

COUNCIL
EXECUTIVE
REPORT

MARCH 2022



INTRODUCTION

This issue of the Council Executive Report provides a summary of the Town's performance during March 2022. The information is organized in sections based on the Town's General Plan:

LAND MANAGEMENT: How Marana plans to use the land and where the Town expects growth.

BUILT ENVIRONMENT: Man-made structures built on the land. It is used to describe all structures, facilities and other physical infrastructure, and includes urban and rural development, telecommunications, utility networks, transportation systems, and sewer treatment and conveyance systems.

PEOPLE AND COMMUNITY: Marana values its citizens, businesses and visitors and strives to create a high quality of life. This theme ensures that citizen, business and visitor needs are addressed equally and includes public safety, parks and recreation, economic vitality and community involvement.

RESOURCE MANAGEMENT: Provides guidance in managing Marana's renewable and non-renewable resources. Elements include open space and trails, cultural resources, water resources and energy.

COUNCILMEMBERS

Mayor Ed Honea
Vice Mayor Jon Post
Councilmember Patti Comerford
Councilmember Jackie Craig
Councilmember John Officer
Councilmember Herb Kai
Councilmember Roxanne Ziegler

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LAND MANAGEMENT

The following provides Development Services active projects in March. Projects can be in process for various lengths of time and will show up for several months after initial submittal until completed. For full project details, visit the [Current and Proposed Projects Map](#).

COMMERCIAL NEW BUILD

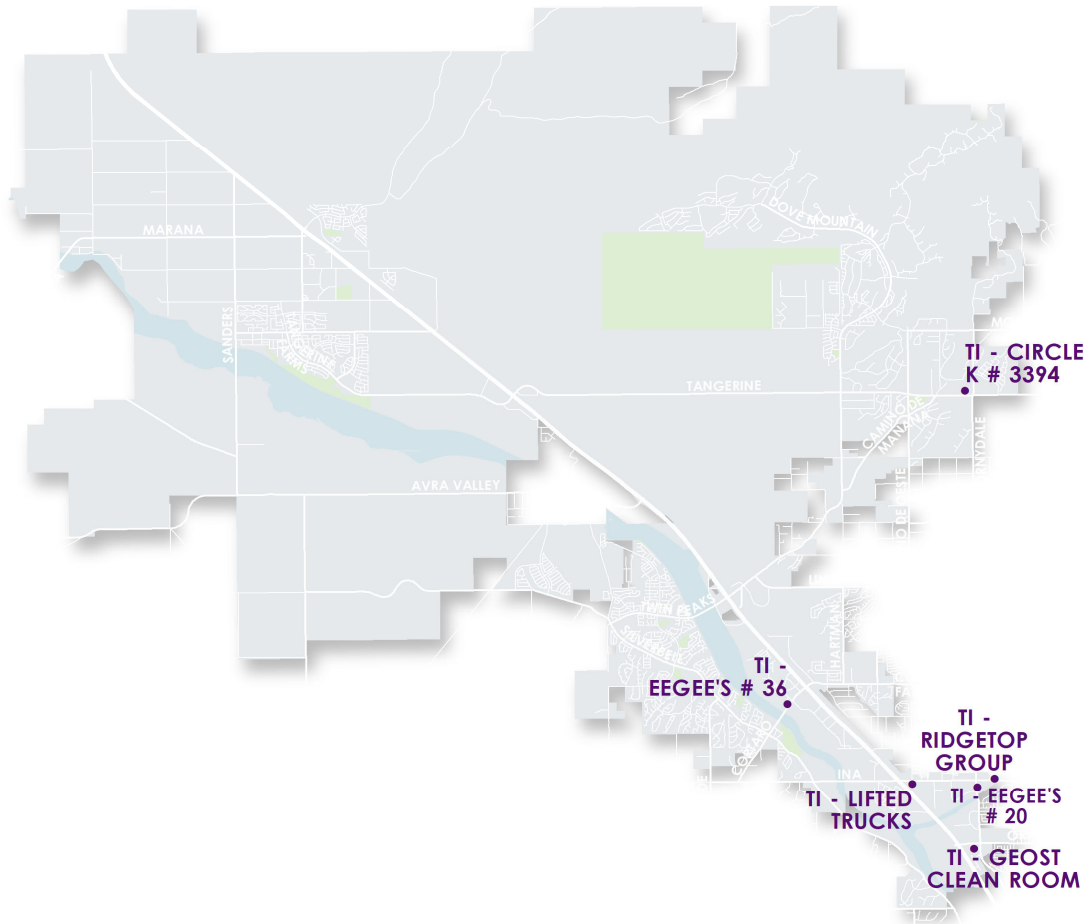
1. American Furniture Warehouse (Marana Center)
2. Tangerine Distribution Center
3. Southern Arizona Logistics (Tangerine Rd/Crossroads Trail)
4. Starbucks (Cortaro Farms Rd)
5. Quality Lube and Tune (Canada del Oro Wash)
6. Marana RV Storage (Marana Center)
7. Encantada Apartment Common Areas (Marana Center)
8. Tangerine/I-10 Replat
9. QuikTrip #1474 (Marana Center)
10. SAS Office and Shop (Tangerine Rd/Marana Tech Dr)
11. Marana Self Storage (Marana Center)
12. QDC Auto Shop (Tangerine Business Park Loop)
13. Silverbell Gateway Foundation Clubhouse
14. Bill Luke Marana (Marana Center)
15. Vroom Slide Systems (Tangerine Business Park Loop)
16. Breakers 40 Final Plat
17. Ventana Instrument Manufacturing II (Tangerine Rd/I-10)
18. Life Self-Storage (Cortaro Farms Rd/I-10)
19. JD Russel Hanger
20. National Self Storage Building (Silverbell/Continental Reserve Lp)
21. Shell Building at Twin Peaks and Silverbell
22. Silverbell Gateway Distribution Center
23. Ventana Logistics Expansion (Tangerine Rd/I-10)
24. In-Self Storage RV Parking (Orange Grove/Thornydale)
25. Golden Leaf Expansion (Ina Rd)
26. Shops at Cortaro

