

TOWN OF ORO VALLEY ANNUAL BUDGET FY 2018-19





ORO VALLEY, *it's in our nature*

ANNUAL BUDGET **2018 – 2019**



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

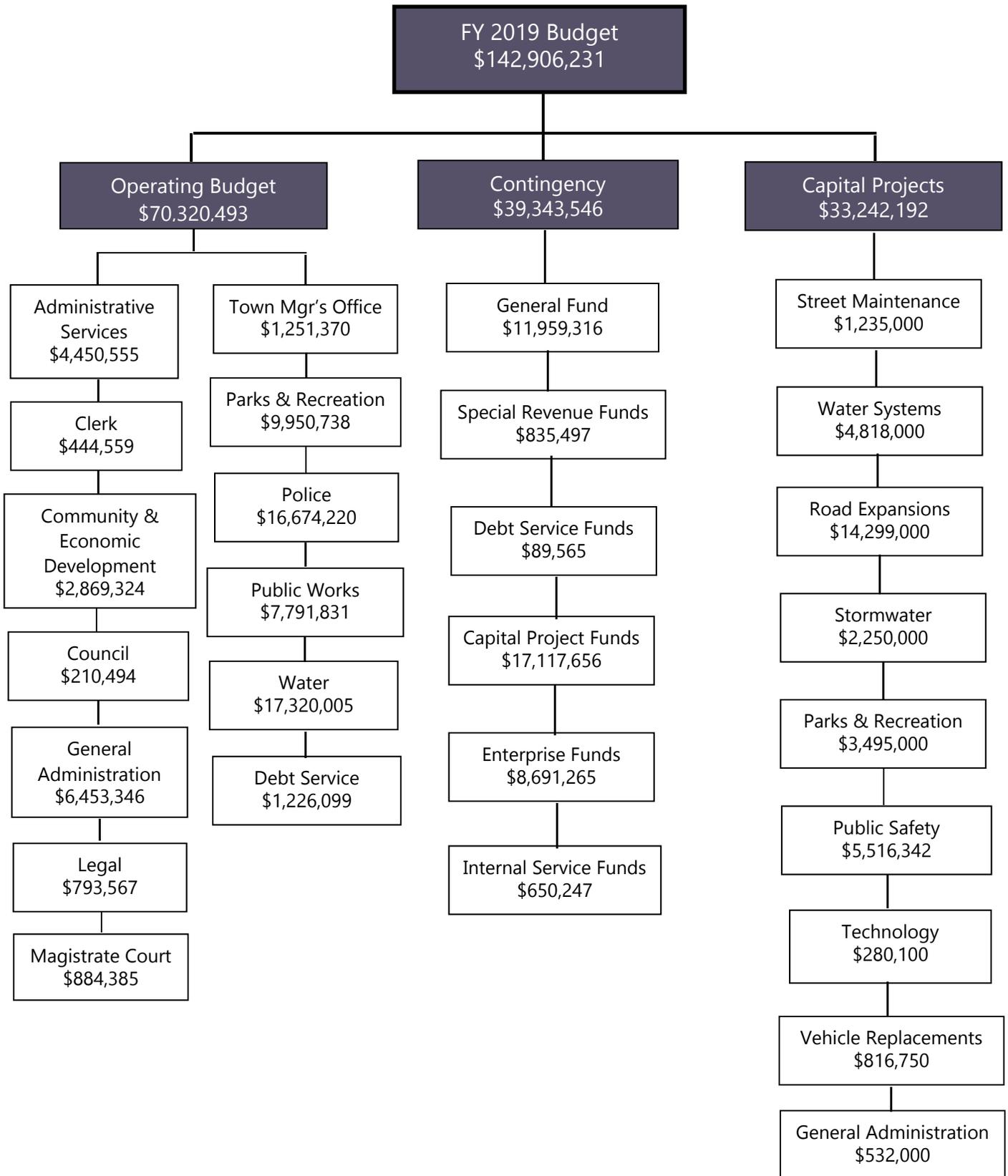
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Financial Organizational Chart



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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, 2017

Christopher P. Morill

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, 2017.

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
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Fund Structure
Financial & Budgetary Policies
Budget Process



Budget Message



Mary Jacobs, 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 2018/2019. The FY 2018/19 adopted budget totals \$142.9 million, a \$14.3 million, or 11.2%, increase from the adopted FY 2017/18 budget totaling \$128.6 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 2018/19 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

The local economy continues to show improvement at both the state and local level, and is positively reflected in the Town's local sales tax collections over the past year. The Town is seeing double-digit growth in construction sales tax and healthy growth in utility, bed tax, retail and restaurant collections. Sales tax revenue is projected to grow nearly 6% overall next fiscal year with increases in every category.

The number of single family residential (SFR) building permits issued in FY 17/18 totaled 325, roughly at pace with the previous year. Based upon current and projected activity, the FY18/19 budget includes the assumption that 306 SFR permits will be issued. In addition, commercial activity continues to be relatively strong in the community, supporting the projected increase in sales tax revenues as well as growth in license and permit revenues by 3.5% over the current budget amount.

State Shared Revenues are projected to remain roughly flat. Anticipated growth in sales tax is expected to be offset by a decrease in income tax, vehicle license taxes and highway user (gas tax) revenues.

Town Operations – Continued Excellence, Innovation, and Improvement

Overall, the total personnel costs in FY18/19 are \$34.4 million, up 4% from last year due primarily to merit and step increases, pension increases, and the addition of four new positions. The budget also includes the conversion of two part-time positions to a full-time; replacement of one part-time position to a full-time; an additional part-time shift leader at the Community Center; and a few position reclassifications. The total operations and maintenance (O&M) budget has increased 3%. Below are some highlights of the operational changes included in the FY18/19 budget.

Compensation and Benefits. Continuing the legacy of excellence in the Town of Oro Valley, the FY18/19 budget includes funding to sustain its Police services, as well as the other crucial departments that provide services to the community, or support those services and functions. Key to the delivery of quality services is the support of the Town's staff. The budget includes funds that continue merit and step increases for employees at every level. The Town has experienced much more favorable health claims in the current fiscal year, helping to keep the cost increase of health benefits to just 5% for both the Town and employee, a far cry better than the 20% increase last year.

Organizational Change. In keeping with the Town Council's focus on economic development, I have made an organizational change reflected in the budget that will position the Town to take advantage of internal and external synergies to enhance the Town's efforts in business development and primary job creation. The former Community Development and Public Works Department has been divided into two departments: Public Works, and Community and Economic Development (CED). The new CED director replaced a vacant senior planner position. The reorganization also allows for a simplification of accounting, with all bed tax dollars being combined with other transaction privilege tax revenues in the General Fund, and the former Bed Tax fund budget allocated in the appropriate department or function throughout CED, Town Manager's Office, and General Administration departments. The Town will continue to track bed tax revenues and ensure that the state-mandated two-thirds of the fund source continues to be dedicated to economic development and tourism.

Information Technology. The use of technology continues to be a high priority for all departments. As such, the budget includes funds to replace several major software products, including recreation software for Parks and Recreation and a new module for the Police Department to allow them to meet new federal reporting requirements. Based upon priorities established by the Town's Senior Management Team, an emphasis is being made to maximize the use of existing software products utilized by the Town. All telecommunications and technology dollars across the organization have been consolidated in the Information Technology (IT) budget to improve tracking and oversight and to seek cost reductions. The budget also includes an additional systems analyst position to better meet the Town-wide goals and priorities regarding effective use of technology. In addition, the IT budget includes funds to continue its strategic replacement of equipment such as desktop computers, mobile data terminals for the Police Department, and other network and server equipment.

Administrative Efficiencies. In exploring efficiencies in the organization, there were a few areas that stood out as opportunities for enhancements that would greatly benefit the organization and community. The Town currently relies on a single procurement official to oversee the purchase of goods and services in the Town. With an O&M budget of \$27.6 million, plus a capital budget of \$34.2 million, there is a significant opportunity to increase efficiencies and maximize the use of cooperative purchasing and centralized procurement to stretch Town dollars. The budget includes the addition of a procurement specialist who will assist the chief procurement officer in implementing those changes. In Human Resources, the three full-time professional positions were supported by one part-time office specialist. The budget includes the transition of the part-time position to a full-time Human Resources assistant in order to more effectively utilize the time of the professional staff and also meet the clerical demands of the office. In the Clerk's Office, two part-time office assistant positions were converted to one full-time position to enhance retention and improve office efficiency.

Communications and Marketing. The Town places high importance on public information and community engagement, and there continues to be great demand for robust communication with our residents, both through traditional print media as well as digital and social media. Additionally, the

growing number of Town projects and recreational programming and events has resulted in a growing need for marketing and public notification. The FY18/19 budget includes a public information officer in the Communications Division to meet these growing needs, align the Town's marketing efforts, and take a broader, cross-departmental approach to communications, keeping the community better informed and engaged.

Parks and Recreation Management Support. The budget includes a deputy director of Parks and Recreation in order to assist the director in providing the appropriate level of management oversight and expertise to the operation of multiple functions, facilities and programs that are important to the community. Over the last three years, the department has added the Community Center, golf courses, a robust tennis operation, and several new multi-use fields. The Parks and Recreation Department span of control consists of a total operating budget of \$9.9 million; 23 full-time and 35 part-time employees; a community center, aquatic facility, seven parks and over 750 acres of property; and collecting nearly \$7.6 million in revenues annually.

Water Utility. After a thorough analysis, a rate increase for the Water Utility was adopted by Council on May 16, 2018. The Town's rate structure has not kept pace with the increase in fixed costs through the base rate portion of the total rate. With the rate increase, the average residential ratepayer will see an increase of \$1.73 per month, a 4.3% increase. The Water Utility budget includes several major deferred capital projects, with plans to finance a portion of the funds required to construct the projects.

Capital Investments – Repairs, Renovations and Replacements

The capital projects included in the FY18/19 budget are largely focused on maintaining or improving existing Town facilities and infrastructure. Several large deferred maintenance items have been included in this year's plan. The budget also implements an enhanced strategy to sustain capital spending, utilizing the Town's Capital Fund. It is being further seeded through the transfer of funds, which exceed the Council's reserve policy threshold, currently in the General Fund contingency; plus an additional General Fund allocation, for a total transfer of \$3.4 million. Toward the end of the fiscal year, the Town will complete its obligation to the Oro Valley Marketplace to return 45% of the shopping center's sales tax collections to developer/owner Vestar, which is approximately \$800,000 per year. Through the direction of a recently revised Council financial policy, those funds will then be dedicated to the Capital Fund and the gradual repayment of the Public Safety Personnel Retirement System (PSPRS) liability, currently estimated at \$21 million. Also consistent with Council policy, the Town will continue to hold in reserve 25% of the General Fund annually, an amount that reflects strong fiscal management and supports the Town's excellent AA bond rating.

The following is a summary of the capital projects funded with General Fund resources:

Police Evidence Facility	\$2,720,442*	Renovation of Magee Building for Police property/ID and southern substation
Court Renovations	\$200,000	Safety improvements and new benches in courtroom

IT Infrastructure/Software	\$280,100	Windows 10 upgrade, police reporting system, recreation software upgrade
Town Complex Roof/Facility Upgrades	\$332,000	Replace roofs for Admin, Police, Court and Library buildings; renovate Admin building front counter
Recreation Improvements	\$495,000	JDK Park ballfield renovation (\$340K) tennis court improvements (\$80K) and Steam Pump Ranch landscaping (\$75K)
Emergency Ops. Center Generator	<u>\$145,900</u>	Replacement
	\$4,173,442	

*an additional \$2 million will be funded with the issuance of excise tax bonds and an additional \$650,000 will be funded through police impact fees

In the Highway User Revenue Fund (HURF), the Town will also continue to maintain its high level of standard in the area of pavement preservation. The Town's \$800,000 capital budget for pavement preservation will maintain the Town's high overall condition index rating. In addition, the budget includes a HURF carryover of \$250,000 to complete the Tangerine Road access to Safeway, a project contingent upon the completion of work and final transfer of ownership of Tangerine Road by the Arizona Department of Transportation. Finally, there is \$435,000 in HURF funds budgeted to replace one of the two remaining circuits and related wiring to re-electrify the street lights on Rancho Vistoso Blvd. in Sun City.

Impact fees are partially or fully funding critical capacity improvement projects in the Town for FY18/19. As noted above, \$650,000 of the Police evidence facility and southern substation building is being funded through impact fees. In addition, \$800,000 of roadway impact fees are dedicated toward the La Cholla Blvd. widening project, with an additional \$11,929,000 funded by the Regional Transportation Authority and Pima Association of Governments. The budget also includes \$1,000,000 of roadway impact fees to fund intersection improvements at Moore Road and La Cañada Drive.

The budget also includes the replacement of seven marked and three unmarked Police vehicles, two vehicles for Parks and Recreation, two vehicles for Community and Economic Development, two vehicles for Public Works, one vehicle for Town Administration, and matching funds for five grant-funded Transit vehicles at a total budgeted cost of \$816,750. All vehicle set-aside reserves previously included in individual departmental budgets have been consolidated into the Capital Fund to facilitate a more holistic approach to the planned replacement and management of the Town's fleet.

The budget includes a 10-year Capital Improvement Program (CIP), transitioning from a 15-year, in order to allow for a more realistic planning timeframe. Please refer to the CIP section of the budget document for further details on capital projects.

Economic Development and Partnerships

Regional Partnerships. The budget includes funds for continued partnerships with the local and regional agencies that provide crucial services to the Town and community. Visit Tucson serves as Oro Valley's designated convention and visitor's bureau, and has been instrumental in marketing the Town to visitors. The budget includes \$300,000 for the FY 18/19 contract, up \$25,000 from the previous fiscal year. The Greater Oro Valley Chamber of Commerce has agreed to take over the shop local program previously organized and operated by Town staff, and the budget includes \$40,000 to continue that partnership, up \$10,000 from FY17/18. The Southern Arizona Arts and Cultural Alliance (SAACA) has assisted the Town with a variety of programs and events, and in FY 18/19 will broaden that assistance in helping to develop an arts plan for the Main Streets program for a total contract amount of \$40,000, up \$15,000 from FY17/18. The budget also includes the continued \$75,000 in funding for the Oro Valley Children's Museum, the last year of an initial three-year start-up agreement.

Economic Development. Regional business attraction organization, Sun Corridor, has been another effective partner with the Town in helping to attract business prospects, bring site selectors to the region, and lead strategic efforts to enhance attraction of primary employers. The budget includes \$10,000 for the Town to become a formal member of the organization. Additionally, the budget includes \$10,000 of a three-year, \$30,000 commitment to support the "Business Collaboratorium" being proposed by local non-profit organization, BIOSA Innovation, a business accelerator facility planned for Innovation Park. This facility is designed to attract start-up companies in bio-tech or other related fields, and is being funded through contributions from private, not-for-profit and governmental entities.

Conclusion

The FY 2018/19 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,



Mary Jacobs
Town Manager



Town of Oro Valley

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KNOW YOUR TOWN'S BUDGET



TOWN OF ORO VALLEY | FY 2018-19 BUDGET

Fiscal Year 2018/19 budget is in the amount of \$142.9 million; a \$14.3 million, or 11.2% increase from the adopted FY 2017/18 budget totaling \$128.6 million.

GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$42.0 million** (excluding contingency reserves of \$12.0 million).
- Estimated year-end contingency reserve balance in the General Fund for FY 2018/19 is **\$12.0 million**; 28.5% of the expenditure budget.
- General Fund is balanced, with a **\$3.1 million** planned use of reserves for one-time expenditures and set-aside funding for future years.



KEY REVENUE PROVISIONS

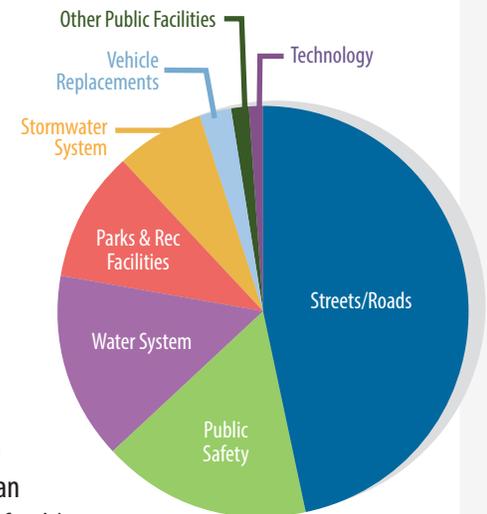
(Reflects all funds, except for first bulletpoint)

- Total FY 2018/19 General Fund revenues are **\$2,573,000**, or 7.1%, higher than FY 2017/18 budgeted General Fund revenues.
- Total FY 2018/19 local sales taxes are **\$1,222,000**, or 5.9%, higher than FY 2017/18 budget amounts.
- Charges for Services revenues are **\$554,000**, or 4.7%, lower than FY 2017/18 budget amounts due to the consolidation of former Fleet Fund operations and associated revenues into the General Fund.
- Grant revenues are **\$6,384,000**, or 72.9%, higher than FY 2017/18 budget amounts, which corresponds primarily to reimbursements projected for roadway widening projects, as well as a potential stormwater project.
- State-shared revenues, including Highway User Revenue Funds, are roughly flat to FY 2017/18 budget amounts.

KEY EXPENDITURE PROVISIONS

FY 2018/19 Capital Improvement Program (CIP) projects in the amount of **\$33,242,192** include:

Streets/Roads	\$15,534,000
Public Safety	\$5,516,342
Water System	\$4,818,000
Parks & Rec Facilities	\$3,495,000
Stormwater System	\$2,250,000
Vehicle Replacements	\$816,750
Other Public Facilities	\$532,000
Technology	\$280,100



- Includes funding for merit and step increases for eligible employees at an estimated cost of **\$582,000** (all funds).
- Department operations and maintenance budgets in the General Fund are 20.0%, or **\$1,582,000** higher than adopted FY 2017/18 levels due in large part to the consolidation of the Bed Tax Fund into the General Fund, as well as information technology 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" online budget questionnaire noted highest priority in the areas of public safety, streets, parks and recreation, water, and business attraction and retention. Here's how those responses were incorporated into the FY 2018/19 budget:

Parks and Recreation

Recreational opportunities abound for kids, adults and seniors at the Oro Valley Community Center, including golf, tennis, aquatics and fitness offerings. The FY 2018/19 budget includes funding of nearly \$3.1 million for extensive capital improvements at the Community Center, including golf course irrigation replacement, a building and fitness space reconfiguration and remodel, and tennis court improvements. At James D. Kriegh Park, \$340,000 is included in the FY 2018/19 budget for ballfield renovations. At the Aquatic Center, \$41,000 is included in the budget to address numerous pool and facility capital improvements.

Public safety

The Oro Valley Police Department implements several community-based programs to enhance public safety, including School Resource Officers, Dispose-A-Med, Adopt-A-Business, Rape Aggression Defense Training, Coffee with a Cop and Citizen Volunteer Assistants Program. 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 \$4.7 million is included in the FY 2018/19 budget to complete 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 \$800,000 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. Major road improvement projects in the FY 2018/19 budget include \$12.7 million for a widening and improvement project on La Cholla Boulevard, as well as \$1.0 million for an intersection improvement at La Cañada Drive and Moore Road.

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. More than \$4.8 million in capital improvements are budgeted for the Water Utility in FY 2018/19 to increase the Town's allocation of CAP water and ensure a safe, adequate and reliable water supply for the future.

Economic Development

The Town continues its regional partnerships with Visit Tucson, the Greater Oro Valley Chamber of Commerce and the Southern Arizona Arts and Cultural Alliance to provide crucial marketing services for the Town. Business attraction and retention efforts include a membership with Sun Corridor, funding for a "Business Collaboratorium" designed to attract bio-tech start-up companies, continued planning and development of the Oro Valley Main Streets Concept Plan, and continued industry targeting to grow, build and diversify the Town's economic base and workforce.



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 \$27 million every year in primary property taxes to Pima County.

Town residents pay approximately **\$547 per year, per household** in taxes to Oro Valley.

- 4% utility tax (\$3.1 million/year)
- 2.5% retail tax and 2.5% restaurant/bar tax (\$7.1 million/year)
- Total = \$10.2 million divided by 18,643 households = \$547 per household/year.

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

The FY 2018/19 Adopted Budget of \$142.9 million is comprised of 20 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 2018/19, the Town plans to draw down, or spend, approximately \$8.2 million from its overall beginning fund balance total of \$47.6 million, leaving \$39.3 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 2018/19 by about \$3.1 million for one-time expenditures and set-aside funding for future years.



Town of Oro Valley

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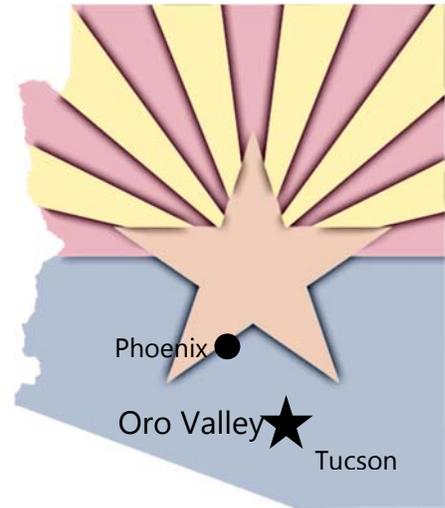
Community Profile

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

- Safest city in Arizona – Safe Home, 2017
- 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
- 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	48.1%
Female	51.9%
Median Age	51.9

Under 5 years	4.0%
5 to 9 years	4.3%
10 to 14 years	4.7%
15 to 19 years	6.8%
20 to 34 years	12.0%
35 to 44 years	9.6%
45 to 54 years	12.7%
55 to 64 years	16.5%
65 + years	29.4%

Source: US Census Bureau, 2016 American Community Survey

Population

	2000	2010	2017 (est.)
Oro Valley	29,700	41,011	44,350
Pima County	843,746	980,263	1,022,769
Arizona	5,130,632	6,392,017	7,016,270

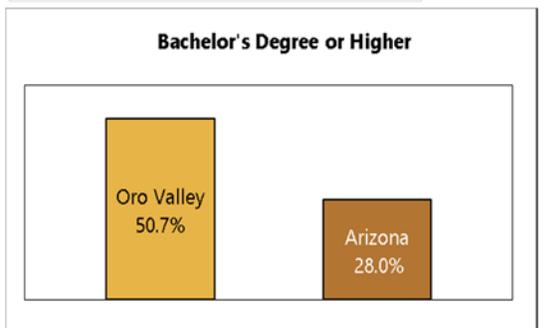
Source: US Census Bureau

Labor Force

	2000	2010	2016
Civilian Labor Force	15,073	18,264	19,032
Unemployed	389	1,233	873
Unemployment Rate	2.6%	6.8%	4.6%

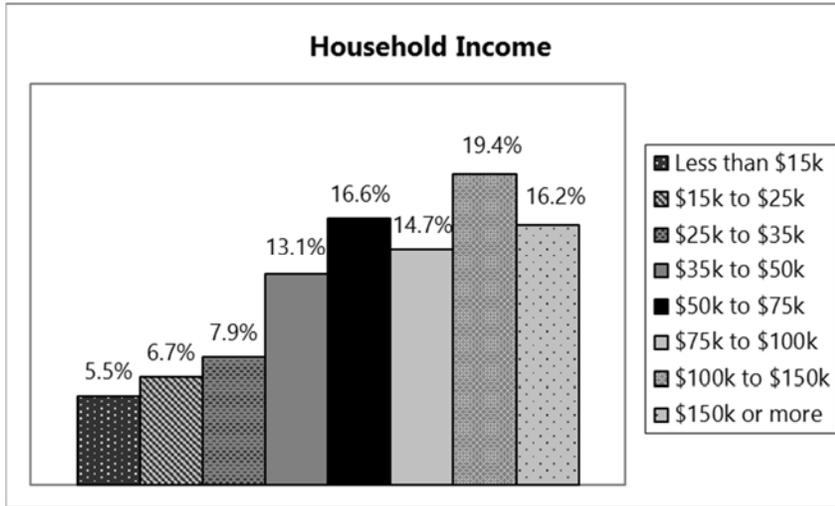
Source: Arizona Commerce Authority

Education Attainment



Source: US Census Bureau, 2016 American Community Survey

Community Profile



Source: US Census Bureau, 2016 American Community Survey

Home Values

Less than \$50k	2.8%
\$50k to \$99k	1.6%
\$100k to \$199k	14.1%
\$200k to \$299k	37.7%
\$300k to \$499k	30.4%
\$500k to \$999k	11.6%
\$1M or more	1.7%

Source: US Census Bureau, 2016 American Community Survey

Taxes

Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.68
Countywide	\$7.99
Fire District	\$2.40
Town of Oro Valley	\$0.00
Total	\$16.07

Source: Pima County Treasurer's Office, 2017

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

- Roche Tissue Diagnostics
- Honeywell Aerospace (unincorporated Pima County)
- Oro Valley Hospital
- Amphitheater School District
- Town of Oro Valley
- El Conquistador Tucson, A Hilton Resort
- Casa de la Luz Hospice
- Simpleview
- 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: 12

Government

Fire Departments: Golder Ranch Fire District

Law Enforcement: Oro Valley Police Department

Medical

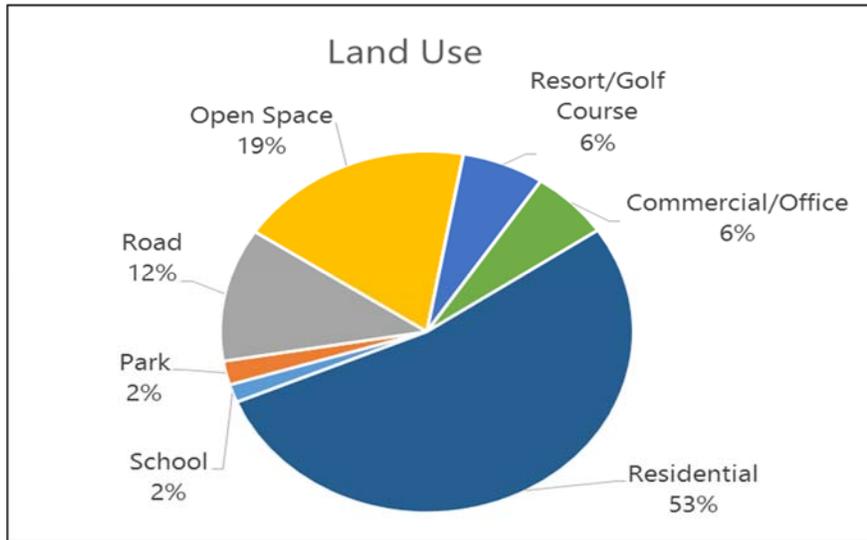
Oro Valley Hospital, Rancho Vistoso Urgent Care, Southern Arizona Urgent Care

Hotel & Lodging

Number of Rooms: 885

Source: Arizona 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: 33.13
 Total Police Personnel: 135.13
 CY 2019 Projected Response Times:
 Priority I calls – less than 5 minutes: 85.6%
 Priority II calls - less than 8 minutes: 84.5%



Water:

Customer Base: 19,924
 Conservation Audits: 66
 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 17/18 Lane Miles Resurfaced: 56



Transit:

FY 17/18 New registered riders: 419
 FY 17/18 Avg. daily ridership: 135.5

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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.

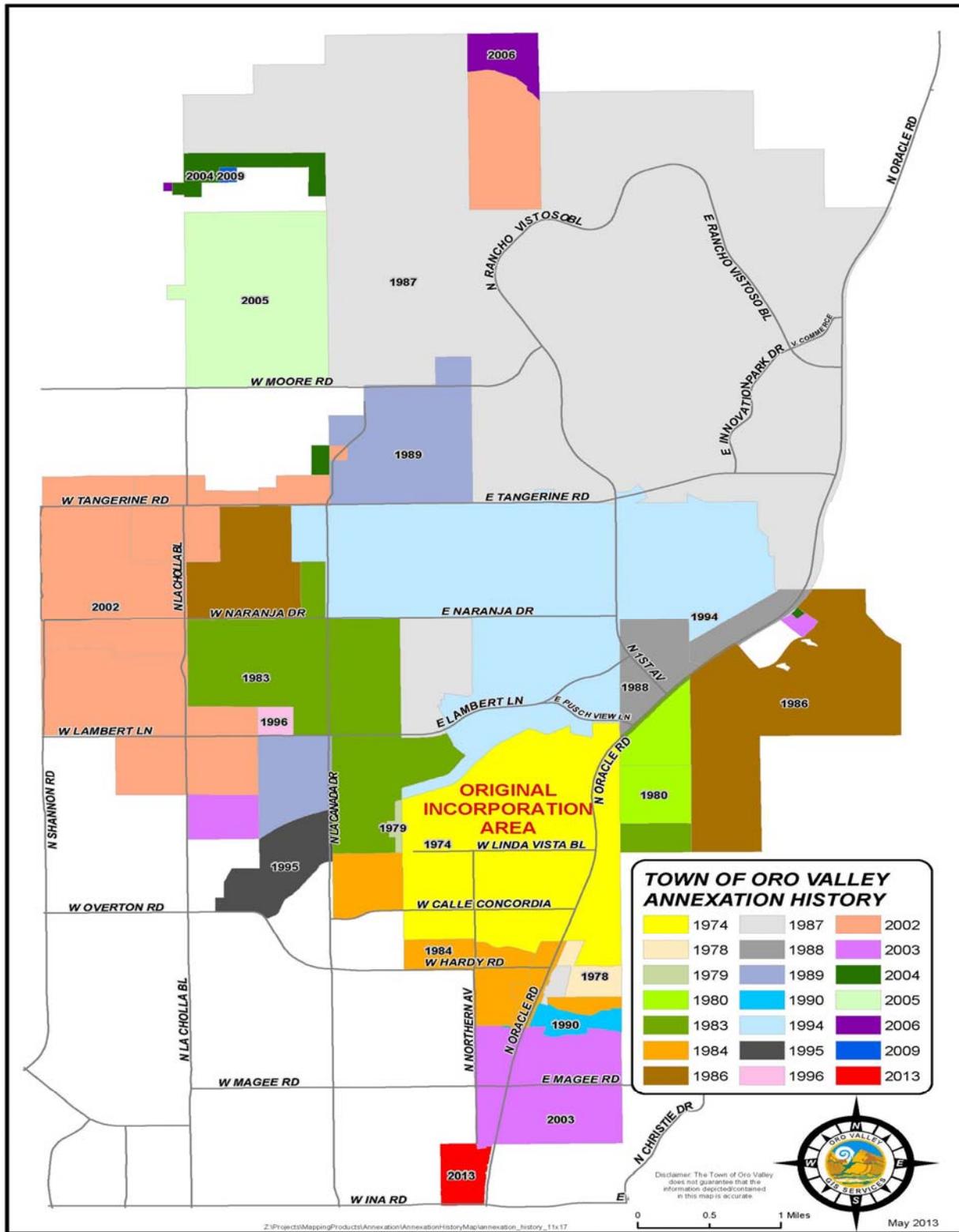
History of Oro Valley

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 and Highway 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 indicators that assess progress towards General Plan or Strategic Plan goals.
- Departmental Budgets: Larger departmental budgets are divided into program areas. The program areas give a brief description of each program and the service provided. Department and program budgets include 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 ten-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.

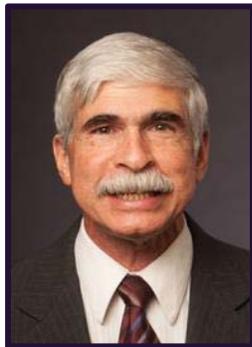
Dr. Satish I. Hiremath, DDS
Mayor
Term Expires: November 2018



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



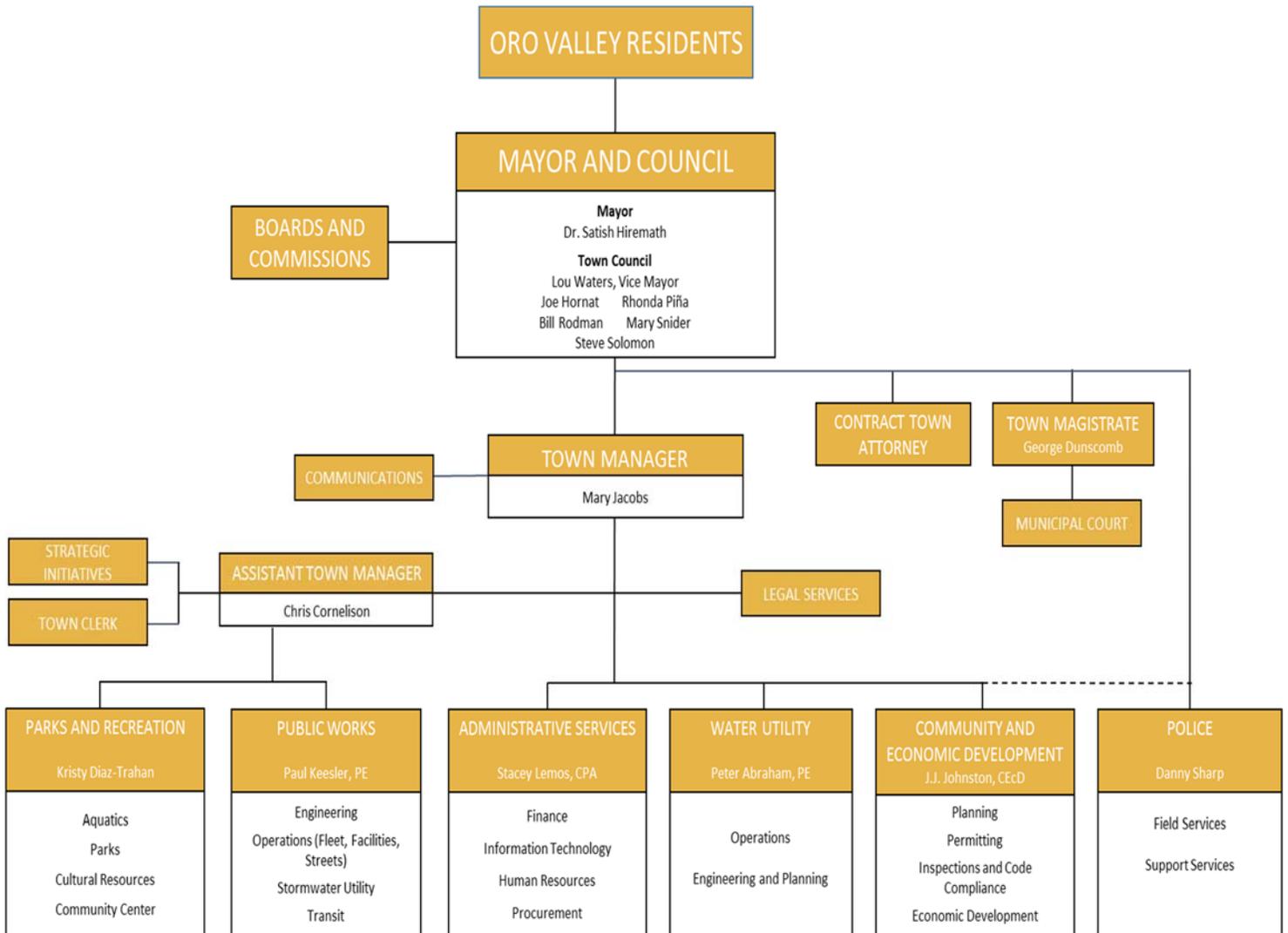
Joe Hornat
Councilmember
Term Expires:
November 2018



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.



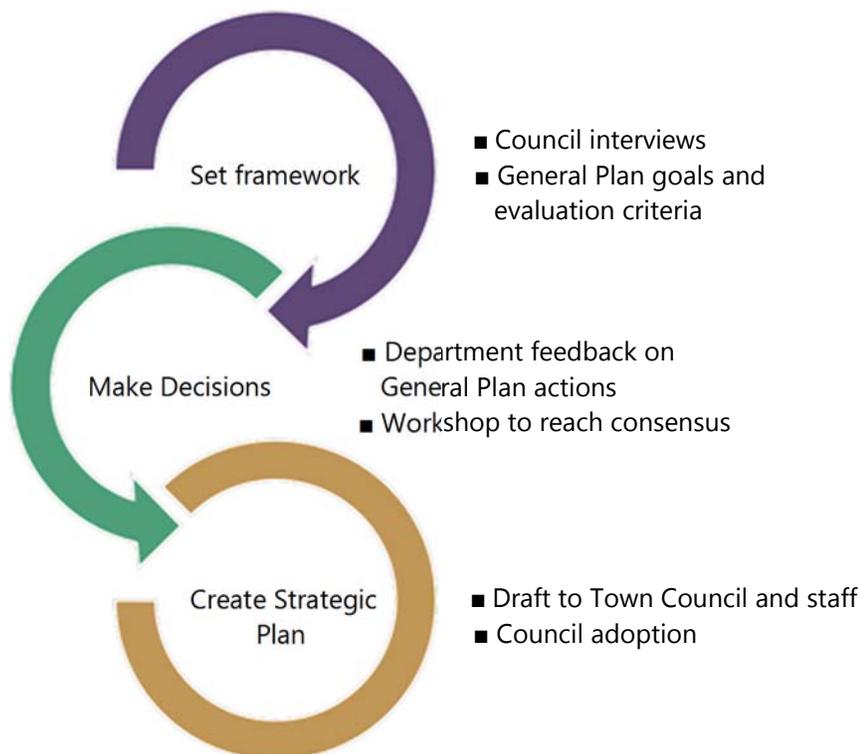
Developing the Strategic Plan

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)

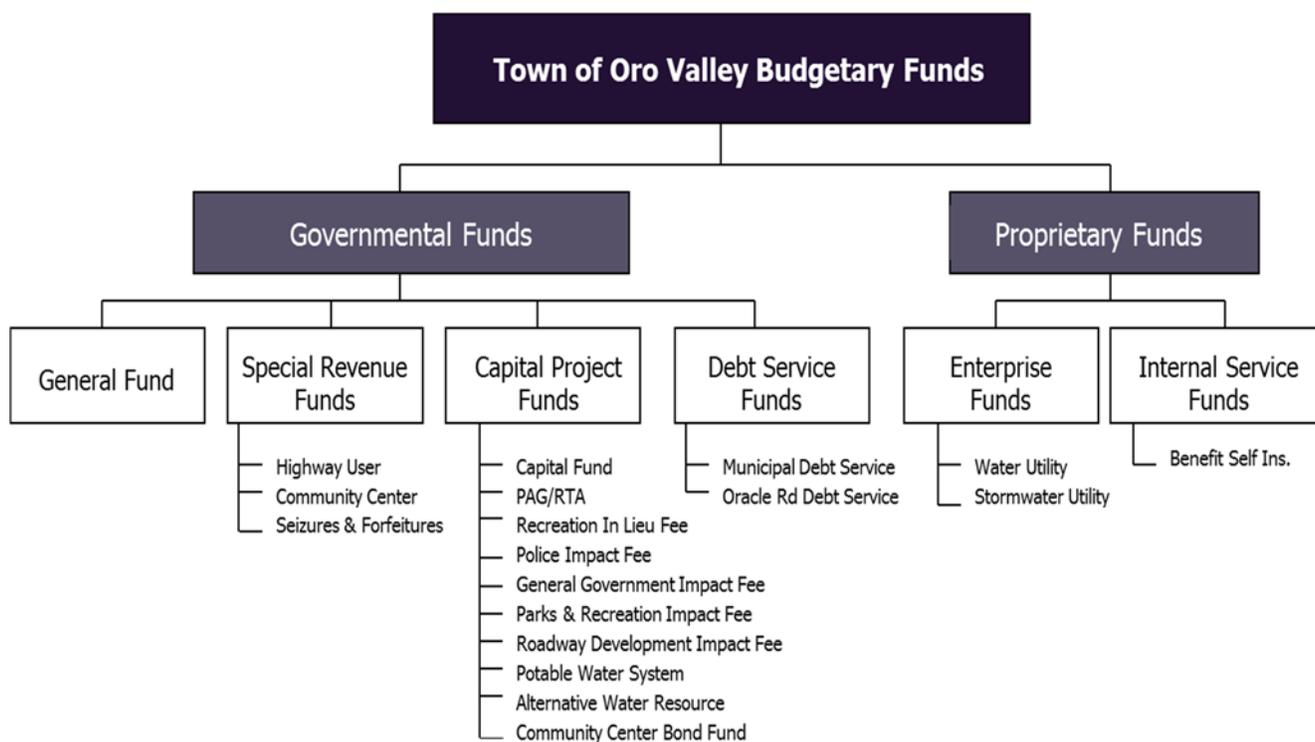
Next Steps

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. All of the Town's funds are appropriated in the annual budget.



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 Community Center Fund accounts for the operations of the Town's Community Center and contract-managed golf. The Seizure & Forfeiture Funds account for state and federal police seizures and forfeitures received by the Town.

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. The Town's major capital project fund is the PAG/RTA Fund, which is used to manage the collection and expenditure of roadway grant funds from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA).

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 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
- Pension contributions are expended on a budget basis; pension expense on a GAAP basis is equal to the increase in net pension liability after adjusting for deferred items.



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 readoption of the policies occurred on June 6, 2018 per Resolution (R)18-25.

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 minimum ten-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.

In order for the Town to provide sustainable funding for capital improvements and asset repair and maintenance needs each year, the annual budget shall include the allocation of a minimum of 5% of the Town's estimated excise tax collections to fund these needs, subject to Council approval and funding availability. These funds will be accounted for in a separate Capital Fund.

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.

Financial and Budgetary Policies

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

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:

- A. **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.
- B. **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.

- C. **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.
- D. **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.
- E. **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

Any excess funds that accumulate over the 25% balance shall be allocated toward capital project funding and reducing the Town's Public Safety Personnel Retirement System (PSPRS) unfunded liability.

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.

Financial and Budgetary Policies

- F. Transfers that would reduce or eliminate funding for debt service shall require the recommendation of the Town Manager and formal Council action.

