction that is best suited to maximize efficiency and improve logistics of on-going maintenance.

Staff Recommendation:

Staff recommends adoption of Resolution No. 2018-114, approving and authorizing the Mayor to sign an Intergovernmental Agreement between Pima County and Town of Marana for cooperative maintenance of certain highways within the respective jurisdictions.

Suggested Motion:

I move to adopt Resolution No. 2018-114, approving and authorizing the Mayor to sign an Intergovernmental Agreement between Pima County and Town of Marana for cooperative maintenance of certain highways within the respective jurisdictions.

Attachments

Resolution No. 2018-114
TOM PC IGA re Maint
TOM PC IGA Exhibit A

MARANA RESOLUTION NO. 2018-114

RELATING TO PUBLIC WORKS; APPROVING AND AUTHORIZING THE MAYOR TO SIGN AN INTERGOVERNMENTAL AGREEMENT BETWEEN PIMA COUNTY AND THE TOWN OF MARANA FOR COOPERATIVE PUBLIC HIGHWAY, ROAD AND STREET (ROADWAYS) AND INTERSECTION INTER-JURISDICTIONAL MAINTENANCE

WHEREAS the Town of Marana and Pima County each have highway maintenance responsibilities within their respective jurisdictions; and

WHEREAS reallocation of these responsibilities across jurisdictional boundaries will maximize efficiency, fiscal responsibility and general logistics; and

WHEREAS the Mayor and Council of the Town of Marana find that this resolution is in the best interests of the Town of Marana and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA, that the Intergovernmental Agreement between Pima County and the Town of Marana for Cooperative Public Highway, Road and Street (Roadways) and Intersection Inter-Jurisdictional Maintenance included in the agenda materials accompanying this resolution is hereby approved, and the Mayor is authorized to sign it for and on behalf of the Town of Marana.

IT IS FURTHER RESOLVED that the Town Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, conditions and objectives of the intergovernmental agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 18th day of December, 2018.

Mayor Ed Honea

ATTEST:

APPROVED AS TO FORM:

Hilary H. Hiser, Interim Town Clerk

Frank Cassidy, Town Attorney

Intergovernmental Agreement
Between
Pima County and Town of Marana
For
Cooperative Public Highway, Road and Street (Roadways) and Intersection
Inter-Jurisdictional Maintenance

This Intergovernmental Agreement (“Agreement”) is entered into by and between Pima County (“County”), a body politic and corporate of the State of Arizona, and the Town of Marana, a municipal corporation (“Town”) pursuant to Arizona Revised Statutes (A.R.S.) Title 11 Section 951, et seq.

RECITALS

1. Town is empowered and authorized to lay out and otherwise improve roadways pursuant to A.R.S. § 9-240; and
2. County is empowered to enter into contracts by A.R.S. § 11-201, to lay out, maintain, control, and manage public roads in the County pursuant to A.R.S. § 11-251(4), and to establish, construct, and maintain County highways pursuant to A.R.S. Title 28, Chapter 19; and
3. County and Town have statutory authority to enter into intergovernmental agreements for joint and cooperative action pursuant to A.R.S. § 11-952; and
4. County and Town each have public highway, road, and street (roadway) maintenance responsibilities within their respective jurisdictions. For purposes of enabling efficiency, fiscal effectiveness, general logistics, and citizen expectations of consistency, the parties intend to

allocate roadway maintenance responsibilities in a manner which involves working across jurisdictional boundaries or inter-jurisdictional maintenance.

NOW, THEREFORE, County and Town, in consideration of the benefits and obligations herein provided, mutually agree as follows:

AGREEMENT

1. **Purpose.** The purpose of this Agreement is to allocate between County and Town the inter-jurisdictional responsibility for providing maintenance services for certain roadway segments as set forth in Exhibit A. County agrees to maintain certain public roadways or portions of public roadways located within incorporated areas of Town in exchange for Town's agreement to maintain certain public roadways or portions of public roadways located within the unincorporated areas of County, under the terms and conditions in this Agreement.
2. **Definitions.** The following definitions apply in this Agreement:
 - 2.1. *Owning Jurisdiction* means Town, with respect to public roadways and portions of public roadways listed in Exhibit A that are located within the Town of Marana limits, and County, with respect to public roadways and portions of public roadways listed in Exhibit A that are located in unincorporated Pima County.
 - 2.2. *Maintaining Jurisdiction* means County, when maintaining public roadways or portions of public roadways for which Town is the Owning Jurisdiction, and Town, when maintaining public roadways or portions of public roadways for which County is the Owning Jurisdiction.
 - 2.3. *Roadway* means all or any portion of a public road listed in Exhibit A.
3. **Routine Maintenance Standards and Schedule.** The following standards apply to all maintenance services provided by the parties under this Agreement:
 - 3.1. All maintenance services must conform to applicable and reasonable engineering practices.
 - 3.2. Maintenance services will be provided on a routine or as-needed basis depending on the service provided and may vary at the discretion of the Maintaining Jurisdiction depending on available resources and weather conditions. Additionally, services may be performed directly by the Maintaining Jurisdiction's employees, contractor, or combination thereof.
 - 3.3. Regularly occurring and intermittent maintenance activities are to be performed on a schedule consistent with standard maintaining jurisdiction resources, equipment condition, and staffing allows.
 - 3.4. Except when an emergency road closure is necessary as provided in Section 4.1.8, road, lane, or shoulder closures for planned maintenance activities will be consented to by the Owning Jurisdiction. Emergency road closures will be done at the discretion of the Maintaining Jurisdiction with notice to the owning jurisdiction as soon as possible.
 - 3.5. New installations, investigations, engineering, and betterments remain the

responsibility of the Owning Jurisdiction.

- 3.6. Initial creation or decommissioning of school crossings is the responsibility of the party in whose jurisdiction the school property is located. Timely notice of creation and decommissioning is to be given to all involved parties by the responsible jurisdiction.

4. **Obligations of the Parties.**

- 4.1. *Roadways.* Maintenance services performed by each party are to include normal and typical roadway maintenance activities including patching, pavement marking, shoulder grading, drainage maintenance, cattle guards, standard emergency maintenance (barricading), vegetation management, and dirt/gravel road maintenance for the roadway segments listed in Exhibit A. Traffic and Roadway signage and guardrails along the roadways listed in Exhibit A will be maintained by the Owning Jurisdiction except for Twin Peaks Road, Placita Futura to 98' east of Camino Pico Vista, which will be maintained by Town. If the work cannot be performed in a timely manner, Transportation, and Public Work Directors of each agencies may agree to have the emergency work performed in each other's jurisdiction, should they agree to pay the direct and overhead costs of the work. Maintenance obligations include the following:

- 4.1.1. *Potholes.* Potholes that pose an impediment to the traveling public should be patched by the Maintaining Jurisdiction as soon as possible. This typically means the next day after the Maintaining Jurisdiction is notified of the pothole's existence. If the pothole cannot be immediately repaired within 24 hours, it shall be barricaded and patched within 48 hours of notification of its existence. Minor potholes shall be patched as soon as practical after notification of their existence. Roadway edge potholes shall be patched if such edge issues intrude into the edge line of the travel lane.
- 4.1.2. *Pavement Marking.* Centerline and edge line markings (long-line (longitudinal) markings) will be refreshed every 12 months unless it is determined by the Owning Jurisdiction upon written request for the pavement markings to be refreshed sooner. Pavement marking legends, stop lines, and short-line (transverse) markings will be maintained on an as-needed or routine basis and as applicable.
- 4.1.3. *Vegetation Management.* Management of vegetation that encroaches into traffic and/or affects sight distance, visibility of signs or other traffic control devices. Vegetation Management does not include the general maintenance of vegetation or irrigation systems. Vegetation management on roadway shoulders or drainage ways adjacent to a roadway shall be performed by the Maintaining Jurisdiction to the same standards as the Owning Jurisdiction would routinely perform. This work consists of management of vegetation that encroaches into traffic and management of sight distance and visibility of signs and other traffic control devices. General plant maintenance and irrigation system maintenance are excluded. Vegetation management should be completed as needed.
- 4.1.4. *Drainage Maintenance.* Drainage Maintenance consists of vegetation and sediment control in the areas of inlets, outlets, and dip sections. Drainage way maintenance shall be completed on an as-needed basis.

- 4.1.5. *Unpaved Road Grading.* Unpaved roads should be graded once per quarter or on an as needed basis.
 - 4.1.6. *Shoulder Work.* Shoulder work and shoulder grading will be completed on an as-needed basis. Edge drop-offs on arterials and collectors shall be addressed within 48 hours. Addressing means the work will be repaired or barricaded. The repair timeframe is dependent on the severity and extent of storm damage in the region with respect to availability of resources and prioritization of all work
 - 4.1.7. *Street Sweeping.* Street sweeping will be completed on arterials and collectors every three months. Curbed local and curbed minor streets will be swept every 6 months. Non-curbed local and non-curbed minor streets will be swept on an as-needed basis.
 - 4.1.8. *Emergency Response.* Maintaining Jurisdiction will provide immediate response to flooded roadways and wash crossings, close wash crossing(s) with adequate barricades, and re-open when clear. Emergency road closures will be done at the discretion of the Maintaining Jurisdiction with written notice to the Owning Jurisdiction within a reasonable period following the emergency road closure. The emergency closure should last no longer than necessary to mitigate the emergency, unless extenuating circumstances cause a different outcome.
 - 4.2. *Engineering Services on Twin Peaks: Linda Vista to Tangerine.* In addition to the routine maintenance activities described above, Town will be responsible for all traffic engineering services (including traffic control devices, investigations, and studies) and right of way permitting relating to activities that directly affect the roadway, excluding any zoning or development related activities or development access issues for *ONLY* the segment marked Note 1 on Exhibit A.
 - 4.3 *Sealcoating and Overlay.* When either jurisdiction will perform such pavement improvement to a roadway segment abutting the other jurisdiction, Transportation and Public Work Directors of each agency shall offer the other the opportunity to have the proposed treatment extended into the other's jurisdiction, should they agree to pay the direct and overhead costs of the treatment. Overhead costs at a rate not to exceed 20% of the funding for the applicable year shall be negotiated and agreed to annually.
 - 4.4 *Communication and Response.* The Owning Jurisdiction shall inform the Maintaining Jurisdiction through it's normal procedural means (internet/on-line request) and, at the discretion of the Owning Jurisdiction, follow-up with telephonic and/or email communication to inform the Maintaining Jurisdiction's request for service for maintenance activities and/or response. The Maintaining Jurisdiction shall respond either through voice, telecommunication, and/or written email in a reasonable time-frame (within 48 hours) providing a service request number. If the work cannot be performed in a timely manner, Transportation, and Public Work Directors of each agencies may agree to have the emergency work performed in each other's jurisdiction, should they agree to pay the direct and overhead costs of the work.
5. **Exhibit Updates or Additions.** Updates that may include modifications, additions, and subtractions to roadway segments listed in Exhibit A may be made by written addendum

approved by the Transportation and Public Works Directors. Exhibit A should be reviewed for any necessary revisions or updates as needed.

6. **Right of Entry.** By executing this Agreement, each party, as Owning Jurisdiction, grants to the other, as Maintaining Jurisdiction the right to enter on the Owning Jurisdiction's rights-of-way for the purposes of this Agreement.
7. **Term and Termination.**
 - 7.1. *Effective Date.* This Agreement shall be effective on the date it is executed by the last party to sign and shall remain in effect for a period of ten (10) years from the effective date, unless earlier terminated by either party as provided herein.
 - 7.2. *Termination.* County or Town may terminate this Agreement for any reason by giving sixty days written notice to the other of such termination.
8. **Indemnification.** Each party (as "Indemnitor") agrees to indemnify 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.
9. **Insurance.** When requested by the other party, each party shall provide proof to the other of their worker's compensation, automobile, accident, property damage, and liability coverage or program of self-insurance. If contractors are used, the contractor's insurance shall be reviewed and approved by the other jurisdiction.
10. **Books and Records.** Each party shall keep and maintain proper and complete books, records, and accounts, which shall be open for inspection and audit by duly authorized representatives of any other party at all reasonable times.
11. **Legal Jurisdiction.** Nothing in this Agreement shall be construed as either limiting or extending the legal jurisdiction of County or the Town.
12. **No Joint Venture.** It is not intended by this Agreement to, and nothing contained in this Intergovernmental Agreement shall be construed to, create any partnership, joint venture, or employment relationship between the parties or create any employer-employee relationship between county and Town employees, or between Town and 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.

13. **No Third Party Beneficiaries.** Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or effect the legal liability of either party to the Agreement by imposing any standard of care with respect to the maintenance of roadways different from the standard of care that is reasonable for these roadways at these locations.
14. **Compliance with Laws.** The parties shall comply with applicable federal, state, and local laws, rules, regulations, standards, and executive orders, without limitation to those designated within this Agreement.
 - 14.1. *Anti-Discrimination.* The provisions of A.R.S. § 41-1463 and Executive Order Number 75-5, as amended by Executive Orders Number 99-4 and 2009-9, issued by the Governor of the State of Arizona are incorporated by this reference as a part of this Intergovernmental Agreement.
 - 14.2. *Americans with Disabilities Act.* This Agreement is subject to 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.
 - 14.3. *A.R.S. § 38-511.* This Agreement is subject to the provisions of A.R.S. § 38-511.
15. **Waiver.** Waiver by either party of any breach of any term, covenant, or condition herein contained shall not be deemed a waiver of any other term, covenant, or condition, or any subsequent breach of the same or any other term, covenant, or condition herein contained.
16. **Force Majeure.** A party shall not be in default under this Agreement if it does not fulfill any of its obligations under this Agreement because it is prevented or delayed in doing so by reason of “uncontrollable forces.” The term “uncontrollable forces” shall mean, for the purpose of this agreement, any cause beyond the control of the party affected, including, but not limited to, failure of facilities, breakage or accident to machinery or transmission facilities, weather conditions, flood, earthquake, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, strike, lockout, labor dispute, boycott, material or energy shortage, casualty loss, acts of God, or action or non-action by governmental bodies in approving or failing to act upon applications for approvals or permits which are not due to the negligence or willful action of the parties, order of any government officer or court (excluding orders promulgated by the parties themselves), and declared local, state or national emergency, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Either party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.
17. **Notification.** Each party shall notify the other in writing within thirty (30) calendar days of the receipt of any claim, demands, suits, or judgments against the receiving party for which the party intends to invoke the provisions of this Article. Each party shall keep the other party informed on a current basis of its defense of any claims, demands, suits, or judgments under this Article. All notices or demands upon any party to this agreement shall be in

writing, unless other forms are designated elsewhere, and shall be delivered in person or sent by mail addressed as follows:

Notice to County:

Ana M. Olivares, P.E.
Director
Department of Transportation
201 N. Stone Ave., 4th floor
Tucson, Arizona 85701
(520) 724-6410

Notice to the Town:

Mo El-Ali, MSCE, P.E.
Director
Department of Public Works
11555 W. Civic Center Drive
Marana, Arizona 85653
(520) 382-2500

18. **Remedies.** Either party may pursue any remedies provided by law for the breach of this Agreement. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or in equity or by virtue of this Agreement.
19. **Counterparts.** This Agreement may be signed in counterparts.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

In Witness Whereof, County has caused this 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 the Town has caused this Agreement to be executed by the Town Council, upon resolution of the Council and attested to by its Chair.

PIMA COUNTY

Town of Marana

Chairman, Board of Supervisors

Mayor

Date

Date

ATTEST

Clerk of the Board

Town Clerk

Date

Date

Approval

The foregoing Agreement between County and the Town has been reviewed by the undersigned, and is hereby approved as to content.

Ana M. Olivares, P.E.
Director
Pima County Department of Transportation

Date

Mo El-Ali, MSCE, P.E.
Director
Department of Public Works
Town of Marana

Date

Intergovernmental Agreement Determination

The foregoing Agreement between County and the Town 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:

Deputy County Attorney

Date

Town of Marana:

Frank Cassidy, Town Attorney

Date

2018
TOWN OF MARANA AND PIMA COUNTY
STREETS AND STRIPING MAINTENANCE
EXHIBIT A

Roadways to be Maintained by Town of Marana

Road Name	Description	Mileage	T-R-S
Avra Valley Road	Sanders Road to Clayton Road	1.27	T12 R11 S08
Camino de Manana	Desert Falcon Lane to Marana Town boundary	0.68	T12 R12 S01
Scenic Drive	Unincorporated segment between Twin Peaks Road & Pima Farms Road	0.13	T12 R12 S20
Tangerine Road	Marana Town boundary to Shannon Road	0.27	T11 R13 S32; T12 R13 S05
Twin Peaks Road	Unincorporated segments between Sandario Road & Silverbell Road	1.31	T12 R12 S20 T12 R12 S18, 19 T12 R11 S13, 24
Twin Peaks Road (Note 1)	Unincorporated segments between I-10 & Tangerine Road	0.44	T12 R12 S14
TOTAL MILEAGE		4.10	

Roadways to be Maintained by Pima County

Road Name	Description	Mileage	T-R-S
Camino del Norte	Paisano Avenue to Thornydale Road	0.75	T12 R13 S06, 07
Camino de Oeste	Lambert Lane to Flying Diamond	0.25	T12 R13 S07; T12 R12 S12
Hartman Lane	Incorporated segments between Linda Vista Boulevard & Cortaro Farms Road	0.98	T12 R12 S23, 24 T12 R12 S23, 24
Pima Farms Road	Sandy Desert Trail to Marana Town boundary	0.25	T12 R12 S25; 36
Potvin Lane	Decker Drive to Coyote Lane	0.50	T12 R12 S11 T12 R12 S11
Silverbell Road	Incorporated segments between Ina Road & Sunset Road	1.34	T13 R13 S07 T13 R13 S07
Sunset Road	Incorporated segment between Silverbell Road & Sunray Drive	0.74	T13 R12 S12, 13; T13 R13 S07, 18
TOTAL MILEAGE		4.81	

Note 1:	See paragraph 4.2
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Council-Regular Meeting

C2

Meeting Date: 12/18/2018

To: Mayor and Council

From: Starla Anderson, Deputy Finance Director

Date: December 18, 2018

Strategic Plan Focus Area:

Not Applicable

Subject: Resolution No. 2018-115: Relating to Police Department; approving and authorizing the Chief of Police and the Town Manager to execute a DUI Abatement Grant Program Grant Agreement number DUIAC-E-117 between the State of Arizona by and through the Oversight Council on Driving or Operating Under the Influence Abatement and the Town of Marana for grant funding for DUI Warrant Detail (Starla Anderson)

Discussion:

The Town of Marana Police Department has been awarded a grant from the Oversight Council on Driving or Operating Under the Influence Abatement, also referred to as DUI Abatement Council for the State of Arizona. The grant will fund \$35,000 in overtime for officers to support personnel services (Overtime) and employee-related expenses (fringe benefits) for those officers participating in DUI Warrant Sweep activities.

This funding will facilitate specially trained officers in locating and arresting impaired driving offenders who have failed to appear in court, or have failed to pay court mandated fines. This increased high profile activity serves as a deterrent and the increased formal enforcement action and case follow up reduces the number of impaired drivers on Arizona roadways. The Marana Police Department is confident that by adding the element of high visibility DUI warrant sweeps, it can reduce the number of impaired driver incidents, and reduce the number of collisions, deaths, injuries, and property damage caused by impaired drivers.

Financial Impact:

Fiscal Year: 2019

Budgeted Y/N: Y

Amount: \$35,000

All of the officers' overtime will be fully reimbursed by this grant and the equipment is fully funded and does not have a match.

Staff Recommendation:

Staff recommends approval of the grant agreement.

Suggested Motion:

I move to adopt Resolution No. 2018-115, approving and authorizing the Chief of Police and the Town Manager to execute a DUI Abatement Grant Program Grant Agreement number DUIAC-E-117 between the State of Arizona by and through the Oversight Council on Driving or Operating Under the Influence Abatement and the Town of Marana for grant funding for DUI Warrant Detail.

Attachments

Resolution No. 2018-115
Grant Agreement

MARANA RESOLUTION NO. 2018-115

RELATING TO POLICE DEPARTMENT; APPROVING AND AUTHORIZING THE CHIEF OF POLICE AND THE TOWN MANAGER TO EXECUTE A DUI ABATEMENT GRANT PROGRAM GRANT AGREEMENT NUMBER DUIAC-E-117 BETWEEN THE STATE OF ARIZONA BY AND THROUGH THE OVERSIGHT COUNCIL ON DRIVING OR OPERATING UNDER THE INFLUENCE ABATEMENT AND THE TOWN OF MARANA FOR GRANT FUNDING FOR DUI WARRANT DETAIL

WHEREAS the Town of Marana recognizes its duty to protect its citizens concerning matters involving driving under the influence; and

WHEREAS the State of Arizona by and through the Oversight Council on Driving or Operating Under the Influence Abatement (DUIAC) has awarded grant funding to the Town under the DUI Abatement Grant Program for overtime and employee-related expenses (fringe benefits) for those officers participating in high-profile DUI warrant sweeps; and

WHEREAS the Town Council finds that it is in the best interests of the community to enter into a grant agreement with the State by and through DUIAC to be eligible to receive funds under the DUI Abatement Grant Program.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF MARANA AS FOLLOWS:

SECTION 1. Grant Agreement Number DUIAC-E-117 between the State of Arizona by and through the Oversight Council on Driving or Operating Under the Influence Abatement (DUIAC) and the Town of Marana, attached to and incorporated by this reference in this resolution as Exhibit A, is hereby approved and the Chief of Police and the Town Manager are hereby authorized to execute it for and on behalf of the Town of Marana.

SECTION 2. The Town Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations, and objectives of the grant agreement.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF
MARANA, ARIZONA, this 18th day of December, 2018.

Mayor Ed Honea

ATTEST:

APPROVED AS TO FORM:

Hilary H. Hiser, Interim Town Clerk

Frank Cassidy, Town Attorney



DUI ABATEMENT GRANT PROGRAM GRANT AGREEMENT



The Oversight Council on Driving or Operating Under the Influence Abatement is hereafter referred to as the DUI Abatement Council, DUIAC or Council in this agreement. This page and the DUIAC Project Director's Manual incorporated herein by reference constitute the entire agreement between the parties hereto unless deviation is authorized in writing by the DUI Abatement Council.

APPLICANT AGENCY

Marana Police Department

ADDRESS

11555 W. Civic Center Dr, Bldg B, Marana, AZ 85653

GOVERNMENTAL UNIT

Town of Marana

ADDRESS

11555 W. Civic Center Dr, Marana, AZ 85653

AGREEMENT NUMBER

DUIAC-E-117

PROGRAM AREA

Enforcement

AGENCY CONTACT

Starla Anderson

PROJECT TITLE

DUI Warrant Detail

BRIEFLY STATE PURPOSE OF PROJECT:

State DUI Abatement (E) funds will support Personnel Services (Overtime) and Employee Related Expenses to enhance DUI Warrant Enforcement throughout the Town of Marana.

BUDGET**COST CATEGORY****Project Period
SFY 2017-2018**

I. Personnel Services	\$21,000.00
II. Employee Related Expenses	\$14,000.00
III. Professional and Outside Services	\$0.00
IV. Travel In-State	\$0.00
V. Travel Out-of-State	\$0.00
VI. Materials and Supplies	\$0.00
VII. Capital Outlay	\$0.00
TOTAL ESTIMATED COSTS	\$35,000.00

PROJECT PERIOD

FROM: Effective Date (*Date of DUIAC
Chairman Signature*)

TO: 01-01-2019

CURRENT GRANT PERIOD

FROM: 01-01-2018

TO: 01-01-2019

TOTAL DUI ABATEMENT FUNDS OBLIGATED FOR THIS AGREEMENT PERIOD: \$35,000.00

A political subdivision or state agency that is mandated to provide a certified resolution or ordinance authorizing entry into this agreement must do so prior to incurring any expenditures. Failure to do so may result in termination of the awarded agreement.

PROBLEM IDENTIFICATION AND RESOLUTION:**Agency Background:**

The Marana Police Department has a cadre of 93 sworn officers. Various assignments include patrol, directed action response, traffic enforcement, detectives, criminal investigations, and canine. The Marana Police Department also shares resources with the Pima Regional Special Weapons and Tactics Team, Explosive Ordnance Disposal, the Counter Narcotics Alliance, Arizona Vehicle Theft Task Force, and the Federal Drug Enforcement Administration. The Department also has three Drug Recognition Experts (DRE), three DRE instructors, ten qualified phlebotomists, eight Horizontal Gaze Nystagmus (HGN) instructors, and 69% of all patrol officers certified in HGN. The Department works closely with the Southern Arizona DUI Taskforce in a concentrated and coordinated effort to reduce the number of impaired drivers on the roadways through enforcement and educational efforts.

Agency Problem:

A large number of people arrested for DUI violations are not appearing in court or paying fines. The Marana Municipal Court continually has over 100 active DUI Failure to Appear/Failure to Pay arrest warrants. Suspects listed in these warrants are often repeat offenders who regularly put the public at risk by continuing to drive on public roadways while impaired, uninsured, or with suspended and/or revoked driving privileges.

Agency Attempts to Solve Problem:

The Abatement Council has funded Marana PD for DUI Warrant Sweep Overtime from May of 2014 through April of 2015, July 2015 through June 2016 and again in November 2017 through October 2018. During the last grant funding period, Marana PD completed five very successful, aggressive warrant sweeps that resulted in 33 arrests, 144 arrest warrants served and \$78,541.00 in recovered bond money. Officers were able to make 163 contacts during the deployments. The 286 hours of overtime allowed officers the time needed to prioritize offenders, research warrants, locate offenders, and complete necessary case paperwork.

Agency Funding:

State DUI Abatement (E) funds will support Personnel Services (Overtime) and Employee Related Expenses to enhance DUI Warrant Enforcement throughout the Town of Marana.

How Agency Will Solve Problem With Funding:

High profile warrant sweeps will be conducted on the weekend Labor Day 2018. Additional sweeps will be conducted as funding allows. Six to eight officers will deploy as two officer units. Officers will research offenders, gather accurate residence or work addresses, and locate/arrest offenders for prosecution. Prior to each deployment, local media outlets will be notified of the detail and will be provided the results following the detail for public dissemination.

GOALS/OBJECTIVES:

State DUI Abatement (E) funds will support Personnel Services (Overtime) and Employee Related Expenses to enhance DUI Warrant Enforcement throughout the Town of Marana.

The following goals and objectives shall be accomplished as a result of this funding:

Impaired Driving or Operating - Enforcement

Expenditures of funding pertaining to Impaired Driving or Operating Enforcement or Innovative Programs including Personnel Services and ERE, Materials & Supplies, Capital Equipment and/or Travel In and Out of State shall comply with the Impaired Driving or Operating Program Goals of the DUI Abatement Council in conjunction with those provided by the Arizona Governor's Office of Highway Safety. The Impaired Driving or Operating Program Goal is to reduce the incidence of alcohol and drug related driving or operating, fatalities and injuries through enforcement, education and public awareness and through innovative programs throughout the State of Arizona. Law Enforcement personnel participating in Impaired Driving or Operating Enforcement/DUI activities including DUI Task Force details under this program shall be HGN/SFST certified. This is not a requirement for those participating in DUI Innovative programs.

MEDIA RELEASE

To prepare complete press release information for media (television, radio, print and on-line) during each campaign period including a main press release, schedule of events, departmental plans and relevant data. **The material will emphasize the campaign's purpose, aggressive enforcement and the high cost of DUI / Alcohol in terms of money, criminal and human consequences.**

The Marana Police Department will maintain responsibility for **reporting sustained DUI enforcement** activity in a timely manner. Additionally, it is the responsibility of the Marana Police Department to report all task force enforcement statistics in which they participate to GOHS on-line at the GOHS website **no later than 10:00a.m. the morning following each day of the event.**

PLEASE NOTE: Failure to submit Statistics, Quarterly Reports and/or Report of Costs Incurred (RCIs) on time and correctly may delay reimbursement for expenditures to your agency, or a cancellation and return of unexpended advanced funding.

METHOD OF PROCEDURE:

The Marana Police Department will make expenditures as follows to meet the outlined Program Goals/Objectives:

Personnel Services – To support Overtime for Impaired Driver or Operator Activities

Employee Related Expenses – To support Employee Related Expenses for Agency Overtime

PRESS RELEASE:

Agencies are required to develop and distribute a press release announcing this grant award upon receipt of the executed agreement. A copy of this press release shall be sent to the DUI Abatement Council at the same time it is sent to the media. This press release shall include the objective and specify that the funding is from the Oversight Council on Driving or Operating Under the Influence Abatement.

BAC TESTING AND REPORTING REQUIREMENTS:

Alcohol impairment is a major contributing factor in fatality and serious injury motor vehicle collisions. Accurate data on alcohol involvement is essential to understanding the full extent of the role of alcohol and to assess progress toward reducing impaired driving.

Arizona is presently and consistently below the documented average among the states in the Blood Alcohol (BAC) testing of drivers involved in fatal motor vehicle collisions.

Each law enforcement agency that receives an enforcement-related grant is required to ensure that this accurate data on all drivers involved are reported. Failure to comply may result in withholding funds and cancellation of the enforcement contract until this requirement is met.

PURSUIT POLICY:

All law enforcement agencies receiving state funds are encouraged to follow the guidelines established for vehicular pursuits issued by the International Association of Chiefs of Police (IACP) that are currently in effect.

PROJECT EVALUATION:

This project shall be administratively evaluated to ensure that the objectives have been met.

Quarterly Report

The purpose of the Quarterly Report is to provide information on agreement grant activities conducted at the conclusion of each respective quarter. The information provided is used to review progress of the funded project and the successfulness in meeting outlined goals and objectives. The information, photos, highlights, obstacles, and mandatory statistical data provided in this report are analyzed by the assigned project coordinator. It is critical that the on-line report contains the following information:

- **Original signatures on all Quarterly Reports and RCIs**
 - **Signatures must include Project Director unless prior authorization for another is on file with GOHS.**

Report Schedule

Reporting Period	Due Date
1st Quarterly Report and RCI (January 1 to March 31, 2019)	April 30, 2019
2nd Quarterly Report and RCI (April 1 to June 31, 2019)	July 31, 2019
3rd Quarterly Report and RCI (July 1 to September 31, 2019)	October 31, 2019
4th Quarterly Report and RCI (October 1 to December 31, 2019)	January 31, 2020
Final Statement of Accomplishments	January 31, 2020

The Quarterly Report **shall be completed on the form available on-line and submitted by mail** to the DUI Abatement Council at the Governor's Office of Highway Safety. The Quarterly Report title is based on the 3 month calendar period (Year-Calendar Quarter). **Note:** All law enforcement agencies must enter enforcement activity into the on-line GOHS DUI Reporting System.

Final Statement of Accomplishments

The Project Director shall submit a Final Statement of Accomplishments Report to the DUI Abatement Council **no later than 30 days following the agreement end date**. All agencies receiving funding are required to submit a Final Statement of Accomplishments Report.

Note: Failure to comply with the outlined DUI Abatement Council reporting requirements may result in withholding of state funds or termination of the agreement and return of any unexpended advanced funds.

PROFESSIONAL AND TECHNICAL PERSONNEL:

Jerry Rozema, Chief, Marana Police Department, shall serve as Project Director.

Rachel Whitaker, Grants Manager, Marana Police Department, shall serve as Project Administrator.

Nicole Costanza, Governor's Office of Highway Safety, shall serve as Project Coordinator.

REPORT OF COSTS INCURRED (RCI):

The Project Director shall submit a Report of Costs Incurred (RCI) with supporting documentation attached, to the Governor's Office of Highway Safety at a minimum on a quarterly basis in correlation with the required report. Agencies may submit additional RCI forms for expenditures when funds have been expended for which reimbursement is being requested.

RCIs shall be typed and delivered via mail or hand with appropriate supporting documentation, delivered to the Governor's Office of Highway Safety. **Electronically submitted RCIs will not be accepted.** Final RCIs will not be accepted after thirty (30) days after the conclusion of the Agreement end date. **Expenditures submitted after the expiration date will not be reimbursed and the agency will accept fiscal responsibility.**

The RCI template and instructions are available on the Governor's Office of Highway Safety website at <http://www.azgohs.gov/grant-opportunities/>. Failure to meet the reporting requirements may be cause to terminate the project.

PROJECT MONITORING:

DUI Abatement Council grant project monitoring is used by GOHS project coordinators to track the progress of project objectives, performance measures and compliance with applicable procedures, laws, and regulations.

The process is used throughout the duration of the agreement project and serves as a continuous management tool. Project monitoring also presents a good opportunity for developing partnerships, sharing information and providing assistance to contracted agencies. Additionally, project monitoring outlines a set of procedures for project review and documentation.

Project monitoring also serves as a management tool for:

- Detecting and preventing problems
- Helping to identify needed changes
- Identifying training or assistance needed
- Obtaining data necessary for planning, and evaluation
- Identifying exemplary projects

Types of Monitoring

Monitoring is formal and informal, financial and operational. The most common types of monitoring are:

- Ongoing contact with the contracted grantee through phone calls, e-mails, correspondence, and meetings
- On-Site and/or In-House monitoring reviews of project operations, management, and financial records and systems
- Review of project Quarterly Reports
- Review and approval of Requests for Cost Incurred (RCIs)
- Desk review of other documents in the project-grant files for timely submission and completeness

Monitoring Schedule	
Total Awarded Amount	Type of Monitoring
Under \$50,000	Desk Review/Phone Conference.
\$50,000 and over	May have an In-House GOHS Review
\$100,000+	May have an On-Site Review
Capital Outlay Greater than \$25,000.00 (combined)	May have an On-Site Review
Desk Review and Phone Conference	Internal Review of all written documentation related to agreement project including but not limited to agreement, quarterly reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. A phone conference call conducted during the course of the project which includes the date and time of the call, the person/s contacted and the results. Serves as an informational review to determine progress of programmatic/financial activities. Both the designated project administrator and fiscal contact should be present, if possible, during the phone conference. If identified financial or operational problems are present, GOHS reserves the right to bring the grantee in for an in-house meeting at GOHS. Monitoring form written by Project Coordinator, any findings or areas of improvement, concern or recognition will be provided to the grantee.
In-House Review	Documents performance review results including project activities, reimbursement claims review, equipment purchases, approvals, and other information. Reviews applicable information related to the project(s) including but not limited to agreement, quarterly reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Completed at GOHS in a meeting with appropriate operational and financial personnel. Monitoring form written by Project Coordinator, any findings or areas of improvement, concern or recognition will be provided to the grantee.
On-Site Monitoring	Documents performance review results including project activities, reimbursement claims review, equipment purchases, and other information. Reviews applicable information related to the project(s) including but not limited to agreement, quarterly reports, enforcement data, financial data, e-mails, letters, notes, press releases, photographs, inventories, and other written correspondence. Conducted on-site at the grantee's agency with monitoring form completed on-site by Project Coordinator. Any findings or areas of improvement, concern, or recognition, will be provided to the grantee.

On-site and/or In-house monitoring for grantees of designated projects with large capital outlay purchases, personnel services, and complex projects must be completed within the second or third quarter of the Agreement period. Contracted projects displaying any problems might need on-site monitoring more than once during the fiscal year.

On-site and/or In-house monitoring includes a review and discussion of all issues related to assure the effective and administration of the contracted project. The following are the most important items to review:

- Progress toward meeting goals/objectives and performance measures
- Adherence to the contract specifications, timely submission of complete and correct reports, including required documentation
- Quarterly reports
- Status of expenditures related to the outlined budget
- Accounting records
- Supporting documentation (training documentation, inventory sheets, photographs, press releases etc)

In addition, the designated project administrator will assure that any equipment purchased will be available for inspection and is being used for the purpose for which it was bought under the outlined contractual agreement.

Documentation

All findings will be documented on the GOHS Monitoring Form and placed in the grantee's respective state file. Findings will be discussed with the grantee designated agreement representative (project administrator, fiscal specialist) by phone and/or e-mail. All noted deficiencies will be provided to the grantee with guidance for improvement and solutions to problems. Grantees that exhibit significantly poor performance will be placed on a performance plan as outlined by the project coordinator. Grantee monitoring information will additionally provide documentation for potential funding in subsequent fiscal year grant proposal review.

PROJECT PERIOD:

The Project Period shall commence on the date the DUI Abatement Council Chairman or GOHS Director in the Chairman's stead, signs the DUI Abatement Grant Agreement and terminates at the end of one year on the date as indicated on the DUI Abatement Council Grant Agreement.

DURATION:

Agreements shall be effective on the date the DUI Abatement Council Chairman or GOHS Director in the Chairman's stead, signs the agreement and expire at the end of the project period.

If the Agency is unable to expend the funds in the time period specified and needs an extension, a typed extension request shall be signed by the Project Director on the Agency's letterhead and submitted via mail or hand delivered to the Chairman of the DUI Abatement Council at the Governor's Office of Highway Safety within ninety (90) days before the end of the project period.

The Agency shall address all requests to modify the contract to the Chairman of the DUI Abatement Council on Agency letterhead and either hand deliver or submit the request via regular mail to the GOHS office. All requests for modification must bear the signature of the Project Director.

Failure to comply may result in cancellation of the agreement. Any unexpended funds remaining at the termination of the agreement shall be released back to the DUI Abatement Fund.

ESTIMATED COSTS:

I.	Personnel Services (overtime)	\$21,000.00
II.	Employee Related Expenses	\$14,000.00
III.	Professional and Outside Services	\$0.00
IV.	Travel In-State	\$0.00
V.	Travel Out-of-State	\$0.00
VI.	Materials and Supplies	\$0.00
VII.	Capital Outlay	\$0.00

TOTAL ESTIMATED COSTS***\$35,000.00**

*Includes all applicable training, tax, freight, and advertising costs. The DUIAC reserves the right to limit reimbursement of Employee Related Expenses from zero (0) to a maximum rate of 40 percent. This is the maximum ERE amount to be reimbursed. It is agreed and understood that the Marana Police Department shall absorb any and all expenditures in excess of **\$35,000.00**.

CERTIFICATIONS AND AGREEMENTS

This AGREEMENT, is made and entered into by and between the STATE OF ARIZONA, by and through the Oversight Council On Driving Or Operating Under The Influence Abatement (DUIAC) hereinafter referred to as "STATE", and the Marana Police Department in this Agreement, hereinafter referred to as "AGENCY".

WHEREAS, the Arizona Revised Statutes (§§1303-1304), provides State funds to STATE for approved DUI Enforcement and DUI Innovative projects; and

WHEREAS, STATE may make said funds available to various state, county, tribal, or municipal agencies, governments, or political subdivisions upon application and approval by STATE; and

WHEREAS, AGENCY must comply with the requirements listed herein to be eligible for State funds for approved DUI Enforcement and DUI Innovative projects; and

WHEREAS, AGENCY has submitted an application for State funds for DUI Enforcement and DUI Innovative projects;

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES AND OTHER GOODS AND VALUABLE CONSIDERATION, it is mutually agreed that AGENCY will strictly comply with the following terms and conditions and the following Federal and State Statutes, Rules, and Regulations:

I. Project Monitoring, Reports, and Inspections

- A. AGENCY agrees to fully cooperate with representatives of STATE monitoring the project, either on-site or by telephone, during the life of the Agreement.
- B. AGENCY will submit Quarterly Reports (one for each three-month period of the project year) to STATE in the form and manner prescribed by STATE. Notice of the specific requirements for each report will be given in this Agreement or at any time thereafter by giving thirty (30) days written notice to AGENCY by ordinary mail at the address listed on the Agreement. Failure to comply with Quarterly Report requirements may result in withholding of State funds or termination of this Agreement.
- C. AGENCY will submit a Final Report/Statement of Accomplishment at completion of the Agreement to include all financial, performance, and other reports required as a condition of the grant to STATE within thirty (30) days of the completion of the Agreement.
- D. Representatives authorized by STATE will have the right to visit the site and inspect the work under this Agreement whenever such representatives may determine such inspection is necessary.

II. Reimbursement of Eligible Expenses

- A. AGENCY'S Project Director, or Finance Personnel, will submit a Report of Costs Incurred Form (RCI) to STATE each time there have been funds expended for which reimbursement is being requested. Failure to meet this requirement may be cause to terminate the project under section XIX herein, "Termination and Abandonment".

- B. AGENCY will reimburse STATE for any ineligible or unauthorized expenses for which State funds have been claimed and reimbursement received, as may have been determined by a State audit.
- C. STATE will have the right to withhold any installments equal to the reimbursement received by AGENCY for prior installments which have been subsequently determined to be ineligible or unauthorized.

III. Property Agreement

- A. AGENCY will immediately notify STATE if any equipment purchased under this Agreement ceases to be used in the manner as set forth by this Agreement. In such event, AGENCY further agrees to either give credit to the project cost or to another active DUI Abatement project for the residual value of such equipment in an amount to be determined by STATE or to transfer or otherwise dispose of such equipment as directed by STATE.
- B. No equipment will be conveyed, sold, salvaged, transferred, etc., without the express written approval of STATE, or unless otherwise provided elsewhere in this Agreement.
- C. AGENCY will maintain or cause to be maintained for its useful life, any equipment purchased under this Agreement.
- D. AGENCY will incorporate any equipment purchased under this Agreement into its inventory records.
- E. AGENCY will insure any equipment purchased under this Agreement for the duration of its useful life. Self-insurance meets the requirements of this section.

IV. Travel

In-State and Out-of-State Travel

In-state and out-of-state travel claims will be reimbursed at rates provided by AGENCY'S regulations, provided that such regulations are as restrictive as those of STATE. Where they are less restrictive, ARS §38-624 will apply.

All out-of-state travel must be approved in writing in advance by STATE.

V. Standard of Performance

AGENCY hereby agrees to perform all work and services herein required or set forth, and to furnish all labor, materials, and equipment, except that labor, material, and equipment as STATE agrees to furnish pursuant to this Agreement.

VI. Hold Harmless Agreement

Neither party to this agreement agrees to indemnify the other party or hold harmless the other party from liability hereunder. However, if the common law or a statute provides for either a right to indemnify and/or a right to contribution to any party to this agreement then the right to pursue one or both of these remedies is preserved.

