

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
May 19, 2010
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CANADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER - 6:02 p.m.

ROLL CALL

PRESENT:

Paul Loomis, Mayor
Bill Garner, Vice Mayor (via telephone)
K.C. Carter, Councilmember
Barry Gillaspie, Councilmember
Mary Snider, Councilmember
Pat Spoerl, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Loomis led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Communications Administrator Mary Davis reviewed the upcoming meetings and events.

COUNCIL REPORTS

Councilmember Snider reported that she, Mayor Loomis and Communications Administrator Mary Davis met with Kathy DeGraff, a representative from *Up with People*. She stated that they discussed *Up with People's* 45th anniversary reunion and the possibility of the Town hosting the event. This event would involve and benefit the youth of Oro Valley.

Councilmember Snider also reported that the Oro Valley Optimist Club, the Oro Valley Police Department, the Drug Enforcement Agency (DEA), the Pima County Wastewater Department and the University of Arizona School of Pharmacy held another monthly Dispose-a-Med event at which 88 pounds of medications were collected. She thanked the Police Department and the Optimist Club members for their involvement in the event.

DEPARTMENT REPORTS - None presented

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

There being no objections, Mayor Loomis moved Item 5 up on the agenda to follow the Consent Agenda.

CALL TO AUDIENCE - No speakers.**PRESENTATIONS**

- a. Presentation of Distinguished Budget Presentation Award from the Government Finance Officers Association for the FY 2009/10 Town of Oro Valley Budget

Mayor Loomis explained that this is the second year that the Distinguished Budget Presentation Award has been awarded to the Town by the Government Finance Officers Association. He then presented Finance Director Stacey Lemos and Budget and Management Analyst Wendy Gomez with the award.

- b. Presentation by the Office of Conservation & Sustainability regarding landscaping and architecture associated with new covered parking to support solar photovoltaic panels at the Town Hall Complex

Conservation and Sustainability Manager Bayer Vella reviewed the Town Hall parking lot design in which polycrystalline solar panels would be placed on top of covered parking structures. He explained that these panels would provide enough solar power to offset 60% of the annual power consumed within the Administration Building, Water Utility, Court, Police Station and Development Services. He stated that the project completion date was December 2010.

Mr. Vella also highlighted the Landscape Plan:

- ~ Strategic shade management to maximize energy production
 - ~ Landscape island placement - Retrofit current parking islands and gain 11 parking spaces
 - ~ Mitigation Area: Main Town Hall entrance, Library and Police Department
 - Revegetation to comply with low water use code
 - ~ Landscape Conservation Code provisions
 - Native plants and shade tolerant species
 - Design for zero potable water use
 - Mitigation beyond zoning requirements
 - Approved by the Development Review Board
- c. Presentation of the Award for Excellence from the Arizona Municipal Risk Retention Pool

Mayor Loomis presented the Award of Excellence from the Arizona Municipal Risk Retention Pool to Bob Easton, Safety & Risk Manager, for his work with the Town's Loss Control Committee who have worked to create a safe environment throughout the Town Hall campus.

CONSENT AGENDA

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Carter to approve the Consent Agenda as presented.

MOTION carried, 6-0.

- A. Minutes: April 7, 2010
 - B. Cultural Resources Inventory Final Report - Acceptance of "Rock Art, Ranch, and Residence: Cultural Resources in the Town of Oro Valley and Its Planning Area", Final Report
 - C. Economic Development Division Quarterly Report: January 1, 2010 - March 31, 2010
 - D. Fiscal Year 2009/10 Financial Update through March 2010
 - E. Police Department Report - March 2010 Statistics
 - F. Public Safety Fire and Emergency Medical Service Providers Quarterly Report to Council
 - G. Resolution No. (R)10 - 26 Authorizing and approving a master Intergovernmental Agreement between the Town of Oro Valley and the State of Arizona regarding construction, maintenance and enhancement projects for certain Arizona State Highways
 - H. Resolution No. (R)10-27 Authorizing the execution and delivery of a purchase agreement, a trust agreement, an obligation purchase agreement and a continuing disclosure certificate; approving an official statement; approving the sale, execution and delivery of excise tax revenue obligations (new clean renewable energy bonds - direct payment), series 2010, evidencing a proportionate interest of the owners thereof in a purchase agreement between the Town of Oro Valley, Arizona, and a trustee and the sale thereof to the purchaser thereof; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution
 - I. Approval of the proposed new Town Monument Signs on Oracle Road
5. **PUBLIC HEARING - RESOLUTION NO. (R)10-29 ADOPTION OF THE TENTATIVE BUDGET FOR FISCAL YEAR 2010/2011 AND SETTING THE LOCAL ALTERNATIVE EXPENDITURE LIMITATION FOR FISCAL YEAR 2010/2011**