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 table illustrates the calendar timeline and step-by-step progression of the FY 2018-2019 budget process:

DATE	DESCRIPTION
Week of December 11, 2017	Distribute CIP and new personnel request forms and reclassification request instructions
Week of January 8, 2018	One-on-one meetings with Councilmembers and budget steering committee to outline priorities
Week of January 15, 2018	Senior Management Team budget kickoff presentation
Friday, January 26, 2018	CIP and new personnel requests due
Week of January 29, 2018	Informational budget sessions/feedback with Town employees
January 29 - February 9, 2018	Public Outreach - "5 Questions in 5 Minutes" online budget questionnaire
Thursday, February 8, 2018	CIP Committee meeting 1 of 2
Friday, February 9, 2018	Budget entry instructions distributed to departments
Tuesday, February 27, 2018	CIP Committee meeting 2 of 2
Friday, March 2, 2018	Department budget requests due Finance finalizes revenue estimates for FY 18/19
Wednesday, March 7, 2018	FY 17/18 mid-year financial update presented to Council; present water rates analysis and Notice of Intent
Monday, March 5 - Friday, March 9, 2018	Finance compiles department budget requests and determines fund deficits/surpluses
Monday, March 12, 2018 Friday, March 16, 2018	Meetings between Town Manager, budget steering committee and department heads to review budget requests
Monday, March 19 - Friday, April 6, 2018	Finance prepares Town Manager Recommended Budget
Wednesday, April 18, 2018	Town Manager Recommended Budget and CIP presented to Council
Wednesday, May 2, 2018	Council budget work session
Wednesday, May 9, 2018	Council budget work session
Wednesday, May 16, 2018	Tentative Budget Adoption , Public Hearing; Water Rates Public Hearing and Adoption
Wednesday, June 6, 2018	Final Budget Adoption , Public Hearing & Five-Year Forecast Presentation

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 2018-2019 budget process began in December 2017, when CIP, new personnel, and reclassification request forms and instructions were distributed to departments. In January 2018, one-on-one meetings were held 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 early February for initial project presentation and review. A second CIP meeting occurred in late February to rank and finalize 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 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 and the Town Manager's budget steering committee to ensure that departmental initiatives are aligned with the budget priorities outlined by Town Council. The budget steering committee is composed of the Town Manager, Assistant Town Manager, Administrative Services Director/CFO, Chief Information Officer and the Senior Budget Analyst. Any gaps existing between revenues and expenditures are discussed among the budget steering committee and the Town Manager with a recommendation for closure.

The Town Manager ultimately recommends a budget for Council consideration. The Town Manager's recommended balanced budget and a 10-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 16, 2018. 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.

Budget Process

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 6, 2018.

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 2018-2019 expenditure limit for Oro Valley is \$142,906,231.

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

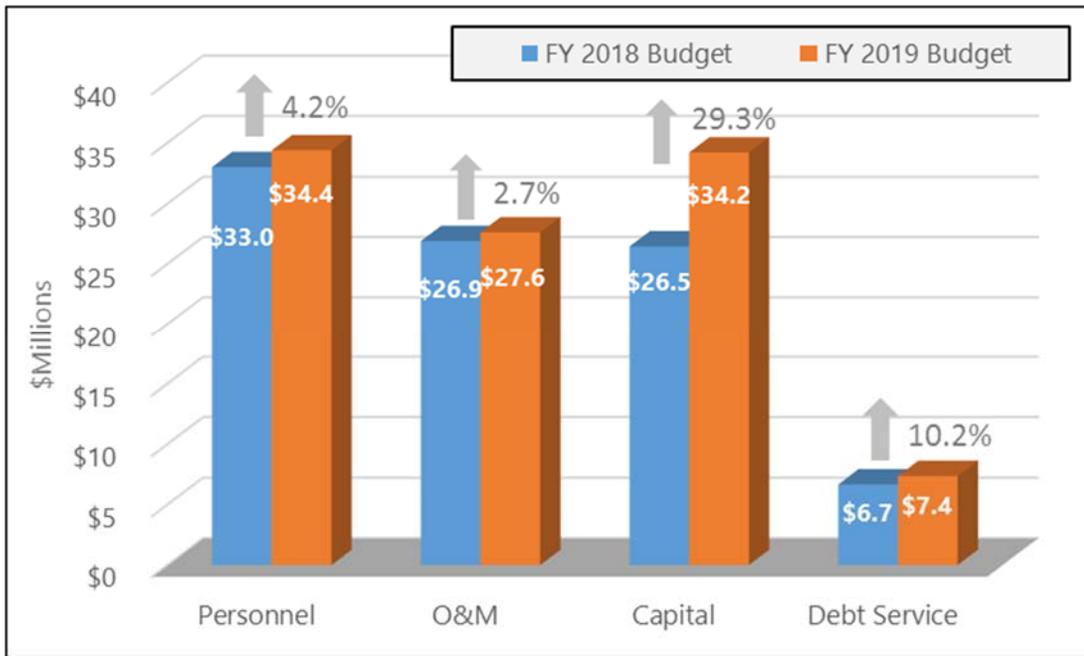
- Budget Overview
 - Fund Balances
- Historical Fund Balances
- Budget Summary
- Revenue Summary
- Revenue Schedule by Fund
- Revenue Sources
- Expenditure Summary
- Expenditure Schedule by Fund
- Expenditures by Program
- Personnel Summary
- Personnel Summary by Fund
- Personnel Schedule
- Debt Service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



Budget Overview

The budget for FY 2018/2019 totals \$142.9 million, which includes a \$70.3 million operating budget and \$33.2 million for capital projects, and represents a \$14.3 million, or 11.2% increase over the previous fiscal year budget of \$128.6 million. Budgeted capital for FY 18/19 is significant at \$34.2 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 and equipment. Refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects. The FY 18/19 personnel budget provides funding for new personnel, merit and step increases, and includes capacity for pension and health insurance premium increases. The operations & maintenance (O&M) budget is increasing by approximately \$730,000, or 2.7%, due to contract personnel services, tourism and economic development costs, Central Arizona Project water system and delivery costs, and software maintenance and licensing 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.

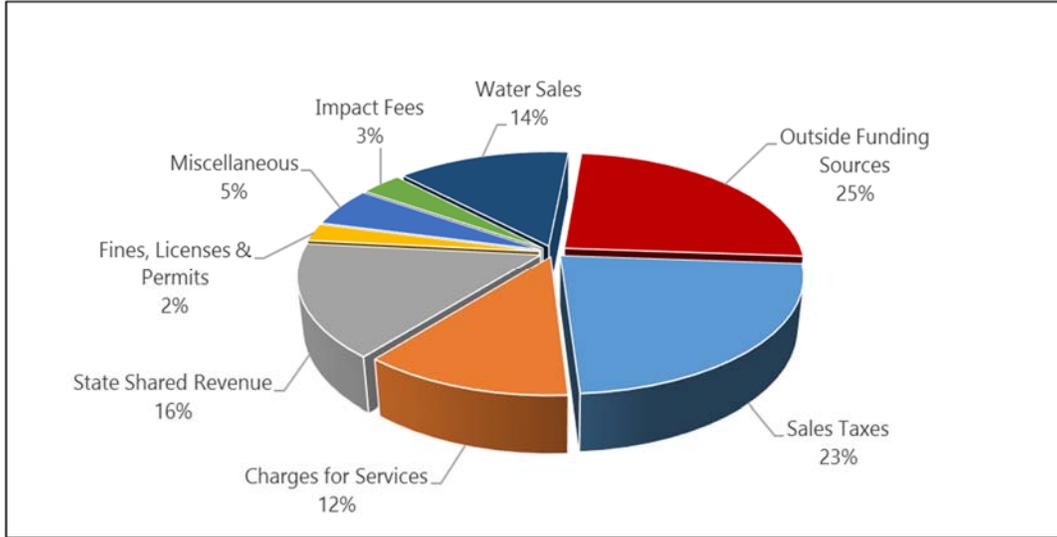
Comprehensive Budget Overview



Revenues

Budgeted revenue for FY 18/19 totals \$95.3 million and represents a \$9.5 million, or 11.0% increase from FY 17/18. 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 18/19, the Town has budgeted revenue from sales taxes, which is a major funding source (23% of the total), state shared revenues (16% of total), and water sales (14% of total). Revenue from outside funding sources (25% of total) includes \$6.2 million in bond proceeds and \$15.1 million in state and federal grant proceeds.

Budget Overview



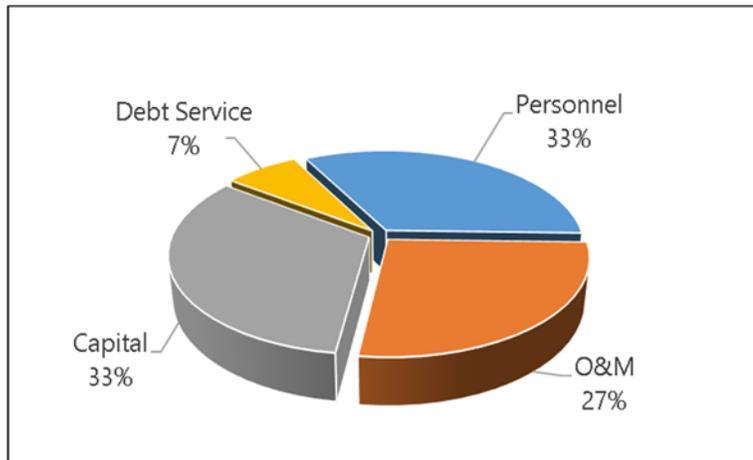
Revenue Sources

	FY 2017	FY 2017/18		FY 2018/19	Variance	%
	Actual	Budget	Projected	Budget	to Budget	
Sales Taxes	20,415,550	20,599,640	21,854,639	21,821,976	1,222,336	5.9%
Charges for Services	12,134,136	11,848,545	12,124,363	11,294,452	(554,093)	-4.7%
State Shared Revenue	14,429,749	15,000,509	14,904,143	15,000,234	(275)	0.0%
Fines, Licenses & Permits	2,520,587	2,240,121	2,620,121	2,304,796	64,675	2.9%
Miscellaneous	4,383,817	4,870,072	4,714,533	5,190,968	320,896	6.6%
Impact Fees	3,803,673	3,408,265	3,366,645	3,096,732	(311,533)	-9.1%
Water Sales	12,493,557	12,075,700	13,403,654	13,152,900	1,077,200	8.9%
Outside Funding Sources	10,078,561	15,825,847	8,179,981	23,472,440	7,646,593	48.3%
Total Revenue	\$ 80,259,631	\$ 85,868,699	\$ 81,168,079	\$ 95,334,498	\$ 9,465,799	11.0%

Does not include interfund transfers or carry-forward fund balances

Expenditures

Budgeted expenditures for FY 18/19 total \$103.6 million and represent an 11.3% increase over FY 17/18. The budget includes \$70.3 million to support daily operations and services and \$33.2 million in capital projects to fund roadway expansions and improvements, parks and recreation amenities, Community Center and public safety facility improvements, as well as water and stormwater infrastructure improvements.



Budget Overview

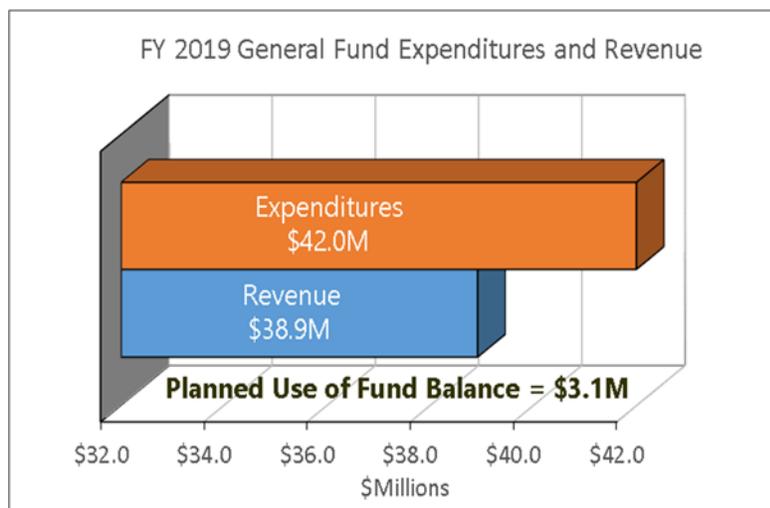
Further detail on uses of expenditures and types can be found in the Financial Overview section of the budget document.

	Budgeted Uses				Variance	
	FY 2017	FY 2017/18		FY 2018/19	to Budget	%
	Actual	Budget	Projected	Budget		
Personnel	29,775,970	32,993,983	32,548,677	34,380,192	1,386,209	4.2%
O&M	26,430,920	26,897,379	26,764,033	27,625,077	727,698	2.7%
Capital	13,989,722	26,457,196	13,878,068	34,199,351	7,742,155	29.3%
Debt Service	5,660,235	6,677,455	6,677,455	7,358,065	680,610	10.2%
Total Expenditures	\$ 75,856,847	\$ 93,026,013	\$ 79,868,233	\$103,562,685	\$ 10,536,672	11.3%

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."

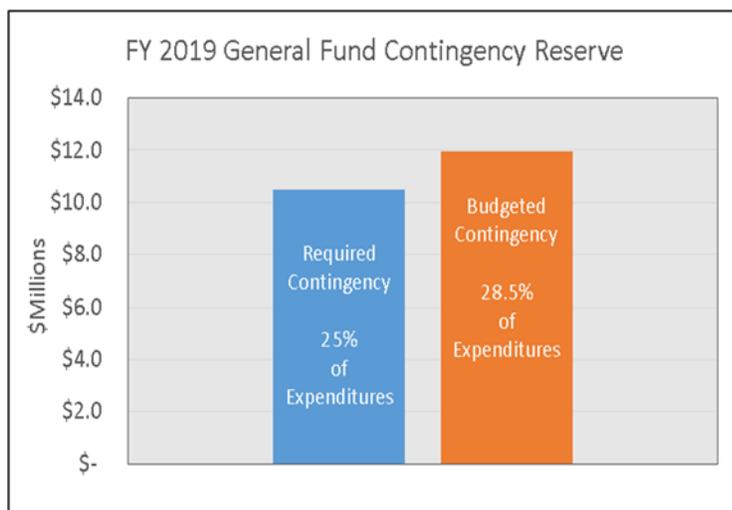


Revenues	\$ 38,908,563
Expenditures	<u>41,984,555</u>
Surplus/(Deficit)	(\$ 3,075,992)

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	\$41,984,555
Contingency Requirement	<u>25%</u>
Required Contingency	\$10,496,139

The General Fund budgeted contingency reserve for FY 18/19 is \$11,959,316, which equals 28.5% of budgeted expenditures. Of this amount, \$10.5 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)		Special (2)		Capital Project Funds (3)	
	General Fund	Revenue Funds	PAG/RTA Fund	Non-Major Capital Project Funds		
Revenues and Other Sources						
Taxes	\$ 19,437,418	\$ 2,384,558	\$ -	\$ -		
Licenses and Permits	2,136,096	48,700	-	-		
Fines	120,000	-	-	-		
Water Sales	-	-	-	-		
Charges for Services	2,408,862	4,272,590	22,500	-		
State Shared Revenue	11,708,575	3,291,659	-	-		
Intergovernmental	1,805,900	-	-	-		
Grants	714,962	165,000	11,964,000	250,000		
Seizures & Forfeitures	-	325,000	-	-		
Impact Fees	-	-	-	3,096,732		
Interest Income	150,000	50,000	-	83,723		
Miscellaneous	306,750	3,000	-	420,400		
Other Financing Sources	120,000	550,000	-	6,403,000		
Total	\$ 38,908,563	\$ 11,090,507	\$ 11,986,500	\$ 10,253,855		
Expenditures and Other Uses						
General Government						
<i>Administrative Services</i>	\$ 4,450,555	\$ -	\$ -	\$ -		
<i>Clerk</i>	444,559	-	-	-		
<i>Council</i>	210,494	-	-	-		
<i>General Administration</i>	2,696,700	-	-	90,000		
<i>Legal</i>	793,567	-	-	-		
<i>Magistrate Court</i>	884,385	-	-	-		
<i>Town Manager's Office</i>	1,251,370	-	-	-		
<i>Debt Service</i>						
Principal	-	-	-	-		
Interest	-	-	-	-		
<i>Capital Projects</i>	-	-	-	10,602,192		
Community & Economic Dev.	2,869,324	-	-	-		
Parks and Recreation	3,606,586	6,314,152	-	-		
Police	16,557,555	86,665	-	-		
Public Works	3,518,946	4,626,036	-	-		
Water Utility						
<i>Personnel</i>	-	-	-	-		
<i>Operations & Maintenance</i>	-	-	-	270,424		
<i>Capital Outlay</i>	-	-	-	1,060,000		
<i>Debt Service</i>						
Principal	-	-	-	266,613		
Interest	-	-	-	64,715		
Roadway Improvements	-	-	12,287,000	1,800,000		
Other Financing Uses	4,700,514	253,999	-	-		
Total	\$ 41,984,555	\$ 11,280,852	\$ 12,287,000	\$ 14,153,944		
Increase/(Decrease)	(3,075,992)	(190,345)	(300,500)	(3,900,089)		
Beginning Fund Balance	\$ 15,035,308	\$ 1,025,842	\$ 881,134	\$ 20,437,111		
Ending Fund Balance	\$ 11,959,316	\$ 835,497	\$ 580,634	\$ 16,537,022		

Fund Balances

	Enterprise Funds (4)		Internal (5)	(6)	2018-2019 Total
	Water Utility Fund	Non-Major Enterprise Fund	Service Funds	Debt Service Funds	
Revenues and Other Sources					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 21,821,976
Licenses and Permits	-	-	-	-	2,184,796
Fines	-	-	-	-	120,000
Water Sales	13,152,900	-	-	-	13,152,900
Charges for Services	3,183,500	1,407,000	-	-	11,294,452
State Shared Revenue	-	-	-	-	15,000,234
Intergovernmental	-	-	-	-	1,805,900
Grants	-	2,000,000	-	47,578	15,141,540
Seizures & Forfeitures	-	-	-	-	325,000
Impact Fees	-	-	-	-	3,096,732
Interest Income	62,333	2,000	-	184,428	532,484
Miscellaneous	-	-	3,828,334	100,000	4,658,484
Other Financing Sources	3,200,000	-	-	884,094	11,157,094
Total	\$ 19,598,733	\$ 3,409,000	\$ 3,828,334	\$ 1,216,100	\$ 100,291,592
Expenditures and Other Uses					
General Government					
<i>Administrative Services</i>	\$ -	\$ -	\$ -	\$ -	\$ 4,450,555
<i>Clerk</i>	-	-	-	-	444,559
<i>Council</i>	-	-	-	-	210,494
<i>General Administration</i>	-	-	3,756,646	13,000	6,556,346
<i>Legal</i>	-	-	-	-	793,567
<i>Magistrate Court</i>	-	-	-	-	884,385
<i>Town Manager's Office</i>	-	-	-	-	1,251,370
<i>Debt Service</i>					
Principal	-	-	-	928,772	928,772
Interest	-	-	-	284,327	284,327
<i>Capital Projects</i>	-	-	-	-	10,602,192
Community & Economic Dev.	-	-	-	-	2,869,324
Parks and Recreation	-	-	-	-	9,920,738
Police	-	-	-	-	16,644,220
Public Works	-	3,351,849	-	-	11,496,831
Water Utility					
<i>Personnel</i>	3,341,175	-	-	-	3,341,175
<i>Operations & Maintenance</i>	7,426,606	-	-	-	7,697,030
<i>Capital Outlay</i>	3,894,834	-	-	-	4,954,834
<i>Debt Service</i>					
Principal	4,639,270	-	-	-	4,905,883
Interest	1,174,368	-	-	-	1,239,083
Roadway Improvements	-	-	-	-	14,087,000
Other Financing Uses	2,581	-	-	-	4,957,094
Total	\$ 20,478,834	\$ 3,351,849	\$ 3,756,646	\$ 1,226,099	\$ 108,519,779
Increase/(Decrease)	(880,101)	57,151	71,688	(9,999)	(8,228,187)
Beginning Fund Balance	\$ 8,819,460	\$ 694,755	\$ 578,559	\$ 99,564	\$ 47,571,732
Ending Fund Balance	\$ 7,939,359	\$ 751,906	\$ 650,247	\$ 89,565	\$ 39,343,546

Fund Balances

The fund balances table depicts the estimated beginning fund balance at July 1, 2018, the budgeted revenues and expenditures for FY 18/19 and the projected ending fund balance at June 30, 2019.

- 1) The fund balance in the General Fund is decreasing \$3,075,992, which is a planned decrease to fund one-time expenditures, including set-aside funding for future years.
- 2) Fund balances in the Special Revenue Funds are decreasing \$190,345, which will be used to fund capital projects. These are planned uses of funds that have been accumulated for this purpose.
- 3) The fund balance in the PAG/RTA Fund is decreasing \$300,500, which will be used to fund roadway improvement capital projects. Fund balances in the non-major Capital Project Funds are decreasing \$3,900,089, which will be used to fund capital projects. These are planned uses of funds that have been accumulated for this purpose.
- 4) The fund balance in the Water Utility Enterprise Fund is decreasing \$880,101, which will be used 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 \$57,151, which will go towards increasing the fund balance for future Stormwater capital projects.
- 5) The fund balance in the Internal Service Fund is increasing \$71,688. This increase is in the Benefit Self Insurance Fund and will go towards increasing the fund balance for future claim costs.
- 6) Fund balances in the Debt Service Funds are decreasing \$9,999, which will be used to fund debt service payments and associated costs. This is a planned use in the Debt Service Funds that must be spent for this purpose.

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Historical Fund Balances

	General Fund			Internal Service Funds		
	2017 Actual	2018 Estimate	2019 Budget	2017 Actual	2018 Estimate	2019 Budget
Revenues and Other Sources						
Taxes	\$ 17,073,435	\$ 18,266,587	\$ 19,437,418			
Licenses and Permits	2,313,504	2,455,173	2,136,096			
Fines	131,637	120,000	120,000			
Water Sales						
Charges for Services	2,278,843	2,141,711	2,408,862	1,345,533	836,858	
State Shared Revenue	11,177,729	11,540,562	11,708,575			
Intergovernmental	1,699,447	1,647,331	1,805,900			
Grants	581,004	541,036	714,962			
Seizures & Forfeitures						
Impact Fees						
Interest Income	39,343	(11,722)	150,000			
Miscellaneous	431,094	295,714	306,750	3,405,131	4,051,960	3,828,334
Other Financing Sources	305,000	788,729	120,000	300,000		
Total	\$ 36,031,036	\$ 37,785,121	\$ 38,908,563	\$ 5,050,664	\$ 4,888,818	\$ 3,828,334
Expenditures and Other Uses						
General Government						
<i>Administrative Services</i>	\$ 2,764,359	\$ 3,343,602	\$ 4,450,555			
Clerk	371,545	485,098	444,559			
Council	200,633	214,759	210,494			
<i>General Administration</i>	1,674,120	1,682,216	2,696,700	3,492,537	2,959,148	3,756,646
Legal	726,321	749,302	793,567			
Magistrate Court	824,234	874,282	884,385			
Town Manager's Office	771,071	828,524	1,251,370			
<i>Debt Service</i>						
Principal						
Interest						
<i>Capital Projects</i>						
Community & Econ. Dev.	2,642,119	2,906,845	2,869,324			
Parks and Recreation	2,046,894	3,554,323	3,606,586			
Police	15,588,746	16,977,096	16,557,555			
Public Works	3,033,904	1,937,312	3,518,946	1,353,330	1,316,314	
Water Utility						
Personnel						
Operations & Maintenance						
Capital Outlay						
Debt Service						
Principal						
Interest						
Roadway Improvements						
Use of Contingency	39,127	75,000				
Other Financing Uses	2,469,304	2,524,668	4,700,514		1,173,811	
Total	\$ 33,152,377	\$ 36,153,027	\$ 41,984,555	\$ 4,845,867	\$ 5,449,273	\$ 3,756,646
Increase/(Decrease)	2,878,659	1,632,094	(3,075,992)	204,797	(560,455)	71,688
Beginning Fund Balance	\$ 10,524,555	\$ 13,403,214	\$ 15,035,308	\$ 934,217	\$ 1,139,014	\$ 578,559
Ending Fund Balance	\$ 13,403,214	\$ 15,035,308	\$ 11,959,316	\$ 1,139,014	\$ 578,559	\$ 650,247

Historical Fund Balances

	Other Governmental Funds					
	PAG/RTA Fund			Non-Major Governmental Funds (A)		
	2017 Actual	2018 Estimate	2019 Budget	2017 Actual	2018 Estimate	2019 Budget
Revenues and Other Sources						
Taxes				\$ 3,342,115	\$ 3,588,052	\$ 2,384,558
Licenses and Permits				75,447	44,948	48,700
Fines						
Water Sales						
Charges for Services	22,500	22,500	22,500	3,985,112	4,397,899	4,272,590
State Shared Revenue				3,252,020	3,363,581	3,291,659
Intergovernmental						
Grants	5,022,428	5,551,200	11,964,000	386,003	1,339,226	462,578
Seizures & Forfeitures				389,678	275,000	325,000
Impact Fees				3,803,673	3,366,645	3,096,732
Interest Income				209,245	237,019	318,151
Miscellaneous	900	48,529		268,575	104,103	523,400
Other Financing Sources				4,648,072	3,037,890	7,837,094
Total	\$ 5,045,828	\$ 5,622,229	\$ 11,986,500	\$ 20,359,940	\$ 19,754,363	\$ 22,560,462
Expenditures and Other Uses						
General Government						
<i>Administrative Services</i>						
Clerk						
Council						
General Administration				28,542	13,000	103,000
Legal						
Magistrate Court						
Town Manager's Office				666,257	754,158	-
Debt Service						
Principal				474,940	704,290	928,772
Interest				313,978	307,416	284,327
Capital Projects				2,421,501	2,476,083	10,602,192
Community & Econ. Dev.						
Parks and Recreation				6,566,873	6,466,697	6,314,152
Police				156,110	361,894	86,665
Public Works				4,395,979	4,099,535	4,626,036
Water Utility						
Personnel						
Operations & Maintenance				173,257	211,844	270,424
Capital Outlay				88,000		1,060,000
Debt Service						
Principal				247,510	256,646	266,613
Interest				82,406	74,981	64,715
Roadway Improvements	4,783,048	5,625,857	12,287,000	1,000,000	1,458,500	1,800,000
Use of Contingency						
Other Financing Uses				780,826	1,599,104	253,999
Total	\$ 4,783,048	\$ 5,625,857	\$ 12,287,000	\$ 17,396,179	\$ 18,784,148	\$ 26,660,895
Increase/(Decrease)	262,780	(3,628)	(300,500)	2,963,761	970,215	(4,100,433)
Beginning Fund Balance	\$ 621,982	\$ 884,762	\$ 881,134	\$ 17,628,541	\$ 20,592,302	\$ 21,562,517
Ending Fund Balance	\$ 884,762	\$ 881,134	\$ 580,634	\$ 20,592,302	\$ 21,562,517	\$ 17,462,084

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

Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2017 Actual	2018 Estimate	2019 Budget	2017 Actual	2018 Estimate	2019 Budget
Revenues and Other Sources						
Taxes						
Licenses and Permits						
Fines						
Water Sales	12,493,557	13,403,654	13,152,900			
Charges for Services	3,187,390	3,331,215	3,183,500	1,314,757	1,394,180	1,407,000
State Shared Revenue						
Intergovernmental						
Grants						2,000,000
Seizures & Forfeitures						
Impact Fees						
Interest Income	6,226	(16,969)	62,333	980	3,103	2,000
Miscellaneous	22,293	2,745		30	51	
Other Financing Sources			3,200,000			
Total	\$ 15,709,466	\$ 16,720,645	\$ 19,598,733	\$ 1,315,767	\$ 1,397,334	\$ 3,409,000
Expenditures and Other Uses						
General Government						
<i>Administrative Services</i>						
Clerk						
Council						
General Administration						
Legal						
Magistrate Court						
Town Manager's Office						
Debt Service						
Principal						
Interest						
Capital Projects						
Community & Econ. Dev.						
Parks and Recreation						
Police						
Public Works				1,079,536	1,305,700	3,351,849
Water Utility						
Personnel	3,059,140	3,187,944	3,341,175			
Operations & Maintenance	6,922,369	7,325,377	7,426,606			
Capital Outlay	3,366,188	2,075,368	3,894,834			
Debt Service						
Principal	3,500,676	4,252,655	4,639,270			
Interest	1,040,725	1,081,467	1,174,368			
Roadway Improvements						
Use of Contingency						
Other Financing Uses	2,942	2,847	2,581			
Total	\$ 17,892,040	\$ 17,925,658	\$ 20,478,834	\$ 1,079,536	\$ 1,305,700	\$ 3,351,849
Increase/(Decrease)	(2,182,574)	(1,205,013)	(880,101)	236,231	91,634	57,151
Beginning Fund Balance	\$ 12,207,047	\$ 10,024,473	\$ 8,819,460	\$ 366,890	\$ 603,121	\$ 694,755
Ending Fund Balance	\$ 10,024,473	\$ 8,819,460	\$ 7,939,359	\$ 603,121	\$ 694,755	\$ 751,906

Note: Does not include depreciation or amortization

Historical Fund Balances

	Total All Funds		
	2017 Actual	2018 Estimate	2019 Budget
Revenues and Other Sources			
Taxes	\$ 20,415,550	\$ 21,854,639	\$ 21,821,976
Licenses and Permits	2,388,951	2,500,121	2,184,796
Fines	131,637	120,000	120,000
Water Sales	12,493,557	13,403,654	13,152,900
Charges for Services	12,134,135	12,124,363	11,294,452
State Shared Revenue	14,429,749	14,904,143	15,000,234
Intergovernmental	1,699,447	1,647,331	1,805,900
Grants	5,989,435	7,431,462	15,141,540
Seizures & Forfeitures	389,678	275,000	325,000
Impact Fees	3,803,673	3,366,645	3,096,732
Interest Income	255,794	211,431	532,484
Miscellaneous	4,128,023	4,503,102	4,658,484
Other Financing Sources	5,253,072	3,826,619	11,157,094
Total	\$ 83,512,701	\$ 86,168,510	\$ 100,291,592
Expenditures and Other Uses			
General Government			
<i>Administrative Services</i>	\$ 2,764,359	\$ 3,343,602	\$ 4,450,555
<i>Clerk</i>	371,545	485,098	444,559
<i>Council</i>	200,633	214,759	210,494
<i>General Administration</i>	5,195,199	4,654,364	6,556,346
<i>Legal</i>	726,321	749,302	793,567
<i>Magistrate Court</i>	824,234	874,282	884,385
<i>Town Manager's Office</i>	1,437,328	1,582,682	1,251,370
<i>Debt Service</i>			
Principal	474,940	704,290	928,772
Interest	313,978	307,416	284,327
<i>Capital Projects</i>	2,421,501	2,476,083	10,602,192
Community & Econ. Dev.	2,642,119	2,906,845	2,869,324
Parks and Recreation	8,613,767	10,021,020	9,920,738
Police	15,744,856	17,338,990	16,644,220
Public Works	9,862,749	8,658,861	11,496,831
Water Utility			
<i>Personnel</i>	3,059,140	3,187,944	3,341,175
<i>Operations & Maintenance</i>	7,095,626	7,537,221	7,697,030
<i>Capital Outlay</i>	3,454,188	2,075,368	4,954,834
<i>Debt Service</i>			
Principal	3,748,186	4,509,301	4,905,883
Interest	1,123,131	1,156,448	1,239,083
Roadway Improvements	5,783,048	7,084,357	14,087,000
Use of Contingency	39,127	75,000	
Other Financing Uses	3,253,072	5,300,430	4,957,094
Total	\$ 79,149,047	\$ 85,243,663	\$ 108,519,779
Increase/(Decrease)	4,363,654	924,847	(8,228,187)
Beginning Fund Balance	\$ 42,283,232	\$ 46,646,886	\$ 47,571,732
Ending Fund Balance	\$ 46,646,886	\$ 47,571,732	\$ 39,343,546

Note: Does not include depreciation or amortization



Town of Oro Valley

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Budget Summary

	FY 2016	FY 2017	FY 2018		FY 2019
	Actual		Budget	Projected	Budget
Personnel					
General Fund	268.15	276.36	279.74	277.76	291.82
Special Revenue Funds	49.80	48.82	48.82	51.47	48.76
Capital Project Funds	1.00	5.48	4.98	4.00	-
Enterprise Funds	41.33	45.85	48.23	48.23	49.73
Internal Service Funds	1.15	1.15	1.15	1.15	-
TOTAL PERSONNEL	361.43	377.66	382.92	382.61	390.31
Expenditures by Fund ¹⁾					
General Fund	30,068,686	30,643,946	33,925,703	33,553,359	37,284,041
Special Revenue Funds	12,257,618	11,785,219	12,268,726	11,778,607	11,026,853
Debt Service Funds	1,081,993	817,460	1,024,706	1,024,706	1,226,099
Capital Project Funds	5,138,144	8,795,721	20,586,588	10,007,588	26,440,944
Enterprise Funds	17,490,997	18,968,634	20,258,712	19,228,511	23,828,102
Internal Service Funds	4,399,809	4,845,867	4,961,578	4,275,462	3,756,646
TOTAL EXPENDITURES	70,437,245	75,856,847	93,026,013	79,868,233	103,562,685
Expenditures by Category ¹⁾					
Personnel	28,951,914	29,775,970	32,993,983	32,548,677	34,380,192
Operations & Maintenance	24,853,405	26,430,920	26,897,379	26,764,033	27,625,077
Capital Outlay	10,369,800	13,989,722	26,457,196	13,878,068	34,199,351
Debt Service	6,262,126	5,660,235	6,677,455	6,677,455	7,358,065
TOTAL EXPENDITURES	70,437,245	75,856,847	93,026,013	79,868,233	103,562,685
Operating Results					
Total Revenues ²⁾	69,405,883	80,259,631	85,868,699	81,168,079	95,334,498
Total Expenditures ¹⁾	70,437,245	75,856,847	93,026,013	79,868,233	103,562,685
NET OPERATING RESULTS ³⁾	(1,031,362)	4,402,784	(7,157,315)	1,299,846	(8,228,187)

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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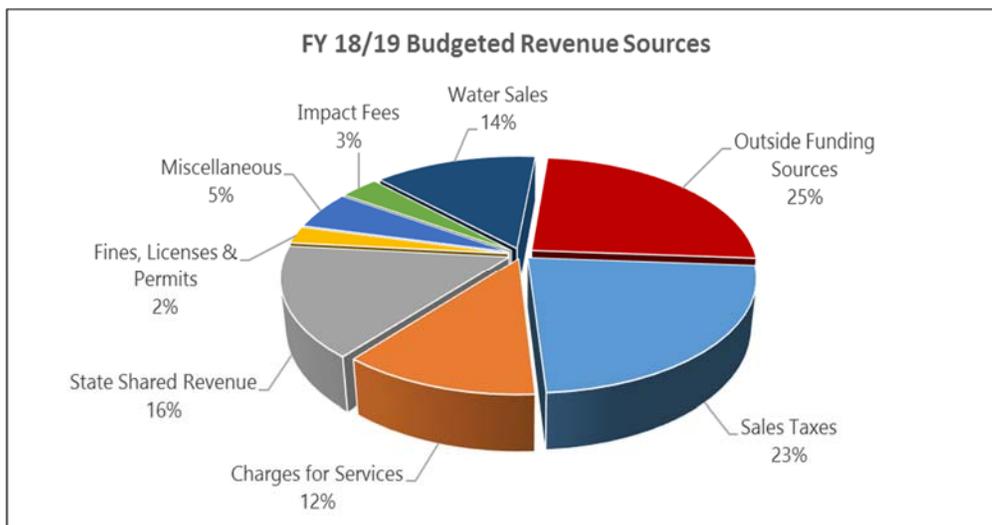
Revenue Summary

Revenue for FY 18/19 is estimated to total \$95,334,498. In comparison to the FY 17/18 budget, revenue is projected to increase by approximately \$9.5 million, or 11.0%. This increase is largely attributable to bond and grant-funded capital projects, including nearly \$12 million in roadway grant funding, \$6.2 million in bond capacity for Water Utility and Community Center improvements and \$2 million in grant capacity for Stormwater Utility improvements.

Healthy economic growth is being observed at both the local and state level. Locally, the Town has seen steady commercial development activity and a significant increase in residential activity. Single family residential (SFR) permits issued in FY 17/18 totaled 325, which exceeded the budget of 300, and are projected at 306 for FY 18/19. Commercial development activity projected for FY 18/19 includes a senior living facility, a school expansion and a self-storage facility, as well as continued office, restaurant and retail infill and tenant improvement projects. Local sales tax revenue is expected to grow by nearly 6% in FY 18/19, due to construction and utility sales tax, as well as bed tax, retail and restaurant collections. A considerable portion of the Town's current revenue growth is one-time in nature, particularly from residential building activity that is expected to peak over the next few 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 80% of the General Fund's FY 18/19 estimated revenues.

Local sales tax represents 23% of the Town's FY 18/19 projected revenues. In this category, taxes related to retail trade are the biggest contributor, with growth projected at 2.5% over current year estimates. Restaurant tax collections are expected to grow 4% in FY 18/19. Construction sales tax collections are expected to grow about 7% over the current year budget, due to one-time residential building activity, as noted above. State shared revenue is expected to remain roughly flat for FY 18/19, due to state legislation impacting income tax collections and highway user revenues available to the Town, as well as observed trends in vehicle license tax collections.

