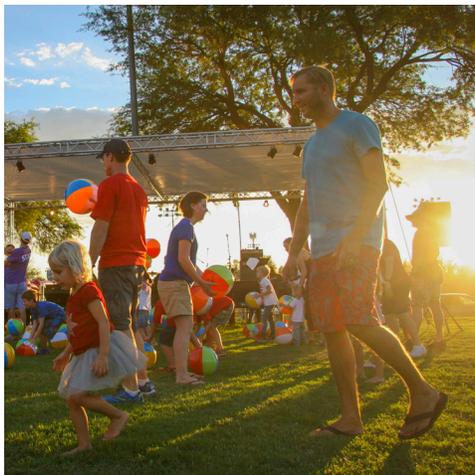
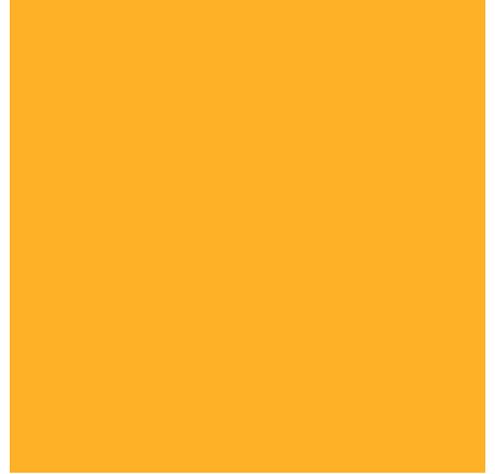


Town of Oro Valley
**ANNUAL BUDGET
FY 2017-18**





ORO VALLEY, *it's in our nature*

ANNUAL BUDGET 2017 – 2018



Community Vision

Oro Valley strives to be a well-managed community that provides all residents with opportunities for quality living. Oro Valley will keep its friendly, small-town, neighborly character, while increasing services, employment and recreation. The Town's lifestyle continues to be defined by a strong sense of community, a high regard for public safety and an extraordinary natural environment and scenic views.

Mission

Govern efficiently, inclusively and responsively to promote community health, safety and a sustainable quality of life for residents, business and visitors.

Organizational Values

We are strongly committed to:

- Honesty, Integrity, Trustworthiness
- Openness, Accountability, Transparent Government
- Respect for Diversity
- Creativity, Teamwork and Continuous Improvement
- Excellent Service

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Capital Improvement Program

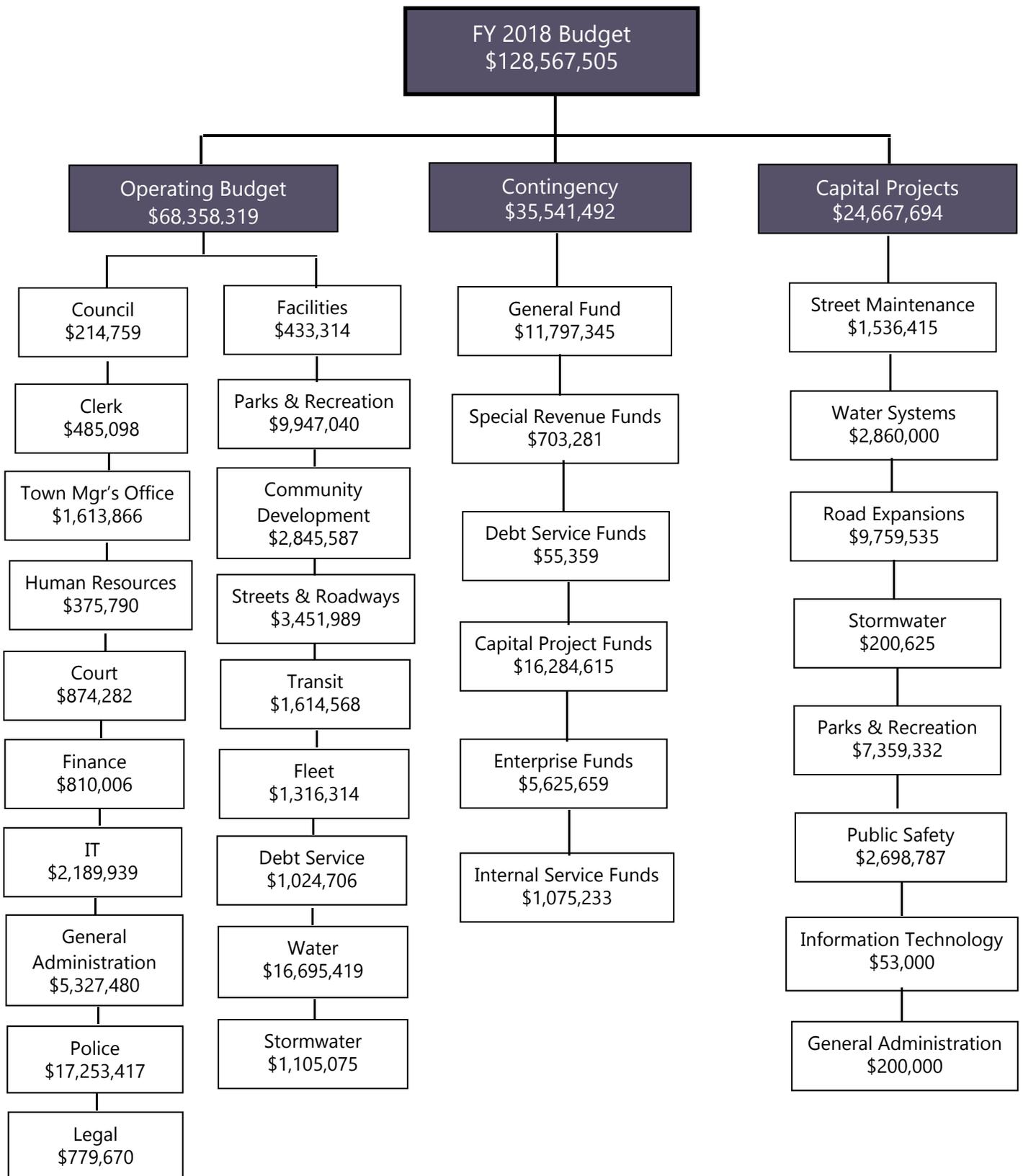
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Financial Organizational Chart



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Oro Valley
Arizona**

For the Fiscal Year Beginning

July 1, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Town of Oro Valley, Arizona for its annual budget for the fiscal year beginning July 1, 2016.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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INTRODUCTION

Budget Message
"Know Your Town's Budget"
Community Profile
History of Oro Valley
Budget Document Guide
Mayor and Council
Organizational Chart
General Plan
Strategic Plan
Fund Structure
Financial & Budgetary Policies
Budget Process



Budget Message



Daniel G. Sharp, Interim Town Manager

To All Oro Valley Residents and the Honorable Mayor and Town Councilmembers:

It is my privilege to present the Town of Oro Valley balanced budget for fiscal year 2017/2018. The FY 2017/18 adopted budget totals \$128.6 million, a \$2.7 million, or 2.1%, increase from the adopted FY 2016/17 budget totaling \$125.9 million.

The budget represents the allocation of resources to achieve the goals identified in the Town's adopted Strategic Plan and the voter-approved General Plan.

During FY 2016/17, Town Council updated its two-year Strategic Plan following the vision outlined in the Town's General Plan, *Your Voice, Our Future*, approved by the voters in November, 2016. The guiding goals and strategies in the Strategic Plan were used to develop the FY 2017/18 budget. The 2017 Strategic Plan is organized around the framework of the following ten (10) focus areas:

Economic Development

Focusing on long-term financial and economic stability and sustainability, Oro Valley recognizes that a robust local economy and job market provide opportunities for quality employment.

Complete Community

Oro Valley continues to be a community with a wide range of services, amenities, shopping and dining opportunities and housing types that meet the needs of current and future residents.

Parks and Recreation

Oro Valley recognizes the need for a high-quality parks, recreation and open space system that is accessible, comprehensive and connected.

Public Safety

Oro Valley will continue its commitment to being a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members.

Town Assets

Oro Valley provides high-quality and well-maintained Town assets, including streets, infrastructure and facilities.

Water Resources and Energy

Oro Valley delivers a high-quality, safe and reliable water supply that meets the long-term needs for the community while considering the natural environment.

Cultural Resources

Oro Valley protects and preserves its significant cultural sites, properties and resources that enhance our community character and heritage.

Land Use and Design

Oro Valley focuses on a built environment that creatively integrates landscape, architecture, open space and conservation elements to increase the sense of place, community interaction and quality of life.

Transportation

Oro Valley will provide an integrated and connected transportation network that enhances mobility for people and goods while providing diverse transportation choices that are safe, user-friendly, efficient and accessible.

Cost of Services

Oro Valley will seek full recovery of the costs of services that serve new development.

Local Economic Conditions

Healthy economic growth is being observed at both the local and state levels, which significantly influences our revenue projections for FY 2017/18. The projected residential development is considerable over the next three to four-year period. In FY 2016/17, we estimated that 230 single family residential (SFR) building permits would be issued; a total of 339 were issued by year-end. The FY 2017/18 budget includes the assumption that 300 SFRs will be issued during the year as many developments have made their way through the planning and approval process and are in the building phase.

The budget reflects continued growth in commercial activity with some new construction and tenant improvements of previously-vacant space. Commercial development activity projected for FY 2017/18 includes three senior living facilities, a self-storage facility, the completion of two schools and continued office, restaurant and retail space. Local sales tax revenue in the General Fund is expected to grow by nearly 10% in FY 2017/18 due largely to construction, retail and restaurant taxes. License and permit revenues are projected to increase by nearly 28% over FY 2016/17 budgeted amounts, reflecting the increased commercial and residential development anticipated.

Based on these growth assumptions, the FY 2017/18 budget includes the transfer of one-time revenues totaling \$1.8 million from the General Fund to the General Government CIP Fund for capital projects.

Staffing, Compensation and Benefits

With the adjustments to employee compensation through the last several budgets, the organization is less likely to see employees leave strictly for compensation reasons. As a result, scarce funding is not spent on training new employees. Employee turnover can be very costly for an organization. The FY 2017/18 budget continues the commitment to recognize the efforts of our Town employees with capacity included of approximately \$528,000 for public safety employee step increases and up to a 4% performance merit increase for non-public safety employees.

Statewide, much emphasis has been placed on the increases municipalities are experiencing from the Public Safety Personnel Retirement System (PSPRS) pension contribution rates. The increased contribution rates are the outcome of legal challenges made against certain reforms to the PSPRS plan from Senate Bill 1609 enacted in 2011. For Fiscal Year 2017/18, the Town contribution rate for PSPRS increases from 23.66% to 34.85%, resulting in an estimated \$845,000 impact to the General Fund. It is expected that the Town contribution rate will remain at, or close to, this level for the foreseeable future, putting pressure on the Town's continued ability to expand staffing and provide continued pay raises at current levels.

The organization reduced staffing over the recessionary period without major modifications to our service or program delivery. We continue to make significant investments in public safety, transportation and pavement preservation, parks and recreation, and water delivery. We provide these services with a very streamlined, efficient and well-trained work force.

During the recession, the Town reduced staff considerably. At its peak in FY 2008/09, the adopted budget included 389 full-time equivalent (FTE) positions. The FY 2017/18 budget includes a total of 382.92 authorized FTE positions. The Town has also reduced full-time, benefited positions from 332 in FY 2008/09, to 311 in the FY 2017/18 budget. The Town has been diligent in maintaining control over its FTE count even while increasing the number of facilities, programs and annexed areas that we now support compared to 2008/09.

The Town of Oro Valley provides services and programs that are required by law and expected by the community members. The delivery of high-quality services and programs are a direct result of strong leadership and the Town's expert staff members.

The following paragraphs highlight new positions included in the FY 2017/18 budget:

- In the Police Department, the following positions have been added:
 - Two (2) new school resource officers (SROs) to support the planned opening of two new schools in FY 2017/18. One SRO would be assigned to Innovation Academy, the new Amphitheater STEM school, which is consistent with the Town's philosophy of placing a uniformed police officer at all public schools in Oro Valley since 1976. The other SRO would be assigned to the new charter school, Leman Academy, subject to the approval of a funding reimbursement agreement between the Town and the charter school for this position.
 - A public information officer (PIO Sergeant) to serve as the liaison between the Police Department and the media, the public and community organizations to provide information by gathering facts, issuing press releases, answering inquiries and conducting interviews relating to public safety matters.

- In the Information Technology (IT) department, a network administrator has been included in the budget to meet the growing technology needs of the Town. Over the past three years, the Town's IT network environment has grown to support 12 locations and over 55 software applications. This position will assist the Town's current network administrator in proactively meeting the critical technology security and support needs of our organization.
- Last year's adopted FY 2016/17 budget included three (3) temporary, full-time benefitted heavy equipment operator positions that were tied to two projects: 1) the construction of additional fields at Naranja Park, and 2) golf course cart path improvements at the Oro Valley Community Center. It was originally intended that these three positions would be eliminated when the projects were complete around December 2017; however, the adopted FY 2017/18 budget includes these three (3) positions as permanent with half of their time dedicated to completing the new fields at Naranja Park and the remaining half of their time dedicated to addressing the stormwater drainage needs of the Town through the Stormwater Utility Fund. Adding these resources allows us to better address and maintain our local drainage issues, and we have found that it is more efficient and cost effective to have in-house staff performing this work rather than having it outsourced.

An amount of approximately \$35,000 has been included in the budget for the following position reclassifications: office specialist to a senior office specialist in the Finance Department; office assistant to an office specialist in Parks and Recreation; court clerk to a senior court clerk in the Magistrate Court Department; assistant town manager, from temporary assignment to permanent position; and two (2) lead dispatchers to communications supervisors in the Police Department.

The adopted FY 2017/18 budget includes a permanent assistant town manager position, who will assist the town manager with management oversight over several departments. Both the legal services director and the town clerk will report directly to the assistant town manager, as well as the staff in the Town Manager's department.

The adopted FY 2017/18 budget further reflects a reorganization that occurred during FY 2016/17 with the consolidation of the Human Resources Department with the Finance and Information Technology Departments into what is now referred to as the Administrative Services Department under the management oversight of the Finance Director. Given the often integrated relationship and operations of these functions, it is common to see these departments combined in this manner for improved efficiencies, communication and effective service delivery to the organization.

Finally, in the second half of the FY 2015/16, we implemented a minor reorganization moving park maintenance under the management of the Community Development and Public Works (CDPW) Department. After piloting this reorganization for the past 18 months, the adopted budget includes the Parks Maintenance Division moving back under the management of Parks and Recreation to better align with the community's expectation of all park services being managed by Parks and Recreation.

After years of trending low in our health claims costs, we have seen these costs increase during the last few years. Even with these increased claims costs, the Town and its employees are still experiencing greater value for less cost under our self-insured model than we would if we had remained fully-insured. This year, the Town worked with our insurance broker, CBIZ, to seek competitive bids for medical insurance under both the self-insured model and under a fully-insured model. The cost increases for the fully-insured model ranged from 35% - 40% over current year levels, while the bids under the self-insured

model resulted in an estimated 20% increase over current year levels. As a result, the FY 2017/18 adopted budget includes a 20% health insurance premium increase for both the employee and Town contributions on our self-funded plan. It is expected that annual, incremental increases will continue over the next few years in order to adequately prepare for possible future large claims.

We also sought competitive bids on our dental insurance, which resulted in cost savings of over \$40,000, or over 21%, by changing from a self-insured model back to a fully-insured plan and changing carriers while increasing the level of benefit to our employees. This dental insurance savings has been included in the adopted budget.

Over the last few years, the Town has implemented proactive approaches to managing employee health care, including the on-site Employee Health Clinic and wellness programs. Additionally, the employees have become very engaged in their health and are becoming wise consumers. This trend will serve the Town and the employees well into the future.

Vehicle and Computer Replacement

Fiscal responsibility also requires the discipline to develop and fund a vehicle replacement program, which we began back in FY 2012/13 in order to reduce one-time expense shocks to the budget. More specifically, when we purchase a vehicle, the following year we begin to set aside funding to replace that vehicle when it completes its lifecycle. The FY 2017/18 adopted budget includes approximately \$375,000 set aside in the Fleet Fund for the future replacement of vehicles.

The budget also includes the replacement of six (6) marked police vehicles; three (3) unmarked police vehicles; one (1) vehicle for CDPW operations; one (1) vehicle for parks maintenance operations; and matching funds for five (5) grant-funded Transit vehicles at a total budgeted cost of \$554,210. The Water Utility will replace seven (7) vehicles at a budgeted cost of \$234,500.

Finally, the budget also includes \$134,145 for the replacement of desktop computers, servers and mobile data computers to ensure that Town employees have the appropriate tools to perform their duties.

Economic Development

Economic development is the effort towards investing in our business sector, which will help create a vibrant community. The Town has a successful track record of recruiting and retaining primary employers. Additionally, the Town has built an excellent reputation as a community where bioscience and high-technology companies want to locate. We continue to work with the Arizona Commerce Authority and Sun Corridor Inc. (formerly known as Tucson Regional Economic Opportunities) to assist us in our efforts.

Another important component to economic development is business retention and attraction. We have seen some recent retention efforts pay off and will continue to invest resources in this area. The Town also values its partnership with the Greater Oro Valley Chamber of Commerce, and the FY 2017/18 budget includes \$30,000 from the Bed Tax Fund to support this partnership.

Tourism continues to be an important part of the Town's brand and our revenue stream. We have budgeted capacity to increase the funding of Visit Tucson to \$275,000 in FY 2017/18, up from \$250,000 in the 2016/17 budget year. This increase was approved by Town Council in the spring of 2015 as part of a three-year agreement with Visit Tucson, and FY 2017/18 is the last year of this current agreement. Visit

Tucson has been a great partner with the Town as we look to meet our strategic goal of developing and attracting youth and amateur sporting events. They continue to create opportunities for events at the Aquatic Center and will certainly play a role in scheduling events at the Community Center.

Parks, Recreation and Cultural Resources

Parks, recreation, and cultural resources is an area of significant increased investment over recent years. Since the authorization of \$5 million for the Aquatic Center expansion in 2011/12, we have continued to add facilities, programs and events under the management of the Parks and Recreation Department.

The largest addition to this function was the Oro Valley Community Center in 2015. This facility within the Parks and Recreation Department includes \$6.5 million in operational and capital expenses and accompanying revenues of \$6.5 million, including the 0.5% dedicated sales tax revenues, which are projected to be \$2.3 million for FY 2017/18. These operations are accounted for in a separate fund, the Community Center Fund. The third, and final, of three annual payments (\$350,000) toward the \$1 million acquisition cost is included in the General Government CIP Fund in the FY 2017/18 adopted budget.

The adopted budget includes funding to continue several successful public-non-profit partnerships in this area. In FY 2014/15, the Town funded a \$200,000 one-time startup capital contribution to Children's Museum Oro Valley, and \$37,500 in operational contribution. For 2017/18, we have planned for the continued annual contribution of \$75,000 for the museum. To further promote arts and culture in Oro Valley, our partnership with the Southern Arizona Arts & Cultural Alliance (SAACA) will continue with funding of \$21,400 included in the budget. This funding will continue to support the concert events at Oro Valley Marketplace, the Oro Valley Community Center and Steam Pump Ranch, as well as the Oro Valley Festival of the Arts and a Spring Festival.

Other FY 2017/18 investments in our parks, recreation and cultural resources include the following:

- Two new lit multi-use fields at Naranja Park (\$1,040,212) - (Includes rollover budget from FY 2016/17 plus funds to add lights to fields)
- Artificial turf installation at large dog park at Naranja Park (\$20,000)
- Repair, stucco, repaint buildings at CDO Riverfront Park (\$18,000)
- Resurface basketball court at CDO Riverfront Park (\$5,000)
- Community Center energy efficiency improvements (\$700,000) – (rollover project from FY 16/17, assumes completion in FY 2017/18)
- Community Center fitness lobby reconfiguration (\$20,000)
- Tennis court improvements (\$75,000)
- Golf cart path improvements (\$50,000)
- Aquatic Center pool improvements (\$52,000)
- Steam Pump Ranch improvements (\$70,120)

Transportation and Town Assets

The Town has earned a great reputation for our excellent roadway system. Several major road improvements will continue to impact our community over the coming year with funds included in the FY 2017/18 adopted budget from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA). These include the following:

- Widening of La Cholla Blvd., from Overton Rd. to Tangerine Rd. (\$1.9M)
- Widening of Tangerine Rd., from La Cañada Dr. to Shannon Rd. (\$1.7M)
- Widening of Lambert Lane, from La Cañada Dr. to Rancho Sonora Dr. (\$4.6M)

The 2017/18 adopted budget also includes \$1.5 million in the Highway Fund for the Pavement Preservation Program.

Other significant community infrastructure projects funded in the FY 2017/18 adopted budget include the following:

- Police evidence and substation facility (\$2,622,700)
- Magistrate Court remodel and new seating (\$200,000)
- New traffic signal at La Cañada and the entrance to Community Center (\$500,000)
- Palisades Road multi-use path (\$284,000)

Conclusion

The FY 2017/18 budget continues to further the goals and initiatives of the Town's Strategic Plan and allocates resources to the broad spectrum of community services so highly valued in Oro Valley. This budget continues to maintain the Town's fiscal health while investing in its future. The budget takes a measured approach to carefully plan where each new dollar generated from growth is allocated, ensuring that this and future budgets continue to be structurally balanced.

I appreciate the Town Council for providing the long-term vision and support that are crucial for the Town to achieve its goals. I would also like to recognize the contributions of the Town staff for continuing to deliver community services efficiently and effectively and within budgeted resources. The Town of Oro Valley is well-positioned to maintain an excellent quality of life for our residents and a strong economic base for local businesses.

Sincerely,



Daniel G. Sharp
Interim Town Manager

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KNOW YOUR TOWN'S BUDGET



TOWN OF ORO VALLEY | FY 2017-18 BUDGET

Fiscal Year 2017/18 budget is in the amount of \$128.6 million; a \$2.7 million, or 2.1% increase from the adopted FY 2016/17 budget totaling \$125.9 million.

GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$36.7 million** (excluding contingency reserves of \$11.8 million).
- Estimated year-end contingency reserve balance in the General Fund for FY 2017/18 is **\$11.8 million**; 32% of the expenditure budget.
- General Fund is balanced, with a **\$390,000** planned use of reserves for one-time expenditures.



KEY REVENUE PROVISIONS

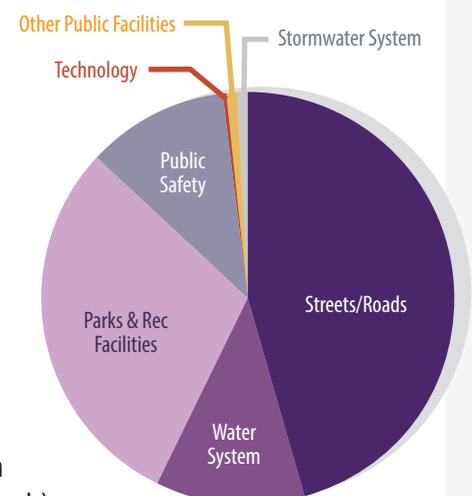
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- Total FY 2017/18 General Fund revenues are **\$3,200,000**, or 9.6%, higher than FY 2016/17 budgeted General Fund revenues.
- Total FY 2017/18 local sales taxes are **\$1,756,000**, or 9.3%, higher than FY 2016/17 budget amounts.
- Charges for Services revenues are **\$631,000**, or 5.1%, lower than FY 2016/17 budget amounts due to reduced Fleet Fund revenues from vehicle replacement chargeouts to departments. Accumulated vehicle replacement reserves will be utilized in FY 17/18.
- Grant revenues are **\$1,525,000**, or 14.8%, lower than FY 2016/17 budget amounts, which corresponds to reimbursements projected for roadway widening projects occurring in town.
- There is an overall increase of 8.5%, or approximately **\$1,176,000**, in state-shared revenues (includes Highway User Revenue Funds).

KEY EXPENDITURE PROVISIONS

FY 2017/18 Capital Improvement Program (CIP) projects in the amount of **\$19,803,000** include:

Streets/Roads	\$11,295,950
Water System	\$2,860,000
Parks & Rec Facilities	\$7,359,332
Public Safety	\$2,698,787
Technology	\$53,000
Other Public Facilities	\$200,000
Stormwater System	\$200,625



- Includes funding for merit and step increases for eligible employees at an estimated cost of **\$528,000** (all funds).
- Department operations and maintenance budgets in the General Fund are 5.6%, or **\$417,000**, higher than adopted FY 2016/17 levels due primarily to information technology, parks maintenance and special election costs.

The Town Budget: What's in it for residents?

You talked, we listened! Resident responses from the Town's "5 Questions in 5 Minutes" budget questionnaire noted highest priority in the areas of public safety, streets, parks, recreation and water. Here's how those responses were incorporated into the FY 2017/18 budget:

Parks and Recreation

Recreational opportunities abound for kids, adults and seniors at the Oro Valley Community Center, consisting of golf, tennis, aquatics and fitness offerings. The FY 17/18 budget includes funding of nearly \$870,000 for capital improvements at the Community Center, including extensive energy efficiency upgrades, tennis court and golf course cart path improvements, and fitness equipment and facility upgrades. At the Aquatic Center, \$52,000 is included in the budget to address numerous pool and facility capital improvements. In the area of parks amenities, funding of \$1 million is budgeted to complete the construction of two new, lit, multi-use fields at Naranja Park. Finally, capacity of \$5 million is included in the FY 17/18 budget for possible issuance and expenditure of voter-approved bond funds for additional field and park amenities at Naranja Park, should the bond measure be approved by voters in November 2017.

Public safety

The Oro Valley Police Department (OVPD) implements several community-based programs to enhance public safety, including School Resource Officers, Dispose-A-Med, Adopt-A-Business, Rape Aggression Defense (RAD) Training, Coffee with a Cop and Citizen Volunteer Assistants Program (CVAP). These, and many more community-based programs and services, receive funding from the Town because they play a valuable role in keeping our residents actively engaged in public safety. Capital funding of \$2.6 million is included in the FY 17/18 budget for construction and expansion of an evidence facility and southern substation on Magee Road.

Streets

The Town of Oro Valley is well known for having quality infrastructure. The budget includes \$1.5 million for the Pavement Preservation Program in the Highway Fund, which maintains the current condition of our roads. Oro Valley has the best roads in the region, and the amount of maintenance expected to be delivered remains at a level which will not allow the infrastructure to deteriorate. In addition, several major road improvements continue into FY 2017/18, with \$9.1 million included in the budget from roadway impact fees, the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA) to fund widening and improvement projects for West Lambert Lane, Tangerine Road and La Cholla Boulevard.

Reliable, quality water

The Oro Valley Water Utility takes very seriously its responsibility to ensure the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards. Great care is taken to manage this valuable resource, through use of reclaimed water, distribution of Central Arizona Project (CAP) water and advanced meter reading infrastructure.

Transportation

Through its partnership with the Regional Transportation Authority, the Town of Oro Valley has begun its fourth year of funding Sun Shuttle Dial-A-Ride.

WHAT KIND OF TAXES DO ORO VALLEY RESIDENTS PAY?



The Town of Oro Valley does NOT levy a property tax; however, Oro Valley property owners pay more than \$26 million every year in primary property taxes to Pima County.

Town residents pay approximately **\$476 per year, per household** in taxes to Oro Valley.

- 4% utility tax (\$3 million/year)
- 2.5% retail tax and 2.5% restaurant/bar tax (\$5.8 million/year)
- Total = \$8.8 million divided by 18,500 households = \$476 per household/year.

HOW IS THE BUDGET BALANCED AND HOW ARE FUND BALANCES USED?

The FY 2017/18 Adopted Budget of \$128.6 comprises of 24 separate funds, each with their own balanced budgets. Each fund contains its own "savings" account, otherwise known as its fund balance. When budgeted revenues are more than budgeted expenditures, the Town adds to its fund balance. When budgeted revenues are less than budgeted expenditures, the Town draws from its fund balance. For FY 2017/18, the Town plans to draw down, or spend, approximately \$7.2 million from its overall beginning fund balance total of \$42.7 million, leaving \$35.5 million on hand in the overall fund balance at year-end. These are planned uses of funds that have been building up over a period of time and are being used primarily to cash-fund capital projects in order to avoid going into debt to complete these projects. It is important to note that the Town's main operating fund, the General Fund, is planning to utilize fund balance in FY 2017/18 by about \$390,000 for one-time expenditures.



Town of Oro Valley

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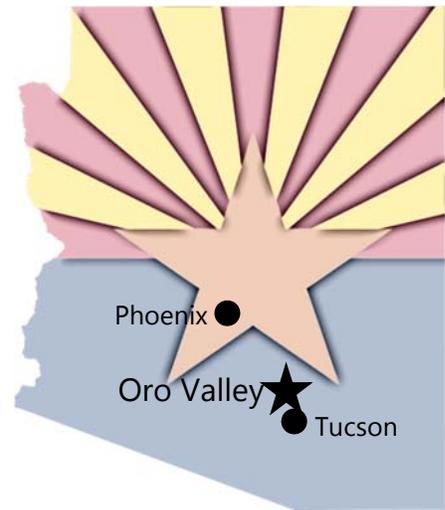
Community Profile

Oro Valley, Arizona

Oro Valley is located in northern Pima County approximately three miles north of the Tucson city limits. Nestled between the Catalina and Tortolita mountain ranges, the town sits at an elevation of 2,620 feet and covers more than 36 square miles.

ACCOLADES

- One of the safest places to live in Arizona – National Council on Home Safety and Security, 2017
- One of America’s 10 Safest Suburbs – Movoto Real Estate, 2014
- Best Place in Arizona to Raise Kids – Bloomberg Businessweek, 2013
- A Playful City USA Community, 2011-2017
- 10 Best Towns for Families – Family Circle Magazine, August 2008
- 100 Best Places in America to Live and Launch a Small Business – Fortune Small Business Magazine, April 2008



CLIMATE

When it comes to climate, Oro Valley is one of the sunniest, most comfortable places in the country. High temperatures average 83.4 degrees while lows average 53.8 degrees.

PRINCIPAL ECONOMIC ACTIVITIES

- Biotechnology/medical
- Recreation/resort/leisure
- Arts and culture

Basic Information

Founded: 1881	Distance to Major Cities:
Incorporated: 1974	Phoenix 109 miles, Tucson 3 miles
County: Pima	Legislative District: 9, 11
Congressional District: 1	Form of Government: Council – Manager

Age & Gender Composition

Male	47.6%
Female	52.4%
Median Age	50.8

Under 5 years	4.3%
5 to 9 years	5.4%
10 to 14 years	4.2%
15 to 19 years	6.6%
20 to 34 years	12.0%
35 to 44 years	9.9%
45 to 54 years	13.0%
55 to 64 years	16.1%
65 + years	28.5%

Source: US Census Bureau, 2015 American Community Survey

Population

	2000	2010	2016 (est.)
Oro Valley	29,700	41,011	43,781
Pima County	843,746	980,263	1,016,206
Arizona	5,130,632	6,392,017	6,931,071

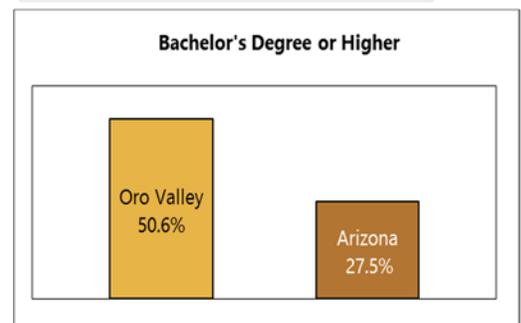
Source: US Census Bureau

Labor Force

	2000	2010	2015
Civilian Labor Force	15,073	18,264	18,254
Unemployed	389	1,233	926
Unemployment Rate	2.6%	6.8%	5.1%

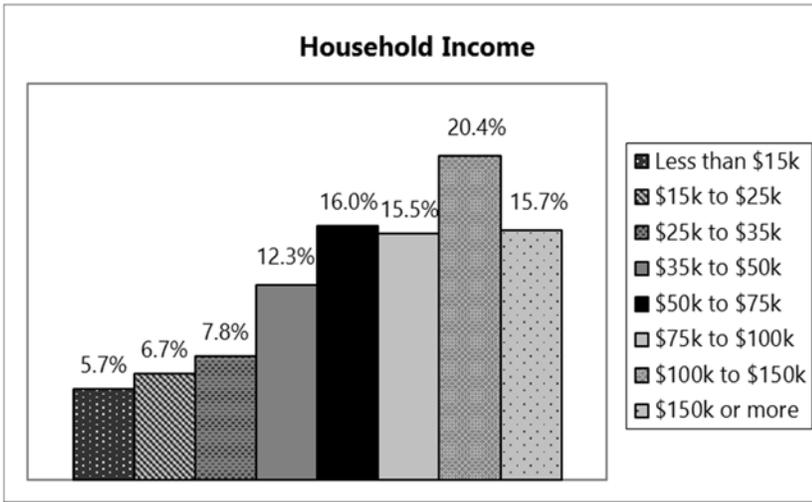
Source: Arizona Department of Administration

Education Attainment



Source: US Census Bureau, 2015 American Community Survey

Community Profile



Source: US Census Bureau, 2015 American Community Survey

Home Values

Less than \$50k	2.5%
\$50k to \$99k	1.0%
\$100k to \$199k	16.6%
\$200k to \$299k	37.5%
\$300k to \$499k	30.0%
\$500k to \$999k	11.2%
\$1M or more	1.3%

Source: US Census Bureau, 2015 American Community Survey

Taxes

Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.54
Countywide	\$7.85
Fire District	\$2.27
Town of Oro Valley	\$0.00
Total	\$15.66

Source: Pima County Treasurer's Office, 2016

Sales Tax

City/Town	2.5%
County	0.5%
State	5.6%

Source: League of Arizona Cities and Towns, Arizona Dept of Revenue

Major Employers

Ventana Medical Systems, a member of the Roche Group

Oro Valley Hospital

Amphitheater School District

Hilton El Conquistador Golf & Tennis Resort

Town of Oro Valley

Walmart

Fry's Food & Drug Store

Meggitt Securaplane

Splendido at Rancho Vistoso

Community Facilities

Oro Valley is home to more than 440 acres of parks, a community and recreation center, a competition-level aquatic center, an archery range, lighted ball fields, multi-use fields, tennis courts and an accessible playground. In addition to aquatic events, Oro Valley hosts a number of sporting events, including triathlons, duathlons and marathons.

Educational Institutions	Public	Private
Elementary	Y	Y
High School	Y	Y

Financial

Number of banks: 11

Government

Fire Departments: Golder Ranch Fire District

Law Enforcement: Oro Valley Police Department

Medical

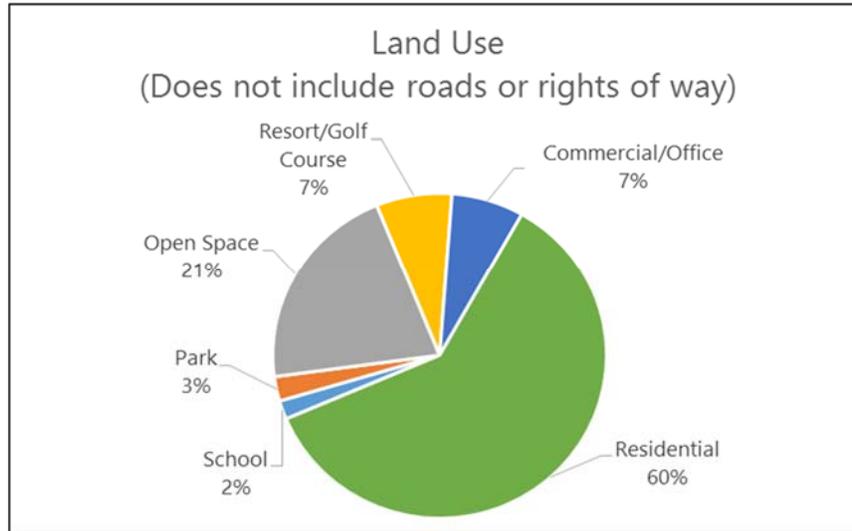
Oro Valley Hospital, Rancho Vistoso Urgent Care, Southern Arizona Urgent Care

Hotel & Lodging

Number of Rooms: 776

Source: AZ Dept of Commerce and Oro Valley Business Navigator

Community Profile



Disclaimer: Non-surveyed data – for planning purposes only

Service Statistics



Police:

Sworn Personnel: 102.00
 Non-Sworn Personnel: 34.13
 Total Police Personnel: 136.13
 Avg. Emergency Response Time:
 Priority 1 calls 3.32 minutes
 Priority 2 calls 4.57 minutes



Water:

Customer Base: 19,456
 Conservation Audits: 56
 Billing Collection Rate: 99.9%



Parks & Recreation:

Number of Parks: 7
 Park Acres Maintained: 772
(includes Town-owned golf courses)
 Miles of Trails & Paths: 76
 Recreation Programs Offered: 33



Street Maintenance:

Total Town Lane Miles: 424
 FY 16/17 Lane Miles Resurfaced: 82



Transit:

FY 16/17 New registered riders: 470
 FY 16/17 Avg. Daily Ridership: 139

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History of Oro Valley



The area of Oro Valley has been inhabited intermittently for nearly two thousand years by various groups of people. The Native American Hohokam tribe lived in the Honeybee Village located in the foothills of the Tortolita Mountains on Oro Valley's far north side around 500 AD. Hohokam artifacts are still being discovered in the Honeybee Village site that the Hohokam inhabited continuously for nearly 700 years.

Early in the 16th century, Native American tribes known as the Apache arrived in the southern Arizona area, including Oro Valley. These tribes inhabited the region only a few decades prior to the arrival of the Spanish Conquistadors, including Francisco Coronado. The Spanish established forts in the area, including the Presidio at Tucson (1775) beginning in the late 16th century.

Arizona Territorial Period

Beginning in the 19th century, Americans increasingly settled in the Arizona Territory, following the Mexican-American War and the subsequent Gadsden Purchase that included the area of southern Arizona. George Pusch, a German immigrant, settled in the area of Oro Valley in 1874 and established a cattle ranch. This ranch was unique because it utilized a steam pump to provide water, eventually popularizing Pusch's property as the Steam Pump Ranch on the Cañada del Oro. The steam pump was one of only two in the Arizona Territory.



Pusch's ranch provided respite for settlers and travelers entering and leaving the Tucson area. Pusch Ridge is named in honor of George Pusch.

Ranching in the area continued to flourish as greater numbers of Americans settled in the Arizona Territory. Large ranching families in the Oro Valley area included the Romeros and the Rooneys.

Gold rushers into the American West also were attracted to southern Arizona, where gold was said to be in abundance in and around the Santa Catalina mountains north of Tucson. Fueled by the legend of the lost Iron Door Gold Mine in the mountains, those in search of gold trekked through the Oro Valley area focusing their attention along the Cañada del Oro washbed.

Post-World War II Period

After World War II, the Tucson area experienced dramatic population growth, impacting Oro Valley as well. In the early 1950s, the Oro Valley Country Club opened at the base of Pusch Ridge, affirming the area's future as an affluent community. Although one tract housing development was built in the area in the early 1950s, the majority of the original homes in the Oro Valley area were built by individual land owners in a large ranch residential style.

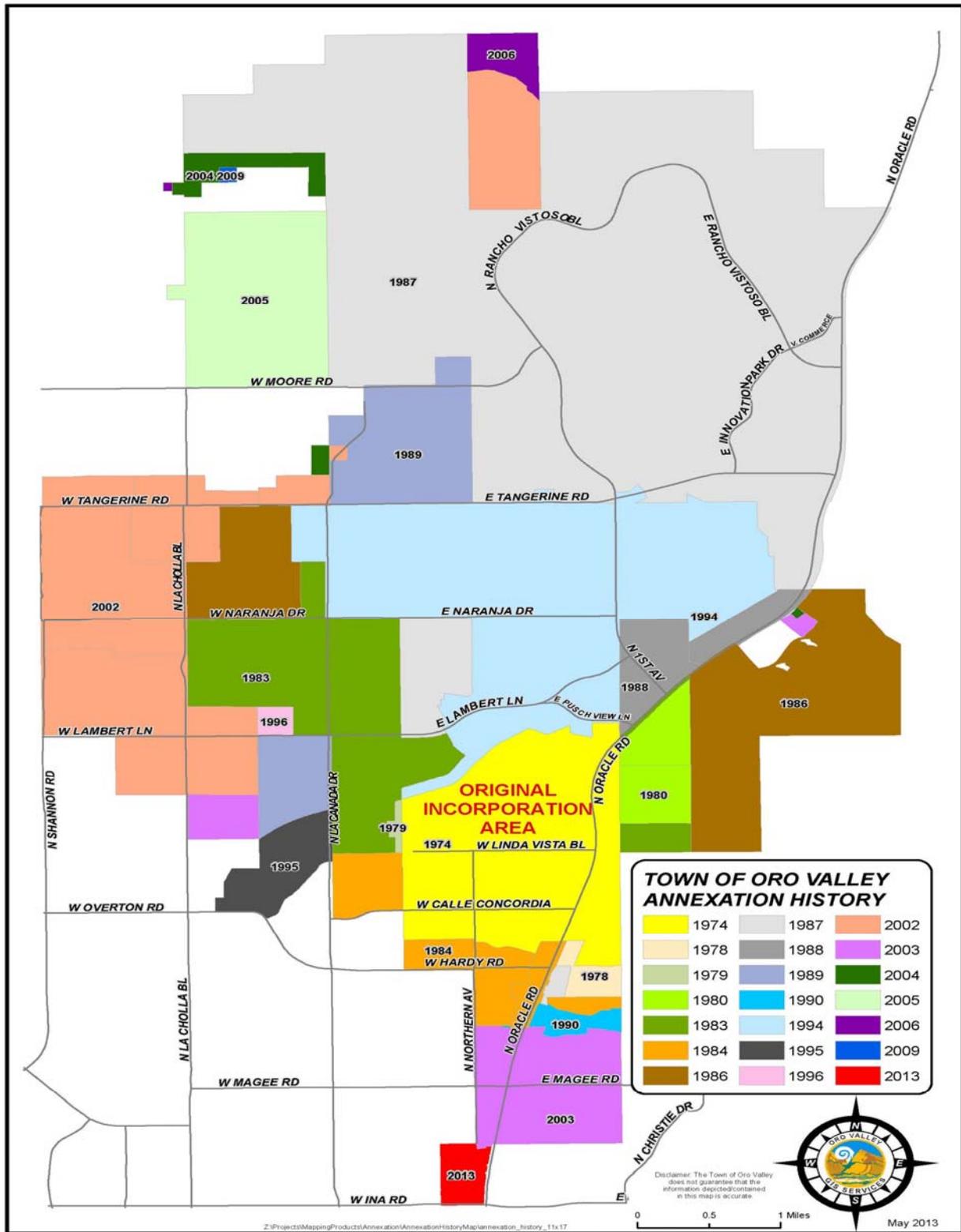
History of Oro Valley

Founding of the Town

The community continued to grow gradually, and area residents increasingly desired local control of the land in the area. In the late 1960s, incorporation became a greater focus in Oro Valley. Tucson Mayor James M. Corbett, Jr. expressed great interest in expanding the Tucson city limits to the far north side of Pima County. Corbett vowed to bring the Oro Valley area into Tucson "kicking and screaming," alluding to the reservations Oro Valley residents expressed about joining Tucson.

A petition to incorporate began to circulate in Oro Valley. The Pima County Board of Supervisors officially refused to allow Oro Valley to incorporate, and litigation followed. Ultimately, in 1974 a group of area residents successfully incorporated the Town of Oro Valley, then only 2.4 square miles in size. Oro Valley was centered primarily around the Oro Valley Country Club and Canyon del Oro High School. The Town began with a population of nearly 1,200. The map on the following page depicts Oro Valley's growth since its inception.

History of Oro Valley



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Budget Document Guide

The budget document seeks to implement the Town of Oro Valley's adopted General Plan and Strategic Plan within the boundaries of its available financial resources. The budget is a policy document, financial plan, operations guide and communication device.

The purpose of this guide is to provide the reader with some basic understanding on the organization of the budget document and what is included in each of the sections.

The budget document is comprised of the following five major areas:

Introduction

The introduction section includes the Manager's budget message, a "Know Your Town's Budget" synopsis document, a community profile and town history, the Town's Strategic Plan, General Plan, financial policies, fund structure and the budget process.

The Manager's budget message provides an introduction to the budget. The message outlines the assumptions used in the development of the budget, goals for the upcoming fiscal year, any new program enhancements or changes in service levels, and any challenges for the upcoming year.

Also included is a budget synopsis or "snapshot" document called "Know Your Town's Budget", a community profile containing interesting facts about the town, and a history of the town. The section also includes information on the Town's elected officials, an organization chart, elements of the Town's General Plan and Strategic Plan, financial policies of the Town and the budget development process.

Financial Overview

The financial overview section illustrates the total financial picture of the Town, sources and uses of funds, as well as types of debt issued and their uses.

The financial overview begins with the total sources and uses of funds. Summary tables and graphs depict revenue sources and expenditure categories.

Consolidated financial summaries and schedules provide a look, by major fund levels, at the sources and uses of funds, beginning and ending fund balances, and explanations of variance in these balances.

The revenue and expenditure section provides a detailed history of sources and uses both at the fund level and the program level. It also contains a section on revenue sources which discusses their use, assumptions used in forecasting, and anticipated growth. The expenditure section includes an explanation of year-over-year changes in expenditure categories.

The personnel summary provides an overview of personnel and employee compensation, staffing levels, employee benefit matching rates, FTEs per capita and consolidated personnel schedules.

The debt section provides an overview on the types of debt issued by the Town, their uses and future debt requirements.

The long term forecast discusses the broader economic outlook for the Town and includes five-year forecasts of the Town's General Fund, Highway Fund and Bed Tax Fund.

Budget Document Guide

Program Budgets

The program budget section contains the operating piece of the budget document. Specifics on types of services offered, along with associated costs and revenues are found in this section.

Each program budget begins with a department overview. Organizational charts and summary budget schedules are shown for departments with multiple funds, divisions or program areas. Program budgets also contain the following information:

- Accomplishments: Highlights achieved by departments in the previous fiscal year.
- Objectives: Tie to the Town's General Plan or Strategic Plan and lists what the departments plan to accomplish this budget year.
- General and Strategic Plan Program Performance: Performance measures that provide an assessment of progress towards General Plan or Strategic Plan goals.
- Departmental Budgets: Each departmental budget is divided into program areas. The program areas give a brief description of each program and the service provided. It includes data on personnel, expenditures by category and explanations on variances between budget years.

Capital Improvement Program (CIP)

The capital improvement section contains information on the projects budgeted in this fiscal year and their operating impacts on the budget.

The capital improvement section describes the process and timeline for compiling the CIP budget, a summary of revenue sources to support the program, and a fifteen-year CIP plan.

It also includes a description and justification for each of the projects budgeted and their future operating impact.

Appendix

The appendix section contains several additional documents pertaining to the budget and a glossary of terms.

The appendix section contains the resolution adopting the budget, Auditor General Statements and a glossary of frequently used terms.



Town of Oro Valley

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Mayor and Council



Oro Valley's Mayor and Council are committed to providing high-quality municipal services and responsible development. Through the Town Manager, the Mayor and Council provide policy direction by adopting rules, regulations, and procedures to meet community needs. The Mayor and Council remain accountable and accessible to the residents through their commitment to full, honest, and timely communication.

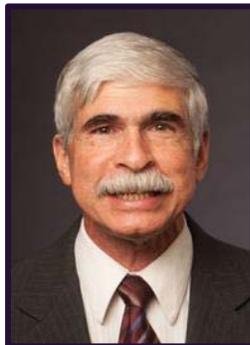
Dr. Satish I. Hiremath, DDS
 Mayor
 Term Expires: November 2018



Lou Waters
 Vice Mayor
 Term Expires:
 November 2018



Rhonda Piña
 Councilmember
 Term Expires:
 November 2020



Steve Solomon
 Councilmember
 Term Expires:
 November 2020



Mary Snider
 Councilmember
 Term Expires:
 November 2018



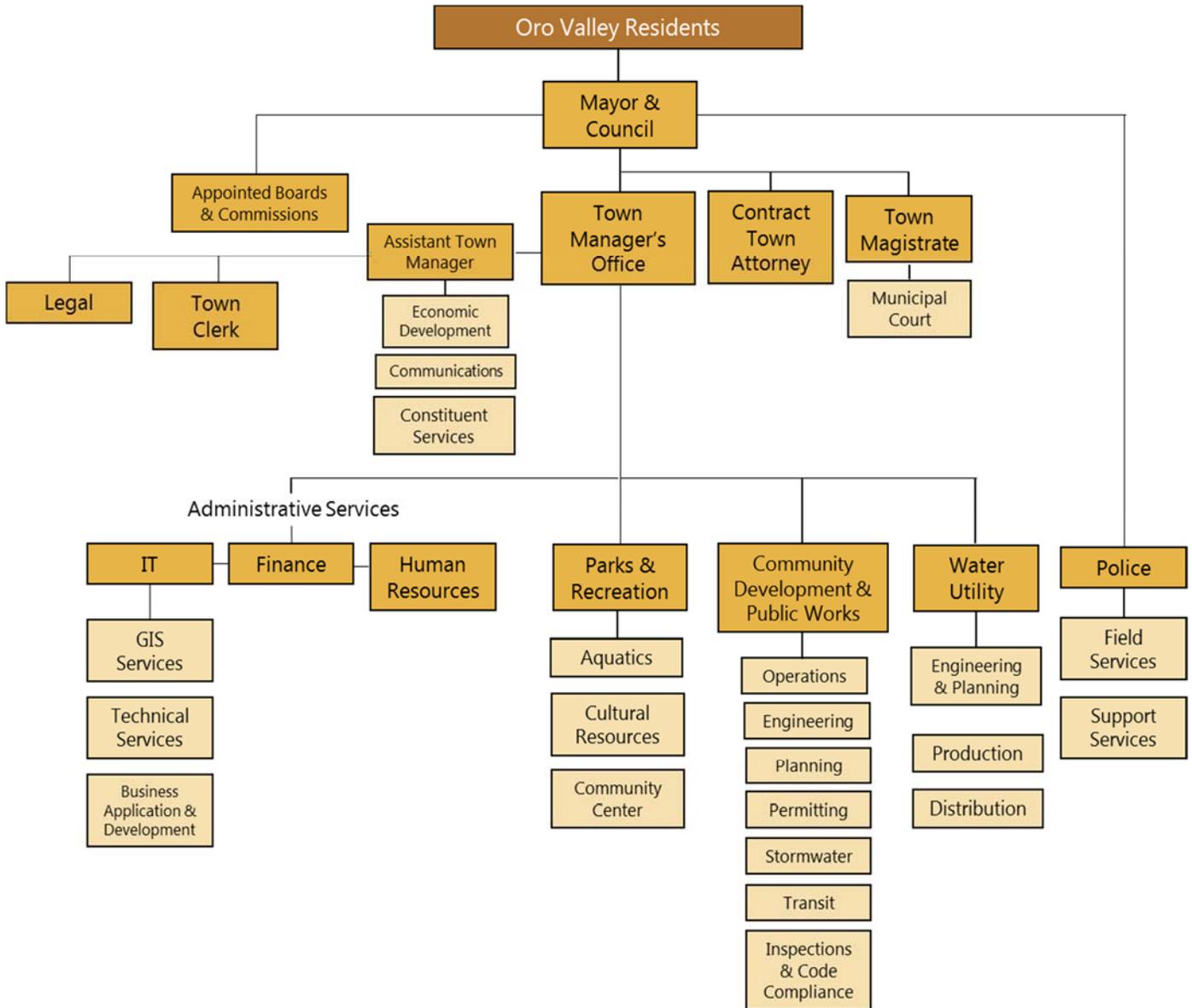
Joe Hornat
 Councilmember
 Term Expires:
 November 2018



Bill Rodman
 Councilmember
 Term Expires:
 November 2020

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Organizational Chart



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General Plan

Arizona State law requires all cities, town and counties in Arizona to prepare, update or readopt a document known as a General Plan every 10 years to guide and inform critical decisions about a community’s future and quality of life. Although the General Plan addresses immediate concerns, it focuses primarily on the future of the community, particularly on future improvements, land development and growth.

The adoption or re-adoption of the General Plan must be approved by the affirmative vote of at least two-thirds of the members of Town Council and ratified by voters. The current General Plan (also referred to as *Your Voice, Our Future*) was adopted and ratified in 2016 and is summarized below:

VISION AND GUIDING PRINCIPLES

ORO VALLEY’S VISION FOR THE FUTURE

Oro Valley strives to be a well-managed community that provides all residents with opportunities for quality living. Oro Valley will keep its friendly, small-town, neighborly character, while increasing services, employment and recreation. The Town’s lifestyle continues to be defined by a strong sense of community, a high regard for public safety and an extraordinary natural environment and scenic views.

GUIDING PRINCIPLES

- Focus on community safety and maintain low crime
- Preserve the scenic beauty and environment
- Keep the unique community identity as a special place
- Create a complete community with a broad range of shopping, dining and places to gather
- Minimize traffic and increase ways to get around Town
- Manage how we grow and maintain high design standards
- Grow the number of high-quality employment opportunities
- Keep Oro Valley a family-friendly community
- Support and build on high quality of schools
- Provide more parks, recreation and cultural opportunities for all ages
- Promote conservation of natural resources
- Maintain financial stability



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Strategic Plan

Advancing Oro Valley's Vision

The *Your Voice, Our Future* General Plan outlines a vision for the future of Oro Valley. The vision was formed from extensive community participation over a three year period. Using the goals and actions entirely derived from the General Plan, the Strategic Plan serves to advance the community's vision. In contrast to the 10 year timeframe of the General Plan, the Strategic Plan guides Town decision-making over a short two- to five-year timeframe. This effort is led by the Town Council. Ultimately, the Strategic Plan helps prioritize the high-level aspirations of the General Plan and aids Town departments in budget and work plan decisions, as shown in the below diagram.



Developing the Strategic Plan

The General Plan serves as the foundation of the Strategic Plan. This direct connection has remained true through every step of the process.

First, the Town Council identified General Plan goals that reflect pressing community priorities. Next, at a combined workshop, the Town Council and staff made decisions on which General Plan actions meet those goals. As a result, 14 priority goals and 27 accompanying actions or "strategies" are included in this Strategic Plan.

Strategic Plan

Please note, many of the goals, policies and actions of the General Plan are currently being furthered by ongoing work. The actions ultimately included in the Strategic Plan are not intended to be inclusive of all the work of every department. Rather, the actions represent areas needing focused or new effort.



Focus Areas

Oro Valley is committed to taking action to implement the community's vision and continue to manage Town resources. The Strategic Plan 2017 is organized according to ten General Plan focus areas.

COMMUNITY

Economic Development
 Complete Community
 Parks and Recreation
 Public Safety
 Town Assets

ENVIRONMENT

Water Resources and Energy
 Cultural Resources

DEVELOPMENT

Land Use and Design
 Transportation
 Cost of Services

These focus areas provide direction for the Town. Within each of the ten focus areas is a "goal" and "strategy" that provide strategic direction. All of the goals and strategies (actions) are directly pulled from the General Plan.

Focus Areas indicate where Oro Valley must direct effort to address community needs and desires.

Goals describe a fundamental achievement desired or broad priority direction.

Strategies identify the actions that will be taken to achieve the goals.

Strategic Plan

COMMUNITY



FOCUS AREA: ECONOMIC DEVELOPMENT

GOALS

Long-term financial and economic stability and sustainability.

A robust local economy and job market that provide opportunities for quality employment, build on Oro Valley's assets and encourage high-quality growth.

A strong sector of targeted industries, including bioscience and aerospace, that provide opportunities for synergy and growth.

(General Plan Goals A, B, C)

STRATEGIES

- Develop strategies to promote economic development that:
 - Support and retain existing businesses within the community and provide opportunities for synergy.
 - Promote and support Oro Valley core industries including tourism, technology, healthcare, bioscience and their suppliers, clean, light manufacturing and business services.
 - Explore opportunities for the development of a business incubator program.
 - Attract commercial, industrial and business park employment centers.
- Evaluate and increase the community's economic opportunities while balancing community needs and desires through planning and analysis measures that:
 - Highlight deficiencies and barriers to economic development in growth areas and commercial corridors.
 - Change the Zoning Code such that economic opportunity both increases and remains equitable to the surrounding community.
- Develop strategies and resources to promote Oro Valley, by identifying and highlighting key assets such as:
 - Public safety, natural beauty, public art, infrastructure (including roads) and sense of community.
 - Its ideal location for outdoor recreation and sports tourism.
 - Its community gathering places as premier destinations for retail, restaurants, entertainment and public art.
- Plan for the growth of the community through annexations by:
 - Creating an annexation strategy that reflects sound financial planning.

Strategic Plan

- Continuing support of staff in technical review and analysis of annexation proposals.

(General Plan Actions 3, 4, 5, 132)

FOCUS AREA: COMPLETE COMMUNITY

GOAL

A community with a wide range of services, amenities, shopping and dining opportunities and housing types that meet the needs of current and future residents.

(General Plan Goal D)

STRATEGIES

- Develop a plan for designating areas in Oro Valley that serve as the community's gathering places and are envisioned to:
 - Reflect the character of the Town.
 - Include such amenities as sidewalk cafes, outdoor seating and desert landscaping.
 - Emphasize the pedestrian experience.

(Note: this strategy is currently in progress as the Oro Valley Main Streets project)

(General Plan Action 10)

FOCUS AREA: PARKS AND RECREATION

GOAL

A high-quality parks, recreation and open space system that is accessible, comprehensive, connected and serves the community's needs.

(*Your Voice, Our Future* General Plan Goal E)

STRATEGIES

- Study and plan for revenue and funding needs for parks, recreation and trails by:
 - Identifying potential revenue sources.
 - Increasing public awareness of the cost to acquire, build and maintain public parks, trails and recreational facilities and to provide programs.
 - Developing and administering public outreach efforts that gauge public support of future funding options to support park improvements.
- Address the adequacy of Town parks and recreation programs and facilities by:
 - Periodically assessing the availability of recreation opportunities for all residents within the Town.
 - Enhancing and maintaining open space, park and recreation facilities and programs through existing and new resources, private and public recreation providers, partnerships, volunteers and others as appropriate.

Strategic Plan

- Considering the affordability and availability of existing and future parks and recreation programs to residents.
- Continue to support the Town's multigenerational and multiuse Community Center so that it meets the identified needs of residents, along with other parks and recreation facilities, which currently include: the Aquatic Center, Riverfront Park, CDO Shared Use Path, Golf & Tennis at Pusch Ridge, Honey Bee Canyon Park, JDK Park, Naranja Park, Steam Pump Ranch, West Lambert Lane Park and others.

(General Plan Actions 40, 41, 42)

FOCUS AREA: PUBLIC SAFETY

GOAL

A safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members.

(General Plan Goal J)

STRATEGIES

- Provide community policing and a high-visibility, public safety presence on roadways to help provide safe transportation options.
- Continue to develop and implement programs, such as Neighborhood Watch and Citizen and Teen Academies, that support community policing as a means to further public safety in the community.

(General Plan Actions 58, 59)

FOCUS AREA: TOWN ASSETS

GOAL

High-quality and well-maintained Town assets, including streets, infrastructure and facilities.

(General Plan Goal G)

STRATEGIES

- Plan strategically for Town operations, programs and services by:
 - Studying alternative revenue sources.
 - Measuring short- and long-term needs.
 - Setting appropriate guidelines and financial resources for staff time.
 - Developing an annual reporting system that evaluates potential efficiencies.
 - Pursuing grants to implement conservation measures.
 - Developing public and private partnerships.

Strategic Plan

- Develop a plan for long-term municipal and parks facilities that considers overall community needs and growth and that addresses parking, facility expansion, satellite offices, central offices, maintenance and fueling facilities and operations.
- Define measures and identify available funding that provide for the continued proactive maintenance of a street system of the highest quality.

(General Plan Actions 49, 50, 149)

ENVIRONMENT



FOCUS AREA: WATER RESOURCES AND ENERGY

GOALS

A high-quality, safe and reliable water supply that meets long-term needs for the community while considering the natural environment.

Responsible use of energy and water resources for the current and future benefit of the community.

(General Plan Goals L, O)

STRATEGIES

- Provide and expand opportunities for public education and advocacy regarding water conservation, alternative water use, stormwater management and best practices for building and landscape design and retrofits, including low impact development and green infrastructure.
- Protect water resources by:
 - Coordinating with appropriate water utilities, jurisdictions and public agencies.
 - Continuing water-quality monitoring and sampling.
 - Continuing long-term planning efforts.
- Put in place plans, resources and requirements to manage stormwater runoff in order to:
 - Reduce soil erosion.
 - Increase infiltration into the groundwater.
- Create programs that increase awareness about energy usage in order to reduce consumption of energy, water and electrical resources.

(General Plan Actions 79, 81, 93, 116)

Strategic Plan

FOCUS AREA: CULTURAL RESOURCES

GOAL

The protection and preservation of significant cultural sites, properties and resources that enhance community character and heritage.

(General Plan Goal M)

STRATEGIES

- Raise community awareness and support of local cultural resources by:
 - Developing collaborative work programs with community organizations and groups to provide information, education and events increasing the awareness of the history of the Town.
 - Creating engaging and informative parks and recreational programs and activities.
- Implement, monitor and oversee the Town's current and future cultural resource plans by:
 - Implementing the Cultural Resources Management Plan.
 - Implementing as appropriate the Steam Pump Ranch Master Plan in conformance with easement agreements with Pima County.
 - Exploring a potential agreement with Pima County to implement the Interpretive Plan for Honey Bee Village Archaeological Preserve and obtaining appropriate public access.
 - Exploring adaptive rehabilitation of historic properties for public use.
- Pursue grants and other funding, included dedicated Town funding, to provide for the protection and preservation of cultural resources in the community.

(General Plan Actions 103, 104, 105)

DEVELOPMENT



FOCUS AREA: LAND USE AND DESIGN

GOAL

A built environment that creatively integrates landscape, architecture, open space and conservation elements to increase the sense of place, community interaction and quality of life.

(General Plan Goal Q)

STRATEGIES

Strategic Plan

- Protect natural open space, including land contours, elevations, floodplains, riparian habitats and ridgelines by:
 - Developing new and improving existing land use regulations that promote infill.
 - Continuing to manage development and allow for compact development and flexible design options, including clustering, transfer of development rights or other techniques.
 - Evaluating and appropriately updating the Environmentally Sensitive Lands Ordinance for effectiveness at least every 10 years.
- Maintain the unique character of Oro Valley by studying and updating:
 - Signage regulations (as allowed by law) to emphasize identification and direction over advertising goods or services to maintain compatibility and minimal intrusiveness.
 - Site design standards.
 - Land use regulations that define and incorporate effective compatibility standards.
 - Regulations that enable a variety of architectural colors and textures, especially for commercial, that integrate with the community and don't emphasize sameness.
- Develop requirements for neighborhood retail and office use designs to respect nearby residential scale and character.
- Create development standards, policies and provisions and make available in appropriate locations for:
 - Transit-oriented development.
 - Walkable neighborhoods and commercial areas.
 - Mixed-use zoning.
 - Form-based code.