COMMERCIAL REMODEL

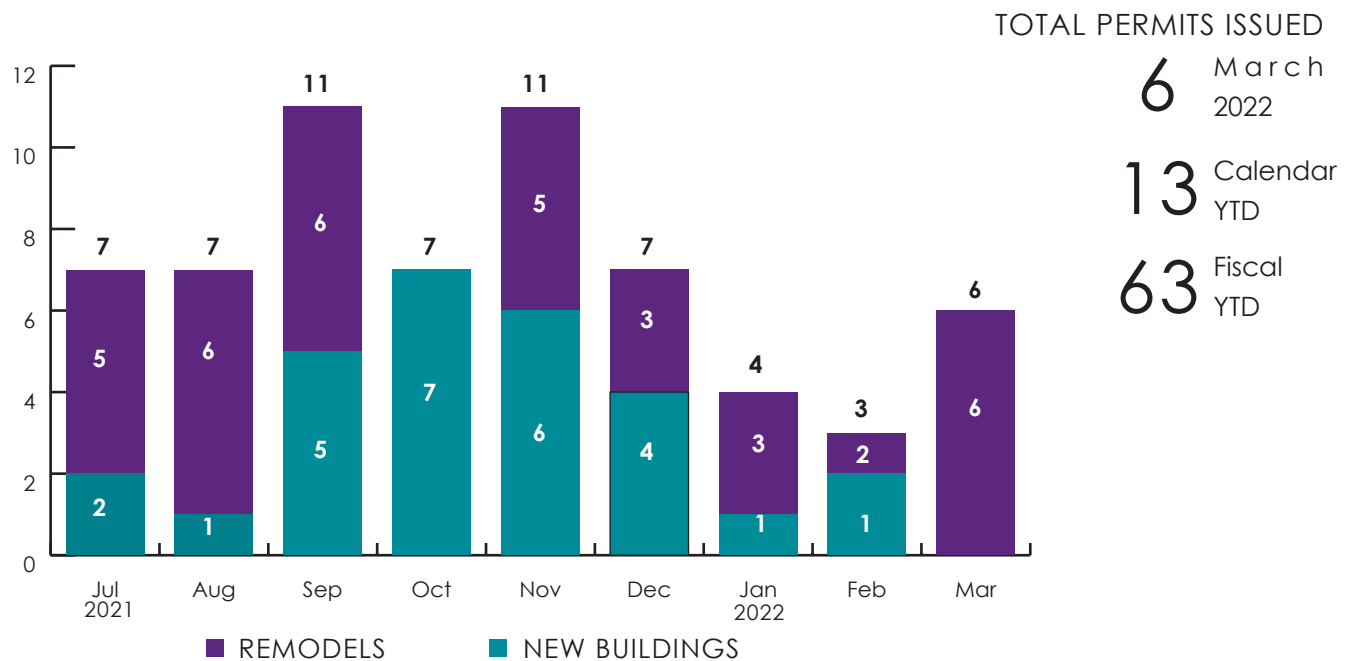
1. Circle K (Tangerine) **(NEW)**
2. Marana Healthcare Center Remodel **(NEW)**
3. Ridgetop Group (Ina Rd Bridge) **(NEW)**
4. Geost Clean Room (Orange Grove Rd/River Rd) **(NEW)**
5. Eegee's (AZ Pavilions) **(NEW)**
6. Target
7. Lifted Trucks (Ina Rd/I-10) **(NEW)**
8. IHOP
9. Facade Remodel for Eegee's (Ina Rd/Thornydale Rd)
10. QuikTrip Kitchen Expansion (Tangerine Rd)
11. Fry's Grocery Pick-Up Area Remodel (Thornydale Rd)
12. Starbucks (Twin Peaks Rd/Silverbell Rd)
13. Starbucks Remodel (Ina)
14. Old Pueblo Septic (Ina Rd/Camino Martin)
15. Starbucks Remodel (Cortaro)
16. Redeemer Evangelical Lutheran (Silverbell Rd/Coachline Blvd)
17. Fry's Remodel (Thornydale Rd/Tangerine Rd)
18. The Gate Church (Ina Rd/Oldfather Rd)
19. Nico's Taco Shop (Tangerine Rd/Thornydale Rd)
20. Filiberto's (Twin Peaks Rd)
21. Filiberto's (Cortaro Farms Rd)
22. Golden Leaf Dispensary
23. FLSmidth Krebs (I-10/Hartman Rd)
24. Ventana Logistics (Tangerine Rd/I-10)

LAND MANAGEMENT

COMMERCIAL BUILDING PERMIT LOCATIONS – BY REGION MARCH 2022



COMMERCIAL BUILDING PERMIT – BY TREND



BUILT ENVIRONMENT

CAPITAL DESIGN & CONSTRUCTION REPORT

The following provides an update of major construction and design projects in the Town of Marana. Visit the [Current and Proposed Projects Map](#) for a comprehensive list.