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 2017	FY 2017/18		FY 2018/19	Variance to Budget	%
	Actual	Budget	Projected	Budget		
Sales Taxes	20,415,550	20,599,640	21,854,639	21,821,976	1,222,336	5.9%
Charges for Services	12,134,136	11,848,545	12,124,363	11,294,452	(554,093)	-4.7%
State Shared Revenue	14,429,749	15,000,509	14,904,143	15,000,234	(275)	0.0%
Fines, Licenses & Permits	2,520,587	2,240,121	2,620,121	2,304,796	64,675	2.9%
Miscellaneous	4,383,817	4,870,072	4,714,533	5,190,968	320,896	6.6%
Impact Fees	3,803,673	3,408,265	3,366,645	3,096,732	(311,533)	-9.1%
Water Sales	12,493,557	12,075,700	13,403,654	13,152,900	1,077,200	8.9%
Outside Funding Sources	10,078,561	15,825,847	8,179,981	23,472,440	7,646,593	48.3%
Total Revenue	\$ 80,259,631	\$ 85,868,699	\$ 81,168,079	\$ 95,334,498	\$ 9,465,799	11.0%

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 +\$1.2M	<ul style="list-style-type: none"> \$382K increase in retail and restaurant/bar collections \$294K increase in construction sales tax collections \$281K increase primarily in utility sales tax collections \$191K increase in bed tax collections \$65K increase in cable franchise fee collections
Charges for Services -\$554K	<ul style="list-style-type: none"> \$760K decrease due to consolidation of previous Fleet Fund operations into General Fund \$198K increase in General Fund, due mainly to administrative service chargeouts to the Water and Stormwater Utility Funds
Fines, Licenses & Permits +\$65K	<ul style="list-style-type: none"> Increase in building and grading permit revenues based on projected commercial and residential activity
Miscellaneous +\$321K	<ul style="list-style-type: none"> \$183K increase in Benefit Self Insurance Fund for medical premium increases \$64K increase in-lieu income \$46K increase in for vehicle reserve set-aside for future replacements in the Capital Fund \$28K increase in interest income
Impact Fees -\$312K	<ul style="list-style-type: none"> Based on anticipated commercial and residential building activity
Water Sales +\$1.1M	<ul style="list-style-type: none"> Based on growth and an adopted rate increase
Outside Funding Sources +\$7.6M	<ul style="list-style-type: none"> \$4.3M increase in state grants for roadway project funding \$2M state grant budgeted in Stormwater Utility Fund for Catalina Ridge channel repair \$1.2M increase in budgeted bond proceeds \$125K increase in General Fund federal grants for public safety funding



Town of Oro Valley

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Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
General Fund						
Local Sales Tax:						
Local Sales Tax	13,909,725	16,422,347	16,540,573	17,610,008	18,752,418	13.4%
Sales Tax Audit Recoveries	3,400	3,258	4,000	1,200	-	-100.0%
Cable Franchise Fees	621,546	647,830	620,000	655,379	685,000	10.5%
Total Local Sales Tax	14,534,670	17,073,435	17,164,573	18,266,587	19,437,418	13.2%
License & Permit Fees:						
Business Licenses & Permits	203,392	203,154	200,000	202,000	204,000	2.0%
Residential Building Permits	1,052,162	1,490,966	1,225,000	1,292,458	1,271,000	3.8%
Commercial Building Permits	525,998	419,363	495,236	737,087	506,596	2.3%
Sign Permits	700	17,580	20,000	25,909	20,000	0.0%
Special Inspection Fees	2,160	6,504	4,000	5,282	4,500	12.5%
Grading Permit Fees	74,558	112,480	60,000	122,715	75,000	25.0%
Fire Permits & Fees	13,889	63,457	58,885	69,722	55,000	-6.6%
Total License & Permit Fees	1,872,858	2,313,504	2,063,121	2,455,173	2,136,096	3.5%
Federal Grants:						
CNA	81,911	32,994	26,800	23,350	25,000	-6.7%
DEA Overtime Reimbursement	33,711	32,028	33,000	31,500	32,130	-2.6%
Miscellaneous Federal Grants	8,068	4,605	7,500	4,475	5,000	-33.3%
HIDTA	199,390	177,055	165,000	126,743	130,000	-21.2%
HIDTA-DEA	115,742	110,570	104,000	104,000	102,100	-1.8%
GOHS	48,688	45,827	38,000	35,526	132,000	247.4%
Homeland Security	97,264	72,675	79,000	83,200	151,589	91.9%
Joint Terrorism Task Force	19,851	13,535	18,042	18,042	18,343	1.7%
Total Federal Grants	604,626	489,289	471,342	426,836	596,162	26.5%
State Grants:						
Misc State Grants	77,804	91,715	234,760	114,200	118,800	-49.4%
Total State Grants	77,804	91,715	234,760	114,200	118,800	-49.4%
State/County Shared:						
State Income	4,937,719	5,329,864	5,467,916	5,422,108	5,374,593	-1.7%
State Sales	3,886,852	3,989,179	4,140,787	4,168,692	4,345,225	4.9%
Vehicle License Tax	1,724,625	1,858,686	2,028,225	1,949,762	1,988,757	-1.9%
Total State/County Shared	10,549,196	11,177,729	11,636,928	11,540,562	11,708,575	0.6%
Other Intergovernmental:						
School Resource Officers	70,000	165,812	225,000	175,000	308,900	37.3%
RTA Reimbursements	1,298,169	1,418,740	1,453,360	1,365,031	1,387,000	-4.6%
PCLD Reimbursements	17,327	17,323	20,000	17,300	20,000	0.0%
Animal Control Revenues	115,009	97,573	95,000	90,000	90,000	-5.3%
Total Other Intergovernmental	1,500,505	1,699,447	1,793,360	1,647,331	1,805,900	0.7%
Charges for Services:						
Court Costs	178,219	164,055	150,000	130,000	130,000	-13.3%
Public Defender Fees	1,667	5,101	1,000	5,000	5,000	400.0%
Zoning & Subdivision Fees	203,602	198,869	180,000	130,000	150,000	-16.7%
User Fees - Swimming Pool	552,009	607,382	582,500	582,319	627,500	7.7%
User Fees - Fields & Courts	95,896	125,178	117,000	120,600	129,800	10.9%
User Fees - Miscellaneous	173,065	174,895	197,791	130,425	129,845	-34.4%
Copy Services	2,098	2,100	2,000	2,000	2,100	5.0%
Town Hall Usage Fees	210	220	-	100	-	0.0%
General Government Other	2,300	3,474	2,500	2,500	2,500	0.0%
Police Report Copying	5,751	6,900	5,600	5,600	5,600	0.0%
Police Other	12,980	17,312	3,000	11,149	3,500	16.7%
Engineer Plan Review Fees	41,948	49,948	44,000	88,840	50,000	13.6%
Grading Review Fees	-	2,600	4,000	-	-	-100.0%
Grading Inspection Fees	(40)	-	-	-	-	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Fare Box	88,684	100,052	88,000	100,000	106,500	21.0%
Administrative Services	420,996	503,004	513,000	513,000	701,250	36.7%
Financial Services	176,220	179,736	185,075	185,075	195,475	5.6%
Real Property Rental Income	91,051	87,264	86,687	87,066	87,192	0.6%
Maps	1,860	2,450	-	1,810	-	0.0%
Impound Processing	-	-	-	-	35,000	0.0%
Pawn Slips	750	900	300	600	600	100.0%
Police Fingerprinting	21,180	16,290	16,500	14,000	14,000	-15.2%
Concession Sales	27,757	28,801	30,000	30,000	30,000	0.0%
Public Record Request Fees	2,015	1,802	1,500	1,500	3,000	100.0%
Parks Cancellation Fees	-	512	-	127	-	0.0%
Total Charges for Services	2,100,215	2,278,843	2,210,453	2,141,711	2,408,862	9.0%
Fines:						
Fines	159,154	131,637	120,000	120,000	120,000	0.0%
Total Fines	159,154	131,637	120,000	120,000	120,000	0.0%
Interest Income:						
Interest - Investments	162,310	39,343	103,000	(11,722)	150,000	45.6%
Total Interest Income	162,310	39,343	103,000	(11,722)	150,000	45.6%
Miscellaneous:						
Miscellaneous	18,229	5,131	4,000	13,745	4,000	0.0%
Special Events	3,990	3,070	4,000	4,000	14,000	250.0%
Insurance Recoveries	71,564	29,959	-	-	-	0.0%
In-Lieu Income	226,433	380,904	225,000	275,000	288,750	28.3%
Sale of Assets	2,424	12,030	-	2,969	-	0.0%
Total Miscellaneous	322,640	431,094	233,000	295,714	306,750	31.7%
TOTAL GENERAL FUND	31,883,978	35,726,036	36,030,537	36,996,392	38,788,563	7.7%
Highway Fund						
License & Permit Fees:						
Road Permits	41,654	72,857	55,000	40,148	45,000	-18.2%
Floodplain Use Permits	1,480	2,590	2,000	4,800	3,700	85.0%
Total License & Permit Fees	43,134	75,447	57,000	44,948	48,700	-14.6%
Charges for Services:						
Administrative Services	134,000	75,179	-	-	-	0.0%
Total Charges for Services	134,000	75,179	-	-	-	0.0%
State Grants:						
PAG Reimbursements	146,410	131,108	49,978	11,143	-	-100.0%
RTA Reimbursements	40,965	102,848	50,022	102,868	165,000	229.9%
Total State Grants	187,375	233,956	100,000	114,011	165,000	65.0%
State/County Shared:						
Highway User	3,045,057	3,252,020	3,363,581	3,363,581	3,291,659	-2.1%
Total State/County Shared	3,045,057	3,252,020	3,363,581	3,363,581	3,291,659	-2.1%
Interest Income:						
Interest - Investments	54,746	15,496	36,994	26,524	50,000	35.2%
Total Interest Income	54,746	15,496	36,994	26,524	50,000	35.2%
Miscellaneous:						
Miscellaneous	5,726	2,942	2,000	3,000	3,000	50.0%
Insurance Recoveries	28,706	1,692	-	1,103	-	0.0%
Total Miscellaneous	34,433	4,633	2,000	4,103	3,000	50.0%
TOTAL HIGHWAY FUND	3,498,744	3,656,730	3,559,575	3,553,167	3,558,359	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Bed Tax Fund						
Local Sales Tax:						
Local Sales Tax	1,054,589	1,142,649	1,126,955	1,279,940	-	-100.0%
Total Local Sales Tax	1,054,589	1,142,649	1,126,955	1,279,940	-	-100.0%
Interest Income:						
Interest - Investments	9,904	535	8,011	1,678	-	-100.0%
Total Interest Income	9,904	535	8,011	1,678	-	-100.0%
Miscellaneous:						
Miscellaneous	-	3,500	-	-	-	0.0%
Total Miscellaneous	-	3,500	-	-	-	0.0%
TOTAL BED TAX FUND	1,064,494	1,146,685	1,134,966	1,281,618	-	-100.0%
Seizures & Forfeitures Funds						
Interest Income:						
Interest - Investments	1,633	1,612	-	3,600	-	0.0%
Total Interest Income	1,633	1,612	-	3,600	-	0.0%
Miscellaneous:						
Forfeitures	78,286	389,678	275,000	275,000	325,000	18.2%
Total Miscellaneous	78,286	389,678	275,000	275,000	325,000	18.2%
TOTAL SEIZURES & FORFEITURES FUNDS	79,919	391,290	275,000	278,600	325,000	18.2%
Impound Fee Fund						
Charges for Services:						
Impound Fees	46,030	36,866	40,000	34,288	-	-100.0%
Total Charges for Services	46,030	36,866	40,000	34,288	-	-100.0%
TOTAL IMPOUND FEE FUND	46,030	36,866	40,000	34,288	-	-100.0%
Community Center Fund						
Local Sales Tax:						
Local Sales Tax	2,030,750	2,199,466	2,308,112	2,308,112	2,384,558	3.3%
Total Local Sales Tax	2,030,750	2,199,466	2,308,112	2,308,112	2,384,558	3.3%
Charges for Services:						
User Fees - Daily Drop-In	23,518	27,759	23,000	28,100	25,000	8.7%
User Fees - Member Dues	598,034	679,201	614,000	700,000	695,000	13.2%
User Fees - Recreation Programs	154,014	159,038	134,000	127,500	360,750	169.2%
User Fees - Swimming Pools	1,800	4,998	1,500	12,000	21,000	1300.0%
Rental Income	29,644	26,521	32,441	56,502	56,902	75.4%
Concession Sales	1,099	459	500	250	250	-50.0%
Management Contract Revenues	2,913,734	2,975,092	3,382,351	3,439,259	3,113,688	-7.9%
Total Charges for Services	3,721,843	3,873,067	4,187,792	4,363,611	4,272,590	2.0%
Miscellaneous:						
Miscellaneous	153,458	4,701	-	-	-	0.0%
Sale of Assets	-	739	-	-	-	0.0%
Total Miscellaneous	153,458	5,440	-	-	-	0.0%
TOTAL COMMUNITY CENTER FUND	5,906,051	6,077,972	6,495,904	6,671,723	6,657,148	2.5%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Municipal Debt Service Fund						
Interest Income:						
Interest	42	918	-	3,500	-	0.0%
Total Interest Income	42	918	-	3,500	-	0.0%
Federal Grants:						
Miscellaneous Grants	33,470	91,139	51,403	51,403	47,578	-7.4%
Total Federal Grants	33,470	91,139	51,403	51,403	47,578	-7.4%
Miscellaneous:						
Miscellaneous	100,916	104,847	90,000	100,000	100,000	11.1%
Total Miscellaneous	100,916	104,847	90,000	100,000	100,000	11.1%
TOTAL MUNICIPAL DEBT SERVICE FUND	134,428	196,903	141,403	154,903	147,578	4.4%
Oracle Road Debt Service Fund						
Interest Income:						
Special Assessments	40,088	33,362	26,520	26,520	19,428	-26.7%
Penalties	-	155	-	-	-	0.0%
Total Interest Income	40,088	33,517	26,520	26,520	19,428	-26.7%
Principal Repayments:						
Principal Repayments	149,437	142,177	160,000	160,000	165,000	3.1%
Total Principal Repayments	149,437	142,177	160,000	160,000	165,000	3.1%
TOTAL ORACLE RD DEBT SERVICE FUND	189,525	175,695	186,520	186,520	184,428	-1.1%
Townwide Roadway Development Impact Fee Fund						
State Grants:						
PAG Reimbursements	-	-	-	-	250,000	0.0%
Total State Grants	-	-	-	-	250,000	0.0%
Impact Fees:						
Residential Impact Fees	401,793	541,066	648,633	384,070	314,420	-51.5%
Commercial Impact Fees	129,904	332,624	257,768	340,600	196,544	-23.8%
Total Impact Fees	531,697	873,690	906,401	724,670	510,964	-43.6%
Interest Income:						
Interest - Investments	8,120	8,211	5,000	17,800	10,000	100.0%
Total Interest Income	8,120	8,211	5,000	17,800	10,000	100.0%
TOTAL ROADWAY IMPACT FEE FUND	539,817	881,901	911,401	742,470	770,964	-15.4%
PAG/RTA Fund						
State Grants:						
PAG Reimbursements	2,617,900	2,307,660	4,248,372	3,745,000	3,895,000	-8.3%
RTA Reimbursements	872,134	2,714,768	3,651,610	1,806,200	8,069,000	121.0%
Total State Grants	3,490,035	5,022,428	7,899,982	5,551,200	11,964,000	51.4%
Miscellaneous:						
Miscellaneous	-	900	-	48,529	-	0.0%
Total Miscellaneous	-	900	-	48,529	-	0.0%
Charges for Services:						
Real Property Rental Income	22,500	22,500	22,500	22,500	22,500	0.0%
Total Charges for Services	22,500	22,500	22,500	22,500	22,500	0.0%
TOTAL PAG/RTA FUND	3,512,535	5,045,828	7,922,482	5,622,229	11,986,500	51.3%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
General Government Development Impact Fee Fund						
Interest Income:						
Interest - Investments	10	9	-	15	-	0.0%
Total Interest Income	10	9	-	15	-	0.0%
TOTAL GEN. GOVT. IMPACT FEE FUND	10	9	-	15	-	0.0%
Library Development Impact Fee Fund						
Miscellaneous						
Donations	-	150,000	-	-	-	0.0%
Total Miscellaneous	-	150,000	-	-	-	0.0%
TOTAL LIBRARY IMPACT FEE FUND	-	150,000	-	-	-	0.0%
Parks & Recreation Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	185,622	304,149	294,505	261,080	261,936	-11.1%
Total Impact Fees	185,622	304,149	294,505	261,080	261,936	-11.1%
Interest Income:						
Interest - Investments	633	1,079	-	2,000	2,000	0.0%
Total Interest Income	633	1,079	-	2,000	2,000	0.0%
TOTAL PARKS IMPACT FEE FUND	186,255	305,228	294,505	263,080	263,936	-10.4%
Police Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	65,100	139,146	106,225	94,550	94,860	-10.7%
Commercial Impact Fees	13,052	31,543	21,982	46,519	16,818	-23.5%
Total Impact Fees	78,152	170,689	128,207	141,069	111,678	-12.9%
Interest Income:						
Interest - Investments	812	1,052	-	2,000	-	0.0%
Total Interest Income	812	1,052	-	2,000	-	0.0%
TOTAL POLICE IMPACT FEE FUND	78,964	171,741	128,207	143,069	111,678	-12.9%
Energy Efficiency Project Fund						
Other Financing Sources:						
Bond Proceeds	-	2,000,000	-	-	-	0.0%
Total Other Financing Sources	-	2,000,000	-	-	-	0.0%
TOTAL ENERGY EFF. PROJECT FUND	-	2,000,000	-	-	-	0.0%
Capital Project Bond Fund						
Other Financing Sources:						
Bond Proceeds	-	-	5,000,000	-	-	-100.0%
Total Other Financing Sources	-	-	5,000,000	-	-	-100.0%
TOTAL CAPITAL PROJECT BOND FUND	-	-	5,000,000	-	-	-100.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Community Center Bond Fund						
Other Financing Sources:						
Bond Proceeds	-	-	-	-	3,000,000	0.0%
Total Other Financing Sources	-	-	-	-	3,000,000	0.0%
TOTAL COMMUNITY CENTER BOND FUND	-	-	-	-	3,000,000	0.0%
Capital Fund						
State Grants:						
Misc State Grants	-	60,909	-	-	-	0.0%
Total State Grants	-	60,909	-	-	-	0.0%
Miscellaneous:						
Vehicle Reserves	-	-	-	-	420,400	0.0%
Total Miscellaneous	-	-	-	-	420,400	0.0%
TOTAL CAPITAL FUND	-	60,909	-	-	420,400	0.0%
Fleet Fund						
Miscellaneous:						
Insurance Recoveries	61,599	16,539	10,000	6,000	-	0.0%
Vehicle Reserves	184,329	284,796	374,896	374,896	-	-100.0%
Sale of Assets	15,475	55,816	10,000	20,000	-	-100.0%
Total Miscellaneous	261,403	357,151	394,896	400,896	-	-100.0%
Charges for Services:						
Fleet Services	1,179,022	1,345,533	760,000	836,858	-	-100.0%
Total Charges for Services	1,179,022	1,345,533	760,000	836,858	-	-100.0%
TOTAL FLEET FUND	1,440,425	1,702,684	1,154,896	1,237,754	-	-100.0%
Benefit Self Insurance Fund						
Miscellaneous:						
Self Insurance Premiums - Employer	2,468,100	2,352,463	2,830,734	2,830,734	2,972,271	5.0%
Self Insurance Premiums - Employee	376,147	509,396	589,449	589,449	618,921	5.0%
COBRA Premiums	18,718	43,350	70,000	70,000	70,000	0.0%
Retiree Premiums	10,690	9,385	15,000	20,800	22,880	52.5%
UHC Wellness Program	20,000	20,000	20,000	20,000	20,000	0.0%
Miscellaneous	122,000	113,385	120,081	120,081	124,262	3.5%
Total Miscellaneous	3,015,655	3,047,980	3,645,264	3,651,064	3,828,334	5.0%
TOTAL BENEFIT SELF INSURANCE FUND	3,015,655	3,047,980	3,645,264	3,651,064	3,828,334	5.0%
Water Utility Fund						
Water Sales:						
Residential Water Sales	8,103,644	8,416,714	8,197,100	8,794,396	9,058,400	10.5%
Commercial Water Sales	778,915	814,041	802,700	862,398	875,500	9.1%
Irrigation Water Sales	1,180,220	1,222,319	1,185,100	1,356,543	1,293,300	9.1%
Turf Related Water Sales	1,644,533	1,807,218	1,665,000	1,914,999	1,778,500	6.8%
Construction Water Sales	311,117	224,532	220,000	461,948	130,500	-40.7%
Other	-	8,733	5,800	13,370	16,700	187.9%
Total Water Sales	12,018,429	12,493,557	12,075,700	13,403,654	13,152,900	8.9%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Charges for Services:						
Engineer Plan Review Fees	19,402	37,048	20,000	15,000	15,000	-25.0%
Construction Inspection Fees	35,995	24,159	48,000	48,000	48,000	0.0%
Misc Service Revenue	12,145	17,354	12,000	12,000	12,000	0.0%
Backflow-Install Permit Fee	2,429	3,445	3,300	3,300	3,300	0.0%
Sewer Fees	206,304	210,738	210,000	228,000	230,000	9.5%
Late Fees	90,115	88,590	88,000	88,000	88,000	0.0%
NSF Fees	3,930	3,868	4,000	4,000	4,500	12.5%
Rain Sensors	8	30	-	15	-	0.0%
Meter Income	76,065	111,653	98,000	110,700	110,700	13.0%
New Service Establish Fees	94,081	106,704	80,000	90,000	90,000	12.5%
Reconnect Fees	39,633	32,421	32,000	32,000	32,000	0.0%
Groundwater Preservation Fee	2,371,099	2,440,045	2,520,000	2,587,700	2,437,500	-3.3%
Other	109,866	111,336	110,000	112,500	112,500	2.3%
Total Charges for Services	3,061,071	3,187,390	3,225,300	3,331,215	3,183,500	-1.3%
Interest Income:						
Interest - Investments	115,183	6,226	93,164	(16,969)	62,333	-33.1%
Total Interest Income	115,183	6,226	93,164	(16,969)	62,333	-33.1%
Miscellaneous:						
Miscellaneous	20,363	13,921	-	380	-	0.0%
Insurance Recoveries	405	327	-	1,520	-	0.0%
Sale of Assets	-	8,045	-	845	-	0.0%
Total Miscellaneous	20,768	22,293	-	2,745	-	0.0%
Other Financing Sources:						
Bond Proceeds	-	-	-	-	3,200,000	0.0%
Total Other Financing Sources	-	-	-	-	3,200,000	0.0%
TOTAL WATER UTILITY FUND	15,215,451	15,709,467	15,394,164	16,720,645	19,598,733	27.3%
Alternative Water Resources Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	795,169	1,332,825	1,213,500	1,213,500	1,213,500	0.0%
Commercial Impact Fees	299,291	305,967	174,319	282,913	263,097	50.9%
Total Impact Fees	1,094,460	1,638,792	1,387,819	1,496,413	1,476,597	6.4%
Interest Income:						
Interest - Investments	42,635	2,305	34,485	4,905	34,485	0.0%
Total Interest Income	42,635	2,305	34,485	4,905	34,485	0.0%
TOTAL AWRDIF FUND	1,137,095	1,641,097	1,422,304	1,501,318	1,511,082	6.2%
Potable Water System Development Impact Fee Fund						
Impact Fees:						
Single Family Connections	395,766	663,941	604,500	604,500	604,500	0.0%
Multi-Family Connections	-	-	-	-	-	0.0%
Commercial Connections	36,668	79,884	75,955	100,837	116,553	53.5%
Irrigation Connections	112,418	72,528	10,878	38,076	14,504	33.3%
Total Impact Fees	544,852	816,353	691,333	743,413	735,557	6.4%
Interest Income:						
Interest - Investments	46,039	2,489	37,238	(11,523)	37,238	0.0%
Total Interest Income	46,039	2,489	37,238	(11,523)	37,238	0.0%
TOTAL PWSDF FUND	590,891	818,842	728,571	731,890	772,795	6.1%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2016	FY 2017	FY 2018		FY 2019	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Stormwater Utility Fund						
State Grants:						
Miscellaneous State Grants	35,000	-	-	-	2,000,000	0.0%
Total State Grants	35,000	-	-	-	2,000,000	0.0%
Charges for Services:						
Late Fees	936	255	2,500	1,500	1,500	-40.0%
Stormwater Utility Fee	827,322	1,314,502	1,400,000	1,392,680	1,405,500	0.4%
Total Charges for Services	828,258	1,314,757	1,402,500	1,394,180	1,407,000	0.3%
Interest Income:						
Interest - Investments	632	980	500	3,103	2,000	300.0%
Total Interest Income	632	980	500	3,103	2,000	300.0%
Miscellaneous:						
Miscellaneous	-	30	-	51	-	0.0%
Total Miscellaneous	-	30	-	51	-	0.0%
TOTAL STORMWATER UTILITY FUND	863,890	1,315,767	1,403,000	1,397,334	3,409,000	143.0%
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	\$ 69,405,883	\$ 80,259,631	\$ 85,868,699	\$ 81,168,079	\$ 95,334,498	11.0%

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



Town of Oro Valley

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Revenue Sources

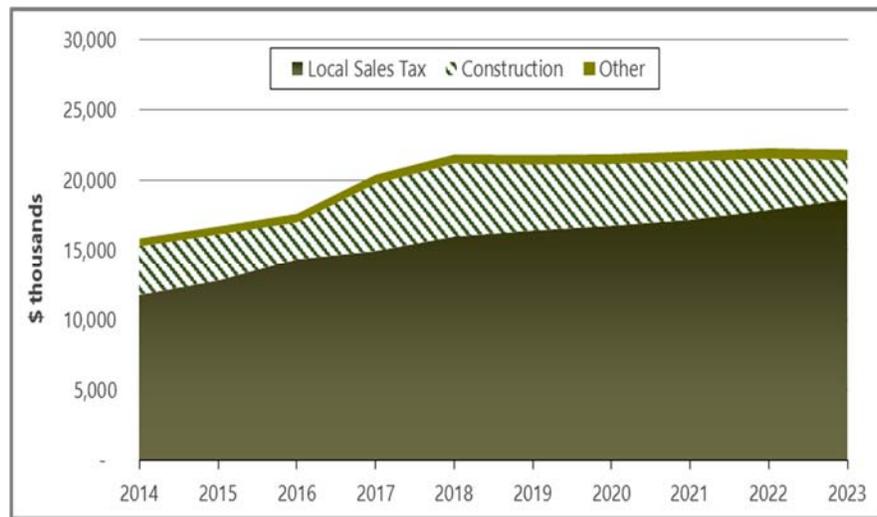
Local Sales Tax

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. Two-thirds of the 6% tax on lodging is used to support economic development and tourism efforts. The Town's adopted financial policies dictate that a minimum of 5% of the Town's excise tax collections fund capital improvements, asset repair and maintenance needs.



Projections

Local construction sales tax has declined 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 three 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 2-5% per year with varying economic growth patterns, population growth and inflation
- bed tax collections increase 3% in FY 2019 with continued growth in the hospitality sector, then increases 1-4% per year thereafter with tourism and economic growth
- construction sales tax decreases nearly 10% in FY 2019 over the FY 2018 projection, attributable to one-time commercial and single family residential building activity, then continues to decline each year thereafter as the pace of building activity slows

Revenue Sources

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	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
	2017	14,972,317	4,792,145	651,088
PROJECTION	2018	16,027,459	5,170,601	656,579
	2019	16,466,894	4,670,082	685,000
	2020	16,778,915	4,391,770	705,000
	2021	17,182,672	4,168,600	725,000
	2022	17,869,268	3,685,680	745,000
	2023	18,667,548	2,765,700	765,000

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

Fines, Licenses and Permits

Description

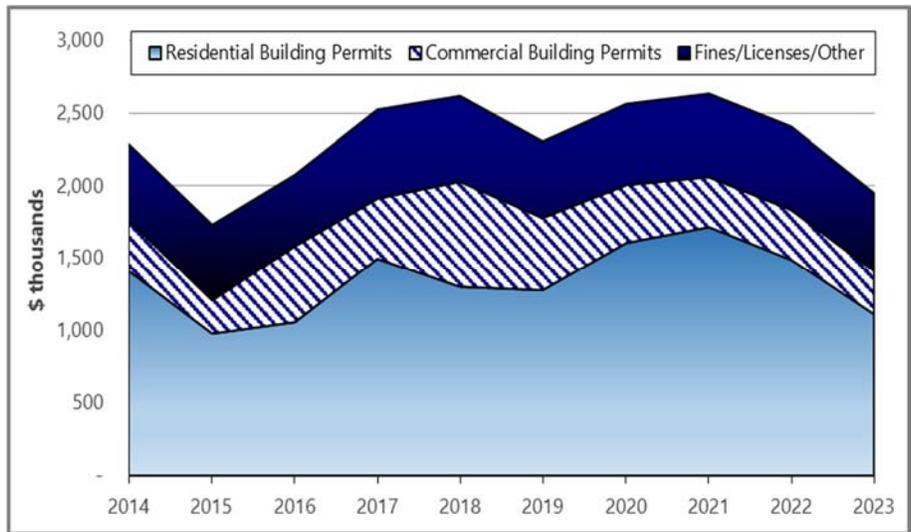
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits, 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 residential building permit revenue is due to an increase in single family residential permits. 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 306 for FY 2019, projected at 387 for FY 2020, 415 for FY 2021, then expected to gradually decline to 227 by FY 2023
- 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	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
	2017	1,490,966	419,363	610,258
PROJECTION	2018	1,292,458	737,087	590,576
	2019	1,271,000	506,596	527,200
	2020	1,606,900	400,000	557,195
	2021	1,710,500	350,000	569,957
	2022	1,482,200	350,000	570,006
	2023	1,108,000	300,000	544,520

State Shared Revenue

Description

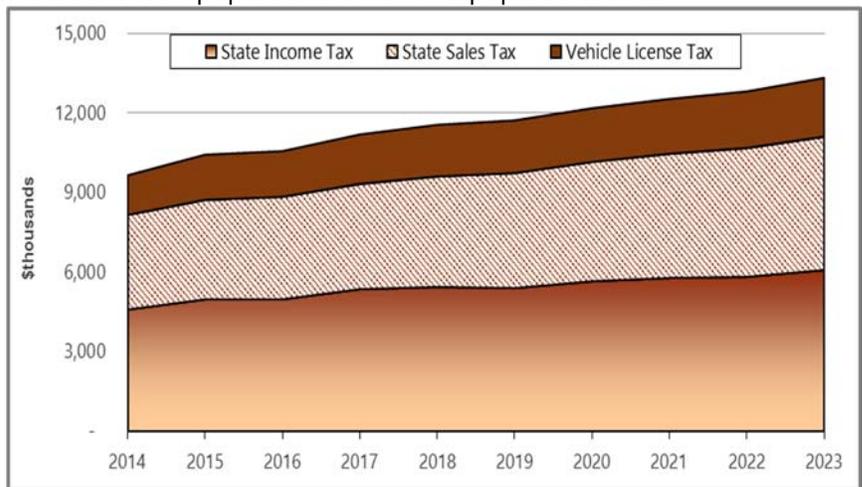
Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, income tax, and vehicle license tax. Oro Valley receives its share of the state sales and income tax based on the relation of its population to the total population 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 30% of General Fund budgeted revenue for FY 2019. Due to economic growth, revenues are budgeted to increase about 1.5% in FY 2019 over the FY 2018 projection. Annual growth between 2-4% 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:

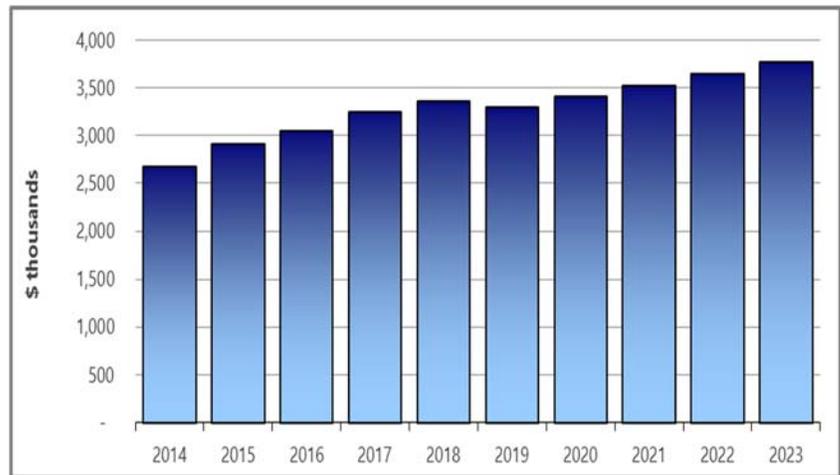
- 3.9% increase projected for FY 2020, due to continued economic growth
- growth of 2.9% projected in FY 2021 and 2.3% in FY 2022; slight decreases in growth to reflect potential for economic slowdown
- recovery begins in FY 2023 with 4% growth

		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	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
	2017	5,329,864	3,989,179	1,858,686
PROJECTION	2018	5,422,108	4,168,692	1,949,762
	2019	5,374,593	4,345,225	1,988,757
	2020	5,640,597	4,497,308	2,028,532
	2021	5,761,503	4,686,195	2,069,103
	2022	5,819,118	4,850,212	2,131,176
	2023	6,051,882	5,044,220	2,216,423

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 80% of Highway Fund budgeted revenue for FY 2019. 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:

- 2% decline in FY 2019, based on projections from the Arizona Department of Transportation (ADOT)
- annual growth of 3-4% thereafter, based on ADOT projections

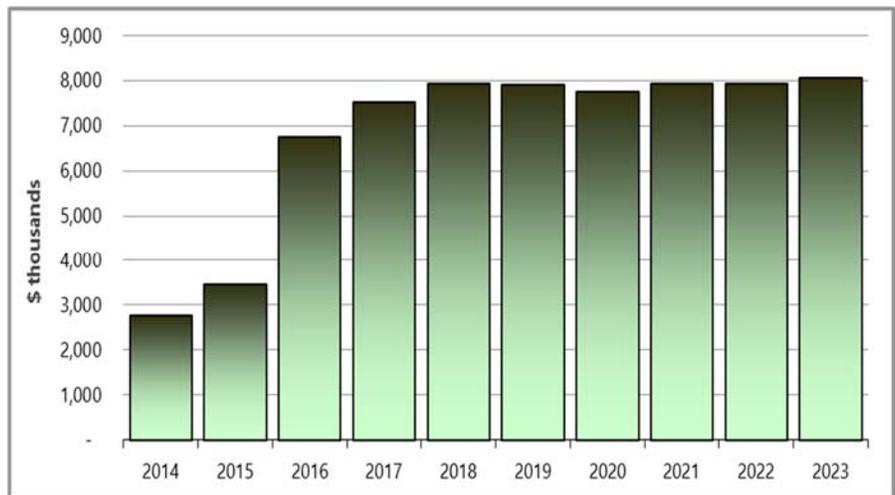
		HURF Revenue
ACTUAL	2013	2,648,329
	2014	2,679,257
	2015	2,912,780
	2016	3,045,057
	2017	3,252,020
PROJECTION	2018	3,363,581
	2019	3,291,659
	2020	3,410,159
	2021	3,526,104
	2022	3,645,992
	2023	3,766,309

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 and water 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. Certain water fees and 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. 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 declines in FY 2019 and FY 2020, due to potential impact of planned renovations at the Community 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	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
	2017	299,184	253,867	4,809,323	100,052	747,346	1,314,757
PROJECTION	2018	250,703	220,650	5,226,955	100,000	743,515	1,394,180
	2019	245,392	200,000	5,189,735	106,500	746,000	1,407,000
	2020	257,402	283,000	4,917,992	111,825	763,000	1,424,000
	2021	267,154	289,000	5,052,259	117,416	751,000	1,446,500
	2022	274,760	213,000	5,121,342	123,287	730,500	1,464,500
	2023	282,595	187,000	5,252,613	129,451	735,500	1,477,000

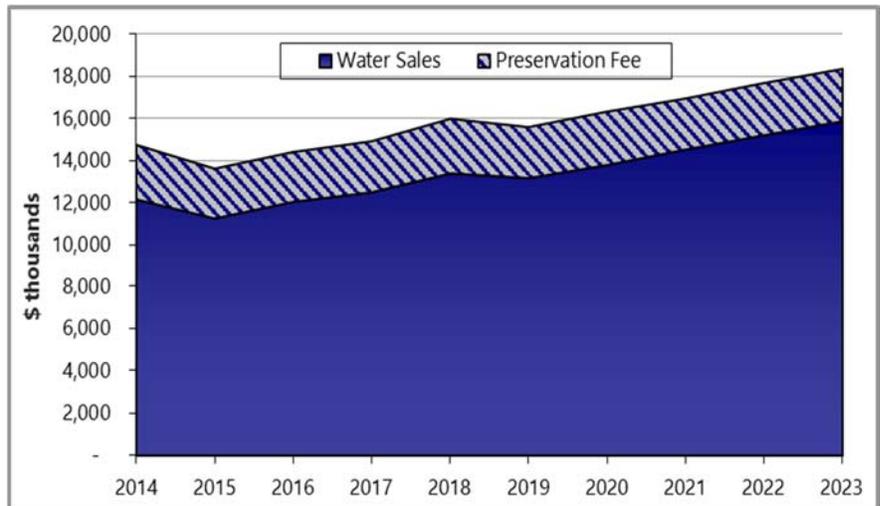
* Increases in FY 2015 and FY 2016 are attributable to the addition of Community Center Fund operations

** 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, capital 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 227-415 new connections annually through FY 2023
- 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	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
	2017	12,493,557	2,440,045
PROJECTION	2018	13,403,654	2,587,700
	2019	13,152,900	2,437,500
	2020	13,798,300	2,499,700
	2021	14,499,100	2,460,000
	2022	15,188,800	2,465,700
	2023	15,886,500	2,473,300

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.

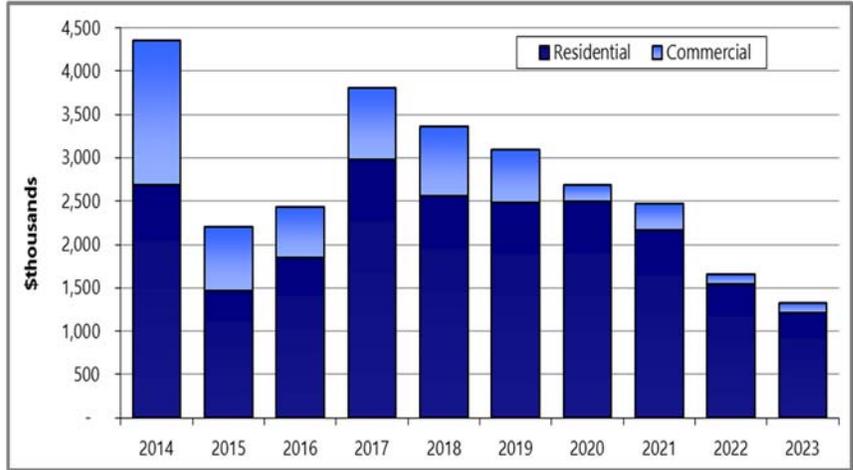
Revenue Sources

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:



- 306 single family residential permits will be issued in FY 2019, increasing to 387 in FY 2020 and peaking at 415 in FY 2021
- Single family residential permits begin a decline in FY 2022 at 344, then down to 227 in FY 2023
- commercial fees tie to anticipated development activity within the town

		Residential Fees	Commercial Fees
ACTUAL	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
	2017	2,981,127	822,546
PROJECTION	2018	2,557,700	808,945
	2019	2,489,216	607,516
	2020	2,501,851	187,720
	2021	2,170,504	303,920
	2022	1,542,454	115,300
	2023	1,210,507	115,300

Grants

Description

The Town receives federal and state grant funding from various agencies and sources, mainly for roadway projects or to support public safety. Specific restrictions exist on all grants in regards to how the funds may be used or what they may be spent on. Grants provide the Town with critical funding for public infrastructure projects and Police Department task force operations and equipment.

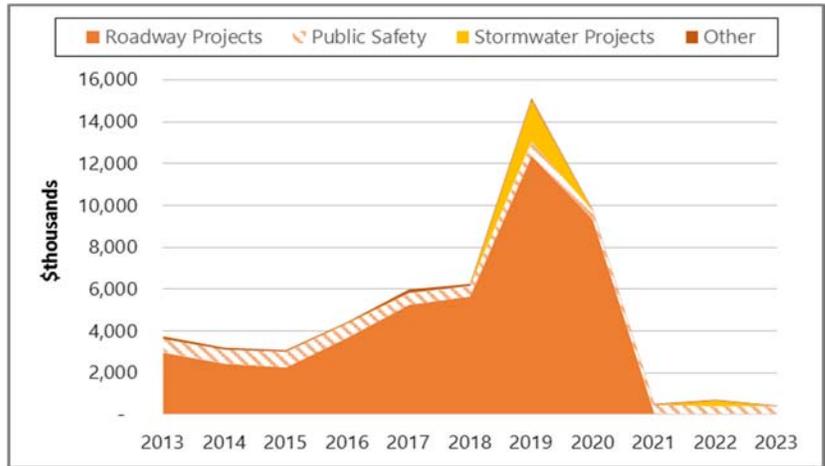
Revenue Sources

Uses

As mentioned above, the bulk of the Town’s grant funding is for roadway projects and public safety. Funding from the Pima Association of Governments and the Regional Transportation Authority provides for roadway expansion and improvement projects. Funding from agencies such as the Drug Enforcement Agency, Federal Bureau of Investigation, Arizona Governor’s Office of Highway Safety and Arizona Department of Homeland Security provides for salaries, overtime, benefits and equipment related to various multi-jurisdictional joint task forces participated in by the Town’s Police Department.

Projections

Funding for roadway projects fluctuates widely, depending on current or planned projects and available funding. Funding beyond FY 2021 is not foreseen at this time. In recent years, the Town has also seen



slight decreases in public safety funding, particularly towards the funding of employee benefits. The following assumptions were used in compiling the projections:

- funding for roadway projects uncertain beyond FY 2020 following the completion of the La Cholla Boulevard roadway widening project
- funding of certain public safety equipment budgeted in FY 2019 considered one-time; declines and/or limited growth in public safety funding thereafter, depending on particular source
- Stormwater grant funds budgeted in FY 2019 and projected for FY 2022 is for the Catalina Ridge channel repair project
- Other funding beyond FY 2019 is largely limited to a federal interest subsidy on the Town’s clean renewable energy bonds

		Roadway Projects	Public Safety	Stormwater Projects	Other
ACTUAL	2013	2,971,563	652,830	7,867	118,657
	2014	2,440,096	680,039		89,077
	2015	2,281,499	737,036		69,324
	2016	3,677,410	672,741	35,000	43,157
	2017	5,256,384	564,825		168,226
PROJECTION	2018	5,665,211	498,336		94,103
	2019	12,379,000	667,662	2,000,000	94,878
	2020	9,345,000	395,548		46,034
	2021	75,000	399,504		41,795
	2022		403,499	280,000	37,363
	2023		407,534		32,690

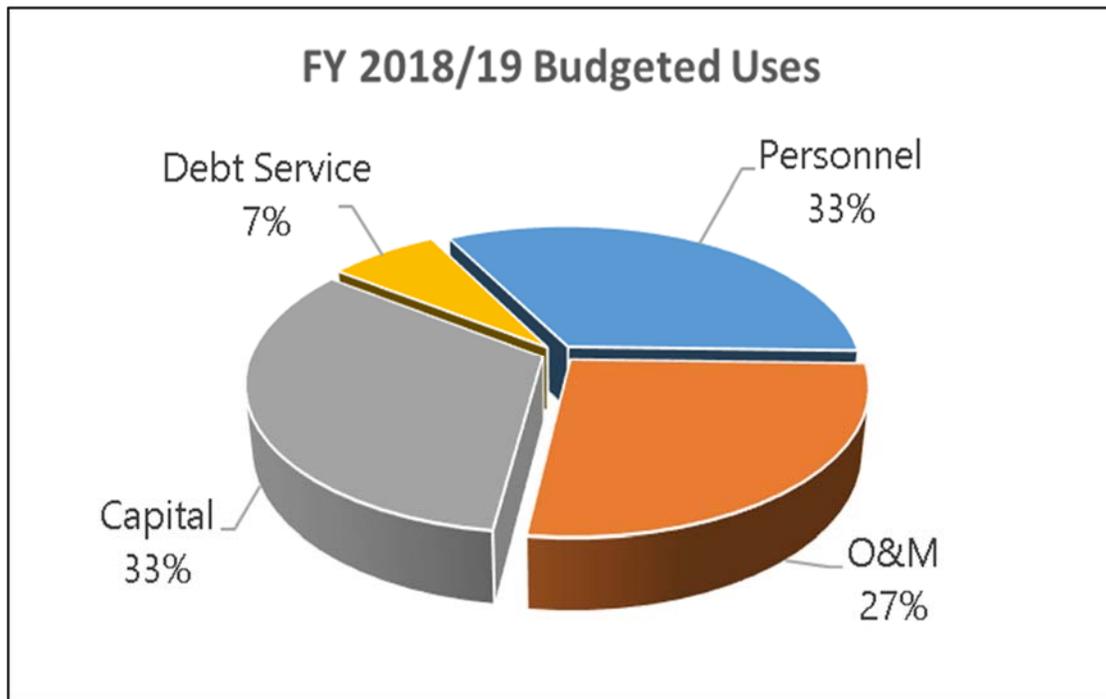
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Expenditure Summary

The expenditure budget for FY 2018/19 totals \$103,562,685 and represents a \$10.5 million, or 11.3% increase over the prior fiscal year budgeted expenditures. Of this increase, \$7.7 million is for capital outlay. The budget includes \$70.3 million to support daily operations and services and \$33.2 million in capital projects. The chart below reflects all budgeted uses and their portion of the overall expenditure budget.