(General Plan Actions 70, 66, 125, 126, 129)

FOCUS AREA: TRANSPORTATION

GOALS

An integrated and connected transportation network that enhances mobility for people and goods.

Diverse transportation choices that are safe, user-friendly, efficient and accessible, that maintain the lifestyle of residents, and that support employees, visitors and the local economy.

(General Plan Goals R, S)

STRATEGY

- Develop a plan to eliminate gaps and barriers and provide consistent connections in the pedestrian and bikeway systems.

(General Plan Action 155)

Strategic Plan

FOCUS AREA: COST OF SERVICES

GOAL

Full recovery of the costs of services that serve new development.

(General Plan Goal W)

STRATEGIES

- Ensure the provision and replacement of public facilities and services to the Oro Valley community by:
 - Periodically evaluating and updating the efficiency, equity, and legality of existing and potential funding mechanisms to:
 - Provide public facilities and services to new and existing development.
 - Recover the cost of public facilities and services to new development.
- Develop a plan for new development and infrastructure that:
 - Identifies funding methods and techniques.
 - Defines public and private cost responsibilities.

(General Plan Actions 51, 137)

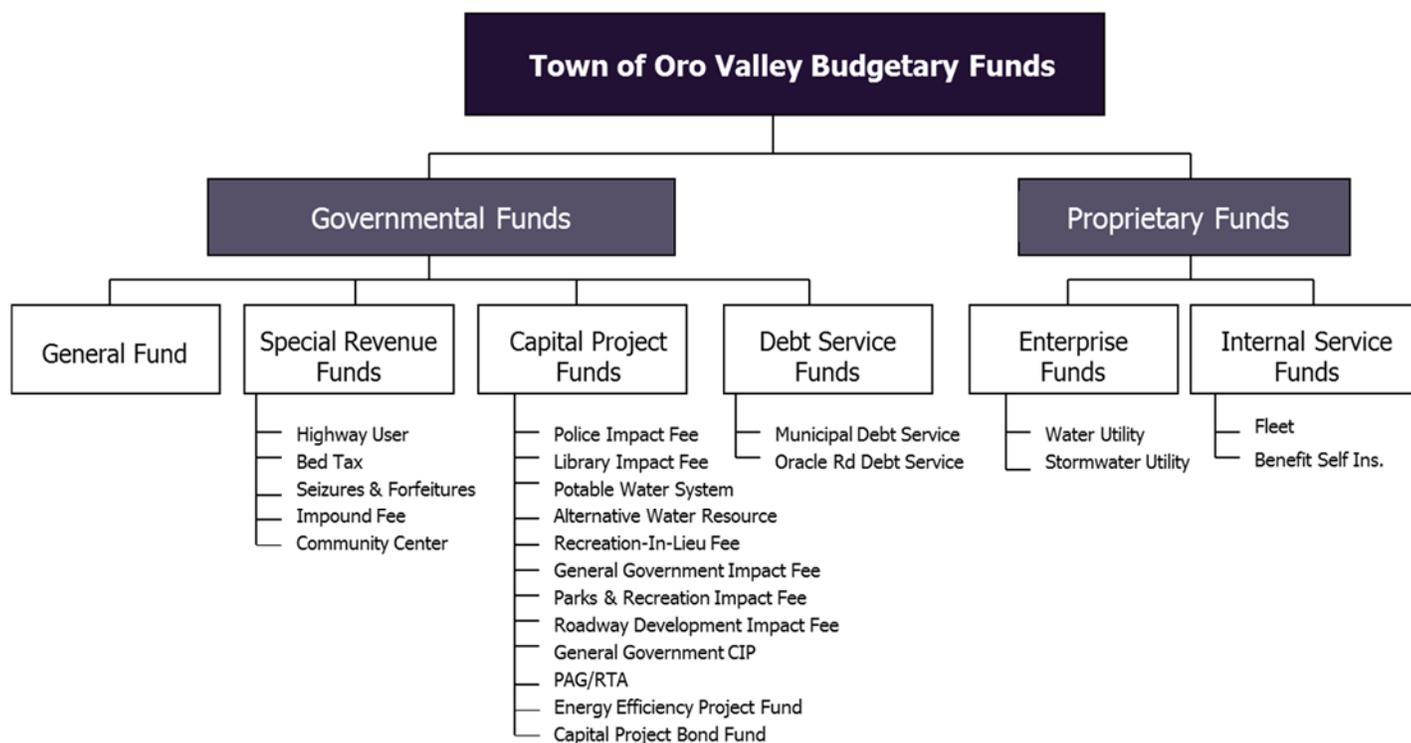
Next Steps

This Strategic Plan will be implemented through actions of the Town of Oro Valley and its partners. Efforts such as department work plans and the annual budget process will put the strategies into action. The progress of these items will then be reported on periodically. At the end of the lifespan on this Strategic Plan, all items will reported on before the next Strategic Plan is adopted.

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Fund Structure

The Town's accounting and budget structure is segregated into various funds. In governmental accounting, a fund is a separate, self-balancing set of accounts that are created and maintained for specific purposes.



The **General Fund** is the primary operating fund of the Town and is set up to account for the resources devoted to finance services traditionally associated with local government. Police, parks and recreation, development services, human resources, finance, legal services and magistrate court are some examples of services in the General Fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The Highway User Revenue Fund accounts for the Town's share of motor fuel tax revenues, which are expended on street/roadway construction, maintenance and improvements. The Bed Tax Fund accounts for the collection of the 6% bed tax revenues, which fund economic development and tourism initiatives. The Impound Fee Fund accounts for the collection of administrative fees for processing vehicles impounded by the police department. The Seizure & Forfeiture Funds account for state and federal police seizures and forfeitures received by the Town. The Community Center Fund accounts for the operations of the Town's Community Center, contract-managed golf and tennis facilities.

Capital Project Funds are used to account for revenue received and expenditures related to infrastructure improvements such as streets, water, buildings and park facilities. Examples of revenue sources include impact fees, the issuance of bonds, outside funding and special assessments. Most of the Town's Capital Project Funds consist of impact fee funds.

Fund Structure

Debt Service Funds are used to account for the payment of principal and interest on general long term debt obligations that are not serviced by the General, Special Revenue and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Funds are funds in which the services provided are financed and operated similarly to those of a private business. User fees are established to ensure that revenues are adequate to meet all expenses. The Town's major Enterprise Fund is the Water Utility Fund, which is used to account for the costs to operate, construct and finance the town's water system. The Town's nonmajor Enterprise Fund is the Stormwater Utility Fund, which accounts for costs of maintaining the town's stormwater drainage system.

Internal Service Funds are funds that account for services provided to other divisions and departments within the Town government. The Fleet Fund accounts for replacement, preventative maintenance and repair of the Town's fleet of vehicles and heavy equipment. The Benefit Self Insurance Fund is used to manage costs related to the Town's self-funding of health insurance.

BUDGET BASIS VERSUS ACCOUNTING BASIS

Budget Basis

The Town's governmental and proprietary fund budgets are prepared using the modified accrual basis of accounting. *Modified Accrual Basis* is the method under which revenues are recognized when they become susceptible to accrual; that is when they become both "measurable" and "available to finance expenditures of the current period." Revenue and expenditure recognition is determined by near-term inflows and outflows of financial resources.

Accounting Basis

The basis of accounting refers to when revenues and expenditures or expenses are to be recognized and reported in the Town's financial statements.

Full Accrual Basis is the method under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenses are recorded when goods and services are received (whether cash disbursements are made at the time or not).

In accordance with generally accepted accounting principles (GAAP), the Town's proprietary fund financial statements are prepared using the full accrual basis of accounting, while the Town's governmental fund financial statements are prepared using the modified accrual basis of accounting.

Because the accounting basis differs from the budgeting basis for the Town's proprietary funds, the following differences are noted:

- Compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (budget basis)
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a budget basis
- Capital outlays within the proprietary funds are recorded as assets on a GAAP basis and expended on a budget basis



Town of Oro Valley

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Financial and Budgetary Policies

The Town of Oro Valley has an important responsibility to its residents to carefully account for public funds, manage its finances prudently and plan for the adequate funding of services desired by the public. Sound financial policies help to ensure the Town's capability to adequately fund and provide the government services desired by the community. The policies contained herein are designed to foster and support the continued financial strength and stability of the Town of Oro Valley. Following these policies enhances the Town's financial health as well as its image and reputation with residents, the general public, bond and credit rating agencies and investors. The policies serve as guidelines for the Town's overall fiscal planning and management. In addition, both the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting (NACSLB) recommend formal adoption of financial policies by the jurisdiction's governing board. The most recent Town Council amendment and re-adoption of the policies occurred on June 17, 2015 per Resolution (R)15-50.

A. Financial Planning Policies

A.1 Balanced Budgeting and Fiscal Planning Policies

Fiscal planning is the process of identifying resources and allocating those resources among multiple and competing needs. The primary vehicle for this planning is the preparation, monitoring and analysis of the Town's budget.

The Town shall develop an annual budget whereby recurring Town revenues shall be sufficient to support recurring operating expenditures with no use of General Fund contingency to support ongoing operational expenses.

The Town's annual budget will include contingency appropriation to provide for unanticipated increases in service delivery costs, emergencies, and needs that may arise through the fiscal year. The contingency appropriation may only be expended upon Council approval.

Budget development will use strategic multi-year fiscal planning; conservative revenue forecasts and a program/performance based budgeting method. This method requires each department to establish fiscal year goals and objectives that will be evaluated to determine the effectiveness and efficiency of both department and Town resources. Utilization of a program/performance budget format will provide a basis for evaluation of service and other impacts of potential increases or decreases in funding.

Monthly budget to actual revenue and expenditure reports will be prepared for all Town funds by the Finance Department and presented to Town Council. The reports will also include revenue and expenditure projections through the end of the fiscal year.

The Town will not use one-time (non-recurring) revenues to fund continuing (recurring) uses, or use external borrowing for operational requirements. The budget will incorporate the best available estimates of revenues and expenditures.

All budgetary appropriations that have not been expended or lawfully encumbered shall lapse at the end of the fiscal year, June 30th. Appropriations for capital projects in progress at fiscal year-end shall be made for the subsequent fiscal year.

The Town shall work to minimize the financial burden on its taxpayers by routinely evaluating both its administrative and direct service delivery systems in terms of efficiency, effectiveness and responsiveness. Technology shall be utilized when feasible to increase efficiency and cost-effectiveness.

Any fiscal year-end special revenue fund balance amounts in other special revenue funds of the Town shall be maintained, preserved separately, and carried forward within those funds and not considered as part of the contingency reserve requirement for the Town's General Fund.

Financial and Budgetary Policies

The Town's annual budget shall be adopted by the Town Council at the fund level, except in the General Fund, where it shall be adopted at the department level. To provide sufficient control and accountability, budgets shall be prepared and monitored by major expenditure categories (personnel, operations and maintenance, capital outlay, debt service). (A *fund* is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources).

The Town shall promote the understanding that its employees are its most valuable resource and shall employ sound management practices when planning for service delivery. The Town is committed to maintaining and improving the productivity of staff through a pleasant working environment, appropriate equipment including office automation and computer applications, necessary training and adequate supplies and materials as resources and adopted policies permit.

A.2 Long Range Planning

As part of the annual Town budget preparation cycle, the Finance Department shall prepare a minimum five-year financial forecast of projected revenues and expenditures to measure the financial sustainability of the Town's operations and service levels.

A.3 Cash Management & Investment Policy

Cash and investment programs will be maintained in accordance with the Town's adopted Investment Policy and will ensure that proper controls and safeguards are maintained. Town funds are managed with an emphasis of safety of principal, liquidity and financial yield, in that order.

Bond funds will be segregated from all other funds for arbitrage and accounting purposes.

Ownership of the Town's investment securities will be protected through third party custodial safekeeping.

All Town bank accounts shall be reconciled and reviewed on a monthly basis.

The Town will consolidate cash balances from various funds for investment purposes, and will allocate investment earnings to each participating fund. This will allow the Town to maximize yields from its overall portfolio.

Investment performance will be reviewed and reported on as outlined in the current adopted investment policy.

All treasury activities with financial institutions will be conducted based upon written contracts between the Town and the respective financial institution(s).

A.4 Asset Inventory

Capital assets are assets with an acquisition cost of \$5,000 or more and an estimated useful life of two or more years. Such assets shall be depreciated in the Town's financial statements over their estimated useful lives.

Minor assets are assets with an acquisition cost of \$1,000 or more but less than \$5,000 and an estimated useful life of two or more years. Such assets will not be depreciated in the Town's financial statements.

Expendable items are machinery and equipment purchases whose cost is less than \$1,000. These items will not be depreciated.

The Town will depreciate capital assets using the straight line depreciation method.

The Town will project equipment and vehicle replacement needs for the next five years and will update this projection each year. Subject to funding availability, Town departments will be charged an annual contribution amount to accumulate funds for this purpose based on a portion of their annual asset depreciation.

The Finance Department shall be responsible for verifying the actual physical existence of capital and minor assets and the accuracy of the Town's asset database. The process will be monitored through asset audits of Town departments and divisions. Any significant irregularities are reported to the Town Manager.

Financial and Budgetary Policies

The Town will maintain capital assets and infrastructure at a sufficient level to protect the Town's investment, to minimize future replacement and maintenance costs, and to continue service levels.

B. Revenue Policies

B.1 Revenue Diversification

The Town will strive for a General Fund revenue base consisting of a balance of sales taxes, state shared revenues, user fees and other revenue sources.

The Town will maintain a diversified and stable revenue base to protect against short term fluctuations in any single revenue source and economic changes locally and nationally.

The Town will estimate revenues in a realistic and moderate manner in order to minimize the risk of a revenue shortfall.

B.2 Fees and Charges

All non-enterprise user fees and charges shall be examined annually to determine the cost recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by Town Council or as otherwise specified in Town code.

Development impact fees for capital expenses attributable to new development will be reviewed periodically to ensure the fees recover all direct and indirect development related expenses and be approved by Town Council.

For enterprise fund operations, the Town will establish rates and fees at levels to cover fully the total direct and indirect costs, including operations, capital outlay, debt service, debt coverage requirements and unrestricted cash reserve balances. Enterprise funds will not be used to subsidize the operations of other funds. Interfund charges will be assessed for the administrative support of the enterprise activity.

B.3 Use of One-Time Revenues

The Town will utilize one-time (non-recurring) revenues to fund one-time operating expenditures, prepay existing debt, or supplement "pay as you go" capital outlay. One-time revenues shall not be used to fund recurring expenditures.

B.4 Use of Unpredictable Revenues

If the Town should receive unpredictable revenues from sales tax audits, unbudgeted grant funding, gifts or donations, the Town shall account for these revenues as one-time revenues. They shall not be used to fund recurring expenditures.

C. Expenditure Policies

C.1 Debt Capacity, Issuance and Management

The Town will seek to maintain and, if possible, improve its current bond rating in order to minimize borrowing costs and preserve access to credit. The Town will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.

Future bond issue proposals will be accompanied by an analysis showing how the new issue, combined with current debt, impacts the Town's debt capacity and conformance with Town debt policies.

The general policy of the Town is to fund capital projects with new, dedicated streams of revenue or voter-approved debt. Non voter-approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenditures.

Financing shall not exceed the useful life of the acquired asset.

The Town shall not use long term debt to finance current operations.

The Town will establish debt repayment schedules with fixed annual principal and interest payments.

Financial and Budgetary Policies

Proceeds from bonded debt will be used in accordance with the purpose of the issuance. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.

The Town shall comply with the Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.

Interest earnings on bond proceeds will be limited to 1) funding or acquiring the improvement(s) or asset(s) or 2) payment of debt service on the bonds.

All projects funded with bonded debt must be included in the Town's Capital Improvement Program.

When considering refunding any outstanding bonded debt, the Town will perform a cost benefit analysis to determine if the cost savings of refunding will be greater than the cost to refund. Considerations will be made with regard to the existing bond covenants when refunding any bonded debt.

When utility revenues are pledged as debt service payments, the Town will strive to maintain a 1.3 times debt service coverage ratio to ensure debt coverage in times of revenue fluctuation. This will be in addition to the required ratio in the bond indenture.

The Town will communicate, and where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.

The Arizona Constitution limits the Town's bonded debt capacity (outstanding principal) to a certain percentage of the Town's secondary assessed valuation by the type of project to be constructed. The limit for general purpose municipal projects is 6%. For water, light, sewer, open space, public safety, park, law enforcement, fire and emergency services, and streets and transportation facilities projects, the limit is 20%.

C.2 Capital Improvement Program

The purpose of the Capital Improvement Program (CIP) is to systematically identify, plan, schedule, finance, track and monitor capital projects to ensure cost effectiveness as well as conformance to established policies.

A five-year* Capital Improvement Program will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure, equipment purchases or construction which results in or makes improvements to a capitalized asset costing more than \$50,000 and having a useful life of five or more years.

The Capital Improvement Program will include, in addition to estimated operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital and operating) and overall consistency with the Town's goals and objectives. Financing sources will then be identified for the projects ranking the highest based on the established ranking systems and limited monies.

Capital improvement lifecycle costs will be coordinated with the development of the operating budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and included in the operating budget.

The current fiscal year of the Capital Improvement Program will become the capital budget.

* Town transitioned to a 15-year program beginning FY 13/14

Financial and Budgetary Policies

Staff will monitor projects to ensure their timely completion or determine if an adjustment to the Capital Improvement Plan needs to be presented to Council. A quarterly status report will be presented to the Town Council to monitor each project's progress and identify any significant issues.

C.3 Fund Balance Reserve Policies

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

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

- D. **Nonspendable Fund Balance:**
That portion of a fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, supplies inventory or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. This category was traditionally reported as a "reserved" fund balance under the old standard.
- E. **Restricted Fund Balance:**
That portion of a fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either (a) externally imposed by creditors, such as debt covenants, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a "reserved" fund balance under the old standard.

- A. **Committed Fund Balance:**
That portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, and remain binding unless removed in the same manner. This category was traditionally reported as a "designated" fund balance under the old standard.
- B. **Assigned Fund Balance:**
That portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose. This category was traditionally reported as a "designated" fund balance under the old standard.
- C. **Unassigned Fund Balance:**
That portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance. This category was traditionally reported as an "undesignated" fund balance under the old standard.

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

Financial and Budgetary Policies

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

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

The Water Enterprise Fund shall maintain a cash reserve in the operating fund of not less than 20% of the combined total of the annual budgeted amounts for personnel, operations & maintenance, and debt service. This cash reserve amount specifically excludes budgeted amounts for capital projects, depreciation, amortization and contingency. No cash reserve is required for the water utility impact fee funds.

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

C.4 Operating Expenditure Accountability

Expenditures will be controlled as outlined in the approved budget.

Department heads are responsible for monitoring expenditures to prevent exceeding their total departmental expenditure budget. It is the responsibility of department heads to immediately notify the Finance Director and Town Manager of any circumstances that could result in a departmental budget being exceeded.

The Arizona Constitution sets a limit on the expenditures of local jurisdictions. The Town will comply with these expenditure limitations and will submit an audited expenditure limitation report, audited financial statements and audited reconciliation report as defined by the Uniform Expenditure Reporting System to the State Auditor General within prescribed timelines.

Monthly budget to actual revenue and expenditure reports will be prepared, for all Town funds, by the Finance Department and presented to the Town Council. The reports will also include revenue and expenditure projections through the end of the fiscal year.

To provide flexibility in the management of departmental budgets for major expenditures (personnel, operations & maintenance, capital outlay and debt service) the following budget amendment and transfer provisions shall apply:

- A. Transfers between funds shall require the recommendation of the Town Manager and formal action by the Town Council.
- B. Transfers between the line items within each major expenditure category shall be permitted upon recommendation of the Department Head and approval by the Town Manager.
- C. Transfers between the line items or major expenditure categories to fund additional personnel or increased expenditures as a result of personnel reclassifications shall require the recommendation of the Town Manager and formal action by the Town Council.
- D. Transfers between the operations and maintenance and capital outlay major expenditure categories shall be permitted upon recommendation of the Department Head and approval by the Town Manager.
- E. Transfers that would reduce or eliminate funding for items designated in the adopted Capital Improvement Program shall require the recommendation of the Town Manager and approval of the Town Council.
- F. Transfers that would reduce or eliminate funding for debt service shall require the recommendation of the Town Manager and formal Council action.

Financial and Budgetary Policies

D. Financial Reporting Policies

The Town's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

An annual audit of the Town's financial statements will be performed by an independent certified public accounting firm, with an audit opinion to be included with the Town's published Comprehensive Annual Financial Report (CAFR).

The Town's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

The Town's budget will be submitted annually to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.

Financial systems will maintain internal controls to monitor revenues, expenditures and program performance on an ongoing basis.

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Budget Process

The following diagram illustrates the calendar timeline and step-by-step progression of the FY 2017-2018 budget process:



Initial Processes and Guidelines

The focus areas, goals and strategies outlined in the Council-adopted Strategic Plan provide an initial framework to guide management and staff on budget priorities for the upcoming fiscal year. The ten focus areas are:

- Economic Development
- Complete Community
- Parks and Recreation
- Public Safety
- Town Assets
- Water Resources and Energy
- Cultural Resources
- Land Use and Design
- Transportation
- Cost of Services

The FY 2017-2018 budget process began in January 2017 with one-on-one meetings with Councilmembers to outline budget priorities for the coming year.

Also in January, the Town began soliciting community feedback on the budget through the use of a brief, online questionnaire. Participants were given the opportunity to rank potential capital improvement project categories, indicate priority levels on Town programs and services and rate general statements about the Town. An informational budget forum was held with Town employees. Initial planning of the Capital Improvement Program (CIP) also began in January. CIP project requests were submitted to an internal, cross-departmental team, which met in late January for initial project presentation and review. A second CIP meeting occurred in February to rank all of the requested projects.

Each department within the Town develops their budget at the line-item level. The departments project year-end estimates and formulate next year's requests. This information is compiled on a program level and an overall department level.

Budget Process

Because the Town relies heavily on volatile revenue sources, continued importance and emphasis are placed on the need to control costs and obtain greater operating efficiencies both in operations and maintenance and personnel costs. In preparing their budgets, departments were provided with specific operating “targets” that they were instructed to meet. This “hold the line” approach emphasizes cost containment with continued current service level provisions to town residents.

Budget Review

Once departments have submitted their budget requests for personnel, O&M, and capital, Finance staff reviews the requests and compiles a financial package for the Town Manager. Budget review meetings are held between each department, the Town Manager and the Town Manager’s budget team to ensure that departmental initiatives are aligned with the budget priorities outlined by Town Council. Any gaps existing between revenues and expenditures are discussed among the budget team and Town management with a recommendation for closure.

The Town Manager ultimately recommends a budget for Council consideration. The Town Manager’s recommended balanced budget and a 15-year Capital Improvement Program are delivered to the Council. Council members, during budget work sessions, have the option of adding new items for consideration, as well as amending or removing existing staff recommended budget items. Upon Council’s revisions to the Town Manager’s recommended budget, Finance compiles and finalizes the proposed tentative budget.

Budget Adoption

The proposed budget was delivered and presented to Council for tentative adoption on May 17, 2017. Simultaneously, a financial sustainability plan was updated and presented to Council that includes various assumption factors, projected revenue and departmental costs to complete a five-year financial picture.

The adoption of the tentative budget sets the expenditure limitation for the fiscal year. In addition to having been available on the Town’s website, the budget is also published via newspaper and two public hearings are held. After completion of the public hearings, the final budget was adopted on June 7, 2017.

Expenditure Limitation

The State of Arizona imposes an expenditure limitation on local jurisdictions. State statute sets the limit unless otherwise approved by the voters. If the limit imposed by the State is not sufficient to meet the Town’s needs, the budget law provides four options to potentially solve the problem. All of these options require voter approval.

- A local home rule (alternative expenditure limitation)
- A permanent base adjustment
- A capital projects accumulation fund
- A one-time override

The voters of the Town of Oro Valley adopted the Home Rule Option in 2014. The expenditure limit approved by the voters must be used in determining the Town’s expenditure limit until a new base is adopted. The Home Rule option is voted on every four years. The FY 2017-2018 expenditure limit for Oro Valley is \$128,567,505.

Budget Process

Budget Amendments

Because detailed budgets are considered by the Town to be a planning tool for department management, departments should have some degree of flexibility in establishing and adjusting such detail including major expenditure categories. To provide such flexibility, the following budget amendment and transfer provisions shall apply:

- a) Transfers between funds shall require the recommendation of the Town Manager and formal action by the Town Council.
- b) Transfers between line items within each major expenditure category shall be permitted upon recommendation of the department director and approval by the Town Manager.
- c) Transfers between the line items or major expenditure categories to fund additional personnel or increased expenditures as a result of personnel reclassifications shall require the recommendation of the Town Manager and formal action by the Town Council.
- d) Transfers between the operations and maintenance and capital outlay major expenditure categories shall be permitted upon recommendation of the department director and approval by the Town Manager.
- e) Transfers that would reduce or eliminate funding for items designated in the adopted Capital Improvement Program shall require the recommendation of the Town Manager and formal Council action.
- f) Transfers that would reduce or eliminate funding for debt service shall require the recommendation of the Town Manager and formal Council action.

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FINANCIAL OVERVIEW

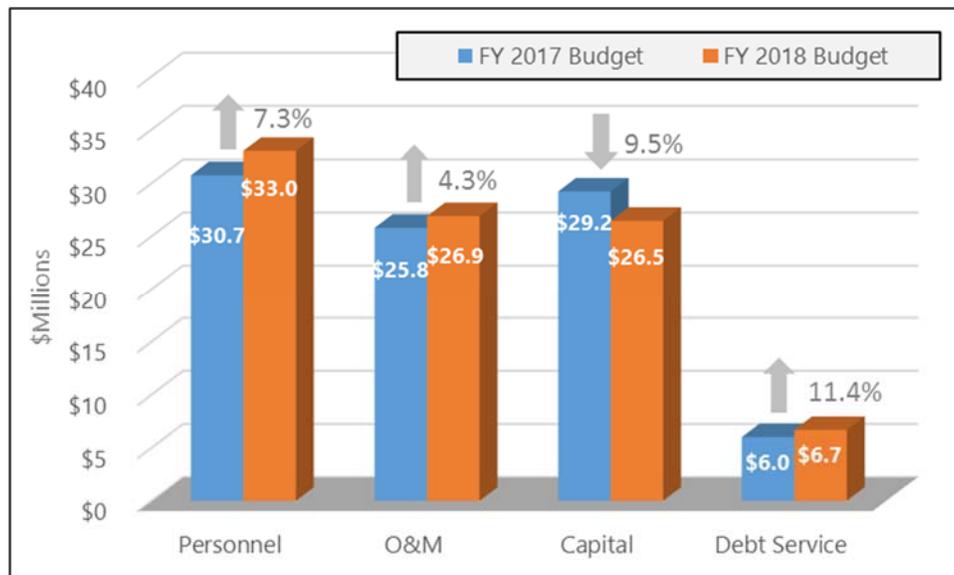
- Budget Overview
 - Fund Balances
- Historical Fund Balances
- Budget Summary
- Revenue Summary
- Revenue Schedule by Fund
 - Revenue Sources
- Expenditure Summary
- Expenditure Schedule by Fund
 - Expenditures by Program
- Personnel Summary
- Personnel Summary by Fund
 - Personnel Schedule
- Debt Service
 - Debt Service Schedules
- Long Term Forecast



Budget Overview

The budget for FY 2017/2018 totals \$128.6 million, which includes a \$68.4 million operating budget and \$24.7 million for capital projects, and represents a \$2.7 million, or 2.1% increase over the previous fiscal year budget of \$125.9 million. Budgeted capital for FY 17/18 is significant at \$26.5 million and includes capacity for fleet and technology replacements, roadway improvements, water system improvements, as well as improvements to the Community Center, the Aquatic Center, parks and recreation amenities, and public safety facilities. Refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects. The FY 17/18 personnel budget provides funding for merit and step increases and includes capacity for pension and health insurance premium increases. The operations & maintenance (O&M) budget is increasing by nearly \$1.1 million, or 4.3%, due to increased medical claim costs, Central Arizona Project water system and delivery costs, software maintenance and licensing costs, and gasoline costs. Further discussion of O&M needs and initiatives are discussed in the budget message and expenditure summary section of this budget. A more detailed discussion on the changes to each category of the Town's budget can also be found in the expenditure summary section of this document.

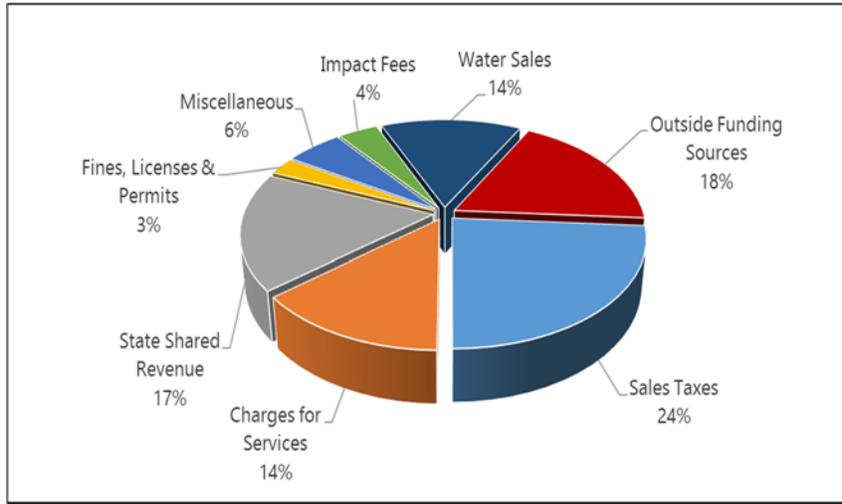
Comprehensive Budget Overview



Revenues

Budgeted revenue for FY 17/18 totals \$85.9 million and represents a \$535,000, or 0.6% increase from FY 16/17. The Town receives a variety of funding sources to finance operations, which are discussed in further detail in the Financial Overview section of the budget document. In FY 17/18, the Town has budgeted revenue from Sales Taxes, which is a major funding source (24% of the total), State Shared Revenues (17% of total), and Water Sales (14% of total). Revenue from Outside Funding Sources (18% of total) includes \$5 million in bond proceeds and \$8.8 million in state and federal grant proceeds.

Budget Overview



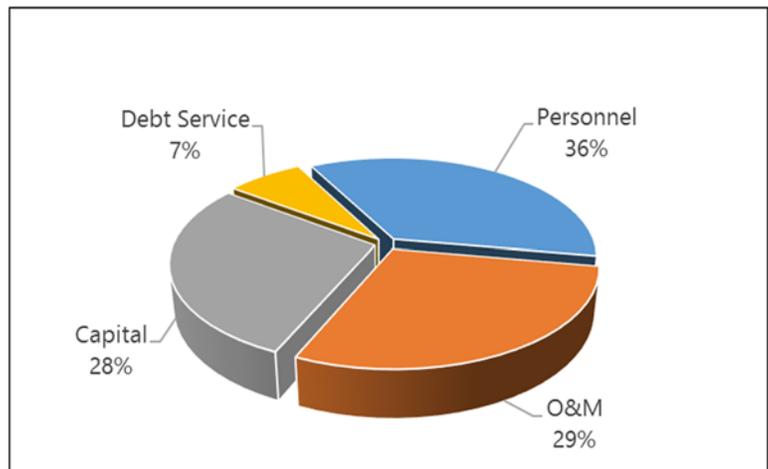
Revenue Sources

	FY 2016	FY 2016/17		FY 2017/18	Variance to Budget	%
	Actual	Budget	Projected	Budget		
Sales Taxes	17,620,010	18,843,968	19,430,455	20,599,640	1,755,672	9.3%
Charges for Services	11,114,667	12,479,678	12,016,483	11,848,545	(631,133)	-5.1%
State Shared Revenue	13,594,253	13,824,605	14,358,812	15,000,509	1,175,904	8.5%
Fines, Licenses & Permits	2,075,146	1,798,000	2,173,311	2,240,121	442,121	24.6%
Miscellaneous	4,541,496	4,208,794	4,328,922	4,870,072	661,278	15.7%
Impact Fees	2,434,783	2,105,994	3,350,450	3,408,265	1,302,271	61.8%
Water Sales	12,018,429	11,961,395	11,965,000	12,075,700	114,305	1.0%
Outside Funding Sources	6,007,099	20,111,763	9,138,541	15,825,847	(4,285,916)	-21.3%
Total Revenue	\$ 69,405,883	\$ 85,334,197	\$ 76,761,974	\$ 85,868,699	\$ 534,502	0.6%

Does not include interfund transfers or carry-forward fund balances

Expenditures

Budgeted expenditures for FY 17/18 total \$93.0 million and represent a 1.4% increase over FY 16/17. The budget includes \$68.4 million to support daily operations and services and \$24.7 million in capital projects to fund roadway expansions and improvements, parks and recreation amenities, Aquatic Center, Community Center and public safety facility improvements, as well as water and stormwater infrastructure improvements.



Budget Overview

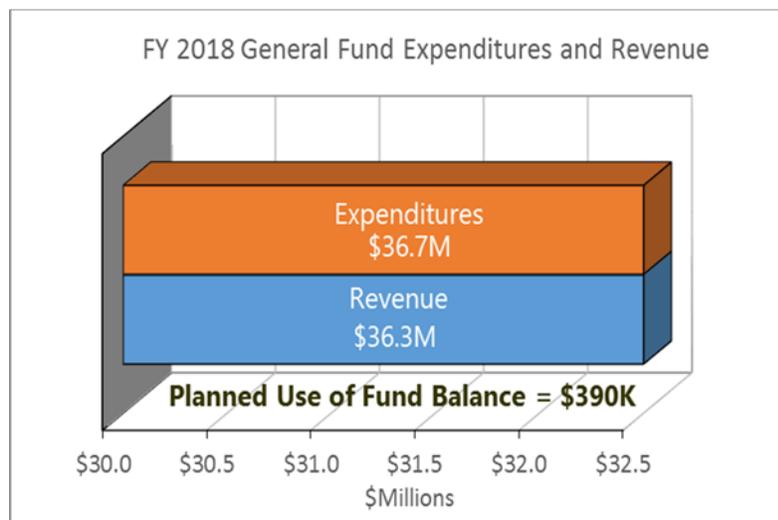
Further detail on uses of expenditures and types can be found in the Financial Overview section of the budget document.

Budgeted Uses						
	FY 2016	FY 2016/17		FY 2017/18	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	28,951,914	30,749,063	30,049,094	32,993,983	2,244,920	7.3%
O&M	24,853,405	25,798,291	25,595,163	26,897,379	1,099,088	4.3%
Capital	10,369,800	29,228,162	13,963,934	26,457,196	(2,770,966)	-9.5%
Debt Service	6,262,126	5,996,176	5,995,474	6,677,455	681,279	11.4%
Total Expenditures	\$ 70,437,245	\$ 91,771,692	\$ 75,603,665	\$ 93,026,013	\$ 1,254,321	1.4%

Does not include depreciation, amortization, interfund transfers or contingency amounts

Budget Policy

In accordance with the Town's adopted Financial and Budgetary Policies, A.1 – Balanced Budgeting and Fiscal Planning Policies, "The Town shall develop an annual budget whereby recurring Town revenues shall be sufficient to support recurring operating expenditures with no use of General Fund contingency to support ongoing operational expenses."

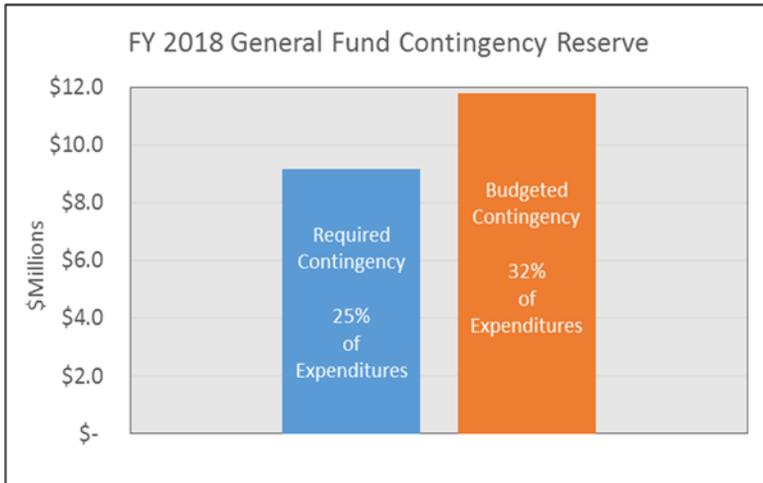


Revenues	\$ 36,335,537
Expenditures	<u>36,725,371</u>
Surplus/(Deficit)	(\$ 389,834)

All recurring expenditures are expected to be covered with recurring revenues. The planned use of fund balance will go towards funding of one-time expenditures.

Budget Overview

Another section of Financial Policy A.1, involves contingencies, its uses, and the reserve requirement – “The Town’s annual budget will include contingency appropriation to provide for unanticipated increases in service delivery costs, emergencies, and needs that may arise through the fiscal year.” The policy set by Council mandates 25% of recurring expenditures must be set aside as a required contingency in the General Fund.



Expenditures	\$36,725,371
Contingency Requirement	<u>25%</u>
Required Contingency	\$ 9,181,343

The General Fund budgeted contingency reserve for FY 17/18 is \$11,797,345, which equals 32% of budgeted expenditures. Of this amount, \$10.4 million is unassigned, while \$1.4 million is assigned for employee compensated absences (i.e. for accrued vacation, sick and compensatory time leave) and for unemployment compensation claims.



Town of Oro Valley

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Fund Balances

	General (1) Fund	Special (2) Revenue Funds	Enterprise Funds (3)		Capital (4) Projects Funds	Internal (5) Service Funds	(6) Debt Service Funds	2017-2018 Total
			Water Utility Fund	Non-Major Enterprise Fund				
Revenues and Other Sources								
Taxes	\$ 17,164,573	\$ 3,435,067	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,599,640
Licenses and Permits	2,063,121	57,000	-	-	-	-	-	2,120,121
Fines	120,000	-	-	-	-	-	-	120,000
Water Sales	-	-	12,075,700	-	-	-	-	12,075,700
Charges for Services	2,210,453	4,227,792	3,225,300	1,402,500	22,500	760,000	-	11,848,545
State Shared Revenue	11,636,928	3,363,581	-	-	-	-	-	15,000,509
Intergovernmental	1,793,360	-	-	-	-	-	-	1,793,360
Grants	706,102	100,000	-	-	7,899,982	-	51,403	8,757,487
Seizures & Forfeitures	-	275,000	-	-	-	-	-	275,000
Impact Fees	-	-	-	-	3,408,265	-	-	3,408,265
Interest Income	103,000	45,005	93,164	500	76,723	-	186,520	504,912
Miscellaneous	233,000	2,000	-	-	-	4,040,160	90,000	4,365,160
Other Financing Sources	305,000	275,000	-	-	7,351,107	300,000	686,783	8,917,890
Total	\$ 36,335,537	\$ 11,780,445	\$ 15,394,164	\$ 1,403,000	\$ 18,758,577	\$ 5,100,160	\$ 1,014,706	\$ 89,786,589
Expenditures and Other Uses								
General Government								
<i>Clerk</i>	\$ 485,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 485,098
<i>Council</i>	214,759	-	-	-	-	-	-	214,759
<i>Administrative Services</i>	3,375,735	-	-	-	-	-	-	3,375,735
<i>General Administration</i>	1,682,216	-	-	-	-	3,645,264	13,000	5,340,480
<i>Legal</i>	779,670	-	-	-	-	-	-	779,670
<i>Magistrate Court</i>	874,282	-	-	-	-	-	-	874,282
<i>Town Manager's Office</i>	844,708	769,158	-	-	-	-	-	1,613,866
<i>Debt Service</i>								
Principal	-	-	-	-	-	-	704,290	704,290
Interest	-	-	-	-	-	-	307,416	307,416
<i>Capital Projects</i>	-	75,000	-	-	10,194,619	-	-	10,269,619
Police	17,108,674	144,743	-	-	-	-	-	17,253,417
Comm. Dev. & Public Works	4,893,469	4,949,877	-	1,305,700	-	1,316,314	-	12,465,360
Parks and Recreation	3,667,092	6,329,948	-	-	-	-	-	9,997,040
Water Utility								
<i>Personnel</i>	-	-	3,268,756	-	-	-	-	3,268,756
<i>Operations & Maintenance</i>	-	-	6,986,100	-	297,280	-	-	7,283,380
<i>Capital Outlay</i>	-	-	3,364,034	-	-	-	-	3,364,034
<i>Debt Service</i>								
Principal	-	-	4,252,655	-	256,646	-	-	4,509,301
Interest	-	-	1,081,467	-	74,981	-	-	1,156,448
Roadway Improvements	-	-	-	-	9,763,062	-	-	9,763,062
Other Financing Uses	2,799,668	575,975	2,847	-	539,400	-	-	3,917,890
Total	\$ 36,725,371	\$ 12,844,701	\$ 18,955,859	\$ 1,305,700	\$ 21,125,988	\$ 4,961,578	\$ 1,024,706	\$ 96,943,903
Increase/(Decrease)	(389,834)	(1,064,256)	(3,561,695)	97,300	(2,367,411)	138,582	(10,000)	(7,157,315)
Beginning Fund Balance	\$ 12,187,179	\$ 1,767,537	\$ 8,574,606	\$ 515,448	\$ 18,652,026	\$ 936,651	\$ 65,359	\$ 42,698,806
Ending Fund Balance	\$ 11,797,345	\$ 703,281	\$ 5,012,911	\$ 612,748	\$ 16,284,615	\$ 1,075,233	\$ 55,359	\$ 35,541,492

Fund Balances

The fund balances table depicts the estimated beginning fund balance at July 1, 2017, the budgeted revenues and expenditures for FY 17/18 and the projected ending fund balance at June 30, 2018.

- 1) The fund balance in the General Fund is decreasing \$389,834, which is a planned decrease to fund one-time expenditures.
- 2) Fund balances in the Special Revenue Funds are decreasing \$1,064,256, which will be used to fund capital projects consisting primarily of roadway improvements. These are planned uses of funds that have been accumulated for this purpose.
- 3) The fund balance in the Water Utility Enterprise Fund is decreasing \$3,561,695, which will be used primarily to fund capital projects. This is a planned use of funds that have been accumulated for this purpose. The fund balance in the Stormwater Utility Enterprise Fund is increasing \$97,300, which will go towards increasing the fund balance for future Stormwater capital projects.
- 4) Fund balances in the Capital Project Funds are decreasing \$2,367,411, which will be used to fund capital projects. These are planned uses of funds that have been accumulated for this purpose.
- 5) Fund balances in the Internal Service Funds are increasing \$138,582. This increase is in the Fleet Fund and is being accumulated for future vehicle replacements.
- 6) Fund balances in the Debt Service Funds are decreasing \$10,000, which will be used to fund debt service payments and associated costs. This is a planned use of remaining bond proceeds, which must be spent for this purpose.



Town of Oro Valley

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Historical Fund Balances

(A)

	General Fund			Other Non-Major Governmental Funds		
	2016 Actual	2017 Estimate	2018 Budget	2016 Actual	2017 Estimate	2018 Budget
Revenues and Other Sources						
Taxes	\$ 14,534,670	\$ 16,185,416	\$ 17,164,573	\$ 3,085,339	\$ 3,245,039	\$ 3,435,067
Licenses and Permits	1,872,858	1,984,472	2,063,121	43,134	66,295	57,000
Fines	159,154	122,544	120,000			
Water Sales						
Charges for Services	2,100,215	2,197,338	2,210,453	3,946,101	3,983,338	4,250,292
State Shared Revenue	10,549,196	11,117,267	11,636,928	3,045,057	3,241,545	3,363,581
Intergovernmental	132,336	1,673,966	1,793,360			
Grants	2,050,598	607,036	706,102	3,710,880	4,632,799	8,051,385
Seizures & Forfeitures				78,286	224,740	275,000
Impact Fees				2,434,783	3,350,450	3,408,265
Interest Income	162,310	32,336	103,000	354,098	209,311	308,248
Miscellaneous	322,640	242,978	233,000	288,807	251,427	92,000
Other Financing Sources	185,000	305,000	305,000	1,687,026	4,304,072	8,312,890
Total	\$ 32,068,977	\$ 34,468,353	\$ 36,335,537	\$ 18,673,511	\$ 23,509,015	\$ 31,553,728
Expenditures and Other Uses						
General Government						
<i>Clerk</i>	\$ 370,224	\$ 403,211	\$ 485,098			
<i>Council</i>	197,697	220,559	214,759			
<i>Administrative Services</i>	2,608,540	2,815,066	3,375,735			
<i>General Administration</i>	1,847,726	1,736,450	1,682,216	57,975	13,000	13,000
<i>Legal</i>	719,446	737,653	779,670			
<i>Magistrate Court</i>	801,276	845,938	874,282			
<i>Town Manager's Office</i>	760,188	801,540	844,708	622,198	682,159	769,158
<i>Debt Service</i>						
Principal				675,920	479,940	704,290
Interest				348,098	314,333	307,416
<i>Capital Projects</i>				1,775,979	2,333,479	10,269,619
Police	15,228,367	15,631,620	17,108,674	333,983	148,546	144,743
Comm. Dev. & Public Works	4,502,120	5,796,356	4,893,469	4,531,908	4,396,449	4,949,877
Parks and Recreation	3,033,102	1,962,029	3,667,092	6,781,729	6,114,422	6,329,948
Water Utility						
<i>Personnel</i>						
<i>Operations & Maintenance</i>				125,348	180,467	297,280
<i>Capital Outlay</i>				174	75,000	
<i>Debt Service</i>						
Principal				244,188	247,510	256,646
Interest				87,290	82,406	74,981
Roadway Improvements				2,892,965	5,373,258	9,763,062
Use of Contingency	401,526	30,000				
Other Financing Uses	1,226,086	1,825,304	2,799,668	642,910	780,826	1,115,375
Total	\$ 31,696,298	\$ 32,805,726	\$ 36,725,371	\$ 19,120,665	\$ 21,221,795	\$ 34,995,395
Increase/(Decrease)	372,679	1,662,627	(389,834)	(447,154)	2,287,220	(3,441,667)
Beginning Fund Balance	\$ 10,151,872	\$ 10,524,551	\$ 12,187,179	\$ 18,644,859	\$ 18,197,705	\$ 20,484,925
Ending Fund Balance	\$ 10,524,551	\$ 12,187,179	\$ 11,797,345	\$ 18,197,705	\$ 20,484,925	\$ 17,043,258

(A) Includes Special Revenue, Capital Projects and Debt Service Funds

Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2016 Actual	2017 Estimate	2018 Budget	2016 Actual	2017 Estimate	2018 Budget
Revenues and Other Sources						
Taxes						
Licenses and Permits						
Fines						
Water Sales	12,018,429	11,965,000	12,075,700			
Charges for Services	3,061,071	3,203,605	3,225,300	828,258	1,335,000	1,402,500
State Shared Revenue						
Intergovernmental						
Grants				35,000		
Seizures & Forfeitures						
Impact Fees						
Interest Income	115,183	13,348	93,164	632	730	500
Miscellaneous	20,768	13,743				
Other Financing Sources	1,288,054					
Total	\$ 16,503,505	\$ 15,195,696	\$ 15,394,164	\$ 863,890	\$ 1,335,730	\$ 1,403,000
Expenditures and Other Uses						
General Government						
<i>Clerk</i>						
<i>Council</i>						
<i>Administrative Services</i>						
<i>General Administration</i>						
<i>Legal</i>						
<i>Magistrate Court</i>						
<i>Town Manager's Office</i>						
<i>Debt Service</i>						
Principal						
Interest						
<i>Capital Projects</i>						
Police						
Comm. Dev. & Public Works				798,405	1,093,029	1,305,700
Parks and Recreation						
Water Utility						
<i>Personnel</i>	2,952,249	3,076,240	3,268,756			
<i>Operations & Maintenance</i>	6,390,308	7,065,182	6,986,100			
<i>Capital Outlay</i>	2,443,405	3,580,301	3,364,034			
<i>Debt Service</i>						
Principal	3,493,349	3,500,676	4,252,655			
Interest	1,413,281	1,370,609	1,081,467			
Roadway Improvements						
Use of Contingency						
Other Financing Uses	3,030	2,942	2,847			
Total	\$ 16,695,622	\$ 18,595,950	\$ 18,955,859	\$ 798,405	\$ 1,093,029	\$ 1,305,700
Increase/(Decrease)	(192,117)	(3,400,254)	(3,561,695)	65,485	242,701	97,300
Beginning Fund Balance	\$ 12,166,977	\$ 11,974,860	\$ 8,574,606	\$ 207,262	\$ 272,747	\$ 515,448
Ending Fund Balance	\$ 11,974,860	\$ 8,574,606	\$ 5,012,911	\$ 272,747	\$ 515,448	\$ 612,748

Note: Does not include depreciation or amortization

Historical Fund Balances

	Internal Service Funds			Total All Funds		
	2016 Actual	2017 Estimate	2018 Budget	2016 Actual	2017 Estimate	2018 Budget
Revenues and Other Sources						
Taxes				\$ 17,620,009	\$ 19,430,455	\$ 20,599,640
Licenses and Permits				1,915,992	2,050,767	2,120,121
Fines				159,154	122,544	120,000
Water Sales				12,018,429	11,965,000	12,075,700
Charges for Services	1,179,022	1,297,202	760,000	11,114,667	12,016,483	11,848,545
State Shared Revenue				13,594,253	14,358,812	15,000,509
Intergovernmental				132,336	1,673,966	1,793,360
Grants				5,796,478	5,239,835	8,757,487
Seizures & Forfeitures				78,286	224,740	275,000
Impact Fees				2,434,783	3,350,450	3,408,265
Interest Income				632,223	255,725	504,912
Miscellaneous	3,277,058	3,565,047	4,040,160	3,909,273	4,073,195	4,365,160
Other Financing Sources			300,000	3,160,080	4,609,072	8,917,890
Total	\$ 4,456,080	\$ 4,862,249	\$ 5,100,160	\$ 72,565,963	\$ 79,371,043	\$ 89,786,589
Expenditures and Other Uses						
General Government						
<i>Clerk</i>				\$ 370,224	\$ 403,211	\$ 485,098
<i>Council</i>				197,697	220,559	214,759
<i>Administrative Services</i>				2,608,540	2,815,066	3,375,735
<i>General Administration</i>	3,228,617	3,234,397	3,645,264	5,134,318	4,983,847	5,340,480
<i>Legal</i>				719,446	737,653	779,670
<i>Magistrate Court</i>				801,276	845,938	874,282
<i>Town Manager's Office</i>				1,382,386	1,483,699	1,613,866
<i>Debt Service</i>						
Principal				675,920	479,940	704,290
Interest				348,098	314,333	307,416
<i>Capital Projects</i>				1,775,979	2,333,479	10,269,619
Police				15,562,350	15,780,166	17,253,417
Comm. Dev. & Public Works	1,171,192	1,291,840	1,316,314	11,003,625	12,577,674	12,465,360
Parks and Recreation				9,814,831	8,076,451	9,997,040
Water Utility						
<i>Personnel</i>				2,952,249	3,076,240	3,268,756
<i>Operations & Maintenance</i>				6,515,656	7,245,649	7,283,380
<i>Capital Outlay</i>				2,443,579	3,655,301	3,364,034
<i>Debt Service</i>						
Principal				3,737,537	3,748,186	4,509,301
Interest				1,500,571	1,453,015	1,156,448
Roadway Improvements				2,892,965	5,373,258	9,763,062
Use of Contingency				401,526	30,000	
Other Financing Uses				1,872,026	2,609,072	3,917,890
Total	\$ 4,399,809	\$ 4,526,237	\$ 4,961,578	\$ 72,710,799	\$ 78,242,737	\$ 96,943,903
Increase/(Decrease)	56,271	336,012	138,582	(144,836)	1,128,306	(7,157,315)
Beginning Fund Balance	\$ 544,368	\$ 600,639	\$ 936,651	\$ 41,715,338	\$ 41,570,502	\$ 42,698,806
Ending Fund Balance	\$ 600,639	\$ 936,651	\$ 1,075,233	\$ 41,570,502	\$ 42,698,806	\$ 35,541,492

Note: Does not include depreciation or amortization

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Budget Summary

	FY 2015	FY 2016	FY 2017		FY 2018
	Actual		Budget	Projected	Budget
Personnel					
General Fund	269.54	268.15	274.32	276.36	279.74
Special Revenue Funds	29.98	49.80	50.90	49.42	48.82
Capital Project Funds	-	1.00	6.40	4.88	4.98
Enterprise Funds	41.33	41.33	46.33	45.85	48.23
Internal Service Funds	1.15	1.15	1.15	1.15	1.15
TOTAL PERSONNEL	342.00	361.43	379.10	377.66	382.92
Expenditures by Fund ¹⁾					
General Fund	28,981,380	30,068,686	31,375,975	30,950,422	33,925,703
Special Revenue Funds	6,726,943	12,257,618	12,413,017	11,341,576	12,268,726
Debt Service Funds	1,040,396	1,081,993	807,975	807,273	1,024,706
Capital Project Funds	6,613,441	5,138,144	22,938,488	8,292,120	20,586,588
Enterprise Funds	18,090,552	17,490,997	19,913,657	19,686,037	20,258,712
Internal Service Funds	4,107,950	4,399,809	4,322,580	4,526,237	4,961,578
TOTAL EXPENDITURES	65,560,661	70,437,245	91,771,692	75,603,665	93,026,013
Expenditures by Category ¹⁾					
Personnel	26,866,813	28,951,914	30,749,063	30,049,094	32,993,983
Operations & Maintenance	19,587,269	24,853,405	25,798,291	25,595,163	26,897,379
Capital Outlay	12,886,872	10,369,800	29,228,162	13,963,934	26,457,196
Debt Service	6,219,707	6,262,126	5,996,176	5,995,474	6,677,455
TOTAL EXPENDITURES	65,560,661	70,437,245	91,771,692	75,603,665	93,026,013
Operating Results					
Total Revenues ²⁾	63,505,232	69,405,883	85,334,197	76,761,974	85,868,699
Total Expenditures ¹⁾	65,560,661	70,437,245	91,771,692	75,603,665	93,026,013
NET OPERATING RESULTS ³⁾	(2,055,429)	(1,031,362)	(6,342,720)	1,158,309	(7,157,315)

1) Excludes depreciation, amortization, contingency amounts and interfund transfers

2) Excludes carry-forward balances and interfund transfers

3) Negative net operating results are attributable to planned outlay for capital projects and any associated debt service

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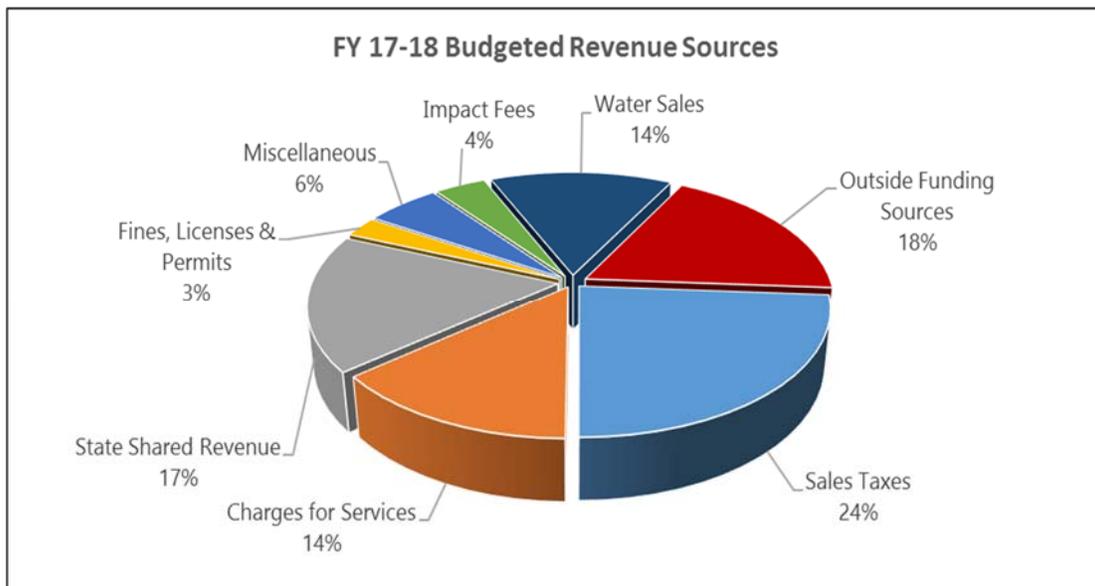
Revenue Summary

Revenue for FY 17-18 is estimated to total \$85,868,699. In comparison to the FY 16-17 budget, revenue is projected to increase 0.6%.

Healthy economic growth is being observed at both the local and state level. Locally, the Town is experiencing a significant increase in residential and commercial development activity. A total of 339 single family residential (SFR) permits were issued in FY 16-17, which was significantly higher than the budget of 230. For FY 17-18, the number of SFR permits issued within the town is projected at 300. Commercial development activity projected for FY 17-18 includes three senior living facilities, a self-storage facility, the completion of two schools, and continued office, restaurant and retail space. Local sales tax revenue in the General Fund is expected to grow by nearly 10% in FY 17-18, due largely to construction sales tax, as well as retail and restaurant/bar collections. The caveats of this recent boost in revenue are that a considerable portion of the growth is one-time in nature, from large commercial projects and residential building activity that is expected to peak over the next three years. Permitting and construction sales tax revenues are then expected to decline considerably as the Town approaches buildout. Local sales taxes and state shared revenues are also extremely sensitive to economic fluctuations. These two revenue sources comprise 79% of the General Fund's FY 17-18 estimated revenues.

Local sales tax represents 24% of the Town's FY 17-18 projected revenues. In this category, taxes related to retail trade are the biggest contributor, with growth projected at 5% over current year estimates. Restaurant tax collections are expected to grow 7% in FY 17-18. Construction sales tax collections are expected to grow nearly 25% over the current year budget, due to one-time commercial and residential building activity, as noted above. State shared revenue is expected to increase 8.5% in FY 17-18, due to growth in vehicle license and gas tax collections, as well as state sales and income tax growth.

Depending on the particular revenue source, estimates are based on susceptibility to economic factors, current performance, economic drivers and indicators, and information received from state reports and other sources. The Town receives a variety of other funding sources to finance operations. Refer to the Revenue Schedule by Fund for detailed changes in revenue from budget year to budget year.