DESIGN

1. North Marana Sewer Interceptor

Budget: \$10,300,000

Status: 10% Design

Fund Source: Federal

2. Civic Center Dr, Electrical Improvements

Budget: \$300,000

Status: 30% Design

Fund Source: General Fund

3. MMC Drainage Improvements

Budget: \$305,125

Status: 50% Design

Fund Source: General Fund

4. Twin Peaks Rd - Sandario Intersection

Budget: \$1,000,000

Status: 90% Design

Fund Source: Transportation Fund

5. Gladden Farms Baseball Fields

Budget: \$550,000

Status: 50% Design

Fund Source: Impact Fees

6. Shared Use Path, CalPortland Extension

Budget: \$3,000,000

Status: 95% Design

Fund Source: Park Impact Fees

7. El Rio Disc Golf

Budget: \$240,000

Status: 30% Design

Fund Source: General Fund

8. Twin Peaks Rd, Rattlesnake Pass Widening

Budget: \$18,000,000

Status: 60% Design

Fund Source: Impact Fees, Transportation Funds

CONSTRUCTION

1. Silverbell Rd Sidewalk, Carefree to Cortaro

Budget: \$315,000

Status: 0% Construction

Fund Source: Transportation Funds

2. Cortaro, Cortaro Farms Beautification

Budget: \$150,000

Status: 0% Construction

Fund Source: General Fund

3. Marana Rd Realignment, Monument

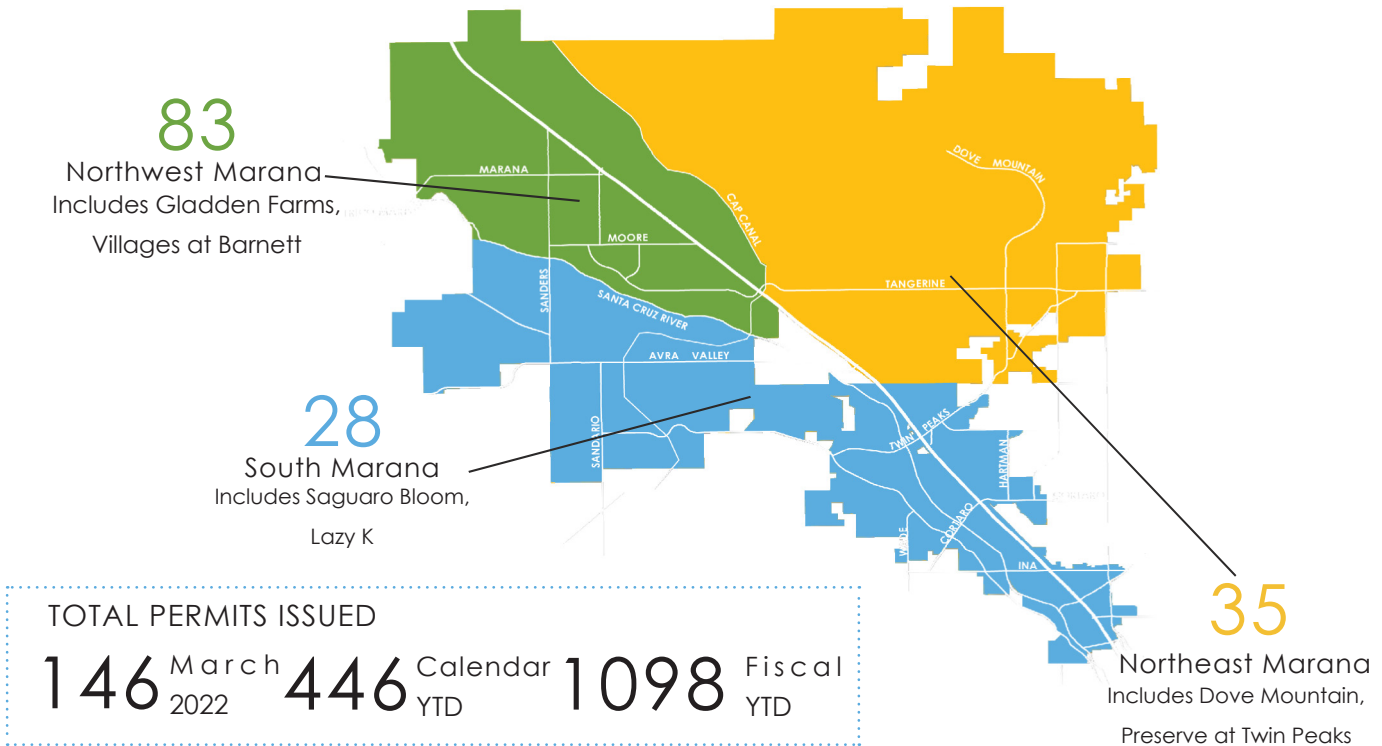
Budget: \$400,000

Status: 0% Construction

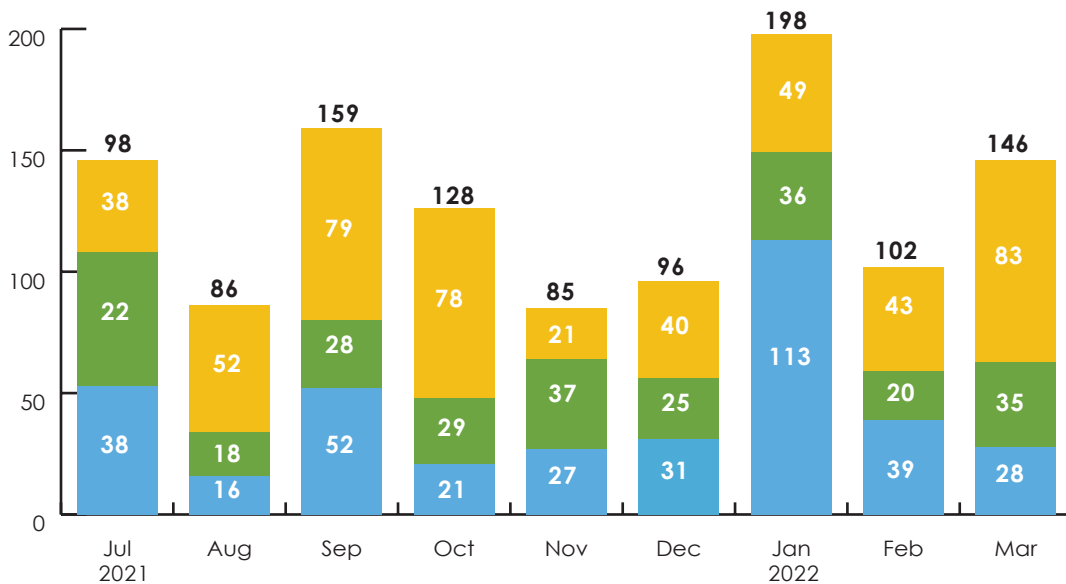
Fund Source: Downtown Reinvestment

BUILT ENVIRONMENT

SINGLE FAMILY RESIDENTIAL PERMITS – BY REGION



SINGLE FAMILY RESIDENTIAL PERMITS - BY REGION (FY22)