Interim Assistant Town Manager and Finance Director Stacey Lemos presented the Tentative Budget in the amount of \$116,208.785. She then reviewed additional items that were added since the Town Manager's

Recommended Budget was introduced and explained that these items are now included in the Tentative Budget:

- ~ Solar Photovoltaic (CREBS) bond proceeds and capital outlay - \$2,500,000
- ~ CNA Task Force grant revenues - \$97,241
- ~ PAG reimbursable pavement preservation - \$47,000
- ~ Federal subsidy for CREBS FY 2010/11 debt service payment - \$15,605

Ms. Lemos listed the following as items brought forward from the May 12, 2010 Special Session for further consideration:

- ~ Health insurance and other benefits
 - Plan renewal
 - Funding of premium increases
 - Employee contribution retirement increases
- ~ COLA/bonus payment for employees
- ~ Economic development items
 - Metropolitan Tucson Convention & Visitors Bureau (MTCVB)
 - Tucson Regional Economic Opportunities, Inc. (TREO)
 - IronKids Triathlon

Human Resources Director Betty Dickens reviewed the proposed health and ancillary benefits and highlighted the following:

- ~ Staff renegotiated the total premium increase with United Healthcare down to the rate of 7.1%
- ~ Staff recommends continuing with United Healthcare

TOWN COSTS (Per month)			EMPLOYEE COSTS (Per month)			
Coverage Type	Current Cost	Renewal Cost	Monthly Difference	Current Cost	Renewal Cost	Monthly Difference
Employee Only	\$299.78	\$320.78	\$21.19	\$0.00	\$0.00	\$0.00
Employee + Spouse	\$569.22	\$609.48	\$40.26	\$89.88	\$96.23	\$6.35
Employee + Child(ren)	\$456.87	\$489.19	\$32.32	\$52.43	\$56.14	\$3.71
Employee + Family	\$800.65	\$857.28	\$56.63	\$167.02	\$178.83	\$11.81

Ms. Dickens also stated that staff recommended the following providers for ancillary benefits:

- ~ Dental Insurance - Principal
- ~ Life and Disability - Principal
- ~ Supplemental Life - Principal
- ~ Vision Care - EyeMed

Ms. Lemos then reviewed the funding of health insurance premium and contribution retirement increases:

- ~ Impact to cover employee portion of 7.1% health insurance increase - \$19,350
- ~ Impact to cover impact of .45% increase to Arizona State Retirement System (ASRS) - \$51,306
- ~ Impact to provide COLA/bonus payment to employees
 - .5% COLA - \$107,365
 - 1% COLA - \$214,731
 - 1% Bonus - \$196,730
 - 1.5% Bonus - \$295,095

Ms. Lemos also reviewed economic development items and possible funding amounts (could be funded through use of Bed Tax Fund contingency or reduction in transfer of bed tax revenues to General Fund):

- ~ MTCVB - \$71,800 (1/2 of 1% bed tax revenues)
- ~ TREO - \$43,521
- ~ IronKids Triathlon - \$8,000

Ms. Lemos reported that General Fund Budget capacity savings in the amount of \$82,500 would be realized over the amounts reflected in the Town Manager's Recommended Budget as follows:

- ~ Pima County Animal Control (PCAC) Services - \$8000 savings due to PCAC revenue surplus for Oro Valley
- ~ Police and Parks and Recreation Management Studies - \$35,000 due to negotiated amounts less than budgeted
- ~ Cost Allocation Study - \$15,000 (due to more realistic budget amount)
- ~ CNA Task Force Grant position - \$24,000 savings (due to promotion and hiring at a lower Step)