VII. Non-Assignment and Sub-Contracts

This Agreement is not assignable nor may any portion of the work to be performed be sub-contracted unless specifically agreed to in writing by STATE. No equipment purchased hereunder may be assigned or operated by other than AGENCY unless agreed to in writing by STATE.

VIII. Work Products and Title to Commodities and Equipment

A. The work product and results of the project are the property of STATE, unless otherwise specified elsewhere in this Agreement. All property, instruments, non-consumable materials, supplies, and the like, which are furnished or paid for by STATE under the terms of this Agreement, unless otherwise provided for elsewhere in this Agreement, are and remain the property of STATE and will be returned at the completion of this project upon request of STATE. The work product and results of the project will be furnished to STATE upon request, if no provision is otherwise made by this Agreement.

B. The provisions of subparagraph A apply whether or not the project agreed to herein is completed.

IX. Copyrights and Patents

Any copyrightable materials, patentable discovery, or invention produced in the course of this project may be claimed by STATE and a copyright or patent obtained by it at its expense. In the event STATE does not wish to obtain such copyright or patent, AGENCY may do so, but in any event, provision will be made by AGENCY for royalty-free, nonexclusive, nontransferable, and irrevocable licenses to be given the United States Government and STATE and its political subdivisions to use such copyrightable material, patented discoveries, or inventions in any manner they see fit. The STATE reserves the right to impose such other terms and conditions upon the use of such copyrights or patents as may be deemed in the best interest of STATE in the event AGENCY is allowed to obtain a copyright or patent.

X. Arizona Procurement Code (ARS, §41-2501, et. seq.)

AGENCY and sub-grantees will use their own procurement procedures, which reflect applicable State and local laws and regulations. The most stringent purchasing requirement at each level must be met.

The Arizona Procurement Code (ARS, §41-2501, et. seq.) and promulgated rules (A.A.C. Title 2, Chapter 7) are a part of this Agreement as if fully set forth herein and AGENCY agrees to fully comply with these requirements for any procurement using grant monies from this Agreement.

XI. Equal Opportunity

- A. Pursuant to the requirements of the Federal-Aid Highway Act of 1968 (U.S.C. §103 et. seq.), AGENCY, as a condition to receiving approval of this Agreement, hereby gives its assurance that employment in connection with the subject DUI Abatement Council Grant Project will be provided without regard to race, color, creed, sex, or national origin, and that any contract it enters into with any private agency pursuant hereto will include provisions in compliance with this paragraph (XI).

As a condition of receiving approval of this Agreement, AGENCY will be subject to and will comply with Title VI of the Civil Rights Act of 1964, providing that no person in the United States shall on the ground of race, color, creed, sex, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the subject DUI Abatement Council Grant Project.

- B. If AGENCY fails or refuses to comply with its undertaking as set forth in these provisions, STATE may take any or all of the following actions.
1. Cancel, terminate, or suspend, in whole or in part, the agreement, contract, or other arrangement with respect to which the failure or refusal occurred; and
 2. Refrain from extending any further State financial assistance to AGENCY under the DUI Abatement Council Grant Program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from AGENCY.
- C. Pursuant to the requirement of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794), AGENCY must operate this DUI Abatement Council Grant Project so that it is accessible and otherwise non-discriminatory to handicapped persons.

XII. Executive Order 2009-09

It is mutually agreed that AGENCY will comply with the terms and conditions of Executive Order 2009-09, *Non-Discrimination in Employment by Government Contractors and Subcontractors*. Executive Order 2009-09 is located in Part II of the Project Director's Manual.

XIII. Arbitration Clause, ARS §12-1518

Pursuant to ARS §12-1518, the parties agree to use arbitration, after exhausting applicable administrative reviews, to resolve disputes arising out of this Agreement where the provisions of mandatory arbitration apply.

XIV. Inspection and Audit, ARS §35-214

Pursuant to ARS §35-214, all books, accounts, reports, files, and other records relating to this Agreement will be subject at all reasonable times to inspection and audit by STATE for five (5) years after completion of this Agreement. The records will be produced at the Governor's Office of Highway Safety.

XV. Appropriation of Funds by the Arizona Legislature

It is agreed that in no event will this Agreement be binding on any party hereto unless and until such time as funds are appropriated and authorized by the Arizona Legislature and specifically allocated to the project submitted herein by the DUI Abatement Council and then only for the fiscal

year for which such allocation is made. In the event no funds are appropriated by the Arizona Legislature or no funds are allocated for the project proposed herein by the DUI Abatement Council for subsequent fiscal years, this Agreement will be null and void, except as to that portion for which funds have then been appropriated or allocated to this project, and no right of action or damages will accrue to the benefit of the parties hereto as to that portion of the Agreement or project that may so become null and void.

XVI. Continuation of DUI Abatement Program

It is the intention of AGENCY to continue the DUI Abatement Program identified in this Agreement once DUI Abatement Council funding is completed. This intended continuation will be based upon cost effectiveness and an evaluation by AGENCY of the program's impact on highway safety.

XVII. E-Verify

Both Parties acknowledge that immigration laws require them to register and participate with the E-Verify program (employment verification program administered by the United States Department of Homeland Security and the Social Security Administration or any successor program) as they both employ one or more employees in this state. Both Parties warrant that they have registered with and participate with E-Verify. If either Party later determines that the other non-compliant Party has not complied with E-Verify, it will notify the non-compliant Party by certified mail of the determination and of the right to appeal the determination.

XVIII. Termination and Abandonment

- A. The STATE and AGENCY hereby agree to the full performance of the covenants contained herein, except that STATE reserves the right, at its discretion, to terminate or abandon any portion of the project for which services have not been already performed by AGENCY.
- B. In the event STATE abandons the services or any part of the services as herein provided, STATE will notify AGENCY in writing and within twenty-four (24) hours after receiving such notice, AGENCY will discontinue advancing the work under this Agreement and proceed to close said operations under the Agreement.
- C. The appraisal value of work performed by AGENCY to the date of such termination or abandonment shall be made by STATE on a basis equitable to STATE and AGENCY and a final reimbursement made to AGENCY on the basis of costs incurred. Upon termination or abandonment, AGENCY will deliver to STATE all documents, completely or partially completed, together with all unused materials supplied by STATE.
- D. AGENCY may terminate or abandon this Agreement upon thirty (30) days written notice to STATE, provided there is subsequent concurrence by STATE. Termination or abandonment by AGENCY will provide that costs can be incurred against the project up to and including sixty (60) days after notice is given to STATE.
- E. Any equipment or commodities which have been purchased as a part of this Agreement and which have not been consumed or reached the end of its useful life will be returned to STATE upon its written request.

XIX. Cancellation Statute

All parties are hereby put on notice that this Agreement is subject to cancellation pursuant to ARS §38-511, the provisions of which are stated below.

In accordance with ARS §38-511, this Agreement may be cancelled without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Agreement on behalf of the STATE, its political subdivisions or any department or agency of either, is at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter or the Agreement.

The cancellation shall be effective when written notice from the Governor or chief executive officer or governing body of the political subdivision is received by all other parties to the Agreement unless the notice specifies a later time.

AGREEMENT OF UNDERSTANDING AND CERTIFICATION OF COMPLIANCE**Acceptance of Condition**

It is understood and agreed by the undersigned that a grant received as a result of this Agreement is subject to ARS §28-602, and all administrative regulations governing grants established by the STATE. It is expressly agreed that this DUI Abatement Grant Project constitutes an official part of the STATE's DUI Abatement Council Program and that AGENCY will meet the requirements as set forth in the accompanying DUIAC Project Director's Manual, which are incorporated herein and made a part of this Agreement. All State Statutes, Rules, Regulations, and Circulars referenced in this Agreement are a part of this document as if fully set forth herein. It is also agreed that no work will be performed nor any obligation incurred until AGENCY is notified in writing that this project has been approved by the DUI Abatement Council Representative.

Certificate of Compliance

This is to certify that AGENCY will comply with all of the State Statutes, Rules and Regulations identified in this Agreement.

Certification of Non-Duplication of Grant Funds Expenditure

This is to certify that AGENCY has no ongoing nor completed projects under agreement with other Federal or State fund sources which duplicate or overlap any work contemplated or described in this Agreement. It is further certified that any pending or proposed request for other Federal or State grant funds which would duplicate or overlap work described in the Agreement will be revised to exclude any such duplication of grant fund expenditures. It is understood that any such duplication of Federal or State funds expenditures subsequently determined by audit will be subject to recovery by STATE.

Single Audit Act

If your political subdivision has had an independent audit meeting the requirements of the Single Audit Act of 1984, (31 U.S.C.A. §7501 et. seq.), please forward a copy to GOHS, Attention: Fiscal Services Officer, within thirty (30) days of the effective date of this Agreement. If such audit has not been performed, please advise when it is being scheduled.

Buy America Act

In accordance with the Buy America Act (49 U.S.C. 5323(j)):

Only steel, iron and manufactured products produced in the United States may be purchased with Federal funds unless the Secretary of Transportation determines that such domestic purchases would be inconsistent with the public interest, that such materials are not reasonably available and of a satisfactory quality, or that inclusion of domestic materials will increase the cost of the overall project contract by more than 25 percent. Clear justification for the purchase of non-domestic items must be in the form of a waiver request submitted to and approved by the Secretary of Transportation.

REIMBURSEMENT INSTRUCTIONS**1. Agency Official preparing the Report of Costs Incurred:**

Name: _____

Title: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____

2. Agency's Fiscal Contact:

Name: _____

Title: _____

Telephone Number: _____ Fax Number: _____

E-mail Address: _____

Federal Identification Number: _____

3. REIMBURSEMENT INFORMATION:**Warrant/Check to be made payable to:**

Warrant/Check to be mailed to:

(Agency)

(Address)

(City, State, Zip Code)

Lobbying Restrictions**Certification for Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- A. No State appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of the Arizona Legislature, an officer or employee of the Arizona Legislature, or an employee of a Member of the Arizona Legislature in connection with the awarding of any State contract, the making of any State grant, the making of any State loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State contract, grant, loan, or cooperative agreement.
- B. If any funds other than State appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of the Arizona Legislature, an officer or employee of the Arizona Legislature, or an employee of a Member of the Arizona Legislature in connection with this State contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form, "Disclosure Form to Report Lobbying," in accordance with the Arizona Secretary of State instructions.
- C. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients will certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction.

Signature of Project Director:

Terry Rozema, Chief
Marana Police Department

***Signature of Authorized Official of
Governmental Unit:***

Jamsheed Mehta, Town Manager
Town of Marana

Date Telephone

Date Telephone



Council-Regular Meeting

C3

Meeting Date: 12/18/2018

To: Mayor and Council

Submitted For: Hilary H. Hiser, Interim Town Clerk

From: Suzanne Sutherland, Executive Assistant to the Town Clerk

Date: December 18, 2018

Subject: Approval of the Special Council Meeting - Council Connections Minutes from November 30, 2018; Approval of the Regular Council Meeting Minutes from December 4, 2018; Approval of the Special Council Meeting - Legislature Day Minutes from December 11, 2018 (Hilary H. Hiser)

Attachments

Draft Council Connections Meeting Minutes

Draft Regular Council Meeting Minutes 12/04/2018

Draft Special Meeting Minutes - Legislature Day 12/11/2018



**MARANA TOWN COUNCIL
SPECIAL COUNCIL MEETING - COUNCIL CONNECTIONS**

NOTICE AND AGENDA

Savaya Coffee Market
12120 N. Dove Mountain Blvd., Marana, Arizona 85658
Friday, November 30, 2018, at or after 9:00 AM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

MINUTES

WELCOME: Mayor Honea called the meeting to order at 9:02 a.m.

DISCUSSION:

1. Council and Staff Introductions:

Council Quorum: Vice Mayor Post-present, Council Member Kai-present, Council Member Comerford-present, Council Member Bowen-present, and Council Member Officer-present; Council Member Ziegler-absent

Staff members present: Town Manager Jamsheed Mehta; Deputy Town Manager Erik Montague; Town Attorney Frank Cassidy; Town Engineer Keith Brann; Chief Terry Rozema; Water Director John Kmiec; Public Works Director Mo El-Ali, and Deputy Public Works Director Fausto Burruel; Development Services Director Jason Angell; Community & Neighborhood Services Director Lisa Shaffer, and Community Outreach Coordinator Christine Byler; Deputy Parks & Recreation Director D. Tyrell McGirt; Communications Manager Vic Hathaway; Interim Town Clerk Hilary Hiser.

2. Meet and mingle with members of the public in attendance to discuss various issues related to the Town of Marana:

The council members and staff interacted with community members discussing various topics of interest to citizens. Topic themes included discussions related to residential development in the Dove Mountain area, future commercial development opportunities near Dove Mountain, and traffic control issues on Dove Mountain Boulevard. Additionally, some citizen conversations with individual council members and staff focused on proposed land rezoning near neighborhoods and the impact of possible annexations by neighboring municipalities. The Council did not take any formal action.

11:00 AM - ADJOURNMENT

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on November 30, 2018. I further certify that a quorum was present.

Hilary H. Hiser, Interim Town Clerk



MARANA TOWN COUNCIL
REGULAR COUNCIL MEETING MINUTES
11555 W. Civic Center Drive, Marana, Arizona 85653
Council Chambers December 4, 2018, at or after 7:00 PM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

REGULAR COUNCIL MEETING MINUTES

CALL TO ORDER AND ROLL CALL: Mayor Honea called the meeting to order at 7:01 p.m. **Interim Town Clerk Hilary H. Hiser** called roll. **Council Member Comerford** was excused. With six council members present there was a quorum.

PLEDGE OF ALLEGIANCE/INVOCATION/MOMENT OF SILENCE: Led by Mayor Honea.

APPROVAL OF AGENDA: Mayor Honea stated the Town Manager asked the Council to remove item C6 from the consent agenda for additional work. *Council Member Bowen motioned to approve the agenda without item C6. Council Member Ziegler provided a second. The motion passed 6-0, unanimously.*

CALL TO THE PUBLIC:

David Morales addressed the Council regarding the Town's weed abatement efforts in the Barnet Linear Channel. He stated the recent rainfall has encouraged the growth of weeds, which will turn into "tumble weeds" as they dry out, thus causing a fire hazard for area residents.

PROCLAMATIONS

MAYOR AND COUNCIL REPORTS: SUMMARY OF CURRENT EVENTS:

Council Member Officer participated in the annual El Tour de Tucson bicycle race and he was very impressed with the smoothness of Marana's portion of the course. He noted that other riders also praised the condition of Marana's roads.

Council Member Ziegler, in honor of the December 5, 2018 Employee Appreciation Day, took a moment to recognize all the Town departments for their continued service and their hard work.

Council Member Kai thanked all the department heads who attended the first Council Connection event on November 30, 2018. He commented that future events need more advertising to encourage greater citizen participation.

Mayor Honea also praised the Council Connections event indicating it was important to interact with the public in a less formal setting to foster relationships. The Mayor also reported he attended the Arizona Association of Economic Development meeting and spent time with the new Oro Valley Mayor and a new Oro Valley council member. He stated the new council is excited to work with Marana in the future.

MANAGER'S REPORT: SUMMARY OF CURRENT EVENTS

Town Manager Jamsheed Mehta reported that the November Council Executive report continues to show positive gains in single family permits issued. Mr. Mehta explained the Town's cancellation of the Holiday Festival scheduled for December 1, 2018. Due to rain, the ground was too saturated to overcome the challenges mud posed. However, Mr. Mehta noted some of the scheduled events and festivities would transition to the Winter Water Light show at the Crossroads Park on Friday December 14, 2018. The event has music, food trucks, and hot coco scheduled. The main light show at the municipal center would still occur every night at its scheduled times throughout December for residents to enjoy.

PRESENTATIONS

P1 Presentation: Relating to Parks and Recreation; update regarding the El Rio Preserve project, including discussion of potential phasing of the project and possible funding methods. Presented by Jim Conroy, Parks and Recreation Director.

Mr. Conroy stated the Council previously heard an update regarding the El Rio Preserve in 2016. He reminded the Council that the Town purchased the site in 2003 and designated it as a preserve in 2015. He noted that the site's unique location creates a rich environmental area for wildlife, as it is designated a riparian area and used by a variety of migrating birds. The preserve's location is in the direct migration path known as the Central Flyaway.

Mr. Conroy explained that the area has experienced several flood events in the recent past. The first event in 2012 breached a non-engineered berm between the preserve area and the Santa Cruz River. Additional flood events occurred in 2014, 2016, and 2017.

Transitioning to El Rio's intended use, **Mr. Conroy** noted that the preserve's 104 acres is used as an outdoor classroom and a field research site for the University of Arizona. He

also mentioned that with over 240 bird species present, and the area's rich biodiversity, the site attracts bird watchers and eco-tourists from around the country. Furthermore, Mr. Conroy stated that El Rio is a significant recreational amenity to the Town because of its proximity to the Juan Bautista de Anza Trailhead and the Marana Disc Golf Course.

Mr. Conroy briefly touched on the Parks Department's continuing stewardship efforts that include the removal of trash, the identification and removal of invasive plant species, vector control of mosquitos, and other activities designed restore the riparian habitat.

Also, **Mr. Conroy** mentioned that the Pima County Flood Control District has allotted \$1.2 million for bank protection in the area. Construction is set to begin in fall 2019. The project is intended to help secure the site from significant flooding events over a 25 year period. Mr. Conroy was quick to point out that additional bank protection will not completely prevent all flooding events, but should decrease the severity of those events.

Mr. Conroy also reported the addition of an improved disc golf course to serve the needs of area residents and local recreational organizations. The improved course will have 18 baskets. To accommodate the increased size of the course, staff has a plan to provide additional parking to alleviate traffic congestion at surrounding pocket parks.

Mr. Conroy stated that Phase 1A for the El Rio Preserve project would include construction of a quarter mile trail system running parallel to the loop and slightly below grade. This area will have a viewing platform for bird watchers and pedestrian walkways and benches. Also, this area will include native plant landscaping and water harvesting basins.

Council Member Ziegler asked Mr. Conroy to clarify the Pima County's bank protection project timeline versus the Town's park enhancements. She expressed concern that the Town does not spend project funds until the bank protection is built. Mr. Conroy noted that Phase 1A is on the opposite side of the preserve and the Pima County bank protection project will not impact the Town's plans. He noted that Phase 1A is located at an elevated area and is not near areas prone to flooding.

Mr. Conroy briefly explained the project's current funding structure. He stated the Town received a \$456,000 from the 2007 development agreement for Marana Center. These funds are designated for environmental purposes, which the Town then used to leverage several grants from non-profit and government agencies. The total grant money obtained to date is just under \$45,000.00.

Expanding further on the proposed project's budget, **Mr. Conroy** noted that the total funds currently available for this project are \$501,000.00. The overall total estimated cost of the El Rio Preserve project is \$2.2 million to \$2.7 million. He reported that from the current available funds, the Parks Department has spent \$60,000.00 on master planning, and \$94,000.00 on design and engineering, which leaves \$347,000.00 in available funds for construction. Mr. Conroy stated that Phase 1A's proposed budget is \$298,000.00.

Mr. Conroy concluded his presentation by highlighting El Rio Preserve's recreational importance to the area as both a destination spot on the Loop system, its importance to regional tourism, and its significance for on-going scientific research.

Mayor Honea opened the meeting to comment, as multiple speaker cards were received regarding this item.

Brian Jones stated he is a resident of the El Rio area and thanked the Council for their continued support of the project. He noted that the El Rio Preserve has positively contributed to the area's quality of life and increased property values in the surrounding neighborhoods. He appreciates the efforts taken by the Town to continue efforts of preservation for the area.

Michael Bogan is professor at the School of Natural Resources and Environment at the University of Arizona. He stated that the UA has a number of research study sites along the Santa Cruz river system and is excited to expand into Sweetwater sites in the Tucson area. He and a group of graduate students are planning to use the El Rio Preserve site for additional research regarding the ecology of wetlands. Professor Bogan stated this site has the potential to provide great opportunities for educational partnerships between the University and area school districts. It is also a good site for conducting both applied research projects and theoretical research projects.

Willie Sommers, Arizona Department of Forestry and Fire Management, has helped the Town of Marana create a forestry management stewardship plan for El Rio Preserve. He noted this area is a unique resource and habitat for wildlife since riparian areas make up less than one percent of land in Arizona. Mr. Sommers said the efforts to restore the riparian area are important. He looks forward to working with staff to continue preservation efforts in this area reach its full potential.

Jonathan Lutz, Executive Director of the Tucson Audubon Society, stated the El Rio Preserve has a long history of use by active bird watchers in the community even before its official designation as a preserve. He noted that bird watching generates over a \$1 billion in economic activity for the State of Arizona, and the Southern Arizona region is particularly popular destination in that community. Mr. Lutz asked the Council to continue supporting this project and thanked the Town for its efforts.

Ian Paulow, member of the Marana Disc Golf Club, stated his organization has worked with the Parks Department since 2011 to help clean the preserve by removing trash and debris. He said he looks forward to the continued improvements to the area and disc golf course.

Janine Spencer-Glasson is a retired environmental project manager and member of the Friends of El Rio community group. Ms. Spencer-Glasson said the group works to promote El Rio as both a recreational amenity, but also a cultural resource for the region. Ms. Spencer-Glasson noted that Phase 1A would help to prevent frequent flooding and reduce the amount of trash, mosquitoes, and invasive species. She noted that once complete, El Rio would provide a great space for educational opportunities to

local students and would contribute to the overall quality of life to area residents. Ms. Spencer-Glasson thanked the Council for continuing to support the El Rio Project.

Alexandra Stoicof, of Wheat Design Group, is one of the landscape architects for the El Rio Preserve project. Ms. Stoicof noted she has been personally involved with this project for three years. She stated the proposed design will not only improve the ecological health for this riparian habit, but also provides recreational and education opportunities to the community. Ms. Stoicof stated she hopes to see continued support of this project.

Mayor Honea thanked all the speakers and stated it is obvious that this preserve is important to a diverse group of individuals in the community and sees that it is a tremendous asset to the Town.

Council Member Ziegler stated it is fantastic to see all these partners come to the Town and advocate for the El Rio Preserve. She thanked all the speakers for their comments and indicated she is excited for this project.

Council Member Ziegler asked staff when construction on Phase 1A is expected to start and what the estimated end date is. **Construction Manager Kurt Schmidt**, Engineering Department, responded that the Town has plans in hand and would put the project out to bid in January. He stated that once construction starts, Phase 1A would take three to four months to build.

The Council took no action on this item.

CONSENT AGENDA: *Council Member Ziegler motioned to approve the consent agenda, without item C6. Council member Bowen provided the second. The motion passed 6-0, unanimously.*

C1 Resolution No. 2018-105: Relating to Municipal Court; approving the appointment of Dixie Debonis as a civil traffic violation hearing officer for the Marana Municipal Court (Laine Sklar)

C2 Resolution No. 2018-106: Relating to Municipal Court; approving the reappointment of Kimberly Epling as a civil traffic violation hearing officer for the Marana Municipal Court (Laine Sklar)

C3 Resolution No. 2018-107: Relating to Facilities; approving and authorizing the Town Manager to administer the amended Town of Marana Meeting Facilities Usage Policy (Jane Fairall)

C4 Resolution No. 2018-108: Relating to Public Works; approving and authorizing the Mayor to sign a public improvement participation agreement with the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter Day Saints for the construction of Church driveway improvements as part of the Coachline Boulevard Reconstruction project (Frank Cassidy)

C5 Resolution No. 2018-109: Relating to Parks and Recreation; authorizing the Town Manager to exercise the Town's right to terminate the Lease Agreement with Saint

Christopher Roman Catholic Parish – Marana for the construction and maintenance of a pocket park in Honea Heights; and directing staff to locate the Honea Heights pocket park on Town-owned property in Honea Heights, if feasible (Frank Cassidy)

C6 Resolution No. 2018-110: Relating to Development; approving and authorizing the Mayor to sign the First Amendment to Development Agreement Regarding Parks and Recreation Development Impact Fee Credits for the Saguaro Bloom Development Project (Frank Cassidy) *Item pulled from the consent agenda before the approval of the Agenda by the Council.*

C7 Resolution No. 2018-111: Relating to Administration; approving the transfer of up to \$265,000 in budgeted expenditure authority from the General Fund contingency line item in the fiscal year 2018-2019 budget to a newly assigned project code in the General Fund for the purchase of real property (portions of Assessor's Parcel Numbers 217-34-002M and -002N) and related costs (Yiannis Kalaitzidis)

C8 Ordinance No. 2018.022: Relating to Utilities; amending Marana Town Code Title 14 (Utilities), Chapter 14-4 (construction and financing of utility facilities) to modify section 14-4-3 (capacity requirements) and to add new sections 14-4-4 (refund of cost of facilities funded and installed by the town) and 14-4-5 (notice of protected facility and associated charge), establishing protected facilities provisions for privately-constructed and town-constructed water and wastewater facilities; and designating an effective date (Frank Cassidy)

C9 Approval of the November 13, 2018 Special Council Meeting Minutes for the Council Oath of Office and approval of the November 13, 2018 Special Council Meeting Minutes (Hilary H. Hiser)

LIQUOR LICENSES

L1 Relating to Liquor Licenses; recommendation to the Arizona Department of Liquor Licenses and Control regarding a Location/Owner Transfer series #7 Beer and Wine Bar liquor license application submitted by Jeffrey Craig Miller on behalf of Fry's Marketplace #689, located at 12100 N. Thornydale Road, Marana, Arizona 85742. Presented by Hilary H. Hiser, Interim Town Clerk. **Ms. Hiser** stated staff reviewed the application and found no issues.

Vice Mayor Post motioned to approve, with a second provided by Council Member Kai. The motion passed 6-0, unanimously.

BOARDS, COMMISSIONS AND COMMITTEES

COUNCIL ACTION

A1 Resolution No. 2018-112: Relating to Parks and Recreation; approving and authorizing the Mayor to sign a Real Property Acquisition Agreement with Marana Unified School District for the purchase of land needed for parking and associated purposes near the El Rio Preserve project. Presented by Frank Cassidy, Town Attorney.

Mr. Cassidy stated the Town is proposing to purchase 4.6 acres from the Marana Unified School District (MUSD) to construct a parking lot to accommodate visitors to the El Rio Preserve area. He noted that the Town already purchased an easement from MUSD in 2017 for the shared use path that runs along the boundary of the preserve. He stated that the Town asked to purchase the property at the prior appraised value and to receive credit for the previous purchase of the easement. This purchase includes the property and drainage way for future development in the preserve. The total offer to MUSD is \$67,8662.00.

Vice Mayor Post motioned to approve, with a second provided by Council Member Ziegler. The motion passed 6-0, unanimously.

A2 Resolution No. 2018-113: Relating to Personnel; approving an additional paid holiday on December 31, 2018 for eligible Town of Marana employees. Presented by Curry C. Hale, Human Resource Director.

Mr. Hale stated staff is asking the Council to approve a one-time additional holiday, New Year's Eve. He noted that this year December 31, 2018 falls on a Monday. Mr. Hale indicated that given the holiday season, activity at the Town tends to slow, and this holiday would provide a four day weekend for staff.

Council Member Bowen motioned to approve, with a second provided by Council Member Kai. The motion passed 6-0, unanimously.

ITEMS FOR DISCUSSION / POSSIBLE ACTION

D1 Relating to Legislation and Government Actions; discussion and possible action regarding all pending state, federal, and local legislation/government actions and on recent and upcoming meetings of the other governmental bodies (Jamsheed Mehta). *No report.*

EXECUTIVE SESSIONS

Pursuant to A.R.S. § 38-431.03, the Town Council may vote to go into executive session, which will not be open to the public, to discuss certain matters.

E1 Executive Session pursuant to A.R.S. §38-431.03 (A)(3), Council may ask for discussion or consultation for legal advice with the Town Attorney concerning any matter listed on this agenda.

FUTURE AGENDA ITEMS

Notwithstanding the mayor's discretion regarding the items to be placed on the agenda, if three or more Council members request that an item be placed on the agenda, it must be placed on the agenda for the second regular Town Council meeting after the date of the request, pursuant to Marana Town Code Section 2-4-2(B).

ADJOURNMENT: *Mayor Honea motioned to adjourn at 8:18 p.m., with a second provided by Council Member Bowen. The motion passed 6-0, unanimously.*

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on December 4, 2018. I further certify that a quorum was present.

Hilary H. Hiser, Interim Town Clerk

DRAFT



MARANA TOWN COUNCIL SPECIAL COUNCIL MEETING - LEGISLATURE DAY

NOTICE AND AGENDA

Marana Municipal Complex Boardroom
11555 W. Civic Center Drive, Marana, Arizona 85653
Boardroom on the 2nd Floor, December 11, 2018, 8:30 AM - 10:30 AM

Ed Honea, Mayor
Jon Post, Vice Mayor
David Bowen, Council Member
Patti Comerford, Council Member
Herb Kai, Council Member
John Officer, Council Member
Roxanne Ziegler, Council Member

MINUTES

CALL TO ORDER AND ROLL CALL: Mayor Honea called the meeting to order at 8:40 a.m. and welcomed the attendees.

Council Quorum: Vice Mayor Post, present; Council Member Bowen, present; Council Member Kai, present; Council Member Officer, present; Council Member Ziegler, present; Council Member Comerford, absent.

Staff members present: Town Manager Jamsheed Mehta; Deputy Town Manager Erik Montague; Town Attorney Frank Cassidy; Assistant to the Town Manager Tony Hunter; Interim Town Clerk Hilary H. Hiser

APPROVAL OF AGENDA: The Council did not make a formal approval of the agenda.

DISCUSSION

1. Introduction of Legislative Delegation from District 9 and District 11.

Legislative District 9: Representative Randy Fries

Legislative District 11: Representative Mark Finchem; Representative-elect Bret Roberts; Senator-elect Vince Leach

Each legislative representative gave a brief introduction highlighting his particular legislative focus areas. Also, each representative identified which committees he would be serving on in the up-coming legislative year.

2. Presentation: Marana Community Update by Town Manager Jamsheed Mehta, summarizing local trends and important issues.

Mr. Mehta briefly presented an overview of the Town of Marana. He noted the majority of the town's 126 square miles and 47,000 residents are in Legislative District 11. The southern portion of Marana, predominately its commercial district, is located within the boarder of Legislative District 9. Mr. Mehta also noted that Marana's jurisdictional boundaries are located in both Pima County and Pinal County.

Mr. Mehta transitioned to Marana's current and future growth trends. He identified three development areas within Marana, noting that most areas in Town have entitled land and approved development plans. He explained that Marana is focusing its capital construction efforts on regional transportation projects to increase connectivity within the community and to surrounding areas. Additionally, the Town continues to invest in water infrastructure to accommodate the needs of current and future residents.

Concluding his presentation, **Mr. Mehta** identified three policy priorities needed for continued growth:

- Sustaining and strengthening State Shared Revenues, like HURF
- Promoting Economic Development through incentives and programs
- Continuing to advance water capacity and quality through infrastructure investment

3. Breakfast Meet and Greet with Town Council, Legislative Delegation, staff, and guests.

Mayor Honea opened the reminder of the meeting to an informal discussion between the Marana Town Council and the legislative representatives present. The topics of legislative interest included the following:

- The use of HURF funds to address regional and state road maintenance needs and its impact on local economic development
- The need to identify revenue streams to help address the deficits in the facility and infrastructure budgets of area schools

- Addition of technical/vocational education campuses in more rural areas, and expanding two-year community college degrees to four-year community college degrees
- Identify additional sources of funding for public safety
- The impact of the new \$32 vehicle registration fee for generating public safety operating funds
- Future developments and investments in Pinal County regarding railroad depot and shipping logistics centers
- Using Arizona's natural resources for energy development and solar power sharing between western states
- The long-term impact of the Transaction Privilege Tax (TPT) on local revenue sources and the equitable distribution of sales tax revenues to municipalities
- Streamlining the collection of digital goods sales tax and creating consistency across municipalities
- Possible changes to the Arizona income tax to adjust for federal tax changes
- Legislative changes statutes governing community facilities districts and consequences for municipal authority/oversight related to bonds and board management
- State Land obligations and the relationship with surrounding municipalities
- Strategies for increasing the cooperation among municipalities and the Legislature related to drafting bills, supporting bills, and approval of bills

ADJOURNMENT: Mayor Honea thanked all the attendees and adjourned the meeting at 11:01 a.m.

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Marana Town Council meeting held on December 11, 2018. I further certify that a quorum was present.

Hilary H. Hiser, Interim Town Clerk



Council-Regular Meeting

A1

Meeting Date: 12/18/2018

To: Mayor and Council

From: Cynthia Ross, Senior Planner

Date: December 18, 2018

Strategic Plan Focus Area:

Not Applicable

Subject: PUBLIC HEARING: Ordinance 2018.023: Relating to Development; approving a rezoning of approximately 17.3 acres of land from 'R-80' (single-family residential) and Zone 'C' (Large Lot Zone) to 'R-8' (single-family residential); and approving a minor amendment to the Marana General Plan amending the land use category from Rural Density Residential (RDR) to Low Density Residential (LDR), generally located .75 miles north of Moore Road on the west side of Tortolita Road (Cynthia Ross)

Discussion:

Rezoning Request

The Planning Center, on behalf of David and Hon Lam and DR Horton, is requesting approval of the Tortolita Ridge rezoning, a proposal to rezone approximately 17.3 acres of land from 'R-80' (single-family residential, minimum lot size 80,000 square feet) and Zone 'C' (Large Lot Zone) to 'R-8' (single-family residential, minimum lot size 8,000 square feet). The property is located approximately .75 miles north of Moore Road on the west side of Tortolita Road.

Minor General Plan Amendment Request

The General Plan land use designation for this site is Rural Density Residential (RDR) with a density range of 0.1-0.5 residences per acre. The applicant proposes to change the land use designation to Low Density Residential (LDR) with a request for a minor General Plan amendment. The 'LDR' land use category is typically characterized by single-family detached homes on relatively large lots with a density range of .5 to 2.0 residences per acre and may allow for clustered housing projects.

Land Use

The proposed rezoning area consists of 15 acres of land zoned 'R-80' (western two parcels: 218-44-022C and 218-44-022D) and 2.3 acres of land zoned 'C' (eastern parcel 218-44-022H). The proposed land use plan consists of 34 single-family residences at a density of less than two homes per acre (1.96 residences per acre anticipated). Lots will vary slightly, but the typical lot size will be 65' x 125' with an 8,000-square-foot minimum. Lots will accommodate both one- and two-story homes. With the conditions as modified by the Planning Commission, lots 1 -14, 26-28, and 33 and 34 are limited to single-story homes.

Landscape and Buffering

A 20-foot landscape buffer will be provided adjacent to Tortolita Road on the north side of the subdivision's main entrance and a 30-foot landscape buffer will be constructed on the south side of the entrance. The existing five foot sidewalk located on Tortolita Road, at the southernmost property line, will be extended north to the southernmost edge of the driveway located on parcel 218-44-022J. A six foot landscape buffer will be provided along the southern property line and the northern and eastern property eastern boundaries adjacent to the existing large lot parcels. At the request of the neighbors in the Tortolita Reserve subdivision, the developer will provide a five foot decorative masonry rear yard wall on lots 1 - 14 and wrought iron view fencing shall be prohibited. A five foot screen wall will also be provided at the back of the lots along the eastern and northern property lines. A 33 to 35-foot landscape buffer will be provided north of lots 31-34 to adequately transition the proposed subdivision from the existing custom home north of parcel 218-44-022H.

Open Space

The Tortolita Ridge rezoning land use plan has been designed with minimal disturbance to the washes running through the site, preserving the site's native vegetation and facilitating wildlife connectivity across the site. The proposed development includes setting aside approximately 7.69 acres or nearly 45% of the site as natural undisturbed open space (NUOS). The total open space in Tortolita Ridge will be over 50% including revegetated open space areas.

Access and Circulation

The proposed development is accessible from Tortolita Road, a two-lane minor local road that borders the easternmost property boundary. An emergency access will be provided through an existing easement along the northern property boundary. Two public streets will be constructed, one of which will have access to Tortolita Road. The internal roadway network will be constructed in accordance with the Town of Marana Subdivision Street Standards.

Infrastructure and Public Utilities

The rezoning area is located within the Tucson Water service area and the water supply is assured. The developer will be responsible for the design and construction of all on-site and off-site water infrastructure required, serving potable water and fire protection to the development. A water service agreement, as well as plans for the water distribution system will be required prior to development. Sewer will be provided to future development within the rezoning area by Pima County. The Pima County Regional Wastewater Reclamation Department has indicated capacity is currently available for this project. Northwest Fire District provides service to the properties in the project vicinity; however, the project site is not currently included within the District's boundary and therefore must complete annexation prior to development. Trico Electric Company and Southwest Gas Corporation currently serve the rezoning area and will provide service to all future development in the rezoning area.

Citizen Participation

The applicant held three meetings with the surrounding residents of the proposed rezoning area; two were neighborhood meetings, and one was with the Tortolita Reserve subdivision HOA board members. All property owners within 300-feet of the rezoning boundary were invited to attend the neighborhood meetings, and all residents of Tortolita Reserve subdivision via the HOA manager. Each meeting was held at The Highlands at Dove Mountain Club House.

The first neighborhood meeting was held on August 1, 2018 and attended by approximately 27 neighbors. A second meeting was held on September 13, 2018, at the request of the Tortolita Reserve subdivision HOA board members. The final neighborhood meeting was held on September 17, 2018 as a follow up to the August 1 meeting. There were approximately 33 attendees at this meeting.

Predominant concerns from neighboring property owners include: the proximity of the homes at the proposed project's southern border, density, obstruction of mountain views, the price point at which DR Horton plans to market the homes, and traffic safety. A Neighborhood Meeting Summary detailing the meeting outcomes is attached to this report.

Concessions the applicant agreed to make were outlined in an October 4, 2018 email to concerned residents are detailed below. These concessions are shown on the attached conceptual site plan.

1. Limit homes to one-story when they are immediately adjacent to an existing single-story home in Tortolita Reserve, prohibiting two-story homes on lots 3-8, 10-11, 13-14 and 33.
2. Provide a five foot decorative masonry wall at the back of the lots along the southern boundary removing the potential for wrought iron view fencing along this boundary.
3. Provide a park area containing a ramada, BBQ pit, grassy area and picnic benches, similar to that provided in Tortolita Reserve. The exact size and location of the park area will be determined when detailed drainage studies have been performed.

4. Provide a 33-35 foot landscape buffer north of lots 31-34.
5. Extend the proposed five foot sidewalk along Tortolita Road to the southernmost edge of the Cook Property Driveway (218-44-022J).

Staff received multiple emails from neighbors opposing the proposed rezoning throughout September and August, and met with concerned neighbors opposing the project on August 14, 2018. Attached is a letter of protest received by email and mail on 10/31/18 from Natasha Jabbar outlining concerns, signed by the majority of individuals that sent emails of opposition to Staff.

Planning Commission Recommendations

The Planning Commission heard the request for the proposed rezoning, and minor general plan amendment, at a public hearing on November 28, 2018. The Commission voted 5-0 to recommend approval to the Town Council with two added conditions

The first condition added by the Commission was to limit lots 2, 9, 12, 26-28 to single story homes (in addition to those lots previously committed to single story). The proposed draft ordinance provided in the backup materials includes this additional Commission-recommended condition, which is supported by Town staff.

The second condition added by the Commission was to coordinate the south wall design with the Tortolita Reserve subdivision HOA. The Commission added this condition by recommendation of the Town Attorney. Upon further consideration and discussion, Town staff is concerned that this condition could effectively delegate design authority to the HOA. In place of this Commission-recommended condition, Town staff has included in the proposed draft ordinance a condition stating as follows: "The perimeter wall design shall be included as part of the subdivision landscaping plan to be reviewed and approved by the Town planning staff. The final design shall be complementary to both the built and natural environment of the surrounding area."

Public Notification

This public hearing was properly noticed in the Daily Territorial newspaper, and all property owners within 300 feet of the rezoning area were noticed by U.S. Mail of the date, time, and topic of the public hearing. Additional notice was posted at various locations within the community and on the Town website.

Recommended Findings of Fact

1. The property is currently zoned 'R-80' (single-family residential) and Zone 'C' (Large Lot Zone). The proposed change in zoning from 'R-80' (single-family residential) and Zone 'C' (Large Lot Zone) to 'R-8' will require a minor amendment to the Marana General Plan from the existing designation of Rural Density Residential (RDR) to Low Density Residential (LDR).
2. With the acceptance of the recommended conditions, the proposed rezoning is in compliance with all other development standards of the Land Development Code related to this zoning classification.

3. The proposed rezoning, with acceptance of the recommended conditions, does not appear to be detrimental to the immediate area or to the health, safety and welfare of the inhabitants of the area and the Town of Marana.

Case Analysis and Review Criteria

1. Ability to comply with development regulations, i.e. water, sanitation, access, developable parcel, etc.: With the acceptance of the recommended conditions, the proposed rezoning complies with the requirements of all agencies.
2. Ability to comply with requirements of the zoning regulations, i.e. lot size, frontage, setbacks, etc.: With the acceptance of the recommended conditions the proposed rezoning complies with the requirements of R-8 (single-family residential) zoning designation.
3. Consistent with the purpose of the regulations and with the intent of the General Plan: The proposed rezoning is consistent with the purpose and intent of the Land Development Code and the Town of Marana General Plan Low Density Residential land use designation.
4. Compatible with the surrounding area, harmonious with the character of the neighborhood, not detrimental to the immediate area or the development of the area, and not detrimental to the health, safety, or welfare of the inhabitants of the area and the Town: Based upon the requirements and conditions, the proposed rezoning does not appear to be detrimental to the immediate area or to the general health, safety, and welfare of the inhabitants of the area and the Town of Marana.

Staff Recommendation:

Staff recommends adoption of Ordinance No. 2018.023, approving the Tortolita Ridge Rezoning and General Plan minor amendment, based upon the recommended findings subject to the conditions set forth in the ordinance included with these agenda materials.