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 18/19 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 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 2017	FY 2017/18		FY 2018/19	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	29,775,970	32,993,983	32,548,677	34,380,192	1,386,209	4.2%
O&M	26,430,920	26,897,379	26,764,033	27,625,077	727,698	2.7%
Capital	13,989,722	26,457,196	13,878,068	34,199,351	7,742,155	29.3%
Debt Service	5,660,235	6,677,455	6,677,455	7,358,065	680,610	10.2%
Total Expenditures	\$ 75,856,847	\$ 93,026,013	\$ 79,868,233	\$ 103,562,685	\$ 10,536,672	11.3%

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 +\$1.4M	<ul style="list-style-type: none"> • \$585K increase for step and merit increases • \$375K increase for new positions • \$240K increase due to increased pension costs • \$150K increase due to medical insurance premium increases • \$35K increase due to position reclassifications
O&M +\$728K	<ul style="list-style-type: none"> • \$250K increase in Central Arizona Project (CAP) water wheeling costs in the Water Utility Fund • \$250K increase in softwater maintenance and licensing costs in the General Fund • \$200K increase in administrative and financial services costs in the Water and Stormwater Utility Funds for services provided by the General Fund
Capital +\$7.7M	<ul style="list-style-type: none"> • \$4.5M increase in roadway capital projects funded with grants and impact fees • \$2M grant-funded channel repair project budgeted in the Stormwater Utility Fund • \$1.2M increase in bond-funded projects, with a total budget of \$6.2M for Water Utility and Community Center improvements
Debt Service +\$681K	<ul style="list-style-type: none"> • Due to debt service on bonds planned to be issued in FY 2019, as well as a refinancing of debt resulting in interest savings and slightly higher, but more leveled principal payments in the near-term

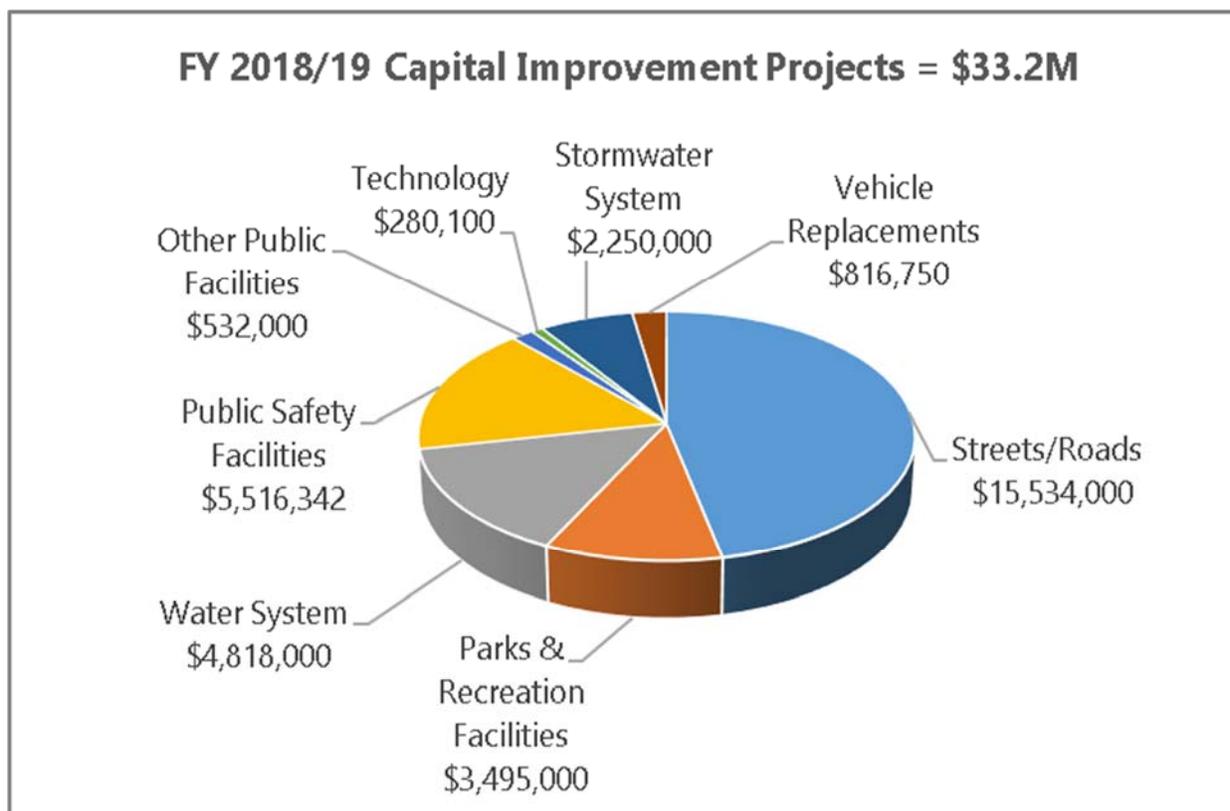
Expenditure Summary

Capital Improvement Program

The Capital Improvement Program (CIP) is a comprehensive, ten-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 2018/19 adopted budget includes \$33.2 million in capital improvement projects, funded with a variety of sources. Budgeted projects include street and roadway improvements, water and stormwater utility system improvements, parks and recreation improvements and public safety facilities.

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 2016	FY 2017	FY 2018		FY 2019	% to budget
		Actual	Budget	Projected	Budget	
General Fund						
Administrative Services	2,608,540	2,764,359	3,375,735	3,343,602	4,450,555	31.8%
Clerk	370,224	371,545	485,098	485,098	444,559	-8.4%
Community & Economic Development	2,697,523	2,642,119	2,845,587	2,906,845	2,869,324	0.8%
Council	197,697	200,633	214,759	214,759	210,494	-2.0%
General Administration	1,847,726	1,674,120	1,682,216	1,682,216	2,696,700	60.3%
Legal	719,446	726,321	779,670	749,302	793,567	1.8%
Magistrate Court	801,276	824,234	874,282	874,282	884,385	1.2%
Town Manager's Office	760,188	771,071	844,708	828,524	1,251,370	48.1%
Parks and Recreation	3,033,102	2,046,894	3,667,092	3,554,323	3,606,586	-1.6%
Police	15,228,367	15,588,746	17,108,674	16,977,096	16,557,555	-3.2%
Public Works	1,804,597	3,033,904	2,047,882	1,937,312	3,518,946	71.8%
TOTAL GENERAL FUND	30,068,686	30,643,946	33,925,703	33,553,359	37,284,041	9.9%
Special Revenue Funds						
Highway User Revenue Fund	4,531,908	4,395,979	4,949,877	4,099,535	4,626,036	-6.5%
Bed Tax Fund	622,198	666,257	844,158	850,481	-	-100.0%
Community Center Fund	6,769,529	6,566,873	6,329,948	6,466,697	6,314,152	-0.2%
Impound Fee Fund	28,652	57,361	59,606	59,606	-	-100.0%
Seizures & Forfeitures Funds	305,331	98,749	85,137	302,288	86,665	1.8%
TOTAL SPECIAL REVENUE FUNDS	12,257,618	11,785,219	12,268,726	11,778,607	11,026,853	-10.1%
Debt Service Funds						
Municipal Debt Service Fund	894,490	641,534	835,186	835,186	1,038,671	24.4%
Oracle Road Improvement District Fund	187,503	175,926	189,520	189,520	187,428	-1.1%
TOTAL DEBT SERVICE FUNDS	1,081,993	817,460	1,024,706	1,024,706	1,226,099	19.7%
Capital Project Funds						
Recreation-In-Lieu Fee Fund	12,200	-	-	-	-	0.0%
Parks and Recreation Impact Fee Fund	-	-	-	-	30,000	0.0%
Police Impact Fee Fund	-	-	485,000	-	680,000	40.2%
Library Impact Fee Fund	45,118	199,680	-	-	-	0.0%
Energy Efficiency Project Fund	-	1,431,663	700,000	568,337	-	-100.0%
Capital Project Bond Fund	-	-	5,000,000	-	-	-100.0%
Community Center Bond Fund	-	-	-	-	3,000,000	0.0%
Capital Fund	1,730,861	790,157	4,009,619	1,811,423	6,952,192	73.4%
Alternative Water Resource Dev. Impact Fee	125,522	261,257	267,280	186,844	577,924	116.2%
Potable Water System Dev. Impact Fee	331,478	329,916	361,627	356,627	1,083,828	199.7%
PAG/RTA Fund	2,890,552	4,783,048	8,304,562	5,625,857	12,287,000	48.0%
Roadway Impact Fee Fund	2,413	1,000,000	1,458,500	1,458,500	1,830,000	25.5%
TOTAL CAPITAL PROJECT FUNDS	5,138,144	8,795,721	20,586,588	10,007,588	26,440,944	28.4%
Enterprise Funds						
Water Utility	16,692,592	17,889,098	18,953,012	17,922,811	20,476,253	8.0%
Stormwater Utility	798,405	1,079,536	1,305,700	1,305,700	3,351,849	156.7%
TOTAL ENTERPRISE FUNDS	17,490,997	18,968,634	20,258,712	19,228,511	23,828,102	17.6%
Internal Service Funds						
Fleet Fund	1,171,192	1,353,330	1,316,314	1,316,314	-	-100.0%
Benefit Self Insurance	3,228,617	3,492,537	3,645,264	2,959,148	3,756,646	3.1%
TOTAL INTERNAL SERVICE FUNDS	4,399,809	4,845,867	4,961,578	4,275,462	3,756,646	-24.3%
TOTAL EXPENDITURES - ALL FUNDS	\$ 70,437,245	\$ 75,856,847	\$ 93,026,013	\$ 79,868,233	\$ 103,562,685	11.3%

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 2018 - 2019 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
Administrative Services								
Finance	8.00	910,367						910,367
Human Resources	4.00	424,488						424,488
Information Technology	9.00	3,115,700						3,115,700
	21.00	4,450,555	-	-	-	-	-	4,450,555
Clerk								
	4.73	444,559						444,559
	4.73	444,559	-	-	-	-	-	444,559
Community & Economic Dev.								
Administration	1.60	275,431						275,431
Permitting	9.98	1,038,195						1,038,195
Planning	6.30	599,188						599,188
Inspection and Compliance	9.00	842,822						842,822
Economic Development	1.00	113,688						113,688
	27.88	2,869,324	-	-	-	-	-	2,869,324
Council								
	7.00	210,494						210,494
	7.00	210,494	-	-	-	-	-	210,494
General Administration								
	-	2,696,700			10,662,192 ^(C)		3,756,646 ^(D)	17,115,538
	-	2,696,700	-	-	10,662,192	-	3,756,646	17,115,538
Legal								
	6.00	793,567						793,567
	6.00	793,567	-	-	-	-	-	793,567
Magistrate Court								
	8.00	884,385						884,385
	8.00	884,385	-	-	-	-	-	884,385
Town Manager's Office								
Administration	4.88	649,205						649,205
Communications & Constituent Svcs.	5.50	602,165						602,165
	10.38	1,251,370	-	-	-	-	-	1,251,370
Parks and Recreation								
Administration	5.00	528,408						528,408
Parks Maintenance	9.96	1,315,787						1,315,787
Recreation & Culture	5.70	486,348						486,348
Aquatics	18.65	1,276,043						1,276,043
Community Center	20.61		6,314,152 ^(E)					6,314,152
	59.92	3,606,586	6,314,152	-	-	-	-	9,920,738

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	1,374,138						1,374,138
Support Services	57.21	6,460,802						6,460,802
Field Services	70.44	8,356,081	86,665 (F)					8,442,746
Professional Development & Training	1.48	198,467						198,467
Professional Standards	1.00	168,067						168,067
	135.13	16,557,555	86,665	-	-	-	-	16,644,220
Public Works								
Administration	1.90		478,693 (A)					478,693
Transportation Engineering	15.50		3,134,882 (A)					3,134,882
Street Maintenance	9.75		1,012,461 (A)					1,012,461
Facilities Maintenance	5.35	961,936						961,936
Fleet	2.15	1,294,394						1,294,394
Stormwater Utility	10.25					3,351,849 (B)		3,351,849
Transit Services	25.89	1,262,616						1,262,616
	70.79	3,518,946	4,626,036	-	-	3,351,849	-	11,496,831
Water Utility								
Administration	9.48					11,439,279 (G)		11,439,279
Engineering & Planning	6.00					4,584,097 (G)		4,584,097
Operations	24.00					4,452,877 (G)		4,452,877
Alternative Water Resources					577,924 (H)			577,924
Potable Water System					1,083,828 (I)			1,083,828
	39.48	-	-	-	1,661,752	20,476,253	-	22,138,005
								1,226,099 ^(J)
Debt Service	-	-	-	1,226,099	-	-	-	1,226,099
								14,117,000 ^(K)
Roadway Improvements	-	-	-	-	14,117,000	-	-	14,117,000
FY 2018/19 Adopted Budget	390.31	37,284,041	11,026,853	1,226,099	26,440,944	23,828,102	3,756,646	103,562,685

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

- (A) Highway Fund
- (B) Stormwater Utility Fund
- (C) Capital Fund, Parks & Rec Impact Fee Fund, Police Impact Fee Fund and Community Center Bond Fund
- (D) Benefit Self Insurance Fund
- (E) Community Center Fund
- (F) Seizures & Forfeitures Funds
- (G) Water Utility Fund
- (H) Alternative Water Resources Dev Impact Fee Fund
- (I) Potable Water System Dev Impact Fee Fund
- (J) Municipal Debt Service Fund and Oracle Road Imp District Fund
- (K) 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 49% of the total operating budget, which is common in a service-based organization. Even so, since it is a significant portion of the budget, employee compensation, staffing levels and benefit costs are heavily scrutinized and closely managed. During the last economic recession, the Town reduced staff considerably. Town employees have taken on more responsibilities as the workforce decreased.

As with the previous fiscal year, the FY 18/19 budget includes capacity for funding of employee merit and step increases. Benefit costs rose due to increased pension rates and a 5% 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 2017/18 Budget	FY 2018/19 Budget	+/-
Police	136.13	135.13	-1.00
Community & Economic Development	27.86	27.88	+0.02
Parks and Recreation	58.13	59.92	+1.79
Public Works	66.77	70.79	+4.02
Water Utility	39.48	39.48	-
Magistrate Court	8.00	8.00	-
Administration	46.55	49.11	+2.56
Total Positions	382.92	390.31	7.39

The FTE decrease in the Police Department is attributable to the transfer of the fleet control specialist to the Public Works Department.

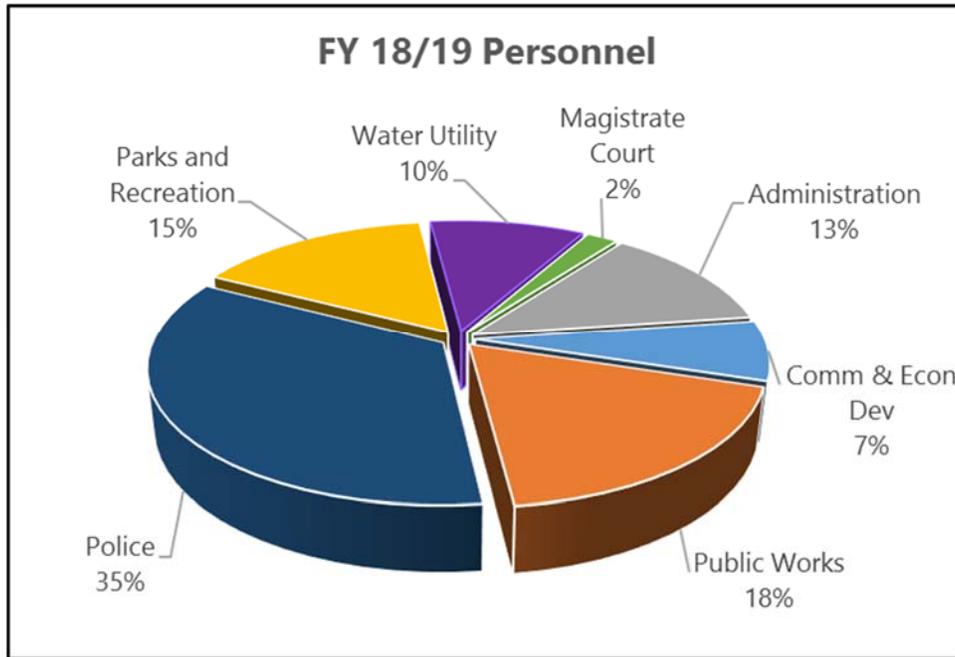
The FTE increase in the Parks and Recreation Department is attributable to a new deputy director, as well as increases in part-time seasonal staff at the Community Center to meet the programming and staffing needs of the facility.

The FTE increase in the Public Works Department is attributable to the transfer of two facilities maintenance technicians from the Parks and Recreation Department, the transfer of a fleet control specialist from the Police Department, and the department director position, which was previously reflected in the Community & Economic Development Department.

The FTE increase in Administration is attributable to a new systems analyst, a new procurement specialist and the replacement of a part-time office specialist with a full-time human resources assistant in the Administrative Services Department.

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

Personnel Summary



Benefit Rates and Costs

For employee coverage of medical premiums, the Town pays 85% of the premium and the employee pays 15%. For employee coverage of dental premiums, the Town pays 100% of the premium. For dependent medical and dental coverage, the Town pays 80% of the premiums and the employee pays 20%. Dental premiums are unchanged for FY 18/19. The contribution rate for the Arizona State Retirement System will increase slightly, from 11.5% to 11.8%. The rate for the Public Safety Personnel Retirement System will increase roughly 2%, while the Correction Officers Retirement Plan rate will increase nearly 18%. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 15/16	FY 16/17	FY 17/18	FY 18/19
Arizona State Retirement System (ASRS)	11.47%	11.48%	11.50%	11.80%
Public Safety Personnel Retirement System (PSPRS)	21.5%	23.66%	34.85%	37.04%
Correction Officers Retirement Plan (CORP)	22.05%	33.27%	43.63%	61.36%
Medical Premiums (per year)*	\$3,842	\$3,429	\$4,115	\$4,270
Dental Premiums (per year)**	\$257	\$267	\$201	\$201

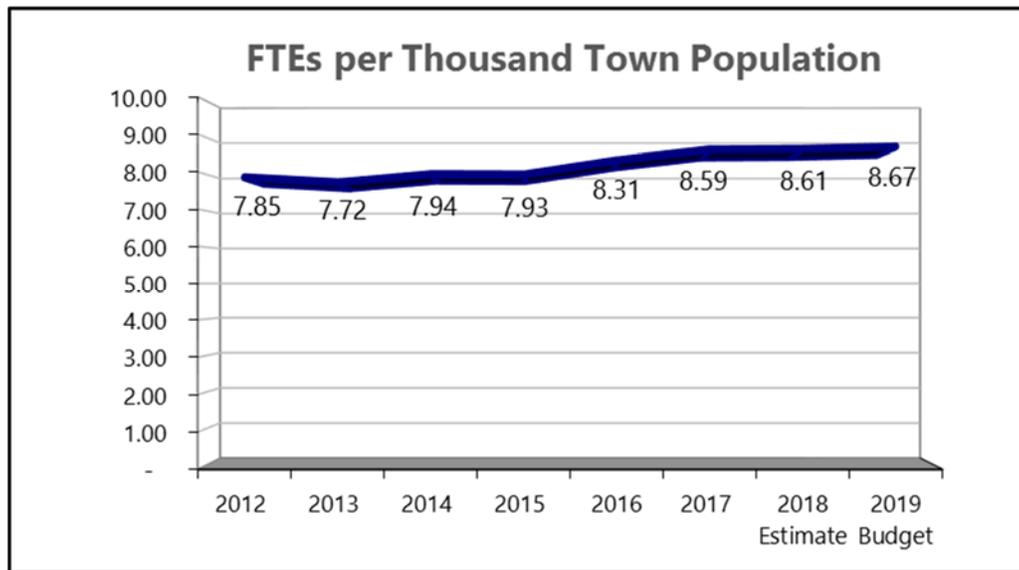
* single (employee-only) PPO coverage

** 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 since 2015. The increases are due in part 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 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual		Budget	Projected	Budget	
General Fund						
Administrative Services	17.50	17.48	18.48	18.48	21.00	2.52
Clerk	4.56	4.54	4.69	4.69	4.73	0.04
Community & Economic Dev.	29.70	29.70	27.86	26.88	27.88	0.02
Council	7.00	7.00	7.00	7.00	7.00	-
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	10.38	3.00
Parks and Recreation	35.70	28.20	38.31	38.31	39.31	1.00
Police	127.63	131.13	134.13	133.13	134.13	-
Public Works	24.68	36.93	27.89	27.89	33.39	5.50
General Fund Personnel	268.15	276.36	279.74	277.76	291.82	12.08
Special Revenue Funds						
Highway Fund	23.48	24.00	24.00	24.00	27.15	3.15
Bed Tax Fund	3.00	3.00	3.00	3.00	-	(3.00)
Community Center Fund	19.82	19.82	19.82	22.47	20.61	0.79
Impound Fee Fund	0.50	1.00	1.00	1.00	-	(1.00)
Seizure Funds	3.00	1.00	1.00	1.00	1.00	-
Special Revenue Funds Personnel	49.80	48.82	48.82	51.47	48.76	(0.06)
Capital Projects Funds						
PAG/RTA Fund	1.00	2.48	3.48	2.50	-	(3.48)
Capital Fund	-	3.00	1.50	1.50	-	(1.50)
Capital Projects Funds Personnel	1.00	5.48	4.98	4.00	-	(4.98)
Enterprise Funds						
Water Utility	37.48	39.48	39.48	39.48	39.48	-
Stormwater Utility	3.85	6.37	8.75	8.75	10.25	1.50
Enterprise Funds Personnel	41.33	45.85	48.23	48.23	49.73	1.50
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	361.43	377.66	382.92	382.61	390.31	7.39

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Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Administrative Services						
Admin. Svcs. Director/Chief Financial Officer	-	-	-	-	1.00	1.00
Finance Director	1.00	1.00	1.00	1.00	-	(1.00)
Chief Procurement Officer	-	-	-	-	1.00	1.00
Procurement Administrator	1.00	1.00	1.00	1.00	-	(1.00)
Finance Manager	1.00	1.00	1.00	1.00	1.00	-
Senior Budget Analyst	1.00	1.00	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	1.00	1.00	-
Accounting Specialist	-	1.00	1.00	1.00	1.00	-
Payroll Specialist	1.00	-	-	-	-	-
Human Resource Director	1.00	1.00	1.00	1.00	1.00	-
Human Resource Analyst	2.00	2.00	2.00	2.00	2.00	-
Chief Information Officer	-	-	-	-	1.00	1.00
IT Director	1.00	1.00	1.00	1.00	-	(1.00)
Network Administrator	1.00	1.00	2.00	2.00	2.00	-
Systems Analyst	1.00	1.00	1.00	1.00	2.00	1.00
Data Base Analyst	1.00	1.00	1.00	1.00	1.00	-
Senior GIS Specialist	1.00	1.00	1.00	1.00	1.00	-
GIS Analyst	1.00	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	1.00	-
Procurement Specialist	-	-	-	-	1.00	1.00
Senior Office Specialist	-	-	1.00	1.00	1.00	-
Human Resource Assistant	-	-	-	-	1.00	1.00
Office Specialist	1.50	1.48	0.48	0.48	-	(0.48)
Total Administrative Services	17.50	17.48	18.48	18.48	21.00	2.52
					Full-time employees: 21	
					Part-time employees: -	
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	-	-	-	-	-
Office Assistant	0.96	1.44	1.44	1.44	1.48	0.04
Communications Intern	0.10	0.10	0.25	0.25	0.25	-
Total Clerk	4.56	4.54	4.69	4.69	4.73	0.04
					Full-time employees: 4	
					Part-time employees: 2	
Community and Economic Development (CED)						
CED Director	-	-	-	-	1.00	1.00
Director, Community Dev. & Public Works	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	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
Principal Planner	2.00	2.00	2.00	2.00	2.00	-
Senior Planner	2.00	2.00	2.00	1.00	1.00	(1.00)
Planner	2.00	2.00	1.00	1.00	1.00	-
Economic Development Specialist	-	-	-	-	1.00	1.00
Senior Planning Technician	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-

Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
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	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	1.00	-
Administrative Coordinator	-	-	-	-	0.60	0.60
Zoning Technician	1.00	1.00	1.00	1.00	1.00	-
Building Permit Technician	2.00	2.00	2.00	2.00	2.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Specialist	0.48	0.48	1.08	1.08	0.48	(0.60)
Senior Office Assistant	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.92	1.92	0.48	0.50	0.50	0.02
Intern	0.30	0.30	0.30	0.30	0.30	-
Total CED	29.70	29.70	27.86	26.88	27.88	0.02
				Full-time employees:	28	
				Part-time employees:	1	
Council						
Mayor	1.00	1.00	1.00	1.00	1.00	-
Council Member	6.00	6.00	6.00	6.00	6.00	-
Total Council	7.00	7.00	7.00	7.00	7.00	-
				Full-time employees:	-	
				Part-time employees:	7	
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	-
				Full-time employees:	6	
				Part-time employees:	-	
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	4.00	3.00	3.00	(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	-
				Full-time employees:	8	
				Part-time employees:	-	

Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
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	1.00	-
Assistant to the Town Manager	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	-
Strategic Initiatives Manager	-	-	-	-	1.00	1.00
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	-
Public Information Officer	-	-	-	-	1.00	1.00
Total Town Manager's Office	10.38	10.38	10.38	10.38	10.38	-
					Full-time employees: 10	
					Part-time employees: 1	
Parks and Recreation						
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Deputy Parks & Recreation Director	-	-	-	-	1.00	1.00
Recreation & Culture 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	-
Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Superintendent	1.00	-	1.00	1.00	1.00	-
Parks Maintenance Coordinator	1.00	-	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	1.00	-
Park Maintenance Worker I	3.92	-	5.00	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	-	(2.00)
Senior Office Specialist	2.00	2.00	2.00	2.00	2.00	-
Office Assistant	1.75	2.00	2.00	2.00	2.00	-
Assistant Recreation Manager	2.00	2.00	2.00	2.00	2.00	-
Recreation Leader	1.76	2.76	2.91	2.91	2.91	-
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Aquatics Facility Supervisor	2.80	2.25	2.25	2.25	2.25	-
Aquatics Shift Leader	3.40	3.08	3.08	3.08	3.22	0.14
Custodian	1.92	0.48	0.48	0.48	0.48	-
Facility Attendant	5.00	5.00	5.00	5.00	5.00	-
Aquatics Facility Attendant	5.76	5.76	5.76	5.76	5.76	-
Recreation Aide	3.75	5.19	5.19	6.63	6.63	1.44
Fitness Instructor	1.50	1.50	1.50	1.75	1.75	0.25
Lifeguard/Swim Instructor	8.00	8.00	8.00	8.96	8.96	0.96
Total Parks and Recreation	55.52	48.02	58.13	60.78	59.92	1.79
					Full-time employees: 23	
					Part-time employees: 35	
					(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	-

Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	5.00	5.00	5.00	5.00	5.00	-
Sergeant	12.00	12.00	12.00	12.00	12.00	-
Public Relations Sergeant	-	-	1.00	1.00	1.00	-
Detective	7.00	6.00	6.00	6.00	7.00	1.00
Patrol Officer	52.00	52.00	52.00	53.00	52.00	-
Motorcycle Officer	7.00	7.00	7.00	6.00	6.00	(1.00)
School Resource Officer	7.00	8.00	10.00	9.00	10.00	-
K-9 Officer	2.00	2.00	2.00	2.00	2.00	-
DUI Officer	2.00	2.00	2.00	2.00	2.00	-
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	1.00	-
Police Communications Manager	1.00	1.00	1.00	1.00	1.00	-
Communications Supervisor	-	-	2.00	2.00	2.00	-
Lead Dispatcher	3.00	3.00	-	-	-	-
Dispatcher	8.00	9.00	10.00	10.00	10.00	-
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	-
Crime Scene Technician	2.00	2.00	2.00	2.00	2.00	-
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	-
Fleet Control Specialist	1.00	1.00	1.00	1.00	-	(1.00)
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	131.13	133.13	136.13	135.13	135.13	(1.00)
					131	
					8	
Public Works						
Public Works Director & Town Engineer	-	-	-	-	1.00	1.00
Assistant Public Works Director	-	-	-	-	1.00	1.00
Asst. Comm. Dev. & Public Works Director	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	1.00	1.00	1.00	1.00	1.00	-
Senior Stormwater Civil Engineer	-	-	-	-	1.00	1.00
Stormwater Civil Engineer	-	1.00	1.00	1.00	-	(1.00)
Civil Engineer	2.00	1.00	1.00	1.00	1.00	-
Stormwater Utility Division Manager	-	1.00	1.00	1.00	1.00	-
Stormwater Engineer	1.00	-	-	-	-	-
Stormwater Utility Project Manager	-	1.00	1.00	1.00	1.00	-
Stormwater Field Superintendent	-	-	1.00	1.00	1.00	-
Senior Transit Crew Leader	-	-	1.00	1.00	1.00	-
Transit Crew Leader	2.00	2.00	1.00	1.00	1.00	-
Civil Engineering Designer	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	-	-	-	-
Parks Maintenance Coordinator	-	1.00	-	-	-	-
Parks Maintenance Crew Leader	-	1.00	-	-	-	-
Parks Maintenance Worker II	-	1.00	-	-	-	-
Parks Maintenance Worker I	-	5.00	-	-	-	-
Park Monitor/Janitor	-	0.96	-	-	-	-

Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Streets Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00	-
Streets & Drainage Senior Crew Leader	-	-	-	-	-	-
Senior Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Construction Inspector	1.00	2.00	3.00	2.00	3.00	-
Construction Clerk	-	0.48	0.48	0.50	0.50	0.02
Administrative Coordinator	1.00	1.00	1.00	1.00	0.40	(0.60)
Stormwater Utility Analyst	-	1.00	1.00	1.00	1.00	-
Stormwater Inspector Designer	-	1.00	1.00	1.00	1.00	-
Civil Engineering Technician	1.00	-	-	-	-	-
Facilities Maintenance Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic III	1.00	1.00	1.00	1.00	1.00	-
Fleet Control Specialist	-	-	-	-	1.00	1.00
Traffic Signs/Markings Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	2.00	-
Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Facilities Maintenance Technician	1.00	1.00	1.00	1.00	3.00	2.00
Heavy Equipment Operator III	3.00	2.00	2.00	1.00	1.00	(1.00)
Heavy Equipment Operator II	3.00	7.00	7.00	7.00	7.00	-
Heavy Equipment Operator I	-	-	-	1.00	1.00	1.00
Senior Office Specialist	-	-	-	-	1.00	1.00
Office Specialist	1.48	2.00	1.40	1.40	1.00	(0.40)
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	1.00	-
Transit Specialist	1.11	1.11	1.11	1.11	1.11	-
Transit Dispatcher	2.11	2.11	2.11	2.11	2.11	-
Office Assistant	0.96	1.48	1.96	1.96	1.96	-
Transit Driver	16.50	18.79	19.71	19.71	19.71	-
Total Public Works	54.16	73.93	66.77	65.79	70.79	4.02
					Full-time employees:	48
					Part-time employees:	61
Water Utility						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Engineering Division Manager			1.00	1.00	1.00	-
Water Resources & Planning Manager	1.00	1.00	-	-	-	-
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water Operations Manager					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	-
Water Production & Meter Ops. Superint.	-	-	-	-	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	7.00	7.00	7.00	7.00	7.00	-
Water Utility Operator II	2.00	4.00	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	-

Personnel Schedule

	FY 2016	FY 2017	FY 2018		FY 2019	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Customer Service Specialist	4.00	4.00	4.00	4.00	4.00	-
Customer Service Representative	0.48	0.48	0.48	0.48	0.48	-
Total Water Utility	37.48	39.48	39.48	39.48	39.48	-
			Full-time employees:		39	
			Part-time employees:		1	
Total Personnel	361.43	377.66	382.92	382.61	390.31	7.39
			Full-time employees:		318	
			Part-time employees:		116	



Town of Oro Valley

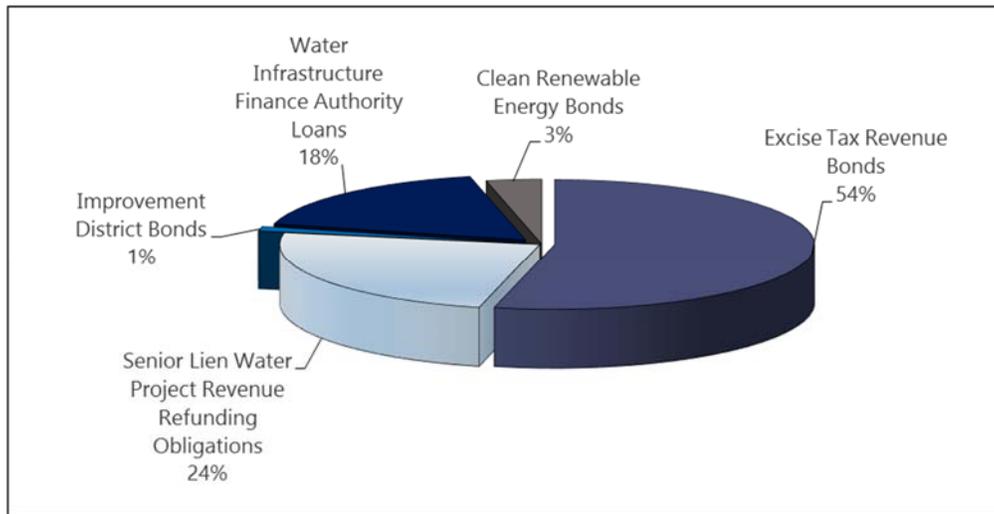
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Debt Service

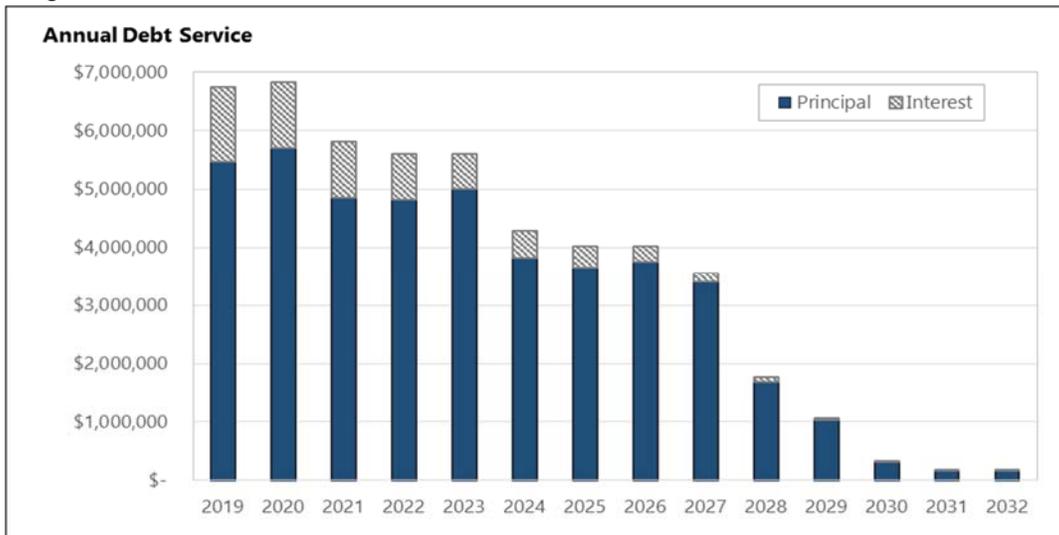
The Town of Oro Valley occasionally issues debt to provide funding for the construction of capital projects. The Town has adopted financial policies on debt capacity that set guidelines for issuing debt and provide guidance in the timing and structuring of long-term debt commitments. The general policy 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, 2018.

Outstanding Principal = \$43,876,874



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

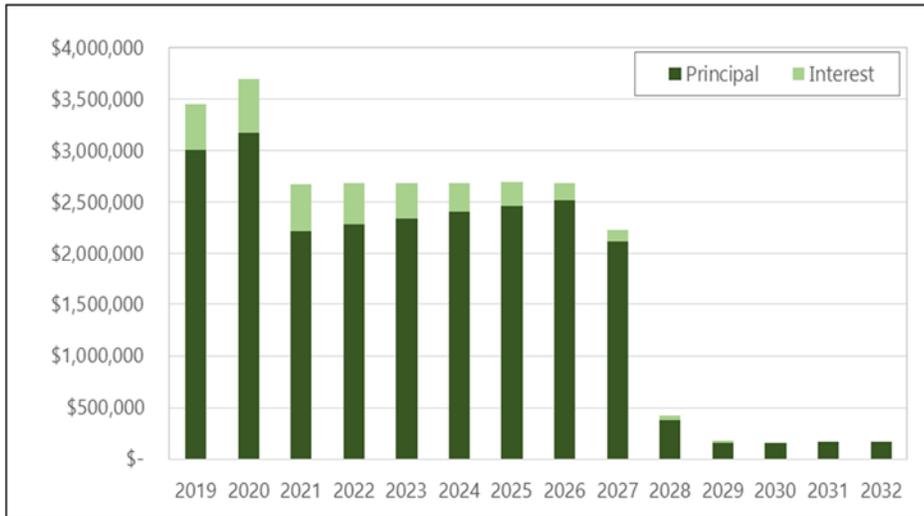


Debt Service

Financing Sources

Excise Tax Revenue Bonds

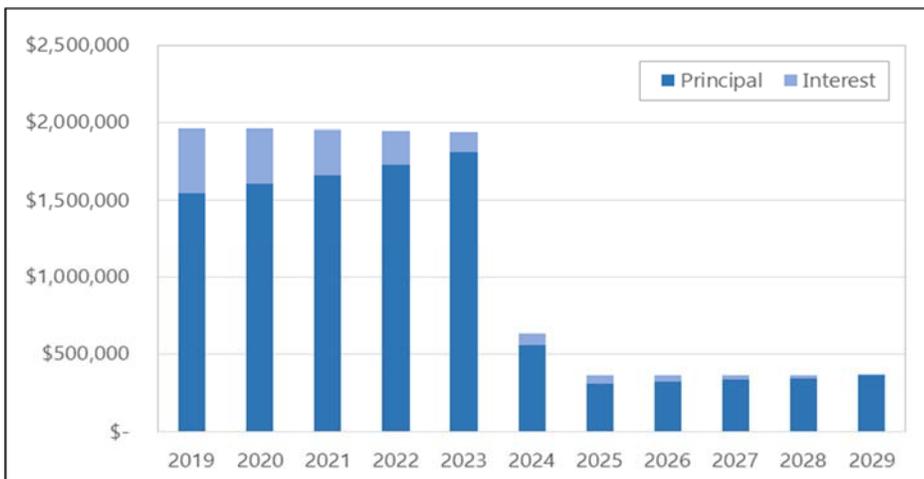
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities, 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

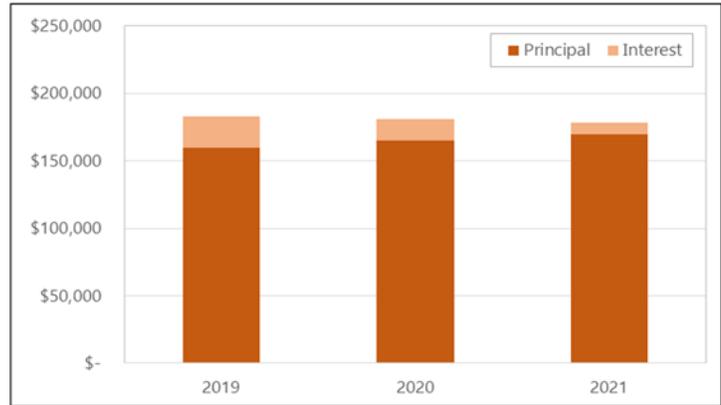
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds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



Debt Service

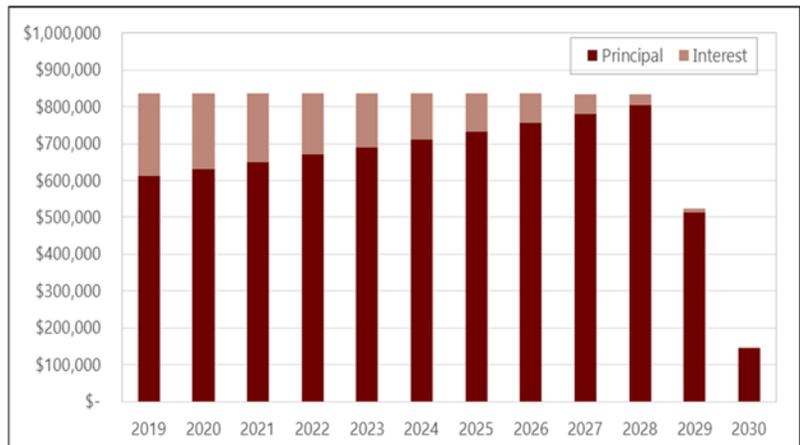
Improvement District Bonds

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).