Discussion followed regarding:

- ~ \$250,000 from WalMart for recreation improvements at Naranja Town Site
 - Information previously requested regarding a water line extension (staff is working on additional costs)
 - \$258,000 included in budget and is eligible for expenditure - will come back to Study Session
 - Included as existing contingency funds in Naranja Town Site fund
- ~ Analysis of other in-lieu costs (i.e. El Tour)
- ~ Memorandum of Understanding (MOU) with Police Officers (before Council on June 2, 2010)
- ~ Personnel Policy amendment will add two additional holidays (Christmas Eve and New Years Eve)
- ~ Coyote Run Transit Services - presentation to Council on June 2, 2010 (have budgeted \$300,000 for transit services)
- ~ Town's share of retirement contributions, employee payments
- ~ Benefits quotes are guaranteed rates for 2-3 years

~ Estimated increase for health and retirement benefits would be \$205,624 (\$135,000 is factored into the recommended budget with \$49,122 coming from the General Fund)

Mayor Loomis opened the public hearing.

John Musolf, Oro Valley resident, stated that a balanced budget means matching expenditures to revenues. He stated that there were expenditures in the recommended budget that he did not know what they were (Miscellaneous Other Operating Expenditures). He also questioned how important the line items for Council memberships/subscriptions and travel and training and \$6,000 for a Holiday Party and \$4,000-\$6,000 for Special Events were. He stated that what was being recommended was not a "bare bones" budget. He expressed concerns regarding the consideration of funding economic development agencies and stated that this process should be a competitive bidding process.

Bill Adler, Oro Valley resident, stated that he believed that balancing the budget was a community responsibility. He stated that the recommended budget accepted levels of revenue and adjusted services accordingly which would compromise the quality of the levels of services. He also stated that the issue of economic development and the sponsoring of events such as the IronKids Triathlon were recurring items and should not come out of contingency funds. Mr. Adler commented that raising taxes to raise revenues was not a crime and it was time to talk about revenue sources.

Richard Tracy, Oro Valley resident, expressed concerns about the budget and questioned how the recommended budget went from approximately \$113 million to \$116 million and where the extra revenues would be coming from. He also spoke to the Memorandum of Understanding (MOU) and questioned if there were items in the MOU that might further impact the budget. Mr. Tracey stated that he was opposed to the budget being tentatively passed tonight as he felt that the new Council should have the opportunity to have input into the budget.

Mayor Loomis closed the public hearing.

At the request of Vice Mayor Garner; Ms. Lemos explained that the \$2.5 million adjustment to the tentative budget was for the CREBs Bonds for solar photovoltaic panels and the Town's overall efficiency strategy which was approved by Council. She explained that these bonds would be paid for with energy savings and Tucson Electric Power rebates. She explained that this was a new source of revenue since the budget was first submitted. Ms. Lemos stated that the Town was required to present a balanced budget with revenue sources equaling expenditures.

Further discussion followed regarding the MOU negotiations, opportunities for additional revenue (primary property taxes, increase in sales tax), and that

memberships in various organizations such as the Conference of Mayors, the League of Arizona Cities and Towns, the National League of Cities and Towns and Pima Association of Governments (PAG) are included in the budget for the Town Council.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Carter to approve Items 1) stand alone option employee health benefit recommendation, 3) the EyeMed for vision care option recommendation, 4) the Principal dual buy-up dental option recommendation and 5) the Principal Group Life/AD&D, Group Short Term Disability, Group Long Term Disability and Supplemental Life option recommendation.

In response to a question from Vice Mayor Garner, Ms. Dickens explained that even though the rates are guaranteed for a certain period of years, the Town would not be prohibited from going out for new competitive bids in the future if necessary.

MOTION: A motion was made by Councilmember Gillaspie and seconded by Vice Mayor Garner to amend the motion to include Item 2) Town funding of employee dependent coverage deductions including the amount of approximately \$19,000.