COMMERCIAL/OTHER PERMITS

6
Tenant Improvement

25
Pool/Spa Permits

69
Solar Permits

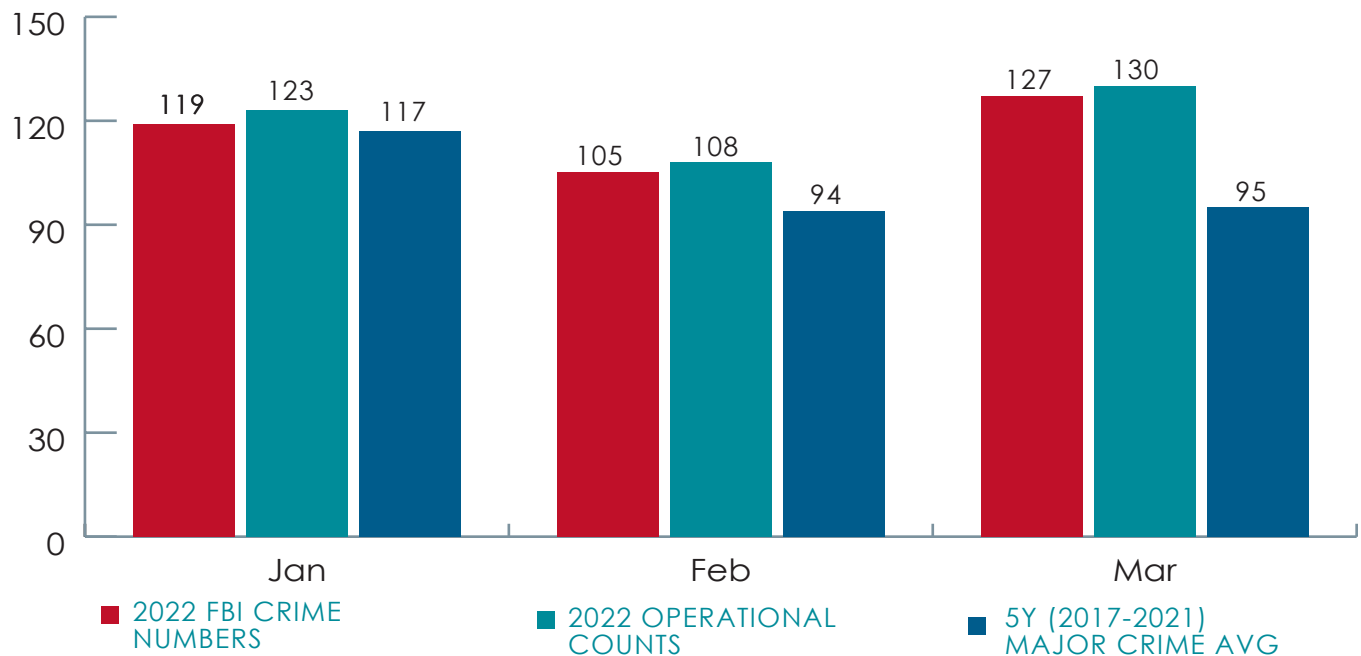
PEOPLE AND COMMUNITY

PUBLIC SAFETY

Crime Data – March 2022

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
2022 FBI CRIME NUMBERS	119	105	127										351
2022 OPERATIONAL COUNTS	123	108	130										361
5Y (2017-2021) MAJOR CRIME AVERAGE	117	94	95										306
HOMICIDE	0	1	0										1
SEXUAL ASSAULT	0	1	1										2
ROBBERY	4	1	3										8
AGGRAVATED ASSAULT	0	2	5										7
BURGLARY	7	8	2										17
LARCENY (EXC. SHOPLIFTING)	48	29	40										117
LARCENY/SHOPLIFTING	58	62	75										195
MOTOR VEHICLE THEFT	6	4	3										13
**OUTSIDE AGENCY RECOVERED STOLEN	3	2	3										8
ARSON	0	0	1										1

2022 FBI NUMBERS - OPERATIONAL COUNTS - 5Y AVG COMPARISON