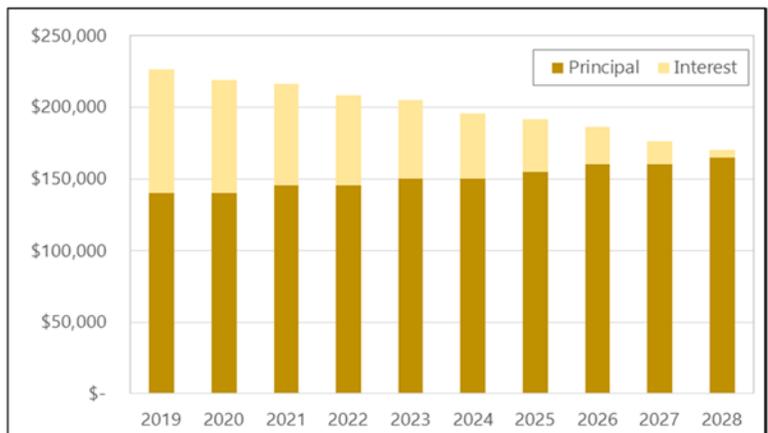
Water Infrastructure Finance Authority Loans (WIFA)

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
2019	3,537,425	1,965,481	183,108	837,101	226,507	6,749,621
2020	3,631,877	1,962,481	180,748	836,810	219,108	6,831,022
2021	2,618,074	1,957,081	178,075	836,509	216,354	5,806,093
2022	2,626,117	1,945,531		836,198	208,249	5,616,095
2023	2,632,576	1,941,906		835,878	204,706	5,615,067
2024	2,633,499	630,331		835,548	195,721	4,295,099
2025	2,633,426	362,931		835,207	191,318	4,022,882
2026	2,629,393	365,231		834,855	186,370	4,015,849
2027	2,177,117	368,631		834,493	176,066	3,556,307
2028	396,361	362,925		834,118	170,437	1,763,841
2029	172,760	371,159		524,499		1,068,419
2030	172,207			146,758		318,965
2031	172,577					172,577
2032	171,870					171,870
	26,205,277	12,233,691	541,930	9,027,976	1,994,833	50,003,707

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>
2019	160,000	23,108	183,108
2020	165,000	15,748	180,748
2021	170,000	8,075	178,075
Total	\$495,000	\$46,930	\$541,930

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>
2019	222,392	88,475	310,866
2020	230,255	80,472	310,727
2021	238,397	72,186	310,583
2022-2024	766,973	163,862	930,835
2025-2028	1,155,292	83,476	1,238,768
Total	\$2,613,309	\$488,471	\$3,101,780

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>
2019	103,736	45,439	149,175
2020	107,025	42,098	149,123
2021	110,419	38,650	149,069
2022-2023	231,453	66,517	297,970
2024-2026	375,437	71,070	446,507
2027-2030	556,764	35,917	592,681
Total	<u>\$1,484,834</u>	<u>\$299,691</u>	<u>\$1,784,525</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>
2019	140,000	86,507	226,507
2020	140,000	79,108	219,108
2021	145,000	71,354	216,354
2022-2024	445,000	163,676	608,676
2025-2028	640,000	84,189	724,189
Total	<u>\$1,510,000</u>	<u>\$484,833</u>	<u>\$1,994,833</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>
2019	160,000	68,819	228,819
2020	165,000	62,319	227,319
2021	170,000	55,619	225,619
2022-2023	360,000	90,238	450,238
2024-2025	390,000	60,738	450,738
2026-2028	640,000	35,903	675,903
Total	<u>\$1,885,000</u>	<u>\$373,634</u>	<u>\$2,258,634</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>
2019	1,545,000	420,481	1,965,481
2020	1,605,000	357,481	1,962,481
2021	1,665,000	292,081	1,957,081
2022-2024	4,105,000	412,769	4,517,769
2025-2029	1,685,000	145,878	1,830,878
Total	<u>\$10,605,000</u>	<u>\$1,628,691</u>	<u>\$12,233,691</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>
2019	995,000	21,859	1,016,859
2020	1,010,000	7,323	1,017,323
Total	<u>\$2,005,000</u>	<u>\$29,181</u>	<u>\$2,034,181</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>
2019	285,567	91,493	377,060
2020	293,140	83,819	376,959
2021-2022	609,809	143,797	753,607
2023-2025	976,710	152,878	1,129,588
2026-2029	1,427,504	76,953	1,504,457
Total	<u>\$3,592,731</u>	<u>\$548,940</u>	<u>\$4,141,671</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>
2019	397,000	60,843	457,843
2020	405,000	53,184	458,184
2021	409,000	45,410	454,410
2022-2023	842,000	67,003	909,003
2024-2026	1,331,000	38,381	1,369,381
Total	<u>\$3,384,000</u>	<u>\$264,822</u>	<u>\$3,648,822</u>

\$2,000,000

Excise Tax Revenue Obligations, Series 2016

- Date:** December 15, 2016
- Interest:** Payable semiannually commencing on July 1, 2017, and thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to finance energy efficiency improvements at the Town's Community Center.
- Security:** Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	91,000	42,999	133,999
2020	108,000	40,810	148,810
2021-2022	253,000	73,821	326,821
2023-2025	429,000	88,143	517,143
2026-2028	459,000	58,839	517,839
2029-2032	660,000	29,414	689,414
Total	<u>\$2,000,000</u>	<u>\$334,026</u>	<u>\$2,334,026</u>

Debt Service Schedules

\$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>
2019	1,369,000	330,905	1,699,905
2020	1,484,000	296,241	1,780,241
2021	1,520,000	259,743	1,779,743
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>\$1,627,614</u>	<u>\$15,929,614</u>

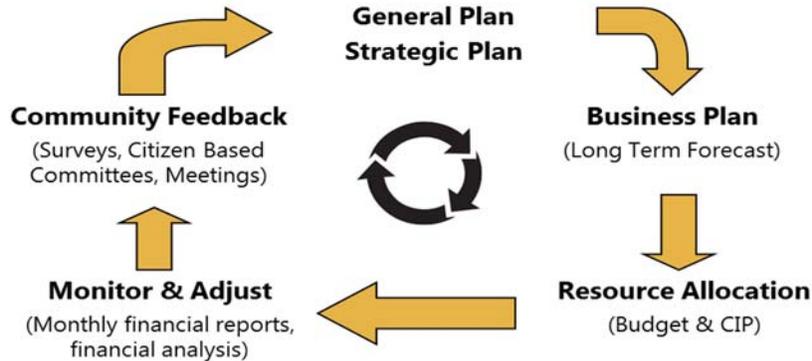


Town of Oro Valley

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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 General and Strategic Plans to our long term forecast, which in turn, drives our budget. A long term forecast allows the Town to determine how current spending plans will impact future budgets.



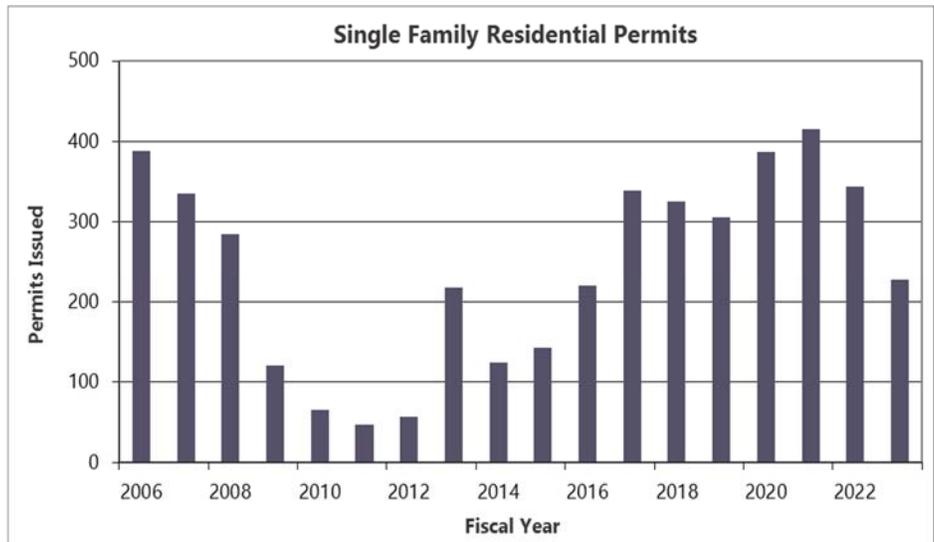
The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact 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 the Community and Economic Development Department 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 General Fund and Highway 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 2023.

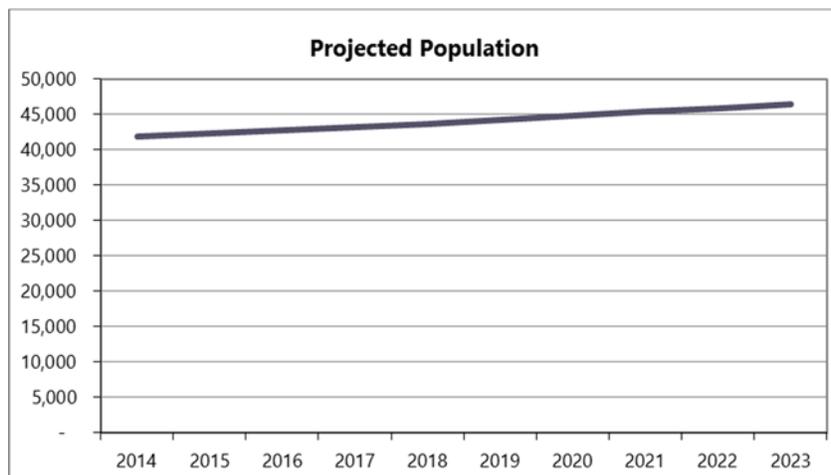


Long Term Forecast

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, state legislation has impacted local tax collection, collection efforts and state shared revenues, and future attempts at further impacts are always possible.

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, with the understanding and caveat that the current economic expansion is now in its ninth year. 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 1-6%. 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 General and Strategic Plans, 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

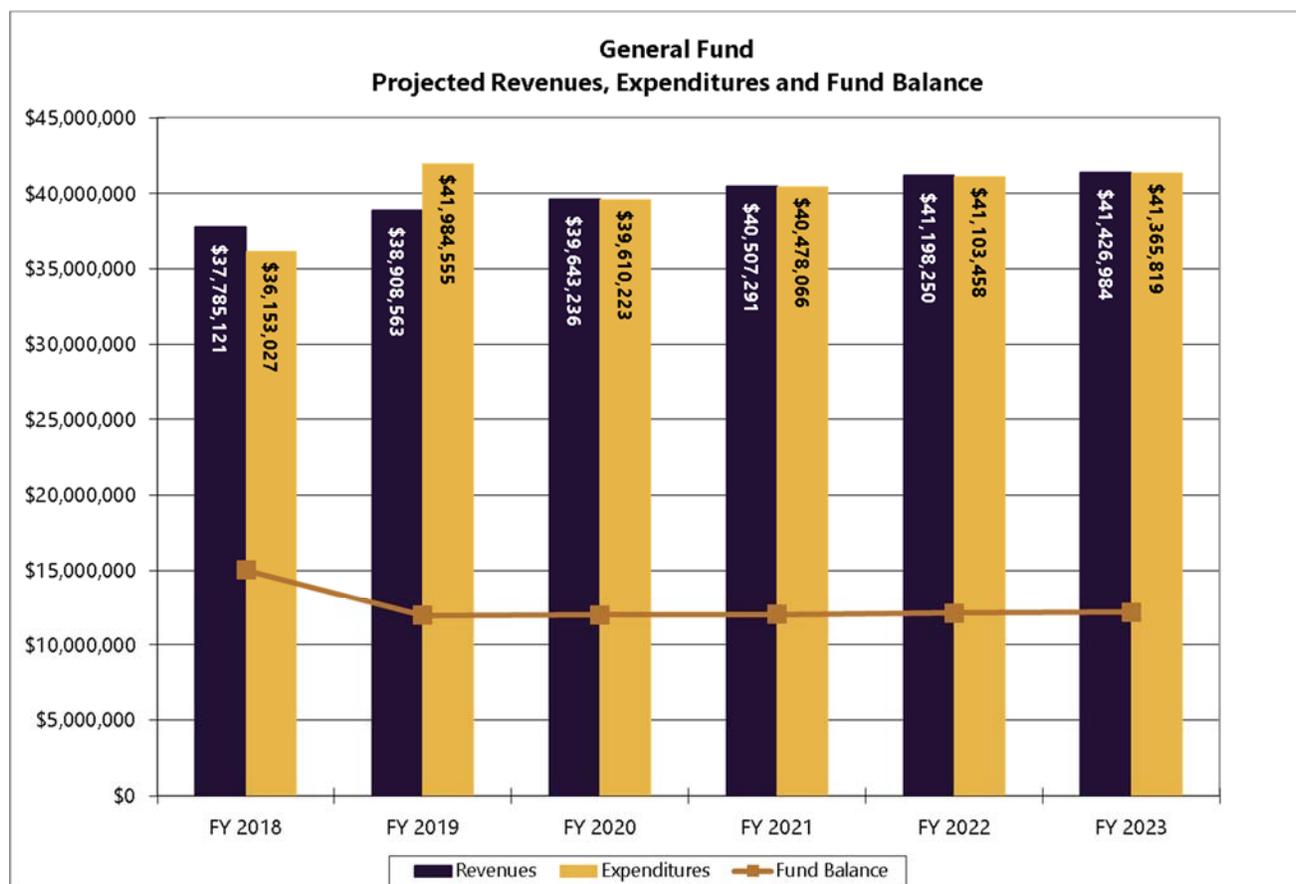
General Fund

The General Fund remains stable over the five-year horizon, with sustained building activity, moderate revenue growth and an emphasis on efficient operations and fiscally conservative spending.

The forecast assumes residential construction will peak in FY 20/21 with 415 single family residential (SFR) permits issued that year, declining to 227 in FY 22/23. In regards to commercial construction, the forecast assumes activity will be limited to smaller infill projects and potential development on remaining available parcels within Town. Construction sales tax collections and building permit revenues are expected to decline considerably into FY 22/23.

Recurring revenues are expected to grow 3%-5% per year. Recurring expenditures in the forecast reflect the continued commitment to providing fair employee compensation, managing the Town's pension and health insurance costs, planning for increased inflationary pressures in O&M budgets and allocating resources to asset replacement (computers and vehicles). 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.



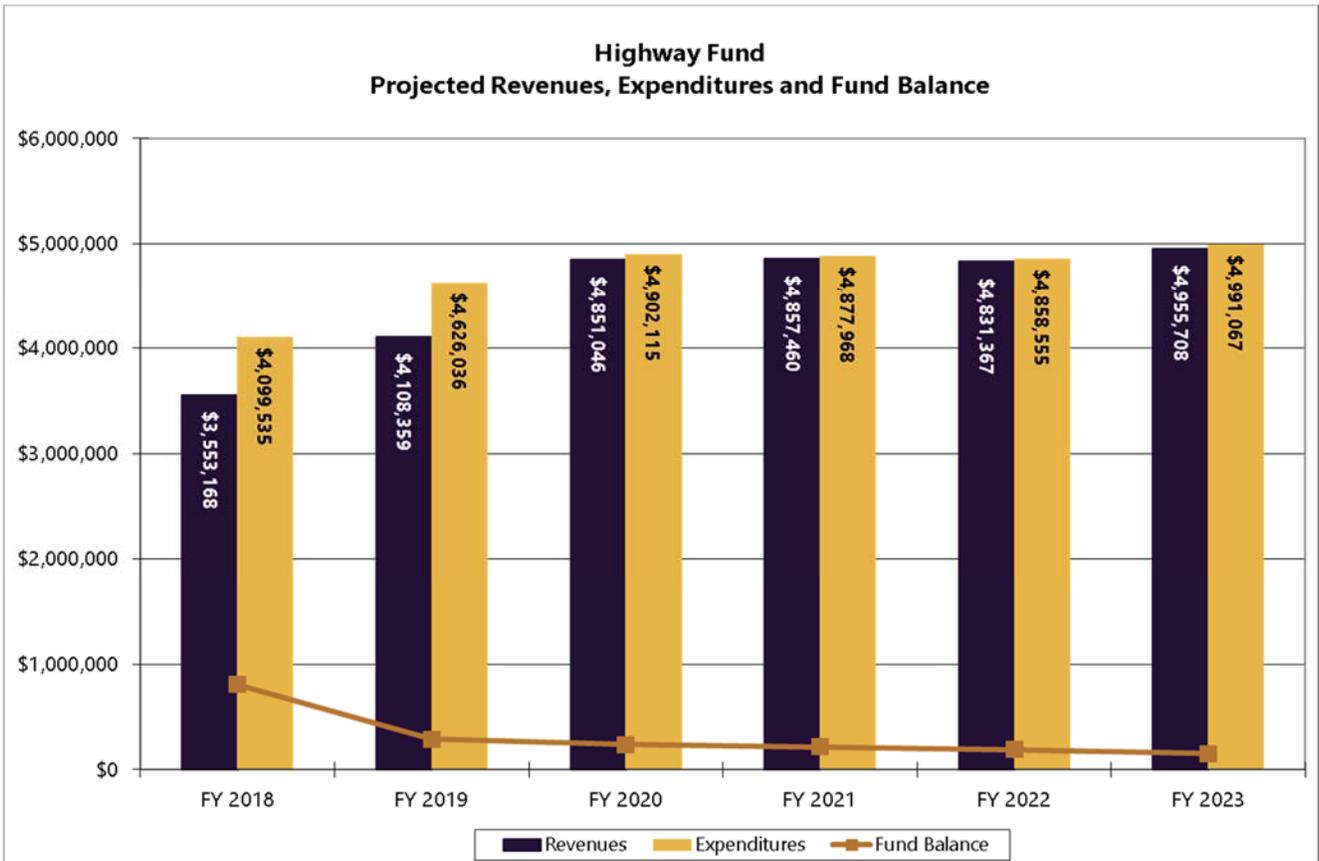
Long Term Forecast

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. Subsidy transfers from the General Fund will maintain an overall average fund balance in the Highway Fund of approximately \$150,000 to \$300,000 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 roughly \$1,400,000 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 \$153,000 by FY 22/23.



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 General and Strategic Plans, 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.



Town of Oro Valley

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PROGRAM BUDGETS

Administrative Services
Clerk
Community and Economic Development
Council
General Administration
Legal
Magistrate Court
Town Manager's Office
Bed Tax Fund
Parks and Recreation
Community Center Fund
Community Center Bond Fund
Parks and Recreation Impact Fee Fund
Police
Police Impact Fee Fund
Public Works
PAG/RTA Fund
Roadway 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
Capital Fund
Benefit Self Insurance Fund



Administrative Services

OVERVIEW

The Administrative Services Department reflects the consolidation of the Finance, Human Resources and Information Technology Departments. This consolidation increases efficiencies by promoting more integration and cross-functional collaboration and communication among three formerly separate departments that serve the same internal customer base and often share overlapping areas of responsibility. *Please refer to the individual templates for Finance, Human Resources and Information Technology for accomplishments, objectives and Strategic Plan performance data.*

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
17.48	18.48	18.48	21.00

	Expenditures				Variance to Budget
	FY 2017 Actual	FY 2018		FY 2019 Budget	
		Budget	Projected		
Finance	\$ 753,822	\$ 810,006	\$ 791,119	\$ 910,367	12.4%
Human Resources	339,194	375,790	375,790	424,488	13.0%
Information Technology	1,671,343	2,189,939	2,176,693	3,115,700	42.3%
	\$2,764,359	\$3,375,735	\$3,343,602	\$4,450,555	31.8%

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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 Administrative Services Director/Chief Financial Officer (CFO) provides management oversight over Information Technology and Human Resources.

2017-2018 ACCOMPLISHMENTS

- Received the Achievement of Excellence in Procurement Award for the 11th consecutive year
- Received Certificate of Achievement for Financial Reporting Excellence and Popular Annual Financial Reporting Award from the Government Finance Officers Association (GFOA)
- Received Distinguished Budget Presentation Award with special recognition for the Town's Capital Improvement Program from GFOA
- Updated the Town's financial and investment policy to reflect current Town practices with regard to dedicating funding specifically toward capital projects, asset maintenance and paying down the Town's unfunded Public Safety Personnel Retirement System (PSPRS) liability. The updates reflect best practices recommended by the Government Finance Officers Association (GFOA) and add corporate notes and negotiable CDs to the list of suitable investments to provide more flexibility and diversity in the Town's investment portfolio.

2018-2019 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 departments in implementing and funding 10-year Capital Improvement Program
- Implement and utilize the Town's new Whitebirch forecasting software to prepare annual five-year forecast of revenues and expenditures
- Participate in public education and outreach effort regarding the extension of the Alternative Expenditure Limitation Option, known as "Home Rule Option," placed on the August, 2018 primary election ballot for voter consideration
- Participate in process improvement efforts through OV Peak Performance initiative to streamline procurement processes and enhance internal controls
- Assist in training efforts and expanded use of the Town's enterprise resource planning system, MUNIS, across the organization
- Participate in town-wide development impact fee update process

Finance

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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	40.4%	41.6%	28.5%
		Maintain less than 5% variance between mid-year revenue forecast and actual fiscal year-end revenue for the General Fund	+6.7%	+1.1%	Less than 5%
		Receive the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA)	9 th consecutive year	10 th consecutive year	11 th consecutive year
		Receive the Certificate of Achievement for Financial Reporting Excellence from GFOA	24 th consecutive year	25 th consecutive year	26 th consecutive year
		Receive the Popular Annual Financial Reporting (PAFR) award from GFOA	6 th consecutive year	7 th consecutive year	8 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 Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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%	\$13,961/mo.	\$15,400/mo.	\$16,940/mo.
		% of internal customers rating procurement quality as excellent or good (goal 100%)	100%	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%)	95%	100%	100%
		Participation in the Town's "5 Questions in 5 Minutes" budget questionnaire (# of responses)	241	419	425

Finance

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Administrative Svcs. Director/CFO	-	-	-	1.00	1.00
Finance Director	1.00	1.00	1.00	-	(1.00)
Chief Procurement Officer	-	-	-	1.00	1.00
Procurement Administrator	1.00	1.00	1.00	-	(1.00)
Procurement Specialist	-	-	-	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	1.00	-
Senior Office Specialist	-	1.00	1.00	1.00	-
Office Specialist	1.00	-	-	-	-
Total FTEs	7.00	7.00	7.00	8.00	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 686,122	\$ 736,346	\$ 717,459	\$ 835,767	13.5%
Operations & Maintenance	67,700	73,660	73,660	74,600	1.3%
Total Expenditures	\$753,822	\$810,006	\$791,119	\$910,367	12.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 13.5% due to the addition of a new procurement specialist position, as well as position reclasses and merit increases.

Operations & Maintenance

Operations & Maintenance increased 1.3% due to required outside auditing services and costs.

Human Resources

OVERVIEW

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

2017-2018 ACCOMPLISHMENTS

- Conducted Request for Proposal for benefits broker services
- Coordinated annual benefits open enrollment and Wellness Fair
- Successfully implemented consolidated reporting of claims data between on-site health clinic and the Town's healthcare provider, United Healthcare
- Enhanced the use of NeoGov features
- Managed recruitment process for numerous position vacancies, including Town Manager, Community and Economic Development Director and Human Resources Director positions
- Implemented free, streamlined worker's compensation reporting solution through Triage Now

2018-2019 OBJECTIVES

- Re-engineer the performance management program and move toward implementation of electronic format for performance evaluations
- Transition HR-related forms and files from paper to electronic format
- Seek to implement paperless employee benefit enrollment process
- Develop multi-year plan to update Town salary grade plan
- Develop enhanced new employee orientation program

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
 <p>COMMUNITY</p> <p>Complete Community</p>	A community with a wide range of services	On-site health clinic annual estimated savings/return on investment (ROI)	\$318,425 savings / 2.65:1 ROI	\$300,000 savings / 2:1 ROI	\$300,000 savings / 2:1 ROI
		Conduct annual benchmark survey for a minimum of 30% of active positions to compare Oro Valley's salaries with other similar towns/cities	N/A	N/A	100%
		Number of technology process improvements implemented to maximize the use of staff resources	N/A	3	5
		Number of training classes conducted for supervisory staff or employees related to compliance, policies, federal laws or employee development/number of attendees	N/A	N/A	5/100

Human Resources

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	-
Human Resource Assistant	-	-	-	1.00	1.00
Office Specialist	0.48	0.48	0.48	-	(0.48)
Total FTEs	3.48	3.48	3.48	4.00	0.52

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 289,466	\$ 302,015	\$ 302,015	\$ 338,305	12.0%
Operations & Maintenance	49,728	73,775	73,775	86,183	16.8%
Total Expenditures	\$ 339,194	\$ 375,790	\$ 375,790	\$ 424,488	13.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 12.0% due to the replacement of a part-time office specialist position with a full-time human resource assistant, as well as merit increases.

Operations & Maintenance

Operations & Maintenance increased 16.8% due to training costs, as well as fingerprinting costs, which were previously budgeted in General Administration.

Information Technology

OVERVIEW

Information Technology (IT) identifies, implements and supports technology needs throughout all Town departments to support their business needs. Responsibilities include: management and security of the Town's computer networks, Geographic Information System (GIS) maps, desktop and network technology acquisition, application development and support, database management, website support, and management of all Town voice and data systems.

2017-2018 ACCOMPLISHMENTS

- Expanded use of Virtual Desktop technology to enable secure mobile access
- Implemented mobile device tracking system to track and manage mobile assets
- Implemented network infrastructure upgrades to increase quality and speed of IT services

2018-2019 OBJECTIVES

- Complete an upgrade to Windows 10
- Implement new recreation management software for the Parks and Recreation Department
- Implement asset management software for the Water Utility and Parks and Recreation Department
- Implement electronic field reporting in the Police Department

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
 COMMUNITY 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.)	99.1%	99%	99%
		Meet Arizona DPS, FBI/CJIS and PCI security compliance standards for 100% of eligible server, system and device configurations	98%	100%	100%
		Resolve 100% of IT helpdesk requests within 30 days	86%	90%	95%
		% of IT help desk requests resolved at time of call	62%	70%	80%

Information Technology

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Chief Information Officer (CIO)	-	-	-	1.00	1.00
IT Director	1.00	1.00	1.00	-	(1.00)
Network Administrator	1.00	2.00	2.00	2.00	-
Systems Analyst	1.00	1.00	1.00	2.00	1.00
Database Analyst	1.00	1.00	1.00	1.00	-
Senior GIS Specialist	1.00	1.00	1.00	1.00	-
GIS Specialist	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	7.00	8.00	8.00	9.00	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 684,334	\$ 814,676	\$ 801,430	\$ 934,832	14.7%
Operations & Maintenance	838,129	1,241,018	1,241,018	1,912,323	54.1%
Capital Outlay	148,880	134,245	134,245	268,545	100.0%
Total Expenditures	\$ 1,671,343	\$ 2,189,939	\$ 2,176,693	\$ 3,115,700	42.3%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.7% due to the addition of a new, full-time systems analyst position, as well as merit increases.

Operations & Maintenance

Operations & Maintenance increased 54.1% due to software maintenance and licensing costs, as well as the consolidation of telecommunications costs into Information Technology.

Capital Outlay

Capital increased 100.0%, primarily for network equipment replacements, police mobile data computers and an audio/video upgrade to the Town's Council chambers.



Town of Oro Valley

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Clerk

OVERVIEW

The Clerk's Office is the centralized information distribution point for our citizens, Town Council and staff. Responsibilities include 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 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.

2017-2018 ACCOMPLISHMENTS

- Added 15,030 documents, consisting of 112,260 pages to the Town's electronic document database
- Conducted the November 7, 2017 Special Bond Election at which voter turnout was 55.6%
- Implemented an electronic document recording solution resulting in increased efficiencies and reduced recording costs

2018-2019 OBJECTIVES

- Increase the number of electronic records available to the public
- Conduct the August 28, 2018 Primary Election and the November 6, 2018 General Election in accordance with federal, state and local laws
- Evaluate the feasibility of implementing an online business license application submission solution

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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%
	Increased opportunities for residents to provide meaningful input on Town decisions and planning	Issue 100% of new business license requests within 3-5 days of application	100%	100%	100%
		Initiate 100% of public records requests within 24 hours of receipt	100%	100%	100%

Clerk

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 Assistant	1.44	1.44	1.44	1.48	0.04
Communications Intern	0.10	0.25	0.25	0.25	-
Total FTEs	4.54	4.69	4.69	4.73	0.04

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 280,641	\$ 309,398	\$ 309,398	\$ 336,159	8.6%
Operations & Maintenance	90,904	175,700	175,700	108,400	-38.3%
Total Expenditures	\$ 371,545	\$ 485,098	\$ 485,098	\$ 444,559	-8.4%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Business Licenses & Permits	\$ 203,154	\$ 200,000	\$ 202,000	\$ 204,000	2.0%
Public Record Request Fees	1,802	1,500	1,500	3,000	100.0%
Total Revenues	\$ 204,956	\$ 201,500	\$ 203,500	\$ 207,000	2.7%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 8.6% due to the transition of two part-time office assistant positions to one full-time position, as well as merit increases.

Operations & Maintenance

Operations & Maintenance decreased 38.3% due to a reduced budget for election costs.



Town of Oro Valley

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Community & Economic Development(CED)



OVERVIEW

The Community and Economic Development (CED) Department supports and welcomes new and expanded business and residential development in the Town of Oro Valley. The department provides excellent customer service in coordinating all facets of economic development, planning, permitting, inspection and compliance of both horizontal and vertical construction within the community we serve. Our team is dedicated to ensuring that development proceeds in a safe and efficient manner to meet today's business needs. The department encourages the use of best practices in both community and economic development including innovative design that supports a sustainable economy, diverse employment opportunities, expanded education and cultural experiences for local residents.

2017-2018 ACCOMPLISHMENTS

ADMINISTRATION

- Successfully integrated community development and economic development into the new CED Department
- Adopted new unified mission statement for the CED Department
- Streamlined permit intake, tracking and monitoring for timely review

PERMITTING

- Issued a total of 2,357 permits - almost identical to the number of permits issued the previous year, including 1,263 miscellaneous permits, 537 residential building permits, 69 commercial building permits, 161 sign permits, 152 pool permits and 92 grading permits
- Issued 325 single family residential permits, a slight 4% decrease from the previous fiscal year
- Initialized over 130 new applications for new development related projects such as pre-applications, site and landscape plans, re-zonings, general plan amendments, final plats, etc.
- Collected over \$2 million in plan review and permit fees representing more than \$223 million in work valuation for new private construction

Community & Economic Development(CED)

2017-2018 ACCOMPLISHMENTS (continued)

- Issued permits for new businesses such as All Seasons of Oro Valley, Steam Pump Village Self-Storage, Growler's USA, One AZ Credit Union, Dogtopia, Oro Valley Internal Medicine, Which Wich and Simpleview
- Trained staff in use of digital review software (Bluebeam) for review of project submittals
- Participated in a developer's roundtable with the development community to solicit feedback and identify opportunities for improvement and greater efficiencies
- Continued use of 2nd party review for added review capacity and expedited review options
- Continued working with IT and staff to utilize current permitting system for full on-line submittal capabilities with complete implementation to occur in 2018

PLANNING

- Provided Planning review comments within time standards for all development applications
- Completed four Major General Plan Amendments: Big Wash area in Rancho Vistoso, northwest intersection of Rancho Vistoso Boulevard and Vistoso Commerce Loop, Shannon Road south of Ironwood High School and State Land near the intersection of Tangerine and Thornydale Roads
- Led zoning code improvement processes for nine separate amendments, including: signs, utility upgrade requests, streamlining the conceptual design review process, permitting attached dwellings in R-6 zones, submittal requirements, outdoor displays, calculation of rezoning protest areas in conformance with state law, Economic Expansion Zone and general plan amendment procedures
- Began phase 2 of Main Streets project, with significant progress on stakeholder committee work and development of an Improvement Plan outlining implementation tools, designs and planned improvements
- Expanded and improved the Economic Expansion Zone to help attract primary employers
- Held Community Academy training with 33 graduates and high quality ratings from participants
- Increased community understanding of development objectives and growth via media articles and website improvements

INSPECTION & COMPLIANCE

- Performed approximately 28,000 inspections at 9,200 locations, including major projects such as Canyon del Oro Baptist Church, Simpleview and Oro Valley Internal Medicine
- Responded to 60 complaints and generated 331 violations

ECONOMIC DEVELOPMENT – see Town Manager's Office

2018-2019 OBJECTIVES

ADMINISTRATION

- Formally integrate Peak Performance across all CED platforms
- Begin implementation of new CED operational & marketing plans
- Complete at least fifty high-level meetings with select leaders in business & industry, education & workforce, regional & state economic development allies and local government officials

Community & Economic Development(CED)

2018-2019 OBJECTIVES (continued)

- Conduct quarterly training by the CED Director, managers and select Executive Leadership Team members
- Evaluate number of transactions in each CED program

PERMITTING

- Continue utilizing technology by growing electronic plan review submittal and review processes to include all project submittal types for gained efficiencies and increased customer service
- Evaluate current permitting processes utilizing Peak Performance training and tools for continual improvements, streamlining opportunities and fostering growth and economic development
- Transition into new 2018 Building Code cycle by training building plan review staff in most recent code changes and notifying the development community of upcoming Code adoption with associated local amendments

PLANNING

- Review and completion of major development projects
- Further advance the Oro Valley Main Streets project by implementing approved Concept Plan, creating new zoning and improvement plans and continuing work with stakeholders
- Streamline development review by furthering electronic submittals and processing, and clarifying the conceptual design review process
- Complete Zoning Code updates, including comprehensive review, implementation of additional Economic Expansion Zone improvements and addressing of key projects in Council-approved Planning Workplace

INSPECTION & COMPLIANCE

- Deliver high quality inspections with rapid response to customers at all levels
- Work with regional partners and stakeholders to adopt and promote the most recently published codes available
- Respond to inquiries and/or complaints within 24 hours of receipt, with research and follow-through to an informed conclusion well within objective timelines
- Resolve violation cases voluntarily at least 95 percent of the time

ECONOMIC DEVELOPMENT

- Update, expand and diversify the Town's Economic Development Strategic Plan with customized targeted research that delivers specific outreach to economic development allies and businesses
- Expand the Town's Economic Development Marketing and Branding Strategic Plan initiatives by adopting additional tactics and related performance metrics to include enhanced electronic reporting of target audience presentations and visitations
- Present findings and recommendations to Town Manager and Council by end of calendar year 2018
- Enhance industry targeting by adding North American Industry Classification System (NAICS) code analytics and linking it to designated real estate offerings
- Update CED's webpage in collaboration with the Town's marketing and management teams
- Adopt and link expanded CED performance metrics to enhance other Town initiatives

Community & Economic Development(CED)

2018-2019 OBJECTIVES (continued)

- Expand marketing outreach to targeted industry and location consultants
- Create and deliver customized presentations to targeted local and global primary employers

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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%
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	Explore opportunities for adding more primary employers to the Town of Oro Valley by meeting with targeted industry leaders	N/A	N/A	50 meetings
		Expand prospect tracking system to measure leads, prospects and transactions with primary employers	N/A	N/A	70 new leads
		Evaluate NAICS (6 digit) business classification targets	N/A	N/A	20
ENVIRONMENT  Cultural Resources	The protection and preservation of significant cultural sites, properties and resources that enhance community character and heritage	Promote cultural offerings by providing free public art tours	See Town Manager's Office	See Town Manager's Office	20 tours

Community & Economic Development(CED)

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
<p>DEVELOPMENT</p>  <p>Land Use and Design</p>	<p>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</p>	Substantial progress in completion of adopted Work Plan (goal 50% per year of total estimated Work Plan effort)	8%	10%	12%
		% of civil, zoning and building plan reviews completed within established timeframes (goal 90%)	91%	92%	92%
		Average calendar days from first civil, zoning and building plan submittal to first review comments sent to applicants (goal 20 or less)	16	17	17
		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%)	98%	98%	99%
		Investigate first zoning violation complaints within 2 calendar days (goal 90%)	94%	95%	95%
		Average calendar days from zoning case inspection to voluntary compliance (goal 15 or less)	12	12	10
		Average calendar days from zoning case inspection to forced compliance (goal 60 or less)	68	65	60

Community & Economic Development(CED)

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
29.70	27.86	26.88	27.88

	Expenditures by Division				
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 270,939	\$ 361,866	\$ 321,866	\$ 275,431	-23.9%
Permitting	889,717	942,621	1,152,139	1,038,195	10.1%
Planning	710,480	713,745	619,504	599,188	-16.1%
Inspection and Compliance	770,983	827,355	813,336	842,822	1.9%
Economic Development	-	-	-	113,688	0.0%
	\$ 2,642,119	\$ 2,845,587	\$ 2,906,845	\$ 2,869,324	0.8%

	Revenue Sources				
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Residential Building Permits	\$ 1,490,966	\$ 1,225,000	\$ 1,292,458	\$ 1,271,000	3.8%
Commercial Building Permits	419,363	495,236	737,087	506,596	2.3%
Special Inspection Fees	6,504	4,000	5,282	4,500	12.5%
Zoning and Subdivision Fees	198,869	180,000	130,000	150,000	-16.7%
Sign Permits	17,580	20,000	25,909	20,000	0.0%
Grading Permit Fees	112,480	60,000	122,715	75,000	25.0%
Engineer Plan Review Fees	49,948	44,000	88,840	50,000	13.6%
Fire Permits and Fees	63,457	58,885	69,722	55,000	-6.6%
Grading Review Fees	2,600	4,000	-	-	-100.0%
	\$ 2,361,767	\$ 2,091,121	\$ 2,472,013	\$ 2,132,096	2.0%

CED – Administration

OVERVIEW

The primary function of the Community and Economic Development Director is to ensure harmonious growth as well as the health, safety, and welfare of the public in the built environment. The director, 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.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
CED Director	-	-	-	1.00	1.00
Director, CDPW	1.00	1.00	1.00	-	(1.00)
Administrative Coordinator	-	-	-	0.60	0.60
Office Specialist	-	0.60	0.60	-	(0.60)
Office Assistant	0.48	-	-	-	-
Total FTEs	1.48	1.60	1.60	1.60	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 187,001	\$ 214,914	\$ 214,914	\$ 202,856	-5.6%
Operations & Maintenance	77,806	146,952	106,952	72,575	-50.6%
Capital Outlay	6,132	-	-	-	0.0%
Total Expenditures	\$ 270,939	\$ 361,866	\$ 321,866	\$ 275,431	-23.9%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 5.6% due to differing salary costs with staff reallocations, and the reorganization of the former CDPW Department into two separate departments.

Operations & Maintenance

Operations & Maintenance decreased 50.6% due to outside professional services, as well as fleet costs, which are now consolidated within the Public Works Department.

CED – 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	0.50	0.50	0.02
Total FTEs	9.96	9.96	9.98	9.98	0.02

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 829,162	\$ 875,516	\$ 875,516	\$ 919,785	5.1%
Operations & Maintenance	60,555	67,105	276,623	118,410	76.5%
Total Expenditures	\$ 889,717	\$ 942,621	\$ 1,152,139	\$ 1,038,195	10.1%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.1% due to the transition of a part-time office assistant position to a full-time position.

Operations & Maintenance

Operations & Maintenance increased 76.5% due to outside plan review services.

CED – 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	1.00	1.00	(1.00)
Planner	2.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Assistant	0.96	-	-	-	-
Intern	0.30	0.30	0.30	0.30	-
Total FTEs	9.26	7.30	6.30	6.30	(1.00)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 623,651	\$ 656,435	\$ 562,194	\$ 544,478	-17.1%
Operations & Maintenance	86,829	57,310	57,310	54,710	-4.5%
Total Expenditures	\$ 710,480	\$ 713,745	\$ 619,504	\$ 599,188	-16.1%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 17.1% due to a vacant senior planner position that will not be refilled.

Operations & Maintenance

Operations & Maintenance decreased 4.5% due to postage savings, as well as consolidation of telecommunications costs into Information Technology.

CED – Inspection & Compliance

OVERVIEW

The Inspection and Compliance division is responsible for inspecting all new and altered, commercial and residential, vertical and horizontal construction within the town 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 752,371	\$ 806,720	\$ 792,701	\$ 824,827	2.2%
Operations & Maintenance	18,612	20,635	20,635	17,995	-12.8%
Total Expenditures	\$ 770,983	\$ 827,355	\$ 813,336	\$ 842,822	1.9%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.2% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 12.8% due to consolidation of telecommunications costs into Information Technology.

CED – Economic Development

OVERVIEW

Beginning FY 2019, Economic Development is a new General Fund division within the Community and Economic Development Department. These costs were previously budgeted in the Bed Tax Fund. Economic Development is responsible for business recruitment, retention and expansion.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Economic Dev. Specialist	-	-	-	1.00	1.00
Total FTEs	-	-	-	1.00	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	-	-	-	81,062	0.0%
Operations & Maintenance	-	-	-	32,626	0.0%
Total Expenditures	-	-	-	\$ 113,688	0.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

The economic development specialist position has been reallocated from the Bed Tax Fund.

Operations & Maintenance

Operations & Maintenance costs have been reallocated from the Bed Tax Fund.

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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.

2017-2018 ACCOMPLISHMENTS

- Approved revising the placement and size of signs as well as expanded usage of primary colors on architectural features
- Honored with Safety Leadership Award by American Society of Safety Engineers Southern Arizona Chapter specific to the hands free ordinance
- Mayor honored as a Champion for Young Children by First Things First Pima North Region
- Designation as a Gold Bicycle Friendly Business by League of American Bicyclists
- Approved final concept design of Veterans and First Responders Living Memorial at Naranja Park
- Approved expansion of Economic Expansion Zone boundaries
- Honored as Community Partner of the Year by Tucson Electric Power
- Approved placing Local Alternative Expenditure Limitation (Home Rule) on ballot
- Adopted a balanced budget for FY 18/19 in the amount of \$143 million, reflecting our community's values and priorities
- Issued proclamation declaring Town of Oro Valley a Purple Heart Town
- Approved option for golf courses for long-term sustainability, which includes improvements to irrigation systems as well as the Community Center

2018-2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 78,947	\$ 78,834	\$ 78,834	\$ 78,819	0.0%
Operations & Maintenance	121,686	135,925	135,925	131,675	-3.1%
Total Expenditures	\$ 200,633	\$ 214,759	\$ 214,759	\$ 210,494	-2.0%

FY 2018/2019 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 3.1% due to consolidation of telecommunications costs into Information Technology.