Suggested Motion:

I move to adopt Ordinance No. 2018.023, approving the Tortolita Ridge Rezoning and General Plan minor amendment subject to the recommended conditions.

Attachments

Ordinance No. 2018.023
Exhibit 1 - Legal Description and Map
Tortolita Ridge Rezoning Document
Conceptual Land Use Plan
Rezoning Application
Minor General Plan Amendment Application
Protest Letters 12.05.18

MARANA ORDINANCE NO. 2018.023

RELATING TO DEVELOPMENT; APPROVING A REZONING OF APPROXIMATELY 17.3 ACRES OF LAND FROM 'R-80' (SINGLE-FAMILY RESIDENTIAL) AND ZONE 'C' (LARGE LOT ZONE) TO 'R-8' (SINGLE-FAMILY RESIDENTIAL); AND APPROVING A MINOR AMENDMENT TO THE MARANA GENERAL PLAN AMENDING THE LAND USE CATEGORY FROM RURAL DENSITY RESIDENTIAL (RDR) TO LOW DENSITY RESIDENTIAL (LDR), GENERALLY LOCATED .75 MILES NORTH OF MOORE ROAD ON THE WEST SIDE OF TORTOLITA ROAD

WHEREAS David L. Lam (as to two of the three parcels owned in fee title and as to the easement parcel) and David L. Lam and Hon T. Lam (as to the third of the three parcels owned in fee title) (collectively the "Property Owners") own 17.3 acres of land generally located .75 miles north of Moore Road in Section 26, Township 11 South, Range 12 East, described and depicted on Exhibit "A" attached to and incorporated in this ordinance by this reference (the "Rezoning Area"); and

WHEREAS the Property Owners have submitted an application to rezone the Rezoning Area from 'R-80' (Single-Family Residential) and Zone 'C' (Large Lot Zone) to 'R-8' (Single-Family Residential), and to amend the 2010 Marana General Plan from Rural Density Residential (RDR) to Low Density Residential (LDR); and

WHEREAS the Marana Planning Commission held a public hearing on this Rezoning on November 28, 2018, and voted five to zero (with two Commissioners absent) to recommend that the Town Council approve this Rezoning, subject to the recommended conditions; and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Marana, Arizona, as follows:

Section 1. The zoning of the Rezoning Area is hereby changed from 'R-80' (Single-Family Residential) and Zone 'C' (Large Lot Zone) to 'R-8' (Single Family Residential).

Section 2. A minor amendment to the General Plan is hereby approved, changing the General Plan designation of the Rezoning Area from 'RDR' (Rural Density Residential) to 'LDR' (Low Density Residential).

Section 3. This Rezoning is subject to the following conditions, the violation of which shall be treated in the same manner as a violation of the Town of Marana Land Development Code (but which shall not cause a reversion of this Rezoning), and which shall be binding on the Property Owners and their successors in interest (all of whom are collectively included in the term "Property Owners" in the following conditions):

1. Compliance with all applicable provisions of the Town's codes and ordinances current at the time of any subsequent development including, but not limited to, requirements for public improvements and payment of application fees and applicable development impact fees.
2. Any preliminary plat or development plan for any portion of the Rezoning Area shall be in general conformance with the conceptual land use plan presented to and approved by the Town Council as part of this Rezoning.
3. A master drainage study must be submitted by the Property Owners and accepted by the Town Engineer prior to Town approval of a preliminary plat or development plan for any portion of the Rezoning Area.
4. A detailed traffic impact analysis must be submitted by the Property Owners and accepted by Town staff prior to approval of a preliminary plat or development plan for any portion of the Rezoning Area.
5. A water infrastructure and phasing plan (WIP) must be submitted by the Property Owners and accepted by Tucson Water (the "water provider") prior to approval of a preliminary plat for any portion of the Rezoning Area. The WIP shall identify all on-site and off-site water facilities needed to serve the proposed development. The WIP shall include all information required by the water provider, such as (but not limited to) analysis of water use and fire flow requirements, and well source, reservoir, and booster station infrastructure needed to serve the proposed development. If the water provider requires a water service agreement as a condition of service to the proposed development, the Property Owners must enter into a water service agreement with the water provider consistent with the accepted WIP.
6. A master sewer plan must be submitted by the Property Owners and accepted by the Pima County Regional Wastewater Reclamation Department (the "wastewater utility") prior to the approval of any final plat or development plan for the Rezoning Area. The master sewer plan shall identify all on-site and off-site wastewater facilities needed to serve the proposed development, and shall include all information required by the wastewater utility. If the wastewater utility requires a sewer service agreement as a condition of service to the proposed development, the Property Owners must enter into a sewer service agreement with the wastewater utility consistent with the accepted master sewer plan.
7. The Property Owners must design and construct any roadway, drainage, water, and wastewater improvements, and dedicate or acquire any property rights associated with those improvements, that the Town requires based on the data and findings of the accepted traffic impact analysis, the accepted master drainage study, the accepted WIP, the accepted master sewer plan, and other studies approved in connection with the approval of a preliminary plat or development plan for any portion of the Rezoning Area.
8. The final design of all streets and circulation facilities, including gated access (if applicable) and emergency access, must be accepted by the Northwest Fire District prior to Town Council consideration of a final plat for any portion of the Rezoning Area.
9. The maximum number of single-family detached residential lots within the Rezoning Area shall not exceed 34.
10. No approval, permit or authorization by the Town of Marana authorizes violation of any federal or state law or regulation or relieves the Property Owners from responsibility to ensure compliance with all applicable federal and state laws and regulations, including the

Endangered Species Act and the Clean Water Act. The Property Owners should retain appropriate experts and consult appropriate federal and state agencies to determine any action necessary to assure compliance with applicable laws and regulations.

11. The Property Owners shall transfer to Marana, by the appropriate Arizona Department of Water Resources form, those water rights being IGR, Type I or Type II for the Town providing designation of assured water supply and water service to the Rezoning Area. If Type I or Type II is needed on the Rezoning Area, the Town and the Property Owners shall arrive at an agreeable solution to the use of those water rights appurtenant to the affected portion of the Rezoning Area.
12. Prior to the issuance of any grading permits, the Property Owners shall submit evidence to the Town that all federal permit requirements have been met through the Corps of Engineers and the State Historic Preservation Office, if federal permits are required for the development of the Rezoning Area.
13. A 100% clearance survey for the desert tortoise shall be completed by a qualified biologist at the Property Owners' expense and a survey report shall be submitted to the Town and to the Arizona Game and Fish Department (AZGFD) prior to issuance of any grading permits. If a desert tortoise is found during the survey or at any time during construction, the Property Owners shall immediately notify the Town and AZGFD, and the tortoise shall be moved in accordance with the most current *AZGFD Tortoise Handling Guidelines* at the Property Owners' expense.
14. The Property Owners shall not cause any lot split of any kind without the written consent of the Town of Marana.
15. Within 60 days after the adoption of this ordinance, the Property Owners shall provide the Planning Department with two bound copies and two electronic CD copies in PDF format (including graphics of the conceptual land use plan in JPEG or other suitable format) of the Tortolita Ridge Rezoning.
16. Before a certificate of occupancy can be issued for any dwelling unit on the Rezoning Area, the Property Owners shall have completed or shall provide evidence to the Town's satisfaction that the Property Owners have made a diligent effort to complete the process of having Pima County Assessor parcel number 218-44-022H into the Northwest Fire District.
17. The Property Owners shall enter into a written agreement addressing the funding, design and construction of off-site and on-site sewers to accommodate flow-through from any properties adjacent and up-gradient to the Rezoning Area that do not have adequate access to Pima County's public sewer system, in the manner specified at the time of review of the tentative plat, development plan, preliminary sewer layout, sewer construction plan or request for building permit.
18. The Property Owners shall submit final covenants, conditions, and restrictions for the Rezoning Area for Town review and approval prior to the Town Council consideration of the final plat.
19. The conditions, covenants, and restrictions governing the project must include a provision stating that all natural undisturbed open space shall be left entirely undisturbed and in their natural desert state, except for utility installations, constructed drainage ways and road

crossings, which shall be revegetated with native species similar to those found in the surrounding area.

20. Lots 1-14, 26-28, 33, and 34 as designated on the conceptual land use plan shall be restricted to single story homes.
21. The Property Owners shall construct a park area containing a ramada, picnic benches, barbeque pit, and grassy area prior to approval of the 34th building permit on the Rezoning Area.
22. The Property Owners shall construct a 20-foot-wide emergency access drive with a stabilized surface capable of supporting fire apparatus prior to the issuance of the 17th certificate of occupancy on the Rezoning Area.
23. The perimeter wall design shall be included as part of the subdivision landscaping plan to be reviewed and approved by the Town planning staff. The final design shall be complementary to both the built and natural environment of the surrounding area.

Section 5. All ordinances, resolutions and motions and parts of ordinances, resolutions, and motions of the Marana Town Council in conflict with the provisions of this ordinance are hereby repealed, effective as of the effective date of this ordinance.

Section 6. If any section, subsection, sentence, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 18th day of December, 2018.

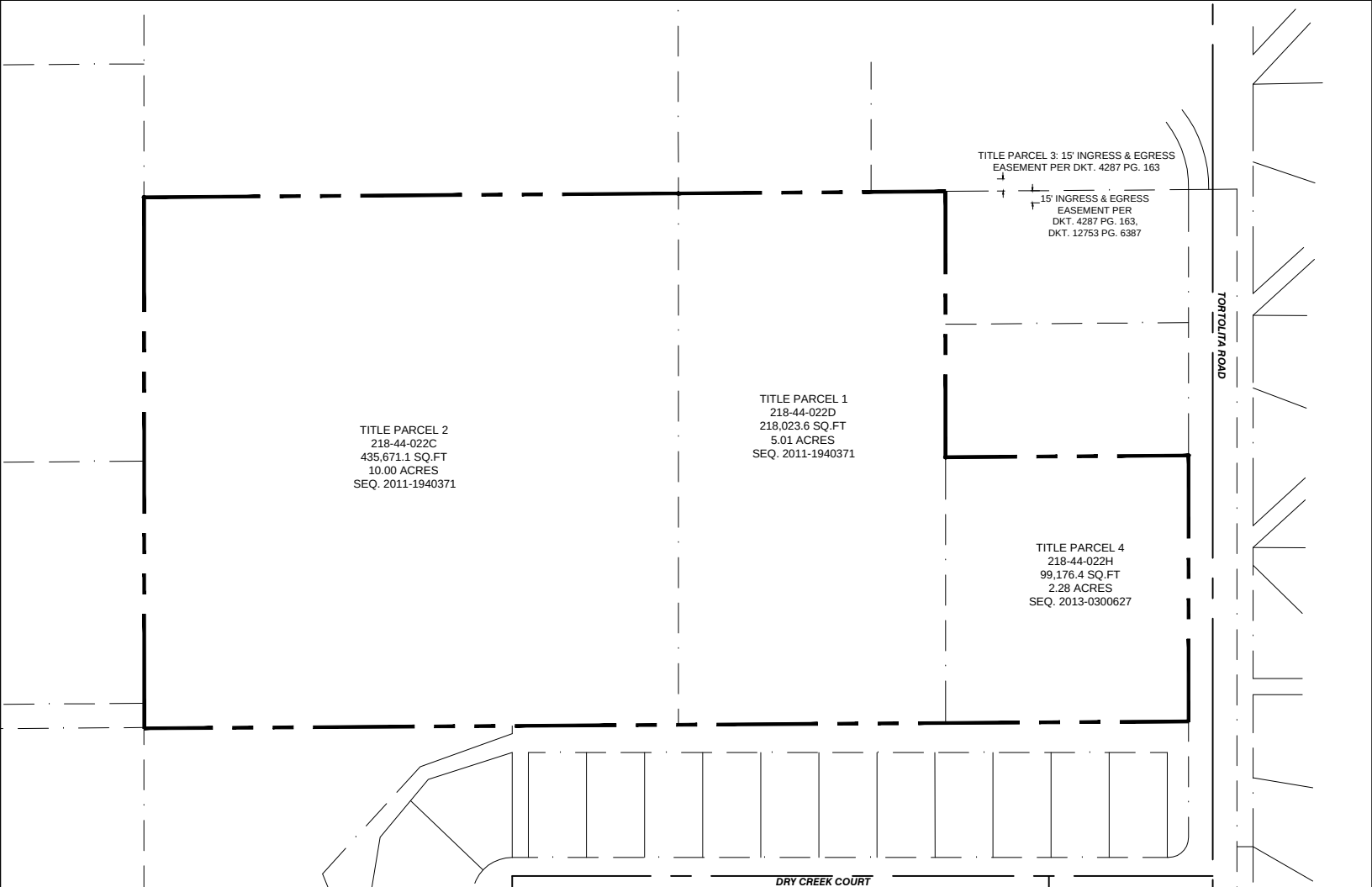
Mayor Ed Honea

ATTEST:

APPROVED AS TO FORM:

Hilary H. Hiser, Interim Town Clerk

Frank Cassidy, Town Attorney



Legend

- PROPERTY BOUNDARY
- PARCELS



EXHIBIT A – LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Pima, State of Arizona, and is described as follows:

Parcel 1:

The West half of the Southeast quarter of the Northeast quarter of the Northeast quarter of Section 26, Township 11 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

(JV Arb 129)

Parcel 2:

The West half of the South half of the Northeast quarter of the Northeast quarter of Section 26, Township 11 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

(JV Arb 130)

Parcel 3:

Easement for ingress and egress over the South 15 feet of the Northeast quarter of the Northeast quarter of the Northeast quarter of Section 26, Township 11 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

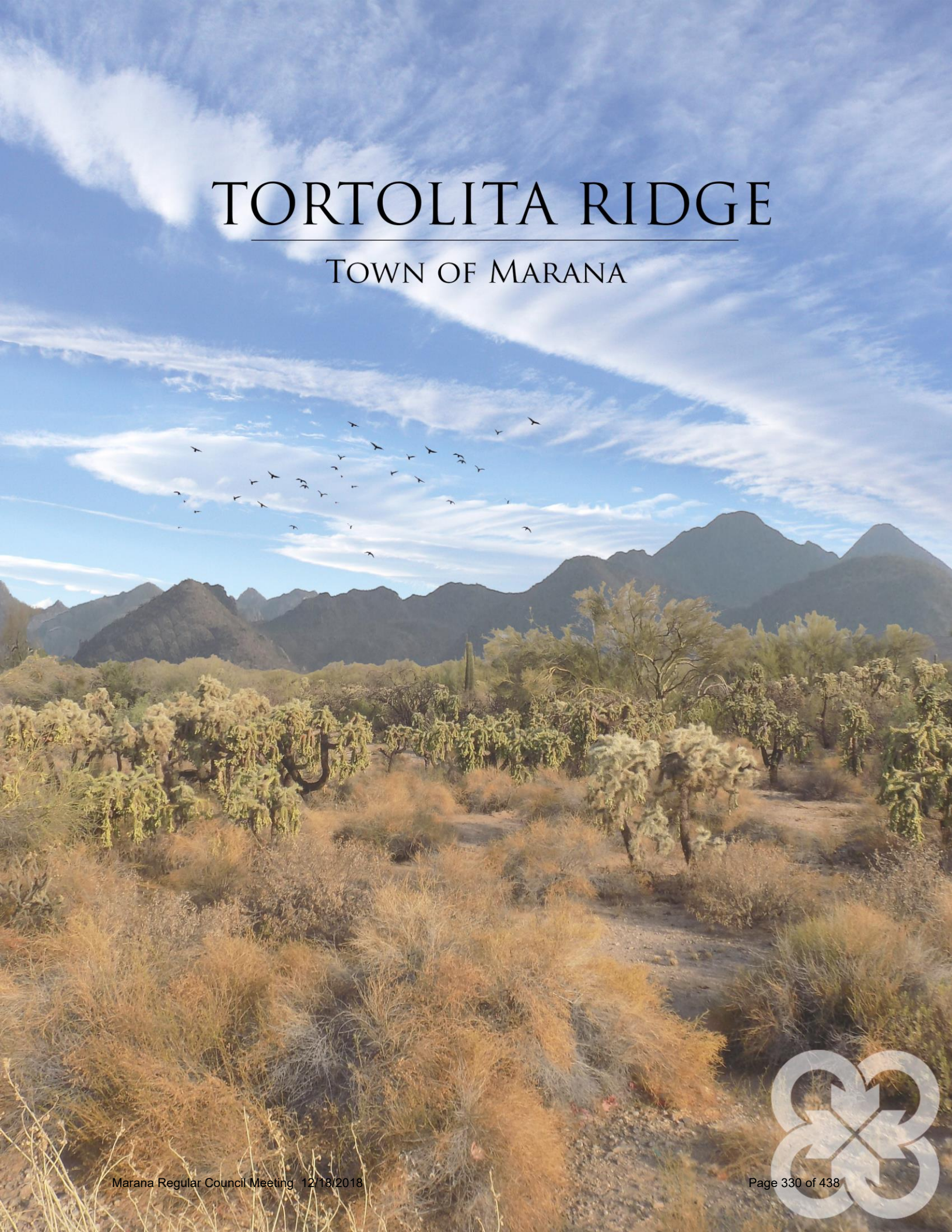
Parcel 4:

The South half of the East half of the East half of the South half of the Northeast quarter of the Northeast quarter of Section 26, Township 11 South, Range 12 East, Gila and Salt River Base and Meridian, Pima County, Arizona.

EXCEPT the East 30 feet thereof as conveyed to the Town of Marana by Deed recorded in Docket 10474 at page 509.

TORTOLITA RIDGE

TOWN OF MARANA



Tortolita Ridge Rezone

Marana, Arizona

Submitted to:

Town of Marana

Planning Department
11555 West Civic Center Drive
Marana, Arizona 85653

Prepared for:

D.R. Horton, Inc.

3580 West Ina Road, Suite 100
Tucson, Arizona 85741
Telephone: (480)-483-0006

Prepared by:

The Planning Center

2 E. Congress Street, Suite 600
Tucson, Arizona 85701
Telephone: (520) 623-6146

With assistance from:

Greg Carlson Engineering, LLC

1521 East Broadway Boulevard
Tucson, Arizona 85719
Telephone: (520) 624-0070

PCZ1806-001

November 2018



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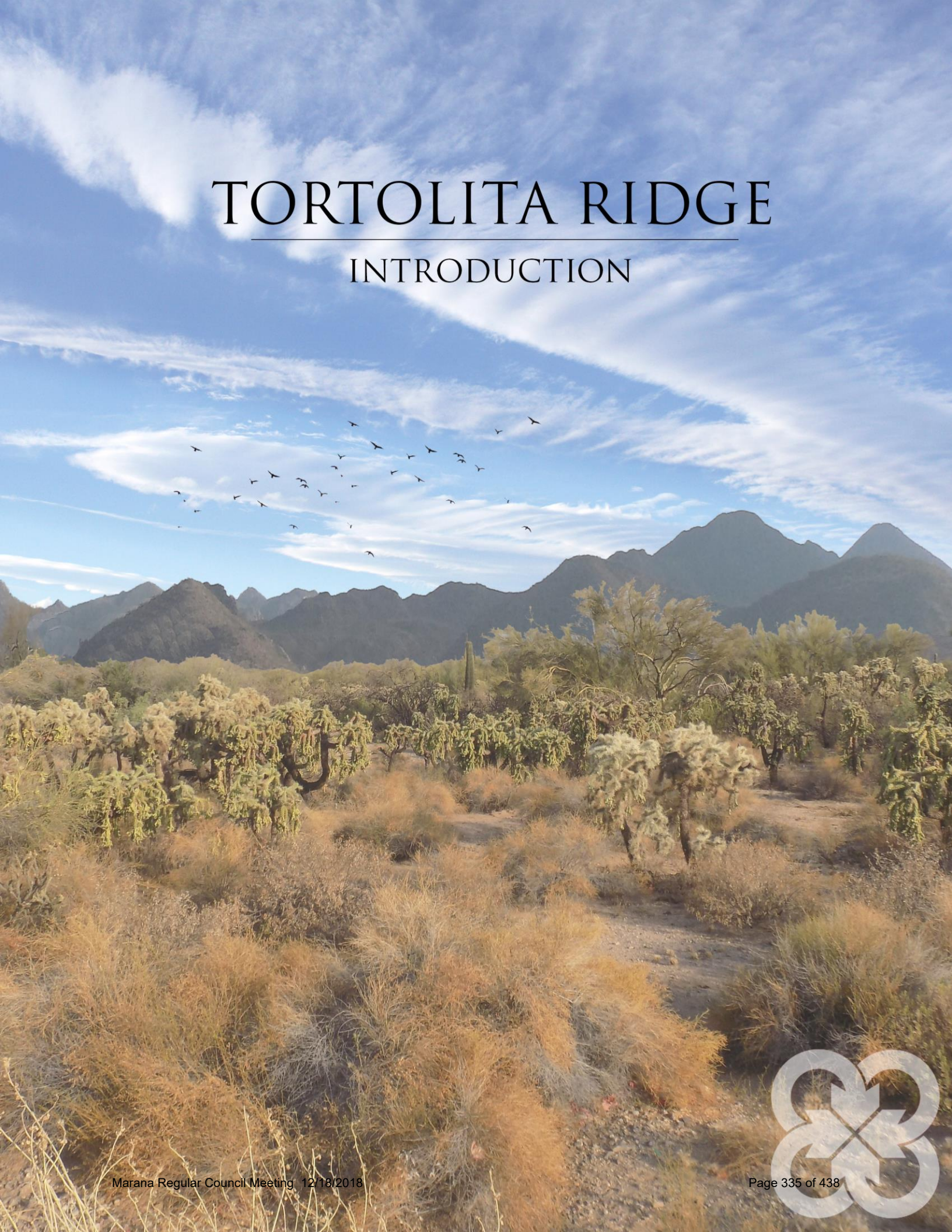


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TORTOLITA RIDGE

INTRODUCTION



A. Introduction

1. Anticipated Benefits to the Community

The proposed rezoning is for a $\pm$ 17.3-acre property located along Tortolita Road, approximately one-mile north of the intersection of Tortolita Road and Moore Road in the Town of Marana. This request is for the development of thirty-four (34) detached single-family homes. Given the current vacancy of the Dove Mountain Retail Center and the anticipated commercial pads along Tangerine Road and Twin Peaks, the goal of the proposed rezoning is to expand the current housing options as a means of stimulating the economic vitality of the area.

The proposed rezoning anticipates setting aside over 50% of the property as open space resulting in minimal disturbance to the environmentally sensitive features of the site. The proposed open space will provide passive recreational opportunities for the future residents and surrounding community as well as facilitate wildlife movement through the site. Moreover, the site will feature a retention and detention basin to minimize off-site drainage impacts.

2. Adherence to Town Plans

The Tortolita Ridge rezoning is designed in accordance with the Town of Marana's General Plan and the Town's Strategic Plan. The request is for approximately 17.3 acres of existing R-80 (Single Family Residential) and C (Large Lot Zone) land to be rezoned to R-8 (Single Family Residential). This rezoning will accommodate approximately thirty-four (34) single-family detached residences. According to the Town of Marana General Plan Future Land Use Map, the subject property is designated as Rural Density Residential (RDR). Given that the proposed rezoning exceeds the allowable density of the RDR land use designation, a minor General Plan amendment will be processed concurrently to re-designate the subject property as Low Density Residential (LDR). Upon approval of the minor plan amendment, the proposed development will comply with the allowable density of the LDR land use designation.

The subject site is also located within the Northeast Growth Area. The Northeast Growth Area typically has significant environmentally challenging areas that constrain development. The proposed rezoning responds to those constraints by preserving the environmentally sensitive areas found on the western portion of the site while configuring residential lots on the eastern portion of the property. The intent of this clustered configuration is to minimize land disturbance and protect the natural drainage ways and vegetation on-site. The Town's Draft Habitat Conservation Plan (HCP) designates the entire rezoning area as Zone 2 (20% developable, 80% NUOS). However, the proposed open space is similar to that of recently entitled properties in Zone 2 as well as nearby subdivisions such as Tortolita Reserve, which is located immediately adjacent to the south boundary.



The Tortolita Ridge rezoning adheres to the Town of Marana's Strategic Plan by supporting commerce through the creation of construction jobs and revenues from construction/consumer sales tax and development service fees. Additionally, the proposed rezoning will facilitate community growth by supplementing the current housing stock. Moreover, the proposed rezoning strives to develop high-performing, cost-saving homes and incorporate sustainable and innovative building practices and materials.

3. Proposed Densities

The proposed rezoning includes 34 detached single-family residences with an anticipated density of 1.96 units per acre.

4. Impacts and Mitigation

Given the environmental and physical constraints presented on the proposed site, a variety of mitigation measures will be incorporated throughout the rezoning area to minimize any potential adverse impacts of the project. The proposed development includes setting aside over half of the site as a combination of revegetated open space and natural undisturbed open space (NUOS) as a means of preserving the natural drainageways and riparian vegetation while facilitating wildlife connectivity across the site. The areas designated as revegetated open space contains landscape buffers, potential park amenities and areas to be hydroseeded for vegetation regrowth. The developer of Tortolita Ridge will be responsible for installing the revegetation during construction. Upon project completion, it will be the responsibility of the established homeowners' association to maintain the revegetated open space areas. Approximately 15,000 square feet of the site will be dedicated for retention/detention basins to minimize any adverse impacts associated with impervious surface runoff. Additional stormwater mitigation measures and best practices will be encouraged to reduce the adverse impacts associated with the proposed development.

5. Anticipated Employment

While the subject proposal does not consist of uses that will provide long-term employment opportunities, it is anticipated that the subject proposal will provide short-term employment opportunities during the construction phases of the project.



TORTOLITA RIDGE

DEVELOPMENT CAPABILITY INVENTORY ANALYSIS



B. Development Capability Inventory Analysis

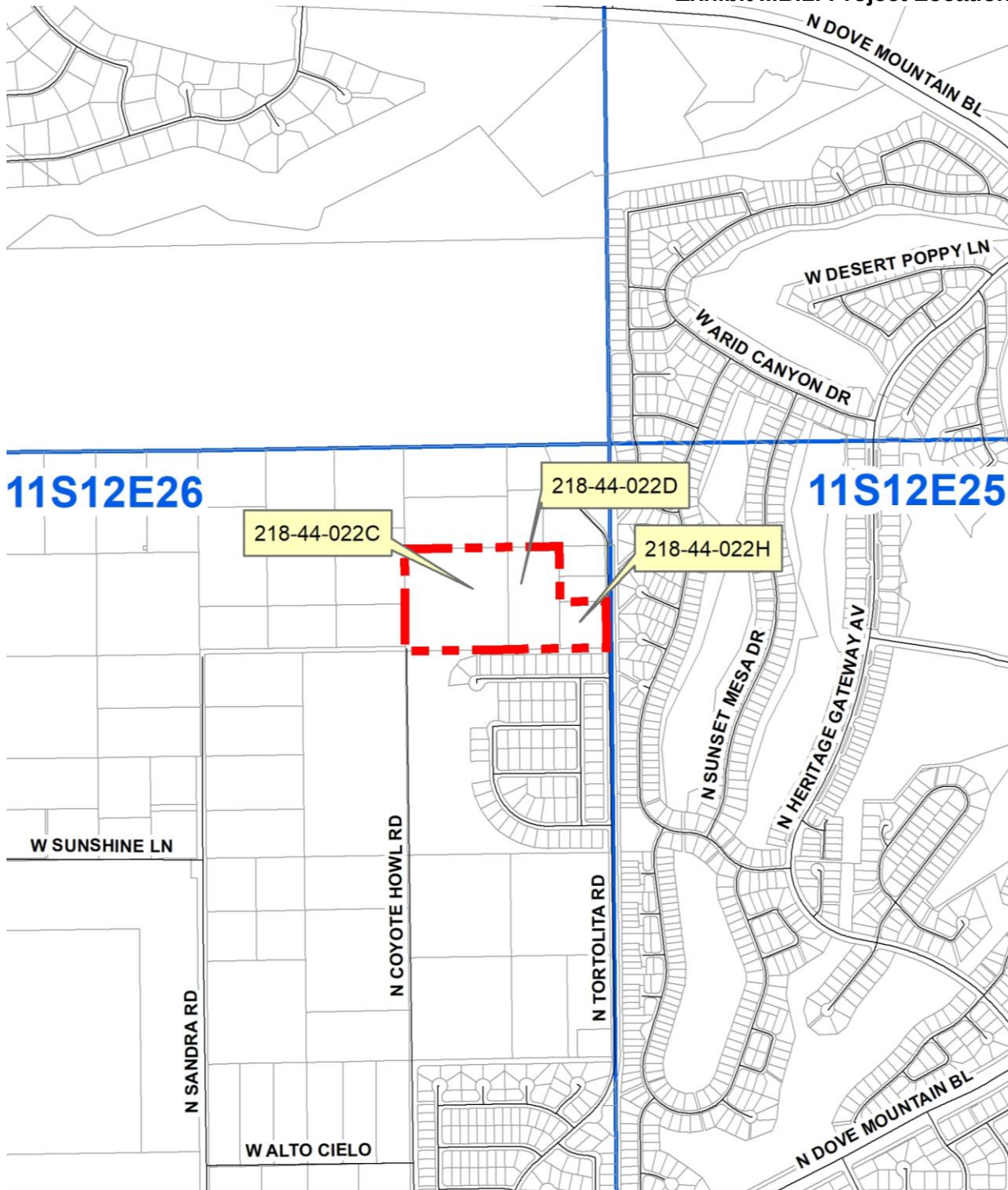
The primary purpose of the Development Capability Inventory Analysis is to identify the site's opportunities, constraints and various physical characteristics, which will provide a means whereby development is designed in a sensitive and responsive manner to the physical conditions of the site. Information for this section was compiled using a variety of sources, including site visits, topographic, hydrological, archaeological, and traffic analyses, as well as correspondence with Town staff and other reviewing agencies. The Development Capability Inventory Analysis follows the requirements outlined in the Town of Marana Land Development Code.

1. Site Location

The subject property being evaluated in this rezoning application is located within Township 11 South, Range 12 East and Section 27 of Pima County, Arizona. More specifically, the subject parcels are located on Tortolita Road less than one-mile north of the intersection of Dove Mountain Boulevard and Moore Road (refer to *Exhibit II.B.1: Project Location*). The site will consist of an assemblage of three contiguous parcels defined by Assessor's Parcel Numbers 218-44-022C, 218-44-022D and 218-44-022H, which total approximately 17.3 acres.



Exhibit II.B.1: Project Location



LEGEND

- Project Boundary
- Township, Range & Section

Notes:

Project Site is located at:
 Township 11S, Range 12E, and Section 26
 Acreage: 17.3 AC
 Parcel APNs: 218-44-022C, 218-44-022D, & 218-44-022H



FILE NAME: location_6x8.mxd
 SOURCE: Pima County GIS, 2016



2. Existing Uses On-site

The site is currently vacant with no existing structures on-site (refer to *Exhibit II.B.2: Existing On-site Land Uses.*). Parcels identified by APNs 218-44-022C and 218-44-022D are currently zoned as “R-80,” Single-Family Residential while the parcel identified as 218-44-022H is zoned as “C,” Large Lot Zone (refer to *Exhibit II.B.3.a: Existing Zoning*).

The Town of Marana General Plan designates the subject property as Rural Density Residential (RDR). A minor amendment to the General Plan will be processed concurrently with the rezoning application to re-designate the subject parcel as Low Density Residential (LDR). See *Exhibit II.B.4: General Plan Designations*.



Exhibit II.B.2: Existing On-Site Land Uses



LEGEND

- Project Boundary
- Parcels
- Washes



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SOURCE: Pima County GIS, 2016



3. Property Information within One-Quarter Mile of the Site

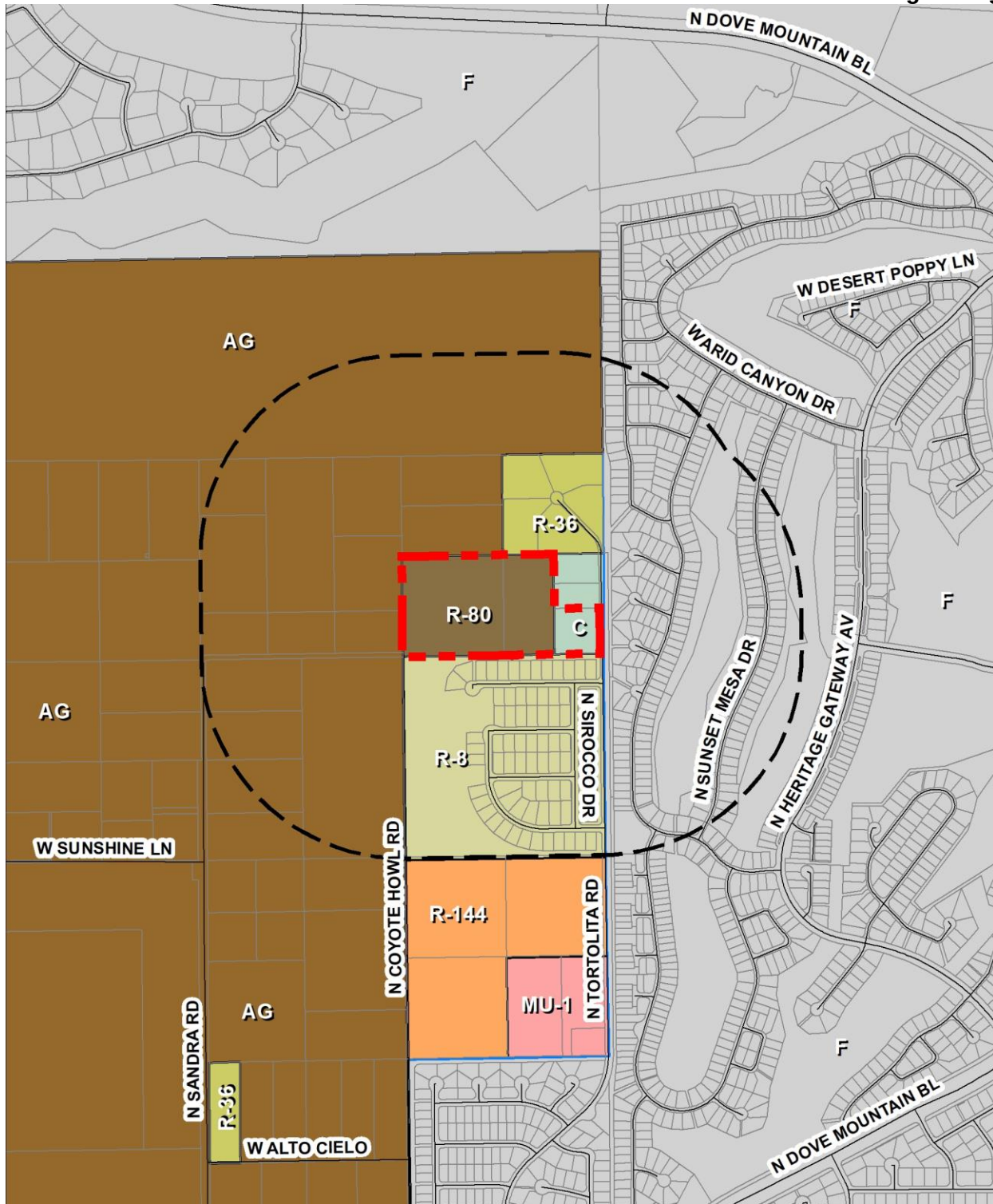
a. Existing Zoning

The zoning designations of surrounding properties, as depicted in *Exhibit II.B.3.a: Existing Zoning* are as follows:

North: AG (Agriculture) and R-36 (Single Family Residential)
South: R-8 (Single Family Residential) and R-144 (Single Family Residential)
East: C (Large Lot Zone) and F (Dove Mountain Specific Plan)
West: AG (Agriculture)



Exhibit II.B.3.a: Existing Zoning



LEGEND

- Project Boundary
- 1/4 Mile Radius
- Parcels

Town of Marana Zoning

- | | |
|---|--|
| F | AG |
| C | MU-1 |
| R-36 | R-8 |
| R-144 | R-80 |



0' 500' 1000'

FILE NAME: zoning_6x8.mxd
SOURCE: Pima County GIS, 2016



b. General Plan Land Use

The 2010 Town of Marana General Plan Future Land Use Map indicates the site is designated as Rural Density Residential. A minor amendment to the General Plan Future Land Use Map will be processed concurrently with this rezoning application to designate the subject property as Low Density Residential (LDR). The surrounding general plan designations within one-quarter mile of the site, as depicted in *Exhibit II.B.3.b: General Plan Designations*, are as follows:

North: Rural Density Residential and Public Preserve

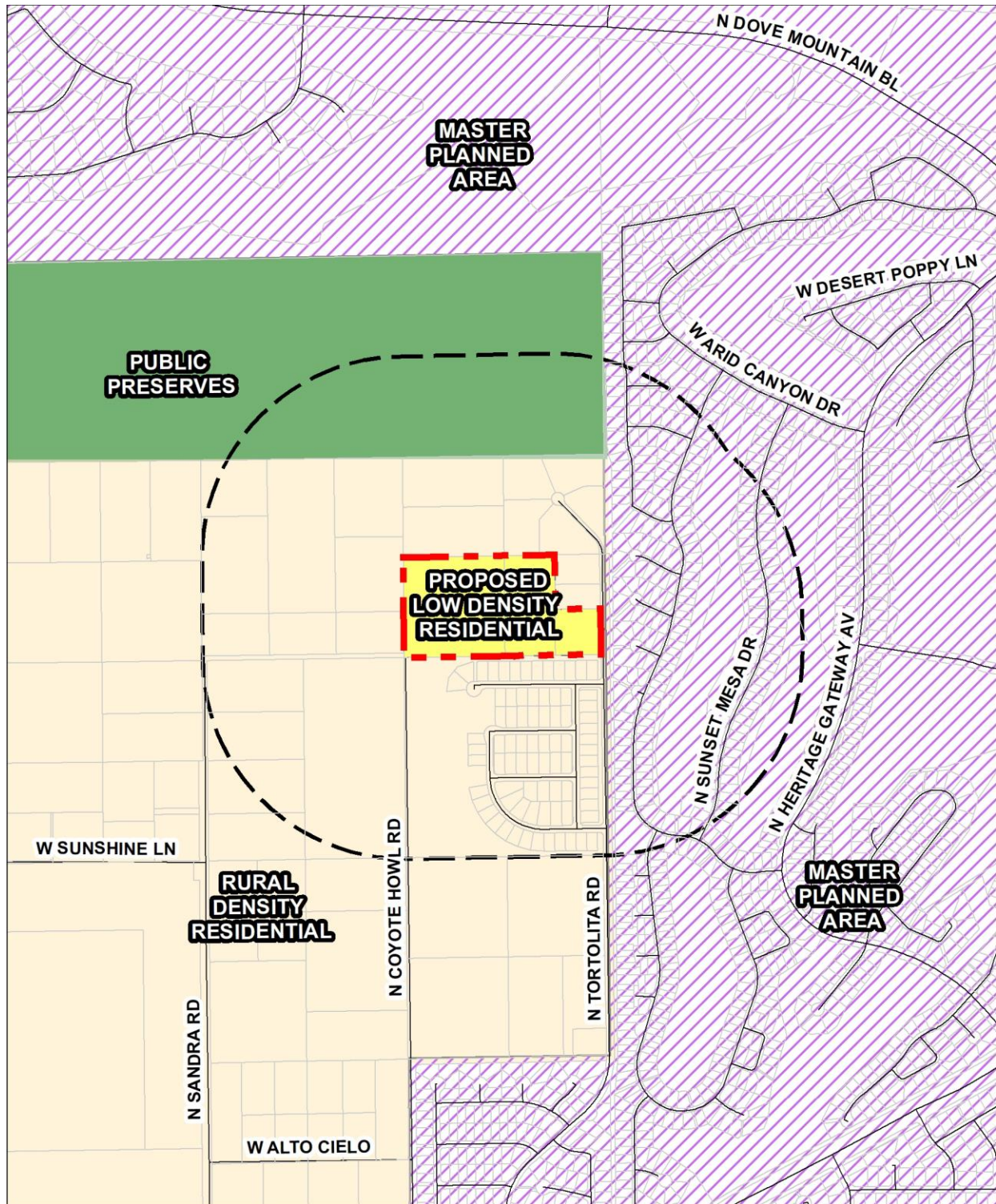
South: Rural Density Residential

East: Master Plan Area

West: Rural Density Residential



Exhibit II.B.3.b: General Plan Designations



LEGEND

- Project Boundary
- 1/4 Mile Radius
- Parcels

General Plan Land Use Designations

- Master Planned Area
- Rural Density Residential
- Low Density Residential
- Public Preserves



FILE NAME: genplan_6x8.mxd
SOURCE: Pima County GIS, 2016



c. Existing Surrounding Land Uses

The land uses of surrounding properties within one-quarter mile, as depicted in *Exhibit II.B.3.c: Existing Land Uses* are as follows:

North: Hidden Springs Subdivision (Single Family Residential), Vacant Land, and Public Preserve (Tortolita Preserve)

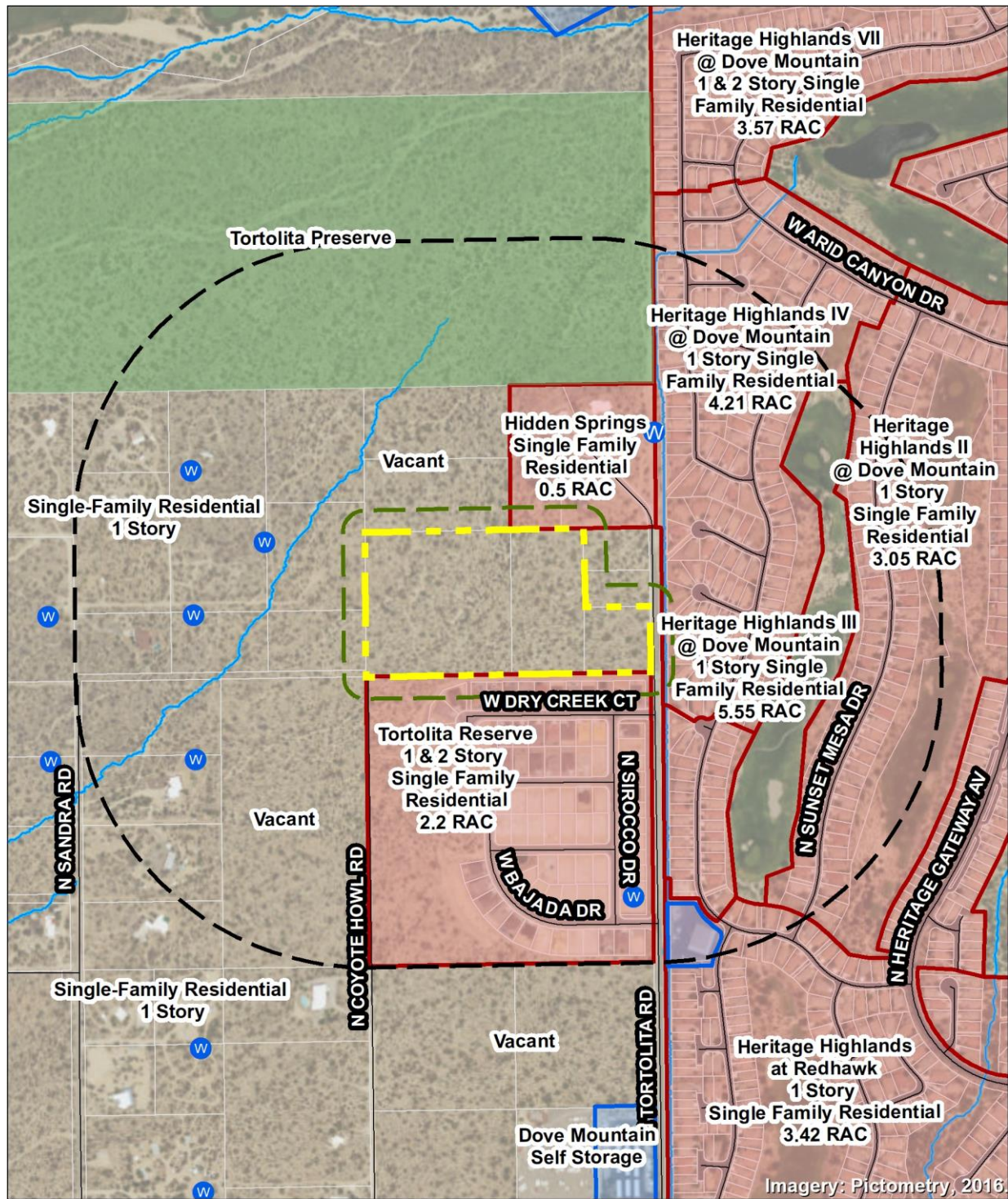
South: Tortolita Reserve Subdivision (Single Family Residential)

East: Dove Mountain Specific Plan (Single Family Residential and Golf Course)

West: Vacant Land, Large Lot Single Family Residential



Exhibit II.B.3.c: Existing Surrounding Land Uses

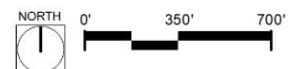


LEGEND

- Project Boundary
- 1/4-Mile Radius
- 100-Foot Radius
- Parcels

- Approved Subdivision Plat
- Approved Development Plan

- Washes
- W Wells



FILE NAME: ex_cond_6x8.mxd
SOURCE: Pima County GIS, 2016



d. Number of Stories of Existing Structures

There are no existing structures on the site. There are one-story single-family residences located north of the site in the Hidden Springs subdivision and adjacent to the southern boundary are one- and two-story single-family residences in the Tortolita Reserve subdivision. Across Tortolita Road, east of the subject property, are one -story single-family residences in the Heritage Highlands at Dove Mountain subdivision. The custom home on the property just north of parcel 218-44-022H is one-story in height.

e. Pending Rezoning

There are no pending rezonings of properties within one-quarter mile of the site.

f. Conditional Rezoning

There are no conditional rezonings of properties within one-quarter mile of the site.

g. Subdivision/Development Plans Approved

Approved development plans within a quarter-mile radius of the project site include the following:

- DPR96030 Heritage Highlands Maintenance Yard

Approved subdivisions within a quarter-mile radius of the project site are as follows:

- PRV-11033F Tortolita Reserve, Lots 1-79
- PRV-0002F Heritage Highlands III at Dove Mountain
- PRV-95-04 Heritage Highlands at Redhawk, Lots 1-392
- PRV-02036FP Heritage Highlands VI at Dove Mountain
- PRV-02096F Hidden Springs

h. Architectural Styles of Adjacent Development

Heritage Highlands and Tortolita Reserve represent the bulk of existing homes in the area and are more typical of conventional tract subdivision production-built single-family detached housing. Other existing homes in the area are rural custom-home type single-family residences with southwest and ranch architectural style.