Councilmember Gillaspie stated that by leaving in Item 2, future Councils would have the entire package that they could debate. He also stated that he supported the \$200,000 in total costs for health insurance including the Arizona State Retirement System (ASRS) and Correction Officers Retirement Plan (CORP) and other benefits which would keep the Town employees "whole" in the upcoming year as the Town could not afford to give the employees a Cost of Living Adjustment (COLA).

Mayor Loomis commented that Item 2 was a recurring expense and it was not applicable across the board. He felt that it was specific to staff that were purchasing family options and it was a question of fairness.

MOTION carried, 5-1 with Mayor Loomis opposed.

MOTION AS AMENDED CARRIED, 6-0.

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Spoerl to adopt Resolution (R)10-29 adopting the Tentative Budget for Fiscal Year 2010/2011 and setting the Local Alternative Expenditure Limitation for Fiscal Year 2010/2011 in the amount of \$116,208,785.

Discussion followed regarding:

~ Budget process began in January in an effort to change the way the budget process was done.

- ~ All candidates received copies of the budget and approval of the Tentative Budget would not preclude any future action during the final budget adoption.
- ~ Confirm work of directors and staff. They have met the challenges and reduced services back to 2004 levels. Money is available.
- ~ The new Council can do what they want with the items as presented in the Tentative Budget. A balanced budget has been presented.
- ~ There will be a majority shift of membership on Council and it is important to listen to voters that elected the new members.
- ~ Previous Town Councils have not adopted a tentative budget before June 3rd.
- ~ Approval of the Tentative Budget establishes a cap and decisions can still be made by the new Council.
- ~ Give the ownership of the budget to the new Council and allow them the opportunity to bring in their ideas.

MOTION failed, 3-3 with Mayor Loomis, Councilmember Carter, and Councilmember Snider opposed.

Mayor Loomis recessed the meeting at 7:38 p.m. The meeting resumed at 7:47 p.m.

2. PUBLIC HEARING - RESOLUTION NO. (R)10 - 28 GRANTING APPROVAL OF A CONDITIONAL USE PERMIT (CUP) TO DESCO SOUTHWEST FOR A BANK DRIVE-THROUGH, LOCATED WITHIN PHASE 1 OF THE MILLER RANCH DEVELOPMENT ON THE NORTHWEST CORNER OF LA CAÑADA DRIVE AND TANGERINE ROAD OV8-10-002

Acting Planning and Zoning Director Paul Popelka reviewed the Council Communication and explained that a drive-through use was considered a convenience use; therefore, a conditional use permit (CUP) was required. He explained that the applicant has redesigned and reconfigured the site for a bank use with a drive-through and is requesting approval of the CUP. He further reported that Town staff has considered the compatibility of the request, neighbors were notified (no opposition was received) and the request meets Zoning Code requirements; therefore, staff recommended approval.

Applicant James Hardin, Desco Southwest, stated that they have been working on this project since 2004 and they are requesting approval of a conditional use permit for a drive-through use for the bank.

In response to a question from Vice Mayor Garner, Mr. Popelka explained that the newly adopted public participation ordinance was not in effect when the original rezoning of the property was adopted. However, staff would meet with the neighbors as the project moves into the development and landscape plan stages.

Mayor Loomis opened the public hearing. There being no speakers, the public hearing was closed.

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Carter to adopt Resolution (R)10-28, OV8-10-002, conditional use permit for a bank drive-through area within Phase 1 of the Miller Ranch Development.

MOTION carried, 6-0.

3. **DISCUSSION AND/OR POSSIBLE ACTION REGARDING THE VOLUNTEER SELECTION COMMITTEE PROCESS**

Communications Administrator Mary Davis reviewed the Council Communication and explained that the Town has hosted an annual volunteer appreciation event since 2007. She explained that staff is recommending that the Selection Committee be changed to include the Communications Administrator, the previous year's winners, a "rotating" Department Director, and a representative from a nonprofit or neighboring jurisdiction (position would also rotate annually). In response to a question from Councilmember Spoerl, Ms. Davis explained that besides a Male Volunteer of the Year and a Female Volunteer of the Year, the Town could also have an Outstanding Community Volunteer of the Year.