Revenue Summary

Revenue Sources						
	FY 2016	FY 2016/17		FY 2017/18	Variance to Budget	%
	Actual	Budget	Projected	Budget		
Sales Taxes	17,620,010	18,843,968	19,430,455	20,599,640	1,755,672	9.3%
Charges for Services	11,114,667	12,479,678	12,016,483	11,848,545	(631,133)	-5.1%
State Shared Revenue	13,594,253	13,824,605	14,358,812	15,000,509	1,175,904	8.5%
Fines, Licenses & Permits	2,075,146	1,798,000	2,173,311	2,240,121	442,121	24.6%
Miscellaneous	4,541,496	4,208,794	4,328,922	4,870,072	661,278	15.7%
Impact Fees	2,434,783	2,105,994	3,350,450	3,408,265	1,302,271	61.8%
Water Sales	12,018,429	11,961,395	11,965,000	12,075,700	114,305	1.0%
Outside Funding Sources	6,007,099	20,111,763	9,138,541	15,825,847	(4,285,916)	-21.3%
Total Revenue	\$ 69,405,883	\$ 85,334,197	\$ 76,761,974	\$ 85,868,699	\$ 534,502	0.6%

Does not include interfund transfers or carry-forward fund balances

A brief description of the major changes in revenue sources from budget year to budget year is as follows:

Sales Taxes +\$1.8M	<ul style="list-style-type: none"> \$860K increase in construction sales tax \$940K increase primarily in retail and restaurant/bar sales tax
Charges for Services -\$631K	<ul style="list-style-type: none"> \$537K decrease in Fleet Fund department chargeouts for vehicle replacements, as built-up reserves are to be drawn on for some of the FY 17/18 replacements \$363K decrease in contract-managed golf and tennis revenues at the Community Center \$134K decrease in Highway Fund chargeouts to the Stormwater Utility for storm cleanup \$174K increase in Water Utility groundwater preservation fee revenue due to growth \$100K increase in Stormwater Utility fee revenue due to a recent fee increase \$82K increase in General Fund, due mainly to recreation and Aquatic Center revenues
State Shared Revenue +\$1.2M	<ul style="list-style-type: none"> \$364K increase (12%) in highway user (gasoline tax) revenue \$308K increase (18%) in vehicle license tax \$283K increase (5.5%) in state income tax \$221K increase (5.6%) in state sales tax
Fines, Licenses & Permits +\$442K	<ul style="list-style-type: none"> Increase in building, fire and sign permit revenues based on projected commercial and residential activity
Miscellaneous +\$661K	<ul style="list-style-type: none"> \$608K increase in Benefit Self Insurance Fund for medical premium increases \$105K increased in-lieu income \$90K increase in Fleet Fund for vehicle reserves \$72K increase in interest income \$150K decrease in Library Impact Fee Fund for donation on completed capital project \$78K decrease in Highway Fund for private contribution on budgeted capital project
Impact Fees +\$1.3M	<ul style="list-style-type: none"> Based on anticipated commercial and residential building activity
Outside Funding Sources -\$4.3M	<ul style="list-style-type: none"> \$3M decrease in bond proceeds \$1.3M decrease in state grants for roadway project funding



Town of Oro Valley

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Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
General Fund						
Local Sales Tax:						
Local Sales Tax	14,633,600	13,909,725	15,069,000	15,567,222	16,540,573	9.8%
Sales Tax Audit Recoveries	3,400	3,400	4,000	4,000	4,000	0.0%
Cable Franchise Fees	582,064	621,546	580,000	614,194	620,000	6.9%
Total Local Sales Tax	15,219,064	14,534,670	15,653,000	16,185,416	17,164,573	9.7%
License & Permit Fees:						
Business Licenses & Permits	202,993	203,392	196,000	197,000	200,000	2.0%
Residential Building Permits	973,190	1,052,162	1,118,000	1,313,802	1,225,000	9.6%
Commercial Building Permits	226,561	525,998	250,000	343,150	495,236	98.1%
Sign Permits	31,342	700	500	11,418	20,000	3900.0%
Special Inspection Fees	4,760	2,160	1,000	5,000	4,000	300.0%
Grading Permit Fees	89,636	74,558	50,000	65,000	60,000	20.0%
Fire Permits & Fees	-	13,889	-	49,102	58,885	0.0%
Total License & Permit Fees	1,528,483	1,872,858	1,615,500	1,984,472	2,063,121	27.7%
Federal Grants:						
CNA	153,237	81,911	10,000	26,800	26,800	168.0%
DEA Overtime Reimbursement	18,382	33,711	22,000	31,000	33,000	50.0%
Miscellaneous Federal Grants	8,474	8,068	7,500	4,605	7,500	0.0%
HIDTA	137,870	199,390	185,000	176,086	165,000	-10.8%
HIDTA-DEA	112,147	115,742	104,000	104,000	104,000	0.0%
GOHS	159,026	48,688	55,200	43,816	38,000	-31.2%
Homeland Security	66,196	97,264	77,000	75,229	79,000	2.6%
Joint Terrorism Task Force	18,593	19,851	17,584	13,600	18,042	2.6%
Total Federal Grants	673,925	604,626	478,284	475,136	471,342	-1.5%
State Grants:						
School Resource Officers	84,514	70,000	<i>see Other Intergovernmental revenue category</i>			0.0%
Misc State Grants	68,177	77,804	223,100	131,900	234,760	5.2%
RTA Reimbursements	1,190,795	1,298,169	<i>see Other Intergovernmental revenue category</i>			0.0%
Total State Grants	1,343,486	1,445,973	223,100	131,900	234,760	5.2%
State/County Shared:						
State Income	4,964,635	4,937,719	5,184,605	5,329,864	5,467,916	5.5%
State Sales	3,747,944	3,886,852	3,920,000	3,920,000	4,140,787	5.6%
Vehicle License Tax	1,700,885	1,724,625	1,720,000	1,867,403	2,028,225	17.9%
Total State/County Shared	10,413,464	10,549,196	10,824,605	11,117,267	11,636,928	7.5%
Other Intergovernmental:						
School Resource Officers	-	-	173,063	145,000	225,000	30.0%
RTA Reimbursements	-	-	1,266,400	1,411,766	1,453,360	14.8%
PCLD Reimbursements	25,580	17,327	25,000	19,200	20,000	-20.0%
Animal Control Revenues	-	115,009	90,000	98,000	95,000	5.6%
Total Other Intergovernmental	25,580	132,336	1,554,463	1,673,966	1,793,360	15.4%
Charges for Services:						
Court Costs	138,270	178,219	130,000	158,000	150,000	15.4%
Public Defender Fees	1,697	1,667	1,000	2,000	1,000	0.0%
Zoning & Subdivision Fees	223,880	203,602	170,000	200,000	180,000	5.9%
User Fees - Swimming Pool	490,048	552,009	567,400	582,500	582,500	2.7%
User Fees - Fields & Courts	98,202	95,896	112,000	112,000	117,000	4.5%
User Fees - Miscellaneous	228,140	173,065	157,875	157,875	197,791	25.3%
Copy Services	2,207	2,098	2,000	2,000	2,000	0.0%
Town Hall Usage Fees	4,369	210	-	100	-	0.0%
General Government Other	3,778	2,300	2,000	3,400	2,500	25.0%
Police Report Copying	5,573	5,751	5,200	6,500	5,600	7.7%
Police Other	2,914	12,980	2,200	15,428	3,000	36.4%
Building Inspection Copying	15	-	-	-	-	0.0%
Engineer Plan Review Fees	74,180	41,948	40,000	50,000	44,000	10.0%
Grading Review Fees	11,950	-	-	4,000	4,000	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Grading Inspection Fees	2,240	(40)	-	-	-	0.0%
Fare Box	72,783	88,684	70,000	81,970	88,000	25.7%
Administrative Services	321,000	420,996	551,000	503,000	513,000	-6.9%
Financial Services	168,744	176,220	179,735	179,735	185,075	3.0%
Real Property Rental Income	82,490	91,051	86,191	88,355	86,687	0.6%
Maps	200	1,860	-	1,850	-	0.0%
Pawn Slips	375	750	300	500	300	0.0%
Police Fingerprinting	20,545	21,180	20,200	16,500	16,500	-18.3%
Concession Sales	34,099	27,757	30,000	30,000	30,000	0.0%
Probation Monitoring Fee	50	-	-	-	-	0.0%
Public Record Request Fees	2,262	2,015	1,500	1,500	1,500	0.0%
Comm Facilities Appraisal Fees	1,800	-	-	-	-	0.0%
Parks Cancellation Fees	-	-	-	125	-	0.0%
Total Charges for Services	1,991,810	2,100,215	2,128,601	2,197,338	2,210,453	3.8%
Fines:						
Fines	148,050	159,154	130,000	122,544	120,000	-7.7%
Total Fines	148,050	159,154	130,000	122,544	120,000	-7.7%
Interest Income:						
Interest - Investments	168,723	162,310	89,200	32,336	103,000	15.5%
Total Interest Income	168,723	162,310	89,200	32,336	103,000	15.5%
Miscellaneous:						
Miscellaneous	12,359	18,229	10,000	5,000	4,000	-60.0%
Special Events	5,150	3,990	5,000	5,000	4,000	-20.0%
Insurance Recoveries	11,000	71,564	5,000	-	-	-100.0%
In-Lieu Income	197,735	226,433	120,000	225,000	225,000	87.5%
Sale of Assets	402	2,424	-	7,978	-	0.0%
Total Miscellaneous	226,646	322,640	140,000	242,978	233,000	66.4%
TOTAL GENERAL FUND	31,739,230	31,883,978	32,836,753	34,163,353	36,030,537	9.7%
Highway Fund						
License & Permit Fees:						
Road Permits	52,058	41,654	50,000	63,795	55,000	10.0%
Floodplain Use Permits	2,590	1,480	2,500	2,500	2,000	-20.0%
Total License & Permit Fees	54,648	43,134	52,500	66,295	57,000	8.6%
Charges for Services:						
Administrative Services	129,492	134,000	134,000	59,606	-	-100.0%
Total Charges for Services	129,492	134,000	134,000	59,606	-	-100.0%
State Grants:						
PAG Reimbursements	46,200	146,410	83,850	115,973	49,978	-40.4%
RTA Reimbursements	-	40,965	111,150	64,027	50,022	-55.0%
Total State Grants	46,200	187,375	195,000	180,000	100,000	-48.7%
State/County Shared:						
Highway User	2,912,780	3,045,057	3,000,000	3,241,545	3,363,581	12.1%
Total State/County Shared	2,912,780	3,045,057	3,000,000	3,241,545	3,363,581	12.1%
Interest Income:						
Interest - Investments	34,597	54,746	28,600	7,367	36,994	29.3%
Total Interest Income	34,597	54,746	28,600	7,367	36,994	29.3%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Miscellaneous:						
Miscellaneous	12,134	5,726	80,000	2,000	2,000	-97.5%
Insurance Recoveries	-	28,706	-	544	-	0.0%
Total Miscellaneous	12,134	34,433	80,000	2,544	2,000	-97.5%
TOTAL HIGHWAY FUND	3,189,851	3,498,744	3,490,100	3,557,357	3,559,575	2.0%
Bed Tax Fund						
Local Sales Tax:						
Local Sales Tax	988,449	1,054,589	1,085,805	1,040,779	1,126,955	3.8%
Total Local Sales Tax	988,449	1,054,589	1,085,805	1,040,779	1,126,955	3.8%
Interest Income:						
Interest - Investments	6,095	9,904	6,200	1,196	8,011	29.2%
Total Interest Income	6,095	9,904	6,200	1,196	8,011	29.2%
Miscellaneous:						
Miscellaneous	-	-	-	3,500	-	0.0%
Total Miscellaneous	-	-	-	3,500	-	0.0%
TOTAL BED TAX FUND	994,544	1,064,494	1,092,005	1,045,475	1,134,966	3.9%
Seizures & Forfeitures Funds						
Interest Income:						
Interest - Investments	3,766	1,633	-	1,134	-	0.0%
Total Interest Income	3,766	1,633	-	1,134	-	0.0%
Miscellaneous:						
Forfeitures	172,021	78,286	275,000	224,740	275,000	0.0%
Insurance Recoveries	5,499	-	-	-	-	0.0%
Total Miscellaneous	177,520	78,286	275,000	224,740	275,000	0.0%
TOTAL SEIZURES & FORFEITURES FUNDS	181,286	79,919	275,000	225,874	275,000	0.0%
Impound Fee Fund						
Charges for Services:						
Impound Fees	47,700	46,030	40,000	37,000	40,000	0.0%
Total Charges for Services	47,700	46,030	40,000	37,000	40,000	0.0%
TOTAL IMPOUND FEE FUND	47,700	46,030	40,000	37,000	40,000	0.0%
Community Center Fund						
Local Sales Tax:						
Local Sales Tax	506,710	2,030,750	2,105,163	2,204,260	2,308,112	9.6%
Total Local Sales Tax	506,710	2,030,750	2,105,163	2,204,260	2,308,112	9.6%
Charges for Services:						
User Fees - Daily Drop-In	2,329	23,518	25,000	25,000	23,000	-8.0%
User Fees - Member Dues	17,995	598,034	606,000	620,000	614,000	1.3%
User Fees - Recreation Programs	-	154,014	101,500	135,000	134,000	32.0%
User Fees - Swimming Pools	-	1,800	-	8,000	1,500	0.0%
Rental Income	-	29,644	31,561	31,561	32,441	2.8%
Concession Sales	-	1,099	1,000	1,000	500	-50.0%
Management Contract Revenues	500,158	2,913,734	3,745,014	3,043,671	3,382,351	-9.7%
Total Charges for Services	520,482	3,721,843	4,510,075	3,864,232	4,187,792	-7.1%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Miscellaneous:						
Miscellaneous	-	153,458	-	4,372	-	0.0%
Sale of Assets	-	-	-	111	-	0.0%
Total Miscellaneous	-	153,458	-	4,483	-	0.0%
TOTAL COMMUNITY CENTER FUND	1,027,192	5,906,051	6,615,238	6,072,975	6,495,904	-1.8%
Municipal Debt Service Fund						
Interest Income:						
Interest	60	42	-	65	-	0.0%
Total Interest Income	60	42	-	65	-	0.0%
Federal Grants:						
Miscellaneous Grants	64,258	33,470	54,945	60,058	51,403	-6.4%
Total Federal Grants	64,258	33,470	54,945	60,058	51,403	-6.4%
Miscellaneous:						
Miscellaneous	100,908	100,916	90,000	90,000	90,000	0.0%
Total Miscellaneous	100,908	100,916	90,000	90,000	90,000	0.0%
TOTAL MUNICIPAL DEBT SERVICE FUND	165,227	134,428	144,945	150,123	141,403	-2.4%
Oracle Road Debt Service Fund						
Interest Income:						
Special Assessments	46,263	40,088	33,558	33,584	26,520	-21.0%
Total Interest Income	46,263	40,088	33,558	33,584	26,520	-21.0%
Principal Repayments:						
Principal Repayments	131,815	149,437	145,000	145,000	160,000	10.3%
Total Principal Repayments	131,815	149,437	145,000	145,000	160,000	10.3%
TOTAL ORACLE RD DEBT SERVICE FUND	178,078	189,525	178,558	178,584	186,520	4.5%
Townwide Roadway Development Impact Fee Fund						
State Grants:						
Misc State Grants	2,460	-	-	-	-	0.0%
PAG Reimbursements	1,761,137	-	-	-	-	0.0%
RTA Reimbursements	471,702	-	-	-	-	0.0%
Total State Grants	2,235,299	-	-	-	-	0.0%
Impact Fees:						
Residential Impact Fees	199,186	401,793	308,450	531,116	648,633	110.3%
Commercial Impact Fees	77,559	129,904	31,717	269,317	257,768	712.7%
Total Impact Fees	276,745	531,697	340,167	800,433	906,401	166.5%
Interest Income:						
Interest - Investments	2,605	8,120	3,000	8,407	5,000	66.7%
Total Interest Income	2,605	8,120	3,000	8,407	5,000	66.7%
Miscellaneous:						
Miscellaneous	575	-	-	-	-	0.0%
Total Miscellaneous	575	-	-	-	-	0.0%
Charges for Services:						
Real Property Rental Income	22,500	-	-	-	-	0.0%
Total Charges for Services	22,500	-	-	-	-	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
TOTAL ROADWAY IMPACT FEE FUND	2,537,724	539,817	343,167	808,840	911,401	165.6%
PAG/RTA Fund						
State Grants:						
PAG Reimbursements	-	2,617,900	5,974,971	2,794,884	4,248,372	-28.9%
RTA Reimbursements	-	872,134	3,275,000	1,529,196	3,651,610	11.5%
Total State Grants	-	3,490,035	9,249,971	4,324,081	7,899,982	-14.6%
Miscellaneous:						
Miscellaneous	-	-	-	900	-	0.0%
Total Miscellaneous	-	-	-	900	-	0.0%
Charges for Services:						
Real Property Rental Income	-	22,500	22,500	22,500	22,500	0.0%
Total Charges for Services	-	22,500	22,500	22,500	22,500	0.0%
TOTAL PAG/RTA FUND	-	3,512,535	9,272,471	4,347,481	7,922,482	-14.6%
General Government Development Impact Fee Fund						
Interest Income:						
Interest - Investments	3	10	-	10	-	0.0%
Total Interest Income	3	10	-	10	-	0.0%
TOTAL GEN. GOVT. IMPACT FEE FUND	3	10	-	10	-	0.0%
Library Development Impact Fee Fund						
Miscellaneous						
Donations	-	-	150,000	150,000	-	-100.0%
Total Miscellaneous	-	-	150,000	150,000	-	-100.0%
TOTAL LIBRARY IMPACT FEE FUND	-	-	150,000	150,000	-	-100.0%
Parks & Recreation Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	114,469	185,622	132,680	273,333	294,505	122.0%
Total Impact Fees	114,469	185,622	132,680	273,333	294,505	122.0%
Interest Income:						
Interest - Investments	79	633	-	916	-	0.0%
Total Interest Income	79	633	-	916	-	0.0%
TOTAL PARKS IMPACT FEE FUND	114,548	186,255	132,680	274,249	294,505	122.0%
Police Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	42,880	65,100	71,300	127,986	106,225	49.0%
Commercial Impact Fees	5,543	13,052	2,700	32,593	21,982	714.1%
Total Impact Fees	48,423	78,152	74,000	160,579	128,207	73.3%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Interest Income:						
Interest - Investments	218	812	-	918	-	0.0%
Total Interest Income	218	812	-	918	-	0.0%
TOTAL POLICE IMPACT FEE FUND	48,641	78,964	74,000	161,497	128,207	73.3%
Energy Efficiency Project Fund						
Other Financing Sources:						
Bond Proceeds	-	-	3,000,000	2,000,000	-	-100.0%
Total Other Financing Sources	-	-	3,000,000	2,000,000	-	-100.0%
TOTAL ENERGY EFF. PROJECT FUND	-	-	3,000,000	2,000,000	-	-100.0%
Capital Project Bond Fund						
Other Financing Sources:						
Bond Proceeds	-	-	5,000,000	-	5,000,000	0.0%
Total Other Financing Sources	-	-	5,000,000	-	5,000,000	0.0%
TOTAL CAPITAL PROJECT BOND FUND	-	-	5,000,000	-	5,000,000	0.0%
General Government CIP Fund						
State Grants						
Misc State Grants	-	-	81,000	68,660	-	-100.0%
Total State Grants	-	-	81,000	68,660	-	-100.0%
TOTAL GEN GOVT CIP FUND	-	-	81,000	68,660	-	-100.0%
Fleet Fund						
Miscellaneous:						
Insurance Recoveries	13,668	61,599	-	12,280	10,000	0.0%
Vehicle Reserves	126,313	184,329	284,796	284,796	374,896	31.6%
Sale of Assets	33,267	15,475	-	51,166	10,000	0.0%
Total Miscellaneous	173,248	261,403	284,796	348,242	394,896	38.7%
Charges for Services:						
Fleet Services	1,282,861	1,179,022	1,297,202	1,297,202	760,000	-41.4%
Total Charges for Services	1,282,861	1,179,022	1,297,202	1,297,202	760,000	-41.4%
TOTAL FLEET FUND	1,456,109	1,440,425	1,581,998	1,645,444	1,154,896	-27.0%
Benefit Self Insurance Fund						
Miscellaneous:						
Self Insurance Premiums - Employer	2,134,847	2,468,100	2,365,700	2,510,058	2,830,734	19.7%
Self Insurance Premiums - Employee	318,872	376,147	496,350	517,090	589,449	18.8%
COBRA Premiums	10,465	18,718	25,000	45,369	70,000	180.0%
Retiree Premiums	1,911	10,690	10,500	11,100	15,000	42.9%
UHC Wellness Program	20,000	20,000	20,000	20,000	20,000	0.0%
Miscellaneous	-	122,000	113,190	113,190	120,081	6.1%
Total Miscellaneous	2,486,096	3,015,655	3,030,740	3,216,807	3,645,264	20.3%
TOTAL BENEFIT SELF INSURANCE FUND	2,486,096	3,015,655	3,030,740	3,216,807	3,645,264	20.3%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Water Utility Fund						
Water Sales:						
Residential Water Sales	7,649,136	8,103,644	8,116,483	8,116,500	8,197,100	1.0%
Commercial Water Sales	779,877	778,915	828,238	794,800	802,700	-3.1%
Irrigation Water Sales	1,196,394	1,180,220	1,149,577	1,170,000	1,185,100	3.1%
Turf Related Water Sales	1,383,047	1,644,533	1,655,323	1,663,100	1,665,000	0.6%
Construction Water Sales	271,815	311,117	211,274	215,000	220,000	4.1%
Other	305	-	500	5,600	5,800	1060.0%
Total Water Sales	11,280,574	12,018,429	11,961,395	11,965,000	12,075,700	1.0%
Charges for Services:						
Engineer Plan Review Fees	17,020	19,402	20,000	20,000	20,000	0.0%
Construction Inspection Fees	33,267	35,995	48,000	48,000	48,000	0.0%
Misc Service Revenue	9,642	12,145	6,000	12,000	12,000	100.0%
Backflow-Install Permit Fee	2,860	2,429	3,600	3,300	3,300	-8.3%
Sewer Fees	203,025	206,304	206,000	209,500	210,000	1.9%
Late Fees	93,056	90,115	92,000	87,600	88,000	-4.3%
NSF Fees	3,430	3,930	3,500	4,000	4,000	14.3%
Rain Sensors	15	8	-	15	-	0.0%
Meter Income	50,930	76,065	90,700	97,390	98,000	8.0%
New Service Establish Fees	91,104	94,081	80,000	80,000	80,000	0.0%
Reconnect Fees	47,538	39,633	40,000	31,800	32,000	-20.0%
Groundwater Preservation Fee	2,330,231	2,371,099	2,346,000	2,500,000	2,520,000	7.4%
Other	108,749	109,866	108,000	110,000	110,000	1.9%
Total Charges for Services	2,990,866	3,061,071	3,043,800	3,203,605	3,225,300	6.0%
Interest Income:						
Interest - Investments	70,275	115,183	72,000	13,348	93,164	29.4%
Total Interest Income	70,275	115,183	72,000	13,348	93,164	29.4%
Miscellaneous:						
Miscellaneous	43,133	20,363	-	12,871	-	0.0%
Insurance Recoveries	7,962	405	-	327	-	0.0%
Sale of Assets	2,929	-	-	545	-	0.0%
Total Miscellaneous	54,024	20,768	-	13,743	-	0.0%
Other Financing Sources:						
WIFA Loan Proceeds	2,353,843	-	-	-	-	0.0%
Total Other Financing Sources	2,353,843	-	-	-	-	0.0%
TOTAL WATER UTILITY FUND	16,749,582	15,215,451	15,077,195	15,195,696	15,394,164	2.1%
Alternative Water Resources Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	737,457	795,169	930,350	1,173,050	1,213,500	30.4%
Commercial Impact Fees	434,713	299,291	109,739	239,434	174,319	58.8%
Total Impact Fees	1,172,170	1,094,460	1,040,089	1,412,484	1,387,819	33.4%
Interest Income:						
Interest - Investments	26,148	42,635	26,400	5,153	34,485	30.6%
Total Interest Income	26,148	42,635	26,400	5,153	34,485	30.6%
TOTAL AWRDIF FUND	1,198,318	1,137,095	1,066,489	1,417,637	1,422,304	33.4%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Potable Water System Development Impact Fee Fund						
Impact Fees:						
Single Family Connections	311,306	395,766	463,450	584,350	604,500	30.4%
Multi-Family Connections	60,600	-	-	-	-	0.0%
Commercial Connections	186,501	36,668	39,288	57,621	75,955	93.3%
Irrigation Connections	32,638	112,418	16,320	61,650	10,878	-33.3%
Total Impact Fees	591,045	544,852	519,058	703,621	691,333	33.2%
Interest Income:						
Interest - Investments	28,172	46,039	28,800	5,561	37,238	29.3%
Total Interest Income	28,172	46,039	28,800	5,561	37,238	29.3%
TOTAL PWSDIF FUND	619,217	590,891	547,858	709,182	728,571	33.0%
Stormwater Utility Fund						
State Grants:						
Miscellaneous State Grants	-	35,000	-	-	-	0.0%
Total State Grants	-	35,000	-	-	-	0.0%
Charges for Services:						
Late Fees	2,450	936	3,000	1,000	2,500	-16.7%
Stormwater Utility Fee	769,128	827,322	1,300,500	1,334,000	1,400,000	7.7%
Total Charges for Services	771,578	828,258	1,303,500	1,335,000	1,402,500	7.6%
Interest Income:						
Interest - Investments	294	632	500	730	500	0.0%
Total Interest Income	294	632	500	730	500	0.0%
Miscellaneous:						
Miscellaneous	16	-	-	-	-	0.0%
Total Miscellaneous	16	-	-	-	-	0.0%
TOTAL STORMWATER UTILITY FUND	771,888	863,890	1,304,000	1,335,730	1,403,000	7.6%
Recreation In Lieu Fee Fund						
Charges for Services:						
Recreation In Lieu Fees	-	21,728	-	-	-	0.0%
Total Charges for Services	-	21,728	-	-	-	0.0%
TOTAL REC IN LIEU FEE FUND	-	21,728	-	-	-	0.0%
TOTAL REVENUE - ALL FUNDS	\$63,505,232	\$69,405,883	\$85,334,197	\$76,761,974	\$85,868,699	0.6%

Note: Does not include Interfund Transfers or Carry-Forward Balances



Town of Oro Valley

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Revenue Sources

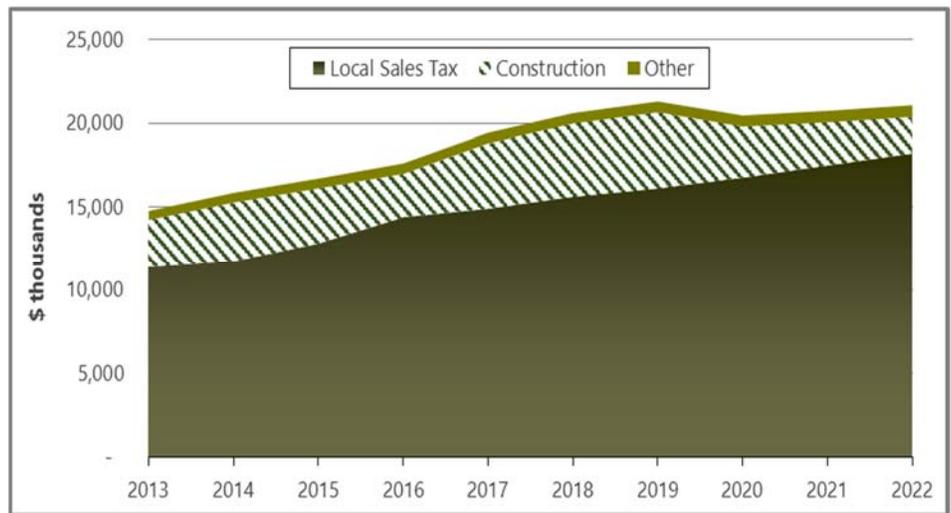
Local Sales Tax

Description

Arizona cities and towns under state law have the authority to establish certain taxes for revenue purposes. The local sales tax, as a means of financing municipal services, is the most important source of local revenue for most Arizona cities and towns. The Town of Oro Valley levies a 2.5% tax on sales collected within the town boundaries, with the exception of sales on utilities and construction activity, which are a 4% tax. The Town also levies an additional 6% tax on lodging. The sales tax is collected by the state and remitted to the Town on a weekly basis.

Uses

Two-percent of the 2.5% local sales tax, as well as the 4% utility sales tax, are used for various general governmental purposes. The additional 0.5% local sales tax was implemented in March of 2015 and is dedicated to funding the Town's Community Center operations. The 6% tax on lodging is used to support economic development and tourism efforts. Recurring construction sales taxes are used to fund maintenance on town roadways, while remaining one-time amounts are dedicated to one-time capital projects. Other local sales tax revenues go towards various governmental purposes.



Projections

Local construction sales tax has decreased significantly from its peak in 2008. This is due to slower economic growth and the town approaching build-out, as well as state legislation that has reduced collections for all Arizona cities and towns. Projected commercial activity for the Town consists mostly of infill projects and several larger projects deemed one-time in nature. Single family residential activity is expected to peak over the next one to two years, due to several one-time larger-scale projects underway. Retail and restaurant/bar sales tax collections continue to increase each year. The following assumptions were used in compiling the projections:

- retail and restaurant/bar sales tax projected to grow at a rate of 4-5.5% per year with economic growth, population growth and inflation
- bed tax collections increase 8% in FY 2018 with continued growth in the hospitality sector, then increases 1-4% per year thereafter with tourism and economic growth
- construction sales tax increases 13% in FY 2018 and 3% in FY 2019, attributable to one-time commercial and single family residential building activity, then declines each year thereafter as the pace of building activity slows

Revenue Sources

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	2012	10,866,793	1,815,826	642,486
	2013	11,356,974	2,874,357	549,211
	2014	11,753,525	3,523,966	580,185
	2015	12,802,606	3,326,153	585,464
	2016	14,381,381 *	2,613,683	624,946
PROJECTION	2017	14,935,919	3,876,342	618,194
	2018	15,599,640	4,376,000	624,000
	2019	16,151,606	4,498,120	644,000
	2020	16,780,833	3,010,560	664,000
	2021	17,475,775	2,573,400	684,000
	2022	18,212,988	2,156,000	704,000

* Includes first full fiscal year of new half-cent sales tax dedicated to Community Center Fund operations

Fines, Licenses and Permits

Description

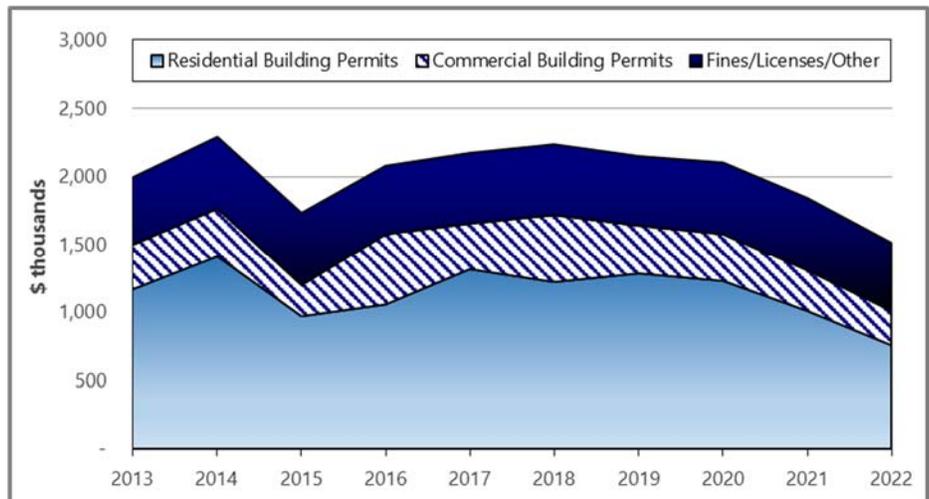
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits, both residential and commercial, zoning permits and a variety of other programs.

Uses

The revenue received from fines, licenses and permit fees is placed in the General Fund and used for various general governmental purposes.

Projections

Revenues received from fines and business licenses are projected to grow gradually over the next five years. The growth in building permit revenue is due to an increase in single family residential permits and one-time commercial activity. As the Town continues to approach build-out, residential and commercial activity will decrease. The following assumptions were used in compiling the projections:



- single family residential permits are budgeted at 300 for FY 2018, projected at 300 for FY 2019, then expected to gradually decline to 140 by FY 2022
- forecast for commercial building activity includes one-time projects subject to fluctuation
- an average of 50K square feet of miscellaneous commercial development will be added each year for the next five years

Revenue Sources

- revenue from business licenses and fines grows gradually with population and the addition of new businesses within town
- revenue from other development-related permits and fees, such as grading, fire, etc. decline gradually as town approaches buildout

		Residential Building Permits	Commercial Building Permits	Business Licenses, Fines & Other
ACTUAL	2012	554,042	352,796	479,696
	2013	1,163,764	329,859	501,199
	2014	1,409,442	351,907	527,582
	2015	973,190	226,561	531,429
	2016	1,052,162	525,998	496,986
PROJECTION	2017	1,313,802	343,150	516,359
	2018	1,225,000	495,236	519,885
	2019	1,285,000	350,000	518,790
	2020	1,225,800	350,000	529,806
	2021	1,011,000	300,000	528,734
	2022	760,000	250,000	504,577

State Shared Revenue

Description

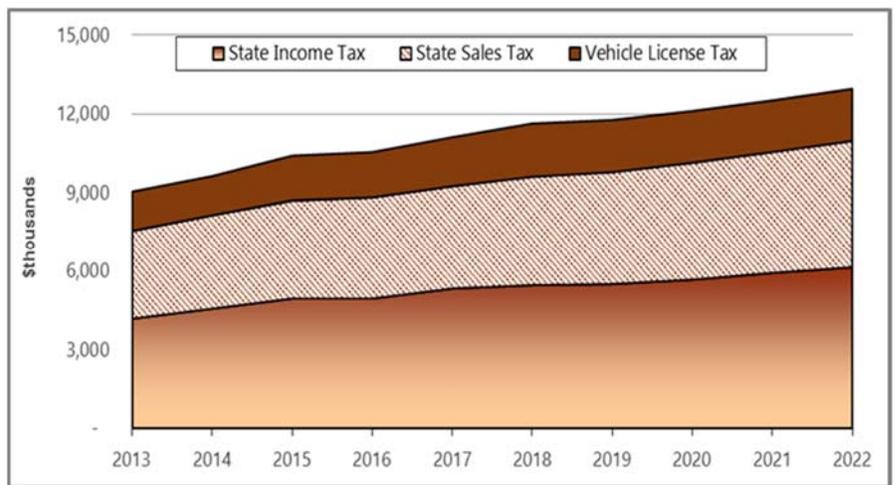
Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, income tax, and vehicle license tax. Oro Valley receives its share of the state sales and income tax based on the relation of its population to the total population of all incorporated cities and towns in the state based on U.S. Census population figures. The vehicle license tax is distributed to Oro Valley based on the relation of its population to the total population of all incorporated cities and towns in Pima County.

Uses

State Shared Revenue is collected in the General Fund and used for various general governmental purposes.

Projections

State Shared Revenue is a significant source of funding and represents nearly one-third of General Fund budgeted revenue for FY 2018. Revenues are budgeted to increase by 4.7% in FY 2018. Annual growth between 1-4% is anticipated thereafter.



Revenue Sources

Budget and legislative tax law changes made at the state level have the potential to impact this revenue source. The following assumptions were used in compiling the projections:

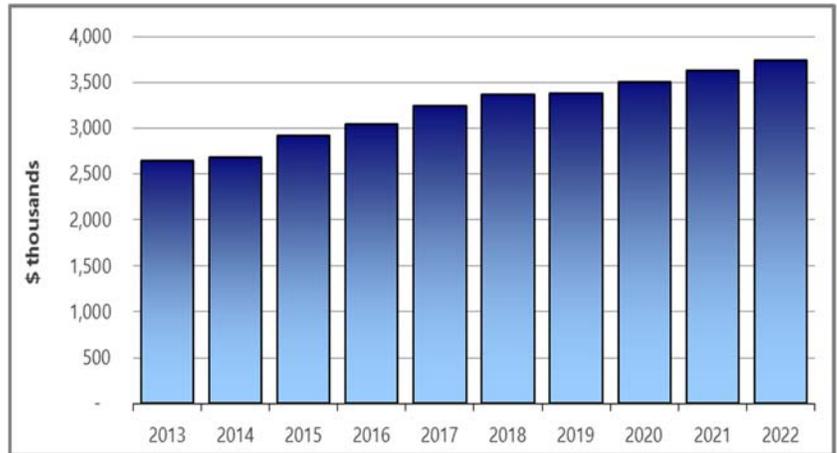
- 4.7% increase projected for FY 2018, due to economic growth
- growth of 1% projected in FY 2019, due to legislative tax law changes made to state income taxes and a conservative estimate for vehicle license taxes
- 3-4% increases per year are projected for FY 2020 through FY 2022

		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	2012	3,461,359	3,204,612	1,479,094
	2013	4,189,185	3,356,826	1,502,355
	2014	4,571,196	3,569,711	1,495,999
	2015	4,964,635	3,747,944	1,700,885
	2016	4,937,719	3,886,852	1,724,625
PROJECTION	2017	5,329,864	3,920,000	1,867,403
	2018	5,467,916	4,140,787	2,028,225
	2019	5,492,012	4,289,855	1,987,661
	2020	5,684,779	4,457,160	1,967,784
	2021	5,912,170	4,635,446	1,967,784
	2022	6,148,657	4,820,864	1,987,462

Highway User Revenue (HURF)

Description

HURF revenues are primarily generated from the state collected gasoline tax. Cities and towns receive 27.5% of highway user revenues. One-half of the monies that Oro Valley receives is based on its population in relation to the population of all cities and towns in the state. The remaining half is allocated on the basis of "county of origin" of gasoline sales and the relation of Oro Valley's population to the population of all cities and towns in Pima County. The intent of this distribution formula is to spread a portion of the money across the state solely on the basis of population while the remaining money flows to those areas with the highest gasoline sales.



Uses

There is a state constitutional restriction on the use of the highway user revenues which requires that these funds be used solely for street and highway purposes. The Town has a separate fund – Highway Fund – where this revenue is collected and distributed for such purposes.

Revenue Sources

Projections

HURF revenue collections are a major source of funding for roadway improvements and account for nearly 88% of Highway Fund budgeted revenue for FY 2018. This revenue source is impacted by economic downturns, as well as actions taken by the state legislature to sweep these funds for state Department of Public Safety or other purposes. The following assumptions were used in compiling the projections:

- increases through FY 2018 due in large part to bills passed by the Arizona Legislature that allocated additional highway user funds to counties, cities and towns
- revenue is roughly flat in FY 2019, then projected to increase 3-4% per year thereafter

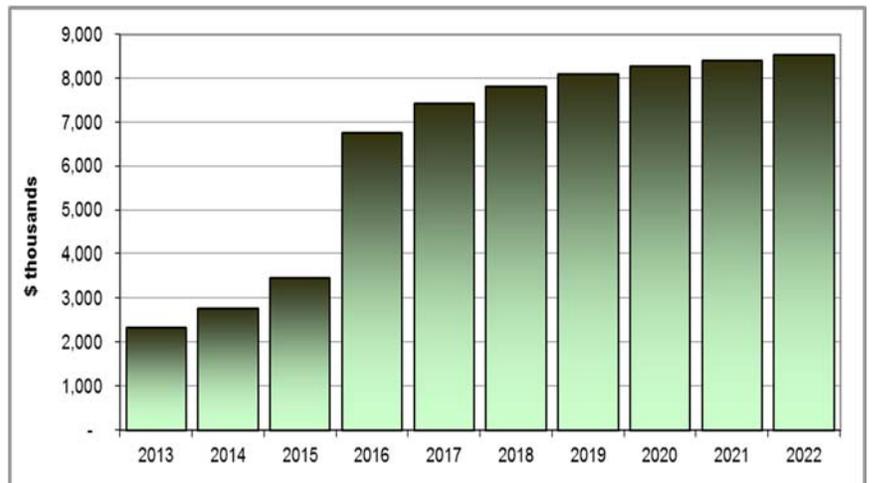
		HURF Revenue
ACTUAL	2012	2,418,605
	2013	2,648,329
	2014	2,679,257
	2015	2,912,780
	2016	3,045,057
PROJECTION	2017	3,241,545
	2018	3,363,581
	2019	3,372,298
	2020	3,502,505
	2021	3,622,887
	2022	3,742,708

Charges for Services

Description

Charges for Services are fees charged for specific services provided by the Town. They include recreation user fees, development services fees, stormwater fees, various water fees and fares received from transit services, to name a few. With the exception of development services fees and certain general services fees, the anticipated revenue generated from charges for services is generally tied to population and can be expected to increase with

population growth. New or added recreation facilities and amenities would also obviously cause these revenues to increase. Fees for development services are tied to development activity and will increase/decrease accordingly based on development growth within the town.



Revenue Sources

Projections

The significant increases in recreation fee revenue for FY 2015 and FY 2016 are attributable to the addition of the Community Center Fund operations. The Town is also experiencing healthy growth in Aquatic Center revenues and other parks and recreation program revenues. The significant increase in Stormwater revenue for FY 2017 is attributable to a Council-approved fee increase. Total revenue from the charges for service category is projected to grow 2-4% over the next few years. The following assumptions were used in compiling the projections:

- revenue generated from development activity is tied to anticipated single family residential and commercial building permits
- recreation fee revenue grows at a healthy pace following continued investment in capital improvements at the Town’s parks, the Community Center and the Aquatic Center
- general services, transit farebox and stormwater utility fee revenues increase slightly each year, as town population increases

		General Services	Development Services	Recreation Fees *	Transit	Water	Stormwater **
ACTUAL	2012	277,359	140,293	317,285	49,977	557,223	752,212
	2013	306,883	179,093	399,608	66,558	635,624	750,460
	2014	298,292	248,976	659,265	71,078	716,142	759,405
	2015	269,130	312,482	1,370,971	72,783	660,636	771,578
	2016	321,149	247,370	4,570,569	88,684	689,972	828,258
PROJECTION	2017	288,183	255,850	4,746,607	81,970	703,605	1,335,000
	2018	265,987	228,000	5,115,083	88,000	705,300	1,402,500
	2019	289,721	239,400	5,262,600	105,000	740,000	1,454,500
	2020	300,886	234,000	5,404,336	110,250	755,000	1,470,500
	2021	312,498	221,000	5,540,629	115,763	725,000	1,486,000
	2022	324,574	204,000	5,679,017	121,551	689,000	1,498,000

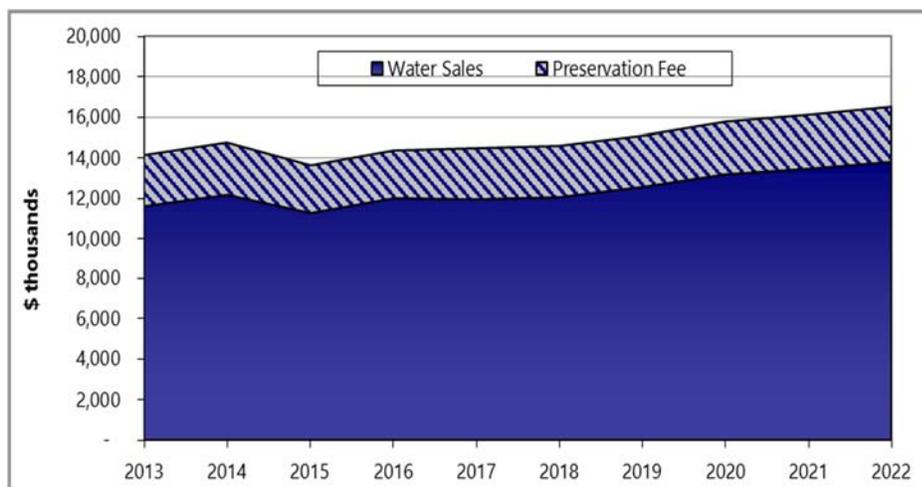
* Increases in FY 2015 and FY 2016 are attributable to the addition of Community Center Fund operations

** Increase in FY 2017 is attributable to a Council-approved fee increase

Water Revenue

Description

The Town’s Water Utility Fund is a self-sustaining fund with revenue generated from water sales, service fees and miscellaneous charges. Annually, the Oro Valley Water Utility Commission reviews and develops recommendations for water revenue requirements, water rates and fee structures.



Revenue Sources

Uses

The revenue collected from water sales is used for personnel, operations and maintenance, improvements to existing systems and debt service. Revenue collected from the groundwater preservation fee (GPF) is used for renewable water capital infrastructure costs and related debt service.

Projections

Revenue projections relating to water sales and preservation fees are based on growth of the population as well as proposed rate increases. The following assumptions were used in compiling the projections:

- growth is estimated at 140-320 new connections annually through FY 2022
- modest water rate increases over the next five years
- no groundwater preservation fee increases over the next five years
- average single family residential monthly water use projected at roughly 7,300 gallons

		Water Sales	Groundwater Preservation Fee
ACTUAL	2012	11,578,980	2,315,277
	2013	11,585,180	2,527,524
	2014	12,169,374	2,599,718
	2015	11,280,574	2,330,231
	2016	12,018,429	2,371,099
PROJECTION	2017	11,965,000	2,500,000
	2018	12,075,700	2,520,000
	2019	12,556,800	2,545,000
	2020	13,166,600	2,581,000
	2021	13,483,600	2,627,000
	2022	13,817,600	2,681,000

Note: Projections and assumptions used were for financial modeling purposes as related to proposed changes in water rates and fees to be reviewed and studied by Council at a future date. The actual rates and fees adopted and implemented may differ from budgeted projections.

Development Impact Fees

Description

Development Impact Fees are fees assessed by the Town on new development for the purpose of financing infrastructure ultimately needed to support a growing community. State legislation has restricted the types of impact fees collected with increased limitations placed on their use. Commercial impact fees are assessed to support roadways, water facilities and police; residential impact fees are assessed to support roadways, water facilities, police, and parks & recreation facilities.

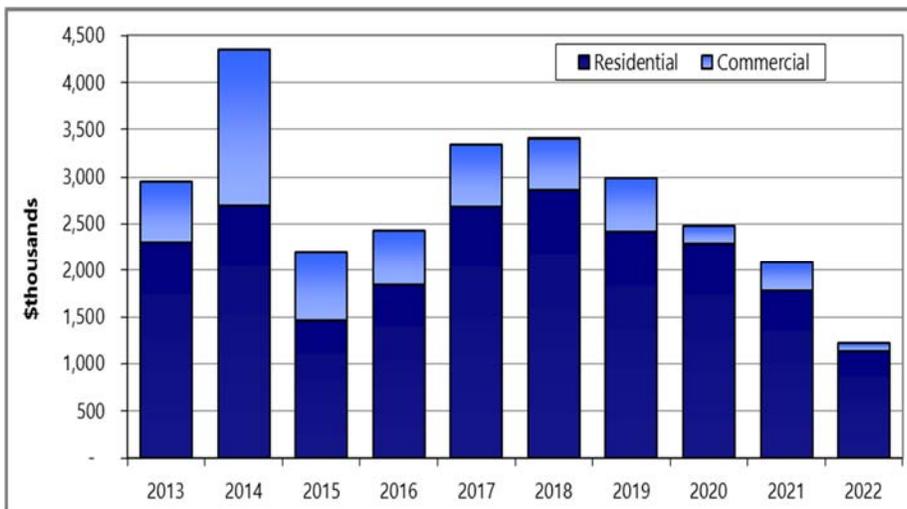
Revenue Sources

Uses

As mandated by state law, impact fee revenue can only be used to support new projects and expansion-related capital infrastructure.

Projections

Collections in FY 2014 were due in part to three new apartment complexes and an increase in single family residential permits. As the Town approaches build-out, residential and commercial construction activity can be expected to decrease. The following assumptions were used in compiling the projections:



- 300 single family residential permits will be issued in FY 2018 and FY 2019, declining to 284 in FY 2020, 200 in FY 2021 and 140 in FY 2022
- commercial fees tie to anticipated development activity within the town

		Residential Fees	Commercial Fees
ACTUAL	2012	992,996	646,632
	2013	2,305,333	642,223
	2014	2,691,678	1,665,183
	2015	1,465,898	736,954
	2016	1,843,450	591,334
PROJECTION	2017	2,689,835	660,615
	2018	2,867,363	540,902
	2019	2,423,280	562,840
	2020	2,294,038	187,720
	2021	1,777,072	303,920
	2022	1,130,864	85,000



Town of Oro Valley

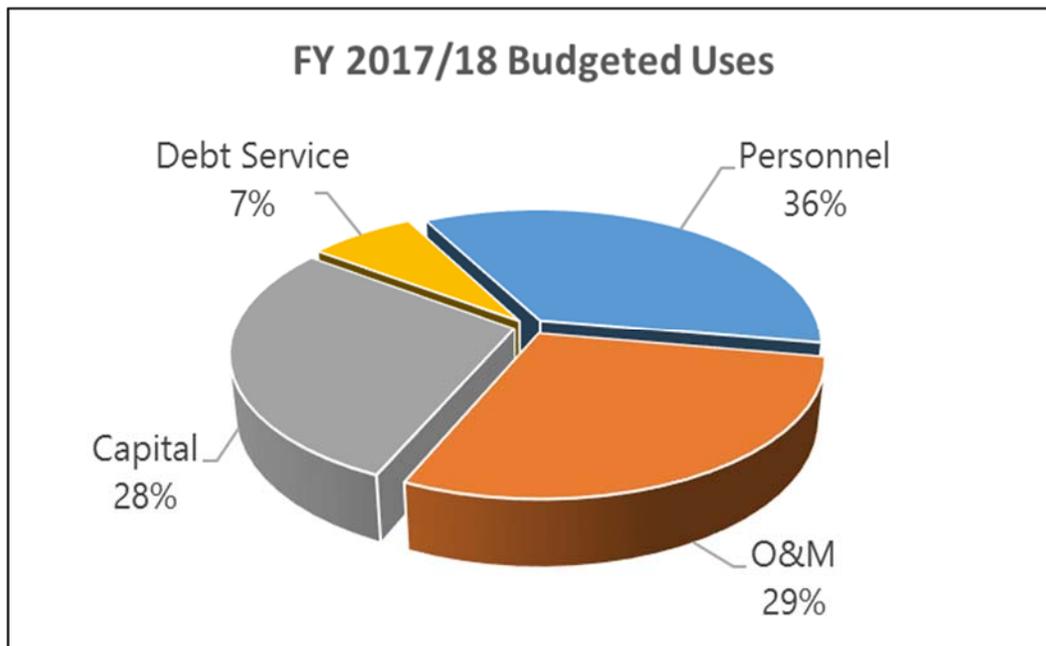
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Expenditure Summary

The expenditure budget for FY 2017/18 totals \$93,026,013 and represents a \$1.3 million, or 1.4% increase over the prior fiscal year budgeted expenditures. The budget includes \$68.4 million to support daily operations and services and \$24.7 million in capital projects. The chart below reflects all budgeted uses and their portion of the overall expenditure budget.

Due in part to pressures from increasing personnel and benefit costs, at the onset of the budget preparation phase all departments were provided with specific operating "targets" that they were instructed to meet. This "hold the line" approach emphasizes cost containment with continued current service level provisions to town residents. A description of the changes in expenditure categories from budget year to budget year can be found on the following page. Please reference the Personnel section of the budget document for further explanations on personnel changes.

The capital budget for FY 17/18 is significant and addresses several areas of critical need, including roadway and street improvements, water and stormwater system improvements, public safety facility improvements, parks and recreation amenities, and Aquatic Center and Community Center improvements. Please reference the Capital Improvement Program (CIP) section of the budget document for further details on capital improvement projects.



Expenditure Summary

Budgeted Uses						
	FY 2016	FY 2016/17		FY 2017/18	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	28,951,914	30,749,063	30,049,094	32,993,983	2,244,920	7.3%
O&M	24,853,405	25,798,291	25,595,163	26,897,379	1,099,088	4.3%
Capital	10,369,800	29,228,162	13,963,934	26,457,196	(2,770,966)	-9.5%
Debt Service	6,262,126	5,996,176	5,995,474	6,677,455	681,279	11.4%
Total Expenditures	\$ 70,437,245	\$ 91,771,692	\$ 75,603,665	\$ 93,026,013	\$ 1,254,321	1.4%

Does not include depreciation, amortization, interfund transfers or contingency amounts

A brief description of the major changes in expenditure categories from budget year to budget year is as follows:

Personnel +\$2.2M	<ul style="list-style-type: none"> • \$528K increase for step and merit increases • \$586K increase for new positions (Police and Information Technology positions) • \$484K increase due to medical insurance premium increases • \$845K increase due to increased pension costs • \$35K increase due to position reclassifications • \$233K decrease due to vacancy savings and refilled positions at lower salaries
O&M +\$1.1M	<ul style="list-style-type: none"> • Benefit Self Insurance Fund O&M increased \$615K (20%) due to increased medical claim costs • General Fund O&M increased \$417K (5.6%) due primarily to software maintenance & licensing, outside professional services, utilities and gasoline costs • Bed Tax Fund O&M increased \$71K (17%) due primarily to increased tourism and economic development efforts
Capital -\$2.8M	<ul style="list-style-type: none"> • \$2.3M decrease for the energy efficiency project nearing completion at the Community Center • \$358K decrease for other Community Center capital projects • \$1.5M decrease for roadway capital projects funded with grants and impact fees • \$754K increase to complete construction of two, new multi-use fields at Naranja Park • \$678K increase for continued design and construction of the police evidence facility and southern substation building
Debt Service +\$681K	<ul style="list-style-type: none"> • Due to refinancing of debt resulting in interest savings and slightly higher, but more leveled principal payments in the near-term

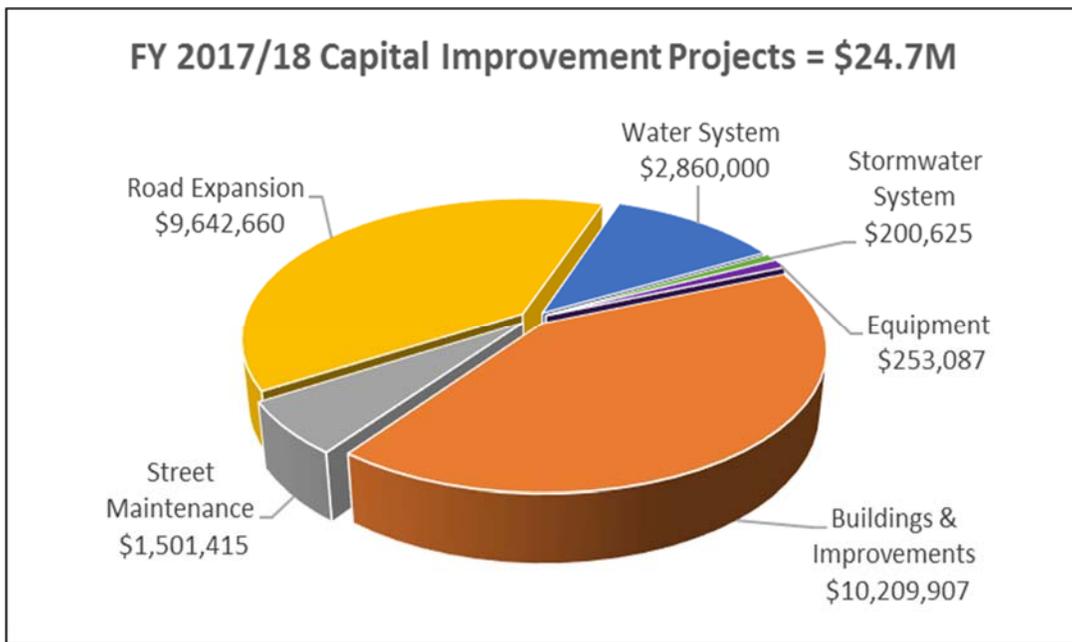
Expenditure Summary

Capital Improvement Program

The Capital Improvement Program (CIP) is a comprehensive, fifteen-year plan of capital projects that identifies priorities, methods of financing, costs, and associated revenues. It includes a one-year recommendation for the Town’s capital budget. The CIP is one of the mechanisms that implements the Town’s General Plan and Strategic Plan. It allocates funds to meet goals and strategies specified in both plans and implements these plans as part of the project evaluation criteria.

The FY 2017/18 adopted budget includes \$24.7 million in capital improvement projects, funded with a variety of sources. Budgeted projects include parks and recreation improvements and amenities, public safety facilities, street and roadway improvements, as well as water and stormwater utility system improvements.

Further information on CIP projects and project descriptions can be found in the Capital Improvement section of the budget document.



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Expenditure Schedule by Fund

Major Expenditure Accounts	FY 2015	FY 2016	FY 2017		FY 2018	% to budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	388,110	370,224	458,863	403,211	485,098	5.7%
Community Development & Public Works	4,278,594	4,502,120	6,084,804	5,796,356	4,893,469	-19.6%
Council	201,929	197,697	220,559	220,559	214,759	-2.6%
Administrative Services	2,445,859	2,608,540	2,833,872	2,815,066	3,375,735	19.1%
General Administration	1,818,350	1,847,726	1,736,450	1,736,450	1,682,216	-3.1%
Legal	726,595	719,446	773,003	737,653	779,670	0.9%
Magistrate Court	758,561	801,276	845,938	845,938	874,282	3.4%
Town Manager's Office	720,111	760,188	801,540	801,540	844,708	5.4%
Parks and Recreation	2,914,717	3,033,102	1,977,326	1,962,029	3,667,092	85.5%
Police	14,728,554	15,228,367	15,643,620	15,631,620	17,108,674	9.4%
TOTAL GENERAL FUND	28,981,380	30,068,686	31,375,975	30,950,422	33,925,703	8.1%
Special Revenue Funds						
Highway User Revenue Fund	4,073,929	4,531,908	4,675,903	4,396,449	4,949,877	5.9%
Bed Tax Fund	602,474	622,198	684,689	682,159	844,158	23.3%
Community Center Fund	1,201,970	6,769,529	6,767,403	6,114,422	6,329,948	-6.5%
Impound Fee Fund	26,611	28,652	57,468	57,468	59,606	3.7%
Seizures & Forfeitures Funds	821,959	305,331	227,554	91,078	85,137	-62.6%
TOTAL SPECIAL REVENUE FUNDS	6,726,943	12,257,618	12,413,017	11,341,576	12,268,726	-1.2%
Debt Service Funds						
Municipal Debt Service Fund	861,984	894,490	626,417	625,715	835,186	33.3%
Oracle Road Improvement District Fund	178,412	187,503	181,558	181,558	189,520	4.4%
TOTAL DEBT SERVICE FUNDS	1,040,396	1,081,993	807,975	807,273	1,024,706	26.8%
Capital Project Funds						
Naranja Park Fund	737,056	-	-	-	-	0.0%
Recreation-In-Lieu Fee Fund	-	12,200	-	-	-	0.0%
Parks and Recreation Impact Fee Fund	-	-	-	-	-	0.0%
Police Impact Fee Fund	-	-	285,000	-	485,000	70.2%
General Government Impact Fee Fund	-	-	-	-	-	0.0%
Library Impact Fee Fund	20,000	45,118	187,000	199,680	-	-100.0%
Energy Efficiency Project Fund	-	-	3,000,000	1,300,000	700,000	-76.7%
Capital Project Bond Fund	-	-	5,000,000	-	5,000,000	0.0%
General Government CIP Fund	2,688,407	1,730,861	2,648,000	833,799	4,009,619	51.4%
Alternative Water Resource Dev. Impact Fee	189,516	125,522	236,101	252,967	267,280	13.2%
Potable Water System Dev. Impact Fee	327,424	331,478	332,416	332,416	361,627	8.8%
PAG/RTA Fund	-	2,890,552	9,249,971	4,373,258	8,304,562	-10.2%
Townwide Roadway Dev. Impact Fee	2,651,038	2,413	2,000,000	1,000,000	1,458,500	-27.1%
TOTAL CAPITAL PROJECT FUNDS	6,613,441	5,138,144	22,938,488	8,292,120	20,586,588	-10.3%
Enterprise Funds						
Water Utility	17,121,370	16,692,592	18,759,898	18,593,008	18,953,012	1.0%
Stormwater Utility	969,182	798,405	1,153,759	1,093,029	1,305,700	13.2%
TOTAL ENTERPRISE FUNDS	18,090,552	17,490,997	19,913,657	19,686,037	20,258,712	1.7%
Internal Service Funds						
Fleet Fund	1,281,507	1,171,192	1,291,840	1,291,840	1,316,314	1.9%
Benefit Self Insurance	2,826,443	3,228,617	3,030,740	3,234,397	3,645,264	20.3%
TOTAL INTERNAL SERVICE FUNDS	4,107,950	4,399,809	4,322,580	4,526,237	4,961,578	14.8%
TOTAL EXPENDITURES - ALL FUNDS	\$ 65,560,661	\$ 70,437,245	\$ 91,771,692	\$ 75,603,665	\$ 93,026,013	1.4%

Note: Does not include depreciation, amortization, interfund transfers or contingency amounts

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Expenditures by Program

This table represents a summary of the adopted FY 2017 - 2018 budget and is structured around major program areas within departments which represent services and operations viable to the Town and to which resources are allocated on a fiscal year basis. Footnotes are provided to delineate the specific fund(s) that support(s) each program. The table also includes funding sources and full-time equivalent employees (FTEs) for each program. Further information on a specific program can be found in the Program Budgets Section of the budget document.

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Clerk	4.69	485,098						485,098
	4.69	485,098	-	-	-	-	-	485,098
Community Development & Public Works								
Administration	3.85	361,866	741,063 (A)					1,102,929
Permitting	9.96	942,621						942,621
Planning	7.30	713,745						713,745
Inspection and Compliance	9.00	827,355						827,355
Transportation Engineering	6.20		661,582 (A)					661,582
Traffic Engineering	4.60		844,547 (A)					844,547
Pavement Management	1.20		1,638,078 (A)					1,638,078
Street Maintenance	9.75		1,064,607 (A)					1,064,607
Facilities Maintenance	2.00	433,314						433,314
Fleet	1.15						1,316,314 (B)	1,316,314
Stormwater Utility	8.75					1,305,700 (C)		1,305,700
Transit Services	25.89	1,614,568						1,614,568
	89.65	4,893,469	4,949,877	-	-	1,305,700	1,316,314	12,465,360
Council	7.00	214,759						214,759
	7.00	214,759	-	-	-	-	-	214,759
Administrative Services								
Finance	7.00	810,006						810,006
Human Resources	3.48	375,790						375,790
Information Technology	8.00	2,189,939						2,189,939
	18.48	3,375,735	-	-	-	-	-	3,375,735
General Administration	1.50	1,682,216			10,194,619 (D)		3,645,264 (E)	15,522,099
	1.50	1,682,216	-	-	10,194,619	-	3,645,264	15,522,099
Legal	6.00	779,670						779,670
	6.00	779,670	-	-	-	-	-	779,670
Magistrate Court	8.00	874,282						874,282
	8.00	874,282	-	-	-	-	-	874,282
Town Manager's Office								
Administration	3.88	482,938						482,938
Communications & Constituent Svcs.	3.50	361,770						361,770
Economic Development	3.00		844,158 (F)					844,158
	10.38	844,708	844,158	-	-	-	-	1,688,866
Parks and Recreation								
Administration	4.00	611,370						611,370
Parks Maintenance	9.96	1,309,815						1,309,815
Recreation	5.50	452,133						452,133
Aquatics	18.65	1,246,448						1,246,448
Cultural Resources	0.20	47,326						47,326
Community Center	19.82		6,329,948 (G)					6,329,948
	58.13	3,667,092	6,329,948	-	-	-	-	9,997,040

Expenditures by Program

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Police								
Administration	5.00	1,447,429						1,447,429
Support Services	59.21	7,148,598	59,606 (H)					7,208,204
Field Services	69.44	8,159,469	85,137 (I)					8,244,606
Professional Development & Training	1.48	196,212						196,212
Professional Standards	1.00	156,966						156,966
	136.13	17,108,674	144,743	-	-	-	-	17,253,417
Water Utility								
Administration	15.48					11,352,165 (J)		11,352,165
Engineering & Planning	6.00					3,687,102 (J)		3,687,102
Production	9.00					2,826,659 (J)		2,826,659
Distribution	9.00					1,087,086 (J)		1,087,086
Alternative Water Resources					267,280 (K)			267,280
Potable Water System					361,627 (L)			361,627
	39.48	-	-	-	628,907	18,953,012	-	19,581,919
Debt Service								
	-	-	-	1,024,706 (M)	-	-	-	1,024,706
	-	-	-	1,024,706	-	-	-	1,024,706
Roadway Improvements								
	3.48				9,763,062 (N)			9,763,062
	3.48	-	-	-	9,763,062	-	-	9,763,062
FY 2017/18 Adopted Budget	382.92	33,925,703	12,268,726	1,024,706	20,586,588	20,258,712	4,961,578	93,026,013

Note: Does not include depreciation, amortization, interfund transfers or contingency amounts

- (A) Highway Fund
- (B) Fleet Fund
- (C) Stormwater Utility Fund
- (D) General Government CIP Fund, Police Impact Fee Fund, Energy Efficiency Project Fund and Capital Project Bond Fund
- (E) Benefit Self Insurance Fund
- (F) Bed Tax Fund
- (G) Community Center Fund
- (H) Impound Fee Fund
- (I) Seizures & Forfeitures Funds
- (J) Water Utility Fund
- (K) Alternative Water Resources Dev Impact Fee Fund
- (L) Potable Water System Dev Impact Fee Fund
- (M) Municipal Debt Service Fund and Oracle Road Imp District Fund
- (N) Roadway Dev Impact Fee Fund and PAG/RTA Fund



Town of Oro Valley

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Personnel Summary

Personnel and Employee Compensation

Personnel service represents 48% of the total operating budget. As it is a significant portion of the budget, employee compensation is heavily scrutinized. During the last economic recession, the Town reduced staff considerably. Every position that becomes vacant is evaluated to determine whether the position is mission-critical and whether it needs to be refilled. Positions may continue to be left unfilled, filled on a part-time basis, or eliminated as vacancies occur. Town employees have taken on more responsibilities as the workforce decreased.

As with the previous fiscal year, the FY 17/18 budget includes capacity for funding of employee merit and step increases. Benefit costs rose significantly due to increased pension rates and a 20% increase in medical insurance premiums. Based on the financial scenario laid out for the next five years, the Town's recurring revenues will need to be re-analyzed each year to confirm and determine an affordable and feasible level of future increases in overall compensation and benefits.

Staffing Level Changes

The following table summarizes the changes in staffing levels for the new fiscal year.

	FY 2016/17 Budget	FY 2017/18 Budget	+/-
Police	133.13	136.13	3.00
Community Development and Public Works	105.03	94.63	(10.41)
Parks and Recreation	48.02	58.13	10.11
Water Utility	39.48	39.48	-
Magistrate Court	8.00	8.00	-
Administration	45.44	46.55	1.11
Total Positions	379.10	382.92	3.82

The FTE increase in the Police Department is attributable to one new public information officer (PIO) – sergeant to serve as liaison between the department and the media, the public and community organizations, as well as two new school resource officers, one of which would be fully reimbursed by the assigned school.