4. Well Sites within 100 Feet of the Property

According to Pima County Geographic Information Systems and the Arizona Department of Water Resources (ADWR) registry, no wells are located on-site or within 100 feet of the site. See *Exhibit II.B.3.c: Existing Surrounding Land Uses*.



5. Topography

a. Description

The elevations on the property range from approximately 2,758 feet in the northeast corner of the property, to approximately 2,704 feet in the southwestern corner of the property. There are no named washes found on-site. Existing topography at two-foot contour intervals is shown on *Exhibit II.B.5: Topography and Slope*.

i. Hillside Conservation Areas

There are no restricted peaks or ridges on the site.

ii. Rock Outcrops

There are no rock outcrops located on the site.

iii. Slopes of 15% or Greater

The project slopes from the northeast to the southwest at a relatively consistent rate. There are minimal slopes that exceed 15% or greater found on the site. These are located in the northeastern corner of the property adjacent to the Hidden Springs subdivision.

iv. Other Significant Topographic Features

None.

v. Pre-Development Cross-Slope

The average cross-slope of the property is approximately 6.2%.

The pre-development cross slope calculation and values used are as follows:

$$\text{Cross-slope} = (I \times L \times 0.0023) / A$$

Where:

I = contour interval (2')

L = total length of contours (23,387.60)

0.0023 = conversion of "square feet" into "acres x 100"

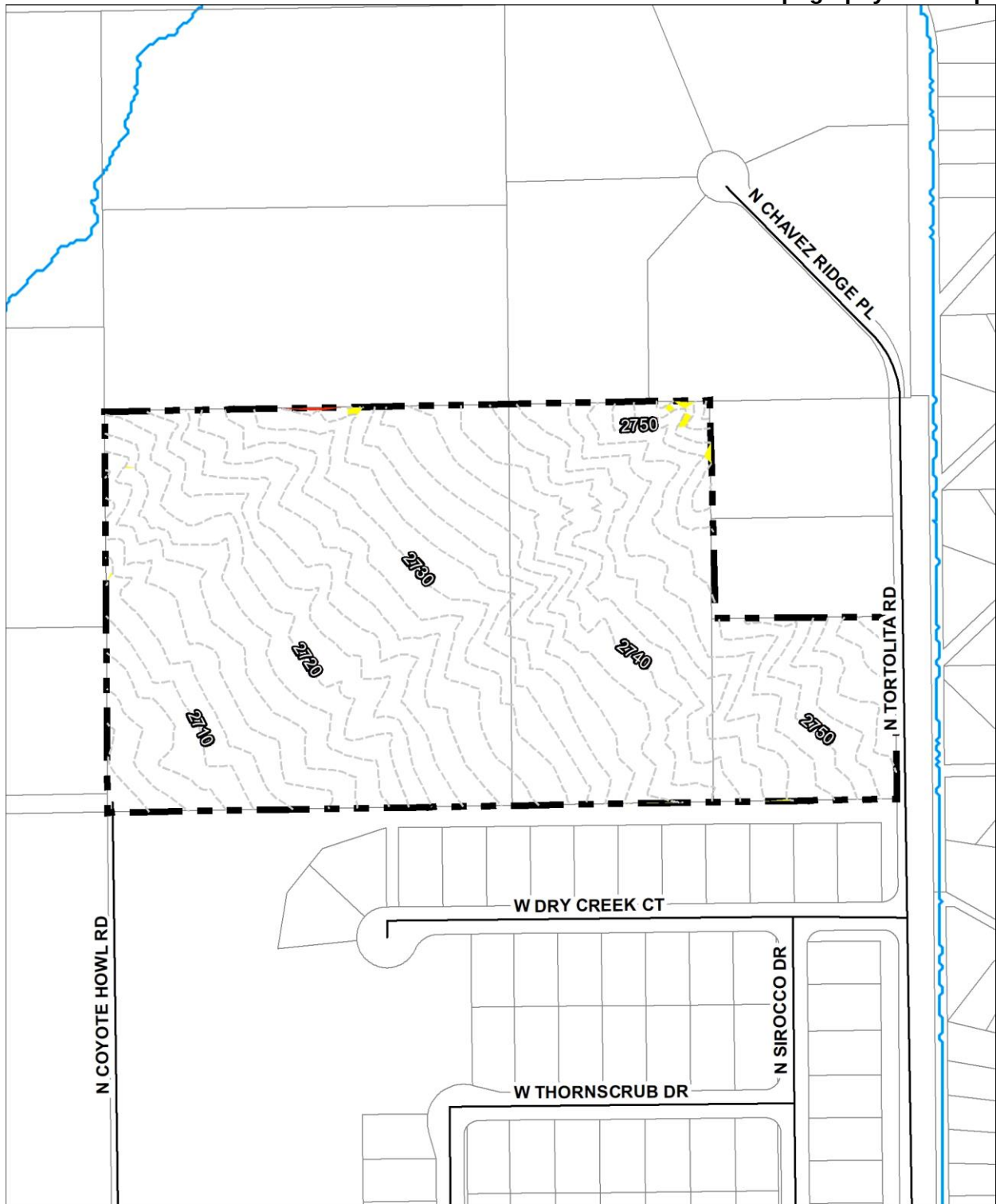
A = total site area in acres (17.3)

$$\text{Cross Slope} = \frac{2 \times 23,387.60 \times 0.0023}{17.3}$$

$$= \sim 6.2\%$$



Exhibit II.B.3.c: Topography and Slope



LEGEND

-  Project Boundary
-  Parcels
-  2' Elevation Contours
-  Washes
-  15-25% Slopes
-  Greater than 25% Slopes



FILE NAME: topo_6x8.mxd
SOURCE: Pima County GIS, 2016



6. Pre-Development Hydrology and Water Resources

This portion of the rezoning document includes predevelopment on-site and off-site hydrologic characteristics and water resources. Greg Carlson Engineering, LLC conducted a preliminary drainage assessment for the project site.

Off-site Watersheds

Tortolita Ridge is located within the Tortolita Fan watershed which is designated as a Critical Basin. The subject parcels are not included in a FEMA Flood Hazard Zone, as shown on *Exhibit II.B.6.a: Off-Site Watershed Map*. The local off-site watercourses are tributary to the Ruelas Canyon Wash and are depicted on *Exhibit II.B.6.a*.

Off-site Features

Flood control structures were installed as part of the development of the adjacent subdivisions. The Heritage Highlands VI subdivision located along the east side of Tortolita Road installed a concrete lined collector channel, which flows south, parallel to the east right-of-way of Tortolita Road, which intercepts any historic drainage that would have passed over Tortolita Road and onto the site.

The Tortolita Reserve subdivision along the southern boundary of the site constructed a rip-rap lined collector channel along its north property line to intercept off-site drainage originating from the project site and re-directs the off-site drainage to the west.

Pre-development On-site Hydrology

The Tortolita Ridge project site contains five (5) watersheds under existing conditions. The watershed delineations are shown on *Exhibit II.B.6.a: Off-Site Watershed Map* and *Exhibit II.B.6.b: Existing Conditions On-Site Watershed Map*.

i. Regulatory Washes

Only one wash, Watershed C, contributes flow over 50 cfs under existing conditions.

ii. Sheet Flooding Areas

The flow patterns for all of the washes are distributary, but no sheet flooding zones have been identified on the project site.

iii. Federally Mapped Floodways and Floodplains

There are no federally mapped floodways or floodplains located on the project site.

iv. Peak Discharges

Only one wash, Watershed C, contributes flow over 50 cfs under existing conditions. The hydrologic data for the five watersheds, at the downstream concentration point are provided in *Table II.B: Existing Peak Discharges*.



Table II.B: Existing Peak Discharges

Watershed	Area (ac)	Soil	Q ₁₀₀ (cfs)	Q ₁₀ (cfs)	Q ₂ (cfs)
A	1.65	100% B	9.7	3.4	1
B	6.50	100% B	38	13	3.8
C	13.00	100% B	74	26	7.4
D	4.65	100% B	28	9.9	2.8
E	4.24	100% B	25	8.7	2.5

Existing condition flows for both upstream and downstream boundaries of the project are provided on *Exhibit II.B.6.b: Existing Conditions On-Site Watershed Map*.

v. *Existing Drainage Infrastructure Along Boundaries*

The existing drainage infrastructure constructed as part of the Heritage Highlands VI subdivision located east of the project site, intercepts a significant portion of the historic off-site flows. The existing collector channel along the south property line is designed to intercept the existing conditions flows from the proposed project. No drainage infrastructure currently exists on the site.

vi. *Perennial Surface Water*

There is no perennial surface water on the project site.

vii. *Erosion Hazard Setbacks*

An erosion hazard setback will be required for the regulatory wash associated with Wash C. The location of the erosion hazard setback shall be determined in the Drainage Reports during the platting process.



Exhibit II.B.6.a: Off-Site Watershed Map

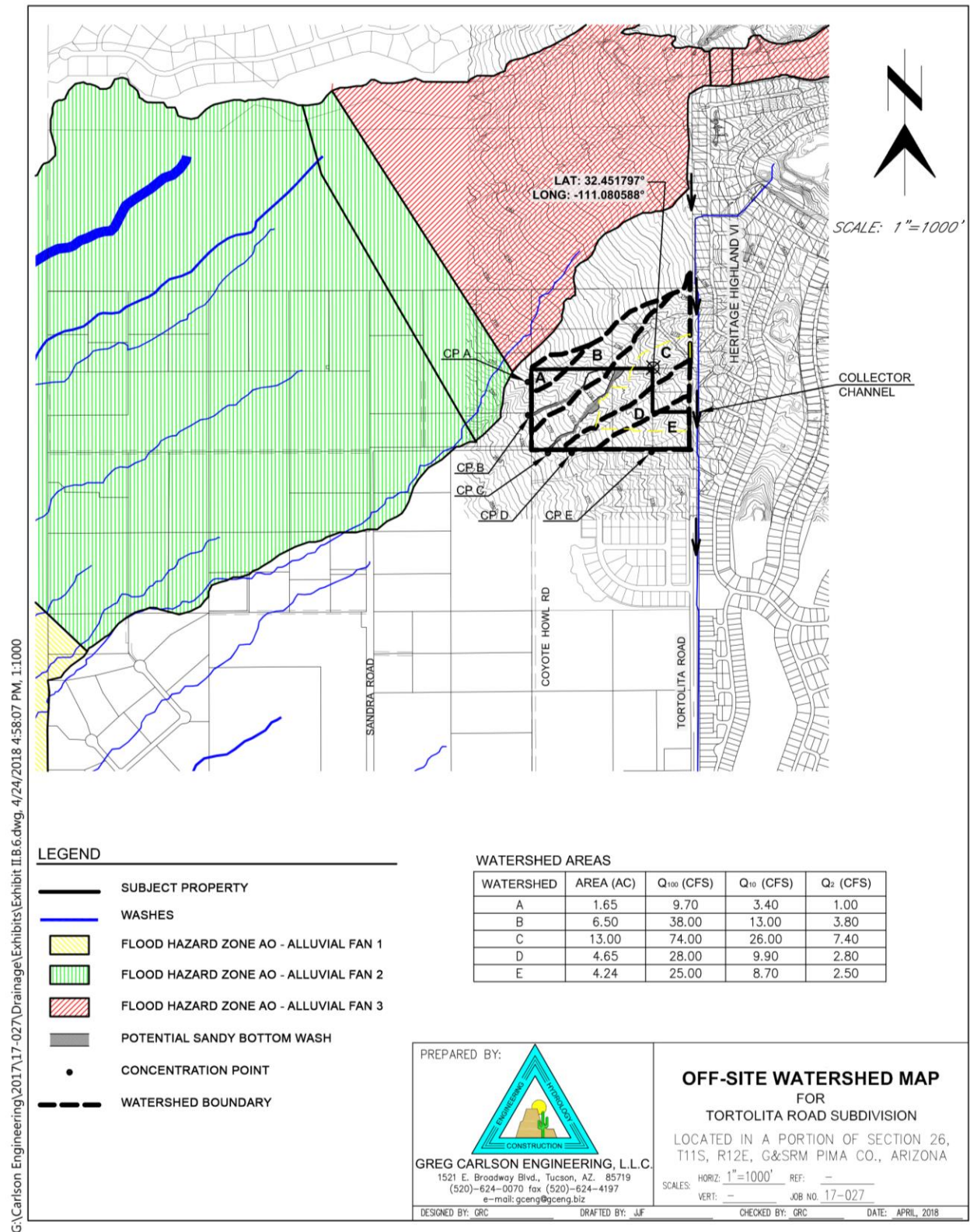
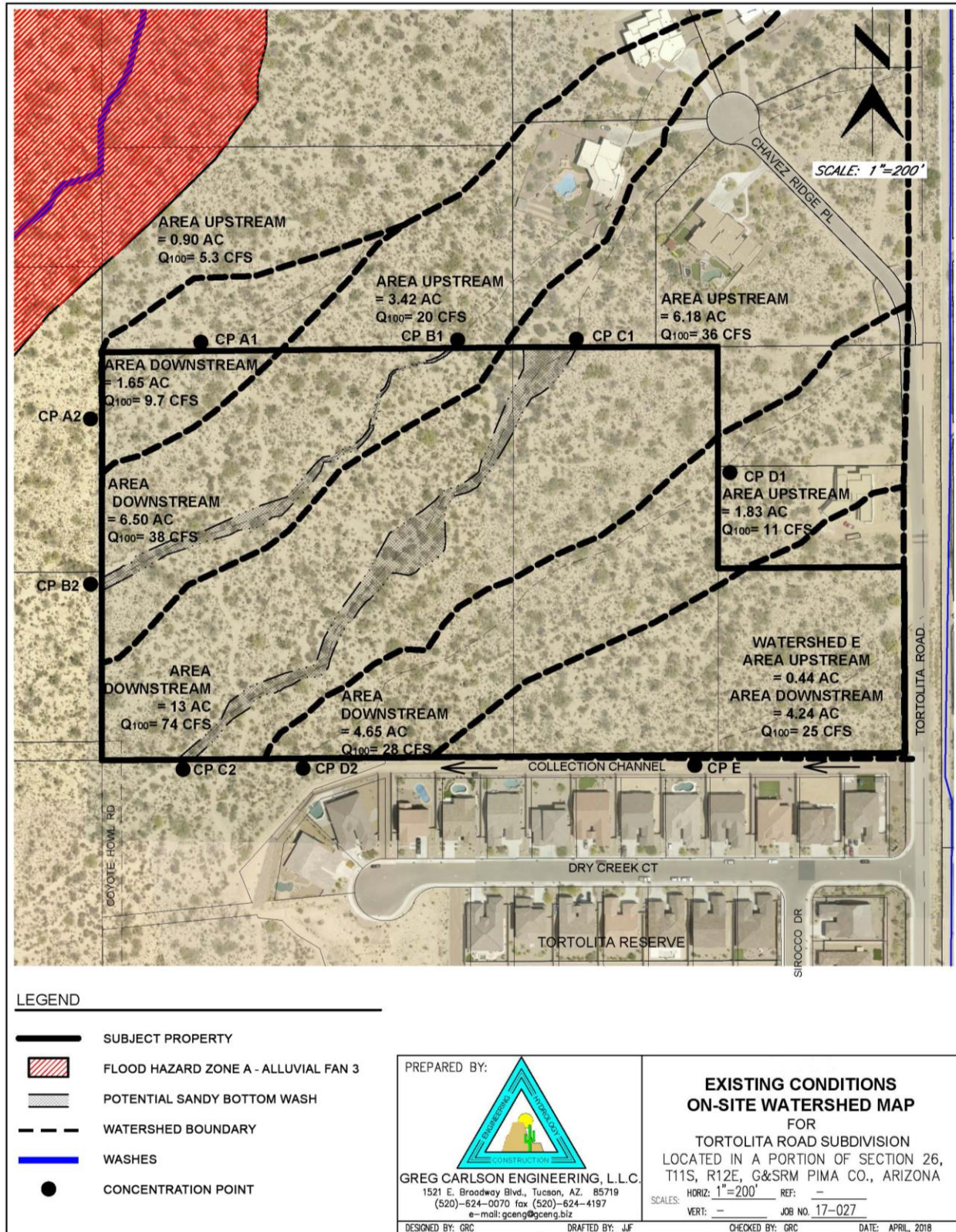


Exhibit II.B.6.b: Existing Conditions On-Site Watershed Map



7. Vegetation

a. Vegetative Communities and Associations On-Site

The project site is located in the Town of Marana, in Pima County, Arizona, and contains native vegetation that is typical of that found in the Sonoran Desert. The property occurs within the Arizona Upland subdivision of the Sonoran Desert Scrub biotic community (Brown and Lowe 1980¹). As shown on *Exhibit II.B.7.a: Vegetation Communities*, the existing on-site vegetation is categorized as Palo Verde – Mixed Cacti across the entirety of the site as well as having an Ironwood Special Element designation (Pima County GIS, 2015). The Ironwood Special Element designation was created through a mapping exercise commissioned by Pima Association of Governments in which generalized vegetation communities were mapped. The Ironwood Special Element designation suggests that significant ironwood populations may be present on a site and should be preserved accordingly. A site visit in June 2017 revealed that there are no significant populations of Ironwoods found on the property.

The site visit also revealed that the site's vegetation is dominated by large stands of Chain Fruit Cholla (*Opuntia Fulgida*). The remainder of the vegetation is comprised of shrubs consistent with Sonoran Desert Scrub, such as Creosote and Brittlebush, interspersed with Foothills Palo Verdes, Ironwoods, and the occasional Mesquite. Most trees observed on-site were in poor health, which was evident by mistletoe infections, dead and/or dying limbs, and insect infestations. The vegetation, while dense, is in a poor state of health.

Table II.B.7.a: Species list of plant species observed on site.

SCIENTIFIC NAME	COMMON NAME
<i>Ambrosia Deltoidea</i>	Triangle-Leaf Bursage
<i>Carnegiea Gigantea</i>	Saguaro Cactus
<i>Celtis Palida</i>	Hackberry Bush
<i>Echinocereus</i> sp.	Hedgehog Cactus
<i>Encelia Ferinosa</i>	Brittlebush
<i>Ferocactus Wislizenii</i>	Barrel Cactus
<i>Fouquieria Splendens</i>	Ocotillo
<i>Larrea Tridentata</i>	Creosote Bush
<i>Olneya Tesota</i>	Ironwood Tree
<i>Opuntia Engelmannii</i>	Prickly Pear Cactus
<i>Opuntia Fulgida</i>	Chain Fruit Cholla
<i>Opuntia Versicolor</i>	Staghorn Cholla
<i>Parkinsonia Microphylla</i>	Foothills Palo Verde



<i>Parkinsonia Florida</i>	Blue Palo Verde
<i>Prosopis Velutina</i>	Velvet Mesquite
<i>Senegalia Greggii</i>	Catclaw Acacia
<i>Vachellia Constricta</i>	White Thorn Acacia

b. Significant Cacti and Groups of Trees & Federally Listed Threatened or Endangered Species

The saguaro population appears to have an indeterminate age structure, with few young plants throughout the site (See *Exhibit II.B.7.b: Site Resource Inventory*). There are three specimens found on-site that meet the criteria for significance; each have been identified on Exhibit II.B.7.b.

The U.S. Fish and Wildlife Service (USFWS) identifies six plant species in Pima County that have protection under the Endangered Species Act (ESA) (Table II.E.3)². None of these species are expected to occur on the property.

Table II.B.7.b: USFWS List of Plant Species for Pima County

Common Name	Scientific Name	ESA Status
Plants		
Acuña Cactus	<i>Echinomastus Erectocentrus</i> Var. <i>Acunensis</i>	Proposed Endangered
Gooding's Onion	<i>Allium Gooddingii</i>	Conservation Agreement
Huachuca Water Umbel	<i>Lilaeopsis Schaffneriana</i> Ssp. <i>Recurva</i>	Endangered
Kearney's Blue Star	<i>Amsonia Kearneyana</i>)	Endangered
Pima Pineapple Cactus	<i>Coryphantha Scheeri</i> Var. <i>Robustispina</i>	Endangered
Nichol Turk's Head Cactus	<i>Echinocactus Horizontalonius</i> Var. <i>Nicholii</i>	Endangered

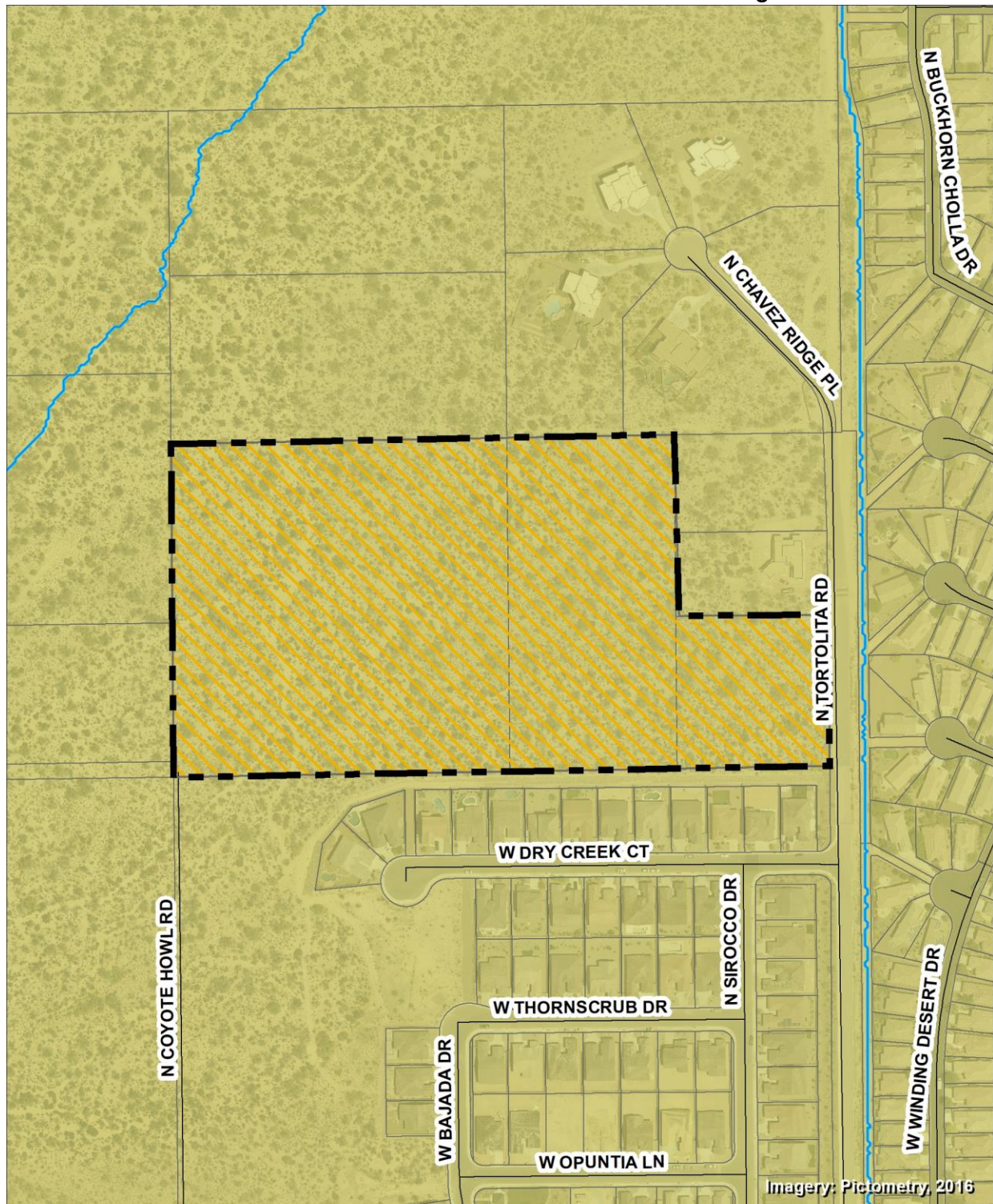
c. Vegetative Densities by Percentage of Plant Cover

Pima County GIS (2016) categorizes the upland, Palo Verde – Mixed Cactus vegetation on the property as medium density. According to 2016 Pima County GIS data, the Palo Verde – Mixed Cacti accounts for 17.3 acres.

² <http://www.fws.gov/southwest/es/arizona/Documents/CountyLists/Pima.pdf>



Exhibit II.B.7.a: Vegetation Communities



LEGEND		Vegetation	Pima County Special Elements
	Project Boundary		
	Parcels	Sonoran Desertscrub	Palo Verde/Mixed Cacti
	Washes		

Note: The entire site is classified as an Ironwood Special Element

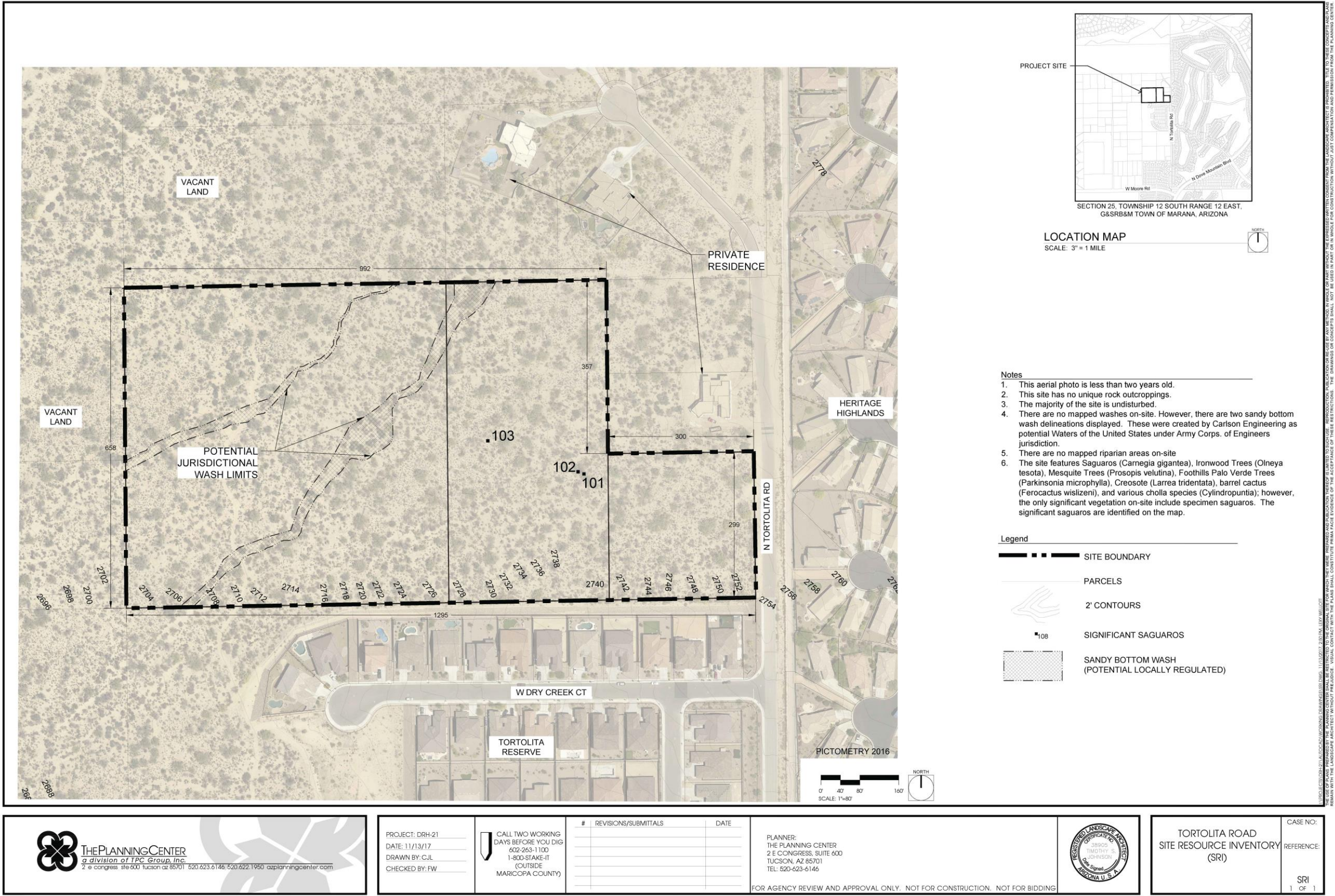
NORTH

0' 150' 300'

FILE NAME: vegetation_6x8
SOURCE: Pima County GIS, 2016



Exhibit II.B.7.b: Site Resource Inventory



8. Wildlife

a. Letter from Habitat Specialist

Arizona Game and Fish Department's (AZGFD) Heritage Data Management System was consulted via the On-line Environmental Review to locate records of endangered or threatened wildlife species that have occurred within three miles of the property. The summary page from the HDMS review has been included as *Exhibit: II.B.8: AGFD On-line Environmental Review*. The entire HDMS review document is included in the appendices of this rezoning document.

i. Presence of any Threatened or Endangered Species

The Sonoran Desert Tortoise (*Gopherus Morafkai*) is a candidate to be protected under the Endangered Species Act (ESA). The HDMS search found that the desert tortoise occurs within three miles of the property. The tortoise carries a sensitive (S) designation by the United States Forest Service (USFS). The species also is listed by the State as WSC (Wildlife of Special Concern.)

The Golden Eagle (*Aquila Crysaetos*) occurs within three miles of the project location and falls under the federal protection of the Bald and Golden Eagle Protection Act (16 U.S.C. 668(a); 50 CFR 22), which prohibits the taking of any Golden Eagle without a permit. The eagle also carries a sensitive (S) designation from the Bureau of Land Management (BLM).

The Cactus Ferruginous Pygmy-owl (*Glaucidium Brazilianum Cactorum*) has been identified by the HDMS as occurring within three miles of the project site. The owl carries a SC (species of concern) designation by the US Fish and Wildlife Service (USFWS), and listed as a sensitive species (S) by the USFWS and the BLM.

The Gila Monster (*Heloderma Suspectum*) has been identified by the HDMS as occurring within three miles of the project site. The Gila Monster is a Species of Greatest Conservation Need (SGCN) and is scored 1A for vulnerability.

ii. High Densities of given Species Population

As indicated by the HDMS review, there are no high densities of a given species located on the proposed site.

iii. Aquatic or Riparian Ecosystems

There are no Pima County Important Riparian Areas (IRA) located on-site.

iv. Wildlife corridor

The property has been identified by the HDMS as being within three miles of the Tucson – Tortolita – Santa Catalina Mountains Linkage Design wildlife corridor.



b. AGFD Wildlife Concerns

No concerns have been brought forth by the Arizona Game and Fish Department as a result of the proposed development. The proposed development will consider specific recommendations presented by the AGFD in regard to the design of the project as a means of maintaining wildlife connectivity and minimizing adverse impacts to wildlife.

c. Wildlife Crossings

There are no wildlife crossings in the vicinity of the project.



Exhibit II.B.8: AGFD Online Environmental Review

Arizona Game and Fish Department
Project ID: HGIS-05735

project_report_drh_21_tortolita_rd_rezonin_23657_24280.pdf
Review Date: 7/10/2017 02:07:30 PM

Special Status Species and Special Areas Documented within 3 Miles of Project Vicinity

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Aquila chrysaetos</i>	Golden Eagle	BGA		S		1B
<i>Glaucidium brasilianum cactorum</i>	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
<i>Gopherus morafkai</i>	Sonoran Desert Tortoise	CCA	S	S		1A
<i>Heloderma suspectum</i>	Gila Monster					1A
Tucson - Tortolita - Santa Catalina Mountains Linkage Design	Wildlife Corridor					

Note: Status code definitions can be found at <https://www.azgfd.com/wildlife/planning/wildlife-guidelines/status-definitions/>

Species of Greatest Conservation Need
Predicted within Project Vicinity based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Aix sponsa</i>	Wood Duck					1B
<i>Ammodramus savannarum perpallidus</i>	Western Grasshopper Sparrow					1B
<i>Ammospermophilus harrisi</i>	Harris' Antelope Squirrel					1B
<i>Anaxyrus retiformis</i>	Sonoran Green Toad			S		1B
<i>Anthus spragueii</i>	Sprague's Pipit	SC				1A
<i>Antrostomus ridgwayi</i>	Buff-collared Nighthawk		S			1B
<i>Aquila chrysaetos</i>	Golden Eagle			S		1B
<i>Aspidoscelis flagellicauda</i>	Gila Spotted Whiptail					1B
<i>Aspidoscelis stictogramma</i>	Giant Spotted Whiptail	SC	S			1B
<i>Athene cunicularia hypugaea</i>	Western Burrowing Owl	SC	S	S		1B
<i>Botaurus lentiginosus</i>	American Bittern					1B
<i>Buteo regalis</i>	Ferruginous Hawk	SC		S		1B
<i>Chilomeniscus stramineus</i>	Variable Sandsnake					1B
<i>Chionactis occipitalis klauberi</i>	Tucson Shovel-nosed Snake	SC				1A
<i>Colaptes chrysoides</i>	Gilded Flicker			S		1B
<i>Coluber bilineatus</i>	Sonoran Whipsnake					1B
<i>Corynorhinus townsendii pallescens</i>	Pale Townsend's Big-eared Bat	SC	S	S		1B
<i>Crotalus cerberus</i>	Arizona Black Rattlesnake					1B
<i>Crotalus tigris</i>	Tiger Rattlesnake					1B
<i>Cynanthus latirostris</i>	Broad-billed Hummingbird		S			1B
<i>Cyprinodon macularius</i>	Desert Pupfish	LE				1A
<i>Dipodomys spectabilis</i>	Banner-tailed Kangaroo Rat			S		1B
<i>Euderma maculatum</i>	Spotted Bat	SC	S	S		1B
<i>Eumops perotis californicus</i>	Greater Western Bonneted Bat	SC		S		1B
<i>Falco peregrinus anatum</i>	American Peregrine Falcon	SC	S	S		1A
<i>Glaucidium brasilianum cactorum</i>	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
<i>Glaucidium gnoma gnoma</i>	Mountain Pygmy-owl					1B

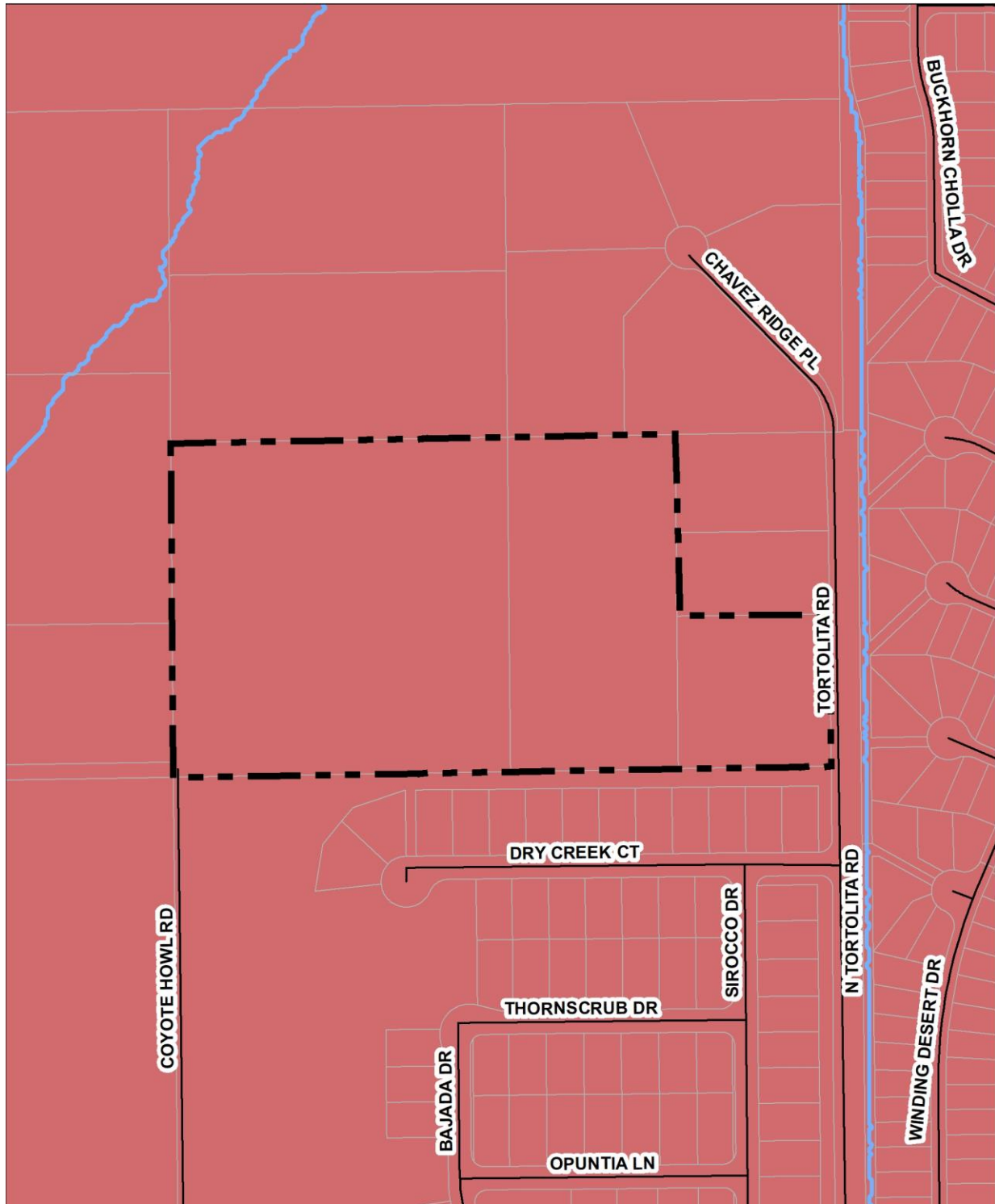


9. Soils and Geology

The Natural Resource Conservation Service (NRCS) classifies the subject property as “Hayhook-Sonoita.” This designation is typical of the Tortolita Fan area and is characterized by soils consisting of very deep, well-drained, and moderately rapidly permeable soils on fan terraces. The soils are formed in alluvium derived dominantly from granite, and consist of course sandy loam (refer to *Exhibit II.B.9: Soils*).