*FBI Counts reflect implementation of FBI Rule: Concept of Same Time & Place resulting in differing counts of actual incidents and criminals reported. **O/S Agency recovered Stolen by MPD are reported to FBI by originating agency not MPD. Data Source/Extraction Date: Spillman OFNS, 4/1/22. Classifications may change as quality control and reclassifications occur.

Disclaimer: The accuracy of this analytical product is based on the UCR codes entered in Spillman Fields.

Crime Analyst Janice Moser

PEOPLE AND COMMUNITY

MARANA ANIMAL SERVICES

Service Metrics – February 2022

Pet Licenses Issued **201**

Stray Pets **5**

Stray Pets Returned to Owner **2**

Pet Adoptions **2**

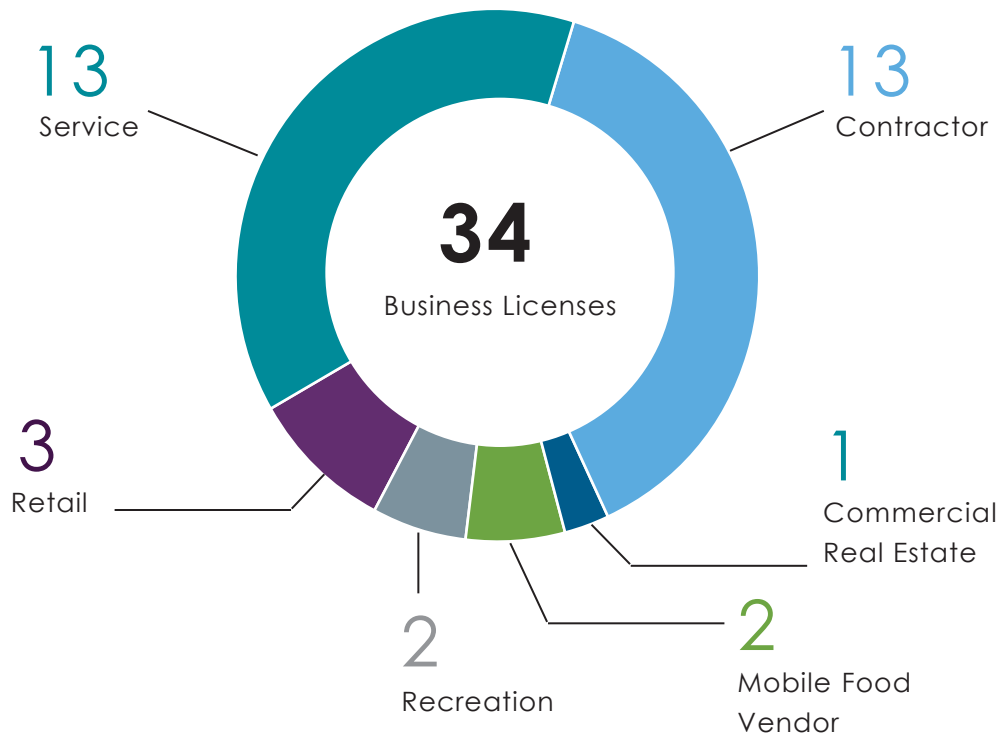
Licensing Revenue **\$5,400**

Program Donations **\$317**

ECONOMIC VITALITY

BUSINESS LICENSES

A total of **34** business licenses were filed in March.