Town of Oro Valley

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General Administration

OVERVIEW

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

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Operations & Maintenance	\$ 1,645,285	\$ 1,662,216	\$ 1,662,216	\$ 2,676,700	61.0%
Capital Outlay	28,835	20,000	20,000	20,000	0.0%
Use of Contingency	39,127		75,000		0.0%
Other Financing Uses	2,469,304	2,799,668	2,524,668	4,700,514	67.9%
Total Expenditures	\$ 4,182,551	\$ 4,481,884	\$ 4,281,884	\$ 7,397,214	65.0%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

Operations and Maintenance increased 61% due to the consolidation of economic development regional partnerships into General Administration, a portion of which were previously in the Bed Tax Fund. In addition, vehicle reserve costs for future replacement are now consolidated in General Administration.

Other Financing Uses

Other Financing Uses increased 67.9% due to planned transfers to the Capital Fund for one-time capital improvements and set-aside for future expenditures.

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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.

2017-2018 ACCOMPLISHMENTS

- Staff Member is Chair of the State Best Practices Committee for prosecutors
- Provided statewide training to police officers with the Governor’s Office of Highway Safety
- Responded to insurance claims
- Provided review of Town’s adopted policies, contracts and ordinances

2018-2019 OBJECTIVES

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

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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	\$16.67	\$17.19	\$18.22
		Lawyers meet or exceed 15 credit hours (including 3 ethics) of continuing legal education per year	100%	100%	100%

Legal

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
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	-

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 643,379	\$ 682,670	\$ 674,802	\$ 702,847	3.0%
Operations & Maintenance	82,942	94,500	74,500	88,220	-6.6%
Capital Outlay	-	2,500	-	2,500	0.0%
Total Expenditures	\$ 726,321	\$ 779,670	\$ 749,302	\$ 793,567	1.8%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
State Grants	\$ -	\$ 2,500	\$ -	\$ 2,500	0.0%
Total Revenues	\$ -	\$ 2,500	\$ -	\$ 2,500	0.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.0% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 6.6% due to savings in outside professional services.



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.

2017-2018 ACCOMPLISHMENTS

- Implemented Alternative to Jail Video Court to reduce jail costs to the Town
- Created Court Security Standards Committee and complied with first year implementation requirements of the new Arizona Supreme Court Security Standards
- Held several working trainings and desk top exercises for active shooter and other situations
- Attended a cumulative total of 230 hours of continuing job-related education, including classes in ethics, diversity and computer security
- Participated in quarterly county-wide Warrant Resolution Court held at Pima County Justice Court, which provided individuals with outstanding warrants access to courts on specific Saturdays

2018-2019 OBJECTIVES

- Implement second year of Arizona Supreme Court Security Standards
- Update courtroom seating and clerk area
- Cross-train Court staff for backup coverage
- Conduct a minimum of two security trainings with Court staff
- Explore the possibility of implementing a program to address the increase in substance abuse related cases
- Conduct mental health education training for Court staff

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
 <p>COMMUNITY Public Safety</p>	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	95%	104%	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

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
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	4.00	3.00	3.00	(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	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 689,989	\$ 755,682	\$ 755,682	\$ 756,565	0.1%
Operations & Maintenance	119,604	118,600	118,600	127,820	7.8%
Capital Outlay	14,641	-	-	-	0.0%
Total Expenditures	\$ 824,234	\$ 874,282	\$ 874,282	\$ 884,385	1.2%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Court Costs	\$ 164,055	\$ 150,000	\$ 130,000	\$ 130,000	-13.3%
Public Defender Fees	5,101	1,000	5,000	5,000	400.0%
Fines	131,637	120,000	120,000	120,000	0.0%
Total Revenues	\$ 300,793	\$ 271,000	\$ 255,000	\$ 255,000	-5.9%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 0.1% due to merit increases, which were offset by savings due to a position refill at a lower grade.

Operations & Maintenance

Operations & Maintenance increased 7.8% due to court appointed attorney fees.



Town of Oro Valley

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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 tourism promotion, 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; Administrative Services; Legal Services; Police; Water Utility; Community and Economic Development; Public Works; Parks and Recreation; and Magistrate Court.

2017-2018 ACCOMPLISHMENTS

- Simpleview relocated their headquarters from Pima County to Oro Valley, bringing 184 employees
- Evaluated golf courses and provided recommended option adopted by Town Council for continued improvements to the facilities, as well as a long-term plan for sustainability
- Conducted 216 unique business retention and expansion site visits
- Hosted the Wall that Heals, a replica of the Vietnam Memorial Wall, from March 15 – 18, 2018, attracting 14,500 people to Riverfront Park
- Ask Oro Valley portal increased resident usage by 81%
- In partnership with AARP, Oro Valley hosted another successful paper shredding event, which also included recycling for clothing and electronics
- The Youth Advisory Council hosted events at new senior facilities to bridge the gap between the youths and seniors, and provided technology workshops to Sun City residents
- Partnered with Pima Association of Governments, Town of Marana and Town of Sahuarita to host the first annual Teen Leadership Conference in January 2018, with the second one scheduled for February 1, 2019
- Developed, designed and published more than 80 print advertisements in three local newspapers
- Wrote, co-wrote or edited more than 30 print articles in local publications

Town Manager's Office

2017-2018 ACCOMPLISHMENTS (continued)

- Developed and designed more than 20 Facebook advertising campaigns to promote initiatives, services or events
- Wrote and/or edited, designed and produced six Oro Valley Vista newsletters and three Parks and Recreation program guides
- Launched the Oro Valley Fact Checker and Town's account on NextDoor.com to increase residents' access to accurate information
- Developed public outreach campaigns and collateral materials for the 2017 Naranja Park Bond and 2018 Home Rule ballot initiatives.
- Helped brand, develop and promote the Town's new Celebrate Oro Valley signature event
- Partnered with Parks and Recreation to boost marketing efforts and increase production of collaterals such as newspaper articles and social media campaigns
- Improved the resident feedback loop by adding constituent services staff to the Communications Division team—a successful effort that will continue in the new fiscal year
- Started producing monthly Town Manager's Executive Report to Council, to consolidate and centralize Council communication
- Provided communications, social media and graphic design support to help launch the new Oro Valley Theatre Company

2018-2019 OBJECTIVES

- Establish a formalized marketing team to identify and align organizational marketing needs and objectives
- Redevelop a new Town website (Drupal 8), to launch at the end of FY 18-19
- Increase the reach and impact of the Town's communication efforts by increasing the frequency of newsletter and article publications, engaging in digital marketing with the Explorer Newspaper, and recruiting a public information officer
- Increase public awareness of the Town's services and events by developing an organization-wide logo, and by establishing new graphic design standards for branding and marketing consistency, to include special events
- Improve paid advertising return on investment by restructuring the way ads are planned and developed
- Improve the quality and effectiveness of print golf ads with in-house development and design
- Partner with the Water Utility to phase customers out of AquaHawk, and launch a community education campaign for the new Water Smart monitoring service
- Hold semi-annual event to provide the community with the opportunity to properly dispose of their household hazardous waste
- Begin implementation of data dashboards and the OV Peak Performance Initiative to improve efficiencies in operational processes
- Update the Town Council's Strategic Plan
- Create annexation strategy; finalize annexation and Specific Plan for Arizona State Land Department parcels off of Tangerine Road

Town Manager's Office

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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	4.9	4.7	4.5
		Increase average monthly unique visitors to Town's Economic Development webpage by 10%	12,390	10,838*	11,000*
		Unique visitors to the Town's website	252,886	245,000*	245,500*
		"Likes" or "followers" of the Town's Facebook page	4,084	4,500	5,000
		Average monthly engagement (people viewing, liking or commenting on posted information) on the Town's Facebook page	2,737	3,200	4,000
		Average monthly posts by the Town on its Facebook page	24	30	30
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	314	243	Moved to CED
ENVIRONMENT  Cultural Resources	The protection and preservation of significant cultural sites, properties and resources that enhance community character and heritage	Promote cultural offerings by providing free public art tours	238 participants	436 participants	Moved to CED

*Reduction in numbers is likely due to Town staff reviewing and eliminating obsolete data/pages/files in preparation for a move to a new web host.

Town Manager's Office

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
10.38	10.38	10.38	10.38

Expenditures by Program - General Fund					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 436,994	\$ 482,938	\$ 466,754	\$ 649,205	34.4%
Comm. & Constituent Svcs.	334,077	361,770	361,770	602,165	66.4%
	\$ 771,071	\$ 844,708	\$ 828,524	\$ 1,251,370	48.1%

Expenditures by Program - Bed Tax Fund					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Economic Development	\$ 666,257	\$ 769,158	\$ 754,158	\$ -	-100.0%
	\$ 666,257	\$ 769,158	\$ 754,158	\$ -	-100.0%

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, promotes tourism, 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Town Manager	1.00	1.00	1.00	1.00	-
Assistant Town Manager	1.00	1.00	1.00	1.00	-
Strategic Initiatives Manager	-	-	-	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	4.88	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 421,586	\$ 461,438	\$ 445,254	\$ 583,875	26.5%
Operations & Maintenance	15,408	21,500	21,500	65,330	203.9%
Total Expenditures	\$ 436,994	\$ 482,938	\$ 466,754	\$ 649,205	34.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 26.5% due primarily to the reallocation of the Strategic Initiatives Manager from the Bed Tax Fund, as well as merit increases.

Operations & Maintenance

Operations & Maintenance increased 203.9% due to the Strategic Plan update and reallocation of costs that were previously budgeted in the Bed Tax Fund.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	-
Marketing & Comm. Specialist	-	-	-	1.00	1.00
Public Information Officer	-	-	-	1.00	1.00
Senior Office Specialist	0.50	0.50	0.50	0.50	-
Total FTEs	3.50	3.50	3.50	5.50	2.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 309,591	\$ 331,540	\$ 331,540	\$ 477,877	44.1%
Operations & Maintenance	22,190	30,230	30,230	124,288	311.1%
Capital	2,296	-	-	-	0.0%
Total Expenditures	\$ 334,077	\$ 361,770	\$ 361,770	\$ 602,165	66.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 44.1% due to a new public information officer position, as well as the reallocation of a position previously budgeted in the Bed Tax Fund.

Operations & Maintenance

Operations & Maintenance increased 311.1% due to reallocation of costs that were previously budgeted in the Bed Tax Fund, as well as printing & binding.

Bed Tax Fund

OVERVIEW

The Bed Tax Fund, which previously covered all economic-development related funding and activities, has been collapsed into the General Fund beginning FY 18/19. The Strategic Initiatives Manager (previously the Economic Development Manager) and Marketing & Communications Specialist positions have moved to the Town Manager's Office, while the Economic Development Specialist position has moved to the new Community & Economic Development Department.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 257,493	\$ 272,523	\$ 272,523	\$ -	-100.0%
Operations & Maintenance	408,764	496,635	481,635	-	-100.0%
Capital	-	75,000	96,323	-	0.0%
Other Financing Uses	510,194	410,019	893,748	-	-100.0%
Total Expenditures	\$1,176,451	\$1,254,177	\$1,744,229	\$ -	-100.0%

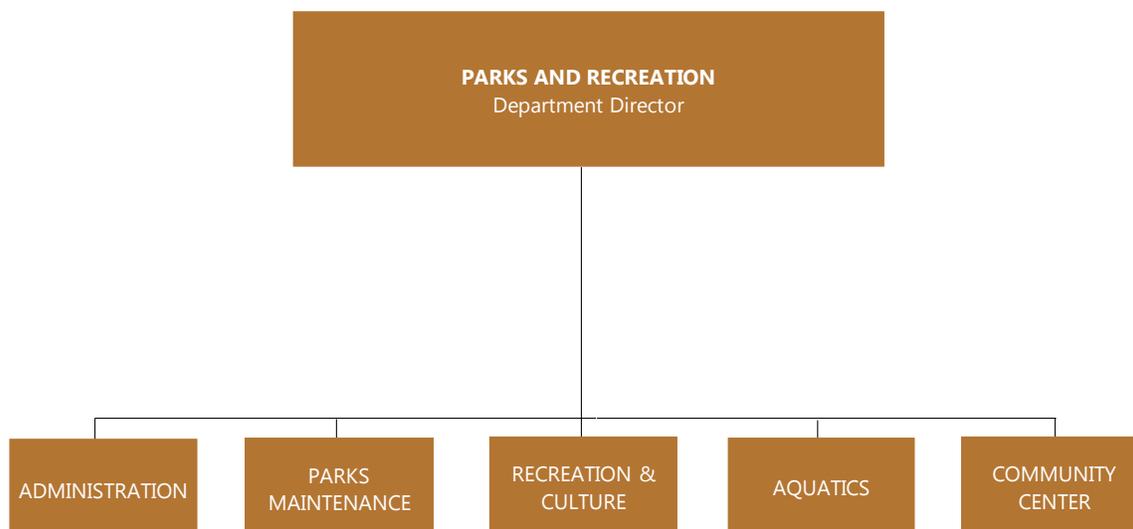
	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Bed Taxes	\$ 1,142,649	\$ 1,126,955	\$ 1,279,940	\$ -	-100.0%
Interest Income	535	8,011	1,678	-	-100.0%
Miscellaneous	3,500	-	-	-	0.0%
Total Revenues	\$1,146,684	\$1,134,966	\$1,281,618	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

All staff and expenditures have been reallocated to the General Fund within General Administration, the Town Manager's Office, and the Community & Economic Development Department.

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Parks and Recreation



OVERVIEW

The Parks and Recreation Department is comprised of the following divisions: Administration, Parks Maintenance, Recreation and Culture, Aquatics, and Community Center. The department is further responsible for providing staff support to the Parks and Recreation Advisory Board and the Historic Preservation Commission.

2017-2018 ACCOMPLISHMENTS

ADMINISTRATION

- Worked with user groups, property owners, and Pima County Flood Control District to develop and open the Big Wash trailhead
- Continued to promote the Round-up for Youth Scholarship program and funding
- Parks & Recreation Advisory Board developed a vision statement
- Hosted the State Historic Preservation Conference in Oro Valley that included hands-on work at Steam Pump Ranch
- Hosted the Wall that Heals at Riverfront Park

PARKS MAINTENANCE

- Installed two additional multi-sport lighted fields at Naranja Park
- Resurfaced the tennis court and basketball court at Riverfront Park
- Repaired roofs and ramadas at Riverfront Park
- Completed improvements at Naranja dog park to include relocation of turf, installation of water stations, and installation of agility equipment

RECREATION & CULTURE

- Hosted the first Celebrate Oro Valley festival
- Hosted the 4th of July celebration at Naranja Park with the first ever Town sponsored fireworks
- Rebranded the MOVE Across 2 Ranges that resulted in increased participation

Parks and Recreation

2017-2018 ACCOMPLISHMENTS (continued)

- Completed the preservation treatment of the adobe chicken coops in conjunction with the State Historic Preservation Office grant
- Introduced the first adult kickball league, which was an overwhelming success

AQUATICS

- Worked with Visit Tucson and Economic Development in developing a streamlined special event process for swim meets
- Installed redundant heating system for the Olympic pool
- Hosted a water polo tournament (first in region)

COMMUNITY CENTER

- Continue membership growth
- Expanded youth camp opportunities
- Installed new flooring in the fitness room
- Hosted successful special events (Halloween Spooktacular, Drive-in movies)

2018-2019 OBJECTIVES

ADMINISTRATION

- Recruit a high-quality Deputy Director
- Begin the development of a department Master Plan
- Install new recreation management software system

PARKS MAINTENANCE

- Renovate sport fields at James D. Kriegh Park
- Expand Naranja dog park
- Install new target backstops at archery range
- Begin the implementation of landscape improvements (planting plan) at Steam Pump Ranch
- Install Cartegraph asset management software system

RECREATION & CULTURE

- Expand programming options at 4th of July event
- Continue to expand recreational opportunities for all ages
- Expand cultural and recreational opportunities

AQUATICS

- Support and attract special events that are linked to economic impact
- Install aerator and new O2 system
- Complete facility improvements, including restroom floor, slide recoating, and deck maintenance

COMMUNITY CENTER

- Continue to provide new and innovative programming for member recruitment and retention
- Upgrade the lobby for better customer service functionality and controlled access for staff safety
- Oversee tennis operations, which were previously managed by an outside contractor

Parks and Recreation

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
COMMUNITY  Economic Development	Long-term financial and economic stability and sustainability	Maintain 48% cost recovery for Aquatics division	52.1%	51.9%	48.9
		Maintain 65% cost recovery for recreation programs	76.0%	80%	80%
		Number of Community Center memberships (goal is net gain of 25 memberships per quarter)	1,150	1,200	1,250
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	500	450	450
		Grow the number of special event offerings in parks and/or at Steam Pump Ranch	15	28	35
		Maintain park acres for active and passive recreational use (includes golf course at 324 acres)	See Public Works Dept.	773	773
		Grow the number of program offerings at the Community Center by ten new programs each season (3x/yr)	9	10	12
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)	2,971	3,635	3,700
		Average monthly engagement (people viewing, liking or commenting on posted information) on the Parks & Recreation Facebook page (includes El Con golf & tennis)	956	1,390	1,500
		Average monthly posts on the Parks & Recreation Facebook page (includes El Con golf & tennis)	43	110	115

Parks and Recreation

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
48.02	58.13	60.78	59.92

Expenditures by Fund					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 2,046,894	\$ 3,667,092	\$ 3,554,323	\$ 3,606,586	-1.6%
Community Center Fund	6,686,873	6,495,904	6,632,653	6,568,151	1.1%
Parks & Rec Impact Fee Fund	112,600	539,400	539,400	30,000	-94.4%
	\$8,846,367	\$ 10,702,396	\$ 10,726,376	\$ 10,204,737	-4.6%

Revenues by Fund					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 936,256	\$ 1,025,791	\$ 898,294	\$ 917,145	-10.6%
Community Center Fund	6,427,972	6,495,904	6,671,723	6,657,148	2.5%
Parks & Rec Impact Fee Fund	305,228	294,505	263,080	263,936	-10.4%
	\$7,669,456	\$ 7,816,200	\$ 7,833,097	\$ 7,838,229	0.3%

Parks and Recreation – General Fund

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
28.20	38.31	38.31	39.31

Expenditures by Division					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 401,387	\$ 611,370	\$ 548,820	\$ 528,408	-13.6%
Parks Maintenance	-	1,309,815	1,309,596	1,315,787	0.5%
Recreation and Culture	362,593	452,133	402,133	486,348	7.6%
Cultural Resources	37,113	47,326	47,326	-	-100.0%
Aquatics	1,245,801	1,246,448	1,246,448	1,276,043	2.4%
	\$ 2,046,894	\$ 3,667,092	\$ 3,554,323	\$ 3,606,586	-1.6%

Revenue Sources					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Aquatics User Fees	\$ 607,382	\$ 582,500	\$ 582,319	\$ 627,500	7.7%
Concession Sales	28,801	30,000	30,000	30,000	0.0%
Fields & Courts User Fees	125,178	117,000	120,600	129,800	10.9%
Miscellaneous User Fees	174,895	197,791	130,425	129,845	-34.4%
State Grants	-	98,500	34,950	-	-100.0%
	\$ 936,256	\$ 1,025,791	\$ 898,294	\$ 917,145	-10.6%

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, grant writing and management for the department, 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.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Deputy Parks & Rec. Director	-	-	-	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	5.00	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 306,946	\$ 322,741	\$ 322,741	\$ 446,695	38.4%
Operations & Maintenance	94,425	186,629	186,629	81,713	-56.2%
Capital Outlay	16	102,000	39,450	-	-100.0%
Total Expenditures	\$ 401,387	\$ 611,370	\$ 548,820	\$ 528,408	-13.6%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 38.4% due primarily to a new deputy Parks and Recreation director position.

Operations & Maintenance

Operations & Maintenance decreased 56.2% due primarily to consolidation of fleet costs within the Public Works Department, as well as savings in outside professional services.

Capital

Budgeted capital in FY 2018 was 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 the Town Hall campus. *Please note that for FY 2017, Parks Maintenance was budgeted within the Operations Division of the Public Works Department.*

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	-	5.00	5.00	5.00	-
Park Monitor	-	0.96	0.96	0.96	-
Total FTEs	-	9.96	9.96	9.96	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ -	\$ 560,365	\$ 560,146	\$ 583,787	4.2%
Operations & Maintenance	-	662,450	662,450	657,000	-0.8%
Capital Outlay	-	87,000	87,000	75,000	-13.8%
Total Expenditures	\$ -	\$ 1,309,815	\$ 1,309,596	\$ 1,315,787	0.5%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.2% due primarily to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 0.8% due to savings in outside professional services and non-capitalized equipment, as well as the consolidation of telecommunications into Information Technology. These decreases are partially offset with increases in water and sewage costs.

Capital

Capital decreased 13.8% due to projects completed in FY 2018.

Parks and Recreation – General Fund

Recreation & Culture

OVERVIEW

The Recreation and Culture Division is a consolidation of the previous Recreation and Cultural Resources Divisions. The Recreation and Culture Division is responsible for providing recreational programs, activities, classes, hikes, and special events for all ages, as well as ball field management and contracts. It is also responsible for 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Recreation & Culture Manager	0.80	0.80	0.80	1.00	0.20
Assistant Recreation Manager	1.00	1.00	1.00	1.00	-
Recreation Leader	1.80	1.95	1.95	1.95	-
Recreation Aide	1.75	1.75	1.75	1.75	-
Total FTEs	5.35	5.50	5.50	5.70	0.20

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 191,891	\$ 245,708	\$ 245,708	\$ 280,338	14.1%
Operations & Maintenance	170,702	206,425	156,425	196,010	-5.0%
Capital	-	-	-	10,000	0.0%
Total Expenditures	\$ 362,593	\$ 452,133	\$ 402,133	\$ 486,348	7.6%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.1% due to the consolidation of the previous Recreation and Cultural Resources Divisions, as well as merit increases.

Operations & Maintenance

Operations & Maintenance decreased 5.0% due to decreased special event costs.

Capital

Budgeted capital in FY 2019 is for stabilization work at Steam Pump Ranch.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	1.00	-
Office Assistant	1.00	-	-	-	-
Facility Supervisor	1.50	1.50	1.50	1.50	-
Shift Leader	2.39	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	18.65	18.65	18.65	18.65	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 625,219	\$ 650,898	\$ 650,898	\$ 690,753	6.1%
Operations & Maintenance	594,963	543,550	543,550	543,990	0.1%
Capital Outlay	25,618	52,000	52,000	41,300	-20.6%
Total Expenditures	\$ 1,245,801	\$ 1,246,448	\$ 1,246,448	\$ 1,276,043	2.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel increased 6.1% due to merit increases and an increase in lifeguard pay.

Capital

Capital decreased 20.6% due to projects completed in FY 2018.

Parks and Recreation – General Fund

Cultural Resources

OVERVIEW

Beginning FY 18/19, this division has been consolidated with the previous Recreation Division and renamed Recreation and Culture Division.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Recreation & Culture Manager	0.20	0.20	0.20	-	(0.20)
Total FTEs	0.20	0.20	0.20	-	(0.20)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 15,176	\$ 16,026	\$ 16,026	\$ -	-100.0%
Operations & Maintenance	21,487	16,300	16,300	-	-100.0%
Capital Outlay	450	15,000	15,000	-	-100.0%
Total Expenditures	\$ 37,113	\$ 47,326	\$ 47,326	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

Beginning FY 2019, this division has been consolidated with the previous Recreation Division. Please refer to the Recreation & Culture Division.

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, tennis, food and beverage, fitness and recreation activities. Expenditures include personnel, operating and capital improvement costs for the facilities. Golf, as well as food and beverage, are managed by an outside contractor.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	0.48	0.48	0.48	0.48	-
Facility Attendant	5.00	5.00	5.00	5.00	-
Aquatics Shift Leader	1.44	1.44	1.44	1.58	0.14
Lifeguard	2.00	2.00	2.96	2.96	0.96
Recreation Leader	0.96	0.96	0.96	0.96	-
Recreation Aide	3.44	3.44	4.88	4.88	1.44
Fitness Instructor	1.50	1.50	1.75	1.75	0.25
Total FTEs	19.82	19.82	22.47	20.61	0.79

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 735,808	\$ 745,858	\$ 781,683	\$ 769,329	3.1%
Operations & Maintenance	5,758,651	5,489,840	5,590,764	5,493,873	0.1%
Capital Outlay	72,414	94,250	94,250	50,950	-45.9%
Other Financing Uses	120,000	165,956	165,956	253,999	53.1%
Total Expenditures	\$ 6,686,873	\$ 6,495,904	\$ 6,632,653	\$ 6,568,151	1.1%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Local Sales Taxes	\$ 2,199,466	\$ 2,308,112	\$ 2,308,112	\$ 2,384,558	3.3%
Charges for Services	3,873,067	4,187,792	4,363,611	4,272,590	2.0%
Other Financing Sources	350,000	-	-	-	0.0%
Miscellaneous	5,440	-	-	-	0.0%
Total Revenues	\$ 6,427,972	\$ 6,495,904	\$ 6,671,723	\$ 6,657,148	2.5%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.1%. This is due to the reallocation of maintenance staff to the Public Works Department, which is offset with an increase in seasonal positions and lifeguard pay.

Capital

Capital decreased 45.9% due to the completion of golf course cart path improvements in FY 2018.

Other Financing Uses

Other Financing Uses increased 53.1% 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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Community Center Bond Fund

OVERVIEW

This fund has been established to account for bond-funded improvements at the Town's Community Center. Planned improvements over the next two fiscal years total approximately \$6 million, and include golf course irrigation replacement, a facility remodel, space reconfiguration and repurposing, with expanded fitness options.

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Capital Outlay	\$ -	\$ -	\$ -	\$ 3,000,000	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$3,000,000	0.0%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Other Financing Sources	\$ -			\$ 3,000,000	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$3,000,000	0.0%

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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.

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ -	\$ -	\$ 30,000	0.0%
Capital Outlay	-	-	-	-	0.0%
Other Financing Uses	112,600	539,400	539,400	-	-100.0%
Total Expenditures	\$ 112,600	\$ 539,400	\$ 539,400	\$ 30,000	-94.4%

	Revenue Sources				
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Impact Fees	\$ 304,149	\$ 294,505	\$ 261,080	\$ 261,936	-11.1%
Interest Income	1,079	-	2,000	2,000	0.0%
Total Revenues	\$ 305,228	\$ 294,505	\$ 263,080	\$ 263,936	-10.4%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

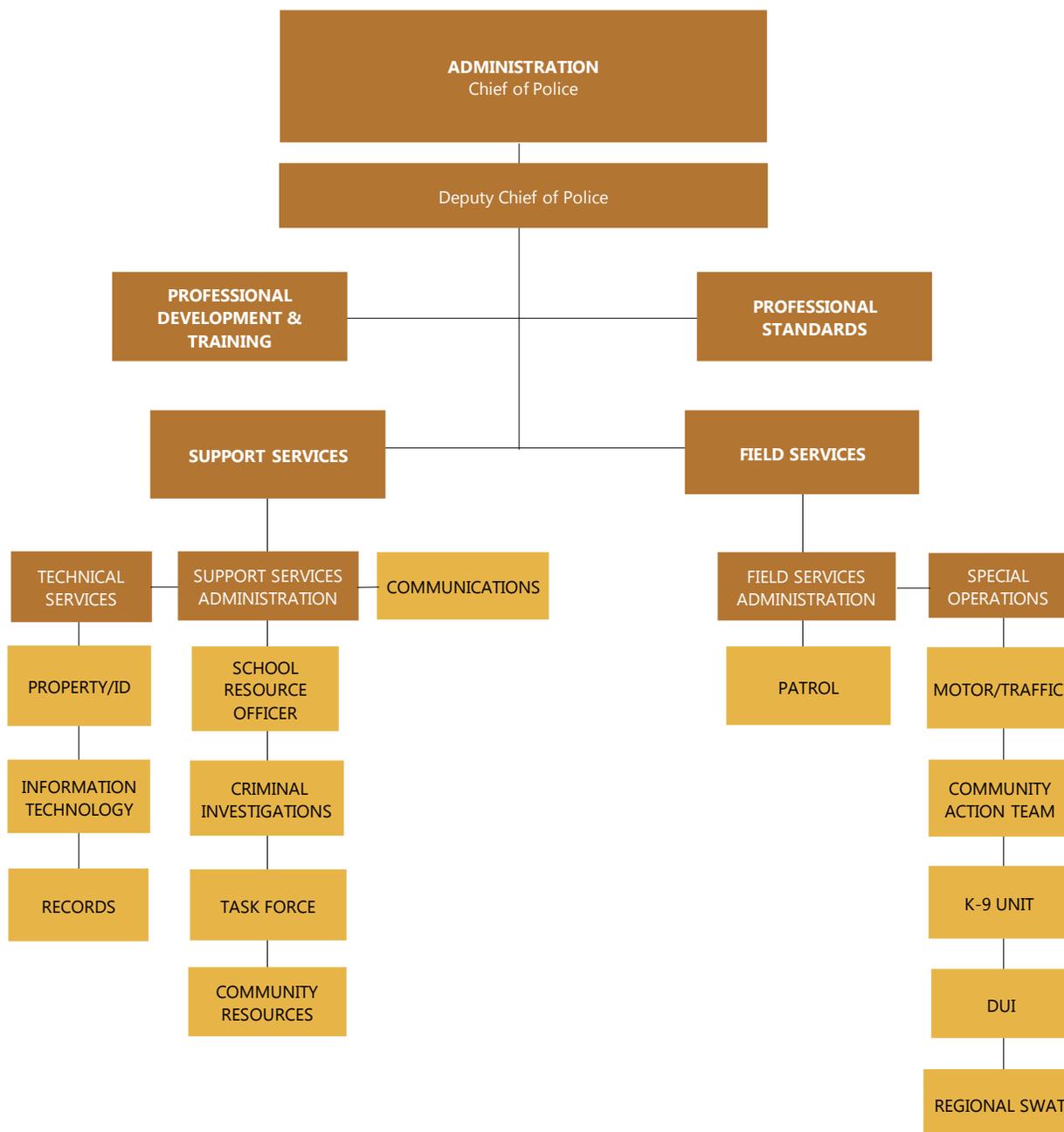
Operations & Maintenance budgeted in FY 2019 is for an impact fee study update.

Other Financing Uses

Other Financing Uses in FY 2017 and FY 2018 were transfers to the Capital 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

2017-2018 ACCOMPLISHMENTS

- Police Chief selected as Chair for the International Association of Chiefs of Police (IACP) Highway Safety Committee, being the first local police chief to be selected
- OVPD detective participated in the International Association of Chiefs of Police and Department of Justice committee on Elder Abuse in Washington, DC
- Formalized a ten-year intergovernmental agreement with Golder Ranch Fire District to provide maintenance and repairs of police fleet and specialty vehicles
- Launched unmanned aerial system program comprised of three UAS aircraft and seven FAA certified pilots, improving aerial observation, crime scene mapping, search and rescue and expedited collision mapping and roadway clearing
- Conducted a two week Explorer Academy, hosting Explorer Posts from outside jurisdictions
- Continued to support back to school and 'Shop with a Cop' programs
- Continued hosting Coffee with a Cop program, holding multiple events at Oro Valley restaurants and extended care facilities
- Currently 135 businesses participating in the Adopt-A-Business Program
- Citizen Volunteer Assistants Program members contributed 13,325 volunteer hours
- Explorers contributed 1,057 volunteer hours
- Received GOHS funding for three DUI breath detection devices, three handheld LIDAR speed detection devices and \$25,000 in overtime funding to support DUI enforcement and participation with the Southern Arizona DUI Task Force
- Received Operation Stonegarden funding for two license plate readers to detect stolen vehicles often used in the transport of illegal narcotics, and \$70,000 in overtime/mileage funding in support of combatting illegal contraband/human smuggling, and apprehension of terrorists entering the U.S.
- Explorers successfully competed in the national and Chandler Explorer competitions
- Taught eight Rape Aggression Defense (R.A.D.) classes, educating 126 students
- Participated in all 13 Southern Arizona DUI Task Force deployments
- Achieved full deployment of the Axon body worn camera program in patrol
- Progressed on new police evidence and substation facility by going out to bid for a contractor
- Created the Southern Arizona Law Enforcement Explorer Academy, incorporating six agencies

2018-2019 OBJECTIVES

Focus Area: Economic Development

- Complete all four IACP "One Mind" strategies to ensure successful interactions between Oro Valley police officers and persons affected by mental illness
- Train all officers in Verbal De-Escalation: Surviving Verbal Conflict, providing the communication skills proven to help de-escalate volatile situations
- Adopt a "Fit 4 Duty/Fit 4 Life" program to encourage and incentivize officers to reach their personal fitness/health goals to improve health and increase officer safety in the field
- Create an implementation plan to deliver public safety services to annexed areas
- Maintain updated department policies and directives

Police

2018-2019 OBJECTIVES (continued)

- Maintain strong regional collaborative relationships (Motor Academy, SWAT/Negotiations, Bomb Squad, etc.)
- Secure outside grant funding from federal, state and local sources

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
- 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

- Maintain a balanced budget
- Work with regional, state and federal partners to test technologies and equipment solutions that will enhance our ability to provide service to Oro Valley residents.
- Maximize use of non-Town funding sources by participating in task force operations
- Complete construction of the police evidence and substation facility

Police

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	CY 2017 Actual	CY 2018 Estimate	CY 2019 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	4,885 followers; 4,782 likes	5,500 followers; 5,000 likes	5,500 followers; 5,000 likes
		Provide 10 Dispose-a-med's a year	11	10	10
		Provide one Shred-a-thon a year	1	1	1
		Provide 10 R.A.D. classes a year	8	10	10
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	84.5%	85.6%	88.4%
		Respond to 100% of Priority II calls in less than eight minutes	85.6%	84.5%	85.1%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the day as reasonably safe or above	100%	100%	100%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the night as reasonably safe or above	100%	100%	100%
		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) *	76%	100%	100%

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

Police

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
133.13	136.13	135.13	135.13

	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 1,188,045	\$ 1,447,429	\$ 1,447,429	\$ 1,374,138	-5.1%
Support Services	7,244,915	7,208,204	7,076,626	6,558,530	-9.0%
Field Services	6,910,941	8,244,606	8,215,437	8,345,018	1.2%
Professional Dev. & Training	181,977	196,212	196,212	198,467	1.1%
Professional Standards	152,329	156,966	156,966	168,067	7.1%
	\$ 15,678,207	\$ 17,253,417	\$ 17,092,670	\$ 16,644,220	-3.5%

	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Federal Grants	\$ 489,289	\$ 471,342	\$ 426,836	\$ 596,162	26.5%
Intergovernmental	165,812	225,000	175,000	308,900	37.3%
State Grants	75,315	68,000	71,500	71,500	5.1%
Seizures & Forfeitures	32,102	85,137	55,968	86,665	1.8%
Fingerprinting	16,290	16,500	14,000	14,000	-15.2%
Report Copying	6,900	5,600	5,600	5,600	0.0%
Impound Processing	36,866	40,000	34,288	35,000	-12.5%
Other	34,972	20,183	29,012	21,488	6.5%
	\$ 857,546	\$ 931,762	\$ 812,204	\$ 1,139,315	22.3%

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	1.00	-
Administrative Services Manager	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	5.00	5.00	5.00	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 603,906	\$ 812,799	\$ 812,799	\$ 897,418	10.4%
Operations & Maintenance	584,139	634,630	634,630	476,720	-24.9%
Total Expenditures	\$1,188,045	\$1,447,429	\$1,447,429	\$1,374,138	-5.1%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 10.4% due to pension costs and merit increases.

Operations & Maintenance

Operations & Maintenance decreased 24.9% due to consolidation of telecommunications costs into Information Technology, as well as savings in other areas, including gas & electricity, travel & training, and equipment repair & maintenance.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	-
Reserve Officer	-	-	-	0.48	0.48
Total FTEs	5.00	5.00	5.00	5.48	0.48

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 651,304	\$ 659,419	\$ 659,419	\$ 720,702	9.3%
Operations & Maintenance	577	500	500	500	0.0%
Total Expenditures	\$ 651,881	\$ 659,919	\$ 659,919	\$ 721,202	9.3%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 9.3% due to the reallocation of a reserve officer, merits and pension 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, Innovation Academy, Pusch Ridge Christian Academy and, beginning FY 2019, Lemay Academy (subject to reimbursement funding).

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
School Resource Officer	8.00	10.00	9.00	10.00	-
Total FTEs	9.00	11.00	10.00	11.00	-

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 1,209,786	\$ 1,355,365	\$ 1,243,725	\$ 1,388,401	2.4%
Operations & Maintenance	12,994	9,250	9,250	14,250	54.1%
Total Expenditures	\$1,222,780	\$1,364,615	\$1,252,975	\$1,402,651	2.8%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.4% due to pension increases and employee changes in insurance coverage.

Operations & Maintenance

Operations & Maintenance increased 54.1% for 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Police Communications Mgr.	1.00	1.00	1.00	1.00	-
Communications Supervisor	-	2.00	2.00	2.00	-
Lead Dispatcher	3.00	-	-	-	-
Dispatcher	9.00	10.00	10.00	10.00	-
Total FTEs	13.00	13.00	13.00	13.00	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 918,845	\$ 1,044,615	\$ 1,044,615	\$ 1,069,193	2.4%
Operations & Maintenance	4,119	5,070	5,070	6,570	29.6%
Total Expenditures	\$ 922,965	\$1,049,685	\$1,049,685	\$1,075,763	2.5%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel increased 2.4% due to merits and pension increases.

Operations & Maintenance

Operations & Maintenance increased 29.6% due to equipment repair & maintenance, as well as memberships & subscriptions.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 423,127	\$ 449,295	\$ 449,295	\$ 455,065	1.3%
Operations & Maintenance	2,620	2,700	2,700	2,800	3.7%
Total Expenditures	\$ 425,747	\$ 451,995	\$ 451,995	\$ 457,865	1.3%

FY 2018/2019 Expenditure Changes

Personnel

Personnel costs increased 1.3% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 3.7% for office supplies.

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.

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Detective	6.00	6.00	6.00	7.00	1.00
Total FTEs	7.00	7.00	7.00	8.00	1.00

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 908,812	\$ 920,392	\$ 920,392	\$ 1,056,950	14.8%
Operations & Maintenance	9,478	11,400	11,400	11,900	4.4%
Total Expenditures	\$ 918,290	\$ 931,792	\$ 931,792	\$1,068,850	14.7%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.8% due primarily to the reallocation of an officer from Task Force operations reclassified as a detective, as well as step and pension increases.

Operations & Maintenance

Operations & Maintenance increased 4.4% for non-capitalized equipment.

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.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Systems Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 130,553	\$ 108,485	\$ 108,485	\$ 92,585	-14.7%
Operations & Maintenance	143,486	174,722	174,155	14,400	-91.8%
Capital Outlay	21,547	16,600	17,167	-	-100.0%
Total Expenditures	\$ 295,586	\$ 299,807	\$ 299,807	\$ 106,985	-64.3%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 14.7% due to the refilling of the systems analyst position at a lower salary and reduced insurance cost.

Operations & Maintenance

Operations & Maintenance decreased 91.8% due to reallocation of some costs to Information Technology.

Capital

Capital decreased 100.0% due to equipment purchases completed in FY 2018.

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. *Beginning FY 2019, these costs have been consolidated with the Public Works Department Fleet Maintenance program.*

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
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)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 98,988	\$ 108,085	\$ 108,085	\$ -	-100.0%
Operations & Maintenance	1,064,239	653,853	653,853	-	-100.0%
Total Expenditures	\$1,163,227	\$ 761,938	\$ 761,938	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

Beginning FY 2019, these costs have been consolidated with the Public Works Department Fleet Maintenance program.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	2.00	1.00
Total FTEs	3.00	3.00	3.00	4.00	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 381,052	\$ 385,838	\$ 385,838	\$ 485,434	25.8%
Operations & Maintenance	45,004	58,500	58,500	58,500	0.0%
Total Expenditures	\$ 426,056	\$ 444,338	\$ 444,338	\$ 543,934	22.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 25.8% due primarily to the reallocation of an officer from Task Force Operations, as well as step and pension increases.

Police – Task Force Operations

OVERVIEW

The OVPD is actively involved in multi-jurisdictional joint task forces across southern Arizona.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Officer	7.00	7.00	7.00	5.00	(2.00)
Total FTEs	7.00	7.00	7.00	5.00	(2.00)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 877,393	\$ 865,141	\$ 865,141	\$ 688,466	-20.4%
Capital Outlay	33,553	23,000	23,000	153,230	566.2%
Total Expenditures	\$ 910,946	\$ 888,141	\$ 888,141	\$ 841,696	-5.2%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 20.4% due to the reallocation of two officers to Investigations and Community Resources.

Capital

Capital increased 566.2% for additional grant-funded equipment purchases budgeted in FY 2019.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 236,532	\$ 257,724	\$ 252,786	\$ 258,534	0.3%
Operations & Maintenance	70,905	98,250	83,250	81,050	-17.5%
Total Expenditures	\$ 307,437	\$ 355,974	\$ 336,036	\$ 339,584	-4.6%

FY 2018/2019 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 17.5% due to field supply purchases completed in FY 2018 for new positions.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 736,590	\$ 766,275	\$ 766,275	\$ 777,040	1.4%
Operations & Maintenance	1,340	1,500	1,500	1,500	0.0%
Total Expenditures	\$ 737,930	\$ 767,775	\$ 767,775	\$ 778,540	1.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.4% due to reallocation of staff among program areas.

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.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	32.00	32.00	1.00
Reserve Officer	1.44	1.44	1.44	1.44	-
Total FTEs	49.44	49.44	50.44	50.44	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 4,478,404	\$ 5,649,522	\$ 5,743,198	\$ 5,845,914	3.5%
Operations & Maintenance	16,324	15,000	15,000	15,000	0.0%
Capital Outlay	-	-	-	12,000	0.0%
Total Expenditures	\$4,494,728	\$5,664,522	\$5,758,198	\$5,872,914	3.7%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.5% due to the reallocation of an officer from Motor/Traffic, as well as step increases and pension costs.

Capital

Budgeted capital in FY 2019 is for a replacement canine.