MOTION: A motion was made by Councilmember Spoerl and seconded by Councilmember Snider to approve the recommended Volunteer Selection Committee representatives (the Communications Administrator, the previous year's winners, a Department Director, and a representative from a nonprofit or neighboring jurisdiction) effective with the 2010 Volunteer Selection process that includes a Male Volunteer of the Year, a Female Volunteer of the Year and an Outstanding Community Volunteer of the Year.

Mayor Loomis recommended that criteria be established for the Outstanding Community Volunteer of the Year.

MOTION carried, 5-1 with Councilmember Carter opposed.

4. **OV12-09-04 REQUEST FOR APPROVAL OF A DEVELOPMENT PLAN AND PRELIMINARY PLAT FOR WALKER DENTAL OFFICE ON LOT 10 OF FOOTHILLS BUSINESS PARK, LA JOLLA PLAZA, LOCATED ON NORTH ORACLE ROAD AT HANLEY BOULEARD**

Acting Planning and Zoning Director Paul Popelka reviewed the Council Communication and explained that the request was for a Development Plan and a Preliminary Plat. He explained that the lot was 1 1/2 acres in size and was being resubdivided to create four individual lots. Mr. Popelka reported that

the request was in conformance with General Plan policies, the Zoning Code requirements, Design Guidelines, the La Reserve Planned Area Development (PAD) and Public Works requirements; therefore, staff recommended approval.

In response to a question from Mayor Loomis, Peter Solanga, Oracle Engineering Group, representing the applicant, stated that the common parking lot for all four lots would be built in its entirety when the dental office on Lot 1 was constructed.

In response to a question from Councilmember Carter, Mr. Solanga also stated that the property sits higher than the 100 year flood plain but the property would also be built up (addressed in the grading permit process).

MOTION: A motion was made by Councilmember Gillaspie and seconded by Councilmember Snider to approve OV12-09-04, Development Plan and Preliminary Plat for Lot 10 of the Foothills Business Park, subject to the conditions in Exhibit "A":

Exhibit "A"

1. Address all comments as indicated within the redlined development plan/preliminary plat.
2. Provide detectable warnings (e.g. truncated domes) where the access aisle adjacent to the passenger drop-off space adjoins the vehicular way (PAAL).
3. Clarify the designation of Common Areas on the plan. Each use (detention basin, parking and landscaping) must be labeled separately as "Common Areas A, B and C".
4. Revise the Clerk signature approval block to specify the correct year, removing the reference to administrative approval and Planning & Zoning Administrator and include reference to preliminary plat.
5. Correctly label the required bicycle parking on the plan (Class I and II).
6. The following Oro Valley Water Utility comments must be addressed:
 - Water infrastructure cannot be approved as shown.
 - Each lot must have a separate domestic and fire service.
 - Domestic service must come off of the main not a fire service.

MOTION carried, 6-0.

FUTURE AGENDA ITEMS

Councilmember Snider/Second by Councilmember Spoerl: June 16, 2010
Council agenda - Discussion/possible action regarding options for the 2010/11 Vista newsletter

Councilmember Snider/Second by Councilmember Carter: June 16, 2010
Council agenda - Discussion/possible action regarding the Board and Commission appointment process and possible extension of current terms

CALL TO AUDIENCE

Bill Adler, Oro Valley resident, commented that the Town's Public Participation ordinance requires that a neighborhood meeting be held for development plans. He stated that there was no provision in the ordinance that made exceptions for applications that have been previously considered. He stated that these meetings educate the citizens of pertinent sections of the Zoning Code provisions and General Plan policies.

ADJOURNMENT

MOTION: A motion was made by Councilmember Carter and seconded by Councilmember Snider to adjourn at 8:21 p.m.

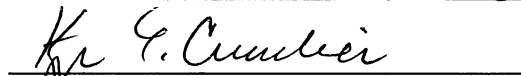
MOTION carried, 6-0.

Prepared by:


Roxana Garrity, CMC
Deputy Town Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 19th day of May 2010. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 19 day of July, 2010.


Kathryn E. Cuvelier, CMC
Town Clerk