RESOURCE MANAGEMENT

WATER/WATER RECLAMATION

New Connections – March 2022

March Meter Installs **44**

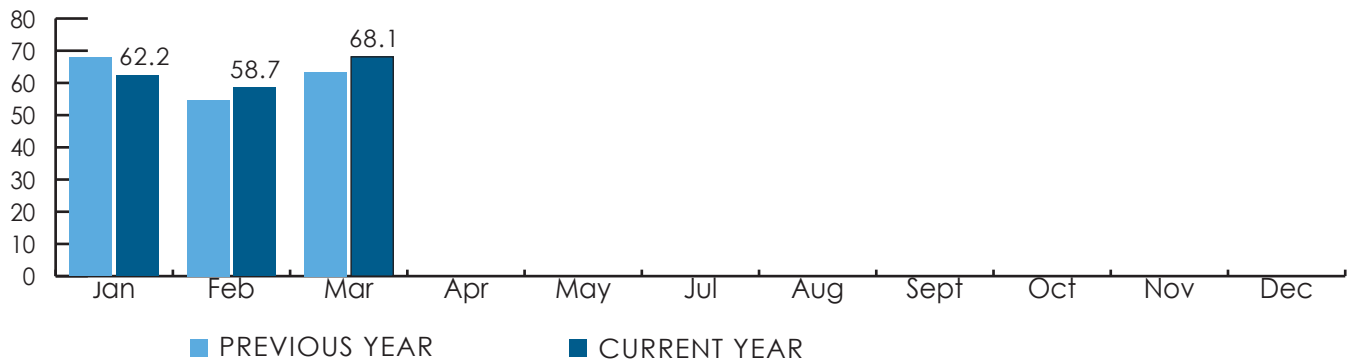
March Sewer Cards **60**

March Water Customers **10,066**

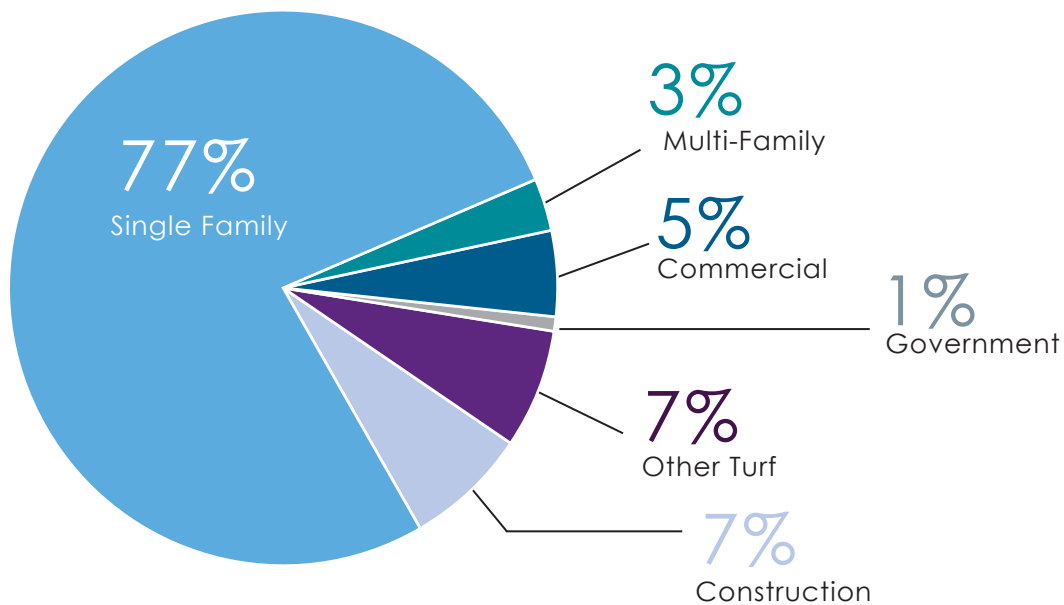
March Sewer Customers **5,790**

March Gallons Billed **67.92 Million**

Millions of Gallons Per Month



Water Usage By Type / March 2022



Town of Marana

Investment Portfolio Summary Quarter Ending March 31, 2022

Luke Schneider, CFA, Managing Director

Annette Gaston, Senior Managing Consultant

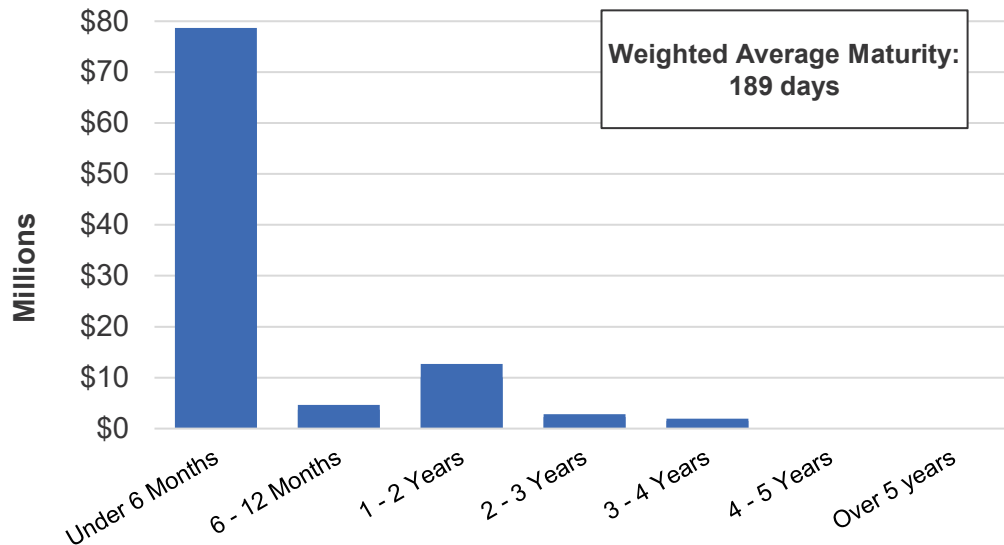
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PFM Asset Management LLC