Exhibit II.B.9: Soils

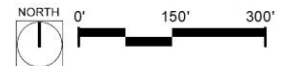


Legend

- Project Boundary
- Parcels
- Washes
- Roads

Soils

- Hayhook-Sonoita



FILE NAME: soils_6x8.mxd
SOURCE: Pima County GIS, 2016



10. Viewsheds

a. Viewshed Description

i. Views from Adjacent Areas

See *Exhibit II.B.10.a.1: Photo Key Map* and *Exhibit II.B.10.a.2: Site Photos*.

ii. Potentially Blocked Views

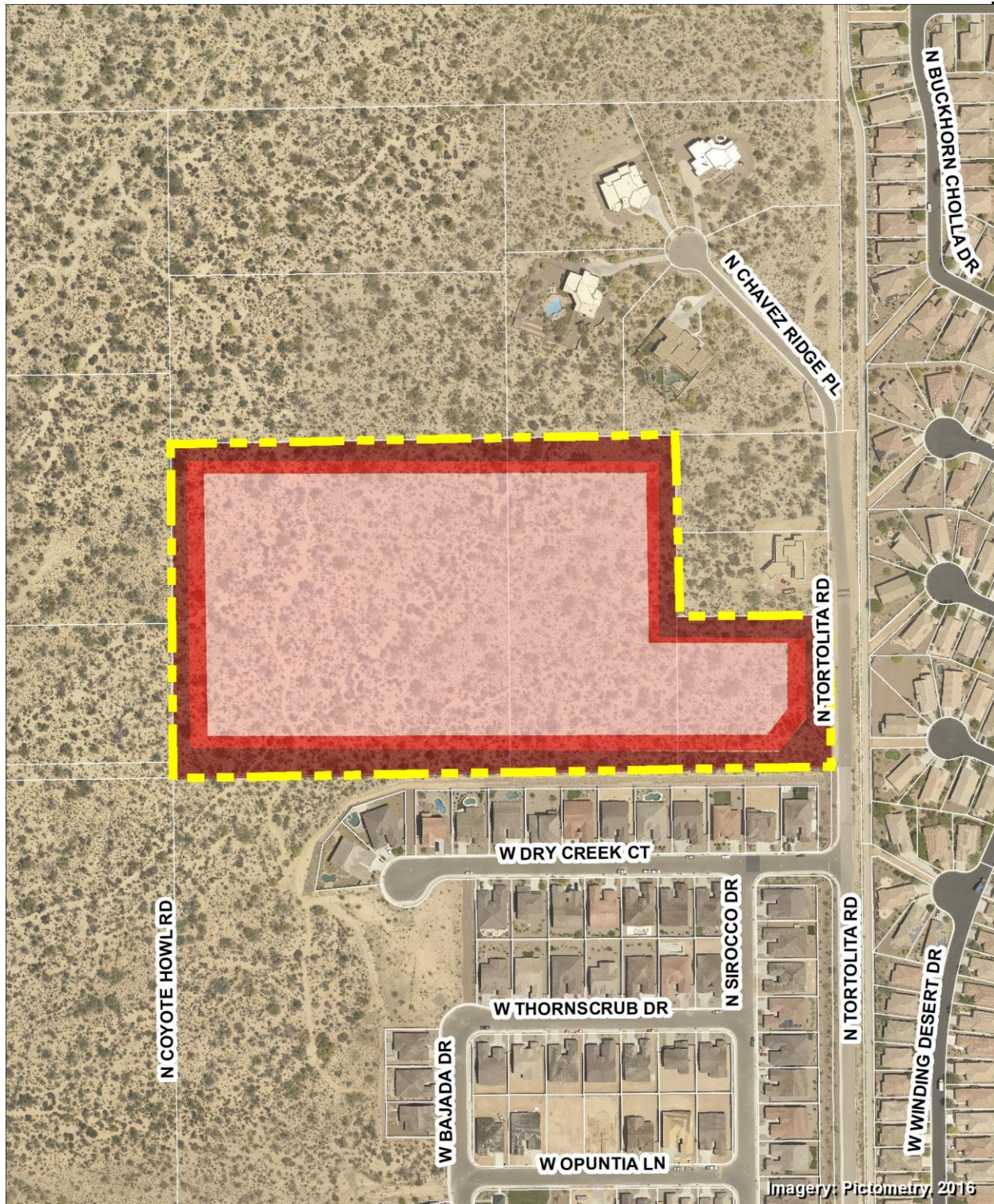
The property is bordered by the Tortolita Reserve subdivision on the south and the Hidden Springs subdivision on a portion of the northern boundary. Large lot single-family residences border the northeastern boundary of the site. By virtue of the existing topography of the site, which slopes from northeast to southwest, the proposed development will minimally impact the viewsheds of the Tortolita Mountains and other visual appealing amenities from the adjacent properties. Similarly, to the Tortolita Reserve subdivision, thoughtful home positioning on each lot may provide for some view corridors from the southern property boundary. The natural fall of the site will also aid in preserving views from the Tortolita Preserve.

iii. Areas of High Visibility

The areas of high, medium, and low visibility can be seen on *Exhibit II.B.2: Visibility*. The visibility of the site was determined during a site visit in June 2017 by viewing the site from a variety of off-site vantage points. Although the site slopes from northeast to southwest, the large lots and setbacks of the custom residential lots do not allow for views deep into the site. These areas and those next to Tortolita Road have been given the highest visibility ratings. Views from the south have been given a medium visibility rating. Views from the adjacent vacant land to the west and northwest have been rated as low visibility.



Exhibit II.B.10: Site Visibility



LEGEND

- | | | | |
|---|------------------|---|-------------------|
|  | PROJECT BOUNDARY |  | LOW VISIBILITY |
|  | PARCELS |  | MEDIUM VISIBILITY |
| | |  | HIGH VISIBILITY |

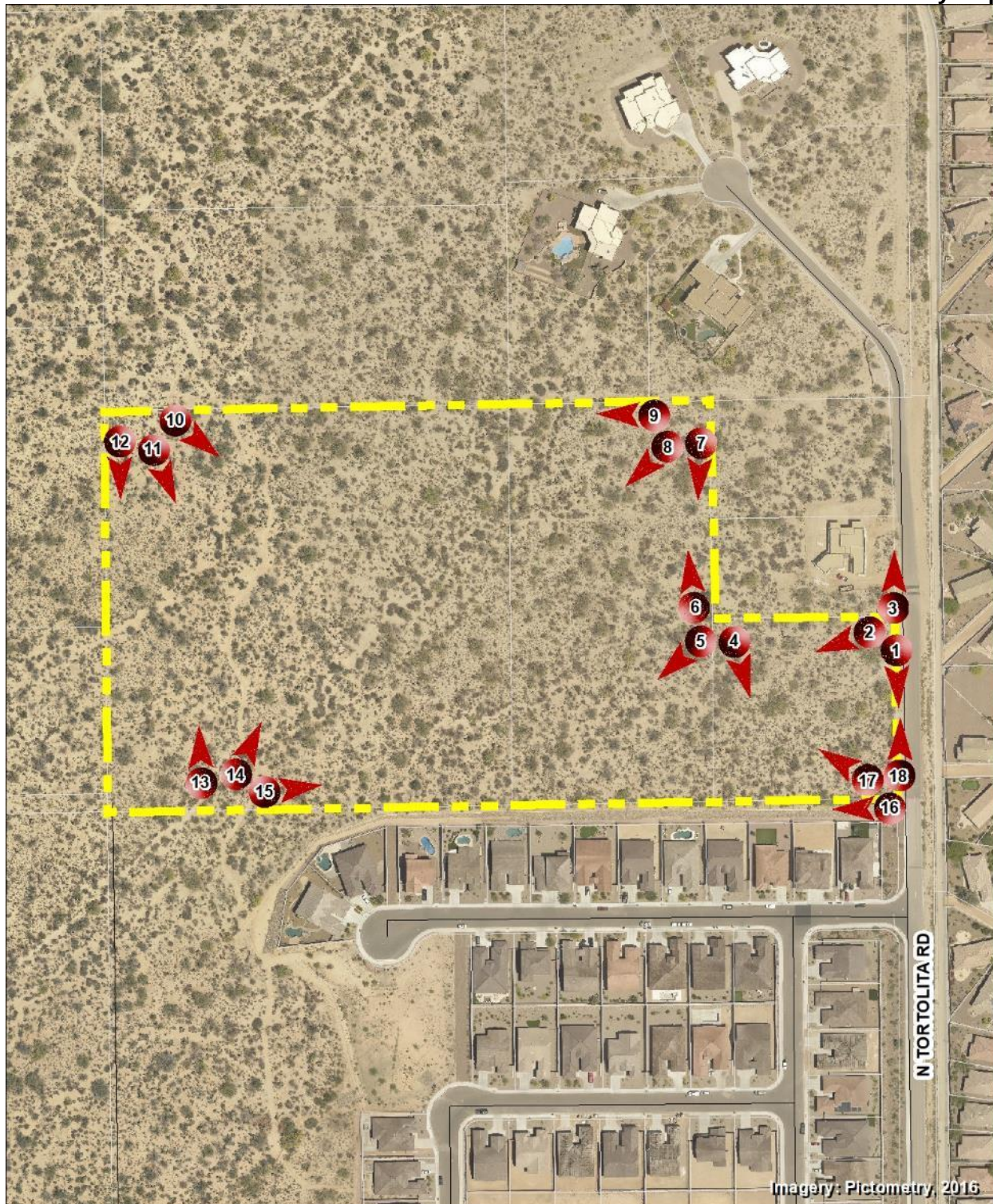


0' 150' 300'

FILE NAME: site_vis_6x8
SOURCE: Pima County GIS, 2016



Exhibit II.B.10.a.1: Photo Key Map



LEGEND

-  PROJECT BOUNDARY
-  PARCELS
-  PHOTO POINT LOCATION AND DIRECTION

NORTH


 FILE NAME: Photo_key_6x8
 SOURCE: Pima County GIS, 2016



Exhibit II.B.10.a.2: Site Photos



Photo 1: Looking south from the northeast property corner along Tortolita Rd.



Photo 2: Looking southwest from the northeast property corner along Tortolita Rd.



Photo 3: Looking north from the northeast property corner along Tortolita Rd.



Photo 4: Looking southeast from the central property corner 300' west of Tortolita Rd.



Photo 5: Looking southwest from the central property corner (300' west of Tortolita Rd.)



Photo 6: Looking north from the central property corner 300' west of Tortolita Rd.



Exhibit II.B.10.a.2: Site Photos (cont.)



Photo 7: Looking south from the northeast property corner.



Photo 8: Looking southwest from the northeast property corner.



Photo 9: Looking west from the northeast property corner.



Photo 10: Looking southeast from the northwest property corner.



Photo 11: Looking southeast from the northwest property corner.



Photo 12: Looking south from the northwest property corner.



Exhibit II.B.10.a.2: Site Photos (cont.)



Photo 13: Looking northwest from the southern property boundary.



Photo 14: Looking northeast from the southern property boundary.



Photo 15: Looking east from the southern property boundary.



Photo 16: Looking east from the southeast property corner.



Photo 17: Looking northwest from the southeast property corner.



Photos 18: Looking north from the southeast property corner.

11. Traffic and Circulation

a. Description

i. Existing and Proposed Off-Site Streets

The property can be accessed from Tortolita Road. No off-site roads are proposed within the scope of this project. Existing roadways within the project area are shown on *Exhibit II.B.11.a: Traffic and Circulation*.

ii. Arterial Streets within One Mile of the Project Site

According to Pima County MapGuide, Tortolita Road is categorized as a minor local road. It is not categorized on the Pima County Major Streets and Scenic Routes Plan (MSSRP) re-adopted on August 17, 2015. Tortolita Road serves single-family residences within the project vicinity. According to MapGuide, the only major local road within a one-mile radius of the project site is Dove Mountain Boulevard. There are no plans to expand the existing right-of-way of Dove Mountain Boulevard.

According to the Pima County Department of Transportation, there are no current or future projects planned in the vicinity of the project site. Per Pima Association of Governments (PAG) Regional Mobility and Accessibility Plan (RMAP), adopted May 26, 2016, the closest road improvement project is the widening of Tangerine Road. Currently underway, this project will expand the two-lane configuration to a four-lane divided roadway and separated multi-use trail from I-10 to La Canada Drive.

In order to provide on-site circulation, two public streets will be constructed, one of which will have access to Tortolita Road. The internal roadway network will be constructed in accordance with the Town of Marana Subdivision Street Standards.



Table II.B.11.a: Roadway Inventory

Roadway Segment	Road Classification	Existing / Proposed Rights-of-Way*	No. Lanes****	Conforms To Width Standards**	Continuous ROW*	Curb/ Gutter****	Capacity***	Paving****	Posted Speed Limit****
Tortolita Road	Minor Local Road	30 feet	2	Yes	Yes	Partial	N/A	Yes	25
Dove Mountain Blvd	Major Local Road	150 feet	4	Yes	Yes	No	32,900	Yes	40
Tangerine Road	Major Local Road	100-230 feet	2-4	Yes	No	No	15,600	Yes	50
Twin Peaks Road	Major Local Road	150 feet	4	Yes	Yes	No	32,900	Yes	45

Source:* Pima County Mapguide (2015), **Pima County Major Streets and Scenic Routes Plan (2011), ***Florida Department of Transportation (2007), ****Google Earth (2015)



Table II.B.11.b: Average Daily Trips

Dove Mountain Boulevard (Tangerine Road to Moore Road)	9,772 (2012)
Tangerine Road (WB I-10 Frontage Road to Thornydale Road)	6,481 (2016)

Source: Pima Association of Governments Traffic Count Records, 2015.

b. Existing and Proposed Intersections

The development will have a single entry that will be accessed by Tortolita Road. An emergency access will be provided through an existing easement along the northern property boundary. There are no intersections of major local roads within one-mile of the project site. The closest intersection of major roads is Dove Mountain Boulevard and Tangerine Road.

c. Existing Bicycle and Pedestrian Ways Adjacent to the Site and Their Connections with Arterial Streets, Parks and Schools

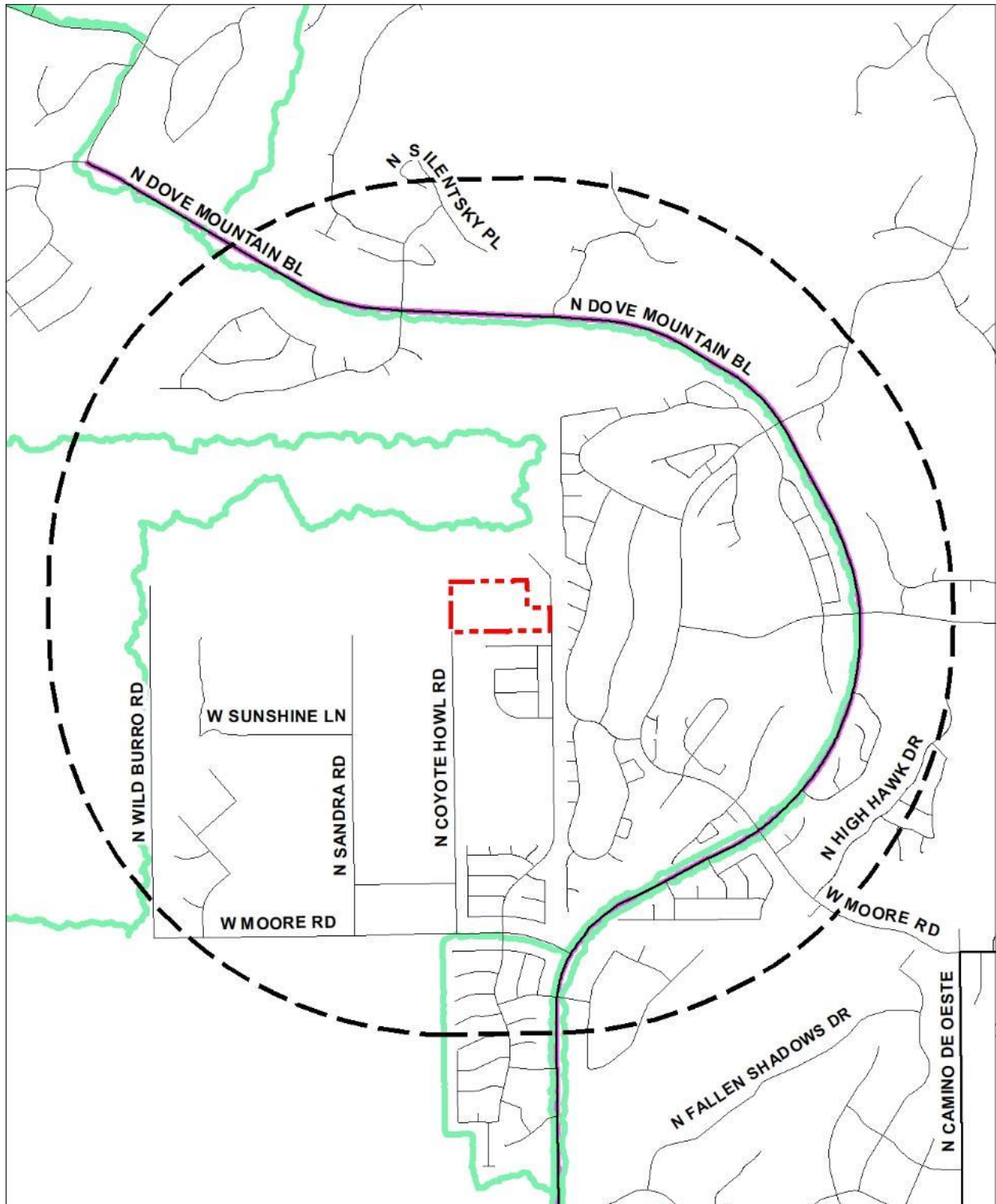
According to Pima County GIS, there are bike routes with striped shoulders along the entire length of Dove Mountain Boulevard. Additionally, there is a dirt path adjacent to Dove Mountain Boulevard that serves as a mountain bike, hiking, equestrian and wildland trail located on the west/south side of Dove Mountain Boulevard and partially along the east/north side of Dove Mountain Boulevard (see *Exhibit II.B.11.a: Traffic and Circulation*).

d. Existing Easements

There is an existing fifteen-foot ingress/egress easement (DKT. 4287 PG. 163) located on the northern property boundary that extends west from Tortolita Road for approximately 630 feet (as measured westerly from the right-of-way). Additionally, there is an existing twenty-foot public sewer easement that has been granted by the Tortolita Reserve plat (Sequence No. 20123140200) located on the southern property boundary.

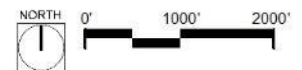


Exhibit II.B.11.a: Traffic and Circulation



LEGEND

- | | | | |
|---|------------------|---|--|
|  | Project Boundary |  | Major Local Roads (Current ROW/Future ROW) |
|  | 1 Mile Radius |  | Bicycle Routes w/Striped Shoulder |
| | |  | Hiking/Mountain Bike/ |
| | |  | Equestrian/Wildland Trail |
| | |  | Key Connecting Streets |
| | |  | Shared-use Path |



FILE NAME: traffic_6x8
SOURCE: Pima County GIS, 2016



12. Recreation and Trails

a. Open Space, Recreation Facilities, Parks and Trails

According to the *Pima Regional Trail System (PRTS) Master Plan* and the Town of Marana's *Comprehensive Parks, Trails, and Open Space Master Plan*, and as indicated on Exhibit II.B.12.a: *Parks and Trails* and Table II.B.12.a: *Parks and Trails Inventory*, there are several open space and recreational amenities within one-mile of the project area.

Table II.B.12.a: Parks and Trails Inventory

Amenity Name	Amenity Type	Distance to Project Site
Wild Burro Trail (#036)	Singletrack Trail	± 1 mile
Tortolita Preserves Trail (#455)	Singletrack Trail	± 1 mile
Unnamed Marana Trail (#401)	Singletrack Trail	± 1 mile
Tortolita Foothills Trail (#167)	Singletrack Trail	± 1 mile
Prospect Trail (#163)	Singletrack Trail	± 1 mile
Dove Mountain Trail (#387)	Singletrack Trail	± 1 mile
Tortolita Preserve	Preserve	± 1 mile
Dove Mountain Neighborhood Park	Neighborhood Park	± 1 mile

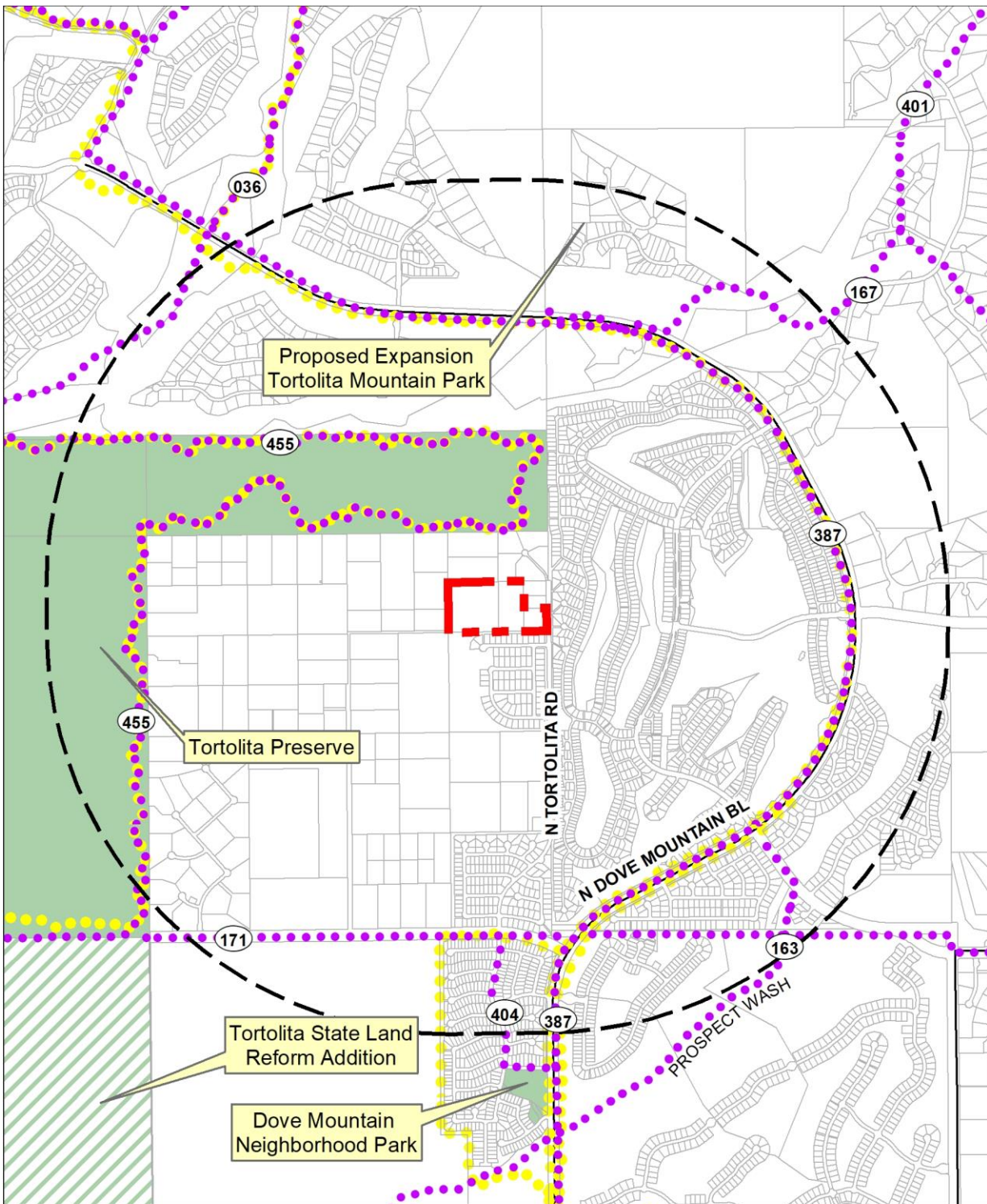
Tortolita Preserve offers hikers and mountain bikers an easy/moderate 10-mile loop trail nearby through moderately flat terrain. This popular scenic trail starts and ends near the corner of Moore Road and Wild Burro Road. The Wild Burro Trail (#036) cuts across the northwest corner of Tortolita Preserve to provide access to the greater area trail network, including several Tortolita Mountain Park trails.

The Tortolita State Land Reform Addition is located approximately one mile southwest of the subject property. The Tortolita State Land Reform Addition is proposed to set aside 12,470 acres of open space and park land between the Tortolita Mountains and the Central Arizona Project. An expansion of Tortolita Mountain Park is also planned approximately one mile to the north and east of the rezoning area.

The Tortolita Ridge rezoning supports the goals of the *Pima Regional Trail System Master Plan* and the Town of Marana *Parks, Recreation, Trails and Open Space Master Plan* by providing nearly half of the site as open space for passive recreation opportunities.

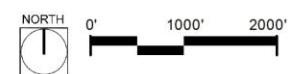


Exhibit II.B.12.a: Parks and Trails



LEGEND

- | | |
|------------------|--------------------------------|
| Project Boundary | Pima County Singletrack Trails |
| One-Mile Radius | Marana or Dove Mountain Trails |
| Existing Parks | Proposed Parks |



FILE NAME: rec_trails_6x8
SOURCE: Pima County GIS, 2016



13. Cultural Resources

a. General Information

According to a record search performed by the Arizona State Museum (ASM), six (6) survey projects have been conducted within a one-mile radius of the project; each of which were conducted for residential and commercial development, road construction and improvements, archaeological research, and the installation of water, sewer, utility and transmission lines. The entire project area was previously surveyed.

Eleven (11) archaeological sites have been identified within a one-mile radius of the project. However, no sites are crossed by the project area.

b. Letter from Archaeologist

Due to the age of the previous survey, the ASM advises that a qualified archaeological contractor be consulted before any ground disturbance begins (see *Exhibit II.B.13.b: Archaeological Records Search*).



Exhibit II.B.13.b: Archaeological Records Search



ARCHAEOLOGICAL SUMMARY LETTER

This letter summarizes the results of archaeological records research. It does not constitute a cultural resources clearance.

Date: 8/7/2017 **Requester Name:** Lexy Wellott
Company: The Planning Center **Address:** 2 E. Congress St., #600, Tucson, AZ 85701
Phone: 520-623-6146 **Email:** lwellott@azplanningcenter.com
Legal Description: T11S R12E S26 **Project Area Location:** Parcels 218-44-022C, 218-44-022D, 218-44-022H
Project Name: Tortolita Road Rezoning **Project Description:** Rezoning within the Town of Marana

Search Results:

According to a search of the archaeological records retained at the Arizona State Museum (ASM), six survey projects were conducted within a one-mile radius of the project area between 1981 and 2012. Previous survey work was conducted in support of archaeological research, residential development, road construction, and the installation of cell towers. The entire project area was surveyed during the Northern Tucson Basin archaeological research survey in 1981 (ASM Accession number 1981-174; Fish et al. 1992; Madsen et al. 1993).

Eleven archaeological sites have been identified within a 1-mile radius of the project area. No sites are crossed by the project area.

Sites in Project Area:

None are recorded; but the project area has not been surveyed in over 35 years.

Recommendations:

1. Although the entire project area has been previously surveyed, the work was conducted over 35 years ago. It is standard archaeological practice for a property to be re-surveyed if the previous survey was conducted 10 or more years ago, as there is a possibility for unidentified archaeological properties to have since been exposed. ASM recommends, but it is not required by ASM, that a qualified archaeological contractor be consulted before any ground disturbance begins. A list of archaeological contractors is available on the ASM website at: <http://www.statemuseum.arizona.edu/crservices/permits/index.shtml>.
2. Pursuant to *Arizona Revised Statutes* §41-865, if any human remains or funerary objects are discovered during project work, all work will stop within the area of the remains and Dr. Todd Pitezel, ASM associate curator of archaeology, will be contacted at (520) 621-4795.
3. City, county, or municipal governments may have requirements, therefore ASM recommends that the relevant jurisdiction(s) be consulted.

If you have any questions about the results of this records search, please contact me.

Sincerely,

Shannon D. Twilling, M.A.
 Research Specialist
 Archaeological Permits Office
 Arizona State Museum
 (520) 621-2096
twilling@email.arizona.edu

Page 1 of 3



14. Infrastructure and Public Facilities

a. Sewer

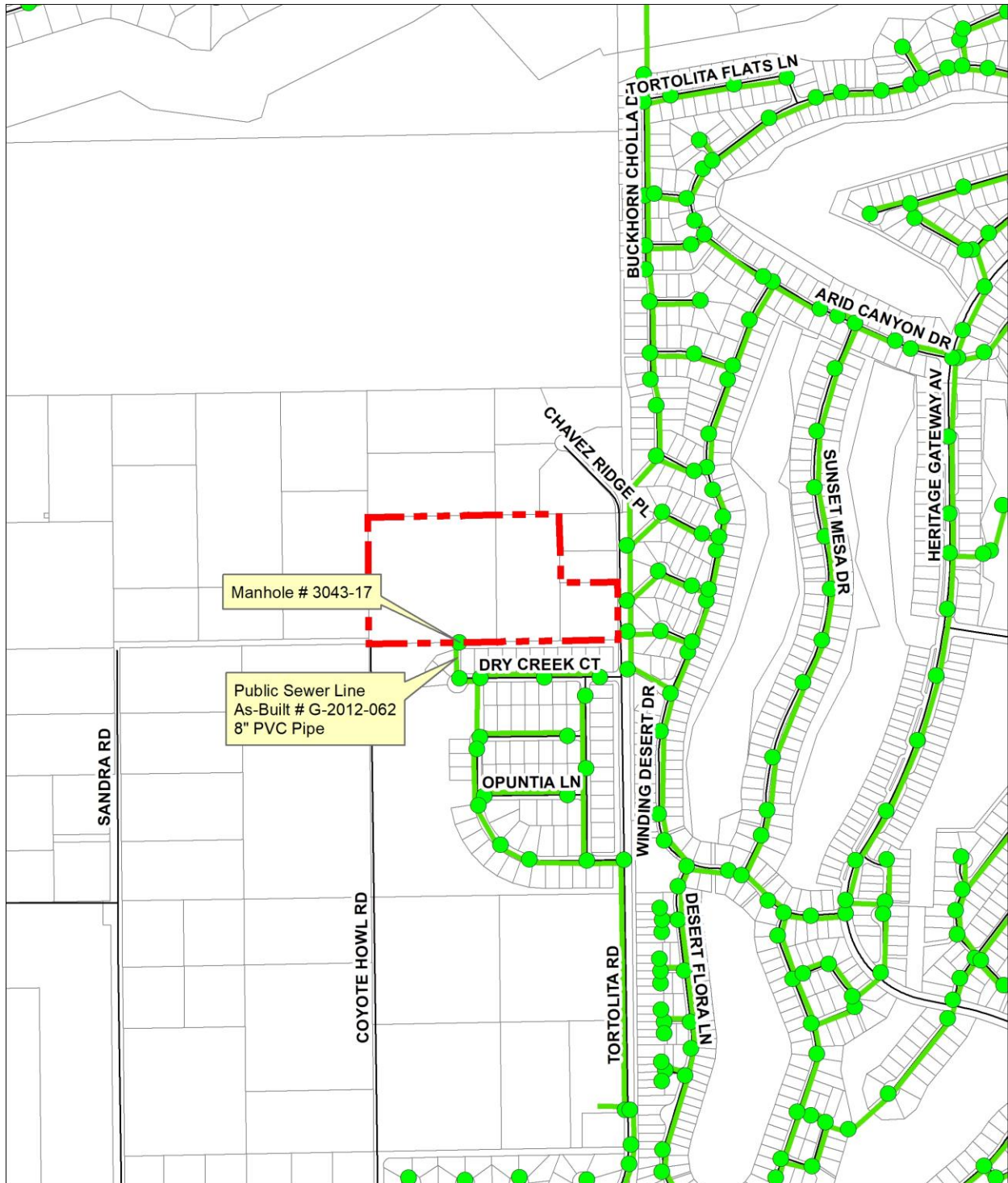
Pima County Regional Wastewater Reclamation Department (RWRD) indicates that this project is tributary to the Tres Rios Water Reclamation Facility via the Canada Del Oro Interceptor. RWRD has indicated that capacity is currently available in the public sewer G-2012-062, downstream from manhole 3043-17 (see *Exhibit II.B.14.a.1: Sewer Map* and *Exhibit II.B.14.a.2: Wastewater Capacity Letter*).

b. Water

Currently, parcel 218-44-022H adjacent to Tortolita Road is within the Obligated Service Area for Tucson Water. In preliminary discussions with Tucson Water, water service will be provided to the site upon a successful lot combination of the three parcels subject to the rezoning request. The lot combination process has been initiated and is underway.



Exhibit II.B.14.a.1: Sewer Map



LEGEND

- Project Boundary
- Parcels
- Existing Sewer Network
- Existing Manholes

NORTH
0' 250' 500'
FILE NAME: sewer_6x8.mxd
SOURCE: Pima County GIS, 2016



Exhibit II.B.14.a.2: Wastewater Capacity Letter

JACKSON JENKINS
DIRECTOR



PH: (520) 724-6500
FAX: (520) 724-9635

November 3, 2017

Lexy Wellott
The Planning Center
2 E Congress, Ste 600
Tucson, AZ 85701

Capacity Response No. 2017-233 Type II

**RE: Tortolita Road Rezoning for DR Horton, Parcel 21844022C, 21844022D, 21844022H
Estimated Flow 7,344 gpd (ADWF).
P17WC00233**

Greetings:

The above referenced project is tributary to the Tres Rios Water Reclamation Facility via the Cañada Del Oro Interceptor.

Capacity is currently available for a project this size in the public sewer G-2012-062, downstream from manhole 3043-17.

This letter is not a reservation or commitment of treatment or conveyance capacity for this project. It is not an approval of point and method of connection. It is an analysis of the system as of this date.

If further information is needed, please feel free to contact us at (520) 724-6642.

Reviewed by: Kurt Stemm, CEA Sr.



c. Fire Service

Northwest Fire District provides service to parcels identified by APNs 218-44-022D, 218-44-022C; however, the parcel identified by APN 218-44-022H is not currently included within the District's boundary. Currently, the closest Northwest Fire District station is located at 13001 Tortolita Road approximately 2 miles north of the project site, west of the Dove Mountain Specific Plan area (See *Exhibit II.14.c: Public Facilities*).

Before a Certificate of Occupancy can be issued for any dwelling unit on the property, the Developer shall have completed or shall provide evidence to the Town's satisfaction that the Developer has made a diligent effort to complete the process of having the remaining parcel annexed into the Northwest Fire District.

d. Police Service

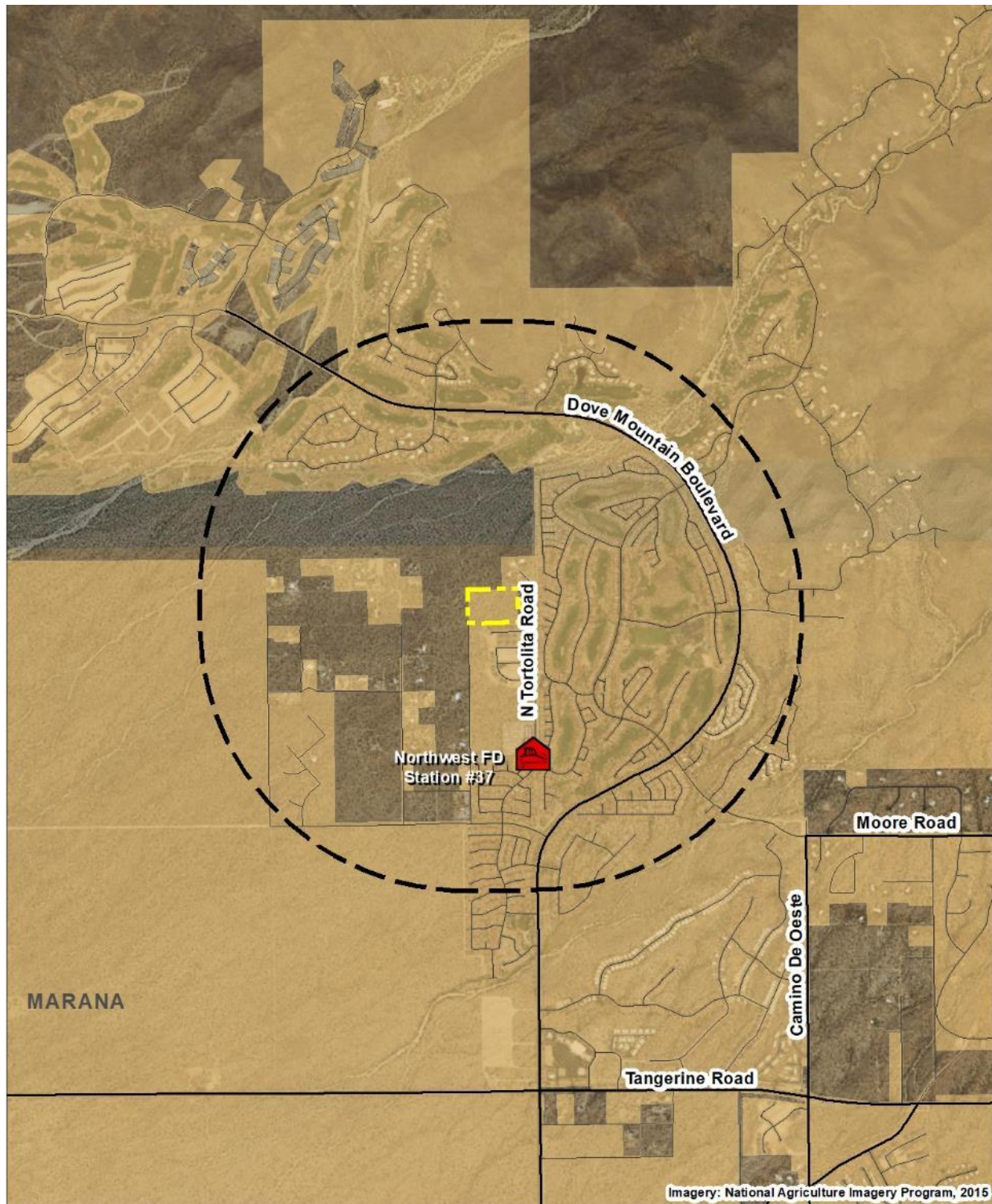
Although the project site is located in the vicinity of the Pima County Sheriff Department's jurisdiction in the Foothills District Beat 1 patrol zone, police protection will be provided by the Marana Police Department at 11555 Civic Center Drive.

e. Schools

The project site is located within the Marana Unified School District (MUSD). No schools are located within a one-mile radius of the proposed rezoning. While there are no schools within one-mile of the project site, there are several schools within MUSD that have sufficient capacity to serve the project.



Exhibit II.14.c: Public Facilities



LEGEND

- Project Boundary
- One-Mile Radius

FIRE DISTRICTS

- Northwest F.D.
- Fire Stations



FILE NAME: public_facilities.mxd
SOURCE: Pima County GIS, 2016



f. Utilities

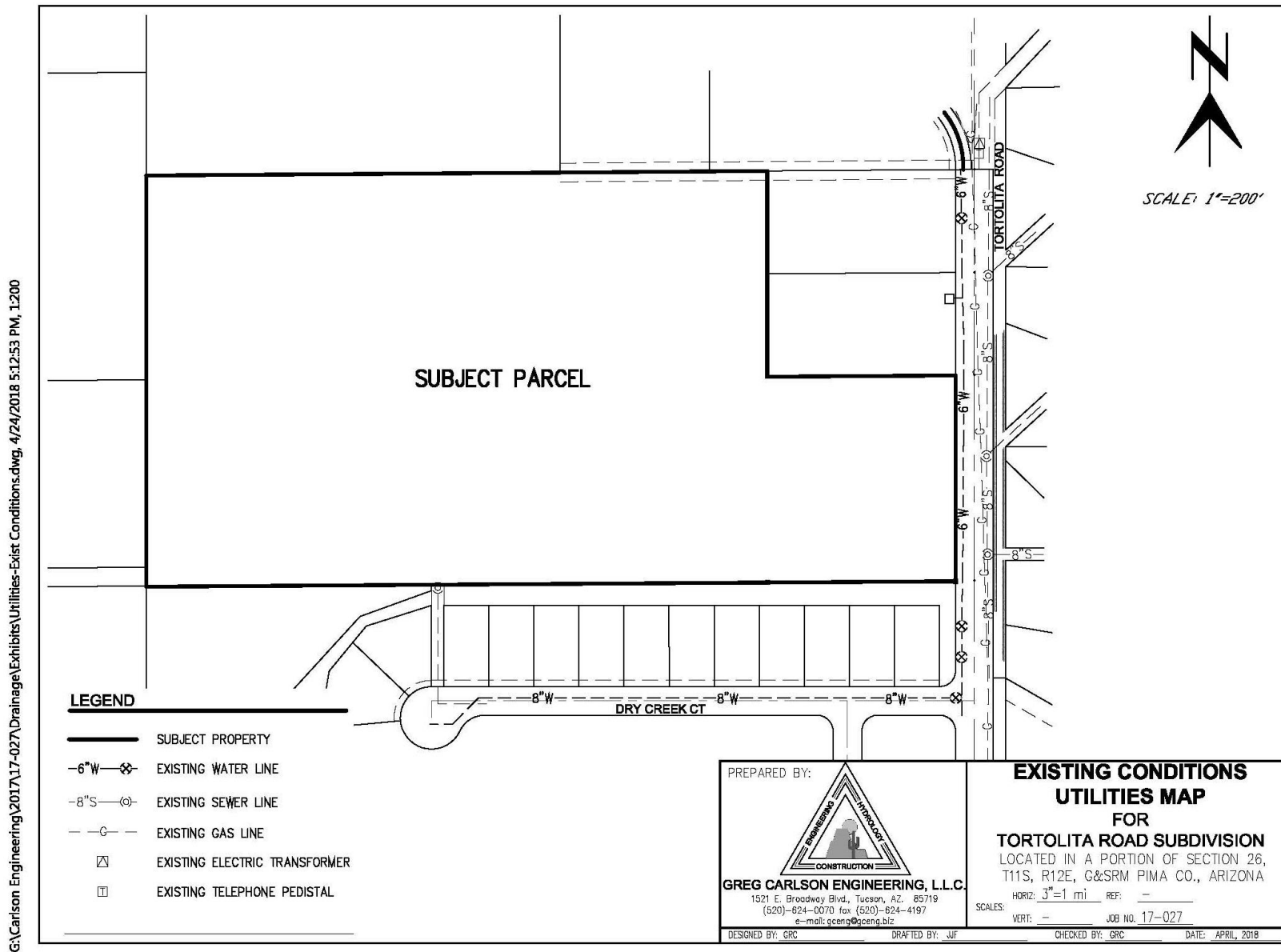
There are existing gas, sewer and water lines in the Tortolita Road right-of way. Sewer will be provided to the site via an existing sewer easement in the Tortolita Reserve subdivision (refer to *Exhibit II.14.f: Existing Utilities*).