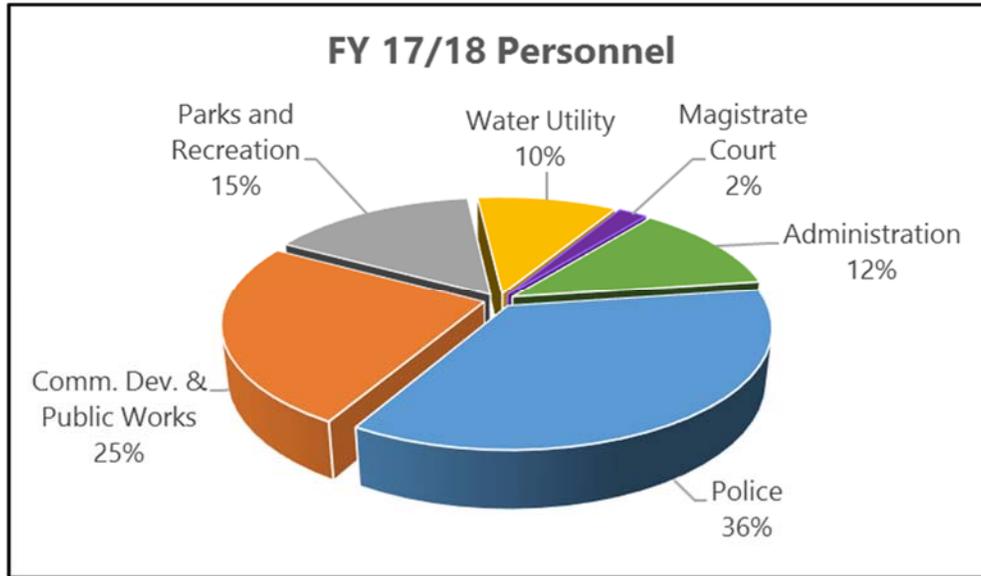
The FTE decrease in Community Development & Public Works is due primarily to the transfer of the Parks Maintenance Division back to the Parks and Recreation Department. In addition, temporary staff positions associated with the General Plan update were eliminated once the plan update was complete.

The FTE increase in Parks and Recreation is largely attributable to the transfer of the Parks Maintenance Division from Community Development & Public Works as referenced above.

The FTE increase in Administration is due primarily to one new network administrator in Information Technology to meet the growing technology needs of the Town.

Personnel Summary

Refer to the Personnel Schedule document for a detailed listing of positions by department and/or program.



Benefit Rates and Costs

Due to higher claim costs, medical premiums for both employees and the Town are increasing 20% in FY 17/18. In FY 16/17, the Town implemented an 85/15 cost share model for single (employee-only) medical premiums, where the Town pays 85 percent of the premium and the employee pays 15 percent. The Town previously paid 100% of the employee-only premium. Dental premiums are decreasing about 25% due to cost savings associated with a change in carriers and a shift from a self-insured plan back to a fully-insured plan. The contribution rate for the Arizona State Retirement System will stay roughly flat, while the rates for the Public Safety Personnel Retirement System and the Correction Officers Retirement Plan are increasing considerably - 11% and 10%, respectively. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 14/15	FY 15/16	FY 16/17	FY 17/18
Arizona State Retirement System (ASRS)	11.60%	11.47%	11.48%	11.50%
Public Safety Personnel Retirement System (PSPRS)	20.60%	21.5%	23.66%	34.85%
Correction Officers Retirement Plan (CORP)	17.98%	22.05%	33.27%	43.63%
Medical Premiums (per year)*	\$3,493	\$3,842	\$3,429	\$4,115
Dental Premiums (per year)**	\$257	\$257	\$267	\$201

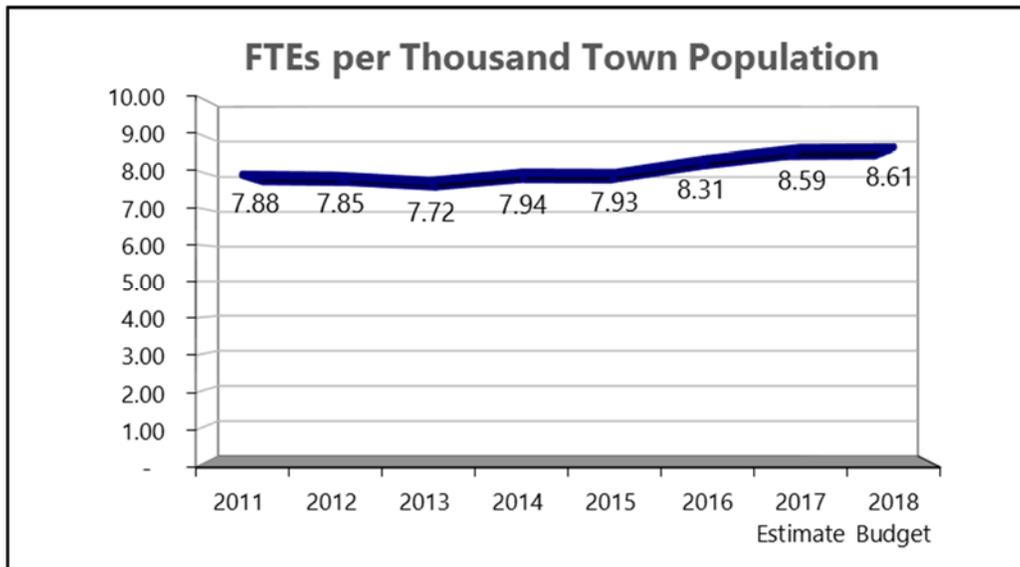
* single (employee-only) HMO coverage

** single (employee-only) base plan coverage

Personnel Summary

Employees per Capita

Looking at an employee per capita trend, full-time equivalent positions (FTEs) per capita declined following the last economic recession, and have increased slightly over the last three years. The increases were due largely to the addition of the Community Center and temporary positions tied to capital projects. FTEs per capita are expected to increase gradually with the town's continued population growth.



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Personnel Summary by Fund

	FY 2015	FY 2016	FY 2017		FY 2018	+/- to Budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	4.56	4.56	4.56	4.54	4.69	0.13
Community Dev. & Public Works	54.27	54.38	66.55	66.63	55.75	(10.80)
Council	7.00	7.00	7.00	7.00	7.00	-
Administrative Services	17.50	17.50	17.50	17.48	18.48	0.98
Legal	6.00	6.00	6.00	6.00	6.00	-
Magistrate Court	8.00	8.00	8.00	8.00	8.00	-
Town Manager's Office	7.38	7.38	7.38	7.38	7.38	-
Parks and Recreation	35.20	35.70	28.20	28.20	38.31	10.11
Police	129.63	127.63	129.13	131.13	134.13	5.00
General Fund Personnel	269.54	268.15	274.32	276.36	279.74	5.42
Special Revenue Funds						
Highway Fund	22.48	23.48	23.48	24.00	24.00	0.52
Bed Tax Fund	3.00	3.00	3.00	3.00	3.00	-
Community Center Fund	1.00	19.82	20.42	20.42	19.82	(0.60)
Impound Fee Fund	0.50	0.50	1.00	1.00	1.00	-
Seizure Funds	3.00	3.00	3.00	1.00	1.00	(2.00)
Special Revenue Funds Personnel	29.98	49.80	50.90	49.42	48.82	(2.08)
Capital Projects Funds						
PAG/RTA Fund	-	1.00	4.00	2.48	3.48	(0.52)
General Government CIP Fund	-	-	2.40	2.40	1.50	(0.90)
Capital Projects Funds Personnel	-	1.00	6.40	4.88	4.98	(1.42)
Enterprise Funds						
Water Utility	37.48	37.48	39.48	39.48	39.48	-
Stormwater Utility	3.85	3.85	6.85	6.37	8.75	1.90
Enterprise Funds Personnel	41.33	41.33	46.33	45.85	48.23	1.90
Internal Service Funds						
Fleet Fund	1.15	1.15	1.15	1.15	1.15	-
Internal Service Funds Personnel	1.15	1.15	1.15	1.15	1.15	-
Total Town Personnel	342.00	361.43	379.10	377.66	382.92	3.82

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Personnel Schedule

	FY 2015	FY 2016	FY 2017		FY 2018	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Clerk						
Town Clerk	1.00	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Specialist	0.50	0.50	0.50	-	-	(0.50)
Office Assistant	0.96	0.96	0.96	1.44	1.44	0.48
Communications Intern	0.10	0.10	0.10	0.10	0.25	0.15
Total Clerk	4.56	4.56	4.56	4.54	4.69	0.13
				Full-time employees:	3	
				Part-time employees:	4	
Community Development & Public Works (CDPW)						
Director, CDPW	1.00	1.00	1.00	1.00	1.00	-
Assistant CDPW Director	1.00	1.00	1.00	1.00	1.00	-
Division Manager, Permitting	1.00	1.00	1.00	1.00	1.00	-
Division Manager, Planning	1.00	1.00	1.00	1.00	1.00	-
Div Mgr, Inspect. & Comp./Bldg Official	1.00	1.00	1.00	1.00	1.00	-
Engineering Division Manager	1.00	1.00	1.00	1.00	1.00	-
Operations Division Manager	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	2.00	2.00	2.00	2.00	2.00	-
Principal Planner	2.00	2.00	2.00	2.00	2.00	-
Stormwater Civil Engineer	-	-	1.00	1.00	1.00	-
Civil Engineer	2.00	2.00	1.00	1.00	1.00	-
Stormwater Utility Division Manager	-	-	1.00	1.00	1.00	-
Stormwater Engineer	1.00	1.00	-	-	-	-
Stormwater Utility Project Manager	-	-	1.00	1.00	1.00	-
Stormwater Field Superintendent	-	-	-	-	1.00	1.00
Stormwater Utility Drainage Designer	-	-	1.00	-	-	(1.00)
Senior Transit Crew Leader	-	-	-	-	1.00	1.00
Transit Crew Leader	2.00	2.00	2.00	2.00	1.00	(1.00)
Senior Planner	3.00	2.00	2.00	2.00	2.00	-
Planner	1.00	2.00	2.00	2.00	1.00	(1.00)
Senior Planning Technician	1.00	1.00	1.00	1.00	1.00	-
Civil Engineering Designer	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-
Plans Examiner II	2.00	2.00	2.00	2.00	2.00	-
Building Inspector II	4.00	4.00	4.00	4.00	4.00	-
Building Inspector I	1.00	1.00	1.00	1.00	1.00	-
Plans Examiner I	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineering Tech	3.00	3.00	3.00	3.00	3.00	-
Parks Maintenance Superintendent	-	-	1.00	1.00	-	(1.00)
Parks Maintenance Coordinator	-	-	1.00	1.00	-	(1.00)
Parks Maintenance Crew Leader	-	-	1.00	1.00	-	(1.00)
Parks Maintenance Worker II	-	-	1.00	1.00	-	(1.00)
Parks Maintenance Worker I	-	-	4.92	5.00	-	(4.92)
Park Monitor/Janitor	-	-	0.96	0.96	-	(0.96)
Streets Maintenance Superintendent	-	1.00	1.00	1.00	1.00	-
Streets & Drainage Senior Crew Leader	1.00	-	-	-	-	-
Senior Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	1.00	-
Construction Inspector	-	1.00	3.00	2.00	3.00	-
Construction Clerk	-	-	1.00	0.48	0.48	(0.52)
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00	-

Personnel Schedule

	FY 2015	FY 2016	FY 2017		FY 2018	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
GIS Analyst	1.00	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	-	-	-	-	1.00	1.00
Office Specialist	1.50	1.50	1.50	1.48	0.48	(1.02)
Total Administrative Services	17.50	17.50	17.50	17.48	18.48	0.98
					18	
					1	
Legal						
Legal Services Director	1.00	1.00	1.00	1.00	1.00	-
Chief Civil Deputy Attorney	1.00	1.00	1.00	1.00	1.00	-
Assistant Town Prosecutor	1.00	1.00	1.00	1.00	1.00	-
Senior Paralegal	1.00	1.00	1.00	1.00	1.00	-
Paralegal I	1.00	1.00	1.00	1.00	1.00	-
Legal Secretary	1.00	1.00	1.00	1.00	1.00	-
Total Legal	6.00	6.00	6.00	6.00	6.00	-
					6	
					-	
Magistrate Court						
Magistrate Judge	1.00	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	1.00	-
Courtroom Clerk	1.00	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	3.00	4.00	1.00
Court Clerk	1.00	1.00	1.00	1.00	-	(1.00)
Bailiff	1.00	1.00	1.00	1.00	1.00	-
Total Magistrate Court	8.00	8.00	8.00	8.00	8.00	-
					8	
					-	
Town Manager's Office						
Town Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Town Manager	-	-	-	1.00	1.00	1.00
Assistant to the Town Manager	1.00	1.00	1.00	-	-	(1.00)
Executive Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Management Intern	0.38	0.38	0.38	0.38	0.38	-
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	-
Economic Development Specialist	1.00	1.00	1.00	1.00	1.00	-
Communications Administrator	1.00	1.00	1.00	1.00	1.00	-
New Media Developer	1.00	1.00	1.00	1.00	1.00	-
Marketing & Communications Specialist	1.00	1.00	1.00	1.00	1.00	-
Constituent Services Coordinator	1.00	1.00	1.00	1.00	1.00	-
Total Town Manager's Office	10.38	10.38	10.38	10.38	10.38	-
					10	
					1	
Parks and Recreation						
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Recreation & Cultural Services Manager	1.00	1.00	1.00	1.00	1.00	-
Recreation Facility Manager	1.00	1.00	1.00	1.00	1.00	-
Multimodal Planner	1.00	1.00	1.00	1.00	1.00	-

Personnel Schedule

	FY 2015	FY 2016	FY 2017		FY 2018	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Superintendent	-	1.00	-	-	1.00	1.00
Parks Maintenance Coordinator	1.00	1.00	-	-	1.00	1.00
Parks Maintenance Supervisor	1.00	-	-	-	-	-
Parks Maintenance Crew Leader	-	-	-	-	1.00	1.00
Parks Maintenance Worker II	1.00	1.00	-	-	1.00	1.00
Park Maintenance Worker I	3.92	3.92	-	-	5.00	5.00
Park Monitor	0.96	0.96	-	-	0.96	0.96
Facilities Maintenance Technician	-	2.00	2.00	2.00	2.00	-
Senior Office Specialist	1.00	2.00	2.00	2.00	2.00	-
Office Assistant	1.75	1.75	2.00	2.00	2.00	-
Assistant Recreation Manager	1.00	2.00	2.00	2.00	2.00	-
Recreation Leader	0.80	1.76	2.76	2.76	2.91	0.15
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Aquatics Facility Supervisor	1.36	2.80	2.94	2.94	2.94	-
Aquatics Shift Leader	3.40	3.40	2.39	2.39	2.39	-
Custodian	-	1.92	1.92	0.48	0.48	(1.44)
Facility Attendant	-	5.00	5.00	5.00	5.00	-
Aquatics Facility Attendant	5.76	5.76	5.76	5.76	5.76	-
Recreation Aide	1.75	3.75	3.75	5.19	5.19	1.44
Fitness Instructor	-	1.50	1.50	1.50	1.50	-
Lifeguard/Swim Instructor	5.50	8.00	8.00	8.00	8.00	-
Total Parks and Recreation	36.20	55.52	48.02	48.02	58.13	10.11
					Full-time employees: 24	
					Part-time employees: 34	
					(not including seasonal employees)	
Police						
Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Deputy Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	5.00	5.00	5.00	5.00	5.00	-
Sergeant	13.00	12.00	12.00	12.00	12.00	-
Public Relations Sergeant	-	-	-	-	1.00	1.00
Detective	7.00	7.00	7.00	6.00	6.00	(1.00)
Patrol Officer	52.00	54.00	54.00	54.00	54.00	-
Motorcycle Officer	7.00	6.00	6.00	6.00	6.00	-
School Resource Officer	7.00	7.00	8.00	8.00	10.00	2.00
K-9 Officer	2.00	2.00	2.00	2.00	2.00	-
DUI Officer	2.00	1.00	1.00	1.00	1.00	-
Training Officer	1.00	1.00	1.00	1.00	1.00	-
Reserve Officer	2.88	2.88	2.88	2.88	2.88	-
Systems Analyst	-	-	-	1.00	1.00	1.00
Police Communications Manager	1.00	1.00	1.00	1.00	1.00	-
Communications Supervisor	-	-	-	-	2.00	2.00
Lead Dispatcher	3.00	3.00	3.00	3.00	-	(3.00)
Dispatcher	9.00	8.00	9.00	9.00	10.00	1.00
Records Supervisor	1.00	1.00	1.00	1.00	1.00	-
Records Specialist	5.00	5.00	5.00	5.00	5.00	-
Crime Scene Technician Supervisor	1.00	1.00	1.00	1.00	1.00	-
Lead IT Forensics Technician	-	-	-	-	-	-
Crime Scene Technician	2.00	2.00	2.00	2.00	2.00	-
Property Forensics Technician	-	-	-	-	-	-

Personnel Schedule

	FY 2015	FY 2016	FY 2017		FY 2018	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Administrative Services Manager	1.00	1.00	1.00	1.00	1.00	-
Crime Analyst	1.00	1.00	1.00	1.00	1.00	-
Emergency Mgmt & Safety Coordinator	1.00	1.00	1.00	1.00	1.00	-
Emergency Response Planner	-	-	-	-	-	-
Fleet Control Specialist	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic II	-	-	-	-	-	-
Senior Office Specialist	2.00	2.00	2.00	2.00	2.00	-
Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.25	1.25	1.25	1.25	1.25	-
Total Police	133.13	131.13	133.13	133.13	136.13	3.00
			Full-time employees:		132	
			Part-time employees:		8	
Water Utility						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Engineering & Planning Manager	-	-	-	-	1.00	1.00
Water Resources & Planning Manager	-	1.00	1.00	1.00	-	(1.00)
Engineering Division Manager	1.00	-	-	-	-	-
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water Production Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Distribution Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Engineer Project Manager	1.00	1.00	1.00	1.00	1.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	4.00	4.00	4.00	4.00	4.00	-
Construction Inspector	2.00	2.00	2.00	2.00	2.00	-
Electric and Control Technician	1.00	1.00	1.00	1.00	1.00	-
Civil Engineer Tech	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator III	6.00	7.00	7.00	7.00	7.00	-
Water Utility Operator II	3.00	2.00	4.00	4.00	4.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator I	5.00	5.00	5.00	5.00	5.00	-
Customer Service Specialist	-	4.00	4.00	4.00	4.00	-
Customer Service Representative	4.48	0.48	0.48	0.48	0.48	-
Total Water Utility	37.48	37.48	39.48	39.48	39.48	-
			Full-time employees:		39	
			Part-time employees:		1	
Total Personnel	342.00	361.43	379.10	377.66	382.92	3.82
			Full-time employees:		311	
			Part-time employees:		120	

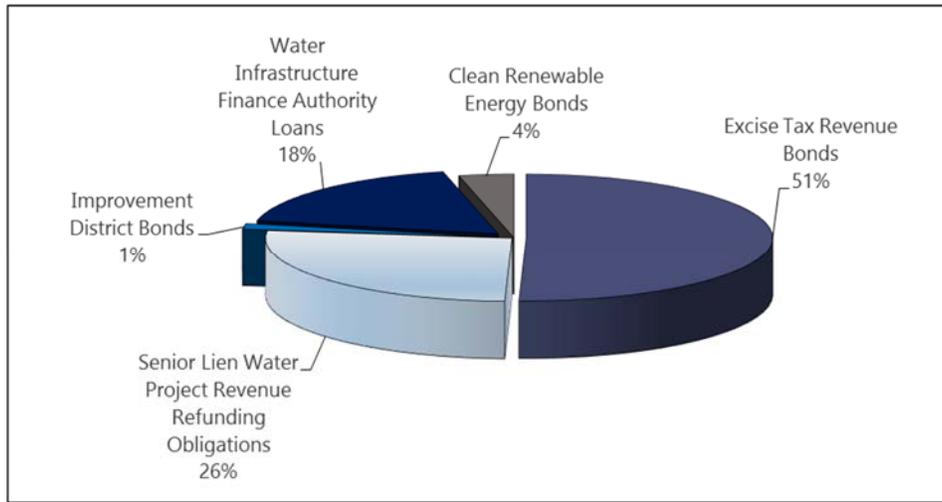
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Debt Service

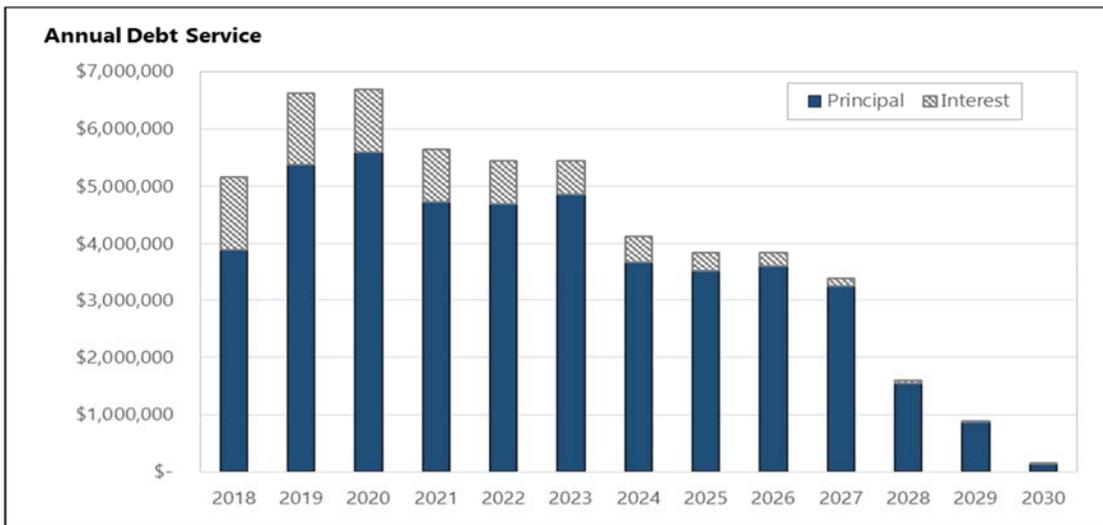
The Town of Oro Valley occasionally issues debt to provide funding for the construction of capital projects. The Town has adopted financial policies on debt capacity that set guidelines for issuing debt and provide guidance in the timing and structuring of long-term debt commitments. The general policy of the Town is to fund capital projects with new, dedicated streams of revenue or voter-approved debt. Non voter-approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenditures. The Town currently uses Excise Tax Revenue Bonds, Water Project Revenue Bonds, Improvement District Bonds, Clean Renewable Energy Bonds, and programs offered by the state as funding mechanisms for capital projects.

The chart below represents the percentage each type of bonded debt contributes to the total outstanding debt of the Town as of June 30, 2017.

Outstanding Principal = \$45,772,408



The following chart depicts total annual principal and interest requirements on the Town’s current outstanding debt.

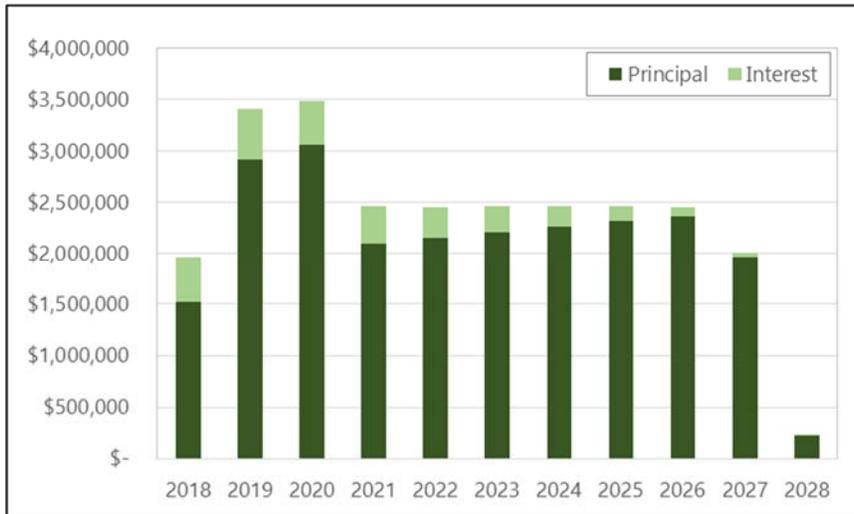


Debt Service

Financing Sources

Excise Tax Revenue Bonds

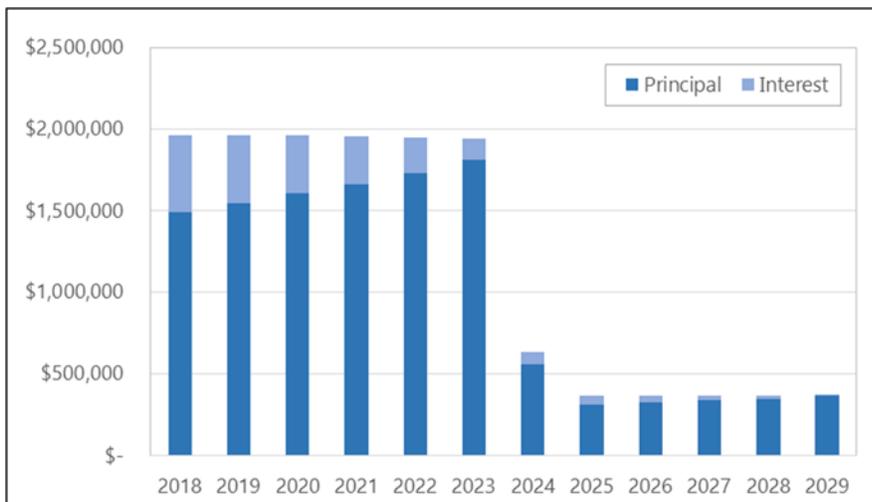
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities, and the acquisition of land and construction of buildings to support Town services. Repayment of the debt is pledged with excise sales tax, state shared revenue and other permit and fee revenues.



Bond Rating	
Standard & Poor's	AA
Fitch	AA -

Senior Lien Water Project Revenue Refunding Obligations

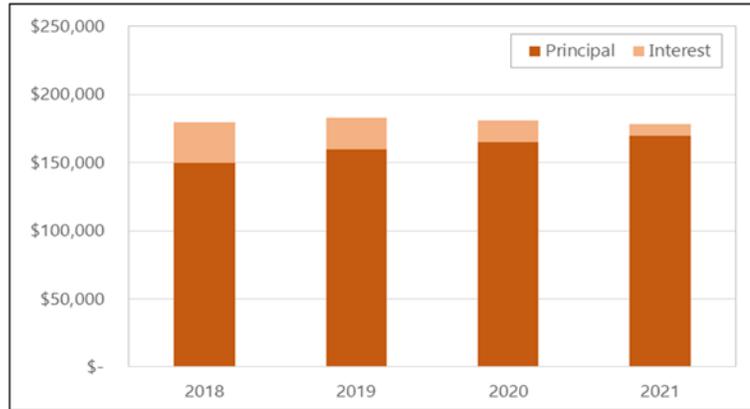
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds may be issued without voter approval. Repayment of the debt is pledged with water system revenues.



Debt Service

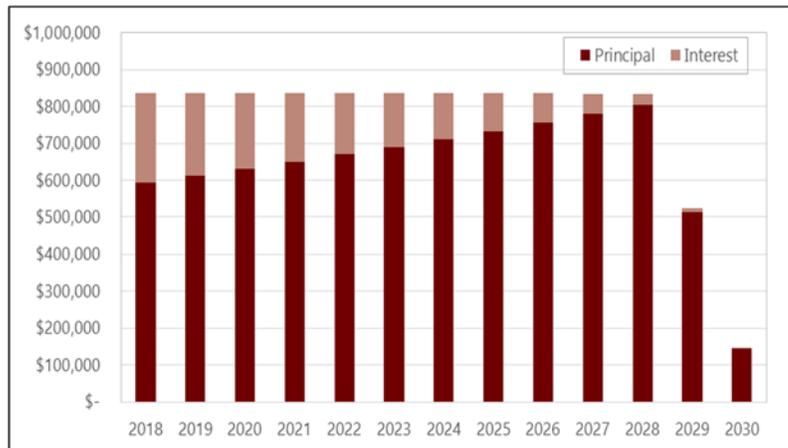
Improvement District Bonds

Improvement District Bonds are issued to finance projects in a designated area within a town or city. The majority of property owners in this district must approve the formation of the district and the amount of indebtedness. The bonds are then repaid by the assessments levied on the property in the district. The Town issued Improvement District Bonds in 2005 in the amount of \$3,945,000 to finance the widening of Oracle Road along the Rooney Ranch development. (Note that in 2013, a large property owner within the district paid off their debt assessment).



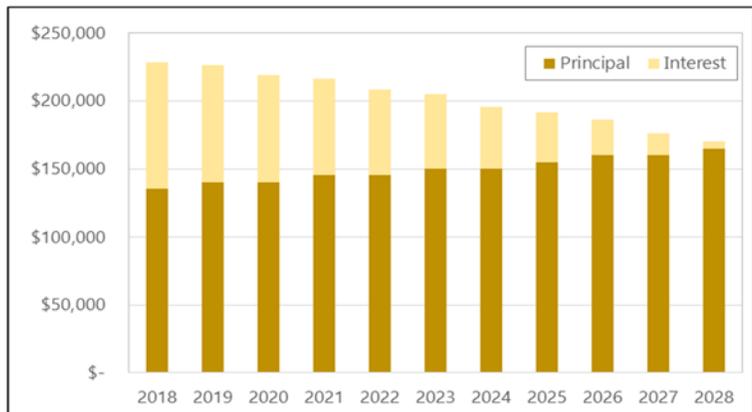
Water Infrastructure Finance Authority Loans (WIFA)

WIFA is a state agency with specific programs that can improve a city or town’s ability to use bonding as a revenue source. WIFA has the ability to assist smaller to medium sized communities in pooling their bond issues to help lower the costs of issuing debt. They also have monies set aside to help secure the debt and allow the bonds to be issued at the lowest interest rate possible. WIFA’s charge is specifically with water and wastewater projects. In 2007, the Town received a \$4.6 million WIFA loan for infrastructure expansion of the reclaimed water system in the Town. In 2009, the Town received a \$2.3 million WIFA loan to finance existing water system infrastructure improvements. In 2014, the Town received a \$4.7 million WIFA to finance meter replacements.



Clean Renewable Energy Bonds (CREBs)

In 2010, the Town issued Clean Renewable Energy Bonds in the amount of \$2.4 million to finance the construction of solar panel covered parking structures in the parking lot of Town hall. The bonds are secured by the Town’s excise tax revenues. The debt service is paid through a combination of energy savings, electricity rebates from Tucson Electric Power Company, and a 55% interest subsidy from the U.S. Treasury Department.



Debt Service

Debt Limit

The Arizona Constitution limits the Town's bonded debt capacity (outstanding principal) to a certain percentage of the Town's secondary assessed valuation for General Obligation (G.O.) bonds. The Constitution states that for general municipal purposes, the Town cannot incur a debt exceeding 6% of the assessed valuation of taxable property. Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for water, lighting and sewer projects, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The Town's current bond holdings do not include G.O. bonds and, therefore, are not subject to the debt limitation.

Impact of Debt Levels on Government Operations

The issuance of debt commits the Town to a significant, long-term recurring cost; therefore, each new debt issuance must be heavily scrutinized to ensure the Town's ability to repay the debt. Debt service payments are contractual obligations that take legal precedence over most other Town expenditures. Heavy debt levels may consume a significant portion of an entity's ongoing revenues and could impact an entity's ability to provide services to citizens and residents, especially during economic downturns and revenue declines. When feasible, the Town may utilize cash reserves to fund a project, versus the issuance of debt. The Town's financial policies on debt issuance and management also emphasize minimal borrowing costs and affordability of future debt service obligations.

Summary

The below information summarizes the total outstanding principal and interest on current Town debt obligations for the next twenty years. A measure of a community's financial soundness is its bond rating. The Town continues to maintain very strong coverage of debt service which contributes to the favorable bond ratings received from Standard & Poor's and Fitch Investors Service.

	Excise Tax Revenue Bonds	Water Project Revenue Bonds	Improvement District Bonds	WIFA Loans	CREBs	Total
2018	1,962,426	1,963,731	179,933	837,384	228,460	5,171,934
2019	3,403,426	1,965,481	183,108	837,101	226,507	6,615,622
2020	3,483,067	1,962,481	180,748	836,810	219,108	6,682,212
2021	2,459,772	1,957,081	178,075	836,509	216,354	5,647,791
2022	2,457,598	1,945,531	-	836,198	208,249	5,447,576
2023	2,460,060	1,941,906	-	835,878	204,706	5,442,551
2024	2,461,096	630,331	-	835,548	195,721	4,122,696
2025	2,461,202	362,931	-	835,207	191,318	3,850,658
2026	2,456,425	365,231	-	834,855	186,370	3,842,881
2027	2,004,482	368,631	-	834,493	176,066	3,383,672
2028	224,125	362,925	-	834,118	170,437	1,591,605
2029	-	371,159	-	524,499	-	895,659
2030	-	-	-	146,758	-	146,758
	25,833,677	14,197,422	721,863	9,865,360	2,223,294	52,841,615

Debt Service Schedules

\$3,945,000

Roadway Improvement Assessment Bonds, Series 2005

- Date:** January 20, 2005
- Interest:** Payable semiannually commencing on July 1, 2005, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** The bonds were issued for the improvement of Oracle Road along the Rooney Ranch development.
- Security:** The bonds are payable from and secured by special assessment proceeds.

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	150,000	29,933	179,933
2019	160,000	23,108	183,108
2020	165,000	15,748	180,748
2021	170,000	8,075	178,075
Total	<u>\$645,000</u>	<u>\$76,863</u>	<u>\$721,863</u>

Note: In 2013, a large property owner within the improvement district paid off their debt assessment

\$4,584,652

Water Infrastructure Finance Authority Loan

- Date:** August 17, 2007
- Interest:** Payable semiannually commencing on July 1, 2008, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** This loan was secured to finance the construction of infrastructure to expand the reclaimed water system in the Town.
- Security:** Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	214,797	96,204	311,001
2019	222,392	88,475	310,866
2020	230,255	80,472	310,727
2021-2024	1,005,370	236,048	1,241,418
2025-2028	1,155,292	83,476	1,238,768
Total	<u>\$2,828,106</u>	<u>\$584,675</u>	<u>\$3,412,781</u>

Debt Service Schedules

\$2,343,981

Water Infrastructure Finance Authority Loan

- Date:** October 22, 2009
- Interest:** Payable semiannually commencing on July 1, 2010, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** This loan was secured to finance existing water system infrastructure improvements.
- Security:** Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	100,547	48,678	149,226
2019	103,736	45,439	149,175
2020	107,025	42,098	149,123
2021-2023	341,872	105,167	447,039
2024-2026	375,437	71,070	446,507
2027-2030	556,764	35,917	592,681
Total	<u>\$1,585,381</u>	<u>\$348,369</u>	<u>\$1,933,751</u>

\$2,445,000

Clean Renewable Energy Bonds – Direct Payment

- Date:** July 22, 2010
- Interest:** Payable semiannually commencing on January 1, 2011, and semiannually thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to finance the construction of solar panel covered parking structures in the parking lot of Town Hall.
- Security:** Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal *</u>	<u>Interest *</u>	<u>Total</u>
2018	135,000	93,460	228,460
2019	140,000	86,507	226,507
2020-2021	285,000	150,462	435,462
2022-2024	445,000	163,676	608,676
2025-2028	640,000	84,189	724,189
Total	<u>\$1,645,000</u>	<u>\$578,294</u>	<u>\$2,223,294</u>

**Debt Service is subsidized by electricity rebates from Tucson Electric Power Co. and a 55% interest subsidy from the U.S. Treasury Department*

Debt Service Schedules

\$2,580,000

Excise Tax Revenue Obligations, Series 2012

Date: April 5, 2012

Interest: Payable semiannually commencing on January 1, 2013, and semiannually thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to finance the construction of enhancements and upgrades to the Oro Valley aquatic facility.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	150,000	75,019	225,019
2019	160,000	68,819	228,819
2020	165,000	62,319	227,319
2021-2022	345,000	104,338	449,338
2023-2025	575,000	102,256	677,256
2026-2028	640,000	35,903	675,903
Total	<u>\$2,035,000</u>	<u>\$448,653</u>	<u>\$2,483,653</u>

\$16,595,000

Senior Lien Water Project Revenue Refunding Obligations, Series 2012

Date: May 24, 2012

Interest: Payable semiannually commencing on January 1, 2013, and thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to refund previously issued excise tax revenue bonds. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems.

Security: Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	1,490,000	473,731	1,963,731
2019	1,545,000	420,481	1,965,481
2020-2021	3,270,000	649,563	3,919,563
2022-2024	4,105,000	412,769	4,517,769
2025-2029	1,685,000	145,878	1,830,878
Total	<u>\$12,095,000</u>	<u>\$2,102,422</u>	<u>\$14,197,422</u>

Debt Service Schedules

\$6,355,000

Excise Tax Revenue Refunding Obligations, Series 2013

- Date:** June 26, 2013
- Interest:** Payable semiannually commencing on January 1, 2014, and thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to refund previously issued excise tax revenue refunding bonds. The previously issued obligations provided funding to refinance certain outstanding excise tax secured obligations.
- Security:** Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	990,000	36,250	1,026,250
2019	995,000	21,859	1,016,859
2020	1,010,000	7,323	1,017,323
Total	<u>\$2,995,000</u>	<u>\$65,431</u>	<u>\$3,060,431</u>

\$5,000,000

Water Infrastructure Finance Authority Loan

- Date:** January 22, 2014
- Interest:** Payable semiannually commencing on July 1, 2014, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** This loan was secured to finance the replacement of aging water meters with new technology electronic water meters.
- Security:** Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	278,190	98,968	377,158
2019	285,567	91,493	377,060
2020-2022	902,950	227,616	1,130,566
2023-2025	976,710	152,878	1,129,588
2026-2029	1,427,504	76,953	1,504,457
Total	<u>\$3,870,921</u>	<u>\$647,908</u>	<u>\$4,518,828</u>

Debt Service Schedules

\$3,775,000

Excise Tax Revenue Refunding Obligations, Series 2015

- Date:** November 2, 2015
- Interest:** Payable semiannually commencing on January 1, 2016, and semiannually thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to refund previously issued excise tax revenue bonds. The previously issued obligations provided funding for the land acquisition, development costs and construction of a Municipal Operations Center.
- Security:** Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	387,000	68,330	455,330
2019	397,000	60,843	457,843
2020	405,000	53,184	458,184
2021-2022	826,000	82,932	908,932
2023-2026	1,756,000	67,862	1,823,862
Total	<u>\$3,771,000</u>	<u>\$333,152</u>	<u>\$4,104,152</u>

\$14,302,000

Excise Tax Revenue Refunding Obligations, Series 2017

- Date:** April 6, 2017
- Interest:** Payable semiannually commencing on January 1, 2018, and thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to refund previously issued excise tax revenue refunding bonds. The previously issued obligations provided funding to refinance certain outstanding excise tax secured obligations.
- Security:** Excise Taxes

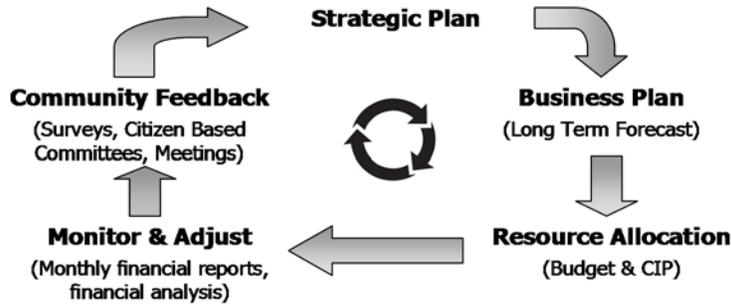
Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	-	255,827	255,827
2019	1,369,000	330,905	1,699,905
2020-2021	3,004,000	555,984	3,559,984
2022-2024	4,786,000	551,246	5,337,246
2025-2027	5,143,000	189,479	5,332,479
Total	<u>\$14,302,000</u>	<u>\$1,883,441</u>	<u>\$16,185,441</u>

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Long Term Forecast

Oro Valley continues to operate within its budgetary limits. A major area of focus by the Town Council is on the future financial sustainability of the Town. This type of long term planning involves aligning our Strategic Plan to our long range forecast, which in turn, drives our budget. A long term forecast allows the Town to determine how current spending plans will impact future budgets.



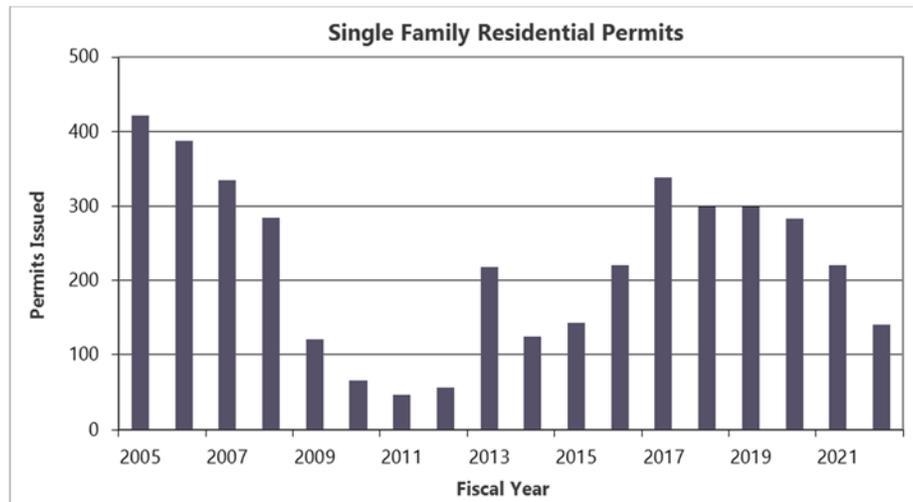
The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact of new commercial and residential development, future construction projects and economic conditions to develop a long term forecast. New development is crucial to the forecast not only due to the additional tax revenue and service fees, but also the cost of providing services to support the new development.

Finance staff works in tandem with Community Development and Economic Development when compiling projections for long range planning to ensure compatibility among all planning processes. When compiling the long range forecast, the focus is on the Town’s main tax-based funds, including the General Fund, the Highway Fund and Bed Tax Fund.

Economic Environment

In previous years, the Town relied heavily on residential and commercial development to fund the business of operating a community. As the Town approaches build-out and these sources begin to diminish, other revenues sources are needed to continue the viability of the Town.

In early 2000, the Town of Oro Valley issued nearly 800 single family residential (SFR) permits, which was considerably higher than other communities in the area. In 2002, the number of permits began to gradually decline. This graph depicts historical SFR permit totals, as well as projected totals through FY 2022.

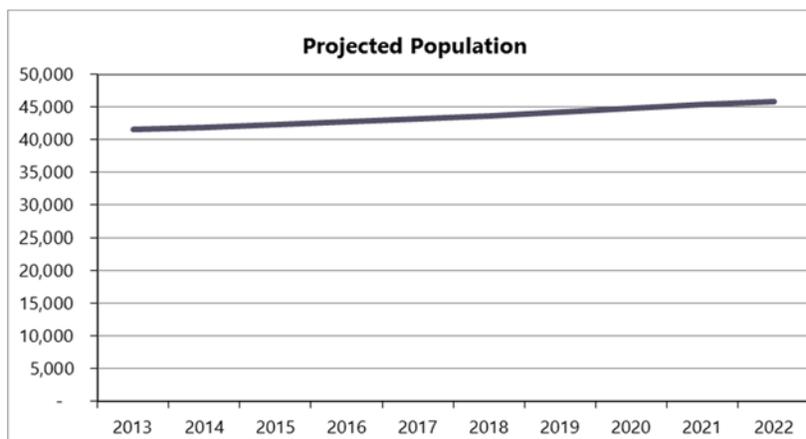


Long Term Forecast

Development and growth-related revenues such as these, as well as sales taxes and state shared revenues, are economically volatile and may experience steep declines during economic downturns, as was the case with the last economic recession. The Town does not levy a property tax, and is therefore extremely vulnerable to shifts in economic conditions. Furthermore, the state legislature has made numerous attempts to impact local tax collection efforts and state shared revenues, and it is likely that those attempts will continue.

Nevertheless, the Town is experiencing healthy economic growth, both at the local and state levels. The Town's retail and restaurant sales tax collections continue to increase, and residential and commercial building activity is steady. All indications suggest relatively stable, continued growth in the near term. Projections in development activity include a peak over the next three years with a gradual decline in the outer years of the forecast period. Projections in state shared revenues, as well as retail and utility sales tax revenues, reflect growth ranging from 3-4%. Construction sales tax revenue projections are tied to anticipated development activity. Low to moderate inflation is anticipated over the forecast period.

Population growth has slowed considerably from its historical trend and since the last economic recession, and is projected to increase at a slow pace over the next five years due in part to the limited amount of developable land within the incorporated boundaries of the town.



Impacts of Future Capital Needs

In addition to personnel costs, the Capital Improvement Program makes up a significant portion of the Town's expenditure forecast, for both the one-time cost of the capital and the continued operational impacts of the new facilities or equipment. New or expanded parks and police facilities, for example, may require additional personnel and increased operations & maintenance (O&M) costs. Capital projects will continue to demand much of the Town's resources. Costs to support these projects, as well as any identified recurring costs, have been incorporated in the long-term forecast.

Budget Impact

The Town's Strategic Plan, its financial policies and the long term forecast all have dramatic impact on the budget. The development of the budget is a process of resource allocation, and the resources available to be allocated are a direct output of the long term forecast. The long term forecast influences the Town's decision-making by projecting the effect that current spending decisions will have on the future and whether resources will be available to fund them. Financial policies, such as fund balance reserve policies, can have a visible impact on the budget, particularly during economic downturns and revenue declines, when resources become strained.

Long Term Forecast

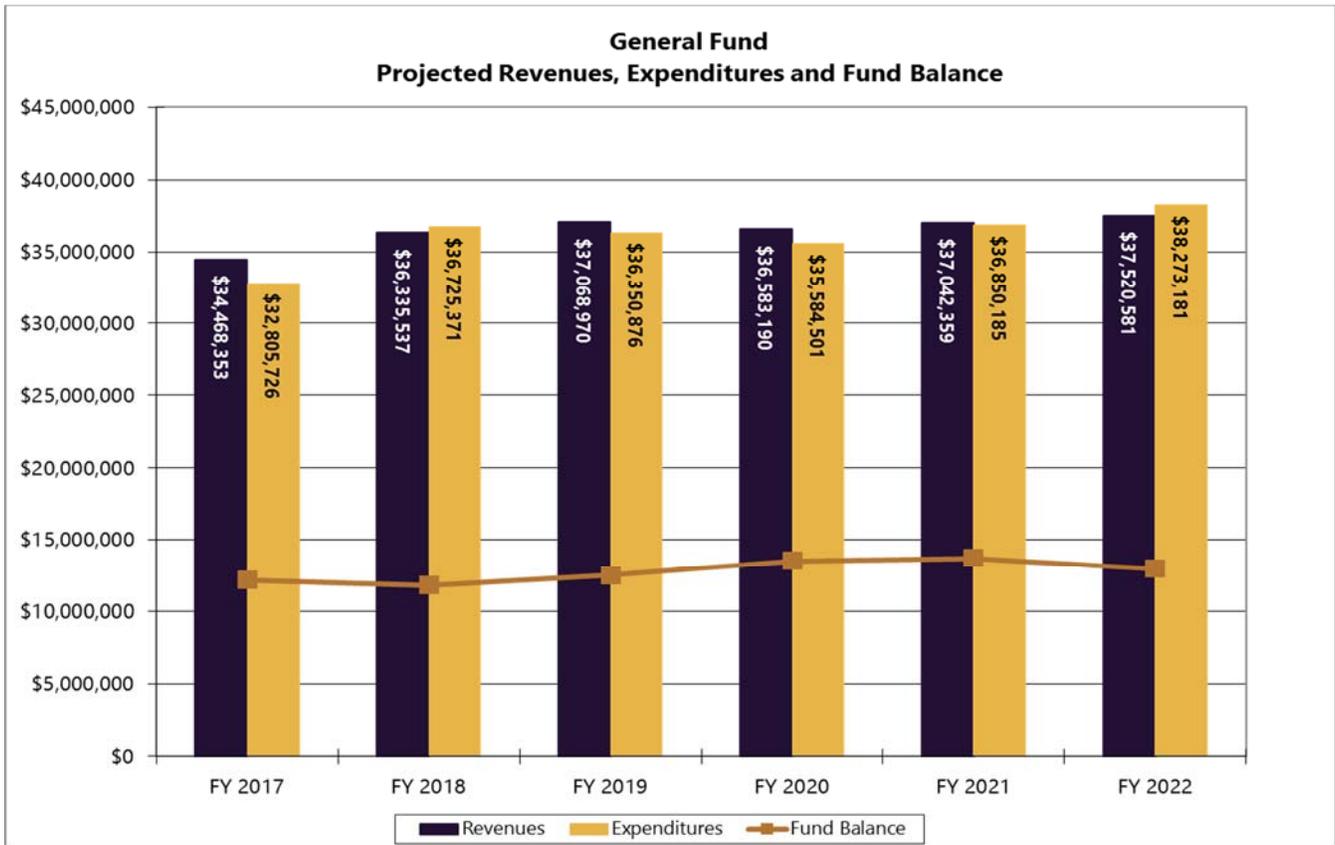
Fund Forecasts

General Fund

The General Fund remains stable over the five-year horizon, with moderate revenue growth and an emphasis on fiscally conservative spending. Revenues in the General Fund reflect 3% - 4% growth in recurring revenue sources, such as state shared revenues and local retail sales tax. One-time revenues generated from construction sales taxes and building permit revenues are more volatile, with fluctuation in forecasted commercial activity and the number of SFR permits issued per year.

General Fund expenditure projections reflect the continued commitment to providing fair employee compensation, maintaining adequate funding of the Town’s rising pension and health insurance costs, planning for increased inflationary pressures in operations & maintenance (O&M) budgets, and allocating remaining available resources to asset replacement (computers, vehicles) and capital infrastructure needs. Capacity for capital infrastructure needs are expected to fluctuate, based on available funding sources.

The fund balance in the General Fund is maintained at healthy levels over the five-year period above the Town’s adopted policy requirement of 25% of adopted expenditures each year.



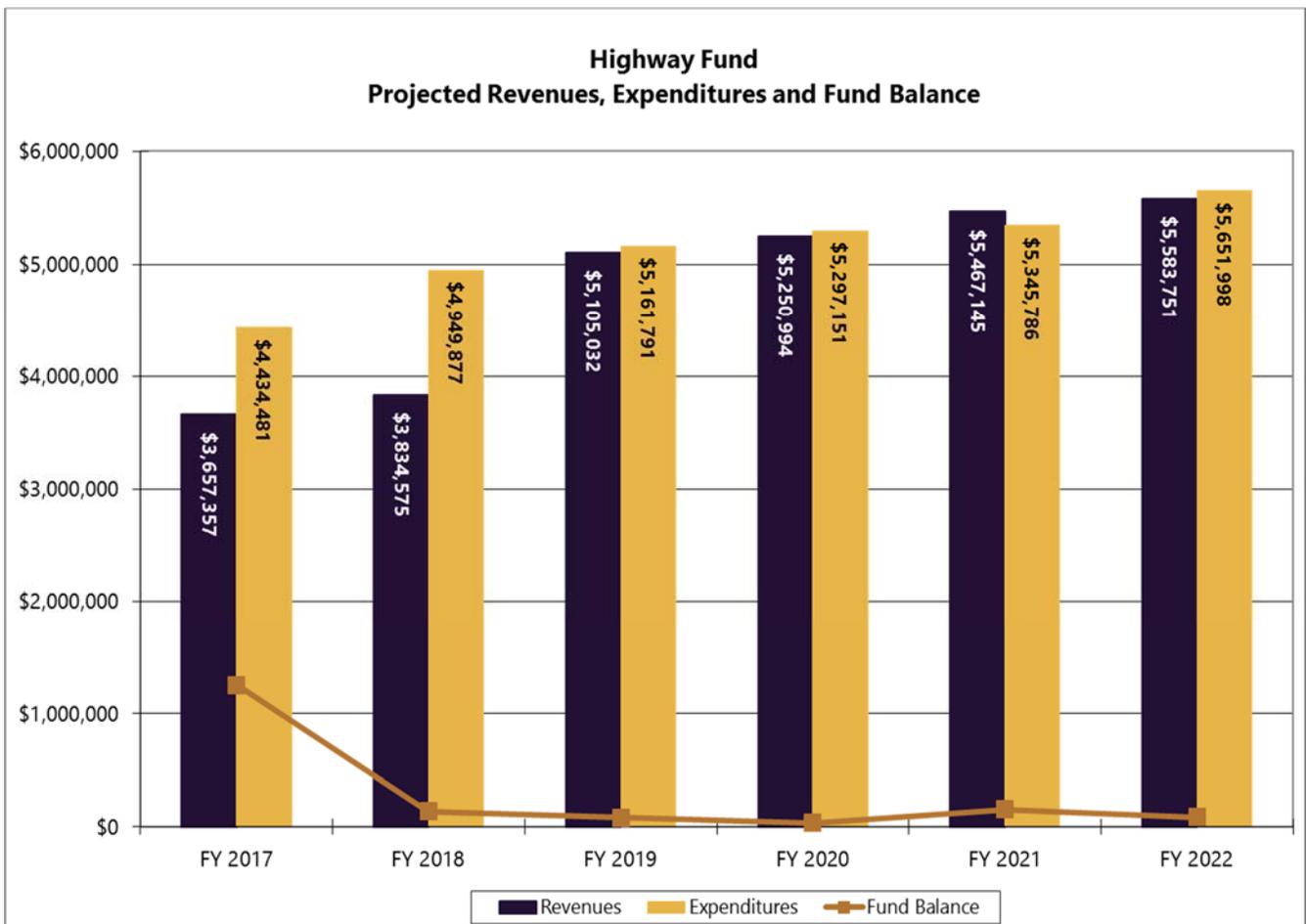
Long Term Forecast

Highway Fund

Highway Fund revenues are comprised primarily of state shared highway user (gas tax) revenues and local construction sales taxes (transferred from the General Fund). The state shared highway user revenue projections of 3-4% growth per year are provided by the Arizona Department of Transportation. The construction sales tax revenues transferred from the General Fund will maintain an overall average fund balance in the Highway Fund of approximately \$100,000 each year.

Highway Fund expenditures reflect similar assumptions as those included in the General Fund forecast for personnel and O&M costs. Funding for the Town’s pavement preservation program is included in the forecast at \$1,500,000 each year. As with the General Fund, capacity for capital needs in the Highway Fund are expected to fluctuate, based on available funding sources.

The fund balance in the Highway Fund is projected to decrease to approximately \$136,000 by FY 18/19 and will be maintained at about \$100,000 each year through FY 21/22.



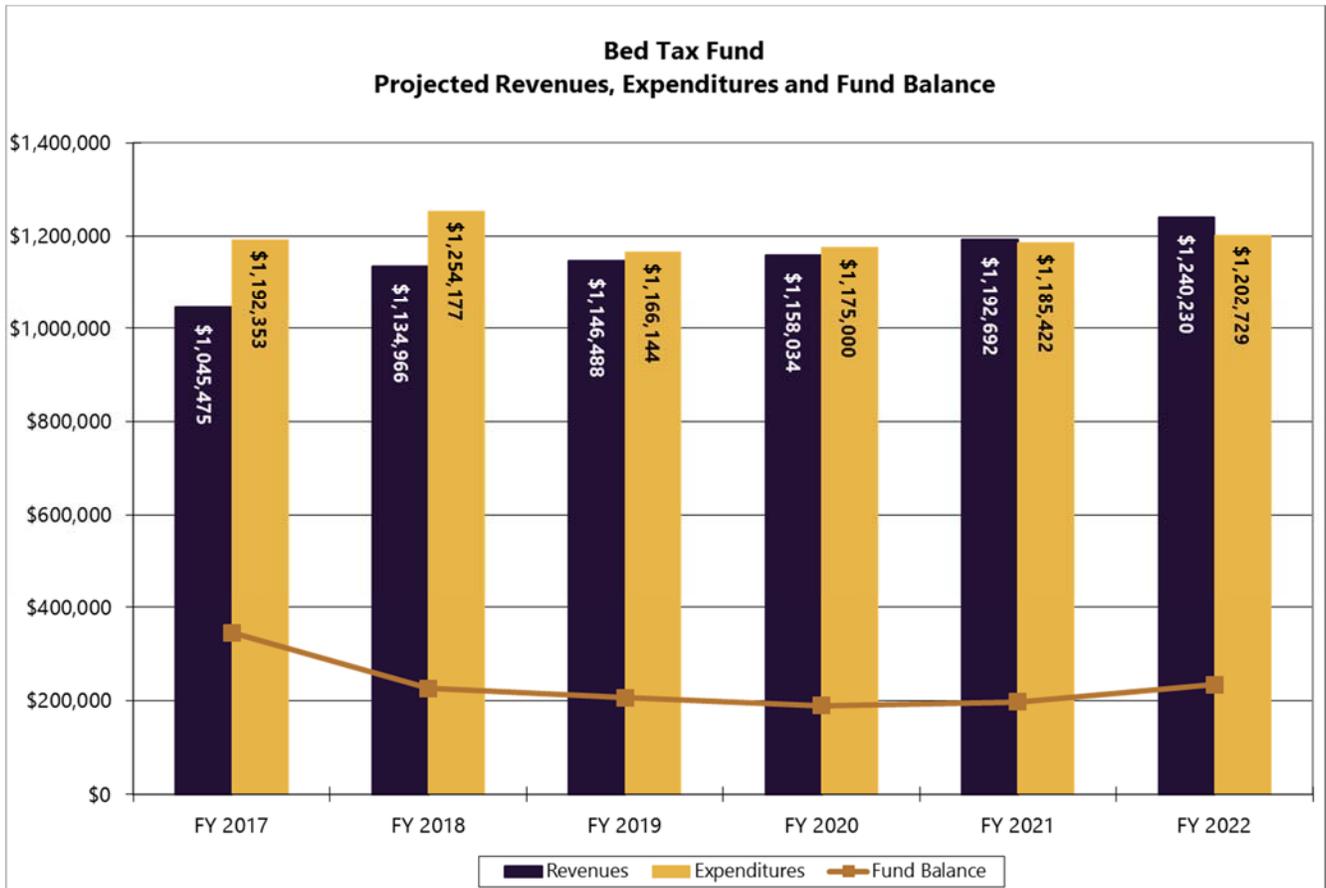
Long Term Forecast

Bed Tax Fund

The Bed Tax Fund captures revenues from the Town's 6% lodging tax on hotels/motels. State law requires that two-thirds of the Town's bed tax collections be allocated to tourism promotion purposes and economic development. Revenues are expected to grow gradually each year with continued economic growth in the tourism industry.

Bed Tax Fund expenditures reflect existing contract amounts with Visit Tucson and the Greater Oro Valley Chamber of Commerce, as well as continued funding for arts, culture and special events. This fund also covers debt service payments on bonds that were issued for the expansion and renovation of the Town's aquatic facility, as well as increased operating costs as a result of the expansion.

The FY 21/22 ending balance in the Bed Tax Fund is projected at roughly \$234,000.



Conclusion

The reliance on growth, development and volatile revenue sources leaves Oro Valley vulnerable to economic fluctuations. A delicate balance exists between community needs and the resources available to meet those needs. Major service level changes or added programs will require new revenue sources to fund such expansions. The goals and strategies outlined in the Town's Strategic Plan, in the areas of economic development and cost of services, were developed with the intent to mitigate the reliance on economically sensitive revenue sources, grow the Town's revenue base and prepare the Town for long-term financial stability.

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PROGRAM BUDGETS

Clerk
Community Development & Public Works
Council
Administrative Services
General Administration
Legal
Magistrate Court
Town Manager's Office
Bed Tax Fund
Parks and Recreation
Community Center Fund
Parks and Recreation Impact Fee Fund
Police
Police Impact Fee Fund
Water Utility
Alternative Water Resources Development Impact Fee Fund
Potable Water System Development Impact Fee Fund
Municipal Debt Service Fund
Oracle Road Improvement District
Library Impact Fee Fund
General Government CIP Fund
Energy Efficiency Project Fund
Capital Project Bond Fund
Benefit Self Insurance Fund



Clerk

OVERVIEW

The Clerk's Office is the centralized information distribution point for our citizens, Town Council and staff. The Clerk's Office is responsible for preserving the legislative history of the Town, maintaining public records of the Town and conducting fair and impartial elections. The Clerk's Office provides staff support to the following: Town Council, public records and information, business licensing, records management, elections, voter registration, and notary services. Functions of the Clerk's Office are performed in accordance with Arizona Revised Statutes, Oro Valley Town Code, and the administrative policies and objectives of the Town.

2016-2017 ACCOMPLISHMENTS

- Added 597 documents (12,603 pages) to the Town's archived electronic document database
- Conducted the August 30, 2016 primary election at which all three Council seats were filled with voter turnout of 45%
- Conducted the November 8, 2016 general election at which the *Your Voice, Our Future* General Plan update was approved with voter turnout of 77%
- Implemented the electronic processing of liquor license applications from the Arizona Department of Liquor Licensing and Control, resulting in reduced processing times and costs

2017-2018 OBJECTIVES

- Continue to retain and increase the number of public records through the Town's electronic document management software
- Successfully conduct the November 7, 2017 special bond election
- Research and implement an electronic recordation process to increase processing efficiency and reduce recordation costs

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Areas	Goals/Strategies	Performance Measures	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
 COMMUNITY Economic Development Complete Community	Robust local economy; support and retain new and existing businesses	Issue 100% of business license renewals within 30 days	100	100	100
		Issue 100% of new business license requests within 3-5 days of application	100	100	100
	Increased opportunities for residents to provide meaningful input on Town decisions and planning	Initiate 100% of public records requests within 24 hours of receipt	100	100	100
		Post campaign finance reports online within 3 business days of receipt	100	100	100

Clerk

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Town Clerk	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Specialist	0.50	0.50	-	-	(0.50)
Office Assistant	0.96	0.96	1.44	1.44	0.48
Communications Intern	0.10	0.10	0.10	0.25	0.15
Total FTEs	4.56	4.56	4.54	4.69	0.13

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 347,057	\$ 353,213	\$ 297,561	\$ 309,398	-12.4%
Operations & Maintenance	23,168	105,650	105,650	175,700	66.3%
Total Expenditures	\$370,224	\$458,863	\$403,211	\$485,098	5.7%

	Revenue Sources				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Business Licenses & Permits	\$ 203,392	\$ 196,000	\$ 97,000	\$ 200,000	2.0%
Public Record Request Fees	2,015	1,500	1,500	1,500	0.0%
Copy Services	2,098	2,000	2,000	2,000	0.0%
Total Revenues	\$207,505	\$199,500	\$100,500	\$203,500	2.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 12.4% due to refilling of positions at lower salaries.

