

ORDINANCE 15-10

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, ARIZONA, APPROVING AN AMENDMENT TO THE PAVEMENT MANAGEMENT PROGRAM AND AUTHORIZING THE NECESSARY BUDGET TRANSFERS TO FUND THE PROGRAM.

WHEREAS, the Town of Fountain Hills (the "Town") street system is estimated at \$150,000,000 replacement value, making preservation of existing streets essential to the fiscal health of the Town; and

WHEREAS, the 2009 Stantec Engineering Report indicated that the Town's pavement earned a rating 67.1 out of 100, which indicated that the Town's pavement ranged from good to excellent, but noted that, due to the age of the pavement, degradation could accelerate without a proper annual pavement maintenance program; and

WHEREAS, at the August 23, 2012, Town Council/Staff Retreat, the Mayor and Council of the Town (the "Town Council") made establishment of a Pavement Management Program (the "Program") a top priority to be addressed; and

WHEREAS, the Town Council desires to establish an Asphalt Replacement Plan (the "Replacement Plan") to be included within the Program; and

WHEREAS, the Town Council desires to annually fund the Program with existing revenues, with a goal of \$1 Million allocated annually for asphalt maintenance consisting of crack sealing, slurry and chip sealing, mill and overlay, manhole and valve adjustment and signing and striping (the "Maintenance Plan") and \$800,000 - \$1,200,000 allocated annually to the Replacement Plan; and

WHEREAS, on August 3, 2000, the Town Council adopted Ordinance 00-12, increasing the Town's transaction privilege tax rate from 1.2% to 1.6%. The 0.4% increase was subsequently distributed: 0.2% for payment of debt service for mountain preservation land purchases (the "Mountain Preserve Tax"); 0.1% for payment of debt service for Civic Center construction (the "Civic Center Tax"); and 0.1% for downtown development; and

WHEREAS, in 2011 the Civic Center bonds were retired, and the Civic Center Tax was redirected to General Fund uses; and

WHEREAS, the mountain preserve bonds will be retired on July 1, 2016, and thereafter the Town Council desires to redirect the Mountain Preserve Tax to the Program; and

WHEREAS, the Town Council finds and determines that it is in the best interest of the Town that funding for the Program be generated from existing sources, including: (i) transferring certain Highway User Revenue Fund ("HURF") and Vehicle License Tax ("VLT") amounts; (ii) cancelling certain projects in the Town's Capital Improvement Plan ("CIP"); (iii) outsourcing certain functions; and (iv) appropriating the Mountain Preserve Tax to the Replacement Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF FOUNTAIN HILLS, as follows:

SECTION 1. The foregoing recitals are incorporated as if fully set forth herein.

SECTION 2. In order to provide funding for a portion of the Replacement Plan, starting in fiscal year 2016/17 and continuing each fiscal year thereafter, the Town Council hereby authorizes allocating the following amounts, if available, from the General Fund and the CIP Fund:

Asphalt Replacment Plan

<u>Fiscal Year</u>	<u>General Fund/Sales Tax</u>	<u>CIP Fund</u>
2016/17	\$650,000	\$200,000
2017/18	\$700,000	\$200,000
2018/19	\$700,000	\$200,000
2019/20	\$700,000	\$200,000
2020/21	\$1,000,000	\$200,000
2021/22	\$850,000	\$200,000
2022/23	\$900,000	\$200,000
2023/24	\$1,000,000	\$200,000
2024/25	\$1,000,000	\$200,000
2025/26	<u>\$1,000,000</u>	<u>\$200,000</u>
	\$8,500,000	\$2,000,000

TOTAL \$10,500,000

SECTION 3. Beginning in fiscal year 2015/16 and continuing annually thereafter, \$750,000 of the VLT revenues received shall be designated as a Special Revenue Fund for the Maintenance Plan. These funds will be added to the minimum of \$250,000 apportioned from the HURF revenues that have, since fiscal year 2013/14, been allocated for the Program, as follows:

Pavement Maintenance Plan

<u>Fiscal Year</u>	<u>Zone</u>	<u>VLT</u>	<u>HURF</u>
2016/17	Zone 1	\$ 750,000	\$ 250,000
2017/18	Zone 1	\$ 750,000	\$ 250,000
2018/19	Zone 2	\$ 750,000	\$ 250,000
2019/20	Zone 2	\$ 750,000	\$ 250,000
2020/21	Zone 3	\$ 750,000	\$ 250,000
2021/22	Zone 4	\$ 750,000	\$ 250,000
2022/23	Zone 5	\$ 750,000	\$ 250,000
2023/24	Zone 6	\$ 750,000	\$ 250,000
2024/25	Zone 7	\$ 750,000	\$ 250,000
2025/26	Zone 1	<u>\$ 750,000</u>	<u>\$ 250,000</u>
	TOTAL	\$7,500,000	\$2,500,000

SECTION 4. The Fountain Hills Pavement Management Program is hereby designated the same Priority Level in the Town budget as Public Safety.

SECTION 5. By approving and amending the Program to include the Replacement Plan, the Town Council understands that, commencing in March 2016, the Town Manager intends to undertake certain actions in order to fund the Program, and the Town Council hereby authorizes and directs the Town Manager to utilize the Mountain Preserve Tax to achieve the funding priority.

SECTION 6. In allocating the Mountain Preserve Tax funds to the Program, the Town Manager shall use the amounts set forth in Sections 2 and 3 above as guidelines for preparation of the annual budget. The Town Council shall, in its sole and absolute discretion, annually determine the precise allocation of funding between the Replacement Plan and the Maintenance Plan as part of the approval of the Town's budget.

SECTION 7. The Mayor, the Town Manager, the Town Clerk and the Town Attorney are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

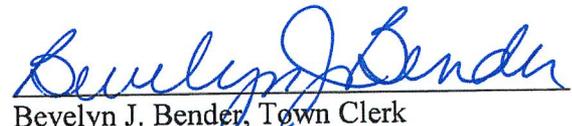
PASSED AND ADOPTED by the Mayor and Council of the Town of Fountain Hills, Arizona, November 5, 2015.

FOR THE TOWN OF FOUNTAIN HILLS:

ATTESTED TO:



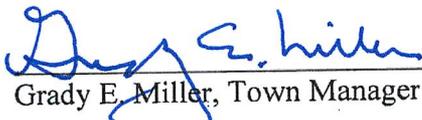
Linda M. Kavanagh, Mayor



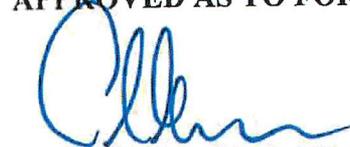
Bevelyn J. Bender, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:



Grady E. Miller, Town Manager



Andrew J. McGuire, Town Attorney