Electricity, natural gas, telecommunications and cable services will be extended to the project site at the time of development through agreements with individual utility companies. The following utility companies serve this area:

- Electricity: Trico Electric Company
- Natural Gas: Southwest Gas Corporation
- Telephone/Cable: CenturyLink



Exhibit II.14.f: Existing Utilities

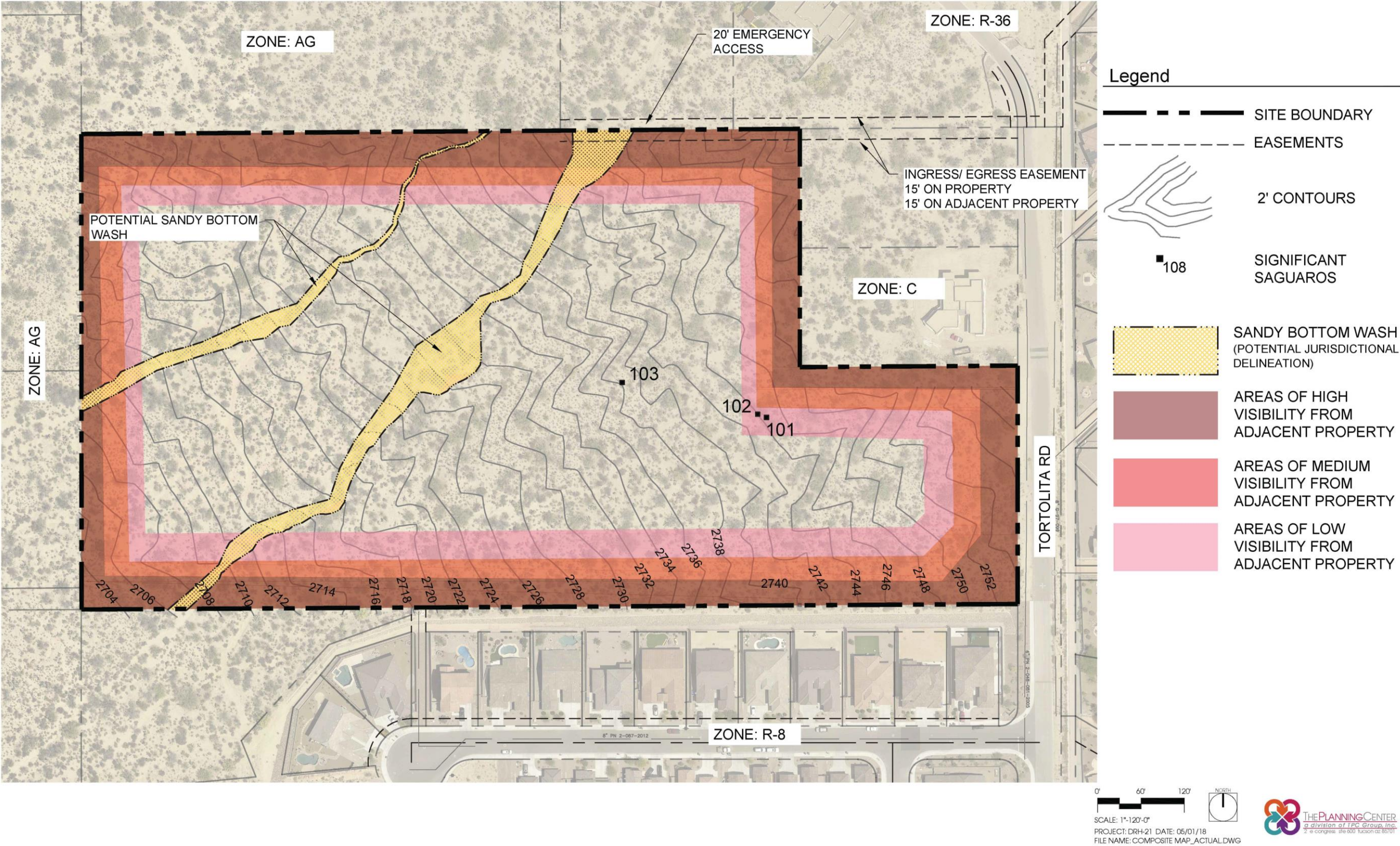


15. McHarg Composite Map

Information regarding topography, hydrology, vegetation, wildlife and views has been combined to form the McHarg Composite Map, displayed as *Exhibit II.B.15*. The purpose of the McHarg Composite Map is to highlight areas that are available for development. Refer to Section III: Land Use Plan for more information on how the site plan responds to the site's physical constraints.

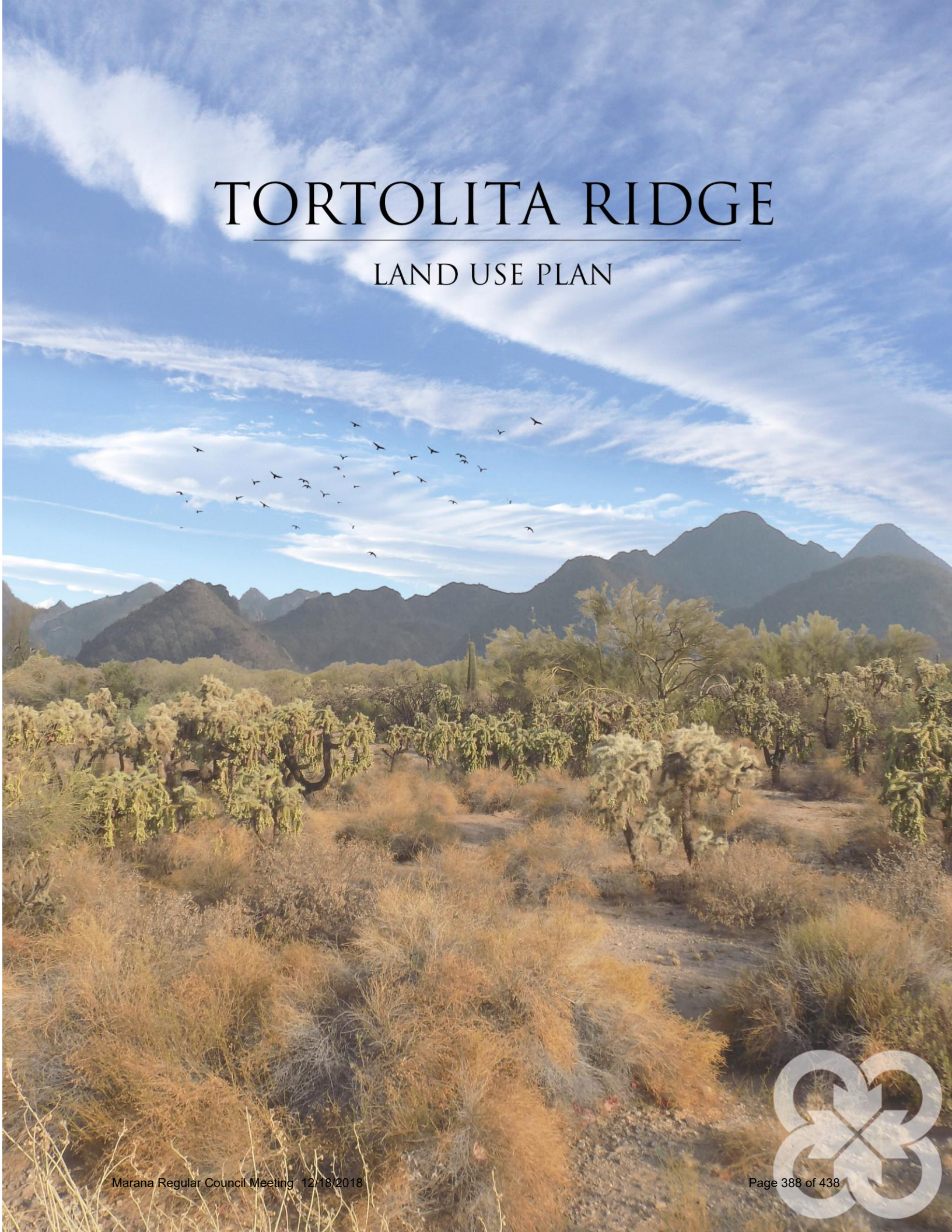


Exhibit II.B.15: McHarg Composite Map



TORTOLITA RIDGE

LAND USE PLAN



C. Land Use Plan

1. Purpose and Intent

The Tortolita Ridge rezoning document establishes the framework for the development of a ± 17.3 -acre residential community within the Town of Marana, Pima County, Arizona in Township 12S, Range 12E, and Section 26. The Tortolita Ridge rezoning is an assemblage of three parcels (refer to *Table III.C.1 and Exhibit III.C.1: Parcels to be Rezoned*) located along Tortolita Road approximately one-mile north of the intersection of Moore Road and Dove Mountain Boulevard. Furthermore, nearly 50% of the rezoning area will be set aside as a combination of revegetated open space and natural undisturbed open space to provide both the new residents and others in the surrounding community recreational opportunities and scenic desert views.

Table III.C.1: Parcels to be Rezoned

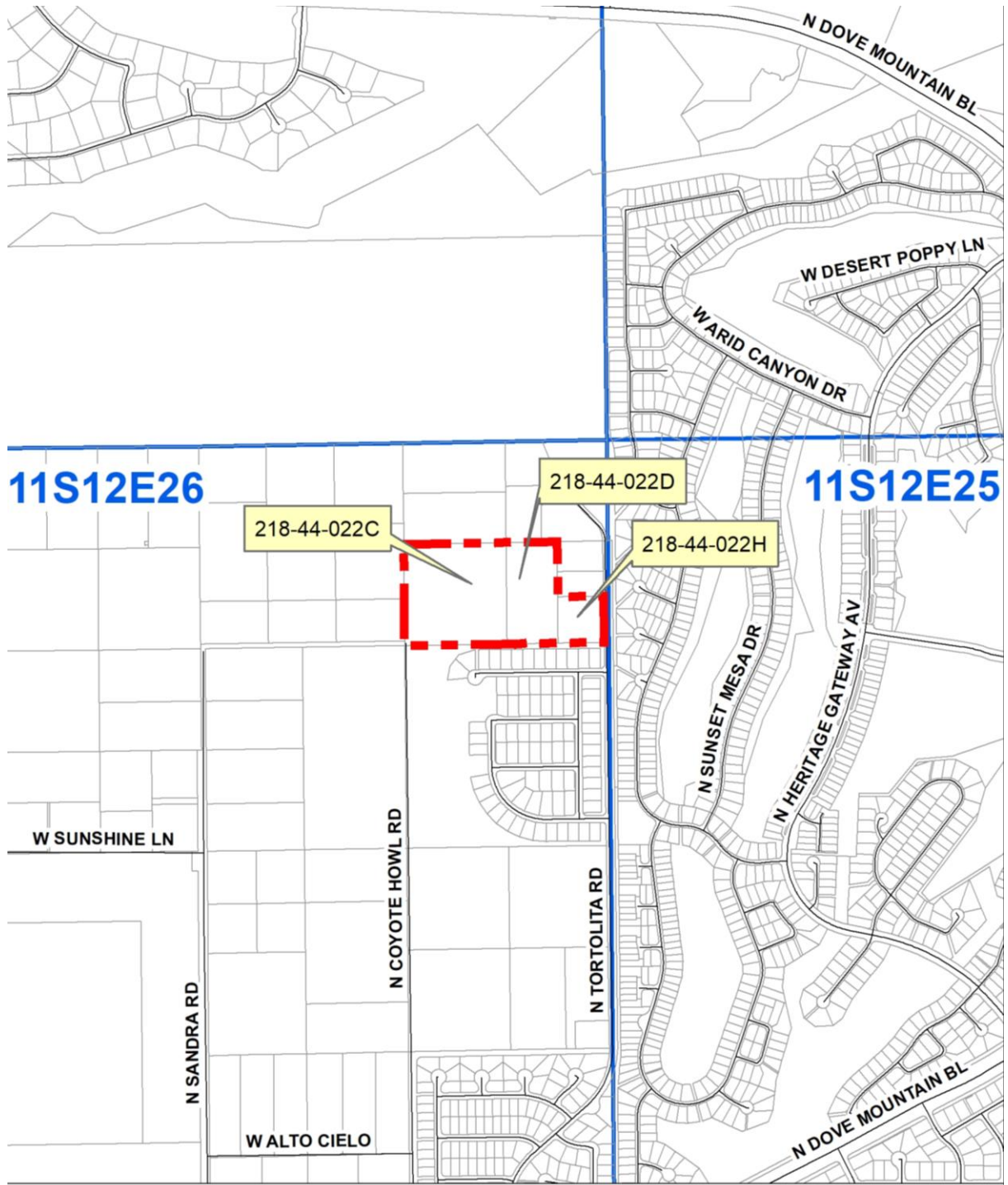
Tax Assessor Parcel	Acreage
218-44-022C	10
218-44-022D	5
218-44-022H	2.3
Total Acreage	17.3

This land use plan responds to the site analysis, technical research, and community values through the use of regulations and controls to resolve any potential development-related issues. Once approved, the land use plan describes the planning considerations for the above-mentioned parcels, imposes controls on the development of those parcels and is detailed accordingly in the final plat. The boundaries of this rezoning request are shown on *Exhibit II.C.1: Parcels to be Rezoned*. Tortolita Ridge is focused on achieving the following goals:

- Preserve and feature the natural beauty of the site, including the washes and riparian areas.
- Maximize the spectacular views of the Tortolita Mountains and surrounding peaks and ridges in all directions, affording off-site views from all lots throughout the proposed community.
- Provide meaningful open space that allows for wildlife movement across the site while preserving a significant portion of the of the remaining native vegetation.



Exhibit III.C.1: Parcels to be Rezoned

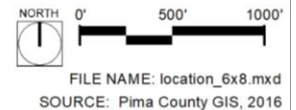


LEGEND

- Project Boundary
- Township, Range & Section

Notes:

Project Site is located at:
 Township 11S, Range 12E, and Section 26
 Acreage: 17.3 AC
 Parcel APNs: 218-44-022C, 218-44-022D, & 218-44-022H



2. Relationship to Adopted Plans

The vision of this rezoning application was developed in conformance with the Town of Marana's General Plan, the Marana Strategic Plan, and the Town of Marana Draft Habitat Conservation Plan. The following sections further describe how the Tortolita Ridge rezoning conforms with each of these critical guiding documents.

a. Marana General Plan

According to the Town of Marana General Plan Future Land Use Map, the subject property is designated as Rural Density Residential (RDR). An amendment to the Future Land Use Map will be processed concurrently with this rezoning application to reassign the subject property as Low Density Residential (LDR): 0.5-2.0 homes per acre. Tortolita Ridge proposes a density of 1.96 homes per acre. Designed to help meet current and future housing needs of the Town, this rezoning will adhere to goals and policies that are in line with the Town's General Plan.

Tortolita Ridge is consistent with the overall General Plan, including the following highlighted goals, policies and actions:

- **General Plan Goal, Land Use and Growth Element: Adopt sustainable development as a unifying goal to secure Marana's future**

Marana's quality of life must be sustained for many generations to come. Conserving open space and protecting undisturbed land promotes an increase in the general welfare and wellbeing of local residents by providing the means for recreation, leisure and scenic views. Open space, including natural vegetation, provides ecosystem services that reduce negative stormwater runoff effects like erosion, protect wildlife habitat, and improve water quality.

- General Plan Policy: Preserve and protect our natural resources in order to promote a sustainable community.
- General Plan Action: Preserve the Sonoran Desert character by evaluating appropriate site disturbance standards and preserving native plants.
- **Rezoning Conformance**: Tortolita Ridge leaves a considerable amount of the site undisturbed or revegetated, preserving 40% of the native vegetation on-site and minimizing the impact on the minor sandy-bottom wash areas. Similar to the Tortolita Reserve subdivision to the south, the proposed rezoning will utilize cluster development to avoid environmentally sensitive areas and provide a passive open space amenity to residents.



○ **General Plan Goal, Land Use and Growth Element: Provide opportunities for diverse developments that maximize the benefits to the community**

The provision of a range of housing types and affordability is necessary to create a thriving community that can accommodate residents of all income levels. Diversifying housing options attracts new residents to the Town, which in turn supports additional commercial build-out/investment. Additionally, an influx of new residents in an area served by an adequate mix of commercial land uses helps stimulate the local economy through basic consumer spending.

- General Plan Policy: Promote new development that is compatible with existing land uses.
- General Plan Action: Establish appropriate land development designations with densities and intensities that complement existing natural conditions and residential areas.
- General Plan Action: Develop guidelines for enhancing new development and mitigating potential impacts on existing neighborhoods.
- General Plan Policy: Provide opportunities for a variety of housing types and economic levels.
- General Plan Action: Designate various range of residential development densities.
- **Rezoning Conformance**: Tortolita Ridge is located within the Northeast Growth Area of the General Plan. Upon approval of the requested minor amendment to the General Plan, the property will be designated as Low-Density Residential, 0.5-2.0 residences per acre (RAC). The proposed residential density is approximately 1.96 residences per acre. The proposed rezoning will feature high-quality design and development that is compatible with what exists in the area. According to the 2010 General Plan Land Use Designation Map, the vast majority of land surrounding the site is either Master Plan Area or Rural / Low Density Residential with the exception of the State Trust Land that lies north of the subject property.

○ **General Plan Goal, Open Space and Trails Element: Protect and preserve natural open space.**

The vast array of wildlife species that persist along the Tortolita Mountains and other surrounding mountain ranges help to create the unique desert landscape so beloved by those in the Town of Marana. Supporting critical wildlife habitat and linkages for species movement is an important part of their persistence in the future, especially considering that each species has its own unique habitat requirements, migration patterns and range.

- General Plan Policy: Develop a connected system of natural open space preserves that protect wildlife habitat, wildlife linkages, and cultural resources.



- General Plan Action: Preserve, protect, or conserve areas of high-value habitat and wildlife movement linkages as identified in the Marana Draft Habitat Conservation Plan (HCP) and the Marana Parks, Recreation, Trails, and Open Space Master Plan.
- General Plan Action: Preserve Natural Undisturbed Open Space (NUOS) to maintain wildlife access and movement within and through development sites that are subject to discretionary land use actions, as described in the Draft HCP.
- General Plan Action: Preserve and protect existing natural drainage systems as identified in the Marana Draft HCP riparian map.
- General Plan Action: Protect the viability of wildlife corridors mapped in the Draft HCP, using innovative site planning and design.
- **Rezoning Conformance:** Tortolita Ridge is designed to concentrate grading activities on the eastern portion of the site adjacent to Tortolita Road and existing residential development, and away from sensitive areas of the site. By focusing development efforts away from sensitive areas, such as the dry washes that traverse the property, potential wildlife corridors and native vegetation, as well as existing drainage patterns, will be preserved. Tortolita Ridge proposes to provide ±8.59 acres of open space: 7 acres of NUOS and 1.59 acres of revegetated open space.

b. Marana Strategic Plan

The Tortolita Ridge rezoning supports the following areas of the Marana Strategic Plan:

Commerce – Construction of the proposed community will provide jobs and revenue to the Town through construction sales tax, user fees and development services fees.

Community – This new residential development will provide additional housing choices in the scenic foothills of the Tortolita Mountains, attracting new residents to the Town. Offering a range of home sizes and types to accommodate homebuyers at varying income levels will create a diverse community, satisfying goals outlined in the Town of Marana General Plan as well.

Progress/Innovation – Dedication to a conscientious approach to responsible development, high-performing homes and cost saving for potential future homebuyers reflects the intent of this rezoning. The community will strive to incorporate sustainable building practices such as the use of energy efficient construction materials and appliances as well as innovative and compact site design to decrease energy usage, minimize impact to the environment, conserve water and promote healthy lifestyles.



Recreation – Approximately $\pm$ 8.59 acres of open space will be provided throughout the site for passive recreational activities.

c. Town of Marana Draft Habitat Conservation Plan

The Town's Draft Habitat Conservation Plan (HCP) maps endangered species and outlines conservation and mitigation strategies to prevent further endangerment. The draft HCP has been available for public review since 2009 and was taken into consideration during the design process of the Tortolita Ridge rezoning. According to the HCP mapping, the subject property is designated within Zone 2 of the HCP which suggests that 20% of the total site is developable. Nearly 50% of the proposed development has been set aside as open space to preserve the integrity of the environmentally sensitive areas on the site. While the HCP suggests an 80% set aside, the proposed open space is generally consistent with that provided in the Tortolita Reserve subdivision to the south (30.8% of the total site area being open space) as well as open space provided in other recently entitled subdivisions in Zone 2.

3. Adjoining Development Compatibility

Development within the vicinity of the proposed site is predominately a mix of vacant land and single-family residential. Located immediately east of the subject property is the Heritage Highlands at Dove Mountain, which includes one-story and two-story residential subdivisions with a density ranging from 2 to 5 residences per acre. South of the subject property is the Tortolita Reserve subdivision, which is approximately 39 acres in size. Tortolita Reserves consists of 79 lots that are an average size of 70' x 130'. The gross density of Tortolita Reserve is approximately 2.02 residences per acre. North of the subject project is the Hidden Springs subdivision which features 5 large lots with an overall density of 0.5 residences per acre. The remaining land surrounding the subject property remains vacant or unsubdivided large lots.

The proposed rezoning is compatible with the adjacent Heritage Highlands and Tortolita Reserve, as it provides similar density and lot sizes as those found in both subdivisions. Additionally, the proposed project provides a comparable amount of open space to that provided in the neighboring subdivisions. As depicted on *Exhibit III.C.1: Conceptual Land Use Plan*, adequate landscape buffers and screen walls have been included to provide an appropriate transition to this development and to preserve the privacy of the existing residences immediately adjacent to the site.

4. Conceptual Land Use Plan

The Tortolita Ridge rezoning conceptual land use plan responds to site-specific conditions and environmental constraints as identified in the development capability inventory analysis. The plan consists of 34 single-family residences at a density less than two homes per acre (refer to *Exhibit III.C.4: Conceptual Land Use Plan*). Lots will

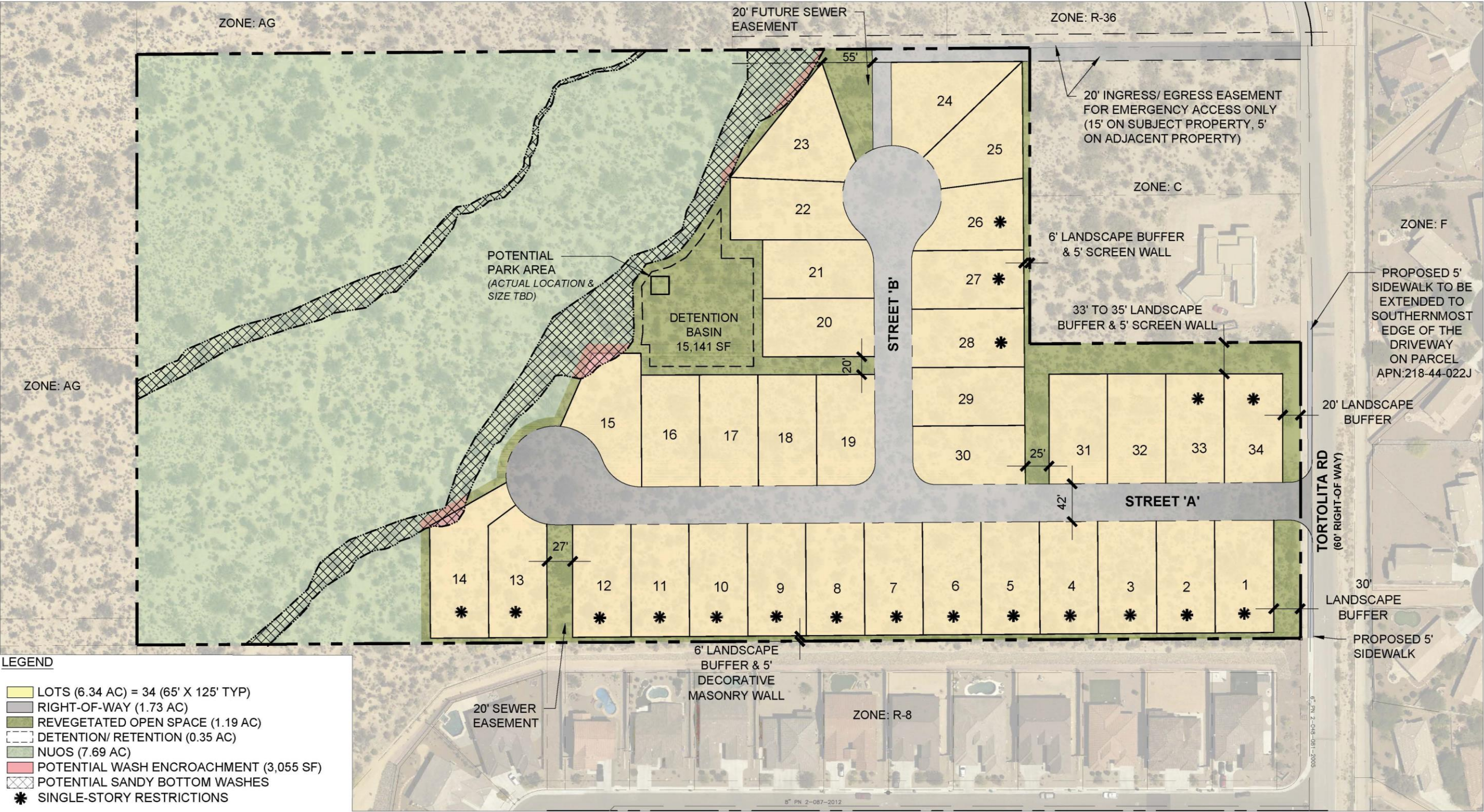


vary slightly, but the typical lot size will be 65' x 125' with an 8,000-square-foot minimum. Lots will accommodate both one- and two-story homes. The proposed community will be accessed from Tortolita Road, a two-lane minor local road that borders the easternmost property boundary. As demonstrated on the Conceptual Land Use Plan, lots 1-14, 26-28, 33 and 34 are limited to a single-story height restriction. A 20-foot landscape buffer will be provided between Tortolita Road and lots on the north side of the subdivision's ingress/egress, with a 30-foot buffer between Tortolita Road and the lots along the south boundary. The existing 5-foot sidewalk located on Tortolita Road at the southernmost property line will be extended north to the southernmost edge of the driveway located on parcel 218-44-022J. A 6-foot landscape buffer will be provided along the southern property, northern and eastern property eastern boundaries adjacent to the existing large lot parcels. At the request of the neighbors in Tortolita Reserve, a minimum 5-foot decorative masonry wall will be provided and wrought iron view fencing shall be prohibited on lots 1-14. A 5-foot screen wall will be provided at the back of the lots along the eastern and northern property lines. A 33- to 35-foot landscape buffer will be provided north of lots 31-34 to adequately transition the proposed subdivision from the existing custom home north of parcel 218-44-022H. The entire west boundary and most of the north boundary are not impacted by any proposed homes. All walls and screening will be provided in accordance with the Town of Marana Land Development Code.

Two sandy-bottom washes traverse the western half of the subject property. The proposed conceptual land use plan minorly encroaches into the sandy-bottom washes delineated by Greg Carlson Engineering. Adequate mitigation measure will be implemented and determined by the Drainage Reports during the platting process. The proposed development includes setting aside a large portion of land, at least 7.69 acres or nearly 45% of the site will be preserved as natural undisturbed open space (NUOS). The total open space in Tortolita Ridge will be over 50% including revegetated open space areas. The Tortolita Ridge rezoning has been designed such that the washes running through the site will be minimally disturbed, preserving the site's native vegetation and facilitating wildlife connectivity across the site. The conceptual land use plan also features a 15,141 SF detention basin located near the end of Street 'A' to mitigate any additional flows generated from impervious surface runoff. While the size and location are largely undeterminable at this time due to the preliminary nature of the hydrology and drainage studies, a park area consisting on a ramada, grassy area, barbeque pit and picnic benches will be provided. The actual size and location of the park area will be determined during the subdivision platting process.



Exhibit III.C.4: Conceptual Land Use Plan



5. Topography

The residential pads will be set at a minimum of one foot above the flood water surface, requiring embankments of at least 2 feet from existing ground. To minimize encroachment on the floodplains and open spaces, grouted riprap or retaining walls will be used, which will also protect certain pads from erosion.

A Type 2 grading permit will be applied for because the development exceeds the threshold limits.

The project average cross slope is less than 15%. Therefore, no additional allowances are requested to reduce the slopes under Title 19 of the Land Development Code.

6. Post Development Hydrology

This portion of the rezoning document includes the post-development hydrologic characteristics of the project site.

On-Site Watersheds

Under developed conditions, a significant portion of the site is to be left undisturbed. The undisturbed portion of the site includes Watersheds A & B as shown on *Exhibit III.C.6: Developed Conditions On-Site Watersheds Map*. Watersheds C-E are re-configured under developed conditions to direct flow into the streets, dedicated drainage ways, landscape areas, the proposed detention basin, or historic concentration points.

Watershed C discharges to the historic concentration point onto the Tortolita Reserve subdivision. Watershed C is comprised of the portion of the existing condition watershed and a portion of the developed condition watershed which contains the detention basin (sub-basin C-1). Watersheds D & E are significantly reduced in area and discharge into the Tortolita Reserve subdivision in either the collector channel or the pre-development concentration point.

Site Detention

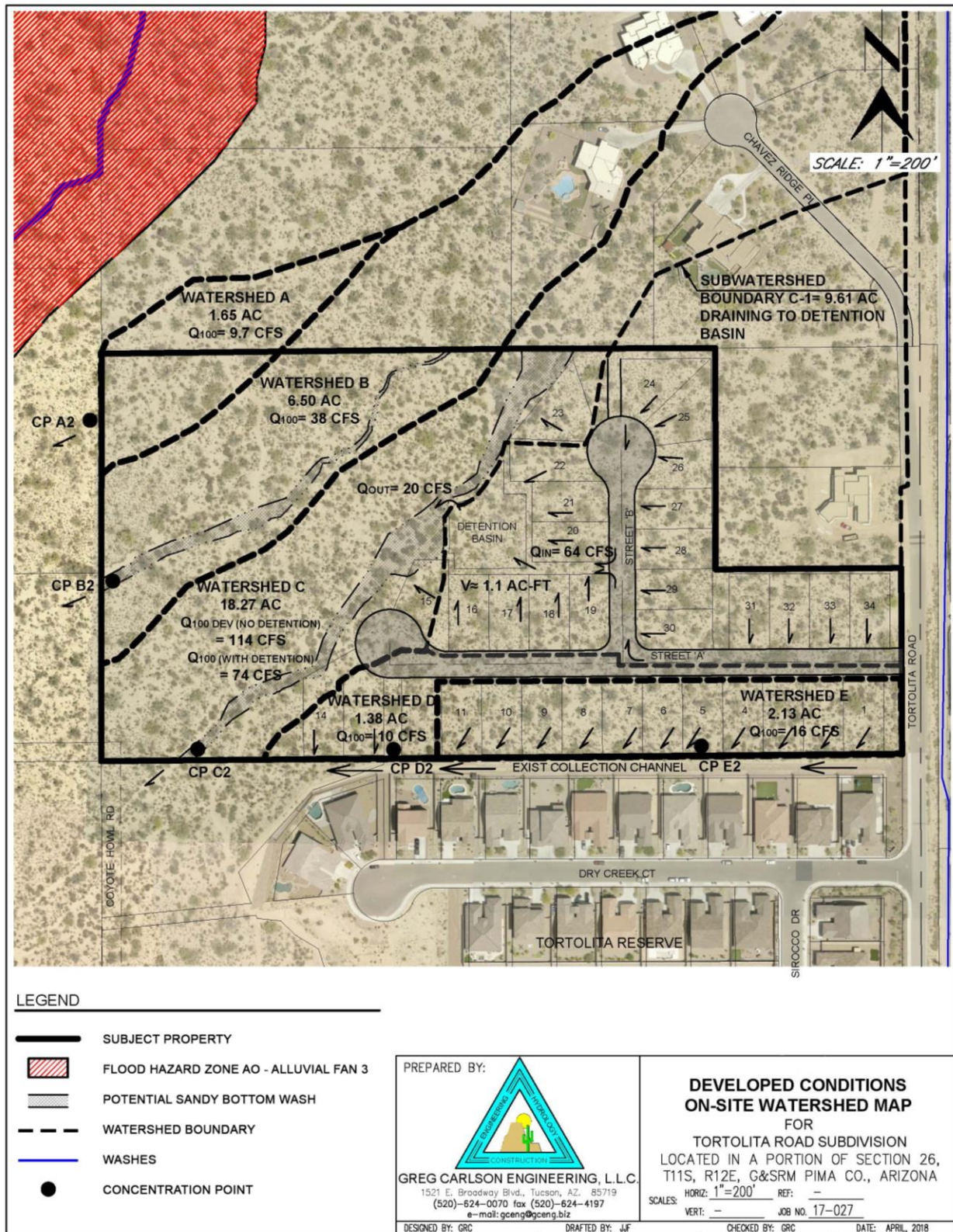
One detention basin is proposed for the project. The detention basin is located within Watershed C. The detention basin should be designed to reduce the discharge from Watershed C-1 to an amount, that when combined with the un-detained flow from the remainder of Watershed C, the cumulative flow does not exceed the pre-development flow for Watershed C.

Preliminary estimates of the proposed detention basin indicate that a detention volume of approximately 1.1 ac-ft will be required to provide the desired flow attenuation.

Watersheds D & E should be reduced in surface area so that the developed conditions flow does not exceed the pre-development conditions flow.



Exhibit III.C.6: Post Development Hydrology



7. Vegetation

a. **Conceptual Land Use Plan Response to Vegetation**

The conceptual land use plan is designed to minimize disturbance of the natural vegetation by focusing residential development away from wash areas. These wash areas contain the areas of highest vegetation density on the site. Open space accounts for nearly 50% of the total project area. Significant vegetation located in the area to be disturbed for future development will be mitigated in accordance with the Town of Marana *Land Development Code*.

b. **Title 17.02 Marana Land Development Code**

The conceptual land use plan will comply with the Native Plant Protection requirements of Title 17.02 of the Land Development Code. Since nearly 50% of the total site area is preserved as open space, it is likely that this project will utilize the Set Aside Methodology to comply with the required Native Plant Program. The Native Plant Preservation Plan (NPPP) shall be prepared in accordance with the provisions set forth in the Town of Marana *Land Development Code*.

c. **Landscape and Buffering**

The overall landscape theme will reflect the natural attributes of the Sonoran Desert and the site's surrounding environment. Native and desert-adapted plant material as well as regionally appropriate hardscape materials will be used within the landscape buffers and common areas. The total open space proposed in this rezoning is nearly 50%. Buffers and common areas will reflect the plant palette and appearance of the native desert that dominates the site. A 20 to 30-foot landscape buffer will be provided along the easternmost boundary adjacent to Tortolita Road. A 6-foot landscape buffer will be provided along the remaining property boundaries. Screening will be provided in accordance with Title 17 of the *Land Development Code*.

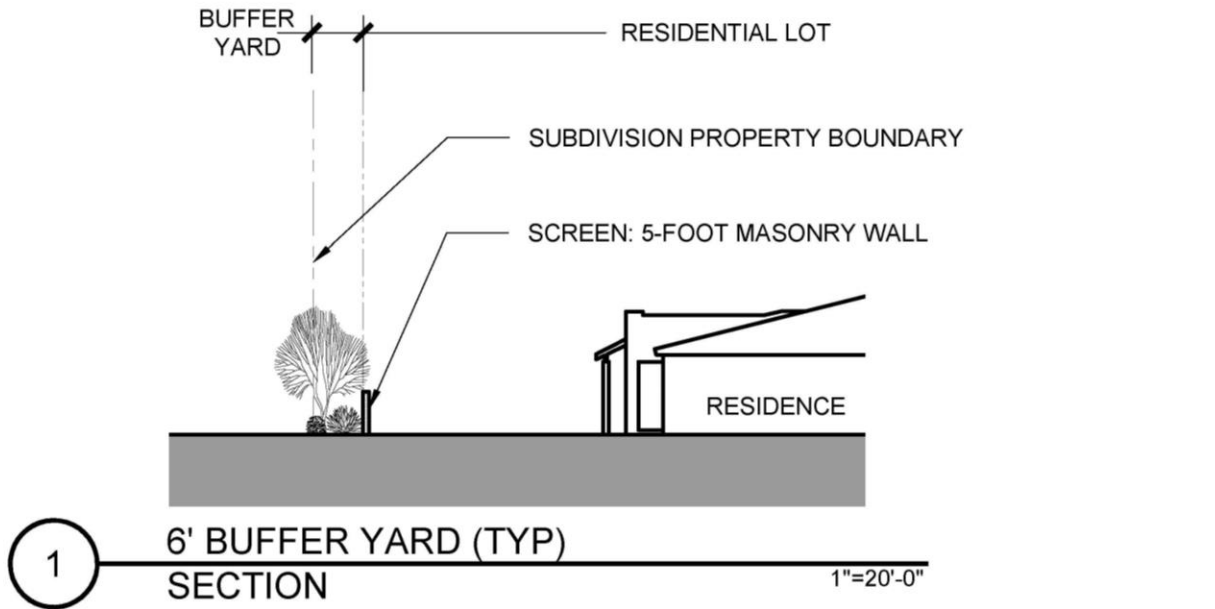
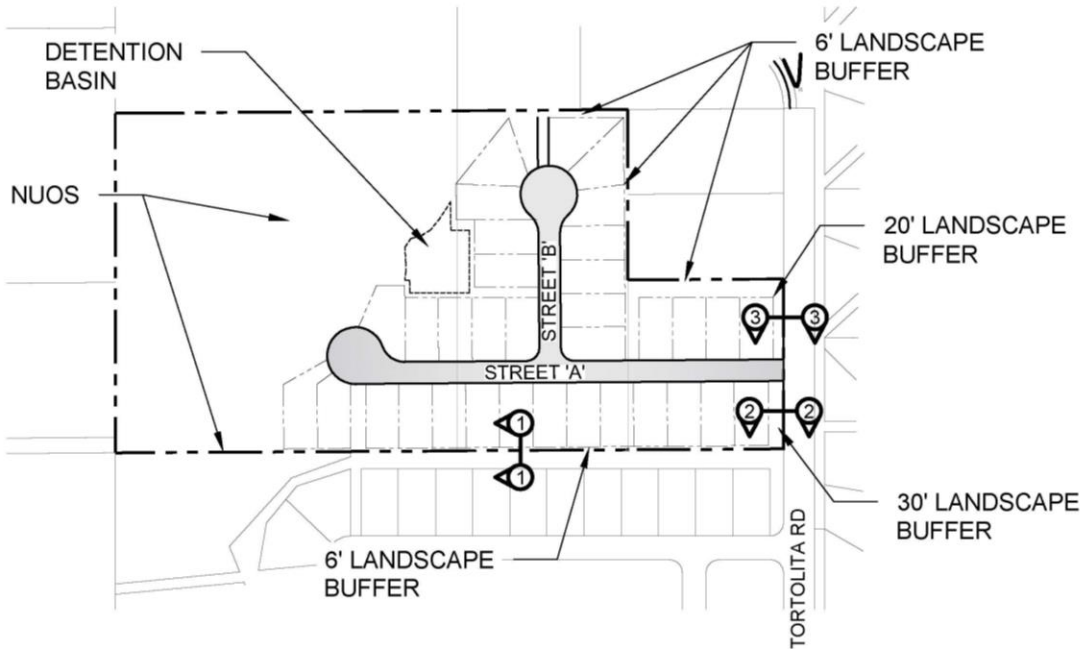
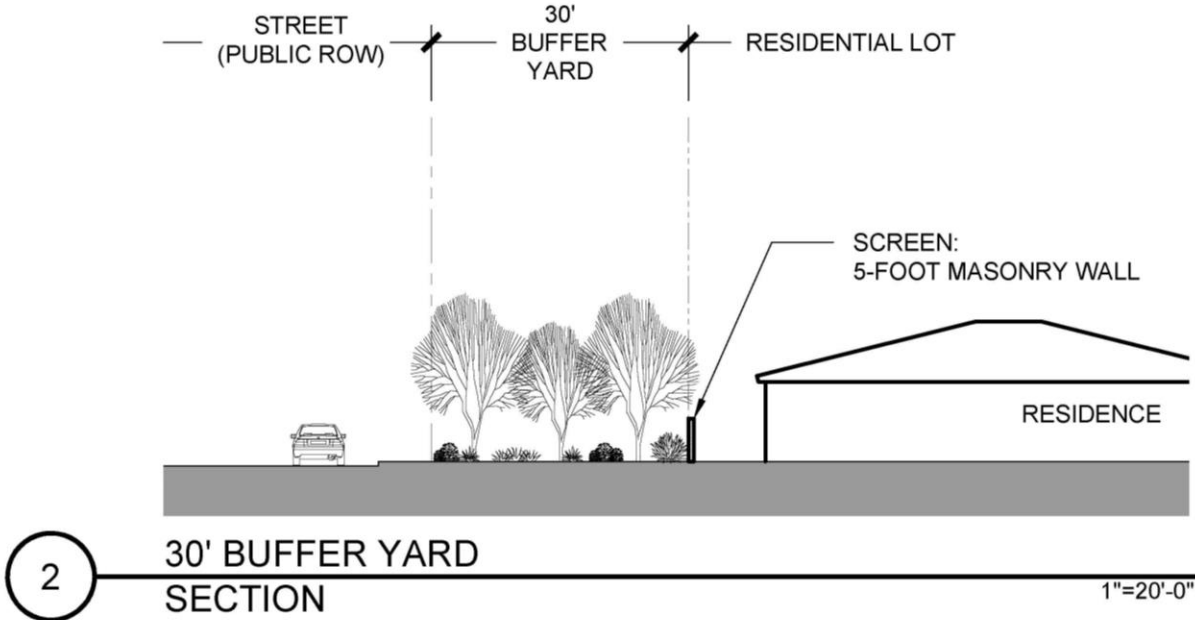
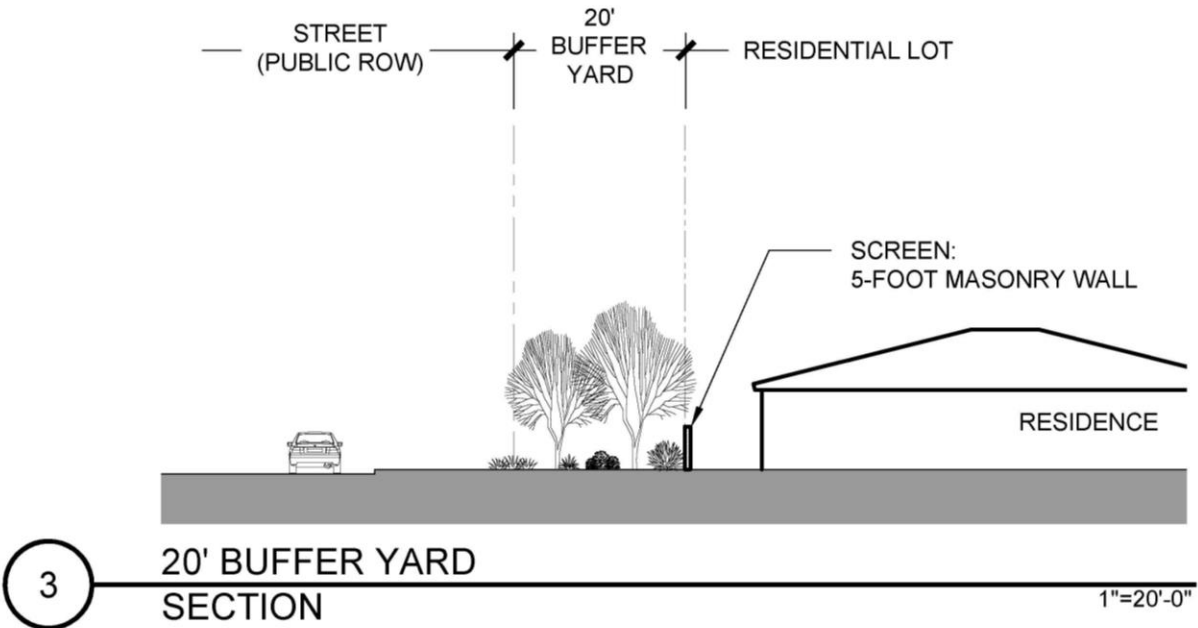
Most significant vegetation found on-site is found along the sandy-bottom wash areas on-site, both of which are preserved as open space except for the minor encroachments depicted on *Exhibit III.C.4: Conceptual Land Use Plan*. The development will also feature drought-tolerant landscaping, which further increases how well the project fits within the context of the lower density surrounding development.

d. **Cross Sections**

Exhibit III.C.7.d: Landscape Buffer Cross Sections illustrates the proposed landscape buffers along the perimeter of the property.