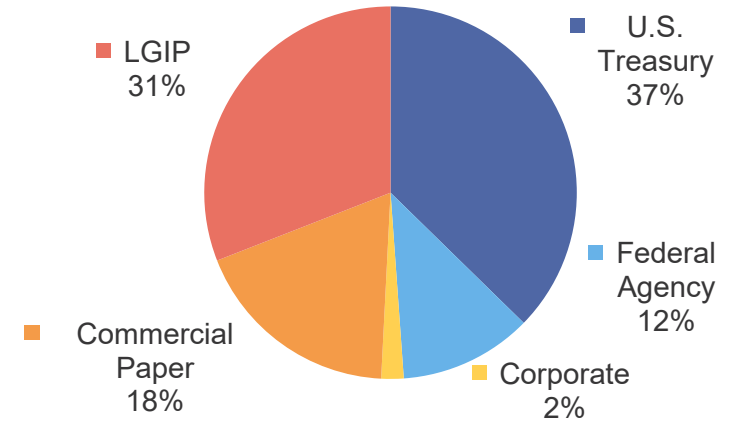
NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Account Summary	Beginning Values as of 12/31/21	Ending Values as of 3/31/22
Market Value	\$44,883,439	\$99,988,817
Book Value	\$44,990,570	\$100,660,084
Unrealized Gain/(Loss)	(\$107,131)	(\$671,267)
Weighted Average YTM at Market	0.42%	1.03%
Weighted Average YTM at Cost	0.56%	0.62%

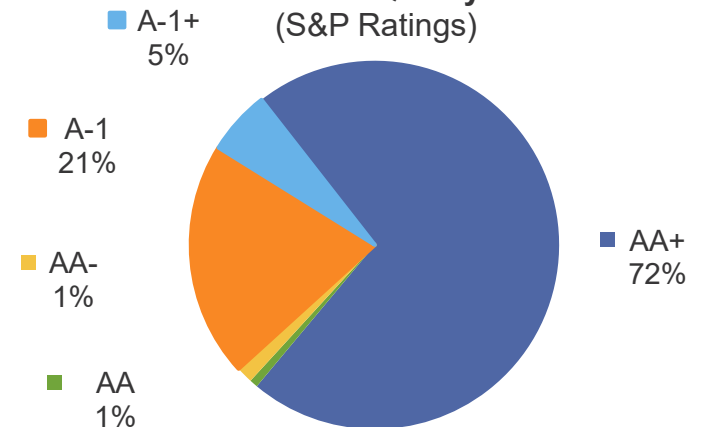
Maturity Distribution



Sector Distribution



Credit Quality (S&P Ratings)



1. Market Value and Book Value include \$30,930,854 invested with the State Local Government Investment Pools 5 & 7 as of 3/31/2022.
 2. Weighted average maturity includes LGIP balances and uses book values for weighting. Accrued interest and cash balances are excluded.

Security Type and Issuer Compliance^{1,2,3}

Town of Marana as of
3/31/22

Security Type	Book Value	% of Portfolio	Permitted by Policy
U.S. Treasury	\$37,683,411	37%	100.0%
Federal Agency	\$11,746,953	12%	100.0%
Corporates	\$2,038,703	2%	40.0%
Commercial Paper	\$18,260,164	18%	25.0%
AZ LGIP	\$30,930,854	31%	100.0%
Total Book Value	\$100,660,084	100.00%	

Accrual Basis Earnings	1/1/22 through 3/31/22
Estimated Earnings	\$61,379
Total Estimated Earnings	\$61,379

Maturity	Book Value	% of Portfolio	Permitted by Policy
0-6 Months	\$78,695,377	78%	No Limit
6-12 Months	\$4,602,129	5%	No Limit
1-2 Years	\$12,662,828	13%	No Limit
2-3 Years	\$2,789,169	3%	No Limit
3-4 Years	\$1,910,581	2%	No Limit
4-5 Years	\$0	0%	No Limit
Over 5 Years	\$0	0%	0%
Total Book Value	\$100,660,084	100.00%	

Issuer	Book Value	% of Portfolio	Permitted by Policy
FNMA	\$3,251,747	3%	100%
FHLB	\$3,701,650	4%	100%
FHLMC	\$4,793,556	5%	100%
U.S. Treasury	\$37,683,411	37%	100%
Apple Inc	\$522,465	<1%	5%
Blackrock Inc	\$503,950	<1%	5%
Visa	\$508,691	<1%	5%
Wal-Mart Stores Inc	\$503,596	<1%	5%
JP Morgan	\$3,886,896	4%	5%
Manhattan Asset	\$2,694,687	3%	5%
MUFG Bank	\$3,891,264	4%	5%
Natixis Bank NY	\$3,891,368	4%	5%
Old Line Funding	\$3,895,948	4%	5%
AZ LGIP	\$30,930,854	31%	100%
Total Book Value	\$100,660,084	100.00%	

1. Investment policy dated February 2020.
2. Maturity distribution does not include accrued interest.
3. Accrual basis earnings does not include LGIP balances.