Operations & Maintenance

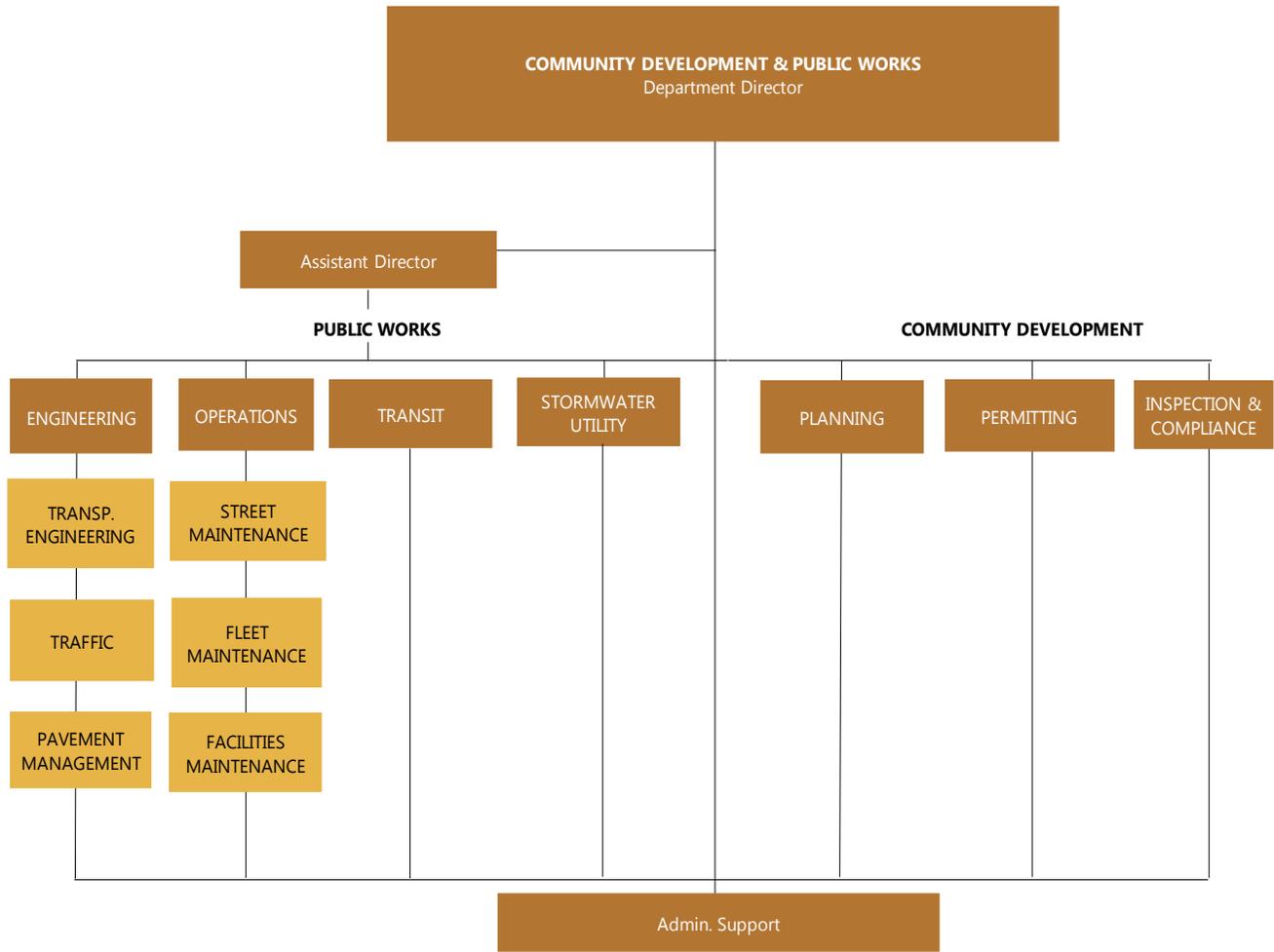
Operations & Maintenance increased 66.3% for special election costs.



Town of Oro Valley

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Community Development & Public Works (CDPW)



OVERVIEW

The Community Development & Public Works (CDPW) Department is comprised of the following divisions: Planning, Permitting, Inspection & Compliance, Engineering, Operations, Stormwater Utility and Transit. The department is responsible for ensuring harmonious growth as well as the health, safety and welfare of the public in the built environment. All facets of planning, zoning, permitting, inspection, compliance, transportation planning and engineering, traffic engineering, street maintenance, and pavement management are provided by this department for all horizontal and vertical construction and infrastructure elements within the Town. In addition, the department is responsible for the Town’s stormwater management and flood control, facilities and fleet maintenance, as well as providing transit services to the community.

Community Development & Public Works (CDPW)

Total FTEs			
FY 2016 Actual	FY 2017 **		FY 2018 **
	Budget	Projected	Budget
83.86	102.03	100.63	93.13

** Figures do not include the portion of heavy equipment operator II positions dedicated to capital projects. These positions are under the management of the CDPW Department, but may be budgeted in the Community Center Fund and the General Government CIP Fund.

	Expenditures by Fund				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 4,502,120	\$ 6,084,804	\$ 5,796,356	\$ 4,893,469	-19.6%
Highway Fund	4,760,274	4,713,935	4,434,481	4,949,877	5.0%
Stormwater Utility Fund	949,091	1,153,759	1,093,029	1,305,700	13.2%
Fleet Fund	1,171,192	1,291,840	1,291,840	1,316,314	1.9%
PAG/RTA Fund	2,890,552	9,249,971	4,373,258	8,304,562	-10.2%
Roadway Dev Impact Fee Fund	2,413	2,000,000	1,000,000	1,458,500	-27.1%
	\$ 14,275,642	\$ 24,494,309	\$ 17,988,964	\$ 22,228,422	-9.3%

Divisions/programs supported by the General Fund include Planning, Permitting, Inspection & Compliance, Facilities Maintenance and Transit (includes Parks Maintenance in FY 2017)

	Revenues by Fund				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 3,319,196	\$ 3,116,000	\$ 3,588,308	\$ 3,718,241	19.3%
Highway Fund	3,498,744	3,590,100	3,657,357	3,834,575	6.8%
Stormwater Utility Fund	863,890	1,304,000	1,304,000	1,403,000	7.6%
Fleet Fund	1,440,425	1,581,998	1,645,444	1,454,896	-8.0%
PAG/RTA Fund	3,512,535	9,272,471	4,347,481	7,922,482	-14.6%
Roadway Dev Impact Fee Fund	539,817	343,167	808,840	911,401	165.6%
	\$ 13,174,607	\$ 19,207,736	\$ 15,351,430	\$ 19,244,595	0.2%

CDPW – Community Development

OVERVIEW

The Community Development section of the CDPW Department is organized into three functional divisions: Permitting, Planning and Inspection & Compliance. Permitting coordinates all facets of plan review and permitting to assess compliance with codes and ordinances adopted by the Town. Planning administers the General Plan and Zoning Code for the harmonious development of the town. Inspection and Compliance is responsible for inspecting all new and altered commercial and residential construction within the town to assess compliance, as well as enforcing the regulatory provisions of the codes and ordinances adopted by the Town.

2016-2017 ACCOMPLISHMENTS

ADMINISTRATION

- Successfully managed the department's multimillion-dollar budget
- Updated and brought into compliance all department safety data sheets
- Utilized existing staff to streamline permit intake, tracking and monitor timely review

PERMITTING

- Issued a total of 2,371 total permits - a 19% increase over the previous fiscal year, including 1,219 miscellaneous permits, 548 residential building permits, 69 commercial building permits, 239 sign permits, 153 pool permits, 54 grading permits, and 24 model home plan permits
- Issued 339 single family residential permits, a 54% increase over the previous fiscal year
- Initialized over 150 applications for new development-related projects such as pre-applications, site and landscape plans, rezonings, general plan amendments, final plats, etc.
- Collected over \$2 million in plan review and permit fees representing more than \$170 million in work valuation for new private construction
- Issued permits for significant projects such as the Amphitheater Innovation Academy, Leman Academy, Oro Valley Senior Care and the Tucson Orthopedic Institute
- Acquired digital review software to allow for projects of all types to be submitted and reviewed digitally
- Participated in a developers' roundtable with the development community to solicit feedback and identify opportunities for improvement and greater efficiencies
- Implemented a 2nd party review program for review of building submittals to provide additional review capacity and expedited review options

PLANNING

- Developed and implemented education and outreach efforts prior to voter ratification of the *Your Voice, Our Future* General Plan update in November 2016
- Completed phase one of the planning process for the creation of a central "district" in Town, resulting in adoption of the Main Streets Concept Plan
- Led effort to translate the new General Plan into the Town's next Strategic Plan
- Formulated and began implementing the division's work plan based on the Strategic and General Plans
- Completed major development reviews for Alterra at Vistoso Trails, Nakoma Sky, Oro Valley Senior Care and Steam Pump Self-Storage

CDPW – Community Development

2016-2017 ACCOMPLISHMENTS (continued)

PLANNING

- Provided major role in jumpstarting additional annexation processes with the state
- Continued to promote streamlined development Economic Expansion Zone in Innovation Park
- Increased efficiencies in the development review process while maintaining public participation, through consolidating the Conceptual Design Review Board and Planning and Zoning Commission

INSPECTION & COMPLIANCE

- Conducted over 27,000 inspections, 98% of which were performed within 24 hours of the requested date, with the scope ranging from initial infrastructure and grading through final approvals for a multitude of residential and commercial projects
- Worked closely with the Amphitheater School District and their contractor to provide dedicated inspections and oversight of the new school campus, successfully completed on schedule
- Commercial project inspections included El Corredor Apartments, Kneader's Bakery, Freddy's, Native Grill, Fry's Fuel Center, Cathey's Sew & Vac, and various other tenant improvement projects
- Represented the Town in ongoing communications with builder and development groups in an effort to provide regional continuity, address specific concerns, effectively answer questions, and provide assurance to these business stakeholders
- Responded to approximately 225 complaints regarding building and zoning violations and provided approximately 18 weekend and night compliance inspections
- Opened approximately 500 violations, which were followed through to completion
- Updated mobile technology for inspectors resulting in inspection results posted faster and directly to the web portal, allowing for more immediate customer access
- Investigated 95% of all first zoning violation complaints within 24 hours

2017-2018 OBJECTIVES

ADMINISTRATION

- Develop, guide and manage activities that generate long-term impact and self-sufficiency through administering the Community Development program to meet the community needs
- Continue to modernize the department by transitioning more functions into the digital age, thus offering an easier and more flexible interface with the public

PERMITTING

- Work with IT and CDPW staff to implement processes and procedures to fully implement digital submittal and review as an option for all customers and projects
- Provide a weekly business day with expanded front counter service hours in the morning and afternoon for greater service opportunities for customers
- Continue to utilize the Town's webpage to provide up-to-date information and resources for customers such as application links, checklists, plan review status and important announcements

CDPW – Community Development

2017-2018 OBJECTIVES (continued)

PLANNING

- Begin phase two of the Main Streets project, including the development of an Improvement Plan which outlines implementation tools, designs and planned improvements
- Initiate Town-wide process to track progress on Strategic Plan and General Plan items
- Complete major development review processes for Cappella rezoning at La Cholla and Naranja
- Provide primary leadership and support for the Tangerine State Lands general plan amendment, pre-annexation development agreement, annexation and zoning process
- Initiate planning-related annexation strategy to prepare for future annexation proposals
- Complete General Plan amendment process for four applications in the 2017 cycle
- Evaluate the Economic Expansion Zone for potential expansion and improved development standards opportunities
- Lead code improvement processes for A-frame signs, outdoor displays and design standards
- Continue to look for efficiencies in the development review process
- Develop public art maintenance work plan

INSPECTION & COMPLIANCE

- Provide staff support and timely inspections on partner projects such as the Ventana-Roche expansion, with specific emphasis on new businesses that provide economic benefit to the Town
- Partner with fire district officials and builder organization stakeholders to provide thorough review and consideration of the 2018 editions of the International Building Codes, with a goal of timely adoption

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area(s)	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Complete Community	Increased opportunities for residents to provide meaningful input on Town decisions and planning	Provide timely and complete Board & Commission packets, delivery at least 7 days prior to meeting date (goal 95%)	100%	100%	100%
		Provide education and training to Board & Commission members and interested citizens; achieve minimal level of attendance and training of all board members (goal 90% of Board members receive 8 hrs. of training)	100%	100%	100%

CDPW – Community Development

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Focus Area(s)	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
DEVELOPMENT  Land Use and Design	A built environment that creatively integrates landscape, architecture, open space and conservation elements to increase the sense of place, community interaction and quality of life	Substantial progress in completion of adopted Work Plan (goal 50% per year of total estimated Work Plan effort)	75%	85%	75%
		% of civil, zoning and building plan reviews completed within established timeframes (goal 90%)	91%	92%	94%
		Average calendar days from first civil, zoning and building plan submittal to first review comments sent to applicants (goal 20 or less)	17	18	16
		Average number of consultant submittals from initial application to approval (goal 3 or less)	2.5	2.5	2.5
		% of inspections completed on next business day for requests received by 3:30 pm from previous business day (goal 95%)	97%	98%	97%
		Investigate first zoning violation complaints within 2 calendar days (goal 90%)	97%	93%	95%
		Average calendar days from zoning case inspection to voluntary compliance (goal 15 or less)	10	12	15
		Average calendar days from zoning case inspection to forced compliance (goal 60 or less)	40	48	60

CDPW – Community Development

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
29.70	29.70	29.70	27.86

	Expenditures by Division				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Administration	\$ 279,304	\$ 331,440	\$ 256,440	\$ 361,866	9.2%
Permitting	868,454	896,248	880,608	942,621	5.2%
Planning	803,576	772,588	762,033	713,745	-7.6%
Inspection and Compliance	746,189	777,717	777,717	827,355	6.4%
	\$ 2,697,523	\$ 2,777,993	\$ 2,676,798	\$ 2,845,587	2.4%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Residential Building Permits	\$ 1,052,162	\$ 1,118,000	\$ 1,313,802	\$ 1,225,000	9.6%
Commercial Building Permits	525,998	250,000	343,150	495,236	98.1%
Special Inspection Fees	2,160	1,000	5,000	4,000	300.0%
Zoning and Subdivision Fees	203,602	170,000	200,000	180,000	5.9%
Sign Permits	700	500	11,418	20,000	3900.0%
Grading Permit Fees	74,558	50,000	65,000	60,000	20.0%
Engineer Plan Review Fees	41,948	40,000	50,000	44,000	10.0%
Fire Permits and Fees	13,889	-	49,102	58,885	0.0%
Grading Review Fees	-	-	4,000	4,000	0.0%
	\$ 1,915,016	\$ 1,629,500	\$ 2,041,472	\$ 2,091,121	28.3%

Community Development – Administration

OVERVIEW

The primary function of the Community Development & Public Works Director is to ensure harmonious growth as well as the health, safety, and welfare of the public in the built environment. The director, who additionally functions as the Town Engineer, with support of the division managers and administrators, provides leadership, direction and support to the department's staff. Responsibilities include: establishing departmental policy; leadership direction and support of the department's staff; preparation and management of the department's operating and capital budget; code interpretation and enforcement; revisions to the Town Code; Council support; Town Manager's Executive Leadership Team; customer service including effective public outreach and communication; and resolution of personnel and legal issues.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Director, CDPW	1.00	1.00	1.00	1.00	-
Office Specialist	-	-	-	0.60	0.60
Office Assistant	0.48	0.48	0.48	-	(0.48)
Total FTEs	1.48	1.48	1.48	1.60	0.12

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 175,924	\$ 184,113	\$ 184,113	\$ 214,914	16.7%
Operations & Maintenance	103,380	147,327	72,327	146,952	-0.3%
Total Expenditures	\$ 279,304	\$ 331,440	\$ 256,440	\$ 361,866	9.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 16.7% due primarily to reallocation of personnel among department program areas, as well as merit increases and health insurance premium increases.

Community Development – Permitting

OVERVIEW

The Permitting division coordinates all facets of plan review for permitting and development by assessing compliance with the codes and ordinances adopted by the Town. Plan review and coordination of projects include conceptual and final site plans, improvement plans, grading, building, walls, pools, spas, signs, equipment and miscellaneous projects for both residential and commercial development.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Division Mgr, Permitting	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	-
Plans Examiner II	2.00	2.00	2.00	2.00	-
Plans Examiner I	1.00	1.00	1.00	1.00	-
Senior Planning Technician	1.00	1.00	1.00	1.00	-
Building Permit Tech	2.00	2.00	2.00	2.00	-
Office Specialist	0.48	0.48	0.48	0.48	-
Office Assistant	0.48	0.48	0.48	0.48	-
Total FTEs	9.96	9.96	9.96	9.96	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 820,225	\$ 849,108	\$ 833,468	\$ 875,516	3.1%
Operations & Maintenance	48,229	47,140	47,140	67,105	42.4%
Total Expenditures	\$ 868,454	\$ 896,248	\$ 880,608	\$ 942,621	5.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.1% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 42.4% due to increased costs for outside professional services.

Community Development – Planning

OVERVIEW

The Planning division administers the General Plan and Zoning Code for the harmonious growth of the town. The division is responsible for providing planning and zoning services to the community, Town Council, Planning and Zoning Commission, Board of Adjustment, and project teams. The division's current work plan focuses on updates to the sign code, zoning code, general plan and associated guidelines and standards.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Division Mgr, Planning	1.00	1.00	1.00	1.00	-
Principal Planner	2.00	2.00	2.00	2.00	-
Senior Planner	2.00	2.00	2.00	2.00	-
Planner	2.00	2.00	2.00	1.00	(1.00)
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Assistant	0.96	0.96	0.96	-	(0.96)
Intern	0.30	0.30	0.30	0.30	-
Total FTEs	9.26	9.26	9.26	7.30	(1.96)

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 706,196	\$ 680,888	\$ 670,333	\$ 656,435	-3.6%
Operations & Maintenance	97,380	91,700	91,700	57,310	-37.5%
Total Expenditures	\$ 803,576	\$ 772,588	\$ 762,033	\$ 713,745	-7.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 3.6% due to temporary staff associated with the Town's General Plan update.

Operations & Maintenance

Operations & Maintenance decreased 37.5% due to completion of the Town's General Plan update.

Comm. Dev. – Inspection & Compliance

OVERVIEW

The Inspection and Compliance division is responsible for inspecting all new and altered, commercial and residential, vertical and horizontal construction to assess their compliance with the codes and ordinances adopted by the Town. The division is also responsible for the monitoring and enforcement of the zoning, building and Town codes and ordinances, including all construction, plant salvage, landscape, signage, and development performance standards.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Division Mgr, Insp. & Comp.	1.00	1.00	1.00	1.00	-
Building Inspector II	4.00	4.00	4.00	4.00	-
Building Inspector I	1.00	1.00	1.00	1.00	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	-
Zoning Technician	1.00	1.00	1.00	1.00	-
Senior Office Assistant	1.00	1.00	1.00	1.00	-
Total FTEs	9.00	9.00	9.00	9.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 728,992	\$ 756,677	\$ 756,677	\$ 806,720	6.6%
Operations & Maintenance	17,196	21,040	21,040	20,635	-1.9%
Total Expenditures	\$746,189	\$777,717	\$777,717	\$827,355	6.4%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.6% due to merit increases and health insurance premium increases.

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CDPW – Public Works – Highway Fund

OVERVIEW

The Public Works Section of CDPW is organized into four functional divisions: Engineering, Operations, Stormwater, and Transit. Public Works programs supported by the Highway Fund include Administration, Transportation Engineering, Pavement Management, Street Maintenance, and Traffic Engineering.

Within the Highway Fund, the Engineering Division is responsible for managing the design and construction of roadway projects, issuing right-of-way permits, developing annual and long term schedules for surface treatments on town streets, and maintaining and operating the town's traffic intersection signals and lights. The Operations Division is responsible for street maintenance, including landscape maintenance, pavement repair, storm readiness and clean-up.

2016-2017 ACCOMPLISHMENTS

- Evaluated and assessed Cartegraph (Asset Management) software, and successfully implemented an upgrade
- Completed construction of the Library parking lot expansion, the perimeter wall located at 680 Calle Concordia facilities and the Magee Road sidewalk
- Completed design of the La Cholla roadway widening project
- Completed the La Cañada/Moore Intersection Study
- Completed the Town's annual pavement preservation program, including multi-use paths and parking lot pavement conditions
- Implemented the Town's annual main line striping, with 20 miles striped throughout town
- Replaced regulatory signs that had poor reflectivity, while developing an inspection process to maintain Town signs and improve safety
- Initiated an internal Public Works help line for work requests

2017-2018 OBJECTIVES

- Create an integrated and connected transportation network that enhances mobility for people and goods:
 - Begin La Cholla Boulevard utility relocation
 - Monitor continued Tangerine Road construction
 - Complete the Tangerine Rd – Safeway Entrance safety project
 - Construct the Naranja Road two-way left hand turn lane
 - Complete the pedestrian library sidewalk access
 - Install the pedestrian & traffic signal at La Cañada Drive at the Community Center
 - Construct the Palisades Road multi-use path
- Work with Pima County to implement the proposed road tax program throughout the region
- Continue the Town's annual pavement preservation program and complete normal maintenance of town paved road system to ensure that roads meet the community standards and targeted overall condition index
- Continue the Town's annual main line striping
- Work with Arizona Department of Transportation to complete the Tangerine Road transition from the state to the Town

CDPW – Public Works – Highway Fund

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Road rehabilitation expenditures per paved lane mile	\$13,541	\$14,285	\$20,000
		% of paved lane miles rehabilitated throughout town	28%	33%	20%
		Maintain Overall Condition Index rating of 76 for all paved streets	77	78	78
		Restripe 100% of crosswalks, legends and symbols throughout town	50%	100%	100%
		Restripe 100% of roads throughout town	100%	100%	100%
		Maintain reflectivity of all street regulatory signs	80%	90%	90%
		Lane miles crack-sealed	25	25	25
		Polymer crack seal hours *	3,736	3,876	3,700

* In addition to normal crack sealing, street crews began using a polymer material for cracks larger than one-inch in the multi-use paths. Polymer material progress is measured by required man hours to apply.

CDPW – Public Works – Highway Fund

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
23.48	23.48	24.00	24.00

	Expenditures by Program				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 928,120	\$ 831,188	\$ 819,624	\$ 741,063	-10.8%
Transportation Engineering	600,896	584,522	592,684	661,582	13.2%
Pavement Management	1,469,157	1,278,095	1,269,934	1,638,078	28.2%
Street Maintenance	1,149,618	1,205,718	1,199,509	1,064,607	-11.7%
Traffic Engineering	612,483	814,412	552,731	844,547	3.7%
	\$ 4,760,274	\$ 4,713,935	\$ 4,434,481	\$ 4,949,877	5.0%

	Revenue Sources				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
HURF Gas Taxes	\$ 3,045,057	\$ 3,000,000	\$ 3,241,545	\$ 3,363,581	12.1%
Licenses and Permits	43,134	52,500	66,295	57,000	8.6%
State Grants	187,375	195,000	180,000	100,000	-48.7%
Charges for Services	134,000	134,000	59,606	-	-100.0%
Interest Income	54,746	28,600	7,367	36,994	29.3%
Miscellaneous	34,433	80,000	2,544	2,000	-97.5%
Other Financing Sources	-	100,000	100,000	275,000	175.0%
	\$ 3,498,744	\$ 3,590,100	\$ 3,657,357	\$ 3,834,575	6.8%

Highway Fund – Administration

OVERVIEW

Administration is responsible for funding and program implementation, contract management, and obtaining reimbursement of outside funding for projects from the Pima Association of Governments, the Arizona Department of Transportation, and the Federal Emergency Management Agency. Administrative staff responsibilities include clerical duties, maintaining the Community Development & Public Works website, records management and logistical support.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Assistant CDPW Director	1.00	1.00	1.00	1.00	-
Administrative Coordinator	1.00	1.00	1.00	1.00	-
Office Specialist	0.25	0.25	0.25	0.25	-
Total FTEs	2.25	2.25	2.25	2.25	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 235,220	\$ 236,847	\$ 225,283	\$ 240,109	1.4%
Operations & Maintenance	384,090	506,309	506,309	500,954	-1.1%
Capital Outlay	80,445	50,000	50,000	-	-100.0%
Other Financing Uses	228,366	38,032	38,032	-	-100.0%
Total Expenditures	\$ 928,120	\$ 831,188	\$ 819,624	\$ 741,063	-10.8%

FY 2017/2018 Expenditure and Staffing Changes

Capital

Capital decreased 100% due to a project completed in FY 2017.

Other Financing Uses

Other Financing Uses decreased 100% for a debt service payment that, beginning in FY 2018, will be budgeted in the General Fund (in General Administration).

Highway Fund – Transportation Engineering

OVERVIEW

Transportation Engineering is responsible for managing the design and construction of roadway projects. While most large projects are designed by consultants, CDPW has a small in-house design team for smaller projects. Transportation Engineering provides construction management for all public roadway projects, large and small, as well as issuing permits for all activity within the Town's right-of-way.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Engineering Division Manager	0.70	0.70	0.70	0.70	-
Senior Civil Engineer	0.50	0.50	0.50	0.50	-
Senior Civil Engineer Tech	2.00	2.00	2.00	2.00	-
Civil Engineer/Project Manager	1.00	1.00	1.00	1.00	-
Civil Engineer Designer	1.00	1.00	1.00	1.00	-
Office Specialist	0.48	0.48	1.00	1.00	0.52
Total FTEs	5.68	5.68	6.20	6.20	0.52

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 537,310	\$ 550,522	\$ 558,684	\$ 601,732	9.3%
Operations & Maintenance	16,155	34,000	34,000	24,850	-26.9%
Capital Outlay	47,431	-	-	35,000	0.0%
Total Expenditures	\$ 600,896	\$ 584,522	\$ 592,684	\$ 661,582	13.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 9.3% due to an office specialist position that was increased from part-time to full-time, as well as merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 26.9% due to a small street improvements project that was completed in FY 2017.

Capital

Capital budgeted in FY 2018 is for a sidewalk extension project at the Oro Valley Library.

Highway Fund – Pavement Management

OVERVIEW

Pavement Management is responsible for operating the pavement management system and developing annual and long term schedules for surface treatments on town roadways.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Engineering Division Manager	0.20	0.20	0.20	0.20	-
Senior Civil Engineering Tech	1.00	1.00	1.00	1.00	-
Total FTEs	1.20	1.20	1.20	1.20	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 120,610	\$ 124,595	\$ 116,434	\$ 131,663	5.7%
Operations & Maintenance	3,512	3,500	3,500	5,000	42.9%
Capital Outlay	1,345,035	1,150,000	1,150,000	1,501,415	30.6%
Total Expenditures	\$1,469,157	\$1,278,095	\$1,269,934	\$1,638,078	28.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.7% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased due to travel & training and field supplies.

Capital

Capital increased 30.6% due to additional capacity required for the Town's pavement preservation program.

Highway Fund – Street Maintenance

OVERVIEW

Street Maintenance is responsible for maintaining the town's streets and drainage ways.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations Division Manager	0.75	0.75	0.75	0.75	-
Streets Maint Superintendent	1.00	1.00	1.00	1.00	-
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	-
Heavy Equipment Operator III	3.00	3.00	2.00	2.00	(1.00)
Heavy Equipment Operator II	3.00	3.00	4.00	4.00	1.00
Total FTEs	9.75	9.75	9.75	9.75	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 690,101	\$ 719,618	\$ 713,409	\$ 767,857	6.7%
Operations & Maintenance	237,604	261,100	261,100	265,250	1.6%
Capital Outlay	221,913	225,000	225,000	31,500	-86.0%
Total Expenditures	\$1,149,618	\$1,205,718	\$1,199,509	\$1,064,607	-11.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.7% due to on call pay, merit increases and health insurance premium increases.

Capital

Capital decreased 86% due to equipment purchases completed in FY 2017.

Highway Fund – Traffic Engineering

OVERVIEW

Traffic Engineering is responsible for maintaining and operating the town's traffic intersection signals and lights, pavement markings, traffic signage, and conducting and reviewing traffic studies.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Engineering Division Manager	0.10	0.10	0.10	0.10	-
Senior Civil Engineer	0.50	0.50	0.50	0.50	-
Senior Traffic Technician	1.00	1.00	1.00	1.00	-
Traffic Technician	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Crew Lead	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-
Total FTEs	4.60	4.60	4.60	4.60	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 346,774	\$ 352,592	\$ 340,445	\$ 367,897	4.3%
Operations & Maintenance	183,038	208,070	208,070	216,150	3.9%
Capital Outlay	82,671	253,750	4,216	260,500	2.7%
Total Expenditures	\$ 612,483	\$ 814,412	\$ 552,731	\$ 844,547	3.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.3% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 3.9% for street light electricity and traffic signal maintenance.

Capital

Capital increased 2.7% for the purchase of paint striping equipment in FY 2018.

CDPW - Public Works - Facility Maintenance

OVERVIEW

Facility Maintenance is a program within the Operations Division of the CDPW Department that is responsible for building maintenance repairs, energy management, heating, ventilation and air conditioning services, minor renovations, project management, and contract administration for all of the Town's buildings and facilities.

2016-2017 ACCOMPLISHMENTS

- Remediated health clinic roof repair and drainage issues as a result from storm runoff, utilizing new methods of applied roof foam to water proof and insulate
- Replaced 30% of the Community Development and Public Works building roof to repair aging infrastructure
- Completed preventative maintenance and inspections on Town facilities, buildings and equipment, including solar and energy equipment

2017-2018 OBJECTIVES

- Manage the Facility Maintenance program within approved expenditure limits
- Continue to improve the preventative maintenance program for all Town facilities
- Maintain a clean, safe environment for the public and staff in all Town buildings
- Continue to ensure that all cleaning chemicals are environmentally friendly

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Complete 100% of work order requests within 5 business days	100%	100%	100%
		Operations & maintenance expenditures per square foot of buildings maintained	\$2.08	\$2.10	\$2.28

CDPW - Public Works - Facility Maintenance

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Facilities Maint Crew Leader	1.00	1.00	1.00	1.00	-
Facilities Maint Technician	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 151,360	\$ 155,663	\$ 155,663	\$ 166,284	6.8%
Operations & Maintenance	197,673	206,100	206,100	223,530	8.5%
Capital Outlay	22,654	7,000	7,000	43,500	521.4%
Total Expenditures	\$371,687	\$368,763	\$368,763	\$433,314	17.5%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Other Intergovernmental Revenue	\$ 17,327	\$ 25,000	\$ 19,200	\$ 20,000	-20.0%
Total Revenues	\$ 17,327	\$ 25,000	\$ 19,200	\$ 20,000	-20.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.8% due to on call pay, merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 8.5% due to increased custodial contract costs.

Capital

Capital increased 521.4% for building and roof repair projects planned for FY 2018.

CDPW – Public Works - Fleet Fund

OVERVIEW

Fleet is set up as an internal service fund under the Operations Division of the CDPW Department. Each Town department that maintains a fleet of vehicles and/or heavy equipment contributes to this fund based on their respective fleet size and related costs. Fleet is responsible for replacement, preventative maintenance and repair of the Town's fleet of vehicles and heavy equipment. This is accomplished through the combination of service contracts and staff. (To note, the Police Department's ongoing fleet maintenance costs are budgeted directly in the Police Department).

2016-2017 ACCOMPLISHMENTS

- Replaced the 2,000 gallon water tank on the small water truck using in-house fleet staff. This project saved the Town approximately 50% of the cost of having an outside contractor recondition the water tank, pump and plumbing
- Evaluated the Town's non-Police vehicles to develop schedules for capital replacements
- Continued to use an Arizona Department of Corrections crew to perform maintenance and minor repairs on small fleet equipment and vehicles at a significant cost savings to the Town
- Monitored outside repair shops to ensure scheduled preventative maintenance services and repairs are completed correctly at the lowest cost to the Town

2017-2018 OBJECTIVES

- Reduce fleet maintenance cost of non-police vehicles, and heavy equipment by completing repair work and preventative maintenance in-house with existing fleet staff
- Manage the Fleet Maintenance program within approved expenditure limits
- Maintain Town vehicles and heavy equipment in excellent condition by scheduling preventative maintenance and repairs

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Total cost/mile to maintain light vehicles, not including Police vehicles (repair & fuel only)	\$0.37	\$0.37	\$0.37
		Total cost/hour to maintain engines on heavy equipment	N/A*	\$2.03	\$2.23
		Total cost/mile to maintain transit vans (repair & fuel only)	\$0.42	\$0.45	\$0.44

* New measure in FY 2017

CDPW – Public Works – Fleet Fund

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Fleet Maint Mechanic III	1.00	1.00	1.00	1.00	-
Office Specialist	0.15	0.15	0.15	0.15	-
Total FTEs	1.15	1.15	1.15	1.15	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 87,200	\$ 85,813	\$ 85,813	\$ 91,829	7.0%
Operations & Maintenance	525,959	562,025	562,025	663,775	18.1%
Capital Outlay	558,033	644,002	644,002	560,710	-12.9%
Total Expenditures	\$ 1,171,192	\$ 1,291,840	\$ 1,291,840	\$ 1,316,314	1.9%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Charges for Services	\$ 1,179,022	\$ 1,297,202	\$ 1,297,202	\$ 760,000	-41.4%
Miscellaneous	261,403	284,796	348,242	394,896	38.7%
Other Financing Sources	-	-	-	300,000	0.0%
Total Revenues	\$ 1,440,425	\$ 1,581,998	\$ 1,645,444	\$ 1,454,896	-8.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 7.0% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 18.1% due to increased gasoline and vehicle repair & maintenance costs.

Capital

Capital decreased 12.9% due to reduced capacity for vehicle replacements planned for FY 2018.

CDPW - Public Works - Parks Maintenance

OVERVIEW

Parks Maintenance is a program that was budgeted within the Operations Division of the CDPW Department for FY 2017. This program is responsible for janitorial services, turf management, landscape maintenance and property upkeep for all parks, natural trails, and bicycle/pedestrian oasis facilities. Parks Maintenance is also responsible for the landscape maintenance at Town Hall, including the Police Department. Parks Maintenance oversees all parks construction projects, including new construction, renovations and repairs. **Please note that this program has been moved back into the Parks & Recreation Department beginning FY 2018.**

2016-2017 ACCOMPLISHMENTS

- Overseeded 12 acres of rye winter grasses covering ball fields, soccer fields, the Community Center, the Pusch X9 golf course and the Steam Pump Ranch yard - this was an increase of two acres in winter grass planted and maintained from previous years
- Designed and installed landscaping around the health clinic and in the medians for the new Library parking lot
- Inspected and removed mistletoe from all trees located at Steam Pump Ranch and James D. Kriegh (JDK) Park
- Installed an environmentally sensitive rodent repellent injector system at JDK Park to address growing maintenance concerns
- Removed 27 downed trees at JDK Park and repaired the electrical room roofing at the Aquatic Center, which resulted from monsoon storm damage totaling more than \$30,000

2017-2018 OBJECTIVES – see Parks & Recreation Department

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
<p>COMMUNITY</p>  <p>Parks and Recreation</p>	A high-quality parks, recreation and open space system that is accessible, comprehensive, connected and serves the community's needs	Maintain park acres for active and passive recreational use	See Parks & Recreation Dept.	487 total park acres maintained	See Parks & Recreation Dept.

CDPW - Public Works - Parks Maintenance

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Parks Maint Superintendent	-	1.00	1.00	-	(1.00)
Parks Maintenance Coordinator	-	1.00	1.00	-	(1.00)
Parks Maintenance Crew Leader	-	1.00	1.00	-	(1.00)
Parks Maintenance Worker II	-	1.00	1.00	-	(1.00)
Parks Maintenance Worker I	-	4.92	5.00	-	(4.92)
Park Monitor/Janitor	-	0.96	0.96	-	(0.96)
Total FTEs	-	9.88	9.96	-	(9.88)

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ -	\$ 509,298	\$ 489,862	\$ -	-100.0%
Operations & Maintenance	-	570,800	590,236	-	-100.0%
Capital Outlay	-	145,780	125,780	-	-100.0%
Total Expenditures	\$ -	\$ 1,225,878	\$ 1,205,878	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
State Grants	\$ -	\$ 53,500	\$ 27,500	\$ -	-100.0%
Total Revenues	\$ -	\$ 53,500	\$ 27,500	\$ -	-100.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Beginning FY 2018, this budget has been moved back into the Parks & Recreation Department.

Operations & Maintenance

Beginning FY 2018, this budget has been moved back into the Parks & Recreation Department.

Capital

Beginning FY 2018, this budget has been moved back into the Parks & Recreation Department.

CDPW - Public Works - Stormwater Utility

OVERVIEW

The Stormwater Utility enterprise is a division within the Community Development & Public Works (CDPW) Department. The Stormwater Utility is responsible for meeting all surface water flow quality and quantity issues, including: the Town's stormwater management plan, floodplain and erosion hazard management, and support of all other Town programs that are impacted by storm events. The Stormwater Utility also coordinates with federal, state and local government agencies with regard to floodplain issues.

2016-2017 ACCOMPLISHMENTS

- Local projects and flood mitigation
 - Logan's Crossing equestrian trail gabion installation project completed
 - Lomas Del Oro gabion project completed
 - Catalina Ridge sidewall channel repair
 - Over 10 local Stormwater mitigation projects surrounding erosion repair, drainage channel improvements and wash clean-up
- Updated Chapter 17 Stormwater Floodplain Ordinance for state compliance
- New Notice of Intent submittal due to revised permit requirements adopted by the state
- Integrated infrastructure inspection activities into new Cartegraph database and developed new construction inspection activities valuation
- Implemented "Notice of Opportunities to Correct" program to provide opportunities to bring private infrastructure owners back into compliance as required by state regulatory requirements. Violations are noted during inspections and/or community reports.

2017-2018 OBJECTIVES

- Complete Capital Improvement Program (CIP) requests for submittal to the Pima County Flood Control District for consideration into five-year plan
- Complete revisions to Town Code Chapters 15.24 and 17 for an update of enforcement and incentive programs as required to meet state and federal regulations
- Continue minor repair/maintenance projects around town that will include additional protections to residents' and Town facilities, made possible with an increased Stormwater staff
- Develop and implement an overall condition index program for infrastructure review and rehabilitation program for future CIP recommendations

CDPW - Public Works - Stormwater Utility

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goals/Strategies	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
ENVIRONMENT  Water Resources and Energy	A high-quality, safe and reliable water supply that meets long-term needs for the community while considering the natural environment	Perform annual inspections of all Stormwater outfall basin structures	100%	100%	50%
		Conducted ___ public education sessions to increase awareness of need to reduce stormwater pollution	3	6	10
	Responsible use of energy and water resources for the current and future benefit of the community	Perform annual evaluations of all commercial first flush devices within town	52	82	90
COMMUNITY  Town Assets Economic Development	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Perform annual inspections of all known Stormwater assets to preserve infrastructure through maintenance efforts	100%	75%*	20%
		Long-term financial and economic stability and sustainability	Maintain cash reserves in the Stormwater Utility Fund of at least 15% of the collected annual stormwater fees	15%	26%

**Number of assets have significantly increased due to inspections and evaluations of assets. New inspection schedule developed under state regulatory requirements.*

CDPW - Public Works - Stormwater Utility

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Stormwater Utility Division Mgr	-	1.00	1.00	1.00	-
Stormwater Engineer	1.00	1.00	1.00	1.00	-
Operations Division Manager	0.25	0.25	0.25	0.25	-
Civil Engineer	1.00	-	-	-	-
Stormwater Field Superintendent	-	-	-	1.00	1.00
Stormwater Project Manager	-	1.00	1.00	1.00	-
Stormwater Drainage Designer	-	1.00	-	-	(1.00)
Stormwater Inspector Designer	-	-	1.00	1.00	1.00
Stormwater Inspector Technician	-	1.00	-	-	(1.00)
Civil Engineering Technician	1.00	-	-	-	-
Stormwater Utility Analyst	-	1.00	1.00	1.00	-
Heavy Equipment Operator II	-	-	-	1.50	1.50
Office Specialist	0.60	0.60	0.60	-	(0.60)
Office Assistant	-	-	0.52	1.00	1.00
Total FTEs	3.85	6.85	6.37	8.75	1.90

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 333,891	\$ 559,234	\$ 484,990	\$ 670,099	19.8%
Operations & Maintenance	418,842	505,525	351,025	381,976	-24.4%
Capital Outlay	45,671	89,000	257,014	253,625	185.0%
Total Expenditures	\$ 798,405	\$1,153,759	\$1,093,029	\$1,305,700	13.2%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Charges for Services	\$ 828,258	\$ 1,303,500	\$ 1,335,000	\$ 1,402,500	7.6%
State Grants	35,000	-	-	-	0.0%
Interest Income	632	500	730	500	0.0%
Total Revenues	\$ 863,890	\$1,304,000	\$1,335,730	\$1,403,000	7.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 19.8% due to heavy equipment operator II positions budgeted in the Stormwater Fund for FY 2018.

Operations & Maintenance

Operations & Maintenance decreased 24.4% due to savings in outside professional services.

Capital

Capital increased 185.0%, primarily due to two town-wide drainage projects planned for FY 2018, as well as equipment and vehicle needs.

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CDPW – Public Works – Transit Services

OVERVIEW

Transit Services facilitates partnerships and coordinates transportation services among public and private agencies, serving Oro Valley to improve mobility for community residents. Transit Services has developed a long-term partnership with the Regional Transportation Authority (RTA) to improve the transportation network and maximize transportation options available to the community at the lowest possible cost. Transit Services is proud to operate the regional Sun Shuttle Dial-a-Ride service under contract with the RTA and is committed to providing high quality transit alternatives and planning for the future.

2016-2017 ACCOMPLISHMENTS

- Provided 51,131 passenger trips, an increase of 11.5% over the prior fiscal year
- Operated 568,650 annual miles and 36,494 service hours
- Improved cost per hour by 5% over the prior fiscal year
- Increased ridership per hour by 3.4% over the prior fiscal year
- Implemented Mobility Management upgrades, providing an automated “call back” system
- Reduced accident rate by 14.3% over the prior fiscal year

2017-2018 OBJECTIVES

- Support ridership options and improve customer experience
- Continue Mobility Management upgrade, implementing a voucherless-passenger portal
- Continue to increase ridership
- Continue vehicle replacement with grant funding to help keep maintenance costs down
- Utilize grant funding to provide Passenger Assistance Safety and Sensitivity training

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goals/Strategies	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
 COMMUNITY Economic Development	Long-term financial and economic stability and sustainability	% of Transit expenditures funded with RTA reimbursement and farebox revenues	96%	96%	96%
		Total cost per passenger trip	\$29.88	\$29.00	\$28.50
 DEVELOPMENT Transportation	Diverse transportation choices that are safe, user-friendly, efficient and accessible, that maintain the lifestyle of residents, and that support employees, visitors and the local economy	Fulfill 100% of requested reservations	100%	100%	100%

CDPW – Public Works – Transit Services

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Senior Transit Crew Leader	-	-	-	1.00	1.00
Transit Services Crew Leader	2.00	2.00	2.00	1.00	(1.00)
Transit Specialist	1.11	1.11	1.11	1.11	-
Dispatcher	2.11	2.11	2.11	2.11	-
Driver	16.50	18.79	18.79	19.71	0.92
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	22.68	24.97	24.97	25.89	0.92

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 1,050,023	\$ 1,143,325	\$ 1,080,067	\$ 1,094,568	-4.3%
Operations & Maintenance	375,350	437,445	422,950	400,300	-8.5%
Capital Outlay	7,537	131,400	41,900	119,700	-8.9%
Total Expenditures	\$1,432,910	\$1,712,170	\$1,544,917	\$1,614,568	-5.7%

	Revenue Sources				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
RTA Reimbursement	\$ 1,298,169	\$ 1,266,400	\$ 1,411,766	\$ 1,453,360	14.8%
State Grants	-	71,600	6,400	65,760	-8.2%
Farebox	88,684	70,000	81,970	88,000	25.7%
Total Revenues	\$1,386,853	\$1,408,000	\$1,500,136	\$1,607,120	14.1%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 4.3% due to driver vacancies throughout the fiscal year that result in savings for the division.

Operations & Maintenance

Operations & Maintenance decreased 8.5% due primarily to vehicle replacement charges from the Fleet Fund. Reserves that have been set aside each year in the Fleet Fund since FY 2014 will be utilized for vehicle replacements in FY 2018.

Capital

Capital decreased 8.9% due to equipment purchases completed in FY 2017.

CDPW - Roadway Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to roadway purposes. Roadway impact fees are assessed on both residential and commercial development within the town. This fund is managed by Community Development & Public Works (CDPW) staff.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Capital Outlay	2,413	2,000,000	1,000,000	1,458,500	-27.1%
Total Expenditures	\$ 2,413	\$2,000,000	\$1,000,000	\$1,458,500	-27.1%

	Revenue Sources				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Impact Fees	531,697	340,167	800,433	906,401	166.5%
Interest Income	8,120	3,000	8,407	5,000	66.7%
Total Revenues	\$ 539,817	\$ 343,167	\$ 808,840	\$ 911,401	165.6%

FY 2017/2018 Expenditure Changes

Capital

Budgeted capital in FY 2018 is for a widening and improvement project on Lambert Lane, and construction of a two-way, left turn lane on Naranja Drive at Naranja Park.

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CDPW – PAG/RTA Fund

OVERVIEW

This fund is used to manage the collection and expenditure of roadway grant funds from Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA). This fund is managed by Community Development & Public Works (CDPW) staff.

2016-2017 ACCOMPLISHMENTS

- Continued to provide support for the Tangerine Road widening project
- Began the Lambert Lane phase II construction
- Continued the La Cholla Blvd project design
- Initiated the La Cañada Drive/Moore intersection safety study
- Secured regional funds for traffic signal light on La Cañada at the Community Center

2017-2018 OBJECTIVES

- Prepare costing estimates for the La Cholla widening project, coordinate design to substantial completion, and begin construction via utility relocation efforts
- Complete the Lambert Lane Phase II project
- Continue working on the Tangerine Road widening project
- Design and construct the Naranja Drive two-way left-turn lane for the Naranja Park entrance
- Design and construct a traffic signal on La Cañada Drive at the Community Center entrance
- Design and construct a multi-use path along Palisades Road

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Number of Capital Improvement Program (CIP) roadway projects funded from conception at the planning stage through design and construction completion, all managed by CDPW staff	5	5	8

CDPW – PAG/RTA Fund

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Construction Inspector	1.00	3.00	2.00	3.00	-
Construction Clerk	-	1.00	0.48	0.48	(0.52)
Total FTEs	1.00	4.00	2.48	3.48	(0.52)

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 40,505	\$ 222,971	\$ 117,258	\$ 218,527	-2.0%
Capital Outlay	2,850,048	9,027,000	4,256,000	8,086,035	-10.4%
Total Expenditures	\$2,890,552	\$ 9,249,971	\$4,373,258	\$ 8,304,562	-10.2%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
State Grants	\$ 3,490,035	\$ 9,249,971	\$ 4,324,081	\$ 7,899,982	-14.6%
Charges for Services	22,500	22,500	22,500	22,500	0.0%
Miscellaneous	-	-	900	-	0.0%
Total Revenues	\$3,512,535	\$ 9,272,471	\$4,347,481	\$ 7,922,482	-14.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 2.0% due to transition of the full-time construction inspector to part-time. These savings are partially offset by merit increases and health insurance premium increases.

Capital

Capital decreased 10.4% as progress continues towards completion of current roadway widening projects.



Town of Oro Valley

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Council

OVERVIEW

Town Council consists of seven officials elected by residents of the town. The Mayor is directly elected by the citizens while the Vice Mayor is selected by the Council annually. Councilmembers serve four-year overlapping terms in the manner prescribed by state law. The Mayor and Councilmembers of Oro Valley are committed to high quality municipal services and responsible development. Through the Town Manager, the Town Council provides policy direction by adopting rules, regulations, and procedures to meet community needs. The Mayor and Councilmembers remain accountable and accessible to the residents through their commitment to full, honest, and timely communication and exchange promoting responsive, responsible governance.

2016-2017 ACCOMPLISHMENTS

- Approved the *Your Voice, Our Future* update to the General Plan, which was successfully ratified by the voters in November 2016
- Honored with the United States Department of Transportation Educate and Enforce Award as part of the 2016 Mayors' Challenge for Safer People, Safer Streets
- Approved the final conceptual design for the veterans and first responders living memorial at Naranja Park
- Adopted a new hands-free driving ordinance to increase public safety in Oro Valley
- Mayor honored with the 2017 National Award for Local Arts Leadership by the Americans for the Arts and United States Conference of Mayors
- Adopted the 2017 Strategic Plan, which focuses Town resources on community needs and desires
- Adopted a veteran's preference amendment to the Town hiring policy demonstrating continued support for those who have served in the armed forces
- Approved a public-private partnership with Tohono Chul Park to build an events pavilion
- Adopted a balanced budget for FY 17/18 in the amount of \$128.6 million, reflecting our community's values and priorities

2017-2018 OBJECTIVES

- Economic Development – Long-term financial and economic stability and sustainability
- Complete Community – Diverse options for services, amenities, shopping, dining and housing
- Parks and Recreation – Create high-quality, accessible, comprehensive and connected spaces
- Public Safety – Maintain a safe and positive environment for community members and visitors
- Town Assets – Provide high-quality, well-maintained public facilities and infrastructure
- Water Resources and Energy – Deliver a high-quality, safe and reliable water supply
- Cultural Resources – Protect and preserve significant sites, properties and resources
- Land Use and Design – Creatively integrate landscape, architecture, open space and conservation elements into the built environment
- Transportation – Provide safe, efficient, accessible, diverse, integrated and connected mobility
- Cost of Services – Full recovery of the long-term expenses associated with new development

Council

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Mayor	1.00	1.00	1.00	1.00	-
Councilmember	6.00	6.00	6.00	6.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 80,366	\$ 78,839	\$ 78,839	\$ 78,834	0.0%
Operations & Maintenance	117,331	141,720	141,720	135,925	-4.1%
Total Expenditures	\$ 197,697	\$ 220,559	\$ 220,559	\$ 214,759	-2.6%

FY 2017/2018 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 4.1% due to reduced travel & training costs.



Town of Oro Valley

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Administrative Services

OVERVIEW

Administrative Services provides a consolidated summary of the internal customer service areas of Finance, Human Resources and Information Technology, which are overseen by the Town's Finance Director. *Please refer to the individual templates for Finance, Human Resources and Information Technology for accomplishments, objectives and Strategic Plan performance data.*

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
17.50	17.50	17.48	18.48

Expenditures					
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
Finance	\$ 728,755	\$ 773,591	\$ 773,591	\$ 810,006	4.7%
Human Resources	341,764	368,605	349,799	375,790	1.9%
Information Technology	1,538,021	1,691,676	1,691,676	2,189,939	29.5%
	\$2,608,540	\$2,833,872	\$2,815,066	\$3,375,735	19.1%

Revenue Sources					
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 119,220	\$ 122,735	\$ 122,735	\$ 128,075	4.4%
	\$ 119,220	\$ 122,735	\$ 122,735	\$ 128,075	4.4%

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Finance

OVERVIEW

Finance is responsible for Town financial activities, including accounting, payroll and accounts payable processing, budget development, coordination and analysis, financial statement preparation, audit coordination, debt management, managerial reporting, sales tax compliance, and participation in a variety of other administrative and special projects. Finance also coordinates the development of the Town's Capital Improvement Program and provides procurement administration for the Town. In addition, the Finance Director provides management oversight over the Information Technology Department and Human Resources Department.

2016-2017 ACCOMPLISHMENTS

- Successfully issued \$14.3 million in Excise Tax Revenue Refunding Obligations, resulting in overall net interest savings of nearly \$1.1 million
- Successfully issued \$2 million in Excise Tax Revenue Obligations to fund energy efficiency improvements at the Oro Valley Community Center, with debt service fully paid for by resulting energy savings
- Received the Achievement of Excellence in Procurement Award for the 10th consecutive year
- Received Certificate of Achievement for Financial Reporting Excellence, Distinguished Budget Presentation Award and Popular Annual Financial Reporting Award from the Government Finance Officers Association (GFOA)
- Consolidated the departments of Finance, Information Technology and Human Resources into a centralized Administrative Services Department aimed at improved customer service and increased efficiencies
- Successfully assisted in implementing new minimum wage requirements and updating the Town's sick leave policy to comply with Proposition 206

2017-2018 OBJECTIVES

- Prepare timely and accurate financial and budgetary performance reports
- Prepare award-winning Popular Annual Financial Report (PAFR), Annual Budget and Comprehensive Annual Financial Report (CAFR)
- Assist in providing education and information to the community about the November 7, 2017 Special Bond Election for additional fields and amenities at Naranja Park
- Prepare annual five-year forecast of revenues and expenditures
- Partner with Community Development and Public Works and Parks and Recreation to develop a funding plan for continued improvements at the Oro Valley Community Center
- Assist in training efforts and expanded use of the Town's enterprise resource planning system, MUNIS, across the organization
- Partner with the Police Department to develop a funding plan for construction of the Police evidence and substation facility

Finance

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
<p>COMMUNITY</p>  <p>Economic Development</p>	<p>Long-term financial and economic stability and sustainability</p>	Maintain bond ratings of AA for Standard & Poor's (S&P) and AA- for Fitch	Yes	Yes	Yes
		Maintain minimum General Fund reserve balance of 25% of General Fund expenditures	33.2%	37.1%	32.1%
		Maintain less than 5% variance between mid-year revenue forecast and actual fiscal year-end revenue for all tax-based funds	1.9%	2.1%	<5%
		Receive the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA)	8 th consecutive year	9 th consecutive year	10 th consecutive year
		Receive the Certificate of Achievement for Financial Reporting Excellence from GFOA	23 rd consecutive year	24 th consecutive year	25 th consecutive year
		Receive the Popular Annual Financial Reporting (PAFR) award from GFOA	5 th consecutive year	6 th consecutive year	7 th consecutive year
		Receive an unmodified "clean" audit opinion for annual financial statements	Yes	Yes	Yes
		Complete posting, balancing and closing of each month's financial transactions by 10 th working day of following month (goal 12 months)	12 months	12 months	12 months

Finance

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Economic Development Complete Community	Long-term financial and economic stability and sustainability	Increase average monthly revenues from surplus property auction program by at least 10%	\$6,199/mo.	\$13,961/mo.	\$15,400/mo.
		% of internal customers rating procurement quality as excellent or good (goal 100%)	N/A**	100%	100%
	Increased opportunities for residents to provide meaningful input on Town decisions and planning	% of internal customers rating procurement timeliness as excellent or good (goal 100%)	N/A**	95%	100%
		Participation in the Town's "5 Questions in 5 Minutes" budget questionnaire (# of responses)	254	241	250

** Survey was not conducted in FY 2016 due to staff transition

Finance

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Finance Director	1.00	1.00	1.00	1.00	-
Procurement Administrator	1.00	1.00	1.00	1.00	-
Finance Manager	1.00	1.00	1.00	1.00	-
Senior Budget Analyst	1.00	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	1.00	-
Accounting Specialist	-	1.00	1.00	1.00	-
Payroll Specialist	1.00	-	-	-	-
Senior Office Specialist	-	-	-	1.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 664,831	\$ 700,831	\$ 700,831	\$ 736,346	5.1%
Operations & Maintenance	63,924	72,760	72,760	73,660	1.2%
Total Expenditures	\$ 728,755	\$ 773,591	\$ 773,591	\$ 810,006	4.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.1% due to merit increases, health insurance premium increases and a position reclassification.

Human Resources

OVERVIEW

Human Resources provides services and support in the following areas: policy and procedure administration and compliance, compensation, benefits, training, education, employee and labor relations and lastly, performance management.

2016-2017 ACCOMPLISHMENTS

- Led the effort to hire a new Town manager
- Developed and delivered supervisor training
- Developed a first of its kind veterans preference policy, guaranteeing eligible veteran candidates an initial interview
- Developed and deployed a tobacco cessation program as part of the Town's biometric program
- Coordinated executive development training for the Executive Leadership Team

2017-2018 OBJECTIVES

- Update and store all job descriptions in NEOGOV for easier access to employees and candidates
- Re-engineer the performance management program, and move evaluations from paper form to a workflow template in MUNIS
- Move employee action forms from a paper process to MUNIS workflow
- Move personnel files from paper to electronic personnel record files in MUNIS

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
 <p>COMMUNITY Complete Community</p>	A community with a wide range of services	Update personnel policies and administrative directives as required	Ongoing	Ongoing	Ongoing
		Expand the use of MUNIS employee self-service with the upgrade to version 11.2	MUNIS V11.2 deployed	Employee Self Service (ESS) module expanded for open enrollment	Ongoing enhancements to ESS
		Support the Mayor and Town Council in the appointment of a new Town manager	Search firm selected and search begun	Offer of employment made in May 2017	Town manager assumes post in September 2017
		Develop and deliver recurring HR training and new employee orientation for employees	Supervisor training developed and delivered	Supervisor training developed and delivered	Begin work on a new employee orientation program

Human Resources

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Human Resource Director	1.00	1.00	1.00	1.00	-
Human Resource Analyst	2.00	2.00	2.00	2.00	-
Office Specialist	0.50	0.50	0.48	0.48	(0.02)
Total FTEs	3.50	3.50	3.48	3.48	(0.02)

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 291,703	\$ 296,366	\$ 293,841	\$ 302,015	1.9%
Operations & Maintenance	50,060	72,239	55,958	73,775	2.1%
Total Expenditures	\$ 341,764	\$ 368,605	\$ 349,799	\$ 375,790	1.9%

FY 2017/2018 Expenditure and Staffing Changes

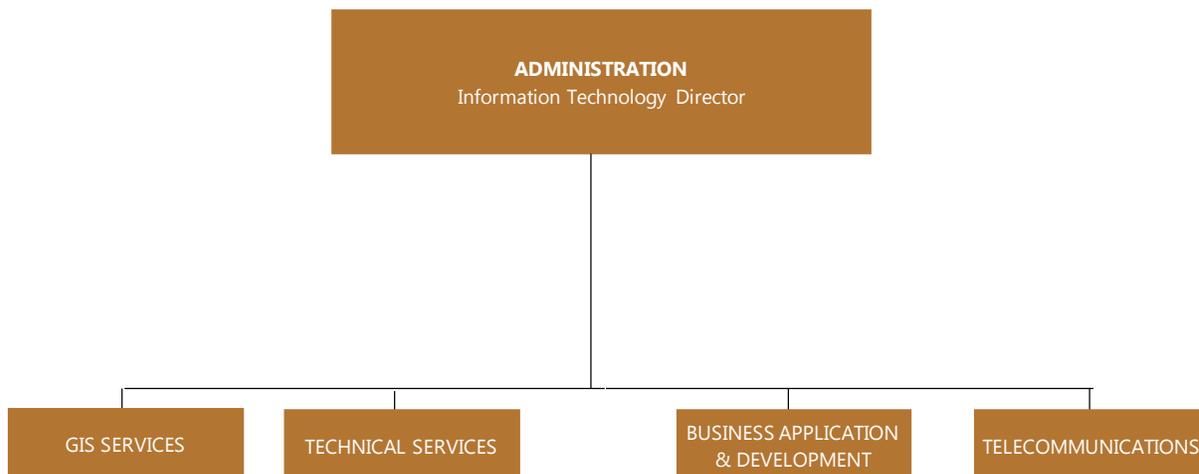
Personnel

A full-time office specialist shared with the Clerk's Office transitioned to a 19-hour employee in Human Resources. These savings are offset with merit increases and health insurance premium increases for a total, year-over-year increase of 1.9%.

Operations & Maintenance

Operations & Maintenance increased due to memberships & subscriptions.

Information Technology



OVERVIEW

The Information Technology (IT) Department identifies, implements, and supports technology needs throughout all Town departments to support their business needs.

2016-2017 ACCOMPLISHMENTS

- Implemented disaster recovery baseline
- Implemented managed print services
- Upgraded asset management software
- Upgraded Town enterprise resource planning software
- Upgraded software for Community Development and Public Works Transit division

2017-2018 OBJECTIVES

- Implement network infrastructure upgrades to increase security and reliability
- Expand use of virtual desktop technology to securely enable mobile device application access
- Implement technology to enable "online plan review" for permitting
- Implement mobile device asset tracking and security solution

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE

Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
 Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Maintain 100% system uptime for available IT services (not including scheduled maint.)	99.8%	98%	98%
		Meet Arizona DPS, FBI/CJIS and PCI security compliance standards for 100% of eligible server, system and device configurations	95%	95%	100%
		Resolve 100% of IT helpdesk requests within 30 days	80%	90%	95%
		% of IT help desk requests resolved at time of call	47%	60%	70%

Information Technology

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
7.00	7.00	7.00	8.00

	Expenditures by Program				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Administration	\$ 599,580	\$ 739,555	\$ 739,555	\$ 1,011,462	36.8%
GIS Services	190,411	197,957	197,957	207,349	4.7%
Technical Services	337,282	355,883	355,883	523,851	47.2%
Business Appl. & Dev.	199,354	190,451	190,451	202,847	6.5%
Telecommunications	211,394	207,830	207,830	244,430	17.6%
	\$ 1,538,021	\$ 1,691,676	\$ 1,691,676	\$ 2,189,939	29.5%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Charges for Services	\$ 119,220	\$ 122,735	\$ 122,735	\$ 128,075	4.4%
	\$ 119,220	\$ 122,735	\$ 122,735	\$ 128,075	4.4%

Information Technology - Administration

OVERVIEW

The Administration program manages all of Information Technology's logistics including procurements, budget information and operations, and management and oversight.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
IT Director	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 153,705	\$ 156,622	\$ 156,622	\$ 164,824	5.2%
Operations & Maintenance	445,875	582,933	582,933	846,638	45.2%
Total Expenditures	\$ 599,580	\$ 739,555	\$ 739,555	\$1,011,462	36.8%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.2% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 45.2% due to consolidation of Town copier leases within IT's Administration Division, as well as increased software maintenance & licensing costs.

Information Technology – GIS Services

OVERVIEW

The GIS Services program is responsible for providing complete, accurate and current Geographic Information System (GIS) maps, analysis, proposals, and presentations to support the operations used by each department.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Senior GIS Specialist	1.00	1.00	1.00	1.00	-
GIS Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 182,774	\$ 186,457	\$ 186,457	\$ 195,849	5.0%
Operations & Maintenance	7,637	11,500	11,500	11,500	0.0%
Total Expenditures	\$ 190,411	\$ 197,957	\$ 197,957	\$ 207,349	4.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.0% due to merit increases and health insurance premium increases.

Information Technology – Technical Services

OVERVIEW

The Technical Services program provides management and security of the Town's computer networks, desktop and network technology acquisition, support, and training.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Network Administrator	1.00	1.00	1.00	2.00	1.00
IT Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	3.00	1.00

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 162,761	\$ 166,038	\$ 166,038	\$ 263,156	58.5%
Operations & Maintenance	45,901	59,800	59,800	126,450	111.5%
Capital Outlay	128,619	130,045	130,045	134,245	3.2%
Total Expenditures	\$ 337,282	\$ 355,883	\$ 355,883	\$ 523,851	47.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

A new, full-time network administrator position was approved for FY 2018. Personnel costs also increased due to merits and health insurance premiums.