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.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
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	5.00	5.00	(1.00)
Total FTEs	8.00	8.00	7.00	7.00	(1.00)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 926,227	\$ 1,030,536	\$ 907,691	\$ 877,972	-14.8%
Operations & Maintenance	12,302	19,970	19,970	19,970	0.0%
Total Expenditures	\$ 938,529	\$1,050,506	\$ 927,661	\$ 897,942	-14.5%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 14.8% due to the reallocation of an officer to Patrol. This decrease is partially offset with step and pension increases.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 739,755	\$ 761,803	\$ 761,803	\$ 795,622	4.4%
Total Expenditures	\$ 739,755	\$ 761,803	\$ 761,803	\$ 795,622	4.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.4% due to step increases and pension costs.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 135,389	\$ 138,212	\$ 138,212	\$ 140,467	1.6%
Operations & Maintenance	46,588	58,000	58,000	58,000	0.0%
Total Expenditures	\$ 181,977	\$ 196,212	\$ 196,212	\$ 198,467	1.1%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.6% due primarily to increased pension costs.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 141,912	\$ 147,316	\$ 147,316	\$ 158,417	7.5%
Operations & Maintenance	10,417	9,650	9,650	9,650	0.0%
Total Expenditures	\$ 152,329	\$ 156,966	\$ 156,966	\$ 168,067	7.1%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 7.5% due to step and pension increases.

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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Operations & Maintenance	\$ -	\$ -	\$ -	\$ 30,000	0.0%
Capital Outlay	-	485,000	-	650,000	34.0%
Total Expenditures	\$ -	\$ 485,000	\$ -	\$ 680,000	40.2%

	Revenue Sources				
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Impact Fees	\$ 170,689	\$ 128,207	\$ 141,069	\$ 111,678	-12.9%
Interest Income	1,052	-	2,000	-	0.0%
Total Revenues	\$ 171,741	\$ 128,207	\$ 143,069	\$ 111,678	-12.9%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

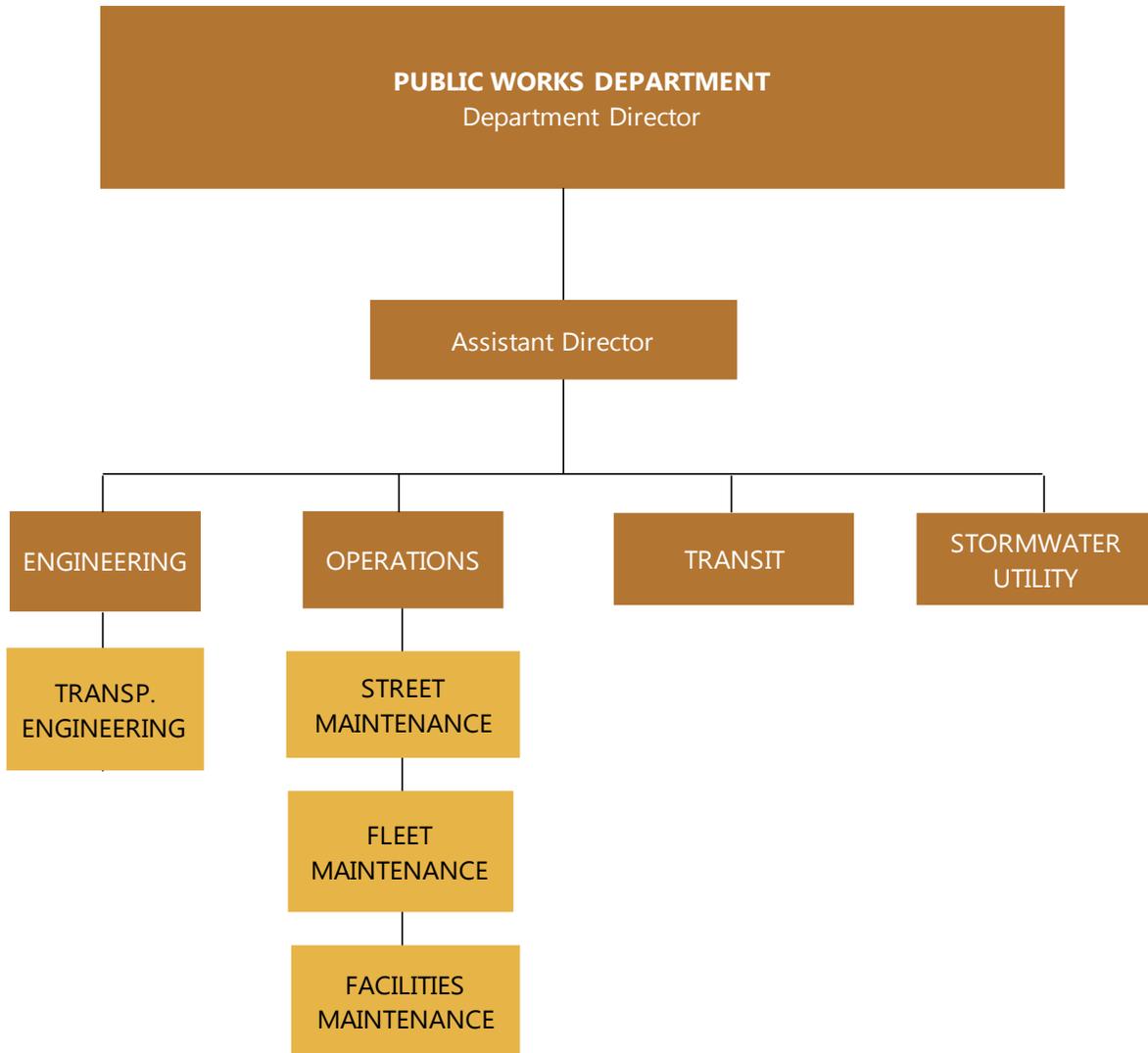
Operations & Maintenance budgeted in FY 2019 is for an impact fee study update.

Capital Outlay

Budgeted capital is for construction of the Police evidence facility and southern substation CIP project.

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Public Works



OVERVIEW

The Public Works Department is organized into four functional divisions: Engineering, Operations, Transit and Stormwater. Engineering 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.

Operations is responsible for maintenance of the town's streets and drainage ways, facilities maintenance including repairs and minor renovations, and fleet maintenance for vehicles and heavy equipment. Transit is responsible for management and operation of the Sun Shuttle Dial-a-Ride public transit service under contract with the Regional Transportation Authority. Stormwater is responsible for management and operation of the Town's Stormwater Utility.

Public Works

Total FTEs			
FY 2017 ** Actual	FY 2018 **		FY 2019 Budget
	Budget	Projected	
68.45	61.79	61.79	70.79

** Figures do not include positions in the PAG/RTA Fund or the Capital Fund, although these positions are under the management of the Public Works Department.

	Expenditures by Fund **				Variance to Budget
	FY 2017 Actual	FY 2018		FY 2019 Budget	
		Budget	Projected		
General Fund	\$ 3,033,904	\$ 2,047,882	\$ 1,937,312	\$ 3,518,946	71.8%
Highway Fund	4,434,011	4,949,877	4,099,534	4,626,036	-6.5%
Stormwater Utility Fund	1,079,533	1,305,700	1,305,700	3,351,849	156.7%
Fleet Fund	1,353,330	1,316,314	2,490,125	-	-100.0%
	\$ 9,900,778	\$ 9,619,773	\$ 9,832,671	\$ 11,496,831	19.5%

Divisions/programs supported by the General Fund include Fleet Maintenance (beginning FY 2019), Facilities Maintenance and Transit (includes Parks Maintenance in FY 2017)

** Does not include the PAG/RTA Fund or the Roadway Impact Fee Fund

	Revenues by Fund **				Variance to Budget
	FY 2017 Actual	FY 2018		FY 2019 Budget	
		Budget	Projected		
General Fund	\$ 1,552,515	\$ 1,627,120	\$ 1,490,081	\$ 1,558,300	-4.2%
Highway Fund	3,756,730	3,834,575	3,553,168	4,108,359	7.1%
Stormwater Utility Fund	1,315,767	1,403,000	1,397,334	3,409,000	143.0%
Fleet Fund	1,702,684	1,454,896	1,537,754	-	-100.0%
	\$ 8,327,696	\$ 8,319,591	\$ 7,978,337	\$ 9,075,659	9.1%

** Does not include the PAG/RTA Fund or the Roadway Impact Fee Fund

Public Works – Highway Fund

OVERVIEW

Within the Highway Fund, the Public Works 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 as well as, 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.

Public Works programs supported by the Highway Fund include Administration, Transportation Engineering and Street Maintenance.

2017-2018 ACCOMPLISHMENTS

Completed the following projects:

- Lambert Lane Phase II roadway widening
- Community Center pedestrian traffic signal to alleviate pedestrian and traffic concerns accessing the Oro Valley Community Center
- La Cañada & Moore Intersection Study
- Dedicated right and left turn lanes on Naranja Drive for vehicles accessing Naranja Park, as well as a dedicated left turn lane for vehicles accessing Guava Drive
- Library pedestrian sidewalk and parking access
- Pavement Preservation Program
- Design complete and out to bid for La Cholla Boulevard roadway widening
- Removal and replacement of asphalt pavement for Pusch View Bridge
- New multi-use path for pedestrian access from Naranja Drive into Naranja Park

2018-2019 OBJECTIVES

- Complete all projects as defined in the FY 2019 budget and CIP, including the Palisades Road multi-use path, Tangerine Access to Safeway, etc.
- Rancho Vistoso circuit one street light repair and rehabilitation
- Update the pavement preservation program to offer outcomes for both normal levels of preservation, and a Pima County Bond scenario

Public Works – Highway Fund

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Road rehabilitation expenditures per paved lane mile	\$14,285	\$9,250*	\$24,600*
		% of paved lane miles rehabilitated throughout town	33%	13%	21%
		Maintain Overall Condition Index rating of 76 for all paved streets	77	77	78
		Restripe 100% of crosswalks, legends and symbols throughout town	90%	100%	100%
		Restripe 100% of roads throughout town	90%	100%	100%
		Maintain reflectivity of all street regulatory signs	100%	100%	100%
		Lane miles crack-sealed	25	115**	25

* Pima County Regional Road Repair Program – contractor deferred substantive portion of surface treatments to next fiscal year.

** Pima County Regional Road Repair Program – provided funds to perform substantive crack seal work in Town

Public Works – Highway Fund

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
24.00	24.00	24.00	27.15

	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 795,806	\$ 741,063	\$ 741,063	\$ 478,693	-35.4%
Transportation Engineering	726,128	661,582	839,699	3,134,882	373.8%
Pavement Management	1,249,211	1,638,078	1,036,707	-	-100.0%
Street Maintenance	1,219,298	1,064,607	1,034,028	1,012,461	-4.9%
Traffic Engineering	443,568	844,547	448,038	-	-100.0%
	\$ 4,434,011	\$ 4,949,877	\$ 4,099,535	\$ 4,626,036	-6.5%

	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
HURF Gas Taxes	\$ 3,252,020	\$ 3,363,581	\$ 3,363,581	\$ 3,291,659	-2.1%
Licenses and Permits	75,447	57,000	44,948	48,700	-14.6%
State Grants	233,956	100,000	114,012	165,000	65.0%
Charges for Services	75,179	-	-	-	0.0%
Interest Income	15,496	36,994	26,524	50,000	35.2%
Miscellaneous	4,633	2,000	4,103	3,000	50.0%
Other Financing Sources	100,000	275,000	-	550,000	100.0%
	\$ 3,756,730	\$ 3,834,575	\$ 3,553,168	\$ 4,108,359	7.1%

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 Public Works Department website, records management, and logistical support.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
PW Director & Town Engineer	-	-	-	0.50	0.50
Assistant PW Director	1.00	1.00	1.00	1.00	-
Administrative Coordinator	1.00	1.00	1.00	0.40	(0.60)
Office Specialist	0.25	0.25	0.25	-	(0.25)
Total FTEs	2.25	2.25	2.25	1.90	(0.35)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 228,295	\$ 240,109	\$ 240,109	\$ 280,623	16.9%
Operations & Maintenance	497,772	500,954	493,383	198,070	-60.5%
Capital Outlay	31,707	-	7,571	-	0.0%
Other Financing Uses	38,032	-	-	-	0.0%
Total Expenditures	\$ 795,806	\$ 741,063	\$ 741,063	\$ 478,693	-35.4%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 16.9% due to reallocation of staff following the reorganization of the former CDPW Department into two separate departments.

Operations & Maintenance

Operations & Maintenance decreased 60.5% due to fleet costs, which are now consolidated in Fleet Maintenance, as well as telecommunications, which are now consolidated in Information Technology.

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, Public Works has a small in-house design team for smaller projects. Transportation Engineering also issues permits for all activity within the Town's right-of-way, develops annual and long term schedules for surface treatments on Town streets, and maintains and operates the Town's traffic signals, roadway signs and pavement markings. (The previous program areas of Pavement Management and Traffic Engineering are combined with Transportation Engineering. In addition, personnel previously budgeted in the PAG/RTA Fund have been moved to Transportation Engineering).

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Engineering Division Manager	1.00	0.70	1.00	1.00	0.30
Senior Civil Engineer	1.00	0.50	1.00	1.00	0.50
Senior Civil Engineer Tech	2.00	2.00	2.00	3.00	1.00
Civil Engineer/Project Manager	1.00	1.00	1.00	1.00	-
Civil Engineer Designer	1.00	1.00	1.00	1.00	-
Senior Traffic Technician	0.75	-	0.75	1.00	1.00
Traffic Technician	-	-	-	1.00	1.00
Traffic Signs/Markings Crew Leader	-	-	-	1.00	1.00
Traffic Signs/Markings Worker	-	-	-	1.00	1.00
Construction Inspector	-	-	-	3.00	3.00
Construction Clerk	-	-	-	0.50	0.50
Senior Office Specialist	-	-	-	1.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	7.75	6.20	7.75	15.50	9.30

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 693,023	\$ 601,732	\$ 779,849	\$ 1,384,102	130.0%
Operations & Maintenance	33,104	24,850	24,850	255,280	927.3%
Capital Outlay		35,000	35,000	1,495,500	4172.9%
Total Expenditures	\$ 726,127	\$ 661,582	\$ 839,699	\$ 3,134,882	373.8%

FY 2018/2019 Expenditure and Staffing Changes

Budgeted staff and cost increases are due to the reallocation of staff, operating costs and capital projects previously budgeted in Pavement Management and Traffic Engineering.

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. *Beginning FY 18/19, Pavement Management has been combined with Transportation Engineering.*

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Engineering Division Manager	-	0.20	-	-	(0.20)
Senior Civil Engineering Tech	1.00	1.00	1.00	-	(1.00)
Total FTEs	1.00	1.20	1.00	-	(1.20)

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 102,864	\$ 131,663	\$ 100,055	\$ -	-100.0%
Operations & Maintenance	3,548	5,000	5,000	-	-100.0%
Capital Outlay	1,142,798	1,501,415	931,652	-	-100.0%
Total Expenditures	\$ 1,249,210	\$ 1,638,078	\$ 1,036,707	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

Staff, operating costs and capital have been consolidated into Transportation Engineering.

Highway Fund – Street Maintenance

OVERVIEW

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

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Operations Division Manager	0.75	0.75	0.75	0.20	(0.55)
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	2.00	2.00	1.00	1.00	(1.00)
Heavy Equipment Operator II	4.00	4.00	4.00	4.00	-
Heavy Equipment Operator I	-	-	1.00	1.00	1.00
Office Specialist	-	-	-	0.55	0.55
Total FTEs	9.75	9.75	9.75	9.75	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 704,352	\$ 767,857	\$ 737,278	\$ 712,961	-7.1%
Operations & Maintenance	291,090	265,250	264,995	299,500	12.9%
Capital Outlay	223,856	31,500	31,755	-	-100.0%
Total Expenditures	\$ 1,219,298	\$ 1,064,607	\$ 1,034,028	\$ 1,012,461	-4.9%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 7.1% due to reallocation of staff among the Public Works Department, as well as the refilling of an operator position at a lower grade and salary.

Operations & Maintenance

Operations & Maintenance increased 12.9% due to waste disposal fees, field supplies and street maintenance material costs.

Capital

Capital decreased 100.0% due to a project completed in FY 2018.

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, conducting and reviewing traffic studies. *Beginning FY 18/19, Traffic Engineering has been combined with Transportation Engineering.*

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Engineering Division Manager	-	0.10	-	-	(0.10)
Senior Civil Engineer	-	0.50	-	-	(0.50)
Senior Traffic Technician	0.25	1.00	0.25	-	(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	3.25	4.60	3.25	-	(4.60)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 242,387	\$ 367,897	\$ 221,388	\$ -	-100.0%
Operations & Maintenance	196,965	216,150	216,150	-	-100.0%
Capital Outlay	4,216	260,500	10,500	-	-100.0%
Total Expenditures	\$ 443,568	\$ 844,547	\$ 448,038	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

Staff, operating costs and capital have been consolidated into Transportation Engineering.

Public Works - Facility Maintenance

OVERVIEW

Facility Maintenance is a program within the Operations Division of the Public Works Department. Facility Maintenance 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.

2017-2018 ACCOMPLISHMENTS

- Completed the Community Center energy efficiency project
- Repaired and restored public art located on the west-side sound wall along La Cañada Drive between Naranja Drive and Tangerine Road
- Installed new gate at 680 Calle Concordia to finalized securing the operations facility and meet neighborhood request
- Installed security door on the Community & Economic Development and Public Works building

2018-2019 OBJECTIVES

- Complete all projects listed and defined in the FY 2019 budget
- Carry out a Facility Condition Assessment of Town buildings in order to evaluate and document the level of deferred maintenance
- Develop a training and learning strategy to respond to the changing work environment
- Implement utilization of the Cartegraph system to develop and implement strategies to reduce operating costs through data analysis

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Complete 100% of task within 5 business days of scheduled start time	100%	96%	95%
		Operations & maintenance expenditures per square foot of buildings maintained	\$2.17	\$2.14	\$2.42

Public Works - Facility Maintenance

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
PW Director & Town Engineer	-	-	-	0.25	0.25
Operations Division Manager	-	-	-	0.80	0.80
Facilities Maint Crew Leader	1.00	1.00	1.00	1.00	-
Facilities Maint Technician	1.00	1.00	1.00	3.00	2.00
Office Specialist	-	-	-	0.30	0.30
Total FTEs	2.00	2.00	2.00	5.35	3.35

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 155,739	\$ 166,284	\$ 166,284	\$ 492,546	196.2%
Operations & Maintenance	205,958	223,530	223,530	374,890	67.7%
Capital Outlay	-	43,500	43,500	94,500	117.2%
Total Expenditures	\$ 361,697	\$ 433,314	\$ 433,314	\$ 961,936	122.0%

	Revenue Sources				
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Other Intergovernmental Revenue	\$ 17,323	\$ 20,000	\$ 17,300	\$ 20,000	0.0%
Total Revenues	\$ 17,323	\$ 20,000	\$ 17,300	\$ 20,000	0.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 196.2% due to reallocation of two maintenance technicians from Parks & Recreation, as well as reallocation of staff among departments and program areas as part of the reorganization of the former Community Development & Public Works Department.

Operations & Maintenance

Operations & Maintenance increased 67.7% due to custodial contract costs, capacity to complete a facilities ADA study, building repair & maintenance costs, and field supplies.

Capital

Budgeted projects in FY 2019 include a cover for one of the Town's gas fueling stations, as well as a remodel and new carpet for the front lobby at the Town's Community Center.

Public Works - Fleet Maintenance

OVERVIEW

Fleet Maintenance is managed under the Operations Division of the Public Works Department. Fleet Maintenance is responsible for 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.

Prior to FY 18/19, Fleet Maintenance was set up as an internal service fund with each Town department contributing to the fund based on their respective fleet size and related costs. Beginning FY 18/19, Fleet Maintenance will become a program within the General Fund. Vehicle replacements are budgeted in the Capital Fund. Personnel and O&M costs include those previously budgeted in the Police Department. Fleet costs for the Town's Water Utility and Stormwater Utility are budgeted in the Enterprise Funds.

2017-2018 ACCOMPLISHMENTS

- Began full utilization of the Cartegraph OMS upgrade to improve ability to track and measure performance
- Averaged over 11 tasks completions per day, ranging from preventive maintenance to diagnostic engine repair
- Performed 953 preventative maintenance services, consisting of 568 "A" services, 370 "B" services and 78 "C" services

2018-2019 OBJECTIVES

- Develop a ten-year replacement schedule for vehicles
- Analyze and develop a plan for the provision of Town fleet services and management
- Develop projected cost model, implementation strategy, and identify outstanding issues and recommendations

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
COMMUNITY  Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities	Total cost/mile to maintain vehicles	\$0.37	\$0.48	\$0.50
		Maintain fleet availability rate at 95%	N/A	88.5%	90%
		Total cost/mile to maintain transit vehicles (repair & fuel only)	\$0.45	\$0.50	\$0.50

Public Works – Fleet Maintenance

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Fleet Maint Mechanic III	1.00	1.00	1.00	1.00	-
Fleet Control Specialist	-	-	-	1.00	1.00
Office Specialist	0.15	0.15	0.15	0.15	-
Total FTEs	1.15	1.15	1.15	2.15	1.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 88,410	\$ 91,829	\$ 91,829	\$ 175,996	91.7%
Operations & Maintenance	641,376	663,775	663,775	1,118,398	68.5%
Capital Outlay	623,544	560,710	560,710	-	-100.0%
Other Financing Uses	-	-	1,173,811	-	0.0%
Total Expenditures	\$ 1,353,330	\$ 1,316,314	\$ 2,490,125	\$ 1,294,394	-1.7%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Charges for Services	\$ 1,345,533	\$ 760,000	\$ 836,858	\$ -	-100.0%
Miscellaneous	357,151	394,896	400,896	-	-100.0%
Other Financing Sources	-	300,000	300,000	-	-100.0%
Total Revenues	\$ 1,702,684	\$ 1,454,896	\$ 1,537,754	\$ -	-100.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 91.7% due primarily to the reallocation of a fleet control specialist position from the Police Department.

Operations & Maintenance

Operations & Maintenance increased 68.5% due to the reallocation of gasoline and vehicle repair & maintenance costs from the Police Department, as well as increased gasoline prices.

Capital

Budgeted capital in FY 2018 was for vehicle replacements, which are now budgeted in the Capital Fund. Vehicle reserve balances were transferred to the Capital Fund in FY 2018.

Public Works - Parks Maintenance

OVERVIEW

Parks Maintenance is a program that was budgeted within the Operations Division of the Public Works 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 the Town Hall campus. ***Please note that this program was moved back into the Parks & Recreation Department beginning FY 2018.***

2017-2018 ACCOMPLISHMENTS – see Parks & Recreation Department

2018-2019 OBJECTIVES – see Parks & Recreation Department

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
<p>COMMUNITY</p>  <p>Parks and Recreation</p>	<p>A high-quality parks, recreation and open space system that is accessible, comprehensive, connected and serves the community's needs</p>	<p>Maintain park acres for active and passive recreational use (includes golf course at 324 acres)</p>	<p>772</p>	<p>See Parks & Recreation Department</p>	<p>See Parks & Recreation Department</p>

Public Works - Parks Maintenance

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Parks Maint Superintendent	1.00	-	-	-	-
Parks Maintenance Coordinator	1.00	-	-	-	-
Parks Maintenance Crew Leader	1.00	-	-	-	-
Parks Maintenance Worker II	1.00	-	-	-	-
Parks Maintenance Worker I	5.00	-	-	-	-
Park Monitor/Janitor	0.96	-	-	-	-
Total FTEs	9.96	-	-	-	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 493,764	\$ -	\$ -	\$ -	0.0%
Operations & Maintenance	581,851	-	-	-	0.0%
Capital Outlay	67,937	-	-	-	0.0%
Total Expenditures	\$ 1,143,552	\$ -	\$ -	\$ -	0.0%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
State Grants	\$ 10,000	\$ -	\$ -	\$ -	0.0%
Total Revenues	\$ 10,000	\$ -	\$ -	\$ -	0.0%

Public Works - Stormwater Utility

OVERVIEW

The Stormwater Utility enterprise is a division within the Public Works Department. The Stormwater Utility is responsible for federally mandated compliance with the Clean Water Act 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.

2017-2018 ACCOMPLISHMENTS

- Shadow Mountain Estates – design and construction of new drainage conveyance improvements on Overlook Drive and Gabion design and installation to mitigate erosion along segment of Carmack Wash
- Submitted grant proposal to Arizona Department of Emergency Management for reconstruction of 2,800 linear feet of failing drainage channel adjacent to Avenida Vallejo (Catalina Ridge)
- Partnered with Pima County Regional Flood Control District (PCRFCDD) to facilitate approximately \$200,000 in vegetation and sediment removal from various public drainage easements, performed and funded by PCRFCDD
- Coordinated with PCRFCDD for detailed drainage study of North Ranch Wash and its crossings of Naranja and Shannon Roads
- Completed sediment removal along Highland Wash culverts
- Completed Suffolk Hills vegetation and erosion and drainage repair to improve water flow throughout the community
- Drafted municipal Stormwater pollution prevention plan for the 680 Calle Concordia service center and the Community Center maintenance yard
- Drafted spill prevention, containment, and countermeasure plan drafted for 680 Calle Concordia service center and the Community Center maintenance yard

2018-2019 OBJECTIVES

- Develop a full, comprehensive and feasible Stormwater Capital Improvement Plan
- Moderation of runoff peak flows and volumes to minimize downstream erosion and damage
- Complete projects in the FY 18/19 adopted Capital Improvement Program:
 - Low-flow culvert on Calle Buena Vista at Carmack Wash
 - Catalina Ridge channel repair project (with successful grant award for funding)

Public Works - Stormwater Utility

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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 regulated outfalls	5 ea. 100%	5 ea. 100%	100%
		Conducted ___ public education sessions to increase awareness of need to reduce stormwater pollution	9 Sessions 38 hrs.	10 Sessions 38.5 hrs.	38 hours
	Responsible use of energy and water resources for the current and future benefit of the community	Perform annual evaluations of programmed commercial first flush devices within town	100%	100%	100%
COMMUNITY  Town Assets Economic Development	High-quality and well-maintained Town assets, including streets, infrastructure and facilities Long-term financial and economic stability and sustainability	Perform annual inspections of programmed Stormwater assets to preserve infrastructure through maintenance efforts	100%	100%	100%
		Maintain cash reserves in the Stormwater Utility Fund of at least 15% of the collected annual stormwater fees *	36.1%	40.6%	44.3%

* Calculations do not include cash reserve balance dedicated to future vehicle and equipment replacements

Public Works - Stormwater Utility

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
PW Director & Town Engineer	-	-	-	0.25	0.25
Stormwater Utility Division Mgr	1.00	1.00	1.00	1.00	-
Senior Stormwater Engineer	-	-	-	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)
Stormwater Field Superintendent	-	1.00	1.00	1.00	-
Stormwater Utility Project Manager	1.00	1.00	1.00	1.00	-
Stormwater Inspector Designer	1.00	1.00	1.00	1.00	-
Stormwater Utility Analyst	1.00	1.00	1.00	1.00	-
Heavy Equipment Operator II	-	1.50	1.50	3.00	1.50
Office Specialist	0.60	-	-	-	-
Office Assistant	0.52	1.00	1.00	1.00	-
Total FTEs	6.37	8.75	8.75	10.25	1.50

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 447,959	\$ 670,099	\$ 670,099	\$ 768,987	14.8%
Operations & Maintenance	500,957	381,976	381,976	328,362	-14.0%
Capital Outlay	130,620	253,625	253,625	2,254,500	788.9%
Total Expenditures	\$1,079,536	\$1,305,700	\$1,305,700	\$3,351,849	156.7%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Charges for Services	\$ 1,314,757	\$ 1,402,500	\$ 1,394,180	\$ 1,407,000	0.3%
State Grants	-	-	-	2,000,000	0.0%
Miscellaneous	30	-	51	-	0.0%
Interest Income	980	500	3,103	2,000	300.0%
Total Revenues	\$1,315,767	\$1,403,000	\$1,397,334	\$3,409,000	143.0%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.8% due primarily to the reallocation of staff previously budgeted in the Capital Fund, whom are now performing Stormwater duties.

Operations & Maintenance

Operations & Maintenance decreased 14.0% due to a reduced budget for Stormwater Maintenance, with projects completed in FY 2018.

Capital

Capital increased 788.9% due to the Catalina Ridge Channel Repair CIP project, contingent upon grant funding from the Arizona Department of Emergency Management.

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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.

2017-2018 ACCOMPLISHMENTS

- Increased safety by adding new cameras (audio/visual) on buses
- Implemented a pre-paid faring system where riders no longer have to carry tickets or change
- Developed an accident prevention program that includes full committee review of all accidents
- Worked with Arizona Department of Transportation and Arizona Bus Sales to improve bus configuration to allow for increased accessibility on our buses

2018-2019 OBJECTIVES

- Reduce accidents on transit vehicles
- Enhance outreach opportunities to educate the community on transportation issues and highlight transit service benefits such as service reliability and passenger cost savings
- Optimize operations and maintenance expenses

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
COMMUNITY  Economic Development	Long-term financial and economic stability and sustainability	% of Transit expenditures funded with RTA reimbursement and fare box revenues	89.5%	91.0%	91.0%
		Total cost per passenger trip	28.67	27.10	28.00
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%

Public Works – Transit Services

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Senior Transit Crew Leader	1.00	1.00	1.00	1.00	-
Transit Services Crew Leader	1.00	1.00	1.00	1.00	-
Transit Specialist	1.11	1.11	1.11	1.11	-
Dispatcher	2.11	2.11	2.11	2.11	-
Driver	18.79	19.71	19.71	19.71	-
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	24.97	25.89	25.89	25.89	-

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 1,101,465	\$ 1,094,568	\$ 1,094,568	\$ 1,126,666	2.9%
Operations & Maintenance	411,101	400,300	400,300	58,650	-85.3%
Capital Outlay	16,089	119,700	9,130	77,300	-35.4%
Total Expenditures	\$ 1,528,655	\$ 1,614,568	\$ 1,503,998	\$ 1,262,616	-21.8%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
RTA Reimbursement	\$ 1,418,740	\$ 1,453,360	\$ 1,365,031	\$ 1,387,000	-4.6%
State Grants	6,400	65,760	7,750	44,800	-31.9%
Farebox	100,052	88,000	100,000	106,500	21.0%
Total Revenues	\$ 1,525,192	\$ 1,607,120	\$ 1,472,781	\$ 1,538,300	-4.3%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.9% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 85.3% due to fleet costs, which are now consolidated in Fleet Maintenance, as well as telecommunications, which are now consolidated in Information Technology.

Capital

Capital decreased 35.4% due to some equipment purchases completed in FY 2018 and reduced capacity needed for building improvements.

Public Works – 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 staff within the Public Works Department.

2017-2018 ACCOMPLISHMENTS

- Completed Lambert Lane Phase II roadway widening project
- Finalized design for La Cholla roadway widening project
- Supported the Tangerine Corridor project
- Began the Transportation Art by Youth project
- Completed the La Cañada and Moore intersection study
- Completed the La Cañada/Community Center pedestrian traffic signal

2018-2019 OBJECTIVES

- Complete the Transportation Art by Youth project
- Begin construction on the La Cholla corridor, keeping on budget and schedule to continue into FY 2020 on target

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 Projected
<p>COMMUNITY</p>  <p>Town Assets</p>	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 Public Works staff	4	6	2

Public Works – PAG/RTA Fund

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Construction Inspector	2.00	3.00	2.00	-	(3.00)
Construction Clerk	0.48	0.48	0.50	-	(0.48)
Total FTEs	2.48	3.48	2.50	-	(3.48)

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 120,059	\$ 218,527	\$ 170,491	\$ -	-100.0%
Capital Outlay	4,662,989	8,086,035	5,455,366	12,287,000	52.0%
Total Expenditures	\$ 4,783,048	\$ 8,304,562	\$ 5,625,857	\$ 12,287,000	48.0%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
State Grants	\$ 5,022,428	\$ 7,899,982	\$ 5,551,200	\$ 11,964,000	51.4%
Charges for Services	22,500	22,500	22,500	22,500	0.0%
Miscellaneous	900	-	48,529	-	0.0%
Total Revenues	\$ 5,045,828	\$ 7,922,482	\$ 5,622,229	\$ 11,986,500	51.3%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Staff previously budgeted in this fund have been moved to Transportation Engineering in the Highway Fund.

Capital

Capital increased 52.0% due to the La Cholla roadway widening project.

Public Works - 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 staff within the Public Works Department.

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
O&M	\$ -	\$ -	\$ -	\$ 30,000	0.0%
Capital Outlay	1,000,000	1,458,500	1,458,500	1,800,000	23.4%
Total Expenditures	\$1,000,000	\$1,458,500	\$1,458,500	\$1,830,000	25.5%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Impact Fees	\$ 873,690	\$ 906,401	\$ 724,670	\$ 510,964	-43.6%
State Grants	-	-	-	250,000	0.0%
Interest Income	8,211	5,000	17,800	10,000	100.0%
Total Revenues	\$ 881,901	\$ 911,401	\$ 742,470	\$ 770,964	-15.4%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

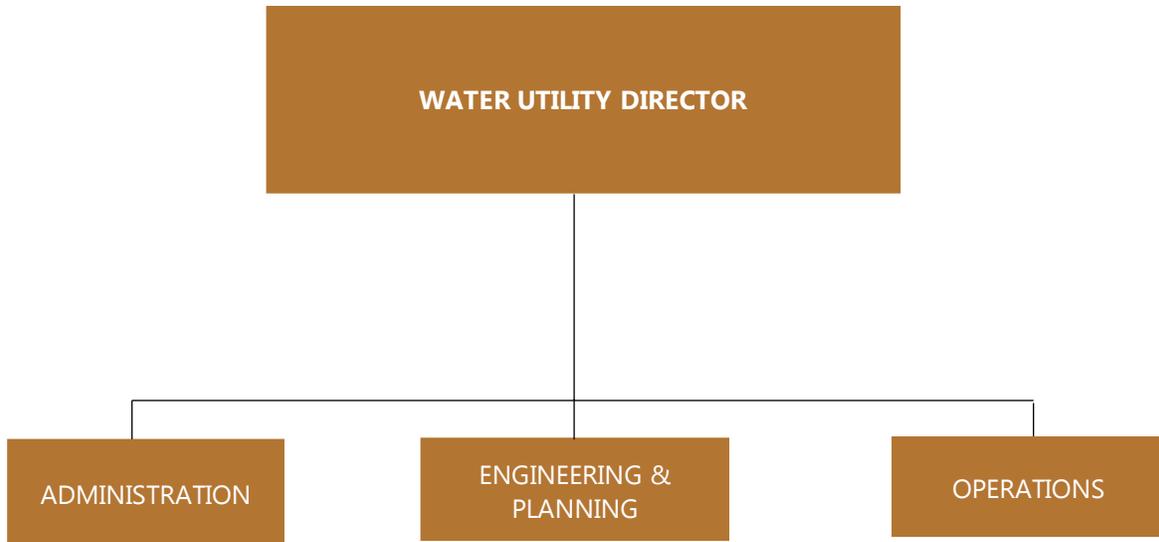
Operations & Maintenance budgeted in FY 2019 is for an impact fee study update.

Capital

Budgeted capital in FY 2019 includes \$1.0 million to complete an intersection improvement at La Cañada Drive and Moore Road, as well as \$800,000 for the La Cholla Blvd. widening 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.

2017-2018 ACCOMPLISHMENTS

- Delivered a combined total of 3.18 billion gallons of water to our customers
- 43% of the total deliveries were renewable water supplies
 - 655 million gallons of CAP water
 - 726 million gallons of reclaimed water
- Utilized our full allocation of 10,305 acre feet of CAP water for potable use and recharge
- Pumped 787 acre feet of groundwater less than the estimated sustainable production rate
- Took 2,603 water quality samples with all results meeting regulatory requirements
- 342 new metered connections for a total customer base of 19,751
- 805 elementary students participated in the Youth Water Conservation Education program
- Performed 66 water conservation audits
- Received \$924,000 from the Central Arizona Project to fund water resource reliability projects
- Participated in the Wilson Elementary School's STEM fair
- Fitch Ratings affirmed the Utility's AA- rating on the Series 2012 Senior Lien Bonds

Water Utility

2018-2019 OBJECTIVES

- Utilize full allocation of Central Arizona Project (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 capital improvement 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 a "self-service" customer portal for early leak detection and water conservation
- Implement an asset management system

STRATEGIC AND GENERAL PLAN PROGRAM PERFORMANCE					
Council Goal	Expected Outcome	Performance Indicator	CY 2017 Actual	CY 2018 Estimate	CY 2019 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	66	60	60
		Maintain a minimum of three years' worth of reserves in groundwater storage accounts	3.43	3.43	3.53
		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 Goal	Expected Outcome	Performance Indicator	FY 2017 Actual	FY 2018 Estimate	FY 2019 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	56.5%	44.7%	35.2%
		Maintain debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds of at least 1.3	3.03	3.22	4.01

Water Utility

Total FTEs			
FY 2017 Actual	FY 2018		FY 2019 Budget
	Budget	Projected	
39.48	39.48	39.48	39.48

Expenditures by Division					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 10,535,592	\$ 11,355,012	\$ 11,342,491	\$ 11,441,860	0.8%
Engineering and Planning	3,844,773	3,687,102	2,390,105	4,584,097	24.3%
Operations	3,511,675	3,913,745	4,193,062	4,452,877	13.8%
	\$ 17,892,040	\$ 18,955,859	\$ 17,925,658	\$ 20,478,834	8.0%

Revenue Sources					
	FY 2017 Actual	FY 2018		FY 2019 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 3,187,390	\$ 3,225,300	\$ 3,331,215	\$ 3,183,500	-1.3%
Interest Income	6,226	93,164	(16,969)	62,333	-33.1%
Miscellaneous	22,293	-	2,745	-	0.0%
Bond Proceeds	-	-	-	3,200,000	0.0%
Water Sales	12,493,557	12,075,700	13,403,654	13,152,900	8.9%
	\$ 15,709,466	\$ 15,394,164	\$ 16,720,645	\$ 19,598,733	27.3%

Water Utility – Administration

OVERVIEW

The Administration Division is responsible for the overall management of the Utility, including customer service, water utility billings, collection of water revenues, administration of the department's budget, implementation of water rates, fees and charges, water conservation, water resource planning and strategic planning.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 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	9.48	(6.00)

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 1,162,217	\$ 1,227,000	\$ 1,197,572	\$ 847,096	-31.0%
Operations & Maintenance	4,645,745	4,564,759	4,602,169	4,778,545	4.7%
Capital Outlay	183,287	226,284	205,781	-	-100.0%
Debt Service	4,541,401	5,334,122	5,334,122	5,813,638	9.0%
Other Financing Uses	2,942	2,847	2,847	2,581	-9.3%
Total Expenditures	\$ 10,535,592	\$ 11,355,012	\$ 11,342,491	\$ 11,441,860	0.8%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 31.0% due to the reallocation of staff to the Operations Division.

Operations & Maintenance

Operations & Maintenance increased 4.7% due primarily to Central Arizona Project water wheeling costs.

Capital

Capital decreased 100.0% due to projects completed in FY 2018.

Debt Service

Debt service increased 9.0% due to a new bond issuance planned for FY 2019.

Water Utility – Engineering and Planning

OVERVIEW

The Engineering and Planning Division is responsible for providing engineering support for the Operations Division as well as managing the capital improvement program. Additional responsibilities include new development plan review, construction inspection and regulatory compliance, as well as the maintenance and updating of the geographic information system.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Engineering & Planning Manager	-	1.00	1.00	1.00	-
Water Resources & Planning Mgr	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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 572,601	\$ 596,837	\$ 555,273	\$ 601,330	0.8%
Operations & Maintenance	220,258	230,265	254,993	224,767	-2.4%
Capital Outlay	3,051,914	2,860,000	1,579,839	3,758,000	31.4%
Total Expenditures	\$ 3,844,773	\$ 3,687,102	\$ 2,390,105	\$ 4,584,097	24.3%

FY 2018/2019 Expenditure and Staffing Changes

Capital

Capital increased 31.4% due to a replacement well CIP project budgeted in FY 2019.

Water Utility - Operations

OVERVIEW

The Operations Division reflects a consolidation of the former Production and Distribution Divisions. The Operations Division oversees the operation and maintenance of all potable and reclaimed water production and distribution facilities, to include: wells, boosters, reservoirs, metering stations, water mains, fire hydrants and valves. Additional responsibilities include meter installations, commercial meter testing, water quality testing, backflow prevention, construction of minor water main projects and oversight of the Advanced Metering Infrastructure system, disinfection systems and security systems.

Personnel	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Water Operations Manager	-	-	-	1.00	1.00
Water Production Superintendent	1.00	1.00	1.00	-	(1.00)
Water Distribution Superintendent	1.00	1.00	1.00	1.00	-
Prod. & Meter Ops. Superint.	-	-	-	1.00	1.00
Lead Water Utility Operator	4.00	4.00	4.00	4.00	-
Electric & Control Technician	1.00	1.00	1.00	1.00	-
Water Utility Operator III	7.00	7.00	7.00	7.00	-
Water Utility Operator II	4.00	4.00	4.00	4.00	-
Water Utility Operator I	-	-	-	5.00	5.00
Total FTEs	18.00	18.00	18.00	24.00	6.00

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel	\$ 1,324,322	\$ 1,444,919	\$ 1,435,099	\$ 1,892,749	31.0%
Operations & Maintenance	2,056,366	2,191,076	2,468,215	2,423,294	10.6%
Capital Outlay	130,987	277,750	289,748	136,834	-50.7%
Total Expenditures	\$ 3,511,675	\$ 3,913,745	\$ 4,193,062	\$ 4,452,877	13.8%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs increased 31.0% due to reallocation of staff previously in Administration.