Current Market Themes

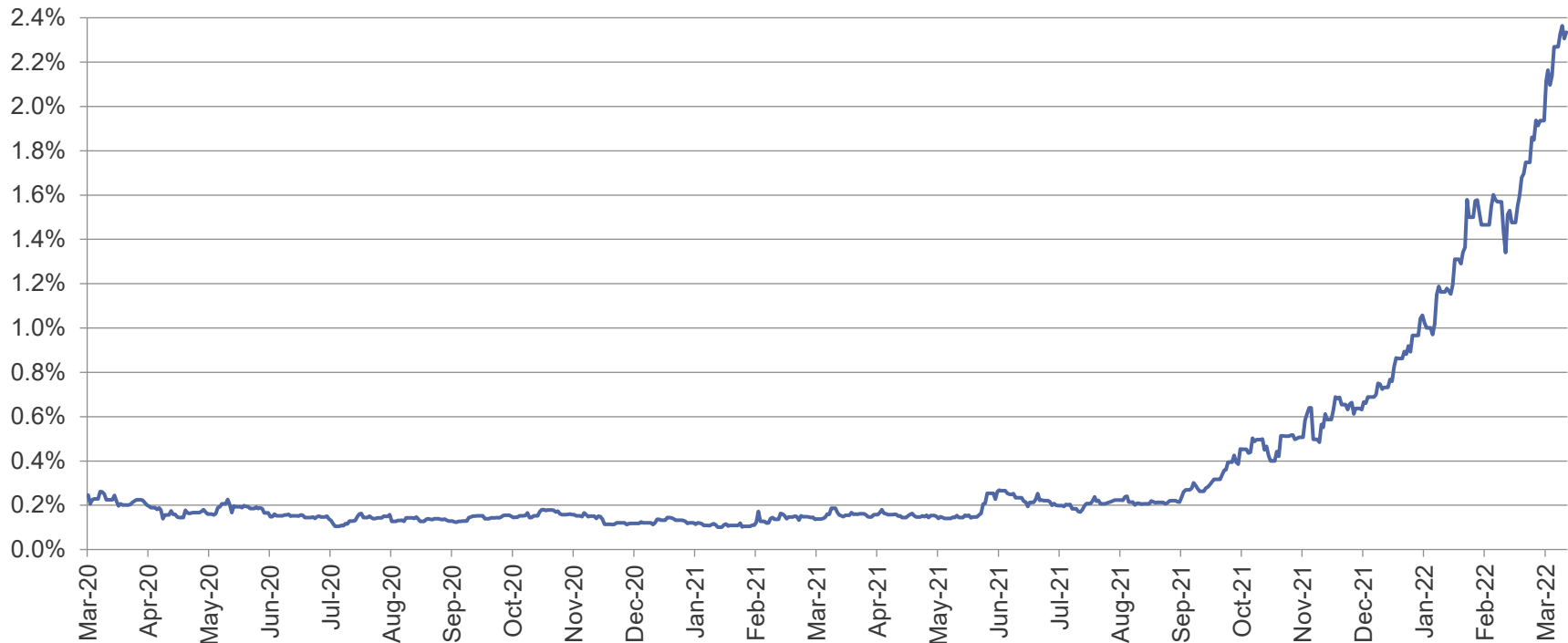
- ▶ The Russian invasion of Ukraine has created geopolitical uncertainty, causing significant pressure on commodity inflation
- ▶ The U.S. economy is characterized by:
 - ▶ A strong labor market
 - ▶ Inflation at a 40-year high
 - ▶ Surging energy prices
 - ▶ Depressed consumer confidence
- ▶ The Federal Reserve is tightening monetary policy
 - ▶ Initiated the first of several expected rate hikes in 2022
 - ▶ Balance sheet reduction likely to start soon
- ▶ The U.S. Treasury yield curve has partially inverted
 - ▶ Yields on 2-year Treasury notes rose above the 10-year Treasury
 - ▶ An early potential warning sign for a future recession

Portfolio Strategy

- ▶ Target the steepest portions of the Treasury curve where the benefit of rolldown is maximized, while maintaining a modestly defensive tilt to offset potential further rate increases and curve steepening.
- ▶ Increase allocations to corporate and asset-backed securities, while moderately decreasing allocations to U.S. Treasuries due to widening of yield spreads.
- ▶ Maintain broad diversification by sector, industry, and issuer, focusing on those issuers benefiting most from the continued economic recovery.

- ▶ The yield curve is partially inverted as short-term rates have risen slightly above long-term rates
- ▶ The 2-year Treasury has risen 160 basis points during the first quarter

2-Year Treasury Yields January 2020 – March 2022



Source: Bloomberg, as 4/11/2022.

Disclaimer

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