Exhibit III.C.7.d: Landscape Buffer Cross Sections



8. Wildlife

a. Conceptual Land Use Plan Response to Wildlife

By preserving the sandy-bottom wash areas on-site, wildlife habitat and corridors that facilitate movement are protected. The proposed open space on-site provides ample visual and acoustical buffering for wildlife traversing the site. At least 30 days before grading, a 100% area survey must be completed by a qualified wildlife biologist, for the Sonoran Desert Tortoise, with a copy of the survey form sent to the Town prior to issuance of a grading permit.

9. Viewsheds

Extraordinary views are not available from or across the property due to existing, relatively flat topography coupled with the distance to the surrounding mountain ranges. However, the wide, open space corridors and perimeter areas mitigate the project's minimal impacts to surrounding viewsheds. Adequate landscape buffers and screening will be provided to the extent feasible where necessary to soften the impact of views from adjacent properties.

10. Traffic and Circulation

Ingress/egress will be provided at one location along Tortolita Road. The access point is located in an area that minimizes the impacts to the available right-of-way frontage and road geometry as well as minimizes traffic impacts on the neighboring property owners. The internal streets are considered public and will be maintained by the Town of Marana. In the instance that the development becomes gated, the roadways shall be private and maintained by the established homeowners' association. The proposed roadways will be designed and built to comply with the requirements of a 'local street' section per the Town of Marana Subdivision Street Standards Manual. The proposed right-of-way width is 42 feet and will contain two vehicular travel lanes as well as parking and sidewalks on both sides of the road. A sidewalk will be provided along the eastern property boundary in the Tortolita Road right-of-way as a continuation of the sidewalk provided adjacent to the Tortolita Reserve subdivision to the south.

Interstate 10 is approximately five miles (as the crow flies) west of the site and can be accessed by traveling south on Tortolita Road to Dove Mountain Boulevard via Moore Road and then west on Tangerine Road which is located approximately 1.75 miles from the subject property. Tangerine Road is currently undergoing an improvement project in which the corridor will be widened to four vehicular travel lanes to accommodate future traffic demands.

Kimley-Horn and Associates, Inc. was consulted to determine the traffic impacts of the proposed rezoning. For purposes of estimating vehicle trips that are anticipated to be



generated by the proposed single-family housing development, the Institute of Transportation Engineers' (ITE) Trip Generation Manual, 10th Edition was used. Single-family detached housing (Land Use Code 210) was used in this calculation. The existing development is expected to generate 25 AM peak hour trips and 34 PM peak hour trips. The anticipated total daily trips will be on the order of 322 vehicles per day (refer to Table III.C.10: ITE Trip Generation Estimate (Single-Family Detached Housing)).

Table III.C.10: ITE Trip Generation Estimate (Single-Family Detached Housing)

Land Use	Units	AM Peak Hour Trips	PM Peak Hour Trips	Daily Trips
Single-Family Detached Housing	34	25	34	322

It is not anticipated that the project will generate any passer-by traffic or have any internal capture. The entire traffic statement provided by Kimley-Horn can be found in the appendices of this rezoning document.

11. Public Utilities

As shown on *Exhibit II.B.3.c: Existing Land Uses*, there are no wells found on-site or within 100 feet of the subject property.

The water supply for the proposed development will be provided by Tucson Water, which has been designated by the ADWR as having an assured water supply; therefore, water supply is assured. As mentioned in the Development Capability Inventory Analysis, a lot combination will be needed in order to add the western two parcels in the rezoning area to the Obligated Service Area for Tucson Water. In preliminary discussions with Tucson Water, water service will be made available to the site contingent upon a successful lot combination. Off-site improvements to connect to the existing system will need to be considered along with the infrastructure to serve the proposed development.

The Pima County Regional Wastewater Reclamation District has indicated that there is capacity available in the existing 8-inch sewer main located in the Tortolita Reserve subdivision south of the project (See *Exhibit II.B.14.a.1: Sewer Map*). A 20-foot wide public sewer easement shall be provided between lots 12 and 13 to connect to the south boundary and extend public sewer service through Tortolita Reserve (see *Exhibit III.C.11: Developed Conditions Utilities Map*). Additionally, a public sewer easement has been provided between lots 23 and 24 to allow the properties located north of the subject property future access to the sewer.

Trico Electric Cooperative provides electricity to this area of Pima County according to the Trico Service Area Map. It is anticipated that Trico will provide power to the site.



According to the company website, the proposed site currently is in the CenturyLink telephone service area. Alternatively, individuals may use wireless communications that can be provided by any number of service providers.

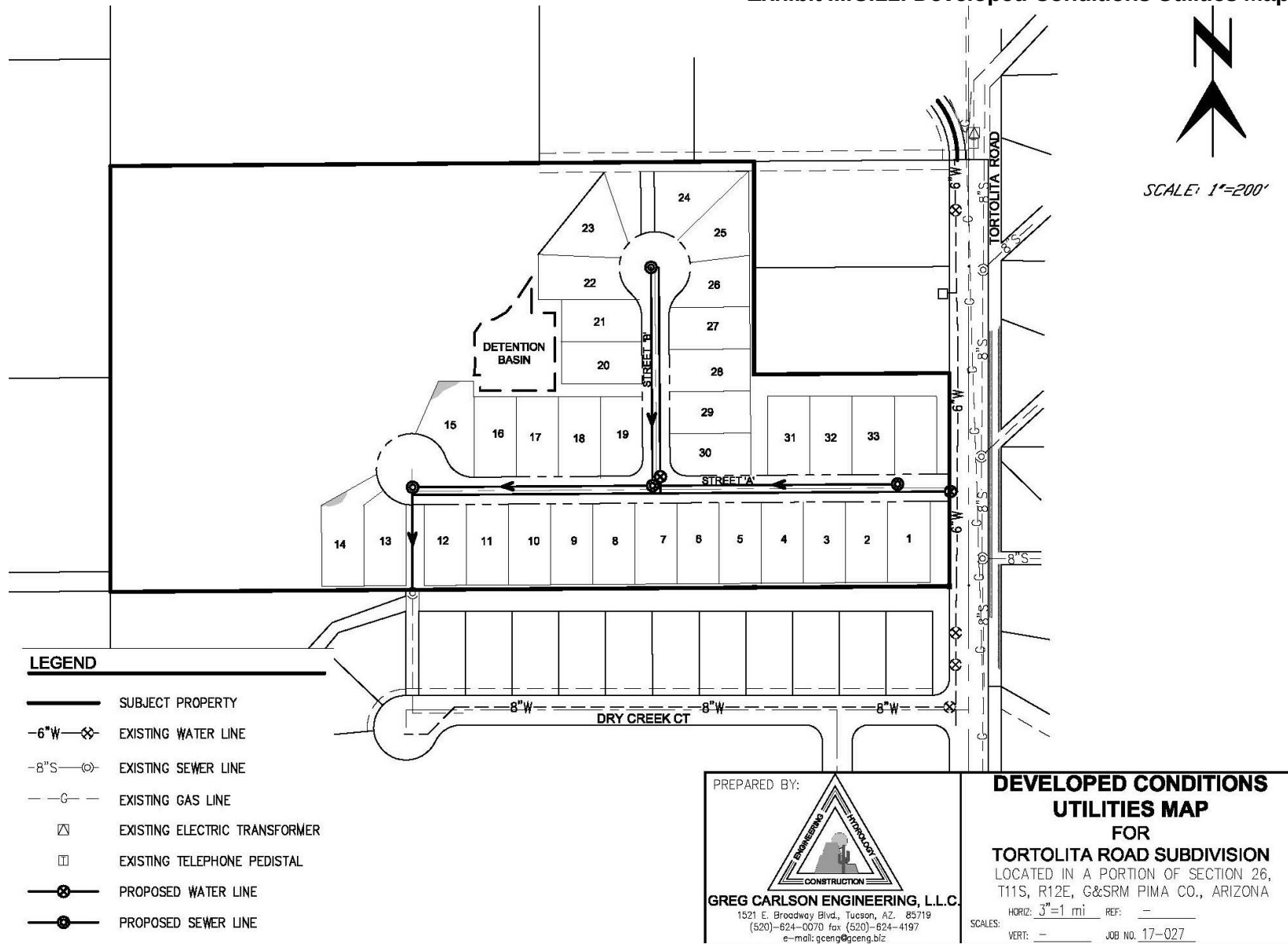
According to the distribution service area map, Southwest Gas Corporation will provide service to the subject property.

Electricity, natural gas, telecommunications and cable services will be extended to the project site at the time of development through agreements with individual utility companies.

A number of private sanitation service providers may be contracted to serve the site with comprehensive trash and waste removal, recycling and environmentally safe waste management services.



Exhibit III.C.11: Developed Conditions Utilities Map



12. Public Service Impacts

a. Police Service

The project site will utilize the Town of Marana's police service. The nearest Town of Marana police station is the Town of Marana Police Headquarters located approximately 9 miles west of the project site at 11555 West Civic Center Drive. As a relatively low density residential project, impacts to Marana's police services are expected to be minimal.

b. Fire Service

Currently, the two westernmost rezoning parcels are within the Northwest Fire District and parcel 218-44-022H will be annexed into the Northwest Fire District prior to development. Before a Certificate of Occupancy can be issued for any dwelling unit on the property, the Developer shall have completed or shall provide evidence to the Town's satisfaction that the Developer has made a diligent effort to complete the process of having the remaining parcel annexed into the Northwest Fire District.

As depicted in Exhibit II.14.c: Public Facilities, the nearest fire station (Northwest Fire District Station #337) is located at 13001 N. Tortolita Road, approximately 0.5 miles south of the project site.



c. Schools

It is anticipated that this project will generate 34 single family homes if fully developed at the target density of less than 2 residences per acre. The proposed rezoning is located within the Marana Unified School District (MUSD).

MUSD provided the following multipliers to use for student enrollment projections:

Elementary: 0.25 students per home (0.25×34) = 9 students

Junior High & High School: 0.10 students per home (0.10×34) = 4 students

MUSD does not distinguish between different housing community types.

There are no schools located within one-mile of the project site. Ironwood Elementary School is located approximately 7.5 miles southeast at 3300 West Freer Drive and serves grades K-6. Tortolita Middle School is located approximately 8 miles southeast of the subject property and serves grades 7-8. Mountain View High School is located southeast approximately 6.5 miles from the site and serves grades 9-12.

See *Exhibit II.14.c: Public Facilities*.

13. Recreation and Trails

The proposed project provides over 9 acres of open space, including revegetated areas (1.9 acres) and natural undisturbed open space (7.69 acres). These open space areas will provide residents of the proposed subdivision with passive recreational opportunities. Per the Town of Marana Land Development Code 17.5.3.9.a, on-site recreation areas are not required for subdivision with less than 50 lots. Although not required and largely undeterminable until further drainage and hydrology studies have been performed, a park consisting of a ramada, grassy area, barbeque pit and picnic benches will be provided onsite. The final size and location of the park will be determined during the subdivision platting process.

14. Cultural, Archaeological and Historic Resources

The Arizona State Museum archaeological site database was consulted, which includes records for previously conducted surveys and previously recorded sites in the project area. The records search showed that six previous survey projects were conducted within a one-mile radius of the project area between 1981 and 2012. According to ASM, eleven archaeological sites have been identified within a one-mile radius of the project area, none of which fall within the boundaries of the project. Due to the age of the previous survey, the ASM recommends that a qualified archaeologist resurvey the subject property prior to any ground disturbance (see *Exhibit II.B.13.b: Archaeological Records Search*).

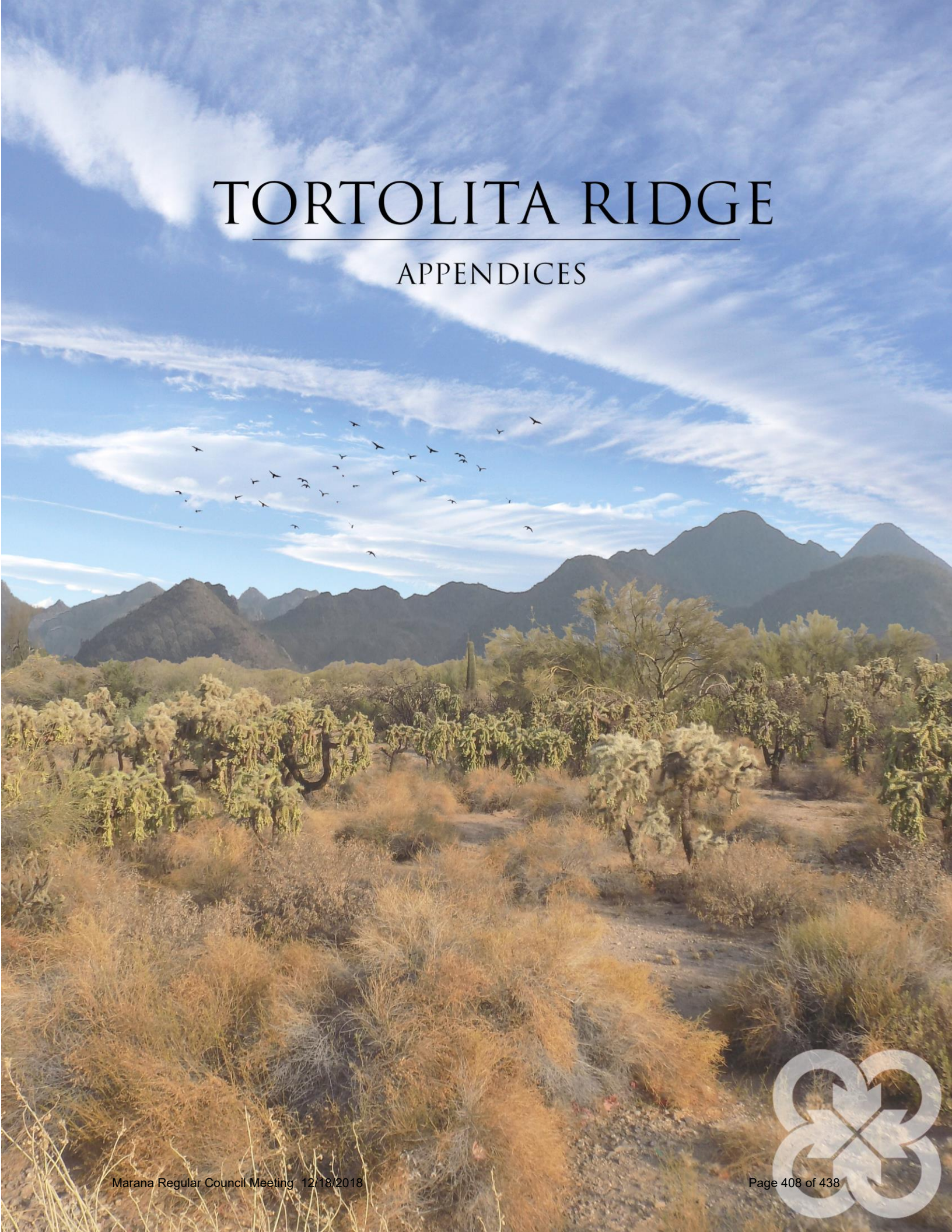


The presence of cultural resources within the project boundaries requires a 404 Nationwide Permit (NWP) and notification to the Army Corps of Engineers. Cultural reports for projects with a federal nexus are reviewed by the State Historic Preservation Office (SHPO) and the Town shall be copied on all reports and other information. Approval from the SHPO is required before issuance of a grading permit.



TORTOLITA RIDGE

APPENDICES



A. Bibliography

Aerial Photographs, National Agriculture Imagery Program, 2016.

Town of Marana Land Development Code, Title 8 - General Development Regulations, revised May 2011.

Town of Marana Land Development Code, Title 6 - Subdivision Requirements, revised March 2011.

Town of Marana Land Development Code, Title 5 - Zoning, revised May 2011.

Town of Marana General Plan, 2010.

Town of Marana Strategic Plan II, March 2012.

Town of Marana Parks, Recreation, Trails, and Open Space Master Plan, 2010.

FEMA Flood Insurance Rate Map, Pima County, Arizona.

Institute of Transportation Engineers, Trip Generation Manuals, 7th Edition, Volumes 1 & 3, 2003.

MapGuide, Pima County Geographic Information Systems, 2016 and 2017.

Pima Regional Trail System Master Plan, revised May 2012.



B. Heritage Data Management On-line Environmental Review Summary

Arizona Environmental Online Review Tool Report



Arizona Game and Fish Department Mission

To conserve Arizona's diverse wildlife resources and manage for safe, compatible outdoor recreation opportunities for current and future generations.

Project Name:

DRH-21 Tortolita rd Rezoning

Project Description:

single family residential subdivision

Project Type:

Development Within Municipalities (Urban Growth), Residential subdivision and associated infrastructure,
New construction

Contact Person:

Chris Laria

Organization:

The Planning Center

On Behalf Of:

CONSULTING

Project ID:

HGIS-05735

Please review the entire report for project type and/or species recommendations for the location information entered. Please retain a copy for future reference.



Disclaimer:

1. This Environmental Review is based on the project study area that was entered. The report must be updated if the project study area, location, or the type of project changes.
2. This is a preliminary environmental screening tool. It is not a substitute for the potential knowledge gained by having a biologist conduct a field survey of the project area. This review is also not intended to replace environmental consultation (including federal consultation under the Endangered Species Act), land use permitting, or the Department's review of site-specific projects.
3. The Department's Heritage Data Management System (HDMS) data is not intended to include potential distribution of special status species. Arizona is large and diverse with plants, animals, and environmental conditions that are ever changing. Consequently, many areas may contain species that biologists do not know about or species previously noted in a particular area may no longer occur there. HDMS data contains information about species occurrences that have actually been reported to the Department. Not all of Arizona has been surveyed for special status species, and surveys that have been conducted have varied greatly in scope and intensity. Such surveys may reveal previously undocumented population of species of special concern.
4. HabiMap Arizona data, specifically Species of Greatest Conservation Need (SGCN) under our State Wildlife Action Plan (SWAP) and Species of Economic and Recreational Importance (SERI), represent potential species distribution models for the State of Arizona which are subject to ongoing change, modification and refinement. The status of a wildlife resource can change quickly, and the availability of new data will necessitate a refined assessment.

Locations Accuracy Disclaimer:

Project locations are assumed to be both precise and accurate for the purposes of environmental review. The creator/owner of the Project Review Report is solely responsible for the project location and thus the correctness of the Project Review Report content.

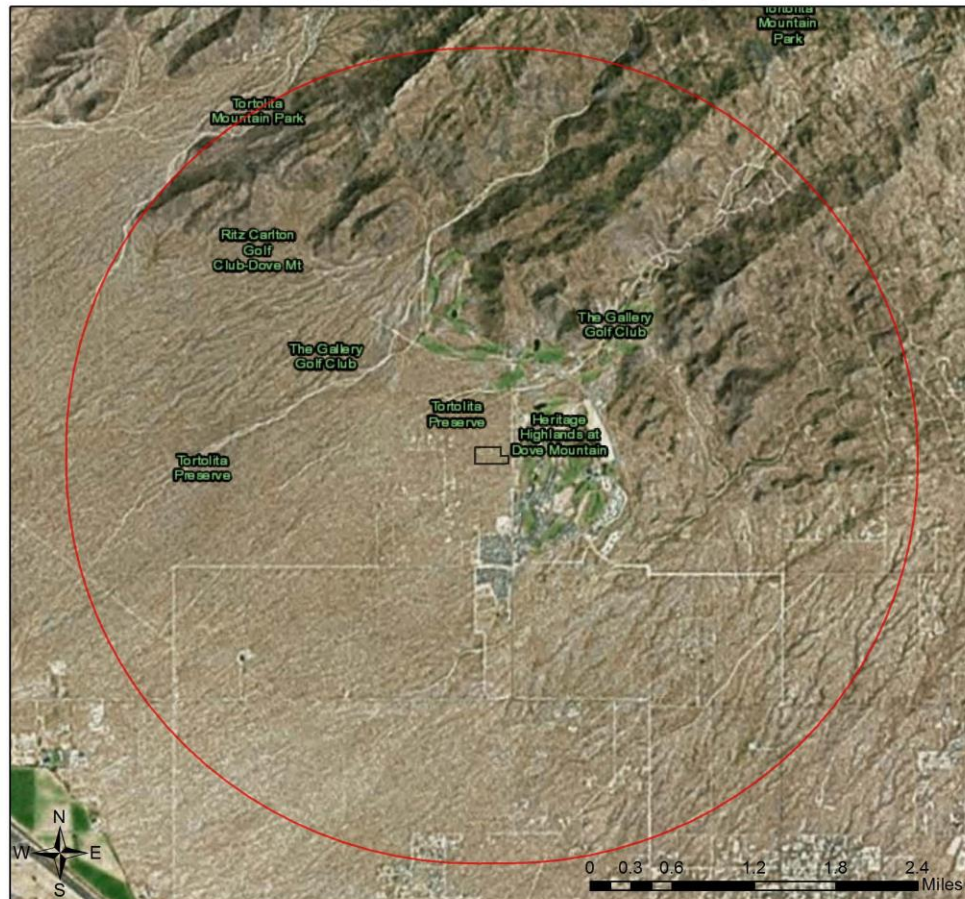


Recommendations Disclaimer:

1. The Department is interested in the conservation of all fish and wildlife resources, including those species listed in this report and those that may have not been documented within the project vicinity as well as other game and nongame wildlife.
2. Recommendations have been made by the Department, under authority of Arizona Revised Statutes Title 5 (Amusements and Sports), 17 (Game and Fish), and 28 (Transportation).
3. Potential impacts to fish and wildlife resources may be minimized or avoided by the recommendations generated from information submitted for your proposed project. These recommendations are preliminary in scope, designed to provide early considerations on all species of wildlife.
4. Making this information directly available does not substitute for the Department's review of project proposals, and should not decrease our opportunity to review and evaluate additional project information and/or new project proposals.
5. Further coordination with the Department requires the submittal of this Environmental Review Report with a cover letter and project plans or documentation that includes project narrative, acreage to be impacted, how construction or project activity(s) are to be accomplished, and project locality information (including site map). Once AGFD had received the information, please allow 30 days for completion of project reviews. Send requests to:
Project Evaluation Program, Habitat Branch
Arizona Game and Fish Department
5000 West Carefree Highway
Phoenix, Arizona 85086-5000
Phone Number: (623) 236-7600
Fax Number: (623) 236-7366
Or
PEP@azgfd.gov
6. Coordination may also be necessary under the National Environmental Policy Act (NEPA) and/or Endangered Species Act (ESA). Site specific recommendations may be proposed during further NEPA/ESA analysis or through coordination with affected agencies.



DRH-21 Tortolita rd Rezoning Aerial Image Basemap With Locator Map



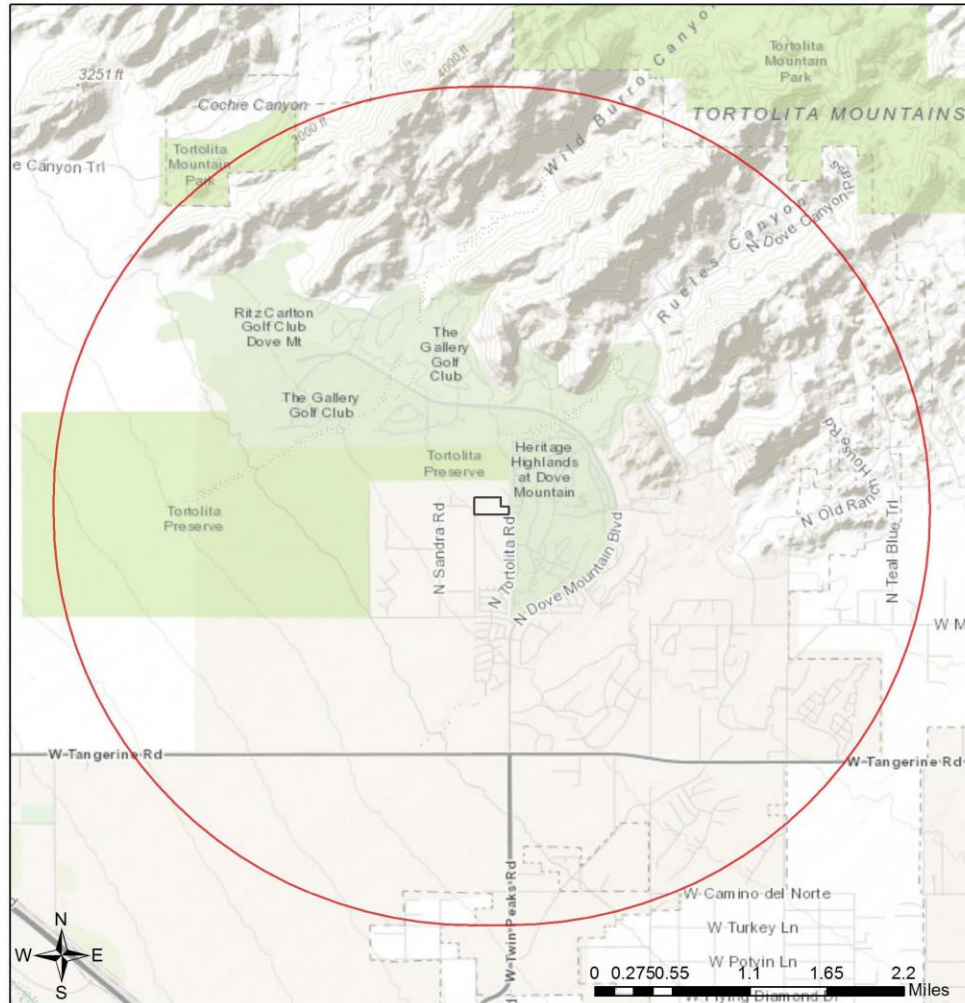
- Project Boundary
- Buffered Project Boundary

Project Size (acres): 17.09
Lat/Long (DD): 32.4508 / -111.0829
County(s): Pima
AGFD Region(s): Tucson
Township/Range(s): T11S, R12E
USGS Quad(s): RUELAS CANYON

Service Layer Credits: Sources: Esri, HERE, DeLorme, TomTom, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong),



DRH-21 Tortolita rd Rezoning
Web Map As Submitted By User



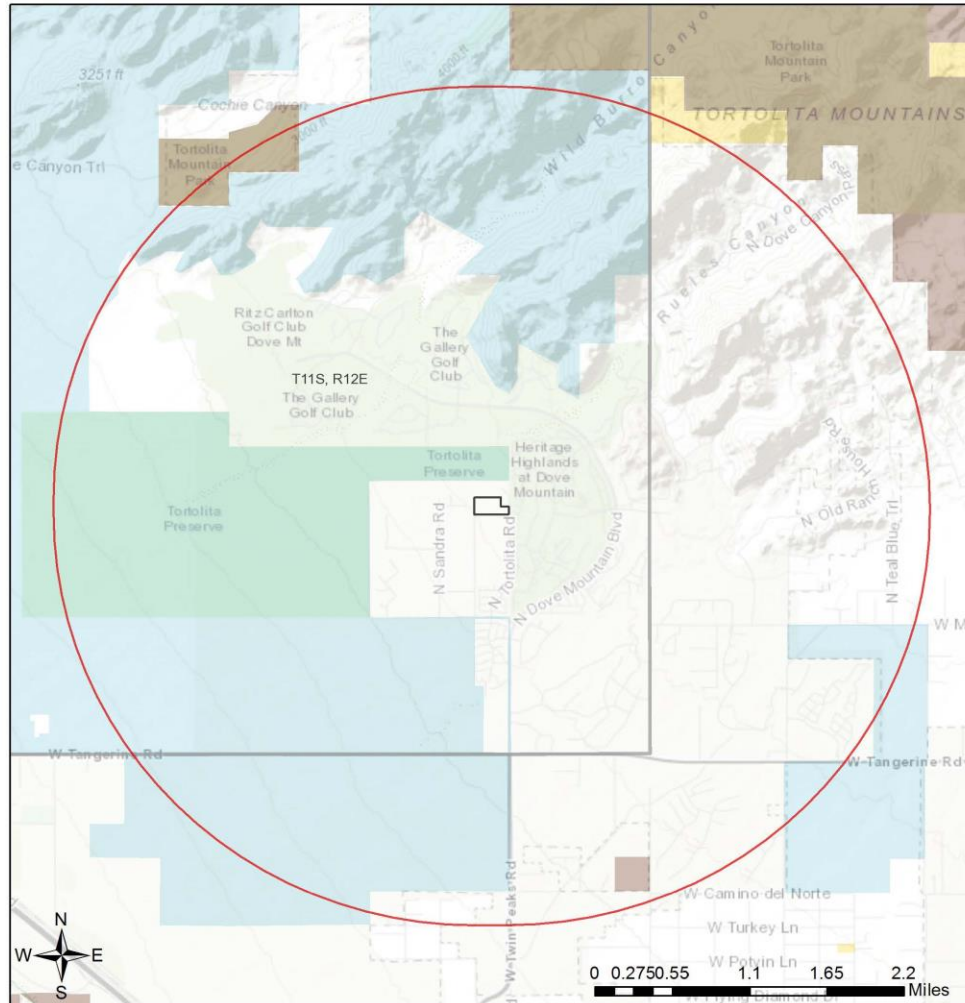
- Project Boundary
- Buffered Project Boundary

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Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



DRH-21 Tortolita rd Rezoning
Topo Basemap With Township/Ranges and Land Ownership



- Project Boundary
- Buffered Project Boundary
- Township/Ranges
- AZ Game and Fish Dept.
- BLM
- BOR
- Indian Res.
- Military

- Mixed/Other
- National Park/Mon.
- Private
- State and Regional Parks
- State Trust
- US Forest Service
- Wildlife Area/Refuge

Project Size (acres): 17.09

Lat/Long (DD): 32.4508 / -111.0829

County(s): Pima

AGFD Region(s): Tucson

Township/Range(s): T11S, R12E

USGS Quad(s): RUELAS CANYON

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, MapmyIndia, © OpenStreetMap contributors, and the GIS User Community



Special Status Species and Special Areas Documented within 3 Miles of Project Vicinity

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Aquila chrysaetos</i>	Golden Eagle	BGA		S		1B
<i>Glaucidium brasilianum cactorum</i>	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
<i>Gopherus morafkai</i>	Sonoran Desert Tortoise	CCA	S	S		1A
<i>Heloderma suspectum</i>	Gila Monster					1A
Tucson - Tortolita - Santa Catalina Mountains Linkage Design	Wildlife Corridor					

Note: Status code definitions can be found at <https://www.azgfd.com/wildlife/planning/wildlife-guidelines/status-definitions/>.

Species of Greatest Conservation Need
Predicted within Project Vicinity based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Aix sponsa</i>	Wood Duck					1B
<i>Ammodramus savannarum perpallidus</i>	Western Grasshopper Sparrow					1B
<i>Ammospermophilus harrisi</i>	Harris' Antelope Squirrel					1B
<i>Anaxyrus retiformis</i>	Sonoran Green Toad			S		1B
<i>Anthus spragueii</i>	Sprague's Pipit	SC				1A
<i>Antrostomus ridgwayi</i>	Buff-collared Nighthawk		S			1B
<i>Aquila chrysaetos</i>	Golden Eagle			S		1B
<i>Aspidoscelis flagellicauda</i>	Gila Spotted Whiptail					1B
<i>Aspidoscelis stictogramma</i>	Giant Spotted Whiptail	SC	S			1B
<i>Athene cucularia hypugaea</i>	Western Burrowing Owl	SC	S	S		1B
<i>Botaurus lentiginosus</i>	American Bittern					1B
<i>Buteo regalis</i>	Ferruginous Hawk	SC		S		1B
<i>Chilomeniscus stramineus</i>	Variable Sandsnake					1B
<i>Chionactis occipitalis klauberi</i>	Tucson Shovel-nosed Snake	SC				1A
<i>Colaptes chrysoides</i>	Gilded Flicker			S		1B
<i>Coluber bilineatus</i>	Sonoran Whipsnake					1B
<i>Corynorhinus townsendii pallescens</i>	Pale Townsend's Big-eared Bat	SC	S	S		1B
<i>Crotalus cerberus</i>	Arizona Black Rattlesnake					1B
<i>Crotalus tigris</i>	Tiger Rattlesnake					1B
<i>Cynanthus latirostris</i>	Broad-billed Hummingbird		S			1B
<i>Cyprinodon macularius</i>	Desert Pupfish	LE				1A
<i>Dipodomys spectabilis</i>	Banner-tailed Kangaroo Rat			S		1B
<i>Euderma maculatum</i>	Spotted Bat	SC	S	S		1B
<i>Eumops perotis californicus</i>	Greater Western Bonneted Bat	SC		S		1B
<i>Falco peregrinus anatum</i>	American Peregrine Falcon	SC	S	S		1A
<i>Glaucidium brasilianum cactorum</i>	Cactus Ferruginous Pygmy-owl	SC	S	S		1B
<i>Glaucidium gnoma gnoma</i>	Mountain Pygmy-owl					1B



Species of Greatest Conservation Need
Predicted within Project Vicinity based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Gopherus morafkai</i>	Sonoran Desert Tortoise	CCA	S	S		1A
<i>Haliaeetus leucocephalus</i>	Bald Eagle	SC	S	S		1A
<i>Heloderma suspectum</i>	Gila Monster					1A
<i>Hypsiglena sp. nov.</i>	Hooded Nightsnake					1B
<i>Inocillus alvarius</i>	Sonoran Desert Toad					1B
<i>Kinosternon sonoriense sonoriense</i>	Desert Mud Turtle			S		1B
<i>Lasiurus blossevillii</i>	Western Red Bat		S			1B
<i>Lasiurus xanthinus</i>	Western Yellow Bat		S			1B
<i>Leopardus pardalis</i>	Ocelot	LE				1A
<i>Leptonycteris curasoae yerbabuenae</i>	Lesser Long-nosed Bat	LE				1A
<i>Lepus alleni</i>	Antelope Jackrabbit					1B
<i>Macrotus californicus</i>	California Leaf-nosed Bat	SC		S		1B
<i>Melanerpes uropygialis</i>	Gila Woodpecker					1B
<i>Meleagris gallopavo mexicana</i>	Gould's Turkey		S			1B
<i>Melospiza lincolni</i>	Lincoln's Sparrow					1B
<i>Melospiza aberti</i>	Abert's Towhee		S			1B
<i>Micruroides euryxanthus</i>	Sonoran Coralsnake					1B
<i>Myotis occultus</i>	Arizona Myotis	SC		S		1B
<i>Myotis velifer</i>	Cave Myotis	SC		S		1B
<i>Myotis yumanensis</i>	Yuma Myotis	SC				1B
<i>Nyctinomops femorosaccus</i>	Pocketed Free-tailed Bat					1B
<i>Panthera onca</i>	Jaguar	LE				1A
<i>Passerculus sandwichensis</i>	Savannah Sparrow					1B
<i>Perognathus amplus</i>	Arizona Pocket Mouse					1B
<i>Perognathus longimembris</i>	Little Pocket Mouse	No Status				1B
<i>Peucaea carpalis</i>	Rufous-winged Sparrow					1B
<i>Phrynosoma solare</i>	Regal Horned Lizard					1B
<i>Phyllorhynchus browni</i>	Saddled Leaf-nosed Snake					1B
<i>Poeciliopsis occidentalis occidentalis</i>	Gila Topminnow	LE				1A
<i>Progne subis hesperia</i>	Desert Purple Martin			S		1B
<i>Setophaga petechia</i>	Yellow Warbler					1B
<i>Sonorella eremita</i>	San Xavier Talussnail	CCA				1A
<i>Sonorella papagorum</i>	Black Mountain Talussnail					1B
<i>Tadarida brasiliensis</i>	Brazilian Free-tailed Bat					1B
<i>Thomomys umbrinus intermedius</i>	Southern Pocket Gopher					1B
<i>Troglodytes pacificus</i>	Pacific Wren					1B



Species of Greatest Conservation Need
Predicted within Project Vicinity based on Predicted Range Models

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Vireo bellii arizonae</i>	Arizona Bell's Vireo					1B
<i>Vulpes macrotis</i>	Kit Fox	No Status				1B

Species of Economic and Recreation Importance Predicted within Project Vicinity

Scientific Name	Common Name	FWS	USFS	BLM	NPL	SGCN
<i>Callipepla gambelii</i>	Gambel's Quail					
<i>Odocoileus hemionus</i>	Mule Deer					
<i>Odocoileus virginianus</i>	White-tailed Deer					1B
<i>Pecari tajacu</i>	Javelina					
<i>Puma concolor</i>	Mountain Lion					
<i>Zenaidura macroura</i>	White-winged Dove					
<i>Zenaidura macroura</i>	Mourning Dove					

Project Type: Development Within Municipalities (Urban Growth), Residential subdivision and associated infrastructure, New construction

Project Type Recommendations:

Fence recommendations will be dependant upon the goals of the fence project and the wildlife species expected to be impacted by the project. General guidelines for ensuring wildlife-friendly fences include: barbless wire on the top and bottom with the maximum fence height 42", minimum height for bottom 16". Modifications to this design may be considered for fencing anticipated to be routinely encountered by elk, bighorn sheep or pronghorn (e.g., Pronghorn fencing would require 18" minimum height on the bottom). Please refer to the Department's Fencing Guidelines located on Wildlife Friendly Guidelines page, which is part of the Wildlife Planning button at <https://www.azgfd.com/wildlife/planning/wildlifeguidelines/>.