Operations & Maintenance

Operations & Maintenance increased 111.5% due to outside professional services for temporary staff needs.

Capital

Capital increased 3.2% due to capacity for computer replacements.

Information Technology – Business Application & Development

OVERVIEW

The Business Application & Development program is responsible for application development and support, database management, project management, website support, and development of Electronic Government (E-Gov) and future E-commerce applications.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Systems Analyst	1.00	1.00	1.00	1.00	-
Database Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 148,518	\$ 180,451	\$ 180,451	\$ 190,847	5.8%
Operations & Maintenance	50,836	10,000	10,000	12,000	20.0%
Total Expenditures	\$ 199,354	\$ 190,451	\$ 190,451	\$ 202,847	6.5%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.8% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 20% due to outside professional services.

Information Technology – Telecommunications

OVERVIEW

The Telecommunications program is responsible for the management of all voice and data systems including the Town's PBX (private branch exchange) phone system, voice mail, long distance, internet access, wireless and point-to-point communication.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ 211,394	\$ 207,830	\$ 207,830	\$ 244,430	17.6%
Total Expenditures	\$ 211,394	\$ 207,830	\$ 207,830	\$ 244,430	17.6%

FY 2017/2018 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 17.6% due to telecommunications costs.

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General Administration

OVERVIEW

The General Administration budget accounts for certain overhead costs such as utility expenses and general liability insurance. It also allocates monetary transfers to subsidize various funds, i.e. debt service and capital projects.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ 1,762,731	\$ 1,716,450	\$ 1,689,274	\$ 1,662,216	-3.2%
Capital Outlay	84,995	20,000	47,176	20,000	0.0%
Use of Contingency	289,389	-	30,000	-	0.0%
Other Financing Uses	1,226,086	1,825,304	1,825,304	2,799,668	53.4%
Total Expenditures	\$3,363,201	\$3,561,754	\$3,591,754	\$4,481,884	25.8%

FY 2017/2018 Expenditure Changes

Operations & Maintenance

Operations & Maintenance decreased 3.2% due to reduced capacity for retail sales tax rebates in FY 2018.

Other Financing Uses

Other Financing Uses increased 53.4% due to an increase in the required subsidy transfer to the Highway Fund, as well as a \$300,000 transfer to the Fleet Fund to fully fund vehicle reserves for Police Department vehicles and allow for funding future replacement vehicles from these reserves.

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Legal

OVERVIEW

The Legal Services Department is managed by the Legal Services Director. A contract attorney is hired by the Mayor and Council to act as their chief legal advisor. The Legal Services Department is committed to providing the highest quality representation possible to meet the present and future needs of the Town in an efficient and effective manner.

2016-2017 ACCOMPLISHMENTS

- Provided review of the Town's General Plan update, ratified by voters in November 2016
- Staff member is chair of the state prosecution best practices committee
- Provided statewide training to police officers and prosecutors
- Provided review of adopted Town policies, contracts and ordinances

2017-2018 OBJECTIVES

- Timely and responsive legal actions and opinions
- Efficient and fiscally responsible management and administration
- Consistent and coordinated enforcement efforts and administration of justice

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area (s)	Goals/Strategies	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Public Safety Complete Community	Safe community; wide range of services	Fulfill 100% of requests from Town Council and staff for legal opinions, ordinances, resolutions and other civil matters within 14 days	98%	95%	95%
		Per capita department expenditures	\$16.19	\$17.74	\$18.79
		Lawyers meet or exceed 15 credit hours (including 3 ethics) of continuing legal education per year	100%	100%	100%

Legal

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Legal Services Director	1.00	1.00	1.00	1.00	-
Chief Civil Deputy Attorney	1.00	1.00	1.00	1.00	-
Assistant Town Prosecutor	1.00	1.00	1.00	1.00	-
Senior Paralegal	1.00	1.00	1.00	1.00	-
Paralegal I	1.00	1.00	1.00	1.00	-
Legal Secretary	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 634,810	\$ 646,303	\$ 646,303	\$ 682,670	5.6%
Operations & Maintenance	84,636	121,700	91,350	94,500	-22.4%
Capital Outlay	-	5,000	-	2,500	-50.0%
Total Expenditures	\$ 719,446	\$ 773,003	\$ 737,653	\$ 779,670	0.9%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
State Grants	\$ -	\$ 5,000	\$ -	\$ 2,500	-50.0%
Total Revenues	\$ -	\$ 5,000	\$ -	\$ 2,500	-50.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.6% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 22.4% due to savings in outside professional services.

Capital

Budgeted capital is capacity for grant-funded equipment.



Town of Oro Valley

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Magistrate Court

OVERVIEW

The Oro Valley Magistrate Court is charged with the processing and adjudication by trial, hearing or otherwise, of all cases filed in the Court. This includes misdemeanor criminal and traffic cases, civil traffic cases and Town Code violations. The Court is also responsible for the collection of fines, surcharges, restitution and other fees, issuing domestic violence orders of protection and injunctions against harassment, taking applications for and issuing marriage licenses, and performing weddings. Services rendered by the Court are governed by rules set by the Arizona Supreme Court, statutes and/or ordinances enacted by the Arizona Legislature and/or the Oro Valley Town Council.

2016-2017 ACCOMPLISHMENTS

- Facilitated the purchase of Alternative to Jail (ATJ) Video Court cameras, allowing the defendants to see one of the ATJ judges on Town and City of Tucson charges, saving the time and cost of booking the defendant into jail
- Upgraded the computer used for the display of evidentiary presentations
- Implemented additional option for online payments for court fines and fees
- Hired additional contract pro tem judges for broader courtroom coverage
- Continued the court warrant program, making contact with approximately 75 individuals who had outstanding Oro Valley court warrants, resulting in 65 warrants being resolved
- Participated in Pima County's Warrant Resolution Court, which allowed individuals countywide to resolve outstanding warrants with access to courts on specific Saturdays
- Attended a cumulative total of 286 hours of continuing job-related education, including classes in ethics and diversity
- Resolved outstanding failure to pay warrants, thereby reducing the number of arrests and the Town's jail bill
- Replaced the walk-through metal detector and twenty-year old scanner with new, updated equipment

2017-2018 OBJECTIVES

- Implement ATJ Video Court to reduce jail costs to the Town
- Create security standards committee to implement new Arizona Supreme Court Security Standards
- Reduce the number of jail transports by exploring possible expanded use of ATJ cameras to pre-trial services, which would allow newly arrested defendants to appear via video and possibly be released with a new court date from the Oro Valley Police station
- Continue participation in training and computer exercises for active shooter and other situations that may occur in the courtroom
- Explore the link between the increased number of shoplifting cases and the opioid use problem, and implement a program to curb the number of misdemeanors from becoming more serious felonies

Magistrate Court

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Public Safety	A safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members	Close a number of cases every year that is at least 90% of the number of cases opened that year	102%	95%	95%
		Maintain compliance with the Administrative Office of the Court (AOC) Minimum Accounting Standards	Yes	Yes	Yes
		Continue the warrant program for outstanding warrants that establishes accountability for defendants and enforces compliance with court orders	Yes	Yes	Yes

Magistrate Court

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Magistrate Judge	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	-
Courtroom Clerk	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	4.00	1.00
Court Clerk	1.00	1.00	1.00	-	(1.00)
Bailiff	1.00	1.00	1.00	1.00	-
Total FTEs	8.00	8.00	8.00	8.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 693,009	\$ 712,458	\$ 712,458	\$ 755,682	6.1%
Operations & Maintenance	108,267	118,480	118,480	118,600	0.1%
Capital Outlay	-	15,000	15,000	-	-100.0%
Total Expenditures	\$801,276	\$845,938	\$845,938	\$874,282	3.4%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Court Costs	\$ 178,219	\$ 130,000	\$ 158,000	\$ 150,000	15.4%
Public Defender Fees	1,667	1,000	2,000	1,000	0.0%
Fines	159,154	130,000	122,544	120,000	-7.7%
Total Revenues	\$339,039	\$261,000	\$282,544	\$271,000	3.8%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

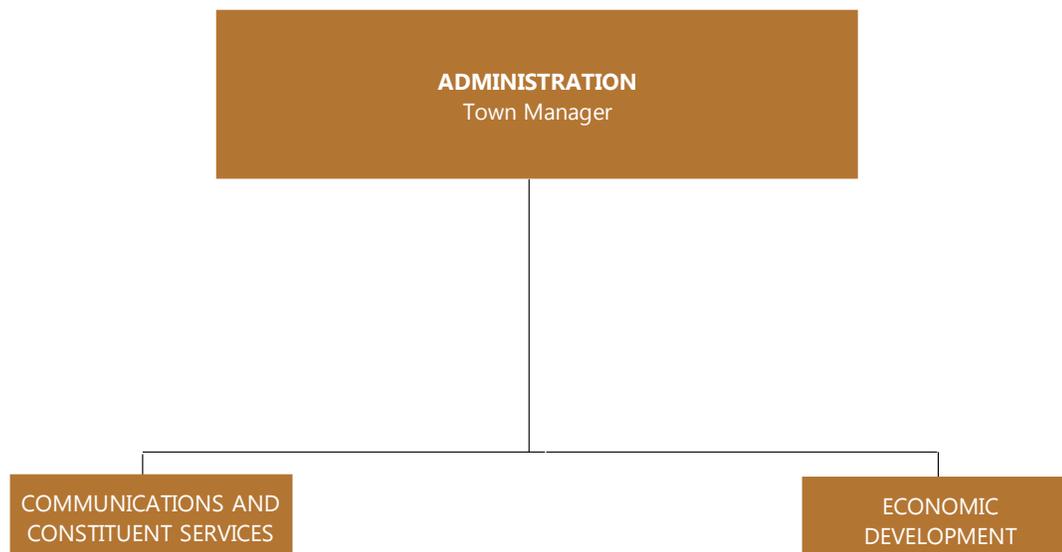
Personnel costs increased 6.1% due to merit increases and health insurance premium increases.

Capital

Capital decreased 100% due to an equipment purchase completed in FY 2017.

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Town Manager's Office



OVERVIEW

The Town Manager is responsible for the proper management and administration of the Town and serves as the Chief Administrative Officer of the government under the direction of the Town Council. The Town Manager is further responsible for the promotion of economic development, intergovernmental programs, communications, and for coordination of the administrative functions of the various departments, divisions, boards, and services of the Town government. The Town of Oro Valley is made up of the following departments and/or offices: Town Manager; Town Clerk; Legal Services; Police; Water Utility; Community Development and Public Works; Parks and Recreation; Administration Services (Finance, Human Resources and Information Technology); and Magistrate Court.

2016-2017 ACCOMPLISHMENTS

- The arts and culture ambassador program doubled with four active Oro Valley residents managing the youth featured artist in Council chambers, pop up arts in vacant commercial store fronts and facilitating public art tours with more than 230 participants
- Launched business toolkit to help educate and guide business owners and entrepreneurs through the Town's development process
- Hosted first veterans and first responders 5k in partnership with On Your Left Fitness with more than 270 participants
- Implemented Facebook advertising campaigns for the first time ever, which tripled the number of referrals to the Town's website from Facebook
- Established a new, monthly column in the Explorer Newspaper focusing on Parks & Recreation (in addition to the monthly "Town Talk" article/column)
- Established a new, monthly column in the Oro Valley Voice
- Created a new constituents portal, Ask Oro Valley, a simplified user interface and more efficient tool for staff
- Expanded internship program to now offer opportunities for undergraduate students

Town Manager's Office

2016-2017 ACCOMPLISHMENTS (continued)

- Youth Advisory Council participated in multiple community events such as Oro Valley music festival, Oro Valley holiday festival of the arts & tree lighting celebration and hosted multiple events to help bridge the gap between the youth and seniors

2017-2018 OBJECTIVES

- Partner with the Southern Arizona Arts and Cultural Alliance (SAACA) to bring the world margarita championship event to Oro Valley, highlighting independently owned, local restaurants
- Launch new Oro Valley kids concert series in partnership with the Music and Dance Academy
- Implement a formal, year-long plan for Facebook advertising of the Town's special events
- Partner with Parks & Recreation to develop a master project deadline calendar to improve efficiency and ensure advertising and marketing deadlines are met
- Create a mentoring opportunity for members of the Youth Advisory Council who are interested in the field of communications/journalism to partner with the communications administrator on a new series of articles in Bear Essential News
- Re-evaluate and revise the 10-year-old volunteer award program to better fit the contributions of the community and goals of the organization
- Increase awareness and use of Ask Oro Valley to improve resident and Town interaction

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Complete Community	Increased opportunities for residents to provide meaningful input on Town decisions and planning	Fulfill all constituent requests within 5 calendar days	4.4	5.2	5.0
		Increase the average monthly unique visitors to the Town's Economic Development webpage by 10%	12,390	12,500	13,000
		Unique visitors to the Town's website	255,944	256,000	256,500
		"Likes" or "followers" of the Town's Facebook page	2,965	3,768	4,500
		Average monthly engagement (people viewing, liking or commenting on posted information) on the Town's Facebook page	4,936	8,077	10,000
		Average monthly posts by the Town on its Facebook page	40	30	40

Town Manager's Office

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Economic Development	A robust local economy and job market that provide opportunities for quality employment, build on Oro Valley's assets and encourage high-quality growth	Maintain business retention and expansion program by meeting with at least six businesses per month	191	314	350
ENVIRONMENT  Cultural Resources	The protection and preservation of significant cultural sites, properties and resources that enhance community character and heritage	Partner with Sun Shuttle Dial-A-Ride and offer free monthly public art tours and special public art tours upon request	239	238	240

Town Manager's Office

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
10.38	10.38	10.38	10.38

Expenditures by Program - General Fund					
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 419,839	\$ 456,686	\$ 456,686	\$ 482,938	5.7%
Comm. & Constituent Svcs.	340,349	344,854	344,854	361,770	4.9%
	\$ 760,188	\$ 801,540	\$ 801,540	\$ 844,708	5.4%

Expenditures by Program - Bed Tax Fund					
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
Economic Development	\$ 622,198	\$ 684,689	\$ 682,159	\$ 769,158	12.3%
	\$ 622,198	\$ 684,689	\$ 682,159	\$ 769,158	12.3%

Town Manager's Office – Administration

OVERVIEW

The Town Manager's office is responsible for the fiscal health of the Town government, and for direction and coordination of the administrative functions of the various departments, divisions, boards, and services of the Town Government. The Town Manager's office provides staff support to the Town Council, handles media relations, promotes the Town's legislative agenda through intergovernmental programs, and seeks opportunities for partnerships and financial assistance at the county, state and federal levels through grants, legislation and federal appropriation requests. The Town Manager's office also maintains citizen and community relations, as well as Oro Valley representation on regional boards and quasi-governmental councils to keep the Town's needs and interests considered in regional decision-making.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Town Manager	1.00	1.00	1.00	1.00	-
Assistant Town Manager	-	-	1.00	1.00	1.00
Assistant to the Town Manager	1.00	1.00	-	-	(1.00)
Executive Assistant	1.00	1.00	1.00	1.00	-
Senior Office Specialist	0.50	0.50	0.50	0.50	-
Management Intern	0.38	0.38	0.38	0.38	-
Total FTEs	3.88	3.88	3.88	3.88	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 402,751	\$ 432,816	\$ 432,816	\$ 461,438	6.6%
Operations & Maintenance	17,087	23,870	23,870	21,500	-9.9%
Total Expenditures	\$ 419,839	\$ 456,686	\$ 456,686	\$ 482,938	5.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.6% due to merit increases, health insurance premium increases and a position reclassification.

Operations & Maintenance

Operations & Maintenance decreased 9.9% due to savings in travel & training costs.

Town Manager's Office – Communications & Constituent Services

OVERVIEW

The Communications Administrator manages and facilitates all media relations on behalf of the Town (with the exception of the Police Department, which has a designated public information officer). The Communications Division is responsible for internal and external communications and publications, the Town's website and employee intranet, oversight of the Town's social media accounts, graphic design and photography. Additionally, the Communications Division, in partnership with Economic Development, manages and facilitates the Town's marketing and advertising efforts. The division also plans, develops and produces publications and services designed to facilitate communication between Town leadership and residents in order to keep residents informed about Town services, activities and programs.

Staff also provide administrative support to the Town leadership through the Constituent Services Coordinator where concerns, complaints, inquiries, and referrals are addressed with excellent customer service and a common sense approach. The Constituent Services Coordinator facilitates public education efforts, coordinates departmental responses, and ensures that constituent voices and perspectives are consistently captured and transmitted to Town leadership. Constituent issues are tracked to monitor changing community needs and desires, allowing the Town leadership to adjust policies and budget options in order to better serve town residents.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Communications Administrator	1.00	1.00	1.00	1.00	-
New Media Developer	1.00	1.00	1.00	1.00	-
Constituent Services Coordinator	1.00	1.00	1.00	1.00	-
Senior Office Specialist	0.50	0.50	0.50	0.50	-
Total FTEs	3.50	3.50	3.50	3.50	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 311,410	\$ 312,974	\$ 312,974	\$ 331,540	5.9%
Operations & Maintenance	28,939	31,880	31,880	30,230	-5.2%
Total Expenditures	\$ 340,349	\$ 344,854	\$ 344,854	\$ 361,770	4.9%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.9% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 5.2% due to savings in public information services.

Bed Tax Fund

OVERVIEW

The Bed Tax Fund covers the Economic Development Division and all other related costs and activities. The Economic Development Division manages business recruitment, retention and expansion and shop Oro Valley campaigns. The Economic Development manager oversees annexations, arts and culture programs and large-scale special events and serves as liaison to regional tourism and economic development organizations. Examples of other costs budgeted in the Bed Tax Fund include funding for the Greater Oro Valley Chamber of Commerce, the Southern Arizona Arts and Cultural Alliance (SAACA) and Visit Tucson. This fund also covers increased operational costs and debt service associated with the completed Aquatic Center expansion.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Economic Development Mgr.	1.00	1.00	1.00	1.00	-
Economic Development Spec.	1.00	1.00	1.00	1.00	-
Marketing & Comm. Spec.	1.00	1.00	1.00	1.00	-
Total FTEs	3.00	3.00	3.00	3.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 248,736	\$ 259,409	\$ 259,409	\$ 272,523	5.1%
Operations & Maintenance	373,462	425,280	422,750	496,635	16.8%
Capital	-	-	-	75,000	0.0%
Other Financing Uses	414,544	510,194	510,194	410,019	-19.6%
Total Expenditures	\$1,036,743	\$1,194,883	\$1,192,353	\$1,254,177	5.0%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Bed Taxes	\$ 1,054,589	\$ 1,085,805	\$ 1,040,779	\$ 1,126,955	3.8%
Interest Income	9,904	6,200	1,196	8,011	29.2%
Miscellaneous	-	-	3,500	-	0.0%
Total Revenues	\$1,064,493	\$1,092,005	\$1,045,475	\$1,134,966	3.9%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.1% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 16.8% due to additional capacity for economic development marketing, regional partnerships, arts & culture and special events.

Capital

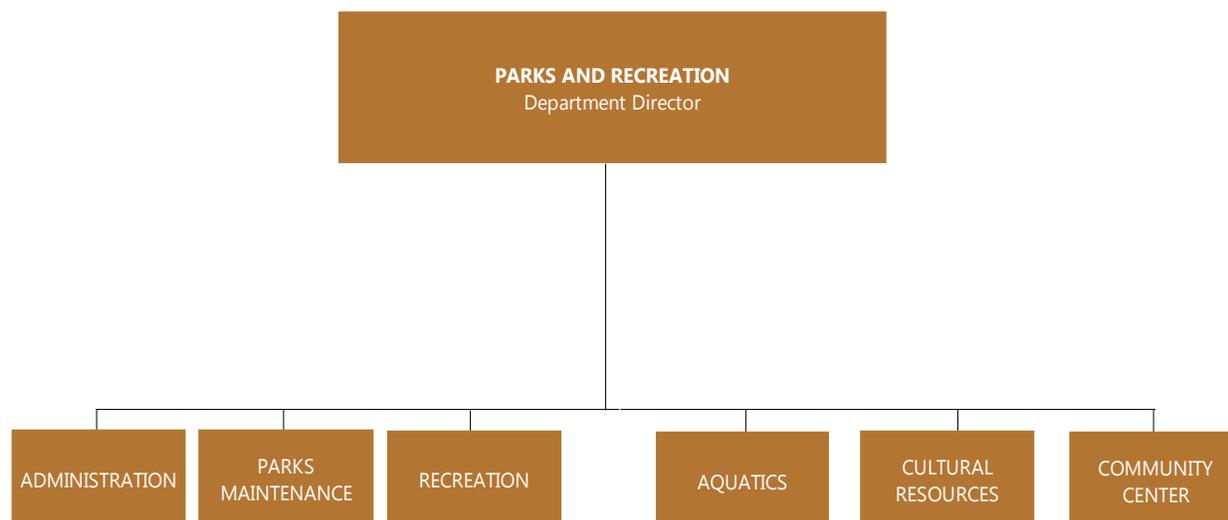
Budgeted capital in FY 2018 is for tennis court improvements at the Community Center.

Other Financing Uses

Other Financing Uses decreased 19.6% due to a completed transfer to the General Government CIP Fund in FY 2017.

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Parks and Recreation



OVERVIEW

The Parks and Recreation Department is comprised of the following divisions: Administration, Parks Maintenance, Recreation, Aquatics, Cultural Resources, and Community Center. The department is further responsible for providing staff support to the Parks and Recreation Advisory Board and the Historic Preservation Commission. ***Please note that Parks Maintenance was budgeted within the Operations Division of the Community Development & Public Works (CDPW) Department for FY 16/17.***

2016-2017 ACCOMPLISHMENTS

ADMINISTRATION

- Received seventh consecutive Playful City USA community designation
- Hosted a successful fourth annual Cocoa 5k run, despite challenging weather
- Hosted Round Up at the Ranch 5k to raise funds for youth scholarship program
- Worked with CDPW, Pima County, trail groups, and landowners to obtain easements for new Big Wash trailhead and trail
- Updated scholarship application to include additional criteria for reviewing eligibility of applicants and promoted youth scholarship fund through tipster Tuesday, which resulted in an increase in camp registrations that used the funds
- Revised ramada rules and regulations to simplify customer and staff usage
- Purged and updated nearly 100 household membership accounts within the recreation software to provide better accountability and reporting

PARKS MAINTENANCE - see CDPW Department

Parks and Recreation

2016-2017 ACCOMPLISHMENTS (continued)

RECREATION

- Continued with a very successful Fun, Fins and Fantastic Games contracted summer program, resulting in decreased expense for the Town with great benefit to our community
- Continued with many levels of archery, to include intermediate and advanced, as well as an adult level program, resulting in a well-attended summer program
- Grew attendance for all special events, including sponsorship, vendors and participation:
 - 150 youth participated in the flag football combine
 - 23 vendors, 3 supporting and 1 financial sponsor, and double the attendance of participants in the Doggie Dash 'n Dawdle
 - Continued growth and improvements in the MOVE Across 2 Ranges event have made it significantly successful for its 6th year
 - Put Me in, Coach sports registration event has continued to grow in attendance by participating leagues and community members registering for leagues and teams
- Managed the Town's 4th of July 2016 event, which had approximately 4,000 attendees

AQUATICS

- Hosted three national level synchronized swimming competitions
- Awarded Community Service Award from USA Synchro
- Began offering water polo as another possible competitive sport at the facility
- Hosted a state-level swimming championship attended by nearly 700 athletes and their families
- Increased participation in Oro Valley youth and swim teams, resulting in additional Town revenues
- Increased the number of facility rentals, including the ramada, classroom, and after-hour parties
- Increased the amount of swim lesson options, resulting in an increased number of participants

CULTURAL RESOURCES

- Worked with an adobe expert through grant funds and created workshops for adobe restoration work on the historic chicken coops at Steam Pump Ranch
- Successful special events included:
 - Harvest Heritage Festival, with approximately 3,000 attendees
 - Bike Swap Sell
 - Hot Cocoa 5k
 - Ongoing 2nd Saturdays at Steam Pump Ranch
 - Art shows
 - Pusch House tours
 - Arizona Historic Preservation annual conference
 - Successful partner event - AZ Wine Growers "Off the Vine" wine festival
 - Annual Monster Mash event
- Partnered with Archaeology Southwest for Hands on Archeology pre-historic education and research component in the heritage gardens at Steam Pump Ranch
 - Hosted the "Pit House Burn" event, with reporters and several hundred people in attendance

Parks and Recreation

2016-2017 ACCOMPLISHMENTS (continued)

COMMUNITY CENTER

- Exceeded budgeted revenue for classic membership dues by \$78,314
- Saw increased memberships in 11 out of 12 months; in total up 200% from 2015
- Summer camps exceeded revenue expectations by 15% from previous year
- Started three new well-received programs:
 - Karate
 - Art instruction
 - PWR! Gym (Oro Valley is the first satellite location for this Parkinson's Wellness Recovery (PWR) program; PWR is a nationally recognized group for Parkinson's study and wellness)

2017-2018 OBJECTIVES

ADMINISTRATION

- Begin the evaluation and application process for the bicycle-friendly community application
- Begin drafting in-house work for the Parks & Recreation master plan
- Begin drafting in-house work for updates to the bicycle and trails plans
- Work with user groups to build the Big Wash trail
- Explore upgrade and/or replacement options for recreation software
- Create scholarship brochure and investigate possibilities for increasing awareness for scholarship revenues
- Continue to provide high-quality parks and recreation areas through development of a work order system

PARKS MAINTENANCE

- Install two new lit multi-sport fields at Naranja Park
- Install artificial turf and new rock at Naranja dog park
- Resurface basketball court at Riverfront Park
- Repair and improve ramadas at Riverfront Park

RECREATION

- Provide exceptional recreational programs, activities, classes, hikes, and special events for all ages
- Provide ball field management and contracts to field users, both private and major organizations
- Provide contracted programs at parks, schools, the Aquatic Center, or other public spaces
- Expand special events, including a new annual Town birthday/heritage/founding celebration, and a larger, enriched 4th of July celebration
- Provide much needed summer, spring and fall programs for children of all ages and abilities including those with disabilities
- Partner for special events, such as MOVE Across 2 Ranges, Off the Vine wine festival, and the holiday tree lighting event

Parks and Recreation

2017-2018 OBJECTIVES (continued)

AQUATICS

- Streamline the special event process at the Aquatic Center
- Increase year-round usage from specialty training groups
- Offer specialty training to Aquatic Center staff; specifically increase the number of lifeguard instructors we have
- Increase advertising and ad campaigning for summer passes and community events
- Offer new community events
- Perform necessary upgrades in the pump room to operate at current standards

CULTURAL RESOURCES

- Continue the protection and preservation of significant cultural sites, prosperities and resources that enhance community character and heritage
- Provide administrative oversight for the Historic Preservation Commission and act as the Town's liaison to the Oro Valley Historical Society, the Archaeology Southwest's Hands on Archaeology projects at Steam Pump Ranch, and the heirloom farmers market
- Handle all public and professional inquiries about the Town's historic properties and work to establish relationships with entities or individuals that may provide a link to the culture or heritage of the Town
- Explore funding opportunities for needed repairs, planned preservation, restoration efforts and maintenance

COMMUNITY CENTER

- Maintain membership levels
- Continue to grow and expand camp and youth opportunities
- Explore additional program opportunities without displacing current membership

Parks and Recreation

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Economic Development	Long-term financial and economic stability and sustainability	Maintain 48% cost recovery for Aquatics division	49.3%	52.2%	51.3%
		Maintain 65% cost recovery for recreation programs	80%	76%	80%
		Number of Community Center memberships (goal is net gain of 25 memberships per quarter)	901	1,074	1,115
COMMUNITY  Parks and Recreation	A high-quality parks, recreation and open space system that is accessible, comprehensive, connected and serves the community's needs	Increase Aquatic Center Community Pool Party and Games participation by 10% per year	400	500	550
		Grow the number of special event offerings in parks and/or at Steam Pump Ranch	13	15	17
		Maintain park acres for active and passive recreational use (Includes golf course at 324 acres)	772 acres	See CDPW Dept.	772 acres
		Grow the number of program offerings at the Community Center by ten new programs each season (3x/yr)	11	15	16
COMMUNITY  Complete Community	Increased opportunities for residents to provide meaningful input on Town decisions and planning	"Likes" or "followers" of the Parks & Recreation Facebook page (includes El Con golf & tennis)	1,984	2,971	3,900
		Average monthly engagement (people viewing, liking or commenting on posted information) on the Parks & Recreation Facebook page (includes El Con golf & tennis)	826	1,506	3,000
		Average monthly posts on the Parks & Recreation Facebook page (includes El Con golf & tennis)	29	43	55

Parks and Recreation

Total FTEs			
FY 2016 Actual	FY 2017 **		FY 2018 Budget
	Budget	Projected	
55.52	48.62	48.62	58.13

** FY 2017 included .60 FTE for a heavy equipment operator II to perform golf course cart path capital improvements. The position was budgeted in the Community Center Fund, but was under the management of the Community Development & Public Works (CDPW) Department.

	Expenditures by Fund				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 3,033,102	\$ 1,977,326	\$ 1,962,029	\$ 3,667,092	85.5%
Community Center Fund	6,769,529	6,887,403	6,234,422	6,495,904	-5.7%
Parks & Rec Impact Fee Fund	-	250,000	112,600	539,400	115.8%
	\$9,802,631	\$ 9,114,729	\$ 8,309,051	\$ 10,702,396	17.4%

	Revenues by Fund				
	FY 2016 Actual	FY 2017		FY 2018 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 858,416	\$ 897,275	\$ 912,375	\$ 1,025,791	14.3%
Community Center Fund	5,906,151	6,615,238	6,072,975	6,495,904	-1.8%
Parks & Rec Impact Fee Fund	186,255	132,680	274,249	294,505	122.0%
	\$6,950,822	\$ 7,645,193	\$ 7,259,599	\$ 7,816,200	2.2%

Parks and Recreation – General Fund

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
35.70	28.20	28.20	38.31

	Expenditures by Division				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Administration	\$ 453,611	\$ 405,700	\$ 390,403	\$ 611,370	50.7%
Parks Maintenance	1,060,199	-	-	1,309,815	0.0%
Recreation	304,323	335,903	335,903	452,133	34.6%
Aquatics	1,174,829	1,172,322	1,172,322	1,246,448	6.3%
Cultural Resources	40,140	63,401	63,401	47,326	-25.4%
	\$3,033,102	\$1,977,326	\$1,962,029	\$3,667,092	85.5%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Aquatics User Fees	\$ 552,009	\$ 567,400	\$ 582,500	\$ 582,500	2.7%
Concession Sales	27,757	30,000	30,000	30,000	0.0%
Fields & Courts User Fees	95,896	112,000	112,000	117,000	4.5%
Miscellaneous User Fees	173,065	157,875	157,875	197,791	25.3%
State Grants	9,690	30,000	30,000	98,500	228.3%
	\$ 858,416	\$ 897,275	\$ 912,375	\$1,025,791	14.3%

Parks and Recreation – General Fund

Administration

OVERVIEW

The Parks and Recreation Administration Division is responsible for program registrations, processing fees and making deposits, coordinating facility reservations, responding to all phone, walk-in and email inquiries, and clerical and organizational support to the entire department. Additionally, this division provides administrative support to the Parks and Recreation Advisory Board.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Multimodal Planner	1.00	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	4.00	4.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 317,183	\$ 328,320	\$ 313,023	\$ 322,741	-1.7%
Operations & Maintenance	136,428	77,380	77,380	186,629	141.2%
Capital Outlay	-	-	-	102,000	0.0%
Total Expenditures	\$ 453,611	\$ 405,700	\$ 390,403	\$ 611,370	50.7%

FY 2017/2018 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 141.2% due to gasoline and vehicle repair & maintenance costs associated with Parks Maintenance vehicles. Parks Maintenance was budgeted in the CDPW Department in FY 16/17.

Capital Outlay

Budgeted capital in FY 2018 is capacity for grant-funded improvements for the department.

Parks and Recreation – General Fund

Parks Maintenance

OVERVIEW

The Parks Maintenance Division is responsible for janitorial services, turf management, landscape maintenance and property upkeep for all parks, natural trails, and bicycle/pedestrian oasis facilities. Parks Maintenance is also responsible for the landscape maintenance at Town Hall, including the Police Department. Parks Maintenance oversees all parks construction projects, including new construction, renovations and repairs. **Please note that for FY 2017, Parks Maintenance was budgeted within the Operations Division of the Community Development & Public Works (CDPW) Department.**

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Parks Maint Superintendent	1.00	-	-	1.00	1.00
Parks Maintenance Coordinator	1.00	-	-	1.00	1.00
Parks Maintenance Crew Leader	-	-	-	1.00	1.00
Parks Maintenance Worker II	1.00	-	-	1.00	1.00
Parks Maintenance Worker I	3.92	-	-	5.00	5.00
Park Monitor	0.96	-	-	0.96	0.96
Total FTEs	7.88	-	-	9.96	9.96

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 399,546	\$ -	\$ -	\$ 560,365	0.0%
Operations & Maintenance	577,833	-	-	662,450	0.0%
Capital Outlay	82,820	-	-	87,000	0.0%
Total Expenditures	\$ 1,060,199	\$ -	\$ -	\$ 1,309,815	0.0%

FY 2017/2018 Expenditure and Staffing Changes

See CDPW Department (Parks Maintenance) for FY 2017 amounts

Personnel

Two part-time Parks Maintenance Worker I positions were transitioned to one full-time position. Personnel costs increased 10.0% due to this position change, as well as merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 16.1% due primarily to water and electricity costs.

Capital

Capital decreased 40.3% due to the shifting of all grant-funded projects and capacity to Administration.

Parks and Recreation – General Fund

Recreation

OVERVIEW

The Recreation Division is responsible for providing recreational programs, activities, classes, hikes, and special events for all ages, as well as ball field management and contracts.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Recreation & Cultural Svcs. Mgr.	0.80	0.80	0.80	0.80	-
Assistant Recreation Manager	1.00	1.00	1.00	1.00	-
Recreation Leader	0.80	1.80	1.80	1.95	0.15
Recreation Aide	1.75	1.75	1.75	1.75	-
Total FTEs	4.35	5.35	5.35	5.50	0.15

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 198,233	\$ 228,203	\$ 228,203	\$ 245,708	7.7%
Operations & Maintenance	106,090	107,700	107,700	206,425	91.7%
Total Expenditures	\$ 304,323	\$ 335,903	\$ 335,903	\$ 452,133	34.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 7.7% due to a slight increase in recreation leader FTEs, as well as merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 91.7% due to special events and contract personnel services.

Parks and Recreation – General Fund

Aquatics

OVERVIEW

The Aquatics Division is responsible for the safe operation, maintenance and management of the Oro Valley Aquatic Center. This facility includes an Olympic-sized swimming pool, a 25-yard pool, a splash pad for children and other family-friendly amenities. The facility serves as one of Southern Arizona's premier, competition-level facilities.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Aquatics Manager	1.00	1.00	1.00	1.00	-
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	-
Office Specialist	-	-	-	1.00	1.00
Office Assistant	0.75	1.00	1.00	-	(1.00)
Facility Supervisor	1.36	1.50	1.50	1.50	-
Shift Leader	3.40	2.39	2.39	2.39	-
Facility Attendant	5.76	5.76	5.76	5.76	-
Lifeguard/Swim Instructor	6.00	6.00	6.00	6.00	-
Total FTEs	19.27	18.65	18.65	18.65	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 627,167	\$ 629,332	\$ 629,332	\$ 650,898	3.4%
Operations & Maintenance	547,661	516,390	516,390	543,550	5.3%
Capital Outlay	-	26,600	26,600	52,000	95.5%
Total Expenditures	\$ 1,174,829	\$ 1,172,322	\$ 1,172,322	\$ 1,246,448	6.3%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel increased 3.4% due to merit increases, health insurance premium increases and a position reclassification.

Operations & Maintenance

Operations & Maintenance increased 5.3% due to contract personnel services and gas & electricity.

Capital

Capital increased 95.5% due to equipment upgrades and replacements planned for FY 2018.

Parks and Recreation – General Fund

Cultural Resources

OVERVIEW

The Cultural Resources Division is responsible for the management of all town historic and cultural properties, such as Steam Pump Ranch. Additionally, this division is responsible for implementation and follow-through of master plans for town historic sites and cultural resources.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Recreation & Cultural Svcs. Mgr.	0.20	0.20	0.20	0.20	-
Total FTEs	0.20	0.20	0.20	0.20	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 15,324	\$ 15,401	\$ 15,401	\$ 16,026	4.1%
Operations & Maintenance	16,578	18,000	18,000	16,300	-9.4%
Capital Outlay	8,238	30,000	30,000	15,000	-50.0%
Total Expenditures	\$ 40,140	\$ 63,401	\$ 63,401	\$ 47,326	-25.4%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.1% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 9.4% due to savings in printing & binding costs.

Capital

Capital decreased 50.0% due to the shifting of all grant-funded projects and capacity to Administration.

Community Center Fund

OVERVIEW

This fund is used to manage the operations of the Town's Community Center, golf, food & beverage and tennis facilities. Revenues include a dedicated 0.5% sales tax, as well as revenues from golf, food and beverage, fitness and recreation activities. Expenditures include personnel, operating and capital improvement costs for the facilities. Golf, food and beverage and tennis operations are managed by an outside contractor.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Recreation Facility Manager	1.00	1.00	1.00	1.00	-
Assistant Recreation Manager	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Facilities Maint. Technician	2.00	2.00	2.00	2.00	-
Custodian	1.92	1.92	0.48	0.48	(1.44)
Facility Attendant	5.00	5.00	5.00	5.00	-
Aquatics Facility Supervisor	1.44	1.44	1.44	1.44	-
Lifeguard	2.00	2.00	2.00	2.00	-
Recreation Leader	0.96	0.96	0.96	0.96	-
Recreation Aide	2.00	2.00	3.44	3.44	1.44
Fitness Instructor	1.50	1.50	1.50	1.50	-
Heavy Equipment Operator II	-	0.60	0.60	-	(0.60)
Total FTEs	19.82	20.42	20.42	19.82	(0.60)

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 585,787	\$ 736,944	\$ 736,944	\$ 745,858	1.2%
Operations & Maintenance	5,683,968	5,503,259	5,295,778	5,489,840	-0.2%
Capital Outlay	499,774	527,200	81,700	94,250	-82.1%
Other Financing Uses	-	120,000	120,000	165,956	38.3%
Total Expenditures	\$ 6,769,529	\$ 6,887,403	\$ 6,234,422	\$ 6,495,904	-5.7%

Revenue Sources					
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Local Sales Taxes	\$ 2,030,750	\$ 2,105,163	\$ 2,204,260	\$ 2,308,112	9.6%
Charges for Services	3,722,094	4,510,075	3,864,232	4,187,792	-7.1%
Miscellaneous	153,308	-	4,483	-	0.0%
Total Revenues	\$ 5,906,151	\$ 6,615,238	\$ 6,072,975	\$ 6,495,904	-1.8%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Temporary heavy equipment operators completed golf course cart path maintenance in FY 2017. These savings are offset by merit increases and health insurance premium increases for an overall personnel cost increase of 1.2%.

Capital

Capital decreased 82.1% based on available funding capacity for FY 2018.

Other Financing Uses

Other Financing Uses increased 38.3% due to a transfer to the Municipal Debt Service Fund for debt service due on bonds issued to complete an energy efficiency project at the Community Center.

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Parks & Recreation Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to parks and recreation purposes. Parks & Recreation impact fees are assessed on residential development within the town.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	-	-	-	-	0.0%
Other Financing Uses	-	250,000	112,600	539,400	115.8%
Total Expenditures	\$ -	\$ 250,000	\$ 112,600	\$ 539,400	115.8%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Impact Fees	\$ 185,622	\$ 132,680	\$ 273,333	\$ 294,505	122.0%
Interest Income	633	-	916	-	0.0%
Total Revenues	\$ 186,255	\$ 132,680	\$ 274,249	\$ 294,505	122.0%

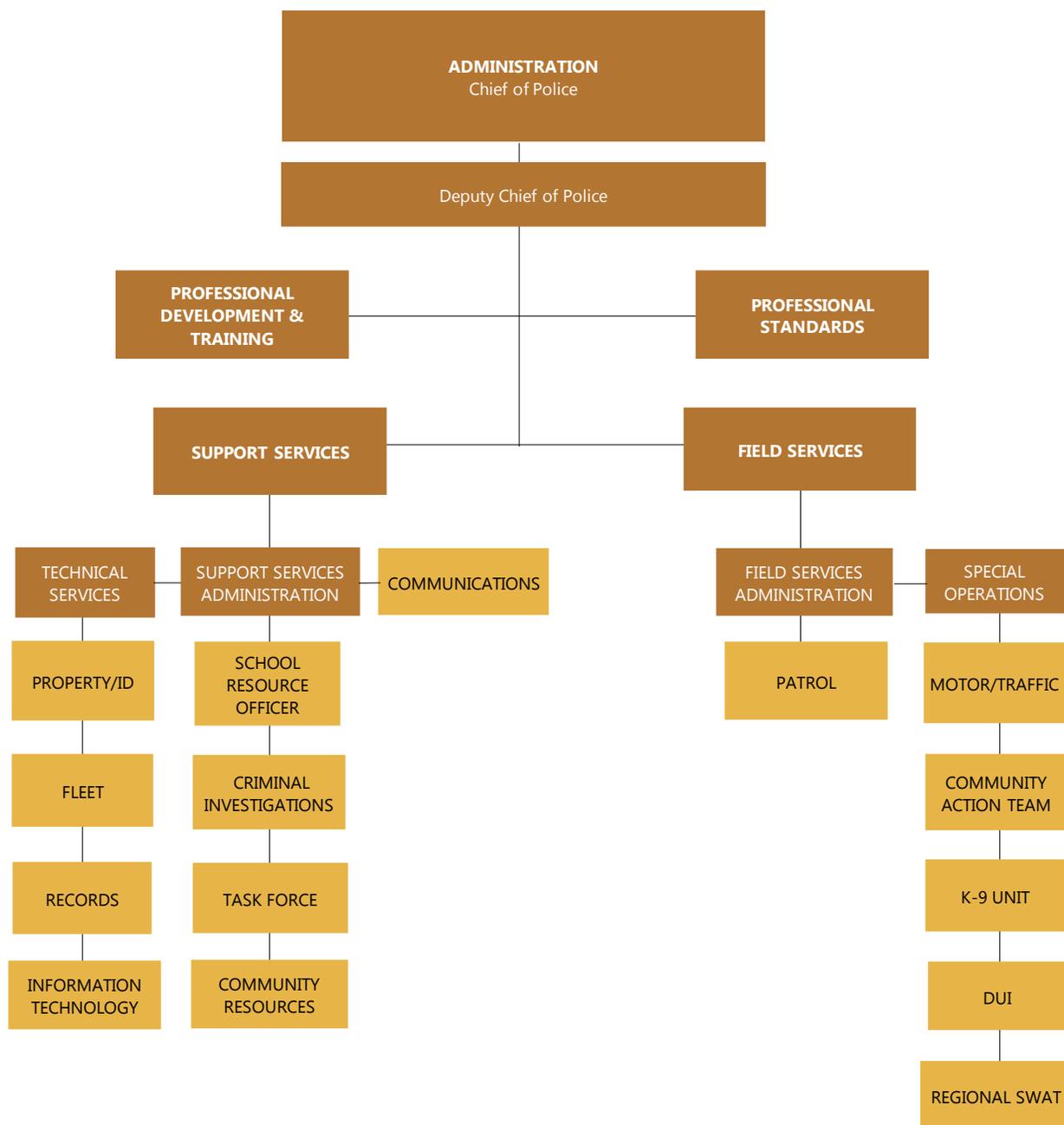
FY 2017/2018 Expenditure Changes

Other Financing Uses

Other Financing Uses in FY 2017 and FY 2018 are transfers to the General Government CIP Fund to construct two new lit multi-use fields at Naranja Park.

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Police



OVERVIEW

The Oro Valley Police Department (OVPD) is committed to providing public safety services to ensure a safe environment. This is accomplished through collaborative partnerships between our organization, our citizens, business owners/managers, schools, community organizations, media, and other government partners. OVPD members seek the highest amount of professional development with one S.E.R.V.I.C.E. vision in mind:

Seek Excellence Remain Vigilant Involve Community Enforcement

Police

2016-2017 ACCOMPLISHMENTS

- Issued 1,043 warnings as part of the effort to educate the public of the new Town “hands free” ordinance and the dangers of distracted driving
- Joined the International Association of Chiefs of Police “One Mind Campaign” to ensure successful interactions between police officers and persons affected by mental illness
- Established a public/private partnership with Pusch Ridge Christian Academy to provide one full-time school resource officer to the private school
- Completed a successful pilot project with Golder Ranch Fire District to provide maintenance and repairs of police fleet and specialty vehicles, and formalized a ten-year intergovernmental agreement to continue these services
- Conducted a two-week Explorer academy, hosting Explorer posts from outside jurisdictions
- Utilized funds donated by the Cañada Del Oro Kennel Club to purchase explosive detection K9 “Justin”
- Named the 2016 coordinating agency for the Southern Arizona Child Abduction Response Team
- Continued to support Back to School and ‘Shop With a Cop’ programs
- Continued hosting ‘Coffee With a Cop’ program, hosting multiple events at Oro Valley restaurants and extended care facilities
- Total of 134 businesses participating in the Adopt-A-Business program
- Citizen volunteer assistants program members contributed 13,367 volunteer hours
- Explorers contributed 1,150 volunteer hours
- Utilized seizure funds for officer training and development, as well as public service announcements in support of the Distracted Driving campaign and the Arizona Leadership Education and Development Academy
- Received the Educate and Enforce Award by the United States Department of Transportation as part of the 2016 Mayor’s Challenge
- Received grant funding from the Governors Office of Highway Safety for six DUI breath detection devices, four “moving” speed detection radars to be mounted on police motorcycles, two handheld speed detection devices, and \$30,000 in overtime to support DUI enforcement and participation with the Southern Arizona DUI Task Force
- Received Operation Stonegarden grant funding for two density meters to detect contraband such as illegal narcotics, and \$64,000 in overtime/mileage funding to combat illegal contraband, human smuggling and the apprehension of terrorists entering the United States
- Explorers successfully competed in the City of Chandler and national explorer competitions
- Taught nine rape aggression defense classes, with a total of 151 attendees

2017-2018 OBJECTIVES

Focus Area: Public Safety

- Provide rescue task force training to our partnering fire departments and continue a regional approach to active shooter preparedness
- Continue the Axon body worn camera program to full deployment
- Maintain updated department policies and directives

Police

2017-2018 OBJECTIVES (continued)

- Ensure continuing development of all staff, especially as related to succession planning
- Evaluate and implement evolving technology to further the investigating, mitigating and solving of crimes
- Maintain strong regional collaborative relationships (Motor Academy, SWAT/Negotiations, Bomb Squad, etc.)

Focus Area: Economic Development

- Seek and secure outside grant funding from federal, state and local sources
- Participate in efforts to annex additional areas

Focus Area: Parks and Recreation

- Continue to partner with Parks and Recreation and Economic Development to attract and retain sports tourism

Focus Area: Complete Community

- Provide effective citizen outreach, communication and education through Citizen Academy, Teen Academy, neighborhood meetings, public meetings, Town website, HOA forums, special events, programs and social media
- Adopt new businesses as they open and cultivate relationships to create a business-friendly environment
- Continue dispose-a-med and shred-a-thon programs
- Continue conducting popular rape aggression defense classes
- Ensure a safe community by reducing crime and reducing fear of crime where residents and visitors feel secure
- Continue to provide active shooter education to private groups, businesses and civic events

Focus Area: Cost of Services

- Maximize use of non-Town funding sources by participating in task force operations
- Seek and secure outside grant funding from federal, state and local sources
- Continue progress for a new police evidence and substation facility

Police

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goal/Strategy	Performance Measure	CY 2016 Actual	CY 2017 Estimate	CY 2018 Projected
COMMUNITY  Complete Community	Increased opportunities for residents to provide meaningful input on Town decisions and planning	"Likes" or "followers" of the Police Department Facebook page	3,119	4,180	5,200
COMMUNITY  Public Safety	A safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members	Respond to 100% of Priority I calls in less than five minutes	84%	82%	84%
		Respond to 100% of Priority II calls in less than eight minutes	85%	83%	82%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the day as reasonably safe or above	95%	93%	95%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the night as reasonably safe or above	82%	82%	85%
		Achieve 100% resident rating on OVPD resident satisfaction survey for above average police services (rating of a 7 or above on a scale of 1-10) *	98%	100%	100%

*Of those who indicated they had contact with the Police Department during the last 12 months

Police

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
131.13	133.13	133.13	136.13

	Expenditures by Division				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Administration	\$ 1,176,307	\$ 1,216,370	\$ 1,216,370	\$ 1,447,429	19.0%
Support Services	6,646,369	6,868,992	6,868,992	7,208,204	4.9%
Field Services	7,318,561	7,521,984	7,314,441	8,244,606	9.6%
Professional Dev. & Training	196,217	177,913	177,913	196,212	10.3%
Professional Standards	138,267	143,383	143,383	156,966	9.5%
	\$ 15,475,721	\$ 15,928,642	\$ 15,721,099	\$ 17,253,417	8.3%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Federal Grants	\$ 604,626	\$ 478,284	\$ 475,136	\$ 471,342	-1.5%
Intergovernmental	70,000	173,063	145,000	225,000	30.0%
State Grants	68,114	63,000	68,000	68,000	7.9%
Seizures & Forfeitures	218,702	227,554	32,011	85,137	-62.6%
Fingerprinting	21,180	20,200	16,500	16,500	-18.3%
Report Copying	5,751	5,200	6,500	5,600	7.7%
Impound Processing	46,030	40,000	37,000	40,000	0.0%
Other	28,675	18,891	32,729	20,183	6.8%
	\$ 1,063,078	\$ 1,026,192	\$ 812,876	\$ 931,762	-9.2%

Police - Administration

OVERVIEW

The Oro Valley Police Department (OVPD) is a true community policing organization and understands community policing is a "way of life" for an organization. In Oro Valley, community policing is considered a core value that underlies all programs and initiatives. The Police Department Administration embodies this philosophy and guides all staff towards embracing this philosophy throughout the entire organization.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Police Chief	1.00	1.00	1.00	1.00	-
Deputy Police Chief	1.00	1.00	1.00	1.00	-
Lieutenant	1.00	1.00	1.00	1.00	-
Public Info. Officer - Sergeant	-	-	-	1.00	1.00
Administrative Services Manager	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	4.00	5.00	1.00

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 616,467	\$ 633,585	\$ 633,585	\$ 812,799	28.3%
Operations & Maintenance	559,840	582,785	582,785	634,630	8.9%
Total Expenditures	\$1,176,307	\$1,216,370	\$1,216,370	\$1,447,429	19.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

A new, full-time public information officer (PIO) - sergeant position was approved for FY 2018. Personnel costs also increased due to merits, pension rates and health insurance premiums.

Operations & Maintenance

Operations & Maintenance increased 8.9% due to travel & training, telecommunications, insurance and non-capitalized equipment costs.

Police – Support Services

OVERVIEW

The Support Services Division (SSD) provides the necessary support and enhancement to the Field Services Division and Administration. SSD personnel are specially trained in law enforcement functions specific to the organization and community, which enhance our ability to provide service. SSD must consistently evaluate the service efforts of the department and make changes based upon these efforts. This is accomplished through technology, expertise, resource allocation, intelligence gathering and education.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Emerg. Mgmt. & Safety Coord.	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	5.00	5.00	5.00	5.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 611,470	\$ 629,719	\$ 629,719	\$ 659,419	4.7%
Operations & Maintenance	287	500	500	500	0.0%
Total Expenditures	\$ 611,757	\$ 630,219	\$ 630,219	\$ 659,919	4.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.7% due to merit increases, pension rate increases and health insurance premium increases.

Police – School Resource Officer

OVERVIEW

The School Resource Officer (SRO) program is designed upon the "basic triad concept" of being a law enforcement officer, teacher, and counselor to the school community. This "community" includes the school administration, faculty and staff, parents, students, and the schools surrounding the Oro Valley community. An SRO provides this service in many ways while always taking a personal interest in students' lives, activities and problems. Officers are assigned to: Canyon del Oro High School, Ironwood Ridge High School, Copper Creek Elementary, Painted Sky Elementary, Wilson K-8 and Pusch Ridge Christian Academy. In addition, the FY 2018 budget includes two new SRO assignments at Innovation Academy and Leman Academy.

Within the SRO Unit is the Explorers Program, which consists of young men and women, ages 14 to 20, who are interested in a career in law enforcement. Police officers are the Explorer advisors and assist in weekly instruction and training. Explorers dedicate themselves to community service and assist the department during special events.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
School Resource Officer	7.00	8.00	8.00	10.00	2.00
Total FTEs	8.00	9.00	9.00	11.00	2.00

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 946,363	\$ 1,013,559	\$ 1,013,559	\$ 1,355,365	33.7%
Operations & Maintenance	10,325	15,500	15,500	9,250	-40.3%
Total Expenditures	\$ 956,688	\$1,029,059	\$ 1,029,059	\$1,364,615	32.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 33.7% due to two, new full-time SRO positions approved for FY 2018. Costs also rose due to step increases, pension rate increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 40.3% due to savings in field supplies and uniforms.

Police - Communications

OVERVIEW

The Communications Center is the primary answering point for all 9-1-1 emergency calls in Oro Valley. The center operates 24 hours a day, 7 days a week. Public Safety Communications is skilled emergency service work that involves receiving emergency and non-emergency requests for police assistance, determining the nature and the urgency of calls, initiating police or other emergency service personnel action and maintaining close contact with field units to monitor response and needed support requirements.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Police Communications Mgr.	1.00	1.00	1.00	1.00	-
Communications Supervisor	-	-	-	2.00	2.00
Lead Dispatcher	3.00	3.00	3.00	-	(3.00)
Dispatcher	8.00	9.00	9.00	10.00	1.00
Total FTEs	12.00	13.00	13.00	13.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 879,685	\$ 956,555	\$ 956,555	\$ 1,044,615	9.2%
Operations & Maintenance	4,132	2,800	2,800	5,070	81.1%
Total Expenditures	\$ 883,818	\$ 959,355	\$ 959,355	\$1,049,685	9.4%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 9.2% due to the reclassification of two lead dispatchers, as well as merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 81.1% due to non-capitalized equipment needs.

Police – Records

OVERVIEW

The Records Unit is responsible for processing, distributing, and maintaining all public law enforcement records generated by OVPD. The Records Unit adheres to the release policy mandated by state law. The Unit is also responsible for the handling of impound releases of vehicles, verifying the required documentation through the Motor Vehicle Division, preparing the proper paperwork, and collecting the necessary fees.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Records Supervisor	1.00	1.00	1.00	1.00	-
Records Specialist	5.00	5.00	5.00	5.00	-
Office Assistant	1.25	1.25	1.25	1.25	-
Total FTEs	7.25	7.25	7.25	7.25	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 421,913	\$ 429,271	\$ 429,271	\$ 449,295	4.7%
Operations & Maintenance	6,541	2,750	2,750	2,700	-1.8%
Total Expenditures	\$ 428,454	\$ 432,021	\$ 432,021	\$ 451,995	4.6%

FY 2017/2018 Expenditure Changes

Personnel

Personnel costs increased 4.7% due to merit increases and health insurance premium increases.

Police – Criminal Investigations

OVERVIEW

The Criminal Investigations Unit (CIU) is the primary investigative arm of the OVPD and is responsible for investigating all major crimes that occur in Oro Valley. These crimes include crimes against person(s) - homicide, sexual assault, aggravated assault, etc., and crimes against property - burglary, larceny, auto theft, etc.

Detectives are cross-trained to investigate the various types of crimes committed in Oro Valley and many of them network with task force groups outside Oro Valley to enhance service within our community.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Detective	6.00	6.00	6.00	6.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 852,250	\$ 877,891	\$ 877,891	\$ 920,392	4.8%
Operations & Maintenance	9,632	11,255	11,255	11,400	1.3%
Total Expenditures	\$ 861,883	\$ 889,146	\$ 889,146	\$ 931,792	4.8%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.8% due to step increases, pension rate increases and health insurance premium increases.

Police – Information Technology

OVERVIEW

The Information Technology Unit (ITU) provides support service to the department and is responsible for planning, acquiring, implementing and developing information technology solutions to facilitate the department's mission. The ITU also evaluates and acquires emerging technologies, information systems and networks that have law enforcement applications.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Detective/IT Manager	1.00	1.00	-	-	(1.00)
Systems Analyst	-	-	1.00	1.00	1.00
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 122,560	\$ 128,784	\$ 128,784	\$ 108,485	-15.8%
Operations & Maintenance	156,611	177,022	174,222	174,722	-1.3%
Capital Outlay	13,469	7,120	9,920	16,600	133.1%
Total Expenditures	\$ 292,640	\$ 312,926	\$ 312,926	\$ 299,807	-4.2%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 15.8% due to the reclassification of the detective/IT manager position as a systems analyst.

Capital

Capital increased 133.1% due to equipment replacement needs.

Police – Fleet

OVERVIEW

Fleet Maintenance assists with the procurement, outfitting, assigning and maintenance of all vehicles in the OVPD fleet. Fleet Maintenance ensures that all warranty work is performed and the fleet is maintained to manufacturer specifications at the most competitive rates available. It is further tasked with preventative safety equipment maintenance.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Fleet Control Specialist	1.00	1.00	1.00	1.00	-
Reserve Officer	0.48	0.48	0.48	0.48	-
Total FTEs	1.48	1.48	1.48	1.48	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 101,057	\$ 103,614	\$ 103,614	\$ 108,085	4.3%
Operations & Maintenance	964,759	995,255	995,255	653,853	-34.3%
Total Expenditures	\$1,065,816	\$1,098,869	\$1,098,869	\$ 761,938	-30.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.3% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance decreased 34.3% due to vehicle replacement charges from the Fleet Fund. Reserves that have been set aside each year in the Fleet Fund since FY 2014 will be utilized for vehicle replacements in FY 2018.

Police – Community Resources

OVERVIEW

The Community Resource Unit (CRU) is dedicated to preventing crime through public education and offers a wide range of presentations and programs.

Neighborhood Watch Program - Consists of a cohesive body of concerned citizens addressing issues that affect their neighborhood. OVPD has two officers who organize, train, and provide valuable information to these neighborhoods in order to reduce and prevent crime. Neighborhood Watch provides communities a direct liaison with the OVPD and quarterly newsletters are distributed.

Crime Free Multi-Housing Program - This program is similar to Neighborhood Watch but for apartment complexes. It encourages neighbors to interact with one another but also holds apartment managers to strict criteria when signing new tenants.

Citizen Volunteer Assistants Program (C.V.A.P.) - This program provides the opportunity for citizens to serve their community by assisting the Police Department. The volunteers become an extra set of eyes and ears and assist in many different areas. Volunteers patrol residential neighborhoods, business complexes, shopping centers and assist with scene security at accidents or crime scenes.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Officer/Special Events Coord.	1.00	1.00	1.00	1.00	-
Officer	1.00	1.00	1.00	1.00	-
Total FTEs	3.00	3.00	3.00	3.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 337,837	\$ 344,875	\$ 344,875	\$ 385,838	11.9%
Operations & Maintenance	50,562	48,140	48,140	58,500	21.5%
Total Expenditures	\$ 388,399	\$ 393,015	\$ 393,015	\$ 444,338	13.1%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 11.9% due to merit increases, pension rate increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 21.5% due to bi-annual employee service awards event.

Police – Task Force Operations

OVERVIEW

The OVPD is actively involved in multi-jurisdictional joint task forces across southern Arizona.

Counter Narcotics Alliance is a multi-jurisdictional drug task force consisting of 18 participating agencies to include local law enforcement, prosecuting agencies, the Arizona High Intensity Drug Trafficking Area, and the Davis-Monthan Air Force Base operating in the Pima County metro area. Each agency compliments the task force with staffing and administrative processes.

Drug Enforcement Agency has numerous multi-jurisdictional task force groups that include federal agents, prosecuting agencies, and state and local law enforcement agencies. Each task force is assigned a specific area of enforcement, in order to combat this national epidemic, including the production, trafficking, and individuals who use illegal drugs.

Joint Terrorism Task Force are small cells of highly trained, locally based investigators, analysts, linguists, SWAT experts, and other specialists from dozens of U.S. law enforcement and intelligence agencies. It is a multi-agency effort led by the Justice Department and FBI designed to combine the resources of federal, state, and local law enforcement.

The **Gang and Immigration Intelligence Team Enforcement Mission (GIITEM)** is a multi-jurisdictional task force that focuses on street gang crime as well as U.S. border and immigration crimes. GIITEM strives to accomplish its mission through a task force concept involving personnel from tribal, federal, state, county, and municipal law enforcement agencies.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Officer	7.00	7.00	7.00	7.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 849,280	\$ 788,617	\$ 788,617	\$ 865,141	9.7%
Capital Outlay	22,058	35,900	35,900	23,000	-35.9%
Total Expenditures	\$ 871,338	\$ 824,517	\$ 824,517	\$ 888,141	7.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 9.7% due to step increases, pension rate increases and health insurance premium increases.

Capital

Capital decreased 35.9% due to grant-funded equipment purchases completed in FY 2017.

Police – Property and ID

OVERVIEW

The Property and ID Unit is staffed with skilled technicians that locate, collect, secure and preserve a variety of critical, physical and sometimes fragile evidence at crime scenes. Technicians must write accurate narratives, follow up on collected evidence for scientific analysis, liaison with other agencies to complete related casework, and prepare testimony for court proceedings. Staff within this program area are also responsible for inventory and maintenance of all department equipment, including equipment necessary to outfit each officer.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Crime Scene Tech Supervisor	1.00	1.00	1.00	1.00	-
Crime Scene Technician	2.00	2.00	2.00	2.00	-
Reserve Officer	0.48	0.48	0.48	0.48	-
Total FTEs	3.48	3.48	3.48	3.48	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 220,761	\$ 246,065	\$ 246,065	\$ 257,724	4.7%
Operations & Maintenance	64,815	53,800	53,800	98,250	82.6%
Total Expenditures	\$ 285,576	\$ 299,865	\$ 299,865	\$ 355,974	18.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.7% due to merit increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 82.6% due to budgeted field supplies for the department's hiring of two new FTEs in FY 2018, with a potential for hiring a third FTE.

Police – Field Services

OVERVIEW

The Field Services Division (FSD) is the largest division of the Police Department and is comprised of officers and supervisors who provide the "front line" service to the community. FSD must continually monitor crime trends, deployment methods, beat structure, business and neighborhood issues and response times to ensure that the department is providing the most efficient and effective services.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Crime Analyst	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 675,557	\$ 698,790	\$ 698,790	\$ 766,275	9.7%
Operations & Maintenance	1,103	1,500	1,500	1,500	0.0%
Total Expenditures	\$ 676,660	\$ 700,290	\$ 700,290	\$ 767,775	9.6%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 9.7% due to merit increases, pension rate increases and health insurance premium increases.