During the planning stages of your project, please consider the local or regional needs of wildlife in regards to movement, connectivity, and access to habitat needs. Loss of this permeability prevents wildlife from accessing resources, finding mates, reduces gene flow, prevents wildlife from re-colonizing areas where local extirpations may have occurred, and ultimately prevents wildlife from contributing to ecosystem functions, such as pollination, seed dispersal, control of prey numbers, and resistance to invasive species. In many cases, streams and washes provide natural movement corridors for wildlife and should be maintained in their natural state. Uplands also support a large diversity of species, and should be contained within important wildlife movement corridors. In addition, maintaining biodiversity and ecosystem functions can be facilitated through improving designs of structures, fences, roadways, and culverts to promote passage for a variety of wildlife. Guidelines for many of these can be found at: <https://www.azgfd.com/wildlife/planning/wildlifeguidelines/>.

Consider impacts of outdoor lighting on wildlife and develop measures or alternatives that can be taken to increase human safety while minimizing potential impacts to wildlife. Conduct wildlife surveys to determine species within project area, and evaluate proposed activities based on species biology and natural history to determine if artificial lighting may disrupt behavior patterns or habitat use. Use only the minimum amount of light needed for safety. Narrow spectrum bulbs should be used as often as possible to lower the range of species affected by lighting. All lighting should be shielded, canted, or cut to ensure that light reaches only areas needing illumination.



Minimize potential introduction or spread of exotic invasive species. Invasive species can be plants, animals (exotic snails), and other organisms (e.g., microbes), which may cause alteration to ecological functions or compete with or prey upon native species and can cause social impacts (e.g., livestock forage reduction, increase wildfire risk). The terms noxious weed or invasive plants are often used interchangeably. Precautions should be taken to wash all equipment utilized in the project activities before leaving the site. Arizona has noxious weed regulations (Arizona Revised Statutes, Rules R3-4-244 and R3-4-245). See Arizona Department of Agriculture website for restricted plants, <https://agriculture.az.gov/>. Additionally, the U.S. Department of Agriculture has information regarding pest and invasive plant control methods including: pesticide, herbicide, biological control agents, and mechanical control, <http://www.usda.gov/wps/portal/usdahome>. The Department regulates the importation, purchasing, and transportation of wildlife and fish (Restricted Live Wildlife), please refer to the hunting regulations for further information <https://www.azgfd.com/hunting/regulations>.

The construction or maintenance of water developments should include: incorporation of aspects of the natural environment and the visual resources, maintaining the water for a variety of species, water surface area (e.g., bats require a greater area due to in-flight drinking), accessibility, year-round availability, minimizing potential for water quality problems, frequency of flushing, shading of natural features, regular clean-up of debris, escape ramps, minimizing obstacles, and minimizing accumulation of silt and mud.

Minimization and mitigation of impacts to wildlife and fish species due to changes in water quality, quantity, chemistry, temperature, and alteration to flow regimes (timing, magnitude, duration, and frequency of floods) should be evaluated. Minimize impacts to springs, in-stream flow, and consider irrigation improvements to decrease water use. If dredging is a project component, consider timing of the project in order to minimize impacts to spawning fish and other aquatic species (include spawning seasons), and to reduce spread of exotic invasive species. We recommend early direct coordination with Project Evaluation Program for projects that could impact water resources, wetlands, streams, springs, and/or riparian habitats.

The Department recommends that wildlife surveys are conducted to determine if noise-sensitive species occur within the project area. Avoidance or minimization measures could include conducting project activities outside of breeding seasons.

Based on the project type entered, coordination with State Historic Preservation Office may be required (<http://azstateparks.com/SHPQ/index.html>).

Trenches should be covered or back-filled as soon as possible. Incorporate escape ramps in ditches or fencing along the perimeter to deter small mammals and herpetofauna (snakes, lizards, tortoise) from entering ditches.

Communities can actively support the sustainability and mobility of wildlife by incorporating wildlife planning into their regional/comprehensive plans, their regional transportation plans, and their open space/conservation land system programs. An effective approach to wildlife planning begins with the identification of the wildlife resources in need of protection, an assessment of important habitat blocks and connective corridors, and the incorporation of these critical wildlife components into the community plans and programs. Community planners should identify open spaces and habitat blocks that can be maintained in their area, and the necessary connections between those blocks to be preserved or protected. Community planners should also work with State and local transportation planning entities, and planners from other communities, to foster coordination and cooperation in developing compatible development plans to ensure wildlife habitat connectivity. The Department's guidelines for incorporating wildlife considerations into community planning and developments can be found on the Wildlife Friendly Guidelines portion of the Wildlife Planning page at <https://www.azgfd.com/wildlife/planning/wildlifeguidelines/>.



Arizona Game and Fish Department
Project ID: HGIS-05735

project_report_drh_21_tortolita_rd_rezonin_23657_24280.pdf
Review Date: 7/10/2017 02:07:30 PM

Design culverts to minimize impacts to channel geometry, or design channel geometry (low flow, overbank, floodplains) and substrates to carry expected discharge using local drainages of appropriate size as templates. Reduce/minimize barriers to allow movement of amphibians or fish (e.g., eliminate falls). Also for terrestrial wildlife, washes and stream corridors often provide important corridors for movement. Overall culvert width, height, and length should be optimized for movement of the greatest number and diversity of species expected to utilize the passage. Culvert designs should consider moisture, light, and noise, while providing clear views at both ends to maximize utilization. For many species, fencing is an important design feature that can be utilized with culverts to funnel wildlife into these areas and minimize the potential for roadway collisions. Guidelines for culvert designs to facilitate wildlife passage can be found on the home page of this application at <https://www.azgfd.com/wildlife/planning/wildlifeguidelines/>.

Based on the project type entered, coordination with Arizona Department of Environmental Quality may be required (<http://www.azdeq.gov/>).

Based on the project type entered, coordination with Arizona Department of Water Resources may be required (<http://www.azwater.gov/azdwr/default.aspx>).

Based on the project type entered, coordination with U.S. Army Corps of Engineers may be required (<http://www.usace.army.mil/>).

Based on the project type entered, coordination with County Flood Control district(s) may be required.

Development plans should provide for open natural space for wildlife movement, while also minimizing the potential for wildlife-human interactions through design features. Please contact Project Evaluation Program for more information on living with urban wildlife at PEP@azgfd.gov or at <https://www.azgfd.com/wildlife/planning/wildlifeguidelines/> and <https://www.azgfd.com/wildlife/LivingWith/>.

Vegetation restoration projects (including treatments of invasive or exotic species) should have a completed site-evaluation plan (identifying environmental conditions necessary to re-establish native vegetation), a revegetation plan (species, density, method of establishment), a short and long-term monitoring plan, including adaptive management guidelines to address needs for replacement vegetation.

The Department requests further coordination to provide project/species specific recommendations, please contact Project Evaluation Program directly, PEP@azgfd.gov

Project Location and/or Species Recommendations:

HDMS records indicate that one or more listed, proposed, or candidate species or Critical Habitat (Designated or Proposed) have been documented in the vicinity of your project. The Endangered Species Act (ESA) gives the US Fish and Wildlife Service (USFWS) regulatory authority over all federally listed species. Please contact USFWS Ecological Services Offices at <http://www.fws.gov/southwest/es/arizona/> or:

Phoenix Main Office
2321 W. Royal Palm Rd, Suite 103
Phoenix, AZ 85021
Phone: 602-242-0210
Fax: 602-242-2513

Tucson Sub-Office
201 N. Bonita Suite 141
Tucson, AZ 85745
Phone: 520-670-6144
Fax: 520-670-6155

Flagstaff Sub-Office
SW Forest Science Complex
2500 S. Pine Knoll Dr.
Flagstaff, AZ 86001
Phone: 928-556-2157
Fax: 928-556-2121

HDMS records indicate that Sonoran Desert Tortoise have been documented within the vicinity of your project area. Please review the Tortoise Handling Guidelines found at: <https://www.azgfd.com/wildlife/nongamemanagement/tortoise/>



Arizona Game and Fish Department
Project ID: HGIS-05735

project_report_drh_21_tortolita_rd_rezonin_23657_24280.pdf
Review Date: 7/10/2017 02:07:30 PM

Analysis indicates that your project is located in the vicinity of an identified wildlife habitat linkage corridor. Project planning and implementation efforts should focus on maintaining adequate opportunities for wildlife permeability. For information pertaining to the linkage assessment and wildlife species that may be affected, please refer to: <http://www.corridordesign.org/arizona>. Please contact your local Arizona Game and Fish Department Regional Office for specific project recommendations: <https://www.azgfd.com/Agency/Offices>.



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Appendices IV-87

C. Traffic Impact Statement for DR Horton Rezone, Tortolita Road



October 5, 2018

Linda Morales
The Planning Center
2 E. Congress, Suite 600
Tucson, AZ 85701



RE: Traffic Impact Statement for DR Horton Rezone, Tortolita Road, Marana, AZ for a 34-unit single family detached housing

This letter has been prepared to provide trip generation calculations for the proposed 17.6-acre single-family housing development located 1.75 miles north of the intersection of Tangerine Road and Dove Mountain Boulevard within the Town of Marana, Arizona. The site is proposed to be accessed by a full-access driveway on Tortolita Road. The site is currently undeveloped.

The site is currently zoned as Large Lot Zone (C) and Single-Family Residential Zone (R-80). The proposed zone for the development is Single-Family Residential Zone (R-8). The proposed development will consist of 34 units. The project area consists of three parcels: APN 218-44-022H, 218-44-022D, and 218-44-022C and has an anticipated buildout year of 2020.

TRIP GENERATION

For purposes of estimating vehicle trips that are anticipated to be generated by the proposed single-family housing development, the Institute of Transportation Engineers' (ITE) Trip Generation Manual, 10th Edition was used. Single-Family Detached Housing (Land Use Code 210) was used in this calculation. The existing development is expected to generate 25 AM peak hour trips and 34 PM peak hour trips. The anticipated total daily trips will be on the order of 322 vehicles per day.

The calculations are attached and the resulting trip generation is summarized in **Table 1** for the proposed single-family housing development.

It is not anticipated that the project will generate any passer-by traffic or have any internal capture.

Table 1 – ITE Trip Generation Estimate (Single-Family Detached Housing)

Land Use	Units	AM Peak Hour Trips	PM Peak Hour Trips	Daily Trips
Single-Family Detached Housing	34	25	34	322

Source: ITE Trip Generation Manual, 10th Edition

SITE ACCESS

It is anticipated that the trips generated by the proposed development will access the site via Tortolita Road.

Site distance in both directions (north and south) on Tortolita Road is sufficient. Site distance to the north on Tortolita Road exceeds 300 feet, and to the south more than 1,000 feet.

kimley-horn.com

333 East Wetmore Road, Suite 280, Tucson, AZ 85705

520-615-9191



Page 2

MULTIMODAL CONSIDERATIONS

It is anticipated that the proposed development will generate a nominal amount of bicycle and/or pedestrian traffic. Existing sidewalks located adjacent to the Tortolita Reserve subdivision will be extended north adjacent to the proposed DR Horton subdivision.

TIS CHECKLIST CONFERENCE

A teleconference call was held on April 11, 2018 with Fausto Burruel to discuss the Town of Marana TIS Checklist. Notes from the conversation are:

- There is a new STEM School that will be constructed west of Tortolita Road. Upon buildout of the school, a traffic signal may be constructed at the intersection of Moore Road and Dove Mountain Boulevard. This will be constructed by others and is provided for awareness purposes.
- The speed limit adjacent to the DR Horton site is 35 mph. The speed limit reduces to 25 mph south of the site in the vicinity of the curve as Tortolita Road approaches Moore Road. Tortolita Road adjacent to the DR Horton site functions as a collector street.
- The sidewalk at the existing Tortolita Reserve subdivision should be extended north adjacent to the DR Horton site.

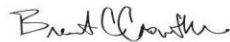
SUMMARY

The proposed 34-home DR Horton subdivision is not anticipated to have a negative impact on the adjacent roadway network. Trip generation from the site is modest as depicted in the Table 1 trip generation summary. The existing street network will be able to accommodate the trips generated from the site.

Please contact me at 520-352-8632 or brent.crowther@kimley-horn.com should you have any questions regarding this analysis.

Sincerely,

KIMLEY-HORN AND ASSOCIATES, INC.



Brent Crowther, P.E., PTOE
Vice-President

Attachments:

1. *TIS Checklist*
2. *Trip Generation Worksheet*

kimley-horn.com

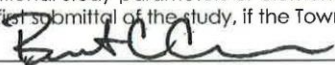
333 East Wetmore Road, Suite 280, Tucson, AZ 85705

520-615-9191





Development Services / permits@maranaaz.gov
 11555 West Civic Center Drive / Marana, AZ 85653
 Ph (520) 382-2600 / Fax (520) 382-2641 / maranaaz.gov

TRANSPORTATION STUDY PARAMETERS	
Trip Generation (Land Use Categories and Rates): 210, Single-Family Detached Housing	
Traffic Impact Analysis Category: ☒ I ☐ II ☐ III ☐ IV ☐ V	
Horizon Year(s): 2020	
Trip Distribution To/From - North: 0% South: 100% East: 0% West: 0% Other:	
Passer-by Traffic and Internal Capture (Rates): Not applicable	
Alternate Mode Considerations Bike: Pedestrian: Continue sidewalk on Tortolita Road from Tortolita Reserve Transit:	
Traffic Data and Preliminary Trip Generation: No traffic counts collected for this Category I analysis. Trip generation for 34 units shows 25 AM trips, 34 PM trips, and 322 daily trips	
ANALYSIS ELEMENTS AND METHODS	
Roadways: Tortolita Road is a 2-lane roadway, which functions as a collector street adjacent to the proposed development.	
Intersections: Not analyzed for this Category I analysis. A signal may be constructed (by others - STEM School) at intersection of Moore Road/Dove Mountain.	
Traffic Safety and other special considerations: Speed limit is 35 mph adjacent to the proposed subdivision. Speed limit reduces to 25 mph near the curve at the Self Storage facility.	
I, the undersigned, certify that all of the facts set forth in this form are true and correct to the best of my knowledge and that the study will include the parameters and elements described above. I understand that additional study parameters or elements (other than those discussed in this form) may be required following the first submittal of the study, if the Town deems that they are critical to the study findings.	
	April 11, 2018
Consultant Signature	Date
Brent C. Crowther, PE, PTOE	Vice-President
Consultant Name (PRINT)	Title
FOR OFFICIAL USE ONLY	
Project No. <u>N/A</u>	Date Received <u>4/11/2018</u>
☒ Form Accepted	Accepted Date <u>4/11/2018</u>
Town Authorized Signature <u>Fausto Burrel</u>	Accepted By <u>Fausto Burrel</u>
Revision Date 11/1/2017	Title <u>Traffic Division Manager</u>



Project <u>Tortolita Road</u>		Kimley»Horn	
Trip generation for <u>Single-Family Detached Housing</u>			
Designed by <u>DJG</u>	Date <u>April 06, 2018</u>	Job No. <u>Pending</u>	
Checked by <u>DVM</u>	Date <u>April 06, 2018</u>	Sheet No. <u>1</u> of <u>1</u>	

TRIP GENERATION MANUAL TECHNIQUES

ITE Trip Generation 10th Edition , Average Rate Equations

Land Use Code - 210 Single-Family Detached Housing

Independent Variable - Dwelling Unit(s)

Number of Units (X) - 34

T = Trip Ends

Peak Hour Adjacent Street Traffic One Hour Between 7 and 9 AM

AM Peak		Directional Distribution:
T = (X) * 0.74	Trip Ends Per Dwelling Unit(s)	25% Entering 75% Exiting
T = 25	Trip Ends	6 Entering 19 Exiting

Peak Hour Adjacent Street Traffic One Hour Between 4 and 6 PM

PM Peak		Directional Distribution:
T = (X) * 0.99	Trip Ends Per Dwelling Unit(s)	63% Entering 37% Exiting
T = 34	Trip Ends	21 Entering 13 Exiting

Weekday

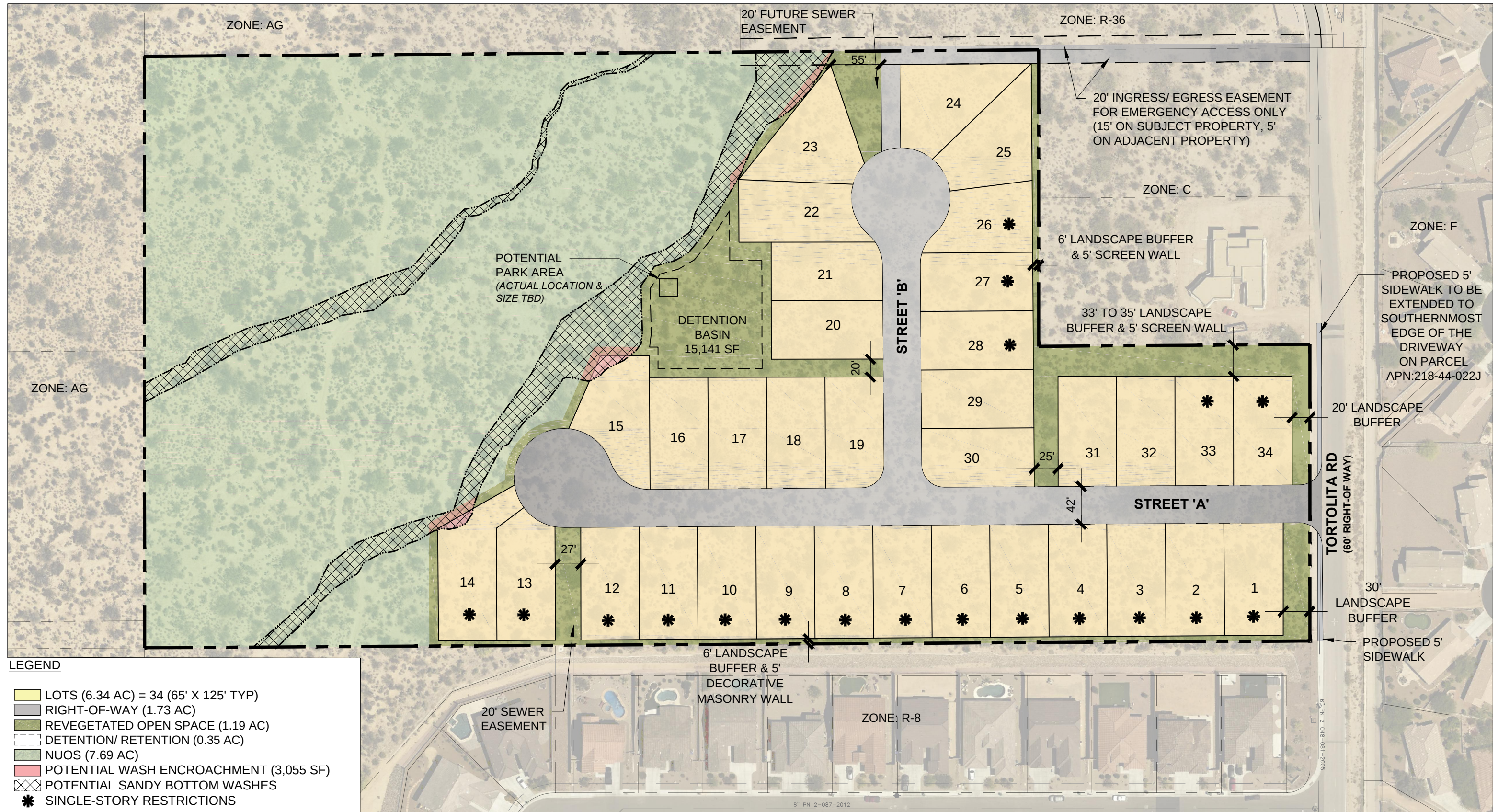
Daily Weekday		Directional Distribution:
T = (X) * 9.44	Trip Ends Per Dwelling Unit(s)	50% Entering 50% Exiting
T = 322	Trip Ends	161 Entering 161 Exiting

<u>Non-Pass-By Trip Percentage</u>	<u>Non-Pass-By Trip Volumes</u>
AM 100%	AM Peak 6 Entering 19 Exiting
PM 100%	PM Peak 21 Entering 13 Exiting

Note: Rounding may occur in calculations



CONCEPTUAL LAND USE PLAN

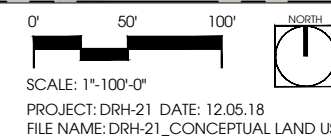


TORTOLITA RIDGE REZONING

Marana Regular Council Meeting 12/18/2018

NOTES:
SITE ACREAGE = 17.3
APNs: 218-44-022C, 218-44-022D & 218-44-022H

THIS CONCEPT WAS CREATED USING BOUNDARY, TOPOGRAPHY, AND HYDROLOGY DATA PROVIDED BY PUBLIC DATA AND IS FOR PLANNING PURPOSES ONLY. FINAL LOTTING TOTALS BASED ON ENGINEERED DATA MAY VARY FROM THOSE SHOWN ON THIS PRELIMINARY CONCEPT.



**PROJECT APPLICATION****PROJECT INFORMATION**

Project Name: Tortolita Road Rezoning

Description of Project: Rezoning of 17.3 acres from R-80 & C to R-8

Number of Lots: 34

Parcel No.(s): 218-44-022C, 218-44-022D and 218-44-022H

Gross Area (Acres): 17.3

Project Address: n/a

Ref. Project No.: n/a

CONTACT INFORMATION**Owner:** David Lam

Contact Name: Chip Yetzer

Address: 9151 PIONEER DR

City: Huntington Beach State: CA Zip: 92646

Email: cyetzer1@gmail.com

Phone No.: (520) 975-2609

Applicant: The Planning Center

Contact Name: Lexy Wellott/Linda Morales

Address: 2 E Congress Ste. 600

City: Tucson State: AZ Zip: 85716

Email: lwellott@azplanningcenter.com / lmorales@"..."

Phone No.: (520) 623-6146

Consultant/Engineer: Greg Carlson Engineering LLC

Contact Name: Greg Carlson

Address: 1521 E. Broadway

City: Tucson State: AZ Zip: 85719

Email: gregc@gceng.biz

Phone No.: (520) 624-4197

OWNER/APPLICANT AUTHORIZATION

I, the undersigned, certify that all of the facts set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Lexy Wellott

6/6/2018

Applicant Name (PRINT)

Signature

Date

FOR OFFICIAL USE ONLY

Project No.

PC21806-001

Date Received

6/8/18

- | | | | |
|---|--|--|--|
| ☐ Annexation | ☐ Rezone | ☐ Specific Plan | ☐ General Plan Amendment |
| ☐ Preliminary Plat | ☐ Final Plat | ☐ Significant Land Use Change | ☐ Minor Land Division |
| ☐ Variance | ☐ Development Plan | ☐ Development Plan Package | ☐ Dedications / Easements |
| ☐ Lic. Agreement | ☐ Landscape Plan | ☐ Conditional Use Permit | ☐ Report (Type): _____ |
| ☐ SWPP | ☐ Native Plant Plan | ☐ Native Plant Exception | ☐ Other: _____ |

☐ Improvement Plan (Type): _____

Revision Date 1/26/2017

Marana Regular Council Meeting 12/18/2018

SUBMITTAL NO.

Page 427 of 438



PROJECT APPLICATION

PROJECT INFORMATION

Project Name: Tortolita Ridge Rezoning - Minor General Plan Amendment

Description of Project: Minor General Plan Amendment from RDR to LDR

Number of Lots: 34

Parcel No.(s): 218-44-022C, 218-44-022D and 218-44-022H

Gross Area (Acres): 17.3

Project Address: n/a

Ref. Project No.: n/a

CONTACT INFORMATION

Owner: David Lam

Contact Name: Chip Yetzer

Address: 9151 PIONEER DR

City: Huntington Beach

State: CA

Zip: 92646

Email: cyetzer1@gmail.com

Phone No.: (520) 975-2609

Applicant: The Planning Center

Contact Name: Lexy Wellott/Linda Morales

Address: 2 E Congress Ste. 600

City: Tucson

State: AZ

Zip: 85716

Email: lwellott@azplanningcenter.com / lmorales@"..."

Phone No.: (520) 623-6146

Consultant/Engineer: Greg Carlson Engineering LLC

Contact Name: Greg Carlson

Address: 1521 E. Broadway

City: Tucson

State: AZ

Zip: 85719

Email: gregc@gceng.biz

Phone No.: (520) 624-4197

OWNER/APPLICANT AUTHORIZATION

I, the undersigned, certify that all of the facts set forth in this application are true and correct to the best of my knowledge and that I am either the owner of the property or that I have been authorized in writing by the owner to file this application. (If applicant is not the owner, attach written authorization from the owner.)

Lexy Wellott

6/6/2018

Applicant Name (PRINT)

Signature

Date

FOR OFFICIAL USE ONLY

Project No. _____

Date Received _____

- | | | | |
|---|--|--|--|
| ☐ Annexation | ☐ Rezone | ☐ Specific Plan | ☐ General Plan Amendment |
| ☐ Preliminary Plat | ☐ Final Plat | ☐ Significant Land Use Change | ☐ Minor Land Division |
| ☐ Variance | ☐ Development Plan | ☐ Development Plan Package | ☐ Dedications / Easements |
| ☐ Lic. Agreement | ☐ Landscape Plan | ☐ Conditional Use Permit | ☐ Report (Type): _____ |
| ☐ SWPP | ☐ Native Plant Plan | ☐ Native Plant Exception | ☐ Other: _____ |
| ☐ Improvement Plan (Type): _____ | | | |

Revision Date 1/26/2017

October 22, 2018

Jason Angell
Development Services Director
Town of Marana Planning Department
11555 W Civic Center Dr
Marana, AZ 85653

RE: Rezoning Application Submitted by D.R. Horton

Dear Mr. Angell:

This letter serves as our formal protest to the proposed rezoning requested by D.R. Horton of the following tracts of land as listed below:

- Parcel # 21844022C (currently zoned as R-80);
- Parcel # 21844022D (currently zoned as R-80); and
- Parcel # 21844022H (currently zoned as C).

The developer D.R. Horton seeks to have these 3 plots rezoned as R-8, so that they may build 34 homes on approximately half of the 17.3 acres available. The 17.3 acres were originally intended to accommodate 8 large, custom homes (1 home per 2 acres). If the application is approved, the Town of Marana will be allowing 34 small and generic homes to be built on less than 10 acres of land.

First and foremost, I should make it clear that we are not opposed to development. However, the proposed rezoning is unacceptable for several reasons as follows:

1. It negatively impacts the value of the existing homes in the immediate vicinity of the building site.

A quick survey of home prices immediately to the south and north reveals that the majority of homes are priced in the \$400,000 to \$800,000 range. The three most recent home sales in our neighborhood were all above \$400,000. D.R. Horton has advised that they anticipate that the homes they will offer will be priced in the \$250,000 to \$300,000 range. Clearly, this is not appropriate for the neighborhood and would negatively impact the value of existing homes in the neighborhood. When advised of the same, the D.R. Horton representative stated that the market would only bear that price range. This is clearly a *false statement* given our recent sales in the past year. In addition, it ought to be noted that A.F. Sterling is building homes (The Estates at Tortolita Preserve) in the \$500,000 to \$1,000,000+ range just up the road on Moore and they are completely sold out. Clearly, the market will bear higher priced homes, especially in the Dove Mountain area. The Town of Marana would be remiss if they allowed our home values to be negatively impacted solely because D.R. Horton either does not have a suitable product to offer or is not willing to offer a higher end product in keeping with the neighborhood.

2. It punishes existing homeowners.

When we purchased our home we based our decision on an understanding that we were buying in the prestigious Dove Mountain neighborhood where home values could reasonably be expected to remain constant, or better yet, increase. We selected our neighborhood based on the fact that the land to the north of us had been zoned for larger custom homes. In fact, at the time we made our purchase, there were already 4 custom homes in a gated community and one additional one being built immediately adjacent to our community. To allow the rezoning would mean that the Town of Marana values development over its existing residents' concerns.

3. It creates traffic and safety issues.

D.R. Horton proposes to build a community of 34 homes with only one point of ingress and egress. Their proposal indicates that the entry and exit into their community will be through Tortolita Road. Based on their calculations, we can expect Tortolita Road to service a minimum of an additional 68 vehicles on a daily basis (2 cars per home). It should be noted that that is a significant increase of traffic for a narrow thoroughfare with only one lane on each side. The added traffic will also undoubtedly create significant wear and tear on our only means of access to our existing community, once again causing negative consequences for existing residents.

Furthermore, the traffic and safety issues will be exacerbated once the new K-8 STEM school on Moore opens. It is reasonable to expect that traffic will increase at the intersection of Moore and Tortolita as school districts are reassigned. This will severely and negatively impact accessibility to our community.

As previously stated, we are not against development per se, but **the development should be appropriate for the neighborhood**. While D.R. Horton has made some minor adjustments to their plans, none of the "concessions" substantively address our main concerns of diminished home values, traffic and safety. It is our understanding that D.R. Horton offers an Emerald line of homes in other jurisdictions which might be more in keeping with the Dove Mountain standards and home prices. We have requested **fewer, larger and higher quality homes in a price range commensurate with the existing neighborhood**.

In speaking with a Town of Marana Planning Development representative, it was noted that the requested rezoning must simply meet the requirements of the Land Development Code (Title 5) and that little consideration would be given to impact on neighboring residents' property values. Clearly the Town of Marana is keen to encourage development. While we understand that more development equates more tax revenues, we would propose that **there is more than one way to generate the same revenue**. For example, 8 custom homes priced at approximately \$1,000,000 each versus 34 homes priced at \$250,000 each. The first option maintains the quality of life in the Dove Mountain area and protects home values for current residents while the second option has a significant negative impact.

I respectfully submit that if the proposed rezoning is approved to allow D.R. Horton to build 34 sub-par homes in the afore-mentioned area, **the Town of Marana planners, City Council and Mayor will be remiss in their duty of care towards their existing residents and homeowners**. The land use change that is being proposed is a significant change which will undoubtedly harm the current residents of Dove Mountain, and especially the neighborhoods immediately to the north and south of the area which D.R. Horton seeks to rezone.

Accordingly, **please find enclosed a list of signatures** provided by homeowners in our community (Signatures at Tortolita Reserve) who seek to oppose the proposed rezoning. We are hopeful that our town leaders will not abandon our interests and well being. Thank you in advance for your kind consideration and time.

Sincerely,



Natasha Jabbar

Cc: Steve Cheslak, Principal Planner
Cynthia Ross, Senior Town Planner
Ed Honea, Mayor
John Post, Vice Mayor
Dave Bowen, Councilmember
Patti Comerford, Councilmember
Herb Kai, Councilmember
Roxanne Ziegler, Councilmember
John Officer, Councilmember

Enclosure: List of Homeowner Signatures

Signatures of Tortolita Reserve Homeowners Protesting Proposed Rezoning

Natasha Jabbar & Sunny Ali	<i>Natasha Jabbar</i>	5455 W Thornscrub Dr, Marana, AZ 85658
Michael New	<i>Michael New</i>	5475 W Dry Creek Ct, Marana, AZ 85658
Teresa + Armando Urias	<i>Teresa Urias</i>	5430 W Dry Creek Ct. Marana, AZ 85658
Steven + Amy FREIMAN	<i>Amy Freiman</i>	5445 W. BAJADA DR. Marana, AZ 85658
Jeanne Hudson	<i>Jeanne Hudson</i>	5465 W Opuntia Ln. Marana 85658
TERRY JENKINS	<i>Terry Jenkins</i>	5500 W OPUNTIA LN MARANA. 85658
Lewis Harris	<i>Lewis Harris</i>	5490 W Opuntia Ln
Kathleen Montz	<i>Kathleen Montz</i>	5480 W. OPUNTIA Ln.
Juliet Gourdie	<i>Juliet Gourdie</i>	5470 W Opuntia Ln.
Brenda J. Ferran	<i>Brenda J. Ferran</i>	Opuntia Ln.
Janette Rhein	<i>Janette Rhein</i>	13280 N Siveru Dr Marana AZ 85658
M. R. Dyll	<i>M. R. Dyll</i>	5445 Thornscrub Dr
Jeffrey ALBAVO	<i>Jeffrey Alvaro</i>	5465 W. THORNSCRUB DR MARANA AZ 85658
EDWARD FASCHAN	<i>Edward Faschan</i>	5510 W. DRY CREEK CT. MARANA AZ 85658
Russ & Les Nixon	<i>Russ Nixon</i>	5505 W. Thornscrub Dr; Marana, AZ 85658
Jeff + Sonya Taylor	<i>Jeff Taylor</i>	5475 W. Thornscrub Dr Marana AZ 85658
Judith Thurston	<i>Judith Thurston</i>	5455 N. Dry Creek Ct 85658
Kenneth & Cindy	<i>Kenneth & Cindy</i>	5480 West Dry Creek Ct. Marana AZ 85658
Fernando Estrella	<i>Fernando Estrella</i>	5495 W. Dry Creek Ct. Marana AZ 85658
Greg & Vicki	<i>Greg & Vicki</i>	5520 W Dry Creek Ct Marana AZ 85658
Charles Helmer	<i>Charles Helmer</i>	5500 W Dry Creek Ct. 85658
Rachel H. Garza	<i>Rachel H. Garza</i>	5456 W Dry Creek Ct 85658
Ethel Keschvger	<i>Ethel Keschvger</i>	5420 W Dry Creek Ct 85658
JOHN OWERS	<i>John Owers</i>	5415 W. BAJADA Dr 85658
Patricia Galli	<i>Patricia Galli</i>	5425 W Bajada Dr 85658
Mary Hoppe	<i>Mary Hoppe</i>	5455 W Bajada Dr 85658
JAMES KYLE	<i>James Kyle</i>	5460 W BAJADA 85658
Edith McCoy	<i>Edith McCoy</i>	5485 W BAJADA 85658
CAROL LEDBETTER	<i>Carol Ledbetter</i>	5501 W. Bajada Dr 85658
Dawn Engstrom	<i>Dawn Engstrom</i>	5513 W Bajada Dr 85658
Melissa Peim	<i>Melissa Peim</i>	5509 W Bajada Dr
Peter Panell	<i>Peter Panell</i>	5505 W BAJADA
Robin Majalea	<i>Robin Majalea</i>	5521 W Bajada
VANCE SANDRETTO	<i>Vance Sandretto</i>	5504 W BAJADA
Ellen KIER	<i>Ellen Kier</i>	5445 W Dry Creek Ct
Dave Swanson	<i>Dave Swanson</i>	5460 W. Dry Creek Ct. 85658

From: Glen Forch
To: Cynthia Ross
Subject: Tortolita Ridge rezoning
Date: Wednesday, November 28, 2018 1:27:27 AM

To the Marana Town Clerk and Planning Commission:

I own a 3.3 acre parcel of land (218-44-0280) that abuts the eastern boundary of the proposed development.

Fifteen years ago I was picking up shotgun shells that were strewn all over the land. There were free range cows traversing the properties. A fellow with Fish & Game was doing a survey looking for the Ferruginous Pygmy Owl and he told me that he saw a mountain lion on top of a block wall at dawn.

Years later, Lennar built a development of homes, on standard size lots, that touches the southeast corner of my property and now this proposed development will border my land. What will the property line look like?

My wife and I purchased this parcel intending to build a house. Our real estate agent didn't help us as much as he could have. We soon found that a well would have to be over 800 feet deep, and because of the low flow, it would need a storage tank and extra pumps. Bringing in electric, clearing a building site and putting in a septic system brings the pre building cost quite high. This is why there are so many vacant parcels.

I used to go to the Marana Building Dept every year asking if I could use an easement to my property that was not along the high chain link fence with razor wire on top that belongs to Clear Channel. And every year I was told that it wasn't possible. I tried appealing the high taxes for this vacant parcel and it was denied. Then when the crash of 2008 came, the land lost value and it hasn't recovered.

I wish that Marana would help someone in my position, since I am not a developer. If we received advice, suggestions and even help with building in this area, the vacant parcels would have new homes.

I will try again and contact the building, planning and water departments.

This Tortolita Ridge development looks well planned, but for me it is too dense and will further depreciate my property value. I would prefer homes on larger lots with more native vegetation. Then it would maintain a semi rural, Sonoran desert appearance.

Thank you for this opportunity.

Glenn Forchione
773-655-1099

Sent from my iPhone

***** This message and sender come from outside the Town of Marana. If you did not expect this message, proceed with caution. Verify the sender's identity before performing any action, such as clicking on a link or opening an attachment. *****

TO MARANA PLANNING COMMISSION

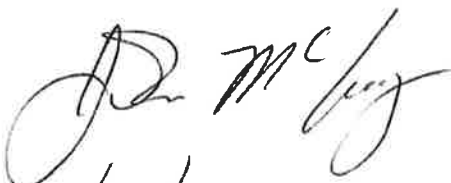
REGARDING:

TORTOLITA RIDGE REZONING (PCZ1806-001 and GPA1806-001)

I AM AGAINST THIS RE-ZONE TO ALLOW
D.R. HORTON TO BUILD 30 PLUS HOMES OF LOW
PRICED HOMES IN A AREA OF HOMES OF GREATER
VALUE. THESE HOMES AT THIS PRICE POINT WILL
DECREASE THE VALUE OF NEARBY HOMES THAT SELL
FOR FAR MORE MONEY. I DO NOT WANT MY
PROPERTY VALUE TO GO DOWN BECAUSE OF THESE
INTERIOR PRODUCTS. THE ORIGINAL PLAN WAS
8 HOMES FOR THIS PARCEL.

I PRESENT THIS FOR THE WED. NOVEMBER 28
MEETING AT 630 PM

THANK YOU
JOHN MCCOY
LOT # 8
TORTOLITA RESERVE
520-977-0564


11/27/18

RECEIVED

NOV 27 2018

Town of Marana
Clerk's Office

H3

(3)



Council-Regular Meeting

A2

Meeting Date: 12/18/2018

To: Mayor and Council

From: Tony Hunter, Assistant to the Town Manager

Date: December 18, 2018

Strategic Plan Focus Area:

Not Applicable

Subject: Resolution No. 2018-116; Relating to Intergovernmental Relations; adopting a 2019 Town of Marana Legislative Program and authorizing and directing those authorized to lobby on behalf of the Town of Marana to represent and pursue it (Tony Hunter)

Discussion:

Each calendar year, in anticipation of the State Legislative Session, the Town Council reviews and adopts a legislative program. This program captures issues and policy areas of importance to the Town of Marana's interests, such as state shared revenue, protection of local control, and other Town-related issues. This resolution provides the necessary authority from the Town Council for staff and contracted lobbyists to pursue the policies within the legislative program at the State Legislature. While many issues and policies from prior years are retained in this legislative program, Town staff did review the agenda with the Town's lobbying firm, Triadvocates, and made updates to reflect potential initiatives in the upcoming 2019 legislative session.

Staff Recommendation:

Council's pleasure.

Suggested Motion:

I move to approve Resolution No. 2018-116; adopting a 2019 Town of Marana Legislative Program and authorizing and directing those authorized to lobby on behalf of the Town of Marana to represent and pursue it.

Attachments

Resolution No. 2018-116

MARANA RESOLUTION NO. 2018-116

RELATING TO INTERGOVERNMENTAL RELATIONS; ADOPTING A 2019 TOWN OF MARANA LEGISLATIVE PROGRAM AND AUTHORIZING AND DIRECTING THOSE AUTHORIZED TO LOBBY ON BEHALF OF THE TOWN OF MARANA TO REPRESENT AND PURSUE IT

BE IT RESOLVED BY THE MAYOR AND TOWN COUNCIL OF THE TOWN OF MARANA, ARIZONA, AS FOLLOWS:

SECTION 1. Those persons authorized by the Town of Marana to lobby on its behalf and registered as such with the Secretary of the State of Arizona pursuant to Arizona Revised Statutes § 41-1231 *et seq.* (the "Town Lobbyists") are hereby authorized and directed, subject to the continuing supervision of the Town Manager and the Town Council, to represent and pursue the legislative, executive and intergovernmental interests of the Town of Marana by supporting legislation that embodies any of the following basic principles:

- A. Protects state-shared revenues, contracting sales tax and other local sales tax sources that fund essential services and strengthen local economies.
- B. Maintains local control while seeking partnership between municipalities and the State.
- C. Empowers the Town of Marana with sufficient flexibility to address an expanding and changing variety of local needs and conditions.
- D. Establishes appropriate means to adequately compensate the Town for the costs of complying with state-mandated requirements.
- E. Provides the Town with the means to cope with unfunded mandates, cost increases, population growth and escalating service requirements.
- F. Enables the Town to provide public services in a more responsive, efficient and cost-effective manner.
- G. Ensures that the Town has the ability to provide, manage or operate critical infrastructure necessary to promote or maintain the health and safety of residents, preserve and direct land use and ensure the future sustainability of the community.

SECTION 2. In addition to those basic principles set forth in Section 1 of this resolution, the Town Lobbyists are authorized and directed to pursue the following specific objectives:

- A. Support the maintenance and/or restoration of existing sources of transportation funding for municipalities, including the Highway User Revenue Fund (HURF).
- B. Support the maintenance, restoration and/or expansion of existing economic development programs and funding and the creation of new programs and tools to support local economic development and tourism.
- C. Support efforts to preserve access to water for municipal governments, including continuation of statutory responsibility to develop and manage water resources in order to provide existing and future residents with appropriate levels of service.
- D. Support efforts that develop mutually beneficial solutions to state land use issues, including expedited land acquisition processes and timely resolutions to issues regarding protected land.

SECTION 3. Legislation that is inconsistent with any of the basic principles or objectives set forth in Sections 1 and 2 above should be opposed or appropriate amendments pursued.

SECTION 4. The Town Manager and staff are hereby directed and authorized to undertake all other and further tasks required or beneficial to carry out the terms, obligations and objectives of this resolution.

PASSED AND ADOPTED by the Mayor and Council of the Town of Marana, Arizona, this 18th day of December, 2018.

Mayor Ed Honea

ATTEST:

APPROVED AS TO FORM:

Hilary H. Hiser, Interim Town Clerk

Frank Cassidy, Town Attorney