Police – Patrol

OVERVIEW

The Patrol Division consists of six squads and one motorcycle squad, providing 24/7 police service to town citizens, schools, business owners, employees and visitors. OVPD divides the town into four separate geographical patrol areas. Patrol deployment methods are based on a variety of factors, including response times, call loads, crime statistics and neighborhood issues. The Patrol Division focuses on high visibility patrol and strict enforcement to deter crime from our community. Programs like adopt-a-business allow patrol officers to work cooperatively and proactively with businesses to solve issues before they become problems. K-9 and DUI officers are incorporated within the Patrol Division, providing service seven days a week.

K-9 - Three K-9 teams (handler/canine) are deployed throughout the week. Two teams are "dual purpose" and are trained in patrol/handler protection and narcotics detection. The remaining team is trained to detect explosives and an accelerant component used to make explosive devices, and is a member of the Pima Regional Bomb Squad. Two separate canine breeds are used: german shepherd and belgium malinois.

DUI - The DUI Unit is comprised of two officers whose primary function is to actively seek impaired drivers. Patrol officers with special skills in the area of drug recognition and phlebotomy supplement them in their task. DUI officers assume the lead investigative role in impairment investigations initiated by patrol officers and are well versed in the field of impaired driver investigations. OVPD is a participant in the Southern Arizona DUI Task Force and participates in task force deployments annually.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Sergeant	6.00	6.00	6.00	6.00	-
Lead Officer	7.00	7.00	7.00	7.00	-
K-9 Officer	2.00	2.00	2.00	2.00	-
DUI Officer	2.00	2.00	2.00	2.00	-
Officer	31.00	31.00	31.00	31.00	-
Reserve Officer	1.44	1.44	1.44	1.44	-
Total FTEs	49.44	49.44	49.44	49.44	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 5,142,280	\$ 5,138,005	\$ 4,942,462	\$ 5,649,522	10.0%
Operations & Maintenance	13,298	15,600	15,600	15,000	-3.8%
Capital Outlay	-	12,000	-	-	-100.0%
Total Expenditures	\$5,155,578	\$5,165,605	\$4,958,062	\$5,664,522	9.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 10.0% due to step increases, pension rate increases and health insurance premium increases.

Capital

The capital budget capacity, for a replacement K-9 in FY 2017, was moved to contingency.

Police – Motor/Traffic

OVERVIEW

The goals of the Oro Valley Motor Unit are: to respond to citizens traffic concerns; be highly visible to the public and; enforce traffic laws. By staying proactive and achieving these goals, the Motor Unit is able to deter criminal behavior from residing in or targeting Oro Valley. The three measures deploying the Motor Unit are: highest collision intersections, special events, and citizen traffic concerns.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Lead Officer	1.00	1.00	1.00	1.00	-
Motorcycle Officer	6.00	6.00	6.00	6.00	-
Total FTEs	8.00	8.00	8.00	8.00	-

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 902,731	\$ 925,362	\$ 925,362	\$ 1,030,536	11.4%
Operations & Maintenance	11,275	12,700	12,700	19,970	57.2%
Total Expenditures	\$ 914,007	\$ 938,062	\$ 938,062	\$1,050,506	12.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 11.4% due to step increases, pension rate increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 57.2% due to non-capitalized equipment needs.

Police – C.A.T. Squad

OVERVIEW

The Community Action Team (C.A.T.) serves as a proactive and successful community policing initiative. The primary premise of C.A.T. is to focus on the root-causes of problems and identify which crimes lead to secondary crimes and how they are associated. C.A.T. members spend a great deal of time gathering information on specific issues through various connections with other law enforcement organizations and the public. These partnerships foster trust between the community and our organization and has been paramount in our ability to combat crime.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Lead Officer	1.00	1.00	1.00	1.00	-
Officer	4.00	4.00	4.00	4.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 572,317	\$ 718,027	\$ 718,027	\$ 761,803	6.1%
Total Expenditures	\$ 572,317	\$ 718,027	\$ 718,027	\$ 761,803	6.1%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.1% due to step increases, pension rate increases and health insurance premium increases.

Police – Professional Development & Training

OVERVIEW

Professional Development & Training is tasked to ensure that members provide the most efficient and effective public safety service to the community in support of a community policing philosophy. Personnel are trained to deliver a high level of service that not only meets community expectations but also allows our staff to maintain professional certifications. Professional Development & Training focuses on developing the skills, abilities, knowledge, and talents of the OVPD to maintain professional and expert service. This program is also responsible for new-hire recruit officer orientation. This orientation is provided to prepare new officers for the stresses of attending a police academy along with orienting them to Oro Valley.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Training Officer	1.00	1.00	1.00	1.00	-
Reserve Officer	0.48	0.48	0.48	0.48	-
Total FTEs	1.48	1.48	1.48	1.48	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 124,623	\$ 131,113	\$ 131,113	\$ 138,212	5.4%
Operations & Maintenance	71,593	46,800	46,800	58,000	23.9%
Total Expenditures	\$ 196,217	\$ 177,913	\$ 177,913	\$ 196,212	10.3%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.4% due to step increases, pension rate increases and health insurance premium increases.

Operations & Maintenance

Operations & Maintenance increased 23.9% due to field supplies and outside professional services.

Police – Professional Standards

OVERVIEW

It is the policy of the OVPD to thoroughly investigate all complaints against its employees in order to preserve public confidence in our willingness to oversee and control the actions of our employees. The Office of Professional Standards (O.P.S.) is managed by a sergeant who oversees and investigates citizen complaints and internally ordered inspections. O.P.S. also maintains records of use of force incidences, vehicle pursuits and policy revisions. Finally, O.P.S. conducts the hiring process and background investigations for interested Police Department applicants.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 132,509	\$ 133,733	\$ 133,733	\$ 147,316	10.2%
Operations & Maintenance	5,758	9,650	9,650	9,650	0.0%
Total Expenditures	\$ 138,267	\$ 143,383	\$ 143,383	\$ 156,966	9.5%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 10.2% due to step increases, pension rate increases, health insurance premium increases and an employee change in insurance coverage.

Police Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to public safety purposes. Police impact fees are assessed on both residential and commercial development within the town.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	-	285,000	-	485,000	70.2%
Total Expenditures	\$ -	\$ 285,000	\$ -	\$ 485,000	70.2%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Impact Fees	\$ 78,152	\$ 74,000	\$ 160,579	\$ 128,207	73.3%
Interest Income	812	-	918	-	0.0%
Total Revenues	\$ 78,964	\$ 74,000	\$ 161,497	\$ 128,207	73.3%

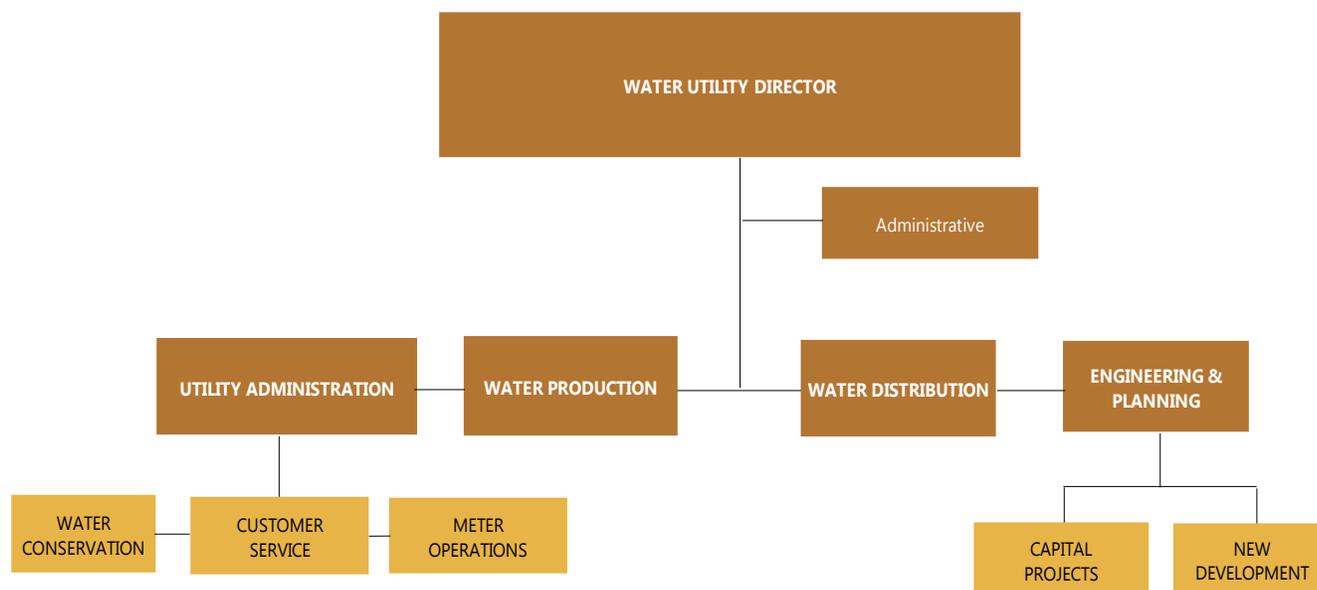
FY 2017/2018 Expenditure Changes

Capital Outlay

Capital budgeted in FY 2017 and FY 2018 is for construction of the Police evidence facility and southern substation CIP project.

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Water Utility



OVERVIEW

The primary function of the Water Utility is the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards. Responsibilities include: regulatory compliance, customer service, promoting water conservation, generating customer billings, collection of utility revenues, efficient use of available water resources, planning for future water resource requirements, and coordination with the development community.

2016-2017 ACCOMPLISHMENTS

- Acquired an additional 2,000 acre feet of groundwater extinguishments credits
- Delivered a combined total of 3.03 billion gallons of water to our customers
- 44% of the total deliveries were renewable water supplies
 - 647 million gallons of Central Arizona Project (CAP) water
 - 689 million gallons of reclaimed water
- Utilized our full allocation of 10,305 acre feet of CAP water for potable use and recharge
- Pumped 1,119 acre feet less of groundwater than the estimated sustainable production rate
- Took 4,191 water quality samples with all results meeting regulatory requirements
- 192 new metered connections for a total customer base of 19,456
- 605 elementary students participated in the youth water conservation education program
- Performed 56 water conservation audits
- Amended the CAP water wheeling intergovernmental agreement with Tucson Water
- Entered into an intergovernmental agreement with Metro Water and the Town of Marana to participate in the Northwest Recharge and Recovery Delivery System to deliver CAP water

Water Utility

2017-2018 OBJECTIVES

- Acquire additional groundwater extinguishment credits
- Utilize full allocation of CAP water for direct use and recharge
- Conduct long-term planning for future CAP water delivery
- Develop a water system master plan for long-term planning
- Conduct a development impact fee analysis to ensure growth pays for itself
- Conduct a water rates analysis to ensure appropriate cost recovery
- Implement a consumer education program to promote the use of the AquaHawk customer portal for early leak detection and water conservation

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Focus Area	Goals/Strategies	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
 ENVIRONMENT Water Resources and Energy	A high-quality, safe and reliable water supply that meets long-term needs for the community while considering the natural environment	Number of voluntary water conservation audits	56	60	60
		Maintain a minimum of three years' worth of reserves in groundwater storage accounts	3.40	3.60	3.80
		Maintain compliance with Arizona Department of Water Resources assured water supply requirements for service area	Yes	Yes	Yes
	Responsible use of energy and water resources for the current and future benefit of the community	Maintain compliance with all Arizona Department of Environmental Quality and Arizona Department of Water Resources regulations	Yes	Yes	Yes
		Replace 100% of broken valves within 45 days after identified as broken	100%	100%	100%
		Repair or replace 100% of broken fire hydrants within seven days after identified as broken	100%	100%	100%

Water Utility

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Focus Area	Goal/Strategy	Performance Measure	FY 2016 Actual	FY 2017 Estimate	FY 2018 Projected
COMMUNITY  Economic Development	Long-term financial and economic stability and sustainability	Maintain cash reserves in the Water Utility operating fund of at least 20% of the combined total budgeted amounts for personnel, O&M and debt service	83.7%	58.3%	32.2%
		Maintain debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds of at least 1.3	2.19	2.06	1.82

Water Utility

Total FTEs			
FY 2016 Actual	FY 2017		FY 2018 Budget
	Budget	Projected	
37.48	39.48	39.48	39.48

	Expenditures by Division				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Administration	\$ 11,571,786	\$ 10,930,969	\$ 10,910,968	\$ 11,355,012	3.9%
Engineering and Planning	1,654,846	4,112,075	4,097,717	3,687,102	-10.3%
Production	2,629,442	2,609,998	2,529,603	2,826,659	8.3%
Distribution	839,548	1,109,798	1,057,662	1,087,086	-2.0%
	\$ 16,695,622	\$ 18,762,840	\$ 18,595,950	\$ 18,955,859	1.0%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017		FY 2018 Budget	
		Budget	Projected		
Charges for Services	\$ 3,061,071	\$ 3,043,800	\$ 3,203,605	\$ 3,225,300	6.0%
Interest Income	115,183	72,000	13,348	93,164	29.4%
Miscellaneous	20,768	-	13,743	-	0.0%
WIFA Loan Proceeds	1,288,054	-	-	-	0.0%
Water Sales	12,018,429	11,961,395	11,965,000	12,075,700	1.0%
	\$ 16,503,505	\$ 15,077,195	\$ 15,195,696	\$ 15,394,164	2.1%

Water Utility – Administration

OVERVIEW

The Administration Division is responsible for the overall management of the Utility, customer service, meter reading, water utility billings, collection of water revenues, administration of the department's budget, implementation of water rates, fees and charges, water conservation and strategic planning.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Water Utility Director	1.00	1.00	1.00	1.00	-
Water Utility Administrator	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	1.00	1.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	-
Water Utility Operator I	5.00	5.00	5.00	5.00	-
Customer Service Specialist	4.00	4.00	4.00	4.00	-
Customer Service Representative	0.48	0.48	0.48	0.48	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	15.48	15.48	15.48	15.48	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 1,168,882	\$ 1,202,455	\$ 1,171,218	\$ 1,227,000	2.0%
Operations & Maintenance	4,183,260	4,726,672	4,718,431	4,564,759	-3.4%
Capital Outlay	1,309,983	127,615	147,092	226,284	77.3%
Debt Service	4,906,630	4,871,285	4,871,285	5,334,122	9.5%
Other Financing Uses	3,030	2,942	2,942	2,847	-3.2%
Total Expenditures	\$ 11,571,786	\$ 10,930,969	\$ 10,910,968	\$ 11,355,012	3.9%

FY 2017/2018 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 3.4% due to the purchase of groundwater extinguishment credits in FY 2017.

Capital

Capital increased 77.3% due to capacity for meters, transmitters and related equipment budgeted in FY 2018.

Debt Service

Series 2007 bonds were refinanced in order to reduce interest costs and even out future payment amounts. This resulted in slightly higher payments in the short-term.

Water Utility – Engineering and Planning

OVERVIEW

The Engineering and Planning Division is responsible for managing design and construction of the capital improvement program, new development plan review, construction inspection and the geographic information mapping system.

Personnel	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Engineering & Planning Manager	-	-	-	1.00	1.00
Water Resources & Planning Mgr	1.00	1.00	1.00	-	(1.00)
Project Manager	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	-
Construction Inspector	2.00	2.00	2.00	2.00	-
Civil Engineering Technician	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel	\$ 539,539	\$ 569,620	\$ 569,620	\$ 596,837	4.8%
Operations & Maintenance	192,368	194,455	222,758	230,265	18.4%
Capital Outlay	922,939	3,348,000	3,305,339	2,860,000	-14.6%
Total Expenditures	\$ 1,654,846	\$ 4,112,075	\$ 4,097,717	\$ 3,687,102	-10.3%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.8% due to merit increases and health insurance premium increases. The Water Resources & Planning Manager title has been revised to Engineering & Planning Manager.

Operations & Maintenance

Operations & Maintenance increased 18.4% due to outside professional services.

Capital

Capital decreased 14.6% due to main relocation projects that were mostly completed in FY 2017.

Water Utility - Production

OVERVIEW

The Production Division oversees the operation and maintenance of all potable and reclaimed water production facilities to include wells, boosters, reservoirs and metering stations. Responsibilities include disinfection systems, security systems, preventative maintenance and on-call/24 hour supervisory control and data acquisition staffing.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Water Production Superintendent	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	1.00	1.00	1.00	1.00	-
Electric & Control Technician	1.00	1.00	1.00	1.00	-
Water Utility Operator III	5.00	5.00	5.00	6.00	1.00
Total FTEs	8.00	8.00	8.00	9.00	1.00

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 657,852	\$ 632,421	\$ 632,421	\$ 746,023	18.0%
Operations & Maintenance	1,810,674	1,965,977	1,892,128	1,967,636	0.1%
Capital Outlay	160,917	11,600	5,054	113,000	874.1%
Total Expenditures	\$ 2,629,442	\$ 2,609,998	\$ 2,529,603	\$ 2,826,659	8.3%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs increased 18.0% due to the reallocation of one water utility operator III position from the Distribution Division, as well as merit increases and health insurance premium increases.

Capital

Capital increased 874.1% due to vehicles purchases planned for FY 2018.

Water Utility - Distribution

OVERVIEW

The Distribution Division oversees the operation and maintenance of potable and reclaimed water distribution systems, to include, water mains, fire hydrants, air release valves and pressure reducing valves. Responsibilities include water quality, backflow prevention, preventative maintenance and construction of minor water main projects.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Water Distrib. Superintendent	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	3.00	3.00	3.00	3.00	-
Water Utility Operator III	2.00	2.00	2.00	1.00	(1.00)
Water Utility Operator II	2.00	4.00	4.00	4.00	-
Total FTEs	8.00	10.00	10.00	9.00	(1.00)

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ 585,976	\$ 757,358	\$ 702,981	\$ 698,896	-7.7%
Operations & Maintenance	204,006	225,890	231,865	223,440	-1.1%
Capital Outlay	49,566	126,550	122,816	164,750	30.2%
Total Expenditures	\$ 839,548	\$ 1,109,798	\$ 1,057,662	\$ 1,087,086	-2.0%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 7.7% due to the reallocation of one water utility operator III position to the Production Division.

Capital

Capital increased 30.2% due to minor assets, vehicles and equipment budgeted in FY 2018.

Water Utility – Alternative Water Resource Development

OVERVIEW

The Alternative Water Resources Development Impact Fee Fund accounts for expenditures for alternative water resource capital costs and any related debt service. Revenues are received from impact fees. Specific activities include analysis, planning, design and construction of infrastructure required to deliver alternative water resources (Central Arizona Project (CAP) and reclaimed water) to the town.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ 125,348	\$ 136,101	\$ 177,967	\$ 267,280	96.4%
Capital Outlay	174	100,000	75,000	-	-100.0%
Total Expenditures	\$ 125,522	\$ 236,101	\$ 252,967	\$ 267,280	13.2%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Impact Fees	\$ 1,094,460	\$ 1,040,089	\$ 1,412,484	\$ 1,387,819	33.4%
Interest Income	42,635	26,400	5,153	34,485	30.6%
Total Revenues	\$1,137,095	\$1,066,489	\$1,417,637	\$1,422,304	33.4%

FY 2017/2018 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 96.4% due to outside professional services for consultant fees and CAP water capital charges.

Capital Outlay

Capital decreased 100% due to a project completion in FY 2017.

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Water Utility – Potable Water System Development

OVERVIEW

The Potable Water System Development Impact Fee Fund accounts for expenditures for potable water capital improvements that are growth-related and the associated debt service. Revenues are received from impact fees which are collected and used for repayment of bonds sold to finance the capital projects. Specific activities include design and construction of infrastructure required to deliver potable water to meet the needs of future customers.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ 2,500	\$ 2,500	\$ 30,000	1100.0%
Debt Service	331,478	329,916	329,916	331,627	0.5%
Total Expenditures	\$ 331,478	\$ 332,416	\$ 332,416	\$ 361,627	8.8%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Impact Fees	\$ 544,852	\$ 519,058	\$ 703,621	\$ 691,333	33.2%
Interest Income	46,039	28,800	5,561	37,238	29.3%
Total Revenues	\$ 590,891	\$ 547,858	\$ 709,182	\$ 728,571	33.0%

FY 2017/2018 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 1100.0% due to outside professional services for a required impact fee analysis in FY 2018.

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Municipal Debt Service Fund

OVERVIEW

The Municipal Debt Service Fund allocates money for principal and interest payments on the issuance of tax-exempt bonds. The Town has issued bonds for the acquisition of land and construction of buildings to support Town services. This fund also allocates money for principal and interest payments on the Town's Clean Renewable Energy Bonds (CREBs). Repayment of debt is pledged with excise sales tax, state shared revenue and other permit and fee revenues.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ 55,625	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
Debt Service	838,865	616,417	615,715	825,186	33.9%
Total Expenditures	\$ 894,490	\$ 626,417	\$ 625,715	\$ 835,186	33.3%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Other Financing Sources	\$ 655,750	\$ 471,472	\$ 471,472	\$ 683,783	45.0%
Federal Grants	33,470	54,945	54,945	51,403	-6.4%
Miscellaneous	100,916	90,000	90,000	90,000	0.0%
Interest Income	42	-	65	-	0.0%
Total Revenues	\$ 790,178	\$ 616,417	\$ 616,482	\$ 825,186	33.9%

FY 2017/2018 Expenditure Changes

Debt Service

Debt Service increased 33.9% due a previous refinancing that resulted in a greatly reduced principal payment in FY 2017.

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Oracle Road Improvement District

OVERVIEW

The Oracle Road Improvement District Debt Service Fund allocates money for principal and interest payments on the issuance of Improvement District Bonds. The Town issued bonds in 2005 to finance the widening of Oracle Road along the Rooney Ranch development. The bonds are repaid by the assessments levied on the property owners in the improvement district.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ 2,350	\$ 3,000	\$ 3,000	\$ 3,000	0.0%
Debt Service	185,153	178,558	178,558	186,520	4.5%
Total Expenditures	\$ 187,503	\$ 181,558	\$ 181,558	\$ 189,520	4.4%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Interest Repayments	\$ 40,088	\$ 33,558	\$ 33,584	\$ 26,520	-21.0%
Principal Repayments	149,437	145,000	145,000	160,000	10.3%
Other Financing Sources	3,000	3,000	3,000	3,000	0.0%
Total Revenues	\$ 192,525	\$ 181,558	\$ 181,584	\$ 189,520	4.4%

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Library Impact Fee Fund

OVERVIEW

The Library Impact Fee Fund was used to manage the expenditure of development impact fees dedicated to the Oro Valley Public Library. Library operations were assumed by Pima County effective January 1, 2013; therefore, these fees are no longer collected.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Capital Outlay	45,118	187,000	199,680	-	-100.0%
Total Expenditures	\$ 45,118	\$ 187,000	\$ 199,680	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Miscellaneous	\$ -	\$ 150,000	\$ 150,000	\$ -	-100.0%
Total Revenues	\$ -	\$ 150,000	\$ 150,000	\$ -	-100.0%

FY 2017/2018 Expenditure Changes

Capital Outlay

Capital decreased 100% as a project was completed in FY 2017.

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General Government CIP Fund

OVERVIEW

The General Government CIP Fund is used to account for Capital Improvement Program (CIP) projects that serve a general government or Town-wide purpose. These projects were previously budgeted among various General Fund departments. A separate fund established for this purpose allows for more efficient tracking of project costs and funding.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Personnel					
Heavy Equipment Operator II	-	2.40	2.40	1.50	(0.90)
Total FTEs	-	2.40	2.40	1.50	(0.90)

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Personnel	\$ -	\$ 137,400	\$ 110,831	\$ 73,537	-46.5%
Operations & Maintenance	-	-	1,518	-	0.0%
Capital Outlay	1,730,861	2,510,600	721,450	3,936,082	56.8%
Total Expenditures	\$1,730,861	\$2,648,000	\$ 833,799	\$4,009,619	51.4%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Other Financing Sources	\$ 1,028,276	\$ 1,867,000	\$ 1,867,000	\$ 2,351,107	25.9%
State Grants	-	81,000	68,660	-	-100.0%
Total Revenues	\$1,028,276	\$1,948,000	\$1,935,660	\$2,351,107	20.7%

FY 2017/2018 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 46.5% as staff completes the construction of two, new multi-use fields at Naranja Park and are then reallocated to the Stormwater Utility Fund.

Capital Outlay

Capital increased 56.8% to provide capacity for the CIP projects planned in FY 2018.

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Energy Efficiency Project Fund

OVERVIEW

The Energy Efficiency Project Fund was a new fund in FY 2017, and is being used to track the expenditure of bonds issued to fund energy efficiency improvements at the Town's Community Center. Improvements consist of replacement of aged HVAC units, evaporative coolers, lighting retrofits, water fixtures, pool heater and pump replacements and an irrigation pump station replacement. Energy savings in the Community Center Fund are used to pay the debt service on the bonds.

Expenditures	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Operations & Maintenance	\$ -	\$ -	\$ 49,750	\$ -	0.0%
Capital Outlay	-	3,000,000	1,250,250	700,000	-76.7%
Total Expenditures	\$ -	\$3,000,000	\$1,300,000	\$ 700,000	-76.7%

	Revenue Sources				
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Other Financing Sources	\$ -	\$ 3,000,000	\$ 2,000,000	\$ -	-100.0%
Total Revenues	\$ -	\$3,000,000	\$2,000,000	\$ -	-100.0%

FY 2017/2018 Expenditure Changes

Capital Outlay

Capital decreased 76.7% due to project progression. This project will be completed in FY 2018.

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Capital Project Bond Fund

OVERVIEW

The Capital Project Bond Fund was a new fund in FY 2017 and will be used to account for the possible issuance of bonds to fund additional park capital infrastructure.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Capital Outlay	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0.0%
Total Expenditures	\$ -	\$5,000,000	\$ -	\$5,000,000	0.0%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Other Financing Sources	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	0.0%
Total Revenues	\$ -	\$5,000,000	\$ -	\$5,000,000	0.0%

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Benefit Self Insurance Fund

OVERVIEW

The Benefit Self Insurance Fund is used to manage costs related to the Town's self-funding of health insurance, the employee onsite health clinic and Affordable Care Act (ACA) compliance fees.

	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 3,228,617	\$ 3,030,740	\$ 3,234,397	\$ 3,645,264	20.3%
Total Expenditures	\$3,228,617	\$3,030,740	\$3,234,397	\$3,645,264	20.3%

	Revenue Sources				Variance to Budget
	FY 2016 Actual	FY 2017 Budget	FY 2017 Projected	FY 2018 Budget	
Self Insurance Premiums	\$ 2,873,655	\$ 2,897,550	\$ 3,083,615	\$ 3,505,183	21.0%
Miscellaneous	142,000	133,190	133,190	140,081	5.2%
Total Revenues	\$3,015,655	\$3,030,740	\$3,216,805	\$3,645,264	20.3%

FY 2017/2018 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 20.3% due to health insurance premium increases.

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CAPITAL IMPROVEMENT PROGRAM

Program Overview
Projects by Fund
Map of Projects
Project Descriptions



Capital Improvement Program (CIP)

Overview

Providing infrastructure is a primary function of a local government. Maintaining public safety, town services, parks and recreation facilities, adequate transportation systems, and the community's quality of life are all heavily dependent on how the Town plans for future infrastructure needs.

The Capital Improvement Program (CIP) is a comprehensive, fifteen-year plan of capital projects that will support the continued growth and development of the town. The CIP is used in implementing the General Plan and supporting the Town's adopted Strategic Plan by developing a prioritized schedule of short-range and long-range community capital needs, evaluating projects, and analyzing the community's ability and willingness to pay for them in the most cost-effective way. The Town uses the CIP as its method in determining future infrastructure requirements and planning the financing of facilities and equipment to maintain the service levels provided to town citizens.

The Town identifies capital projects as those which:

- Cost \$50,000 or more;
- Have an expected useful life of five or more years; and
- Becomes, or preserves, an asset of the Town

The Town uses the CIP as an avenue of communication to the public. Through the CIP document, residents and businesses are provided with an accurate and concise view of the Town's long term direction for capital investment and the Town's need for stable revenue sources to fund large multi-year capital projects.

CIP Process and Timeline

The CIP process began in January. Project requests were submitted, reviewed and analyzed by Finance staff and the Town Manager's Office. An internal, cross-departmental review and ranking of all project requests was completed in order to prepare the proposed fifteen-year CIP. Meetings convened in January and February for project presentation and ranking evaluation. The fifteen-year recommendation was submitted to Council for approval and adoption with the Town's final budget in June. A summary of the process and timeline is provided below:

January :	CIP request forms provided to department directors Department requests due Cost analysis performed, forms edited CIP packets and evaluation forms distributed Meeting scheduled to present and evaluate project requests
February:	Project rankings due Meeting scheduled to evaluate project rankings CIP recommendations finalized
April:	Budget study sessions to present Budget and CIP to Mayor and Council
May:	Adoption of Tentative Budget and CIP
June:	Adoption of Final Budget and CIP

Capital Improvement Program

Project Evaluation Criteria

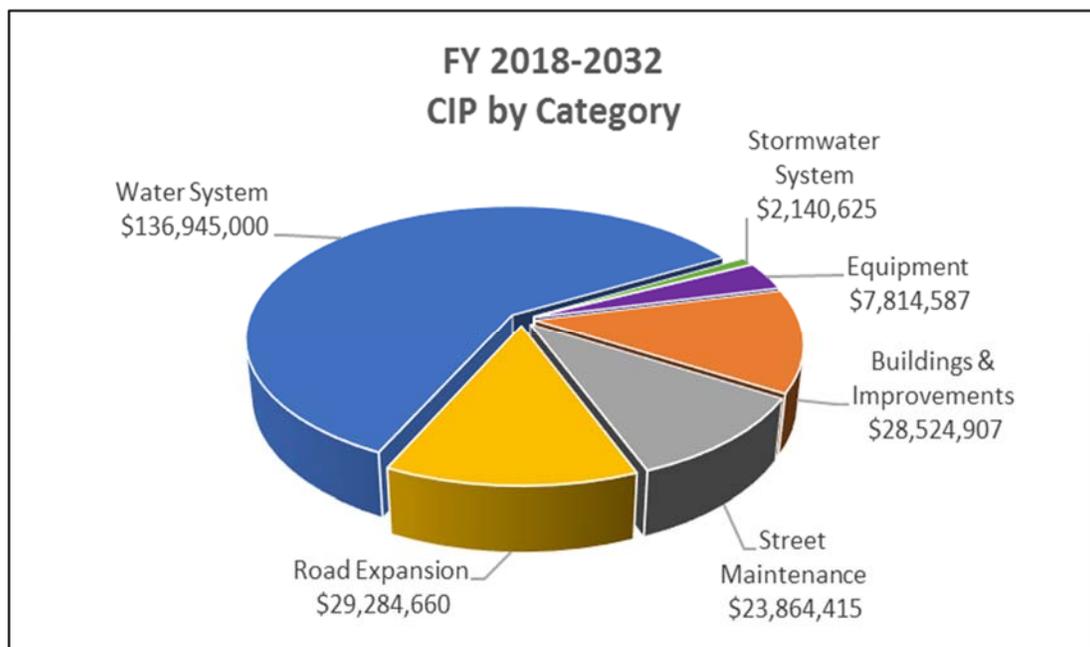
Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and ranking committee in their selection of the projects to be funded. The evaluation criteria areas are as follows:

- Public Health, Safety and Welfare
- Supports Stated Community Goals
- Fiscal Impact
- Service Level Impact
- Legal Ramifications
- Relationship to Other Projects

Only projects budgeted in the General Government CIP Fund are subject to the evaluation criteria. These projects receive their funding from the General Fund. Projects funded from the remaining Town funds, such as the Highway Fund, impact fee funds and the Water Utility Fund are deemed vital and necessary to the Town's infrastructure. Furthermore, these funds are either self-sustaining, receive funding from outside sources, such as the Pima Association of Governments and other governmental agencies and jurisdictions, or have dedicated revenues that specify the use of the funds.

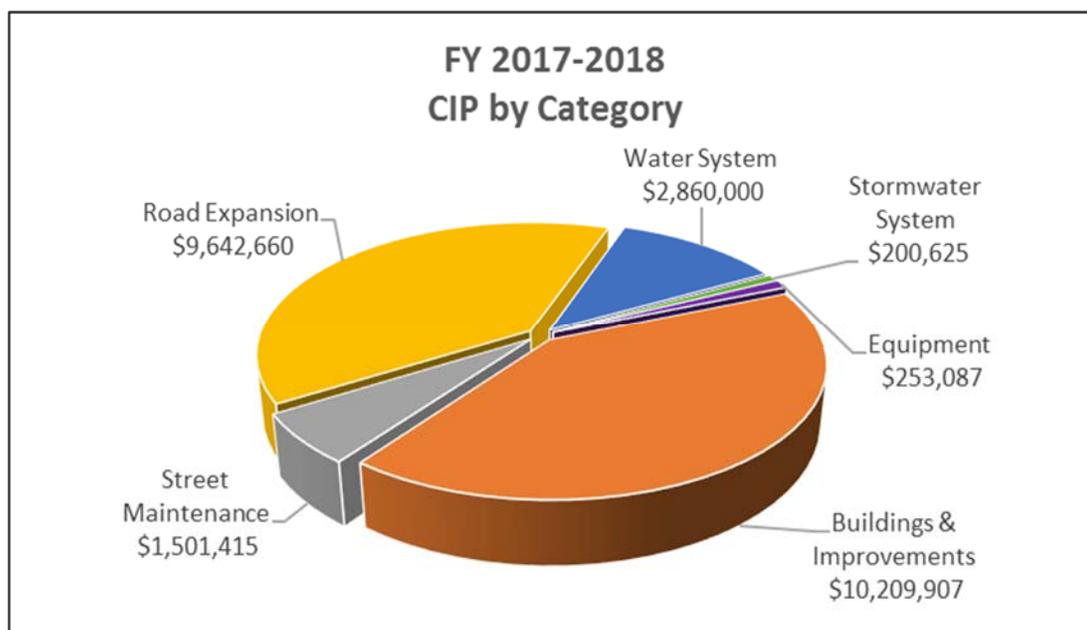
Capital Improvement Program Summary

The cumulative fifteen-year CIP for the Town of Oro Valley totals \$228,574,194 for fiscal years 2017-18 through 2031-32. The graph below shows the allocations by category for the given years:



Capital Improvement Program

The amount allocated for CIP projects in the FY 17/18 budget is \$24,667,694. The graph below shows the allocations by category. The projects included in the FY 17/18 CIP reflect the needs of the Town based on goals established in both the General and Strategic Plans. The projects represent a significant investment in the infrastructure of the Town and attempt to meet the needs of the community.



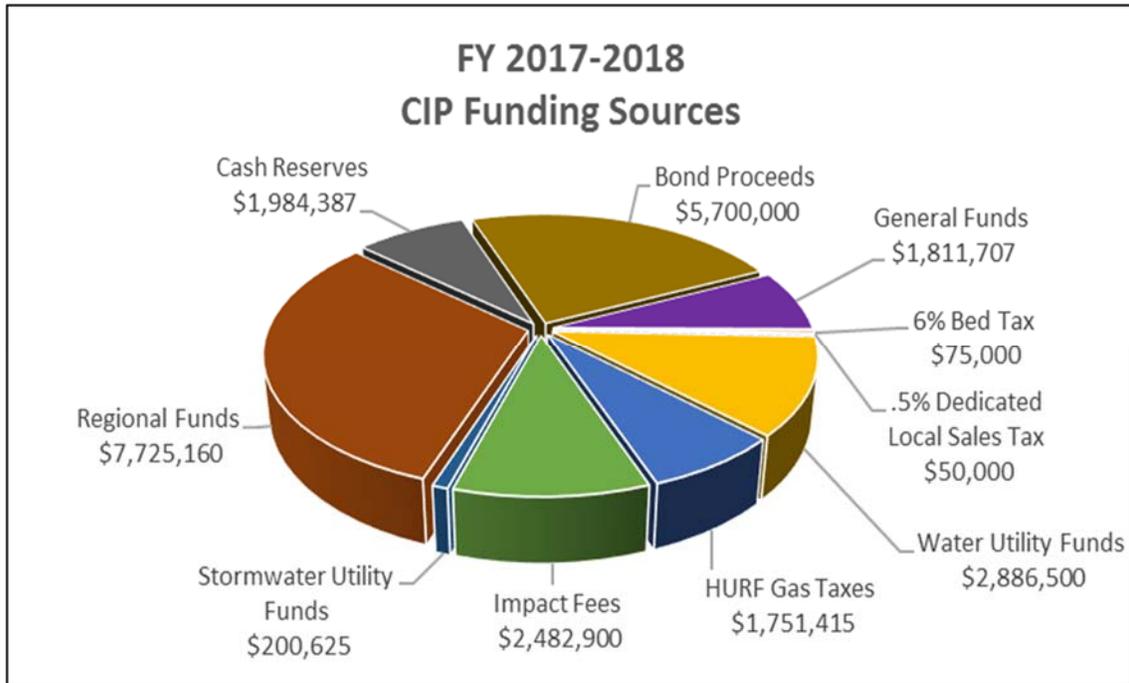
Financing the Capital Improvement Program

Over the years, the Town of Oro Valley has financed a substantial portion of capital improvements through operating revenue and use of cash reserves. The "pay-as-you-go" financing method has been the preferred method for funding CIP projects in the past. Revenues deemed one-time in nature, such as large commercial and residential permitting and associated construction sales taxes, are dedicated towards one-time capital projects. The following options may be considered when analyzing potential funding sources for CIP projects:

- Pay-as-you-go financing
- Bonds
- Loans
- Certificates of participation
- Lease-purchase agreements
- Improvement districts
- Development impact fee ordinances
- Federal and state grants
- Donations and intergovernmental agreements
- User fees

Capital Improvement Program

Funding for the FY 17/18 CIP totals \$24,667,694 and is derived from a variety of sources as depicted in the chart below:



The Town has relied heavily on growth-related income, including construction sales taxes and development fees, to fund capital projects. A continuing challenge for the Town is the development of funding sources to supplement this income as the town's growth slows.

Impact on the Operating Budget

The Town of Oro Valley's operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts on the Town's operating budgets. For example, if the Town were to construct a new park or ball field, the operating budget for the Parks and Recreation Department would increase to include capacity for any new staff, equipment, utilities, supplies, etc. that would be necessary to maintain and operate the new facility.

In the FY 2018-2032 CIP, the individual projects include an estimated future operating budget impact, if it is possible to identify the cost at this time in the project's lifecycle. These costs are estimates provided by the professionals in each department that are responsible for the completion of the project.

The Town carefully considers these operating costs when deciding which projects move forward in the CIP, as it is not sustainable for the Town to fund concurrently several large-scale projects that have significant operating budget impacts. Emphasis is placed on the desire for self-sustaining projects with neutral operating impacts.

Capital Improvement Program

The table below summarizes the projected annual impact of the FY 17/18 CIP on the Town's operating budget:

Project	Impact	Impact \$ Annually
Bond-Funded Park Infrastructure	Personnel, utilities, maintenance and supply costs, net of user fees and bed tax revenue	\$200,000
Two New, Lit Multi-Use Fields at Naranja Park	Utilities, maintenance and supply costs, net of field rental revenues	\$107,500
Parks Maintenance Tractor	Fuel and maintenance costs	\$2,000
Virtual Desktop Infrastructure	Maintenance fee	\$7,000
3-D Mapping Equipment	Software licensing fee	\$990
Traffic Light – La Cañada at Community Center	Electricity and maintenance costs	\$1,000
Well E2 Upgrade	Maintenance savings	(\$1,000)
Hydropneumatic Tank Replacement (Wells)	Maintenance savings	(\$1,000)
Water Plant 4 Reservoir Coating	Maintenance savings	(\$1,000)
Hyropneumatic Tank Replacement (Boosters)	Maintenance savings	(\$1,000)
Lambert Lane Main Relocation & Replacement	Maintenance savings	(\$1,000)
Rancho Feliz Valve and DVA Replacements	Water main flushing program costs	\$1,000
Countryside DVA Replacements	Water main flushing program costs	\$1,000
Rancho Verde Fire Hydrants	Maintenance costs for new infrastructure	\$1,000
Main Valve Replacements	Maintenance savings	(\$1,000)
Main Replacement at Community Center	Maintenance savings	(\$2,500)
Tucson Water Wheeling – Oracle & Hardy	Maintenance costs for new infrastructure	\$1,000
Total		\$313,990

Note: This list represents projects that were approved for funding in FY 17/18 that have a known and quantifiable impact on the Town's operating budget. For a complete list of funded projects, please see the Project Descriptions section of this document.

Summary

Projects included in the FY 17/18 CIP reflect the combined efforts of all Town departments as well as the Town Council and Oro Valley residents. The plan recognizes the added benefits the projects will bring to the Town, while understanding the fiscal requirements and obligations each of these projects will entail. The CIP is updated annually, and new projects may be included should additional funding sources be identified.

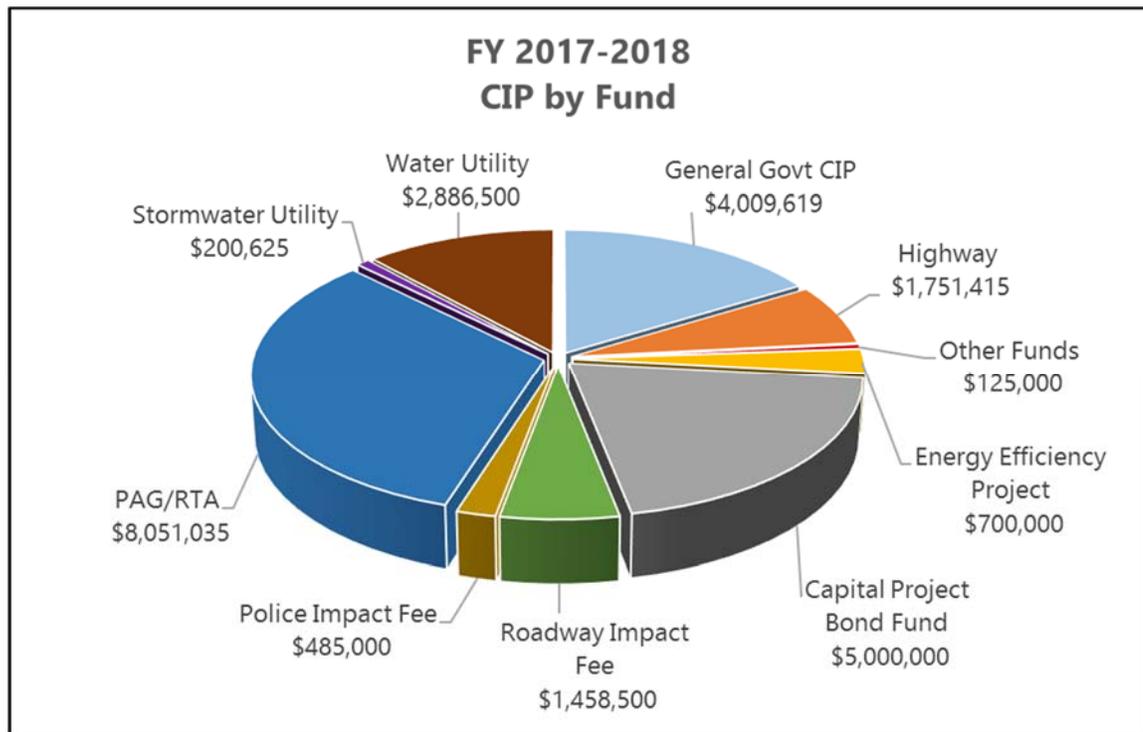
The FY 17/18 CIP attempts to meet the priority needs of the community, at the same time maintaining financial sustainability in future years. The plan as submitted is financially feasible and many of the projects included can be expected to be complete before the end of the fiscal year. As Town priorities and policies change, it is imperative that the CIP remain fluid and undergo continual evaluation to ensure the projects and funding sources are in accordance with the Town Council priorities and policies.

Capital Improvement Program

The tables and documents provided on the following pages offer an in-depth view into the CIP budget and provide detailed information on the projects and the impact they have on the operating budget.

Table 1 below shows the fifteen-year CIP by fund:

Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
General Government CIP	\$ 4,009,619	\$ 1,128,000	\$ 185,000	\$ 7,610,000	\$ 4,972,000	\$ 876,500
Highway	1,751,415	1,869,000	1,900,000	7,529,000	7,105,000	7,010,000
Community Center	50,000	510,000	250,000	2,470,000	1,900,000	600,000
Bed Tax Fund	75,000	-	-	-	-	-
Energy Efficiency Project	700,000	-	-	-	-	-
Capital Project Bond Fund	5,000,000	-	-	-	-	-
Roadway Impact Fee	1,458,500	1,700,000	800,000	-	-	-
PAG/RTA	8,051,035	-	6,000,000	11,292,000	75,000	75,000
Police Impact Fee	485,000	-	-	-	-	-
Fleet	-	-	55,000	190,000	-	-
Water Utility	2,886,500	2,725,000	2,050,000	5,950,000	5,910,000	5,790,000
Alternative Water Resource Impact Fee	-	400,000	4,110,000	8,450,000	44,800,000	32,000,000
Potable Water System Impact Fee	-	-	500,000	3,750,000	8,800,000	9,900,000
Stormwater Utility	200,625	105,000	285,000	800,000	1,080,000	400,000
Total All Funds	\$ 24,667,694	\$ 8,437,000	\$ 16,135,000	\$ 48,041,000	\$ 74,642,000	\$ 56,651,500



Capital Improvement Program

Table 2 below identifies the General Government CIP Fund projects for Fiscal Years 2018-2032:

General Government CIP Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Courthouse Seating and Remodel	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -
El Con. Country Club & Golf Course Acquisition	350,000	-	-	-	-	-
Two New Lit Multi-Use Fields at Naranja Park	1,040,212	-	-	-	-	-
Parks Maintenance Tractor	54,000	-	-	-	-	-
Transport Bus	70,000	-	-	-	-	-
Steam Pump Ranch Improvements	55,120	-	-	600,000	-	-
Garage Rehabilitation at Steam Pump Ranch	-	-	-	200,000	300,000	-
Bunk House Rehabilitation at Steam Pump Ranch	-	-	-	-	300,000	-
Improvements at 680 Calle Concordia Facilities	-	50,000	-	-	-	-
Modular at 680 Calle Concordia Facilities	-	150,000	-	-	-	-
Renovate Dog Park at Naranja Park	-	50,000	-	-	-	-
Convert Soccer Field to Softball-Riverfront Park	-	-	-	300,000	-	-
Improve Irrigation System at Riverfront Park	-	-	-	400,000	-	-
Renovate Softball Fields at Riverfront Park	-	-	-	150,000	150,000	-
Playground Upgrades at Riverfront Park	-	-	-	75,000	75,000	-
New Ramadas at JDK Park	-	-	75,000	75,000	75,000	-
Replace Irrigation at JDK Park	-	-	-	300,000	-	-
Expand and Upgrade Green Field at JDK Park	-	-	-	150,000	-	-
Move Dog Park at JDK Park	-	-	-	100,000	-	-
Renovate and Upgrade Fields 2-4 at JDK Park	-	-	-	150,000	300,000	150,000
Honeybee Canyon Park Upgrades	-	-	-	75,000	150,000	-
Mobile Stage	-	-	-	150,000	-	-
Town Hall Parking Lot Landscaping	-	-	-	75,000	75,000	-
Virtual Desktop Infrastructure	26,500	-	-	-	-	-
Replacement Phone System	-	-	-	300,000	-	-
Town Backups	-	-	-	200,000	-	200,000
Server Operating System Upgrade	-	-	50,000	-	60,000	147,000
Network Storage Upgrade	-	50,000	-	60,000	72,000	-
Database Licensing	-	-	-	80,000	85,000	93,500
Upgrade Desktop Oper. System - Windows 10	-	150,000	-	200,000	-	220,000
Virtual Server Host System Replacement	-	-	60,000	-	60,000	66,000
Replace Network Infrastructure Hardware	-	-	-	250,000	-	-
IT Regulatory Compliance	-	-	-	50,000	100,000	-
Police Property/ID & Southern Substation Bldg.	2,137,700	600,000	-	-	-	-
3-D Mapping Equipment	76,087	-	-	-	-	-
Police Evidence Management Software	-	78,000	-	-	-	-
New Police Substation & Training Facility	-	-	-	3,170,000	3,170,000	-
Replace Police Command Post	-	-	-	300,000	-	-
Expand Police Communications Infrastructure	-	-	-	200,000	-	-
Total	\$ 4,009,619	\$ 1,128,000	\$ 185,000	\$ 7,610,000	\$ 4,972,000	\$ 876,500

Capital Improvement Program

Table 3 below identifies the Highway Fund projects for Fiscal Years 2018-2032:

Highway Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Pavement Preservation Program	\$ 1,501,415	\$ 1,400,000	\$ 1,400,000	\$ 5,600,000	\$ 5,600,000	\$ 5,600,000
Illuminated Street Signs (2 Intersections per Yr)	-	55,000	55,000	220,000	55,000	-
Sidewalk Safety Program	-	-	50,000	200,000	600,000	600,000
Tangerine Access to Safeway (1st Ave) - Safety	250,000	-	-	-	-	-
Rancho Vistoso Blvd. Street Lights (Crcts. 1 & 3)	-	264,000	200,000	464,000	-	-
Modular at 680 Calle Concordia Facilities	-	150,000	-	-	-	-
Gannon & Mower-Replacement	-	-	80,000	-	-	90,000
2000 Gallon Water Truck- Replacement	-	-	115,000	-	-	-
4000 Gallon Water Truck- Replacement	-	-	-	130,000	-	-
9-Wheel Roller	-	-	-	80,000	-	-
5-7 Cubic Yard Bobtail End Dump	-	-	-	110,000	-	-
10 Wheel End Dump Truck - Replacement	-	-	-	145,000	150,000	150,000
Steel Drum Roller	-	-	-	70,000	-	-
Wood Chipper	-	-	-	70,000	-	-
Crack Seal Melter	-	-	-	90,000	95,000	-
Side Cast Sweeper	-	-	-	100,000	100,000	100,000
3 - 3.5 Cubic Yard Loader	-	-	-	250,000	-	275,000
Rubber Tire Small Skid Steer LDR	-	-	-	-	70,000	-
4X4 Extended Backhoe	-	-	-	-	-	115,000
Motorgrader/Blade	-	-	-	-	350,000	-
Compressor	-	-	-	-	40,000	-
Walk Behind Roller	-	-	-	-	45,000	-
Vacuum Excavator	-	-	-	-	-	80,000
Total	\$ 1,751,415	\$ 1,869,000	\$ 1,900,000	\$ 7,529,000	\$ 7,105,000	\$ 7,010,000

Capital Improvement Program

Table 4 below identifies the Community Center Fund projects for Fiscal Years 2018-2032:

Community Center Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Golf Course Cart Path Improvements	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
Tennis Court Improvements	-	50,000	50,000	200,000	100,000	-
New Family/Teen Game Room - Community Center	-	65,000	-	-	-	-
Restrooms, Bleachers, ADA - Pusch Tennis	-	75,000	-	-	-	-
Fitness Lobby Remodel at Community Center	-	-	-	300,000	-	-
Stone-Cladding - Restaurant Columns & Hearth	-	-	-	60,000	-	-
Pool Decking & Lifeguard/Tennis Office Upgrades	-	50,000	-	-	-	-
Reconfigure Sm. Pool & Jacuzzi to Splash Pad	-	80,000	-	-	-	-
Restroom/Locker/Changing Room Reconfiguration	-	-	-	200,000	-	-
Open Racquetball Court Walls-Main Fitness Area	-	-	-	400,000	-	-
Construct Mezzanine Layer - 6 Racquetball Courts	-	-	-	260,000	-	-
Front Lobby Reconfiguration	-	90,000	-	-	-	-
Replace Tennis Court Asphalt With Concrete	-	-	-	-	1,200,000	-
Fitness Hallway Roof and Porte Cochere	-	-	-	50,000	-	-
Golf Maintenance Facility Improvements	-	-	-	150,000	-	-
Golf Course Irrigation Replacement	-	50,000	150,000	800,000	600,000	600,000
Total	\$ 50,000	\$ 510,000	\$ 250,000	\$ 2,470,000	\$ 1,900,000	\$ 600,000

Table 5 below identifies the Energy Efficiency Project Fund projects for Fiscal Years 2018-2032:

Energy Efficiency Project Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Energy Efficiency Project at Community Center	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -

Table 6 below identifies the Capital Project Bond Fund projects for Fiscal Years 2018-2032:

Capital Project Bond Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Bond-Funded Park Infrastructure Budget Capacity	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Improvement Program

Table 7 below identifies the Roadway Impact Fee Fund projects for Fiscal Years 2018-2032:

Roadway Impact Fee Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Lambert Lane from La Cañada to Rancho Sonora	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Naranja Drive Two-Way Left Turn (at Naranja Park)	458,500	-	-	-	-	-
La Cholla Blvd from Overton to Tangerine	-	800,000	-	-	-	-
La Cañada and Moore Intersection Improvement	-	900,000	-	-	-	-
La Cholla and Moore Intersection Improvement	-	-	800,000	-	-	-
Total	\$ 1,458,500	\$ 1,700,000	\$ 800,000	\$ -	\$ -	\$ -

Table 8 below identifies the PAG/RTA Fund projects for Fiscal Years 2018-2032:

PAG/RTA Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Lambert Lane from La Cañada to Rancho Sonora	\$ 3,561,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Art by Youth Program (TABY)	75,000	-	-	150,000	75,000	75,000
La Cholla Blvd from Overton to Tangerine	1,864,160	-	6,000,000	11,142,000	-	-
Tangerine Road from La Cañada to Shannon	1,700,000	-	-	-	-	-
Traffic Light - La Cañada at Community Center	500,000	-	-	-	-	-
Palisades Road Multi-Use Path	284,000	-	-	-	-	-
La Cañada & Moore Intersection Study (Rollover)	25,000	-	-	-	-	-
Gate and Generator - 680 Calle Concordia	41,875	-	-	-	-	-
Total	\$ 8,051,035	\$ -	\$ 6,000,000	\$ 11,292,000	\$ 75,000	\$ 75,000

Table 9 below identifies the Police Impact Fee Fund projects for Fiscal Years 2018-2032:

Police Impact Fee Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Property/ID and Southern Substation Building	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ -

Table 10 below identifies the Fleet Fund projects for Fiscal Years 2018-2032:

Fleet Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
680 Calle Concordia Fueling & Facility Upgrades	\$ -	\$ -	\$ 55,000	\$ 90,000	\$ -	\$ -
Maintenance Service Truck	-	-	-	100,000	-	-
Total	\$ -	\$ -	\$ 55,000	\$ 190,000	\$ -	\$ -

Capital Improvement Program

Table 11 below identifies the Water Utility Fund projects for Fiscal Years 2018-2032:

Water Utility Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Steam Pump Replacement Well Drill and Construct	\$ 700,000	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Nakoma Sky Replacement Well Drill and Construct	40,000	700,000	800,000	-	-	-
Well D8 Replacement Drill and Construct	-	-	700,000	800,000	-	-
Well Meter Replacement	-	-	-	200,000	-	50,000
Well E2 Upgrade - Rollover	250,000	-	-	-	-	-
Well Production Modifications	-	50,000	50,000	50,000	-	-
Well Replacement Program	-	-	-	-	1,700,000	700,000
Hydropneumatic Tank Replacement (Wells)	100,000	100,000	100,000	100,000	-	-
Replace Well Pumps	-	-	-	200,000	200,000	200,000
Water Plant 4 Reservoir Coating	100,000	-	-	-	-	-
High Mesa E and F Zone Bstr. Enhancements	-	-	50,000	-	-	-
El Con Storage - Operational Improvements	-	50,000	-	-	-	-
Replace Crimson Canyon Booster Station	-	-	-	250,000	-	-
Hydropneumatic Tank Replacement (Boosters)	100,000	100,000	100,000	100,000	-	-
Booster Station Modifications	-	50,000	50,000	50,000	-	-
W. Lambert Ln. 12" Main Relocate & Replace (Rollover)	200,000	-	-	-	-	-
Tangerine Rd. 24" Reclaim Main Relocation	200,000	-	-	-	-	-
Rancho Feliz Valve and DVA Replacement	100,000	150,000	-	-	-	-
Countryside DVA Replacements	70,000	140,000	-	-	-	-
Moore Road Interconnect - F Zone	-	-	-	1,100,000	-	-
Rancho Verde Fire Hydrants	75,000	150,000	-	-	-	-
Main Valve Replacements	50,000	50,000	50,000	100,000	-	-
La Cholla Blvd. Main Relocation - Lambert to Tangerine	700,000	-	-	-	-	-
Rancho Vistoso Main Replacement	-	-	-	-	250,000	1,400,000
Hilton Hotel & Casitas Main Replacement	-	-	150,000	1,300,000	-	-
Oro Valley Community Center Main Replace	75,000	125,000	-	-	-	-
Linda Vista Citrus Tracts Main Repl.	-	-	-	750,000	-	-
Pusch Ridge Estates Main Replacement	-	-	-	500,000	500,000	-
TW Wheeling at Oracle Rd. and Hardy Rd.	100,000	-	-	-	-	-
Monte Del Oro Main Replacement	-	-	-	-	1,200,000	-
Rancho Verde Main Replacement	-	-	-	-	1,600,000	-
Countryside Main Replacement	-	-	-	-	-	2,300,000
Rancho Felix Main Replacement	-	-	-	-	-	800,000
Rehab Production Facility Wall	-	85,000	-	-	-	-
Wall Upgrades and Improvements	-	75,000	-	100,000	100,000	100,000
Virtual Desktop Infrastructure	26,500	-	-	-	-	-
SCADA Legacy Replacement	-	100,000	-	100,000	-	100,000
Instrumentation Replacement	-	-	-	250,000	250,000	-
Backhoe and Trailer	-	-	-	-	-	140,000
Dump Truck	-	-	-	-	110,000	-
Total	\$ 2,886,500	\$ 2,725,000	\$ 2,050,000	\$ 5,950,000	\$ 5,910,000	\$ 5,790,000

Capital Improvement Program

Table 12 below identifies the Alternative Water Resources Development Impact Fee Fund projects for Fiscal Years 2018-2032:

Alternative Water Resources Impact Fee Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Central Arizona Project (CAP) Water Improvements						
CAP La Cholla D-E Blending Booster Station	\$ -	\$ -	\$ 700,000	\$ -	\$ -	\$ -
CAP Wheeling Tucson Water Naranja 1,000 Acre Ft/Yr	-	400,000	400,000	-	-	-
24" Pipe Naranja/La Cholla/Tangerine	-	-	1,600,000	1,200,000	-	-
Tucson Water Naranja Booster Station Upgrade	-	-	1,200,000	-	-	-
Tucson Water Oasis Booster Station Upgrades	-	-	30,000	100,000	-	-
Tucson Water 12" Pipe	-	-	80,000	800,000	-	-
Tucson Water 16" Pipe Oasis Rd.	-	-	100,000	1,000,000	-	-
Wheeling Tucson Water Naranja 500 Acre Ft/Year	-	-	-	800,000	-	-
24" Pipe La Cholla/Tangerine to La Cañada	-	-	-	2,500,000	-	-
Steam Pump C-D Booster Station	-	-	-	1,200,000	-	-
Big Wash D-E Booster Station	-	-	-	800,000	-	-
Inlet/Outlet Modifications at Allied Signal Reservoir	-	-	-	50,000	-	-
5,000 Acre Ft/Year	-	-	-	-	500,000	-
16" Pipe 1st Ave Tangerine	-	-	-	-	3,700,000	-
PRV Feed to E Zone Tangerine/La Cañada	-	-	-	-	50,000	-
PRV Feed to E Zone Tangerine/1st. Ave	-	-	-	-	50,000	-
E-F Booster Station La Canada Reservoir	-	-	-	-	1,400,000	-
Lower Santa Cruz Recharge & Recovery (1,500 Acre Ft/Yr)	-	-	-	-	900,000	-
Three Recovery Wells & Delivery to Water Treatment Plant	-	-	-	-	4,500,000	-
Water Treatment Recharge & Recovery, Chlorination	-	-	-	-	2,400,000	-
Delivery, Storage, A-C Booster, C-E Booster	-	-	-	-	26,000,000	10,000,000
Seven Recovery Wells	-	-	-	-	1,000,000	5,000,000
Water Treatment and Reverse Osmosis	-	-	-	-	1,000,000	5,000,000
Concentrate Management	-	-	-	-	3,000,000	10,000,000
16" pipe Naranja/ La Cholla to Reservoir	-	-	-	-	300,000	2,000,000
Total	\$ -	\$ 400,000	\$ 4,110,000	\$ 8,450,000	\$ 44,800,000	\$ 32,000,000

Capital Improvement Program

Table 13 below identifies the Potable Water System Development Impact Fee Fund projects for Fiscal Years 2018-2032:

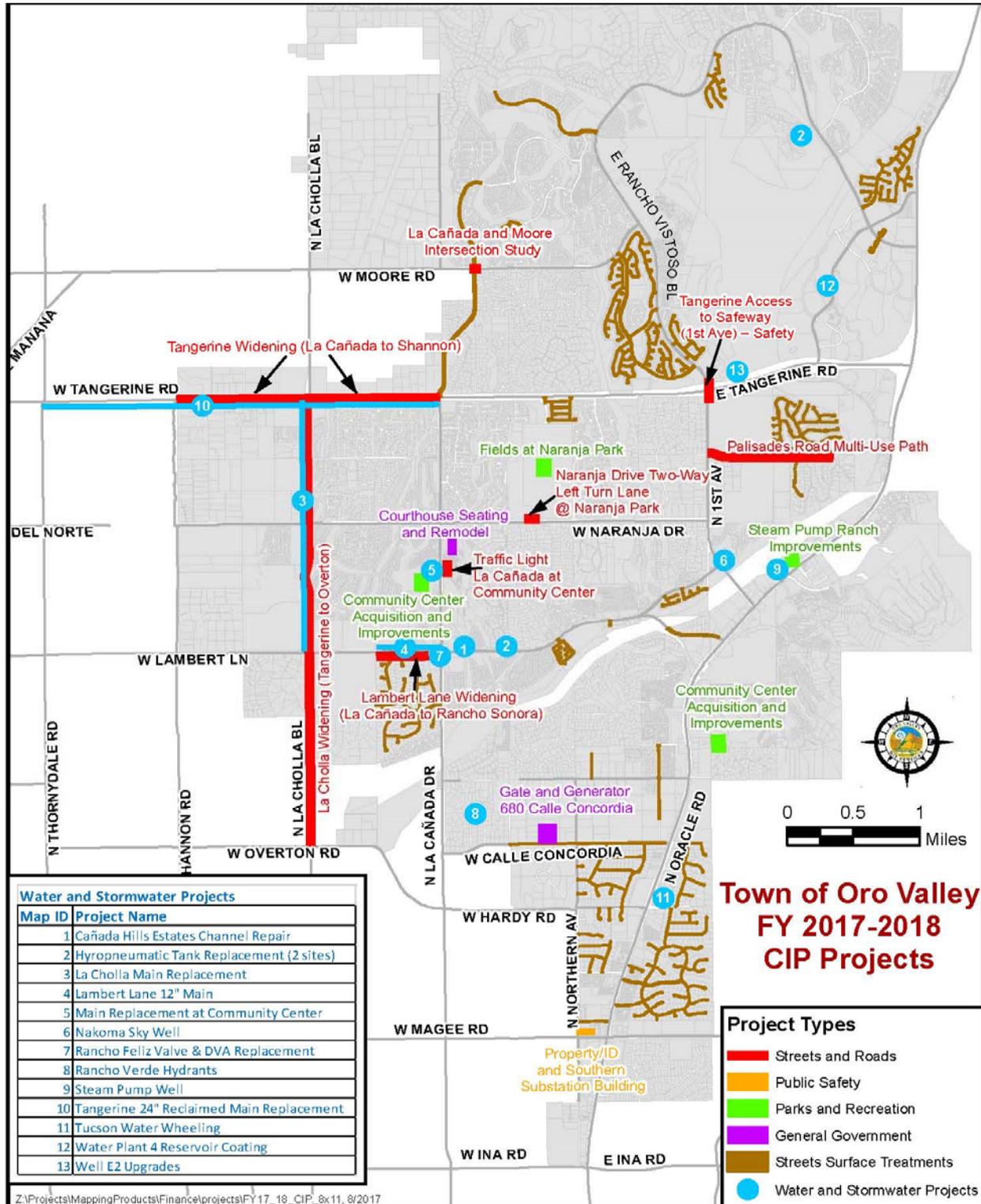
Potable Water System Impact Fee Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Expansion Related Improvements						
Property Acquisition	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ -
Booster Station	-	-	-	450,000	-	-
1.0 MG Reservoir	-	-	-	1,650,000	-	-
New 16" Pipe Main	-	-	-	1,650,000	-	-
N. Oracle Reservoir Property Acquisition	-	-	-	-	250,000	-
16" N. Oracle F-Zone Main	-	-	-	-	3,300,000	-
N. Oracle 1.0MG F-Zone Reservoir	-	-	-	-	1,750,000	1,000,000
N. Oracle H-Zone Booster Station	-	-	-	-	750,000	-
12" Sun City H-Zone Main	-	-	-	-	1,150,000	500,000
16" G-Zone Main	-	-	-	-	200,000	2,000,000
E. Tortolita Property Acquisition	-	-	-	-	250,000	-
Chalk Creek Property Acquisition	-	-	-	-	200,000	-
E. Tortolita 2.0MG G-Zone Reservoir	-	-	-	-	250,000	2,000,000
G-H Zone Booster Station	-	-	-	-	150,000	400,000
Chalk Creek 0.5 MG H-Zone Reservoir	-	-	-	-	150,000	1,000,000
16" H-Zone Main	-	-	-	-	200,000	2,000,000
16" Chalk Creek H-Zone Main	-	-	-	-	200,000	1,000,000
Total	\$ -	\$ -	\$ 500,000	\$ 3,750,000	\$ 8,800,000	\$ 9,900,000

Table 14 below identifies the Stormwater Utility Fund projects for Fiscal Years 2018-2032:

Stormwater Utility Fund	Fiscal Year					
	17/18	18/19	19/20	20/21 - 23/24	24/25 - 27/28	28/29 - 31/32
Cañada Hills Estates Channel Repair Project	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -
Lambert Lane Culvert Extension	50,000	-	-	-	-	-
4.5 Cubic Yard Wheel Loader - Lease Payment	50,000	-	-	-	-	-
Street Sweeper - Replacement (2)	-	-	-	280,000	280,000	-
Gate and Generator - 680 Calle Concordia	20,625	-	-	-	-	-
Side Cast Sweeper - Replacements (2)	-	-	85,000	-	85,000	-
Carmack Wash Drainage Improvements	-	105,000	-	-	-	-
Pistachio/Pomegrante Drainage Improvements	-	-	50,000	-	-	-
Peglar Wash Drainage Improvements	-	-	-	125,000	-	-
Lambert at Casas Drainage Improvements	-	-	-	120,000	-	-
Naranja Drainage Improvement (E. of Shannon Rd)	-	-	-	175,000	175,000	-
Shannon Road Drainage Improvements	-	-	-	-	140,000	-
Northern Avenue Drainage & Culvert Improvements	-	-	150,000	-	-	-
Low Water Crossings	-	-	-	100,000	400,000	400,000
Total	\$ 200,625	\$ 105,000	\$ 285,000	\$ 800,000	\$ 1,080,000	\$ 400,000

Capital Improvement Program

The Town of Oro Valley map below identifies the location of some of the projects scheduled for FY 2018:



CIP – Project Descriptions

The following are detailed descriptions of all the projects budgeted for Fiscal Year 2017-2018:

PROJECT TITLE: Courthouse Seating and Remodel

PROJECT DESCRIPTION: Replace courtroom seating and remodel the courthouse to begin addressing space and access needs

PROJECT JUSTIFICATION: Current courtroom seating is in disrepair; Court has outgrown its building, specifically the lobby and jury rooms; current bench area has technology and access limitations



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018	2018	Future	Total
			Expenditures	Projected	Expenditures	Budget
General Fund	\$ 210,150	Design	\$ 10,150			\$ 10,150
		Construction		200,000		200,000
Total	\$ 210,150	Total Project Costs	\$ 10,150	\$ 200,000	\$ -	\$ 210,150

Post Project Annual Operating Impact

Minimal building maintenance and utility cost increases with building expansion

PROJECT TITLE: El Conquistador Country Club & Golf Course Acquisition

PROJECT DESCRIPTION: Purchase of El Conquistador Country Club, golf course and tennis facilities for conversion to a Town community and recreation center (year 3 of 3-yr purchase plan; total cost \$1,000,000)

PROJECT JUSTIFICATION: Meets specific goals outlined in the Town's General Plan and Strategic Plan to invest in and provide parks, recreation and cultural opportunities and spaces for residents



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018	2018	Future	Total
			Expenditures	Projected	Expenditures	Budget
General Fund	\$ 1,000,000	Property Acquisition	\$ 650,000	\$ 350,000		\$ 1,000,000
Total	\$ 1,000,000	Total Project Costs	\$ 650,000	\$ 350,000	\$ -	\$ 1,000,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Two New Lit Multi-use Fields at Naranja Park

PROJECT DESCRIPTION: Construct two new, lit multi-use grass fields with irrigation, under-drainage system, fencing, conduit and lighting

PROJECT JUSTIFICATION: Provides additional field capacity at Naranja Park, provides layover space when other fields are offline, provides event space at the park and meets key goals outlined in General and Strategic Plans



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
General Fund	\$	535,703	\$ 113,325	\$ 966,675	\$ 1,080,000
Parks & Rec Impact Fees		652,000	134,166	73,537	207,703
Bed Taxes		100,000			
Total	\$	1,287,703	\$ 247,491	\$ 1,040,212	\$ - \$ 1,287,703

Post Project Annual Operating Impact

Personnel, Utilities and Maintenance Costs	\$	140,000
Field Rental Revenues		(32,500)
Total Annual Operating Impact	\$	107,500

PROJECT TITLE: Parks Maintenance Tractor

PROJECT DESCRIPTION: Purchase tractor for use in maintaining Town parks and fields

PROJECT JUSTIFICATION: Recent and planned addition of new fields and turf within the town requires larger, heavy-duty equipment to complete maintenance such as fertilizing, weed spraying and overseeding



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
General Fund	\$	54,000	\$ 54,000		\$ 54,000
Total	\$	54,000	\$ 54,000	\$ -	\$ 54,000

Post Project Annual Operating Impact

Fuel and Maintenance Costs	\$	2,000
Total Annual Operating Impact	\$	2,000

CIP – Project Descriptions

PROJECT TITLE: Transport Bus

PROJECT DESCRIPTION: Purchase a bus with a 25-30 passenger capacity to transport inmate crews to/from the Marana correctional facility

PROJECT JUSTIFICATION: This vehicle will be able to maximize staffing efficiency by utilizing one staff member versus two or three to transport inmates to perform streets and parks maintenance within the town



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
General Fund	\$	70,000	Equipment	\$	70,000	\$	70,000
Total	\$	70,000	Total Project Costs	\$	-	\$	70,000

Post Project Annual Operating Impact

Possible vehicle fuel and maintenance savings

PROJECT TITLE: Steam Pump Ranch Improvements

PROJECT DESCRIPTION: Historic preservation, building stabilization and rehabilitation improvements at Steam Pump Ranch

PROJECT JUSTIFICATION: The protection and preservation of significant cultural sites such as Steam Pump Ranch is a policy within the Town’s General Plan and a specific goal within the Town’s Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
General Fund	\$	55,120	Construction	\$	55,120	\$	55,120
Total	\$	55,120	Total Project Costs	\$	-	\$	55,120

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Virtual Desktop Infrastructure

PROJECT DESCRIPTION: Software and infrastructure project that will allow Town employees to access applications from any modern device and operating system

PROJECT JUSTIFICATION: Simplifies the IT Department's ability to deploy remote software, and allows remote employees easier access to a greater number of applications, thereby enhancing productivity



SOURCES OF FUNDING:

General Fund	\$	26,500
Water Utility Fund		26,500
Total	\$	53,000

BUDGETED PROJECT COSTS:

	Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Equipment		\$ 53,000		\$ 53,000
Total Project Costs	\$ -	\$ 53,000	\$ -	\$ 53,000

Post Project Annual Operating Impact

Maintenance Fee	\$	7,000
Total Annual Operating Impact	\$	7,000

PROJECT TITLE: Police Property/ID & Southern Substation Building

PROJECT DESCRIPTION: Continued expansion and construction on newly acquired building to serve as Police southern substation and evidence facility

PROJECT JUSTIFICATION: Evidence storage enhances compliance with state and federal occupational safety and health regulations; project mitigates liabilities due to staff safety hazards by providing a safe and secure evidence storage facility and needed space for public safety personnel



SOURCES OF FUNDING:

General Fund	\$	3,380,000
Police Impact Fees		485,000
Total	\$	3,865,000

BUDGETED PROJECT COSTS:

	Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Property Acquisition	\$ 312,029			\$ 312,029
Planning & Design	319,989			319,989
Construction		2,622,700	350,282	2,972,982
Furnishings & Equipment	16,355		243,645	260,000
Total Project Costs	\$ 648,373	\$ 2,622,700	\$ 593,927	\$ 3,865,000

Post Project Annual Operating Impact

Lease Savings	\$	(56,300)
Building Maintenance Costs		37,500
Total Annual Operating Impact	\$	(18,800)

CIP – Project Descriptions

PROJECT TITLE: 3-D Mapping Equipment

PROJECT DESCRIPTION: Three-dimensional scene mapping tool to recreate and reconstruct traffic collision scenes, crime scenes and natural and man-made disasters

PROJECT JUSTIFICATION: Rapid, highly accurate collection of data and measurements at vehicular offense and crime scene incidents traditionally compiled by personnel



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
General Fund	\$	76,087	Equipment	\$	76,087	\$	76,087
Total	\$	76,087	Total Project Costs	\$	-	\$	76,087

Post Project Annual Operating Impact

Software Licensing Fee		\$	990
Total Annual Operating Impact	\$	990	

PROJECT TITLE: Pavement Preservation Program

PROJECT DESCRIPTION: Perform annual roadway and multi-use path surface treatments as per the Town's pavement preservation and management program

PROJECT JUSTIFICATION: Enhances and improves the roadway system, maintains current overall condition index (OCI) rating and avoids infrastructure deterioration as outlined in General and Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
HURF gas taxes	\$	1,501,415	Construction	\$	1,501,415	\$	1,501,415
Total	\$	1,501,415	Total Project Costs	\$	-	\$	1,501,415

Post Project Annual Operating Impact

Maintaining adequate funding for this program prevents future costly roadway reconstruction and rehabilitation

CIP – Project Descriptions

PROJECT TITLE: Tangerine Access to Safeway (1st Ave) - Safety

PROJECT DESCRIPTION: Address traffic safety issue at intersection by constructing a new entrance to shopping center

PROJECT JUSTIFICATION: Mitigation of acute traffic safety issue based on completed intersection safety study



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Highway Fund	\$	286,439	Design	\$ 36,439			\$ 36,439
			Construction		250,000		250,000
Total	\$	286,439	Total Project Costs	\$ 36,439	\$ 250,000	\$ -	\$ 286,439

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Golf Course Cart Path Improvements

PROJECT DESCRIPTION: Removal and replacement of degraded asphalt along the Town's Community Center golf course paths

PROJECT JUSTIFICATION: Prevent further degradation and more costly repairs in the future, avoid cart damage, removal of tripping hazards, increase membership and daily play by investing in the course condition



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
.5% Dedicated Sales Tax	\$	50,000	Materials		\$ 50,000		\$ 50,000
Total	\$	50,000	Total Project Costs	\$ -	\$ 50,000	\$ -	\$ 50,000

Post Project Annual Operating Impact

Potential for increased revenues by investing in course conditions; less wear and tear on golf carts likely to result in decreased maintenance costs

CIP – Project Descriptions

PROJECT TITLE: Energy Efficiency Project at Oro Valley Community Center

PROJECT DESCRIPTION: Replacement of aged HVAC units, evaporative coolers, water fixtures, pool heater and pump, lighting retrofits, and an irrigation pump station replacement at the Town’s Community Center

PROJECT JUSTIFICATION: Thirty-year old facility with outdated systems; significant energy savings and efficiencies will cover the cost of this project over time



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Bond Proceeds	\$	1,950,250	Equipment & Installation	\$ 1,250,250	\$ 700,000	\$ 1,950,250
Total	\$	1,950,250	Total Project Costs	\$ 1,250,250	\$ 700,000	\$ - \$ 1,950,250

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Bond-Funded Park Infrastructure Budget Capacity

PROJECT DESCRIPTION: Budget capacity of \$5 million included in the FY 17/18 budget for possible issuance of bonds to fund additional park infrastructure at Naranja Park

PROJECT JUSTIFICATION: Per the Council-approved Naranja Park Master Plan; addresses specific goals within the Town’s General and Strategic Plans; addresses demand from community and park user groups



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Bond Proceeds	\$	16,733,900	Design	\$ 2,510,085		\$ 2,510,085
			Construction (2018 is placeholder only)	2,489,915	11,543,500	14,033,415
			Furnishings & Equipment		190,400	190,400
Total	\$	16,733,900	Total Project Costs	\$ - \$ 5,000,000	\$ 11,733,900	\$ 16,733,900

Post Project Annual Operating Impact

Personnel Costs	\$	120,000
Operations & Maintenance Costs		450,000
User Fees and Bed Tax Revenue		(370,000)
Total Annual Operating Impact	\$	200,000

CIP – Project Descriptions

PROJECT TITLE: Lambert Lane from La Cañada to Rancho Sonora

PROJECT DESCRIPTION: Widening Lambert Lane to four lanes to include bicycle lanes

PROJECT JUSTIFICATION: Improves safety along Lambert Lane eastbound to La Cañada Drive by improving site visibility and adding multi-modal enhancements



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	7,012,200	Design	\$ 892,049		\$ 892,049
Roadway Impact Fees		1,000,000	Construction	2,559,151	4,561,000	7,120,151
Total	\$	8,012,200	Total Project Costs	\$ 3,451,200	\$ 4,561,000	\$ - \$ 8,012,200

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Naranja Drive Two-Way Left Turn (at Naranja Park)

PROJECT DESCRIPTION: Add a two-way left-turn lane on Naranja Road at Naranja Park, providing center lane exclusivity for left-turning vehicles from either direction at the park

PROJECT JUSTIFICATION: Improves safety along Naranja Road and access to Naranja Park by providing a center lane for vehicles to turn left without disrupting the flow of traffic



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Roadway Impact Fees	\$	458,500	Design	\$ 67,431		\$ 67,431
			Construction	391,069		391,069
Total	\$	458,500	Total Project Costs	\$ - \$ 458,500	\$ -	\$ 458,500

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: Transportation Art by Youth Program (TABY)

PROJECT DESCRIPTION: Design and construction of public art on town right-of-ways by local youth

PROJECT JUSTIFICATION: Implementation of public/private partnerships for enhanced cultural development and recreation are goals outlined in the Town's General and Strategic Plans



SOURCES OF FUNDING

BUDGETED PROJECT COSTS

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	375,000	Design, Construction, Supplies	\$ 75,000	\$ 300,000	\$ 375,000
Total	\$	375,000	Total Project Costs	\$ -	\$ 300,000	\$ 375,000

Post Project Annual Operating Impact

Minimal maintenance; vandalism repair

PROJECT TITLE: La Cholla Boulevard from Overton to Tangerine

PROJECT DESCRIPTION: Widen La Cholla Boulevard to four lanes, make drainage improvements and add multi-use lanes

PROJECT JUSTIFICATION: As per the adopted Regional Transportation Authority (RTA) Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
RTA Regional Funds	\$	19,965,467	Design	\$ 2,109,307	\$ 374,528	\$ 2,483,835
PAG Regional Funds		1,150,000	Construction		1,489,632	19,431,632
Roadway Impact Fees		800,000			17,942,000	
Total	\$	21,915,467	Total Project Costs	\$ 2,109,307	\$ 1,864,160	\$17,942,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Tangerine Road from La Cañada to Shannon

PROJECT DESCRIPTION: Widen Tangerine Road to four lanes with landscaped medians, install turn lanes and signalization at key intersections and upgrade conditions to avoid closures due to flooding

PROJECT JUSTIFICATION: As per the adopted RTA Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	1,800,500	\$ 1,100,877	\$ 1,700,000		\$ 2,800,877
Roadway Impact Fees		1,000,377				
Total	\$	2,800,877	\$ 1,100,877	\$ 1,700,000	\$ -	\$ 2,800,877

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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PROJECT TITLE: Traffic Light – La Cañada at Oro Valley Community Center

PROJECT DESCRIPTION: Install full traffic signal and pedestrian crossing aids at the intersection of La Cañada Drive and the Town's Community Center

PROJECT JUSTIFICATION: Address potential safety issues for the community



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
RTA Regional Funds	\$	500,000		\$ 50,000		\$ 50,000
				450,000		450,000
Total	\$	500,000	\$ -	\$ 500,000	\$ -	\$ 500,000

Post Project Annual Operating Impact

Electricity and Maintenance Costs	\$	1,000
Total Annual Operating Impact	\$	1,000

CIP – Project Descriptions

PROJECT TITLE: Palisades Road Multi-Use Path

PROJECT DESCRIPTION: Construct a shared-use path on the north side of Palisades Road from 1st Avenue to east end of terminus, providing pedestrian and bicycle access

PROJECT JUSTIFICATION: Project aligns with goals outlined in the Town's General and Strategic Plans; promotes Oro Valley as a bicycle-friendly community and provides a safe avenue for walking



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG/RTA Fund Reserves	\$	284,000		\$ 74,000		\$ 74,000
				210,000		210,000
Total	\$	284,000	Total Project Costs	\$ -	\$ 284,000	\$ -

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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PROJECT TITLE: La Cañada & Moore Intersection Study

PROJECT DESCRIPTION: Safety study at the intersection of Moore Road and La Cañada Drive to evaluate existing intersection conditions, taking into account the area's high growth rate, and identify options for future traffic control improvements

PROJECT JUSTIFICATION: Address potential safety issues for the community



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	50,000	Study	\$ 25,000	\$ 25,000	\$ 50,000
Total	\$	50,000	Total Project Costs	\$ 25,000	\$ 25,000	\$ -

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Gate and Generator – 680 Calle Concordia

PROJECT DESCRIPTION: Install gate and generator at Town's 680 Calle Concordia facilities

PROJECT JUSTIFICATION: Gate would work in conjunction with the newly built wall at the facility to increase security for Town equipment and fuel island; generator would provide electrical power during outages to power the gate, Fleet repair shop, offices and fuel island



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
PAG/RTA Fund Reserves	\$	41,875	Design	\$ 7,500		\$ 7,500
Stormwater Revenues		20,625	Construction	10,000		10,000
			Equipment	45,000		45,000
Total	\$	62,500	Total Project Costs	\$ -	\$ 62,500	\$ -

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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PROJECT TITLE: Steam Pump Replacement Well Drill and Construct

PROJECT DESCRIPTION: Drill and construct a new well at the Steam Pump location with a projected capacity of 800 gallons per minute (FY 17/18 budget reflects drilling only)

PROJECT JUSTIFICATION: Replace lost well capacity; replace aging infrastructure (seven production wells are over 25 years old); maintain robust well field to meet potable primary and secondary supply



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	1,500,000	Design	\$ 10,000		\$ 10,000
			Construction	690,000	800,000	1,490,000
Total	\$	1,500,000	Total Project Costs	\$ -	\$ 700,000	\$ 800,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Nakoma Sky Replacement Well Drill and Construct

PROJECT DESCRIPTION: Drill and construct a new well at the Nakoma Sky development at First Avenue and Lambert Lane

PROJECT JUSTIFICATION: Replace lost well capacity; maintain healthy groundwater capacity during periods of increased summer demand and in the event of Central Arizona Project water outage as a redundant system



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	1,540,000		\$ 5,000	\$ 100,000	\$ 105,000
				35,000	1,400,000	1,435,000
Total	\$	1,540,000	Total Project Costs	\$ -	\$ 1,500,000	\$ 1,540,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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PROJECT TITLE: Well E2 Upgrade

PROJECT DESCRIPTION: Rehabilitate existing well, re-equip with new pump/motor for higher lift; install new hydropneumatic tank, new electrical service and new security fence; demo existing storage tank, booster pumps, and controls

PROJECT JUSTIFICATION: Project will introduce operational efficiencies by eliminating the existing tank and booster station and equip the well to lift to a higher pressure zone



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	404,267	\$ 54,767	\$ -	\$ -	\$ 54,767
			99,500	250,000	-	349,500
Total	\$	404,267	Total Project Costs	\$ 154,267	\$ 250,000	\$ -

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

CIP – Project Descriptions

PROJECT TITLE: Hydropneumatic Tank Replacement (Wells)

PROJECT DESCRIPTION: Design, fabricate and install a new 5,000 gallon hydropneumatic tank for Well D8; would meet national standards for pressure vessel and system design

PROJECT JUSTIFICATION: Existing tank is not certified or registered and is showing signs of metal sheet corrosion; abnormal thickness gauge readings are a sign of internal corrosion



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	539,045	Design	\$ 9,244	\$ 10,000	\$ 30,000	\$ 49,244
			Construction	129,801	90,000	270,000	489,801
Total	\$	539,045	Total Project Costs	\$ 139,045	\$ 100,000	\$ 300,000	\$ 539,045

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

PROJECT TITLE: Water Plant 4 Reservoir Coating

PROJECT DESCRIPTION: Recoat the exterior of the 500,000 gallon tank located at Water Plant 4 - Innovation

PROJECT JUSTIFICATION: Existing coating is showing signs of degradation with primer and base steel exposed in multiple areas



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	100,000	Labor and Materials		\$ 100,000		\$ 100,000
Total	\$	100,000	Total Project Costs	\$ -	\$ 100,000	\$ -	\$ 100,000

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

CIP – Project Descriptions

PROJECT TITLE: Hydropneumatic Tank Replacement (Boosters)

PROJECT DESCRIPTION: Design, fabricate and install a new 5,000 gallon hydropneumatic tank for booster station; would meet national standards for pressure vessel and system design

PROJECT JUSTIFICATION: Existing tank is not certified or registered; ultrasonic tests indicates interior corrosion and less than half the original thickness on shell and heads



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	400,000		\$ 10,000	\$ 30,000	\$ 40,000
				90,000	270,000	360,000
Total	\$	400,000	Total Project Costs	\$ -	\$ 100,000	\$ 300,000
						\$ 400,000

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

PROJECT TITLE: West Lambert Lane 12-Inch Main Relocate and Replace

PROJECT DESCRIPTION: Relocate and install approximately 2,800 feet of a new 12-inch water main and add one pressure-reducing valve station on Lambert Lane from La Cañada to Rancho Sonora

PROJECT JUSTIFICATION: Work is being completed in coordination with Lambert Lane roadway project; current main is 8-inch; 12-inch main will provide for anticipated growth in future



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	680,916	\$ 125,944	\$ -	\$ -	\$ 125,944
			354,972	200,000		554,972
Total	\$	680,916	Total Project Costs	\$ 480,916	\$ 200,000	\$ -
						\$ 680,916

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Tangerine Road 24-Inch Reclaim Main Relocation

PROJECT DESCRIPTION: Relocate 24-inch reclaimed main on Tangerine Road in coordination with Tangerine Road RTA project

PROJECT JUSTIFICATION: Supports goals and strategies outlined in the Town's General Plan and Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$ 2,115,971	Design	\$ 159,217			\$ 159,217
		Construction	1,756,754	200,000		1,956,754
Total	\$ 2,115,971	Total Project Costs	\$ 1,915,971	\$ 200,000	\$ -	\$ 2,115,971

Post Project Annual Operating Impact

Maintenance Savings	\$ (1,000)
Total Annual Operating Impact	\$ (1,000)

PROJECT TITLE: Rancho Feliz Valve and Drain Valve Assembly (DVA) Replacement

PROJECT DESCRIPTION: Replace 11 DVAs and 33 isolation valves in the Rancho Feliz subdivision

PROJECT JUSTIFICATION: DVAs will allow staff to perform a system flushing program and maintain chlorine residual; isolation valves will reduce outages during routine maintenance and when breaks occur



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$ 250,000	Construction		\$ 100,000	\$ 150,000	\$ 250,000
Total	\$ 250,000	Total Project Costs	\$ -	\$ 100,000	\$ 150,000	\$ 250,000

Post Project Annual Operating Impact

Water Main Flushing Program Costs	\$ 1,000
Total Annual Operating Impact	\$ 1,000

CIP – Project Descriptions

PROJECT TITLE: Countryside Drain Valve Assembly (DVA) Replacements

PROJECT DESCRIPTION: Replace 70 DVAs in the Countryside service area

PROJECT JUSTIFICATION: Existing DVAs are over 30 years old and made of galvanized pipe that are inaccessible with non-working valves; project will eliminate outages due to leaking valves and allow staff to perform system flushing program to improve water quality



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	210,000	Construction	\$ 70,000	\$ 140,000	\$ 210,000
Total	\$	210,000	Total Project Costs	\$ -	\$ 70,000	\$ 140,000

Post Project Annual Operating Impact

Water Main Flushing Program Costs	\$	1,000
Total Annual Operating Impact	\$	1,000

PROJECT TITLE: Rancho Verde Fire Hydrants

PROJECT DESCRIPTION: Design, hydraulic modeling and installation of up to 15 new fire hydrants in Rancho Verde subdivision (design in FY 17/18)

PROJECT JUSTIFICATION: Fire suppression measure - subdivision does not currently have hydrants



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	225,000	Design	\$ 75,000		\$ 75,000
			Construction		150,000	150,000
Total	\$	225,000	Total Project Costs	\$ -	\$ 75,000	\$ 150,000

Post Project Annual Operating Impact

Maintenance Costs	\$	1,000
Total Annual Operating Impact	\$	1,000

CIP – Project Descriptions

PROJECT TITLE: Main Valve Replacements

PROJECT DESCRIPTION: Identify and replace non-working isolation valves throughout water system

PROJECT JUSTIFICATION: Supports goals and strategies outlined in the Town's General Plan and Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	500,579	Construction	\$ 250,579	\$ 50,000	\$ 200,000	\$ 500,579
Total	\$	500,579	Total Project Costs	\$ 250,579	\$ 50,000	\$ 200,000	\$ 500,579

Post Project Annual Operating Impact

Maintenance Savings		\$	(1,000)
Total Annual Operating Impact	\$		(1,000)

PROJECT TITLE: La Cholla Boulevard Main Relocation – Lambert to Tangerine

PROJECT DESCRIPTION: Relocate existing potable mains on La Cholla Boulevard from Lambert Lane to Tangerine Road; add water main extension across La Cholla for future growth and loop existing "D" zone mains to improve system reliability

PROJECT JUSTIFICATION: Work is being completed in coordination with planned La Cholla RTA roadway project



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	831,355	Design	\$ 131,355			\$ 131,355
			Construction		700,000		700,000
Total	\$	831,355	Total Project Costs	\$ 131,355	\$ 700,000	\$ -	\$ 831,355

Post Project Annual Operating Impact

Total Annual Operating Impact	\$		-
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CIP – Project Descriptions

PROJECT TITLE: Oro Valley Community Center Main Replacement

PROJECT DESCRIPTION: Design and replace water main located at the Oro Valley Community Center

PROJECT JUSTIFICATION: Existing water main material is thin walled pipe (irrigation); repair parts are difficult to secure because of pipe material and age; eliminate unknown cross connections and taps



SOURCES OF FUNDING:

Water Utility Revenues	\$	200,000
Total	\$	200,000

BUDGETED PROJECT COSTS:

	Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Design	\$	75,000		\$ 75,000
Construction			125,000	125,000
Total Project Costs	\$ -	\$ 75,000	\$ 125,000	\$ 200,000

Post Project Annual Operating Impact

Maintenance Savings	\$	(2,500)
Total Annual Operating Impact	\$	(2,500)

PROJECT TITLE: Tucson Water Wheeling at Oracle Road and Hardy Road

PROJECT DESCRIPTION: Design and install a new pressure-reducing valve station to reduce pressure from Tucson Water "F" Zone to Oro Valley "D" Zone

PROJECT JUSTIFICATION: Project will allow the wheeling of an additional 150 acre feet of Central Arizona Project water through the Tucson Water system, reducing reliance on groundwater and protecting and preserving the aquifer



SOURCES OF FUNDING:

Water Utility Revenues	\$	100,000
Total	\$	100,000

BUDGETED PROJECT COSTS:

	Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget
Design	\$	20,000		\$ 20,000
Construction		80,000		80,000
Total Project Costs	\$ -	\$ 100,000	\$ -	\$ 100,000

Post Project Annual Operating Impact

Maintenance Costs	\$	1,000
Total Annual Operating Impact	\$	1,000

CIP – Project Descriptions

PROJECT TITLE: Cañada Hills Estates Channel Repair Project

PROJECT DESCRIPTION: Stabilize and repair existing shotcrete-lined channel behind the Fry's shopping center located at La Cañada and Lambert

PROJECT JUSTIFICATION: Evidence of structural collapse along both sides of the channel due to tree roots and lack of maintenance; project will stabilize and repair existing structure that if not addressed could result in catastrophic failure and increased cost to remediate



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
Stormwater Revenues	\$	80,000	Construction	\$	80,000	\$	80,000
Total	\$	80,000	Total Project Costs	\$ -	\$ 80,000	\$ -	\$ 80,000

Post Project Annual Operating Impact

Project will prevent costly remediation in the future

PROJECT TITLE: Lambert Lane Culvert Extension

PROJECT DESCRIPTION: Lengthen culvert with infrastructure improvements along Lambert Lane in conjunction with current roadway widening project

PROJECT JUSTIFICATION: Coordination with current Lambert Lane roadway widening for project savings; current culvert is in need of lengthening and securing for improved conveyance and safety



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2018 Expenditures	2018 Projected	Future Expenditures	Total Budget	
Stormwater Revenues	\$	50,000	Construction	\$	50,000	\$	50,000
Total	\$	50,000	Total Project Costs	\$ -	\$ 50,000	\$ -	\$ 50,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: 4.5 Cubic Yard Wheel Loader – Lease Payment

PROJECT DESCRIPTION: Lease payment for loader, which provides capacity needed for monsoon storm clean-up and emergencies

PROJECT JUSTIFICATION: Loader provides for monsoon storm preparation and clean-up, ensuring drainageways and streets are maintained for safe public use



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2018	2018	Future	Total
				Expenditures	Projected	Expenditures	Budget
Stormwater Revenues	\$	267,872	Equipment	\$ 217,872	\$ 50,000		\$ 267,872
Total	\$	267,872	Total Project Costs	\$ 217,872	\$ 50,000	\$ -	\$ 267,872

Post Project Annual Operating Impact

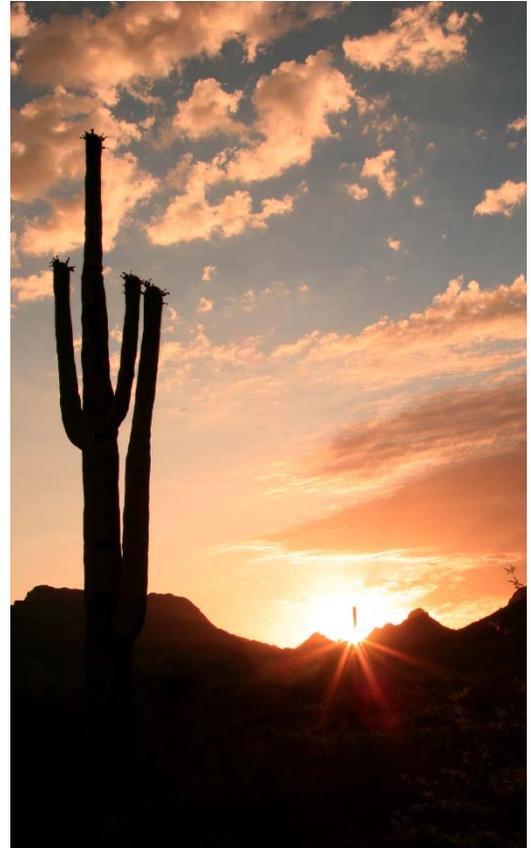
Potential for savings from ability to perform work in house

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APPENDIX

Resolution Adoption
Auditor General Statements
Glossary



RESOLUTION NO. (R)17-25

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, APPROVING THE ADOPTION OF THE BUDGET OF THE TOWN OF ORO VALLEY FOR THE FISCAL YEAR 2017-2018

WHEREAS, on May 17, 2017, in accordance with Arizona Revised Statutes §§ 42-17101 and 42-17102, the Town authorized an estimate of the different amounts required to meet the public expenditures for the ensuing year, an estimate of revenues from sources other than direct taxation and the amount to be raised by taxation upon real and personal property of the Town of Oro Valley; and

WHEREAS, after notice of a public hearing in accordance with Arizona Revised Statutes §§ 42-17103, 42-17104 and 42-17105, the Council met on June 7, 2017, at which time any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levies before the Council adopted the estimates of the proposed expenditures, constituting the budget of the Town of Oro Valley for the Fiscal Year 2017/2018; and

WHEREAS, the sums to be raised by taxation, as specified therein, do not in the aggregate amount exceed the primary property tax levy limits as calculated in accordance with Arizona Revised Statutes § 42-17051(A); and

WHEREAS, it is in the best interest of the Town of Oro Valley to approve the estimates and expenditures/expenses shown on the accompanying schedules for the Fiscal Year 2017-2018.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that the said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced or changed, are hereby adopted and approved as the budget of the Town of Oro Valley for the Fiscal Year 2017-2018 in the amount of \$128,567,505.

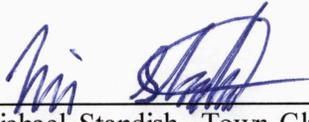
BE IT FURTHER RESOLVED that the Mayor and Council of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the budget for the Fiscal Year 2017-2018.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona, this 7th day of June 2017.

TOWN OF ORO VALLEY, ARIZONA


Dr. Satish I. Hiremath, Mayor

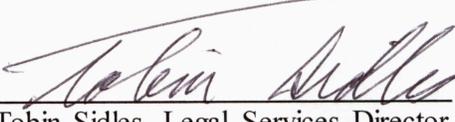
ATTEST:



Michael Standish, Town Clerk

Date: 6/9/17

APPROVED AS TO FORM:



Tobin Sidles, Legal Services Director

Date: 6/9/2017



Town of Oro Valley

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TOWN OF ORO VALLEY
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2018

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2017	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	41,220,985	13,834,660	874,161	35,897,639	0	28,718,102	5,340,151	125,885,698
2017	Actual Expenditures/Expenses**	E	30,980,422	11,341,576	807,273	8,292,120	0	19,686,037	4,526,237	75,633,665
2018	Fund Balance/Net Position at July 1***		12,187,179	1,767,537	65,359	18,652,026		9,090,054	936,651	42,698,806
2018	Primary Property Tax Levy	B	0							0
2018	Secondary Property Tax Levy	B								0
2018	Estimated Revenues Other than Property Taxes	C	36,030,537	11,505,445	327,923	11,407,470	0	16,797,164	4,800,160	80,868,699
2018	Other Financing Sources	D	0	0	0	5,000,000	0	0	0	5,000,000
2018	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2018	Interfund Transfers In	D	305,000	275,000	686,783	2,351,107	0	0	300,000	3,917,890
2018	Interfund Transfers (Out)	D	2,799,668	575,975	0	539,400	0	2,847	0	3,917,890
2018	Reduction for Amounts Not Available:									
	LESS: Amounts for Future Debt Retirement:									0
										0
										0
										0
2018	Total Financial Resources Available		45,723,048	12,972,007	1,080,065	36,871,203	0	25,884,371	6,036,811	128,567,505
2018	Budgeted Expenditures/Expenses	E	45,723,048	12,972,007	1,080,065	36,871,203	0	25,884,371	6,036,811	128,567,505

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2017	2018
1. Budgeted expenditures/expenses	\$ 125,885,698	\$ 128,567,505
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	125,885,698	128,567,505
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 125,885,698	\$ 128,567,505
6. EEC expenditure limitation	\$ 125,885,698	\$ 128,567,505

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 15,073,000	\$ 15,571,222	\$ 16,544,573
Cable Franchise Tax	580,000	614,194	620,000
Licenses and permits			
Licenses	196,000	197,000	200,000
Permits	1,368,500	1,668,370	1,740,236
Fees	51,000	119,102	122,885
Intergovernmental			
State/County Shared	10,824,605	11,117,267	11,636,928
State Grants	223,100	131,900	234,760
Federal Grants	478,284	475,136	471,342
Reimbursements	1,464,463	1,575,966	1,698,360
Other	90,000	98,000	95,000
Charges for services			
Reimbursements	131,000	160,000	151,000
Fees	1,150,675	1,236,248	1,244,691
Other	846,926	801,090	814,762
Fines and forfeits			
Fines	130,000	122,544	120,000
Interest on investments			
Interest Income	89,200	32,336	103,000
Miscellaneous			
Miscellaneous	140,000	242,978	233,000
Total General Fund	\$ 32,836,753	\$ 34,163,353	\$ 36,030,537

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway User Fuel Tax	\$ 3,000,000	\$ 3,241,545	\$ 3,363,581
Permits	52,500	66,295	57,000
Interest Income	28,600	7,367	36,994
Charges for Services	134,000	59,606	
State Grants	195,000	180,000	100,000
Other	80,000	2,544	2,000
	\$ 3,490,100	\$ 3,557,357	\$ 3,559,575
Bed Tax Fund			
Local Sales Tax	\$ 1,085,805	\$ 1,040,779	\$ 1,126,955
Interest Income	6,200	1,196	8,011
Miscellaneous		3,500	
	\$ 1,092,005	\$ 1,045,475	\$ 1,134,966
Seizures & Forfeitures			
Seizures & Forfeitures	\$ 275,000	\$ 224,740	\$ 275,000
Interest Income		1,134	
	\$ 275,000	\$ 225,874	\$ 275,000
Impound Fee Fund			
Fees	\$ 40,000	\$ 37,000	\$ 40,000
	\$ 40,000	\$ 37,000	\$ 40,000
Community Center Fund			
Local Sales Tax	\$ 2,105,163	\$ 2,204,260	\$ 2,308,112
Charges for Services	4,482,214	3,836,371	4,159,931
Other	27,861	32,344	27,861
	\$ 6,615,238	\$ 6,072,975	\$ 6,495,904
Total Special Revenue Funds	\$ 11,512,343	\$ 10,938,681	\$ 11,505,445

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
DEBT SERVICE FUNDS			
Municipal Debt Service Fund			
Federal Grants	\$ 54,945	\$ 60,058	\$ 51,403
Interest Income		65	
Miscellaneous	90,000	90,000	90,000
	\$ 144,945	\$ 150,123	\$ 141,403
Oracle Road Improvement District			
Special Assessments	\$ 178,558	\$ 178,584	\$ 186,520
	\$ 178,558	\$ 178,584	\$ 186,520
Total Debt Service Funds	\$ 323,503	\$ 328,707	\$ 327,923
CAPITAL PROJECTS FUNDS			
Alternative Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 1,040,089	\$ 1,412,484	\$ 1,387,819
Interest Income	26,400	5,153	34,485
	\$ 1,066,489	\$ 1,417,637	\$ 1,422,304
Potable Water System Development Impact Fee Fund			
Development Impact Fees	\$ 519,058	\$ 703,621	\$ 691,333
Interest Income	28,800	5,561	37,238
	\$ 547,858	\$ 709,182	\$ 728,571
Townwide Roadway Development Impact Fee Fund			
Development Impact Fees	\$ 340,167	\$ 800,433	\$ 906,401
Interest Income	3,000	8,407	5,000
	\$ 343,167	\$ 808,840	\$ 911,401
Parks and Recreation Impact Fee Fund			
Development Impact Fees	\$ 132,680	\$ 273,333	\$ 294,505
Interest Income		916	
	\$ 132,680	\$ 274,249	\$ 294,505
Police Impact Fee Fund			
Development Impact Fees	\$ 74,000	\$ 160,579	\$ 128,207
Interest Income		918	
	\$ 74,000	\$ 161,497	\$ 128,207
General Government Impact Fee Fund			
Interest Income	\$	\$ 10	\$
	\$	\$ 10	\$
General Government CIP Fund			
State Grants	\$ 81,000	\$ 68,660	\$
	\$ 81,000	\$ 68,660	\$
PAG/RTA Fund			
State Grants	\$ 9,249,971	\$ 4,324,081	\$ 7,899,982
Other	22,500	23,400	22,500
	\$ 9,272,471	\$ 4,347,481	\$ 7,922,482
Library Impact Fee Fund			
Donations	\$ 150,000	\$ 150,000	\$
	\$ 150,000	\$ 150,000	\$
Total Capital Projects Funds	\$ 11,667,665	\$ 7,937,556	\$ 11,407,470

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2018

SOURCE OF REVENUES	ESTIMATED REVENUES 2017	ACTUAL REVENUES* 2017	ESTIMATED REVENUES 2018
ENTERPRISE FUNDS			
Water Utility Fund			
Water Sales	\$ 11,961,395	\$ 11,965,000	\$ 12,075,700
Charges for Services	3,043,800	3,203,605	3,225,300
Interest Income	72,000	13,348	93,164
Miscellaneous	15,077,195	15,195,696	15,394,164
Stormwater Utility Fund			
Charges for Services	\$ 1,303,500	\$ 1,335,000	\$ 1,402,500
Interest Income	500	730	500
	\$ 1,304,000	\$ 1,335,730	\$ 1,403,000
Total Enterprise Funds	\$ 16,381,195	\$ 16,531,426	\$ 16,797,164
INTERNAL SERVICE FUNDS			
Fleet Fund			
Fleet Services	\$ 1,297,202	\$ 1,297,202	\$ 760,000
Miscellaneous	284,796	348,242	394,896
	\$ 1,581,998	\$ 1,645,444	\$ 1,154,896
Benefit Self Insurance Fund			
Miscellaneous	\$ 3,030,740	\$ 3,216,806	\$ 3,645,264
	\$ 3,030,740	\$ 3,216,806	\$ 3,645,264
Total Internal Service Funds	\$ 4,612,738	\$ 4,862,250	\$ 4,800,160
TOTAL ALL FUNDS	\$ 77,334,197	\$ 74,761,973	\$ 80,868,699

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2018

FUND	OTHER FINANCING 2018		INTERFUND TRANSFERS 2018	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfer from Bed Tax Fund	\$		\$ 185,000	\$
Transfer from Community Center Fund			120,000	
Transfer to Highway Fund				275,000
Transfer to Municipal Debt Service Fund				409,961
Transfer to Oracle Rd Improvement District Fund				3,000
Transfer to Fleet Fund				300,000
Transfer to General Government CIP Fund				1,811,707
Total General Fund	\$	\$	\$ 305,000	\$ 2,799,668
SPECIAL REVENUE FUNDS				
Highway Fund	\$		\$ 275,000	\$
Bed Tax Fund				410,019
Community Center Fund				165,956
Total Special Revenue Funds	\$	\$	\$ 275,000	\$ 575,975
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$	\$	\$ 683,783	\$
Oracle Road Improvement District Fund			3,000	
Total Debt Service Funds	\$	\$	\$ 686,783	\$
CAPITAL PROJECTS FUNDS				
General Government CIP Fund	\$	\$	\$ 2,351,107	\$
Parks and Recreation Impact Fee Fund				539,400
Capital Project Bond Fund		5,000,000		
Total Capital Projects Funds	\$	\$ 5,000,000	\$ 2,351,107	\$ 539,400
ENTERPRISE FUNDS				
Water Utility Fund	\$	\$	\$	\$ 2,847
Total Enterprise Funds	\$	\$	\$	\$ 2,847
INTERNAL SERVICE FUNDS				
Fleet Fund	\$	\$	\$ 300,000	\$
Total Internal Service Funds	\$	\$	\$ 300,000	\$
TOTAL ALL FUNDS	\$	\$ 5,000,000	\$ 3,917,890	\$ 3,917,890

TOWN OF ORO VALLEY
Expenditures/Expenses by Fund
Fiscal Year 2018

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017	ACTUAL EXPENDITURES/ EXPENSES* 2017	BUDGETED EXPENDITURES/ EXPENSES 2018
GENERAL FUND				
Clerk	\$ 458,863	\$	\$ 403,211	\$ 485,098
Council	220,559		220,559	214,759
Community Development & Public Works	5,990,029	94,775	5,796,356	4,893,469
Administrative Services			2,815,066	3,375,735
Finance	773,591			
Human Resources	368,605			
Information Technology	1,691,676			
General Administration	1,736,450		1,736,450	1,682,216
Legal	773,003		737,653	779,670
Magistrate Court	845,938		845,938	874,282
Town Manager's Office	801,540		801,540	844,708
Parks and Recreation	1,977,326		1,962,029	3,667,092
Police	15,643,620		15,631,620	17,108,674
Contingency Reserve	9,939,785	(94,775)	30,000	11,797,345
Total General Fund	\$ 41,220,985	\$	\$ 30,980,422	\$ 45,723,048
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 5,553,795	\$	\$ 4,396,449	\$ 5,085,635
Seizures and Forfeitures	365,096		91,078	420,336
Bed Tax Fund	914,589		682,159	1,070,446
Impound Fee Fund	80,814		57,468	65,345
Community Center Fund	6,920,366		6,114,422	6,330,245
Total Special Revenue Funds	\$ 13,834,660	\$	\$ 11,341,576	\$ 12,972,007
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ 690,657	\$	\$ 625,715	\$ 883,551
Oracle Road Improvement District Fund	183,504		181,558	196,514
Total Debt Service Funds	\$ 874,161	\$	\$ 807,273	\$ 1,080,065
CAPITAL PROJECTS FUNDS				
Townwide Roadway Dev Impact Fee Fund	\$ 3,317,088	\$	\$ 1,000,000	\$ 3,935,497
Alternative Water Rscs Dev Impact Fee Fund	6,089,084		252,967	7,627,267
Potable Water System Dev Impact Fee Fund	5,566,853		332,416	6,173,575
Parks and Recreation Impact Fee Fund	123,983			239,112
Library Impact Fee Fund	193,160		199,680	
Police Impact Fee Fund	375,877			623,245
General Government Impact Fee Fund	3,510			3,525
Recreation In Lieu Fee Fund	27,918			15,718
General Government CIP Fund	2,648,000		833,799	4,034,577
PAG/RTA Fund	9,552,166		4,373,258	8,518,687
Energy Efficiency Project Fund	3,000,000		1,300,000	700,000
Capital Project Bond Fund	5,000,000			5,000,000
Total Capital Projects Funds	\$ 35,897,639	\$	\$ 8,292,120	\$ 36,871,203
ENTERPRISE FUNDS				
Water Utility Fund	\$ 27,196,564	\$	\$ 18,593,008	\$ 23,965,923
Stormwater Utility Fund	1,521,538		1,093,029	1,918,448
Total Enterprise Funds	\$ 28,718,102	\$	\$ 19,686,037	\$ 25,884,371
INTERNAL SERVICE FUNDS				
Fleet Fund	\$ 2,065,249	\$	\$ 1,291,840	\$ 2,377,939
Benefit Self Insurance Fund	3,274,902		3,234,397	3,658,872
Total Internal Service Funds	\$ 5,340,151	\$	\$ 4,526,237	\$ 6,036,811
TOTAL ALL FUNDS	\$ 125,885,698	\$	\$ 75,633,665	\$ 128,567,505

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Expenditures/Expenses by Department
Fiscal Year 2018

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017	ACTUAL EXPENDITURES/ EXPENSES* 2017	BUDGETED EXPENDITURES/ EXPENSES 2018
Clerk:				
General Fund	\$ 458,863	\$	\$ 403,211	\$ 485,098
Department Total	\$ 458,863	\$	\$ 403,211	\$ 485,098
Council:				
General Fund	\$ 220,559	\$	\$ 220,559	\$ 214,759
Department Total	\$ 220,559	\$	\$ 220,559	\$ 214,759
Community Development & Public Works:				
General Fund	\$ 5,990,029	\$ 94,775	\$ 5,796,356	\$ 4,893,469
Highway Fund	5,553,795		4,396,449	\$ 5,085,635
Townwide Roadway Dev Impact Fee Fund	3,317,088		1,000,000	3,935,497
Stormwater Utility Fund	1,521,538		1,093,029	1,918,448
Fleet Fund	2,065,249		1,291,840	2,377,939
PAG/RTA Fund	9,552,166		4,373,258	8,518,687
Department Total	\$ 27,999,865	\$ 94,775	\$ 17,950,932	\$ 26,729,675
Finance:				
General Fund	\$ 773,591	\$	\$ 773,591	\$
Department Total	\$ 773,591	\$	\$ 773,591	\$
Human Resources:				
General Fund	\$ 368,605	\$	\$ 349,799	\$
Department Total	\$ 368,605	\$	\$ 349,799	\$
Information Technology:				
General Fund	\$ 1,691,676	\$	\$ 1,691,676	\$
Department Total	\$ 1,691,676	\$	\$ 1,691,676	\$
Administrative Services:				
General Fund	\$	\$	\$	\$ 3,375,735
Department Total	\$	\$	\$	\$ 3,375,735
General Administration:				
General Fund	\$ 1,736,450	\$	\$ 1,736,450	\$ 1,682,216
General Fund - Contingency Reserve	9,939,785	(94,775)	30,000	11,797,345
Municipal Debt Service Fund	690,657		625,715	883,551
Oracle Road Improvement District Fund	183,504		181,558	196,514
Benefit Self Insurance Fund	3,274,902		3,234,397	3,658,872
General Government Impact Fee Fund	3,510			3,525
General Government CIP Fund	2,648,000		833,799	4,034,577
Library Impact Fee Fund	193,160		199,680	
Energy Efficiency Project Fund	3,000,000		1,300,000	700,000
Capital Project Bond Fund	5,000,000			5,000,000
Department Total	\$ 26,669,968	\$ (94,775)	\$ 8,141,599	\$ 27,956,600
Legal:				
General Fund	\$ 773,003	\$	\$ 737,653	\$ 779,670
Department Total	\$ 773,003	\$	\$ 737,653	\$ 779,670

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Expenditures/Expenses by Department
Fiscal Year 2018

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2017	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2017	ACTUAL EXPENDITURES/ EXPENSES* 2017	BUDGETED EXPENDITURES/ EXPENSES 2018
Magistrate Court:				
General Fund	\$ 845,938	\$	\$ 845,938	\$ 874,282
Department Total	\$ 845,938	\$	\$ 845,938	\$ 874,282
Town Manager's Office:				
General Fund	\$ 801,540	\$	\$ 801,540	\$ 844,708
Bed Tax Fund	914,589		682,159	1,070,446
Department Total	\$ 1,716,129	\$	\$ 1,483,699	\$ 1,915,154
Parks and Recreation:				
General Fund	\$ 1,977,326	\$	\$ 1,962,029	\$ 3,667,092
Parks and Recreation Impact Fee Fund	123,983			239,112
Recreation In Lieu Fee Fund	27,918			15,718
Community Center Fund	6,920,366		6,114,422	6,330,245
Department Total	\$ 9,049,593	\$	\$ 8,076,451	\$ 10,252,167
Police:				
General Fund	\$ 15,643,620	\$	\$ 15,631,620	\$ 17,108,674
Seizures and Forfeitures	365,096		91,078	420,336
Police Impact Fee Fund	375,877			623,245
Impound Fee Fund	80,814		57,468	65,345
Department Total	\$ 16,465,407	\$	\$ 15,780,166	\$ 18,217,600
Water Utility:				
Water Utility Fund	\$ 27,196,564	\$	\$ 18,593,008	\$ 23,965,923
Alternative Water Rscs Dev Impact Fee Fund	6,089,084		252,967	7,627,267
Potable Water System Dev Impact Fee Fund	5,566,853		332,416	6,173,575
Department Total	\$ 38,852,501	\$	\$ 19,178,391	\$ 37,766,765

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

TOWN OF ORO VALLEY
Full-Time Employees and Personnel Compensation
Fiscal Year 2018

FUND	Full-Time Equivalent (FTE) 2018	Employee Salaries and Hourly Costs 2018	Retirement Costs 2018	Healthcare Costs 2018	Other Benefit Costs 2018	Total Estimated Personnel Compensation 2018
GENERAL FUND	279.73	\$ 17,400,889	\$ 3,712,750	\$ 2,381,114	\$ 1,904,100	\$ 25,398,853
SPECIAL REVENUE FUNDS						
Highway Fund	24.00	\$ 1,520,300	\$ 174,835	\$ 232,544	\$ 181,579	\$ 2,109,258
Bed Tax Fund	3.00	207,437	23,855	24,509	16,722	272,523
Impound Fee Fund	1.00	49,263	5,665	679	3,999	59,606
Seizures and Forfeitures	1.00	49,815	17,361	10,919	7,042	85,137
Community Center Fund	19.82	625,310	26,292	39,653	54,603	745,858
Total Special Revenue Funds	48.82	\$ 2,452,125	\$ 248,008	\$ 308,304	\$ 263,945	\$ 3,272,382
CAPITAL PROJECTS FUNDS						
PAG/RTA Fund	3.48	\$ 162,856	\$ 17,130	\$ 23,540	\$ 15,001	\$ 218,527
General Government CIP Fund	1.50	46,776	5,379	14,323	7,059	73,537
Total Capital Projects Funds	4.98	\$ 209,632	\$ 22,509	\$ 37,863	\$ 22,060	\$ 292,064
ENTERPRISE FUNDS						
Water Utility Fund	39.48	\$ 2,394,145	\$ 273,410	\$ 363,918	\$ 237,283	\$ 3,268,756
Stormwater Utility Fund	8.75	493,219	56,720	68,665	51,495	670,099
Total Enterprise Funds	48.23	\$ 2,887,364	\$ 330,130	\$ 432,583	\$ 288,778	\$ 3,938,855
INTERNAL SERVICE FUND						
Fleet Fund	1.15	\$ 67,902	\$ 7,809	\$ 9,943	\$ 6,175	\$ 91,829
Total Internal Service Fund	1.15	\$ 67,902	\$ 7,809	\$ 9,943	\$ 6,175	\$ 91,829
TOTAL ALL FUNDS	382.92	\$ 23,017,912	\$ 4,321,206	\$ 3,169,807	\$ 2,485,058	\$ 32,993,983



Town of Oro Valley

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Glossary

ADOPTED BUDGET: Formal action made by Town Council that sets the spending limits for the fiscal year.

ALLOCATION: Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

AMORTIZATION: The systematic and rational distribution of the cost of an intangible capital asset over its estimated useful life.

BALANCED BUDGET: A budget in which recurring revenues equal recurring expenditures.

BOND: A municipality will issue this debt instrument and agree to repay the face amount of the bond on the designated maturity date. Bonds are primarily used to finance capital projects.

BUDGET: A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

CAPITAL EXPENDITURE: Those items valued over \$1000 with a life expectancy of at least five years.

CAPITAL IMPROVEMENT PROGRAM (CIP): A comprehensive fifteen-year plan consisting of items costing \$50,000 or more which will support the continued growth and development of the Town.

CAPITAL PROJECT FUND: Fund used to account for financial resources used for acquisition or construction of major assets.

CARRYFORWARD: Year-end savings that may be re-appropriated in the following fiscal year to cover one-time expenditures.

CENTRAL ARIZONA PROJECT (CAP): The system of aqueducts, tunnels, pumping plants and pipelines responsible for bringing Colorado River water to Arizona's Pima, Pinal, and Maricopa counties.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT (CAWCD): a state agency with the primary responsibility of managing the Central Arizona Project (CAP).

CLEAN RENEWABLE ENERGY BONDS (CREBs): Bonds issued to finance certain renewable energy or "clean coal" facilities. Projects funded with CREBs must generate electricity and must be created from clean and/or renewable sources.

CONTINGENCY: Monies set aside as carryover to the following fiscal year, but which can be used to finance unforeseen expenditures of the various operating funds.

DEBT SERVICE: Principal and interest payments on outstanding bonds.

DEBT SERVICE FUND: Fund used to account for accumulation of resources that will be used to pay general long-term debt.

DEPARTMENT: A major administrative division of the Town that indicates overall management responsibility for an operation or group of related operations within a functional area.

DEPRECIATION: The systematic and rational distribution of the cost of a tangible capital asset (less salvage value) over its estimated useful life.

DIVISION: A functional unit of a department.

ENTERPRISE FUND: Accounts for expenses of programs or services, which are intended to be self-sustaining. User fees primarily cover the cost of services.

Glossary

ESTIMATED REVENUE: The amount of projected revenue to be collected during the fiscal year.

EXPENDITURE: The use of government funds to acquire goods or services.

EXPENDITURE LIMITATION: The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission sets the annual limit based on population growth and inflation. All municipalities have the option of (Home Rule Option) proposing an alternative expenditure limitation to its voters. Oro Valley citizens approved the Home Rule Option in 2014.

FISCAL YEAR: Any period of twelve consecutive months establishing the beginning and the ending of financial transactions. For the Town of Oro Valley, this period begins July 1 and ends June 30.

FULL ACCRUAL: Basis of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

FULL TIME EQUIVALENT (FTE): A position, permanent or temporary, based on 2,080 hours per year. Part-time positions are converted for budget purposes to a decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time employee working 20 hours per week would be equivalent to a 0.5 FTE.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.

FUND BALANCE: The difference between assets and liabilities reported in a governmental fund.

GENERAL FUND: A fund used to account for all general purpose transactions of the Town that do not require a special type of fund.

GENERAL OBLIGATION BONDS: Bonds that are guaranteed by the full taxing power of a city or town. These bonds are usually retired from property tax funds.

GENERAL PLAN: A plan approved by Town Council and ratified by the voters that provides the fundamental policy direction and guidance on development decisions in the Town. The General Plan is the "constitution" for growth and development in the community.

GIS: Geographic Information System(s). A geographic information system is an integrated hardware, software and data system that allows for the capturing and analyzing of geographic information in forms such as maps and globes.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community.

GOVERNMENTAL FUNDS: Funds generally used to account for tax-supported activities. Examples include the general fund, special revenue funds, debt service funds, and capital projects funds.

GRANT: A contribution by the state or federal government or other agency to support a particular function.

HIGHWAY USERS REVENUE FUND (HURF): This revenue source consists of the gasoline tax collected by the state and distributed to counties and cities based on the county of origin and population. These revenues are to be used for street and highway purposes.

HOME RULE OPTION: An alternative expenditure limitation that allows a municipality to expend what it anticipates in revenues each fiscal year. This limitation must be approved by the voters and is effective for four fiscal years.

IMPACT FEES: The fees charged to offset the cost of town improvements that are required due to growth-related development.

Glossary

IMPROVEMENT DISTRICT BONDS: Bonds that are issued to finance projects in a designated area within a town or city. The majority of property owners in this district must approve the formation of the district and the amount of indebtedness. The bonds are then repaid by the assessments levied on the property in the district.

INFRASTRUCTURE: Facilities that support the continuance and growth of a community.

INTERFUND TRANSFER: Movement of resources between two funds.

INTERNAL SERVICE FUND: Used to report any activity that provides goods or services to other funds, departments or agencies on a cost-reimbursement basis.

LONG TERM DEBT: Debt with a maturity of more than one year after date of issuance.

MODIFIED ACCRUAL: Basis of accounting that reports those transactions, events, and interfund activity that affect inflows and outflows of financial resources in the near future.

MUNICIPAL PROPERTY CORPORATION BONDS: Bonds that are issued by a non-profit corporation formed by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval.

OBJECTIVE: A statement of specific measurable outcomes that contribute toward accomplishing the departmental goal.

OPERATING BUDGET: Appropriations for the day-to-day costs of delivering Town services.

PAG: Pima Association of Governments. Pima County's federally designated metropolitan planning organization that oversees long-range transportation planning and serves as the region's water quality, air quality and solid waste management and planning agency. PAG also manages the RTA of Pima County.

PER CAPITA: A unit of measure that indicates the amount of some quantity per person.

PERFORMANCE MEASURES: Indicators that measure how well an organization is performing on progress towards organizational objectives.

PROGRAM: A group of related functions or activities performed by a division where there is a desire to budget and identify expenditures independently of other activities within the division.

PROPRIETARY FUNDS: Funds that either (1) operate largely on fees and charges for services to external customers or (2) operate on a cost recovery basis with internal customers, such as other government departments, divisions or programs. Enterprise Funds and Internal Service Funds are the two types of proprietary funds.

RESERVES: To set aside a portion of a fund balance to protect against economic downturns or emergencies.

REVENUE: Amounts estimated to be received from taxes and other sources during the fiscal year.

RTA: Regional Transportation Authority. The government entity that manages the \$2.1 billion, 20-year regional transportation plan approved by Arizona's Pima County voters on May 16, 2006.

SPECIAL REVENUE FUND: Fund used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government.

STATE SHARED REVENUE: Includes the Town's portion of state sales tax revenues, state income tax receipts, and motor vehicle taxes.

Glossary

STRATEGIC PLAN: A plan updated and approved every two years by Town Council that provides short-term (2 to 5-year) policy direction and guidance for decision-making and budgeting by the Town and its staff.

USER FEES: Fees charged for the direct receipt of a public service to the party or parties who benefit from the service.

WATER INFRASTRUCTURE FINANCE

AUTHORITY BONDS (WIFA): WIFA is a state agency that has specific programs that can improve a city or town's ability to use bonding as a revenue source. WIFA is charged to assist smaller to medium sized communities' pool their bond issues together to help lower the costs of issuing debt. They also have monies set aside to help secure the debt and allow the bonds to be issued at the lowest interest rate possible.