Operations & Maintenance

Operations & Maintenance increased 10.6% due to administrative and financial services.

Capital

Capital decreased 50.7% due to vehicle purchases completed in FY 2018.

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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 2017	FY 2018	FY 2018	FY 2019	Variance to Budget
	Actual	Budget	Projected	Budget	
Operations & Maintenance	\$ 173,257	\$ 267,280	\$ 186,844	\$ 217,924	-18.5%
Capital Outlay	88,000	-	-	360,000	0.0%
Total Expenditures	\$ 261,257	\$ 267,280	\$ 186,844	\$ 577,924	116.2%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Impact Fees	\$ 1,638,792	\$ 1,387,819	\$ 1,496,413	\$ 1,476,597	6.4%
Interest Income	2,305	34,485	4,905	34,485	0.0%
Total Revenues	\$1,641,097	\$1,422,304	\$1,501,318	\$1,511,082	6.2%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

Operations & Maintenance decreased 18.5% due to consulting services and studies completed in FY 2018.

Capital Outlay

Budgeted capital in FY 2019 is for the Northwest Recharge, Recovery and Delivery System partnered and independent CIP projects.

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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.

Expenditures	FY 2017	FY 2018	FY 2018	FY 2019	Variance to Budget
	Actual	Budget	Projected	Budget	
Operations & Maintenance	\$ -	\$ 30,000	\$ 25,000	\$ 52,500	75.0%
Debt Service	329,916	331,627	331,627	331,328	-0.1%
Capital	-	-	-	700,000	0.0%
Total Expenditures	\$ 329,916	\$ 361,627	\$ 356,627	\$1,083,828	199.7%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Impact Fees	\$ 816,353	\$ 691,333	\$ 743,413	\$ 735,557	6.4%
Interest Income	2,489	37,238	(11,523)	37,238	0.0%
Total Revenues	\$ 818,842	\$ 728,571	\$ 731,890	\$ 772,795	6.1%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 75.0% due to an impact fee analysis.

Capital

Budgeted capital in FY 2019 is for a replacement well drilling and construction CIP project at Steam Pump Ranch.

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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 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Operations & Maintenance	\$ 25,819	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
Debt Service	615,715	825,186	825,186	1,028,671	24.7%
Total Expenditures	\$ 641,534	\$ 835,186	\$ 835,186	\$1,038,671	24.4%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Other Financing Sources	\$ 471,472	\$ 683,783	\$ 683,783	\$ 881,094	28.9%
Federal Grants	91,139	51,403	51,403	47,578	-7.4%
Miscellaneous	104,847	90,000	100,000	100,000	11.1%
Interest Income	918	-	3,500	-	0.0%
Total Revenues	\$ 668,376	\$ 825,186	\$ 838,686	\$1,028,672	24.7%

FY 2018/2019 Expenditure Changes

Debt Service

Debt Service increased 24.7% due a previous refinancing that resulted in an interest-only payment in FY 2018 (no principal was due in FY 2018).

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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.

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 2,723	\$ 3,000	\$ 3,000	\$ 3,000	0.0%
Debt Service	173,203	186,520	186,520	184,428	-1.1%
Total Expenditures	\$ 175,926	\$ 189,520	\$ 189,520	\$ 187,428	-1.1%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Interest Repayments	\$ 33,517	\$ 26,520	\$ 26,520	\$ 19,428	-26.7%
Principal Repayments	142,177	160,000	160,000	165,000	3.1%
Other Financing Sources		3,000	3,000	3,000	0.0%
Total Revenues	\$ 175,694	\$ 189,520	\$ 189,520	\$ 187,428	-1.1%

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Capital Fund

OVERVIEW

The Capital 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. Beginning FY 2019, with the exception of the Water and Stormwater Utilities, vehicle replacements and the reserves set aside to fund them are budgeted and managed within this fund as well.

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Personnel					
Heavy Equipment Operator II	3.00	1.50	1.50	-	(1.50)
Total FTEs	3.00	1.50	1.50	-	(1.50)

	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Expenditures					
Personnel	\$ 131,082	\$ 73,537	\$ 62,244	\$ -	-100.0%
Operations & Maintenance	1,846	-	560	-	0.0%
Capital Outlay	657,230	3,936,082	1,748,619	6,952,192	76.6%
Total Expenditures	\$ 790,158	\$4,009,619	\$1,811,423	\$6,952,192	73.4%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Other Financing Sources	\$ 1,726,600	\$ 2,351,107	\$ 3,524,918	\$ 3,403,000	44.7%
State Grants	60,909	-	-	-	0.0%
Vehicle Reserves	-	-	-	420,400	0.0%
Total Revenues	\$1,787,509	\$2,351,107	\$3,524,918	\$3,823,400	62.6%

FY 2018/2019 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 100%, due to the completed construction of two, new multi-use fields at Naranja Park. These staff have been reallocated to the Stormwater Utility Fund.

Capital Outlay

Capital increased 76.6%, due primarily to the Police Property/ID and southern substation CIP project, as well as vehicle replacements, which were previously budgeted in the Fleet Fund.

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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.

Expenditures	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	Variance to Budget
Operations & Maintenance	\$ 3,491,035	\$ 3,645,264	\$ 2,959,148	\$ 3,756,646	3.1%
Capital Outlay	1,502	-	-	-	-
Total Expenditures	\$3,492,537	\$3,645,264	\$2,959,148	\$3,756,646	3.1%

	Revenue Sources				Variance to Budget
	FY 2017 Actual	FY 2018 Budget	FY 2018 Projected	FY 2019 Budget	
Self Insurance Premiums	\$ 2,914,595	\$ 3,525,183	\$ 3,530,983	\$ 3,684,072	4.5%
Other Financing Sources	300,000	-	-	-	0.0%
Miscellaneous	133,385	120,081	120,081	144,262	20.1%
Total Revenues	\$3,347,980	\$3,645,264	\$3,651,064	\$3,828,334	5.0%

FY 2018/2019 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 3.1% 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, ten-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

Although fleet replacements do not meet the definition of a capital project, they are a significant expense for the Town, and thus are included in the CIP for planning purposes.

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 December. 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 ten-year CIP. Meetings convened in February for project presentation and ranking evaluation. The ten-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:

December:	CIP request forms provided to department directors
January :	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

Capital Improvement Program

May: Adoption of Tentative Budget and CIP

June: Adoption of Final Budget and CIP

Project Evaluation Criteria

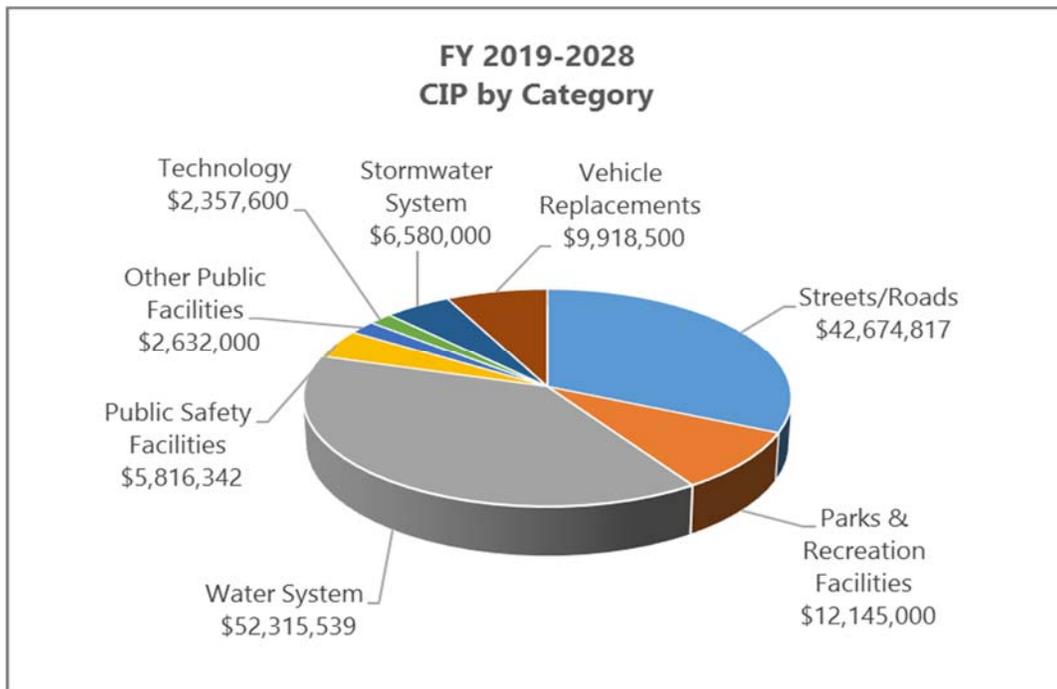
Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and ranking committee in their selection of the projects to be funded. The evaluation criteria areas are as follows:

- 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 Capital Fund are subject to the evaluation criteria. These projects receive their funding primarily 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.

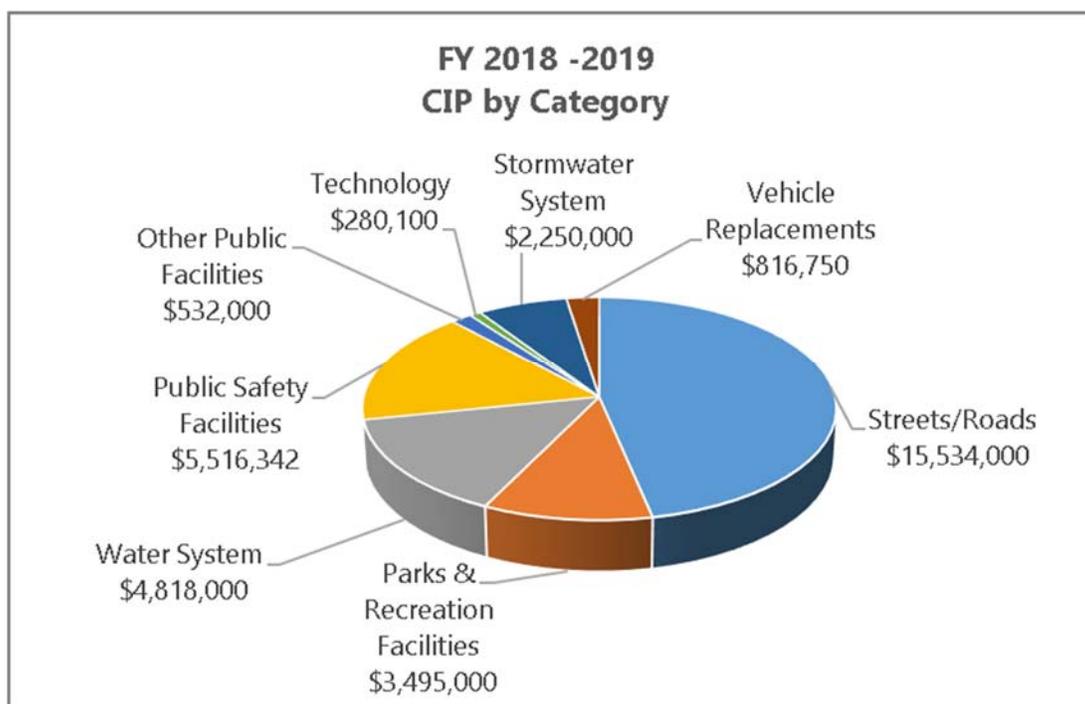
Capital Improvement Program Summary

The cumulative ten-year CIP for the Town of Oro Valley totals \$134,439,798 for fiscal years 2018-19 through 2027-28. The graph below shows the allocations by category for the given years:



Capital Improvement Program

The amount allocated for CIP projects in the FY 18/19 budget is \$33,242,192. The graph below shows the allocations by category. The projects included in the FY 18/19 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.



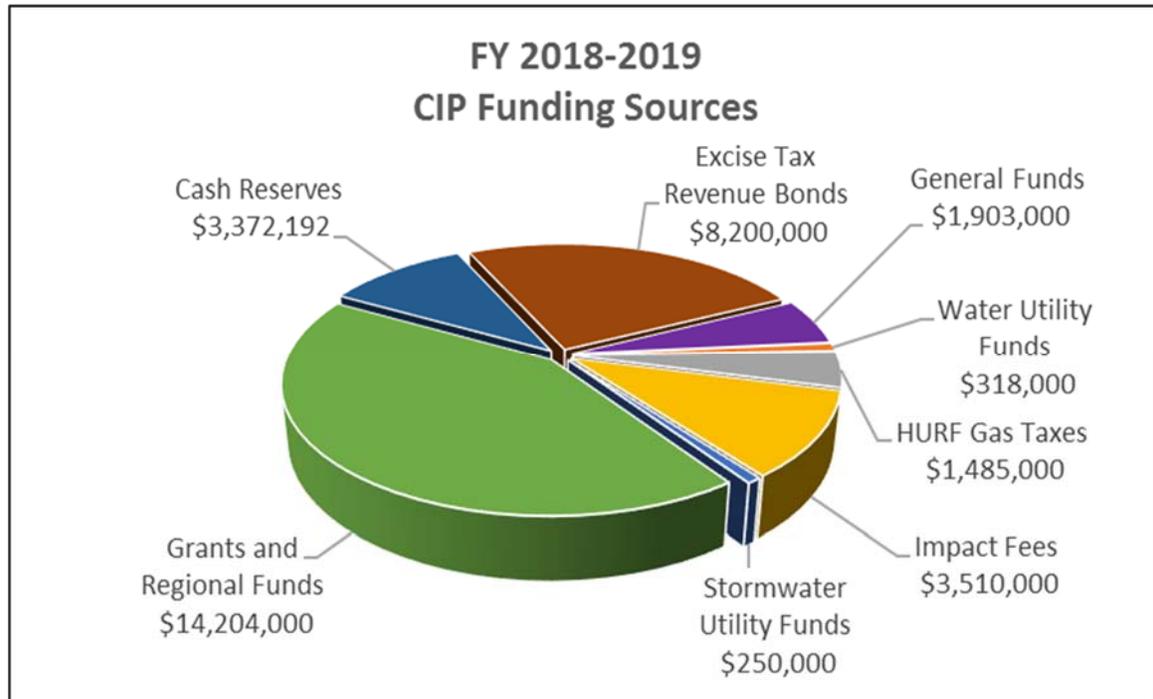
Financing the Capital Improvement Program

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 18/19 CIP totals \$33,242,192 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 2019-2028 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 18/19 CIP on the Town's operating budget:

Project	Impact	Impact \$ Annually
Recreation Software Upgrade	Maintenance and licensing fees	\$10,000
JDK Park Field Renovation	Overseeding costs	\$6,000
National Incident Based Reporting System	Maintenance costs (amount reflects first year cost)	\$11,986
Emergency Operations Center Generator	Maintenance costs	\$3,000
Security System Upgrades	Maintenance costs	\$1,000
Police Property/ID and Southern Substation	Lease savings (\$56,300); building maintenance costs \$37,500	(\$18,800)
Steam Pump Ranch Improvements	Water costs	\$3,600
Rancho Vistoso Boulevard Street Lights	Maintenance savings	(\$6,000)
La Cañada & Moore Intersection Improvement	Electricity and maintenance costs	\$3,600
Hydropneumatic Tank Replacement (Wells)	Maintenance savings	(\$1,000)
Hydropneumatic Tank Replacement (Boosters)	Maintenance savings	(\$1,000)
Rancho Feliz Valve and DVA Replacements	Water main flushing program costs	\$1,000
Main Valve Replacements	Maintenance savings	(\$1,000)
Tucson Water Wheeling at Oracle and Hardy	Maintenance and operating costs	\$500
Wall Upgrades and Improvements	Stucco repair cost savings	(\$1,000)
Total		\$11,886

Note: This list represents projects that were approved for funding in FY 18/19 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 18/19 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.

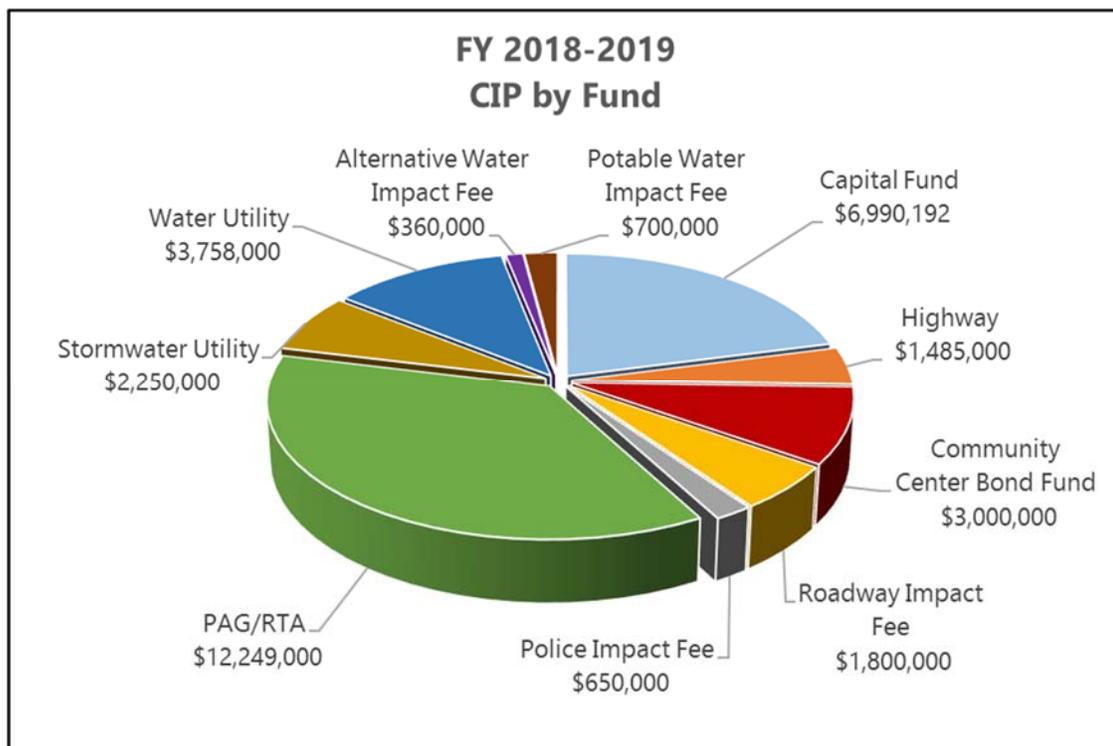
The FY 18/19 CIP attempts to meet the priority needs of the community, at the same time maintaining financial sustainability in future years. The plan as submitted is financially feasible and many of the projects included can be expected to be complete before the end of the fiscal year. As Town priorities 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 ten-year CIP by fund:

Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Capital Fund	\$ 6,990,192	\$ 2,240,500	\$ 1,390,000	\$ 2,370,000	\$ 1,700,000	\$ 9,528,000
Highway	1,485,000	1,700,000	1,836,200	1,742,490	1,798,870	9,258,258
Community Center Bond Fund	3,000,000	3,000,000	-	-	-	-
Roadway Impact Fee	1,800,000	50,000	450,000	450,000	-	-
PAG/RTA	12,249,000	9,180,000	75,000	-	-	150,000
Police Impact Fee	650,000	-	-	-	-	-
Parks & Recreation Impact Fee	-	-	-	-	-	1,200,000
Water Utility	3,758,000	3,388,616	2,184,000	2,414,000	4,676,000	13,760,750
Alternative Water Resource Impact Fee	360,000	2,355,923	819,000	1,963,501	4,156,499	7,230,000
Potable Water System Impact Fee	700,000	1,300,000	1,050,000	1,450,000	2,000,000	-
Stormwater Utility	2,250,000	485,000	400,000	680,000	400,000	2,365,000
Total All Funds	\$ 33,242,192	\$ 23,700,039	\$ 8,204,200	\$ 11,069,991	\$ 14,731,369	\$ 43,492,008



Capital Improvement Program

Table 2 below identifies the Capital Fund projects for Fiscal Years 2019-2028:

Capital Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Courthouse Remodel (Rollover)	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -
Town Hall Admin Bldg Front Office Enhancements	80,000	-	-	-	-	-
Town Facilities - Roof Replacements	252,000	-	-	-	-	-
Recreation Software Upgrade	60,000	-	-	-	-	-
Field Renovation at JDK Park	340,000	200,000	-	-	-	-
National Incident Based Reporting System	95,100	-	-	-	-	-
Emergency Operations Center Generator	145,900	-	-	-	-	-
Upgrade Desktop Oper. System - Windows 10	75,000	-	-	-	-	200,000
IT Townwide Facility Improvements	50,000	50,000	50,000	50,000	-	-
Police Property/ID & Southern Substation Bldg.	4,720,442	-	-	-	-	-
Steam Pump Ranch Improvements	75,000	50,000	50,000	50,000	-	1,400,000
Tennis Court Improvements	80,000	50,000	50,000	50,000	50,000	150,000
Municipal Complex Renovations	-	-	-	-	-	1,500,000
Rancho Vistoso Blvd. Street Lights (Crcts. 1 & 3)	-	-	-	450,000	-	-
Main Streets Project Investment	-	150,000	50,000	150,000	50,000	-
Axon Fleet Video Cameras	-	250,500	-	-	-	-
Improvements at 680 Calle Concordia Facilities	-	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	-	-	-	150,000
Playground at Naranja Park	-	350,000	-	-	-	-
Expand and Upgrade Green Field at JDK Park	-	-	-	-	-	150,000
Move Dog Park at JDK Park	-	-	-	-	-	100,000
Honeybee Canyon Park Upgrades	-	-	-	-	-	225,000
Mobile Stage	-	-	-	-	-	150,000
Town Hall Parking Lot Landscaping	-	-	-	-	75,000	75,000
Replacement Phone System	-	-	-	-	-	300,000
Town Backups	-	-	200,000	-	-	-
Server Operating System Upgrade	-	50,000	-	-	-	60,000
Network Storage Upgrade	-	50,000	-	-	60,000	72,000
Database Licensing	-	-	-	80,000	-	85,000
Virtual Server Host System Replacement	-	60,000	-	-	-	60,000
Replace Network Infrastructure Hardware	-	-	-	50,000	-	200,000
IT Regulatory Compliance	-	-	-	50,000	-	100,000
Replace Police Command Post	-	-	-	300,000	-	-
Vehicle Replacements	816,750	800,000	800,000	840,000	840,000	4,326,000
680 Calle Concordia Fueling & Facility Upgrades	-	55,000	90,000	-	-	-
Maintenance Service Truck	-	-	100,000	-	-	-
Total	\$ 6,990,192	\$ 2,240,500	\$ 1,390,000	\$ 2,370,000	\$ 1,700,000	\$ 9,528,000

Capital Improvement Program

Table 3 below identifies the Highway Fund projects for Fiscal Years 2019-2028:

Highway Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Pavement Preservation Program	\$ 800,000	\$ 1,400,000	\$ 1,411,200	\$ 1,422,490	\$ 1,433,870	\$ 7,343,258
Illuminated Street Signs (2 Intersections per Yr)	-	55,000	55,000	55,000	55,000	165,000
Sidewalk Safety Program	-	50,000	50,000	50,000	50,000	650,000
Tangerine Access to Safeway (1st Ave) - Safety	250,000	-	-	-	-	-
Rancho Vistoso Blvd. Street Lights (Crcts. 1 & 3)	435,000	-	-	-	-	-
Gannon & Mower-Replacement	-	80,000	-	-	-	-
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
Steel Drum Roller	-	-	-	70,000	-	-
Wood Chipper	-	-	-	-	70,000	-
Crack Seal Melter	-	-	-	-	90,000	95,000
Side Cast Sweeper	-	-	-	-	100,000	100,000
3 - 3.5 Cubic Yard Loader	-	-	-	-	-	250,000
Rubber Tire Small Skid Steer LDR	-	-	-	-	-	70,000
Motorgrader/Blade	-	-	-	-	-	350,000
Compressor	-	-	-	-	-	40,000
Walk Behind Roller	-	-	-	-	-	45,000
Total	\$ 1,485,000	\$ 1,700,000	\$ 1,836,200	\$ 1,742,490	\$ 1,798,870	\$ 9,258,258

Table 4 below identifies the Community Center Bond Fund projects for Fiscal Years 2019-2028:

Community Center Bond Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Community Center Improvements	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
Golf Course Irrigation Replacement	1,900,000	1,900,000	-	-	-	-
Total	\$ 3,000,000	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -

Table 5 below identifies the Roadway Impact Fee Fund projects for Fiscal Years 2019-2028:

Roadway Impact Fee Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
La Cholla Blvd from Overton to Tangerine	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -
La Cañada and Moore Intersection Improvement	1,000,000	-	-	-	-	-
1st Avenue/Oracle Traffic Feasibility Study	-	50,000	-	-	-	-
La Cholla and Moore Intersection Improvement	-	-	450,000	450,000	-	-
Total	\$ 1,800,000	\$ 50,000	\$ 450,000	\$ 450,000	\$ -	\$ -

Capital Improvement Program

Table 6 below identifies the PAG/RTA Fund projects for Fiscal Years 2019-2028:

PAG/RTA Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Transportation Art by Youth Program (TABY)	\$ 35,000	\$ -	\$ 75,000	\$ -	\$ -	\$ 150,000
La Cholla Blvd from Overton to Tangerine	11,929,000	9,180,000	-	-	-	-
Palisades Road Multi-Use Path	285,000	-	-	-	-	-
Total	\$ 12,249,000	\$ 9,180,000	\$ 75,000	\$ -	\$ -	\$ 150,000

Table 7 below identifies the Police Impact Fee Fund projects for Fiscal Years 2019-2028:

Police Impact Fee Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Police Property/ID & Southern Substation Building	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 650,000	\$ -				

Table 8 below identifies the Parks & Recreation Impact Fee Fund projects for Fiscal Years 2019-2028:

Parks & Recreation Impact Fee Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
New Fields at Naranja Park	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,200,000

Table 9 below identifies the Stormwater Utility Fund projects for Fiscal Years 2019-2028:

Stormwater Utility Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Catalina Ridge - Mitigation Grant Channel Repair	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Calle Buena Vista at Carmack Wash - Low Flow Culvert	250,000	-	-	-	-	-
Major Stormwater Maintenance Projects	-	400,000	400,000	400,000	400,000	2,000,000
Street Sweeper - Replacement (2)	-	-	-	280,000	-	280,000
Side Cast Sweeper - Replacements (2)	-	85,000	-	-	-	85,000
Total	\$ 2,250,000	\$ 485,000	\$ 400,000	\$ 680,000	\$ 400,000	\$ 2,365,000

Capital Improvement Program

Table 10 below identifies the Water Utility Fund projects for Fiscal Years 2019-2028:

Water Utility Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Existing System Improvements						
Nakoma Sky Replacement Drill and Construct	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Well D8 Replacement Drill and Construct	-	-	-	-	700,000	800,000
Electromagnetic Flow Meter Replacements (20)	75,000	75,000	-	-	-	-
Well Replacement Program	-	-	-	-	-	1,700,000
Hydropneumatic Tank Replacement Phase IV	100,000	100,000	100,000	-	-	-
Production Well Modifications	-	50,000	50,000	50,000	50,000	-
Replace Well Pumps	-	-	100,000	-	100,000	200,000
High Mesa E and F Zone Booster Enhancements	-	50,000	-	-	-	-
EI Con Storage - Operational Improvements	-	50,000	-	-	-	-
Replace Crimson Canyon Booster Station	-	-	-	250,000	-	-
Hydropneumatic Tank Replacement Phase II	100,000	100,000	100,000	-	-	-
Woodburn Booster Relocation E-F Zone	-	100,000	500,000	-	-	-
Booster Station Modifications	-	50,000	50,000	50,000	50,000	-
12-Inch F-Zone Main (Woodburne Booster)	-	-	100,000	-	-	-
Fire Line Backflow Protection	188,000	188,000	188,000	-	-	-
Drinking Fountain Rework	-	-	50,000	-	-	-
Valve Exercising and Documentation	-	150,000	-	-	-	-
Rancho Feliz Valve and DVA Replacement	150,000	-	-	-	-	-
Countryside 40 DVA Replacements	-	210,000	-	-	-	-
Pressure-Reducing Valve - Aldersprings	70,000	60,000	-	-	-	-
Rancho Verde Hydrants	-	-	-	100,000	-	-
Main Valve Replacements	50,000	50,000	50,000	50,000	-	-
La Cholla Relocation - Lambert to Tangerine (RTA)	600,000	200,000	-	-	-	-
Rancho Vistoso Main Replacement	-	-	-	-	-	250,000
Hilton Hotel & Casitas Main Replacement	-	-	-	-	150,000	1,300,000
Linda Vista Citrus Tracts Main Replacement	-	-	250,000	250,000	250,000	-
Pusch Ridge Estates Main Replacement	-	-	-	-	500,000	500,000
Tucson Water Wheeling - Oracle/Hardy	450,000	-	-	-	-	-
Monte Del Oro Main Replacement	-	-	-	-	-	1,200,000
Rancho Verde Main Replacement	-	-	-	-	-	1,600,000
Wall Upgrades and Improvements	85,000	110,000	-	-	-	200,000
Operations Office Improvements - Reclaim	150,000	-	-	-	-	-
SCADA Legacy Replacement	-	100,000	-	-	-	100,000
Instrumentation Replacement	-	-	-	250,000	-	250,000
Electric Sub Metering Wells/Boosters	-	75,000	-	-	-	-
Vehicle Replacements	-	100,000	100,000	105,000	105,000	840,750
TOTAL EXISTING SYSTEM IMPROVEMENTS	\$ 3,518,000	\$ 1,818,000	\$ 1,638,000	\$ 1,105,000	\$ 1,905,000	\$ 8,940,750
Central Arizona Project (CAP) Improvements (Existing Customers)						
Northwest Recharge, Recovery and Delivery System (NWRDRS) Partnered Projects						
Program Support Services	\$ 160,000	\$ 44,000	\$ 192,000	\$ 296,000	\$ 8,000	\$ -
Pipeline Design	-	440,462	-	-	-	-
Forebay Design	-	66,154	-	-	-	-
Well Improvement Analysis & Permitting	-	40,000	-	-	-	-
Well Drilling and Testing	-	-	234,000	-	-	-
Pipeline Construction	-	-	-	880,923	880,923	-
Forebay Reservoir Construction	-	-	-	132,077	132,077	-
Well Construction Permit/Drill/Develop/Test	-	-	-	-	780,000	-
Well Equipping Design/Site Improvements	-	-	-	-	390,000	-
NWRDRS Independent Projects						
Pipeline Route Study & Prelim Design	80,000	-	-	-	-	-
Reservoir & Booster Property Acquisition	-	80,000	-	-	-	-
Pipeline Easement Acquisition	-	300,000	-	-	-	-
Pipeline Design (9.68 miles 16" DIP)	-	560,000	-	-	-	-
NWRDRS Reservoir & Booster Station Design	-	40,000	-	-	-	-
Shannon Reservoir & Booster Station Design	-	-	120,000	-	-	-
NWRDRS Booster Station Construction	-	-	-	-	200,000	-
Shannon Reservoir Construction	-	-	-	-	280,000	280,000
Shannon Booster Station Construction	-	-	-	-	100,000	100,000
Pipeline Construction From NWRDRS to La Cañada	-	-	-	-	-	3,920,000
NWRDRS Interconnect to Tangerine	-	-	-	-	-	180,000
NWRDRS Interconnect to Lambert	-	-	-	-	-	340,000
TOTAL CAP IMPROVEMENTS	\$ 240,000	\$ 1,570,616	\$ 546,000	\$ 1,309,000	\$ 2,771,000	\$ 4,820,000
TOTAL WATER UTILITY FUND	\$ 3,758,000	\$ 3,388,616	\$ 2,184,000	\$ 2,414,000	\$ 4,676,000	\$ 13,760,750

Capital Improvement Program

Table 11 below identifies the Alternative Water Resources Impact Fee Fund projects for Fiscal Years 2019-2028:

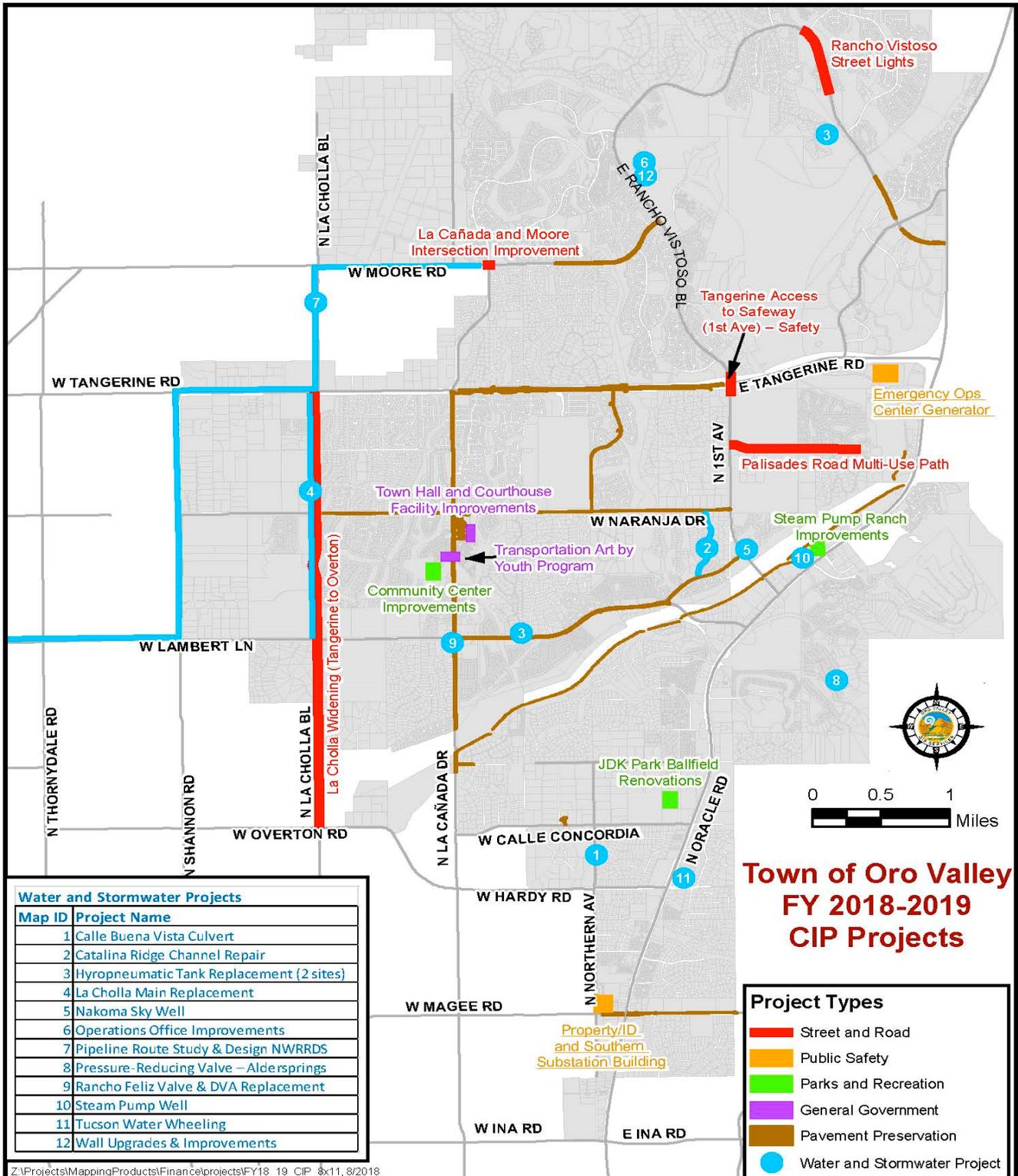
Alternative Water Resources Impact Fee Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Central Arizona Project (CAP) Improvements (New Growth)						
Northwest Recharge, Recovery and Delivery System (NWRDRS) Partnered Projects						
Program Support Services	\$ 240,000	\$ 66,000	\$ 288,000	\$ 444,000	\$ 12,000	\$ -
Pipeline Design	-	660,692	-	-	-	-
Forebay Design	-	99,231	-	-	-	-
Well Improvement Analysis & Permitting	-	60,000	-	-	-	-
Well Drilling and Testing	-	-	351,000	-	-	-
Pipeline Construction	-	-	-	1,321,385	1,321,384	-
Forebay Reservoir Construction	-	-	-	198,116	198,115	-
Well Construction Permit/Drill/Develop/Test	-	-	-	-	1,170,000	-
Well Equipping Design/Site Improvements	-	-	-	-	585,000	-
NWRDRS Independent Projects						
Pipeline Route Study & Prelim Design	120,000	-	-	-	-	-
Reservoir & Booster Property Acquisition	-	120,000	-	-	-	-
Pipeline Easement Acquisition	-	450,000	-	-	-	-
Pipeline Design (9.68 miles 16" DIP)	-	840,000	-	-	-	-
NWRDRS Reservoir & Booster Station Design	-	60,000	-	-	-	-
Shannon Reservoir & Booster Station Design	-	-	180,000	-	-	-
NWRDRS Booster Station Construction	-	-	-	-	300,000	-
Shannon Reservoir Construction	-	-	-	-	420,000	420,000
Shannon Booster Station Construction	-	-	-	-	150,000	150,000
Pipeline Construction From NWRDRS to La Cañada	-	-	-	-	-	5,880,000
NWRDRS Interconnect to Tangerine	-	-	-	-	-	270,000
NWRDRS Interconnect to Lambert	-	-	-	-	-	510,000
TOTAL	\$ 360,000	\$ 2,355,923	\$ 819,000	\$ 1,963,501	\$ 4,156,499	\$ 7,230,000

Table 12 below identifies the Potable Water System Impact Fee Fund projects for Fiscal Years 2019-2028:

Potable Water System Impact Fee Fund	Fiscal Year					
	18/19	19/20	20/21	21/22	22/23	23/24 - 27/28
Expansion-Related Improvements						
Steam Pump Well Drill and Construct	\$ 700,000	\$ 800,000	\$ -	\$ -	\$ -	\$ -
Property Acquisition	-	500,000	-	-	-	-
Booster Station	-	-	150,000	300,000	-	-
1.0 MG Reservoir	-	-	150,000	1,000,000	500,000	-
New 16" Pipe Main	-	-	-	150,000	1,500,000	-
Moore Road Interconnect	-	-	750,000	-	-	-
Total	\$ 700,000	\$ 1,300,000	\$ 1,050,000	\$ 1,450,000	\$ 2,000,000	\$ -

Capital Improvement Program

The Town of Oro Valley map below identifies the location of some of the projects scheduled for FY 2019:



CIP – Project Descriptions

The following are detailed descriptions of all the projects budgeted for Fiscal Year 2018-2019:

PROJECT TITLE: Courthouse Remodel

PROJECT DESCRIPTION: Enlarge lobby to safely house security screening machines and clerk window, replace aged and broken public seating, remodel bench to allow for technology and ADA compliance

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 2019 Expenditures	2019 Projected	Future Expenditures	Total 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: Town Hall Administration Building Front Office Enhancements

PROJECT DESCRIPTION: Remodel of and enhancements to the Administration lobby/front office

PROJECT JUSTIFICATION: Enhanced customer service and adherence to the Town Assets focus area of the 2017 Strategic Plan by ensuring that Town assets are well maintained



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
General Fund	\$	80,000	Construction	\$ -	\$ 80,000	\$ - \$ 80,000
Total	\$	80,000	Total Project Costs	\$ -	\$ 80,000	\$ - \$ 80,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Town Facilities Roof Replacements

PROJECT DESCRIPTION: Rehabilitation of the roofing systems over various Town buildings

PROJECT JUSTIFICATION: Adherence to the Town Assets focus areas of the 2017 Strategic Plan by ensuring that Town assets are well maintained; roofs are at end of life and have begun to leak



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
General Fund	\$	252,000	Construction	\$	252,000	\$	252,000
Total	\$	252,000	Total Project Costs	\$	-	\$	252,000

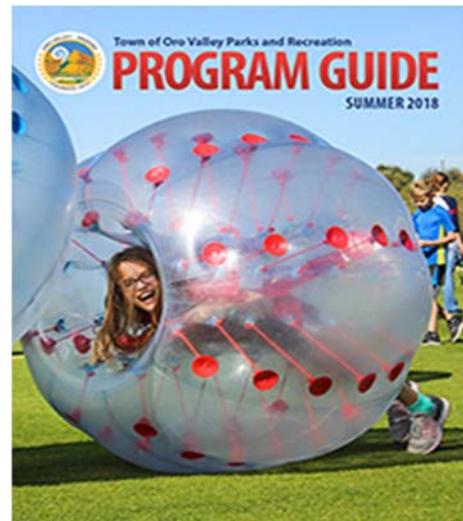
Post Project Annual Operating Impact

Prevents future costly repairs and interior damage

PROJECT TITLE: Recreation Software Upgrade

PROJECT DESCRIPTION: Recreation software to replace current system; software is used for activities, memberships, events, contractors, reservations, reporting, data analysis, etc.

PROJECT JUSTIFICATION: Analysis has deemed it necessary to replace and/or upgrade our outdated, inefficient software; new software provides the tools to improve efficiency and ensure high-quality customer service



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
General Fund	\$	60,000	Equipment	\$	60,000	\$	60,000
Total	\$	60,000	Total Project Costs	\$	-	\$	60,000

Post Project Annual Operating Impact

Maintenance and licensing fees	\$	10,000
Total Annual Operating Impact	\$	10,000

CIP – Project Descriptions

PROJECT TITLE: JDK Park Field Renovation

PROJECT DESCRIPTION: This project consists of renovating all fields, including replacement of the irrigation main components to improve water distribution and save water

PROJECT JUSTIFICATION: Project fulfills key goals and strategies within the Parks and Recreation Focus Area of the 2017 Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
General Fund	\$ 540,000	Architecture & Engineering	\$ 8,000		\$ 8,000
		Site Preparation	25,000		25,000
		Construction	295,000	200,000	495,000
		Furnishing & Equipment	12,000		12,000
Total	\$ 540,000	Total Project Costs	\$ -	\$ 340,000	\$ 540,000

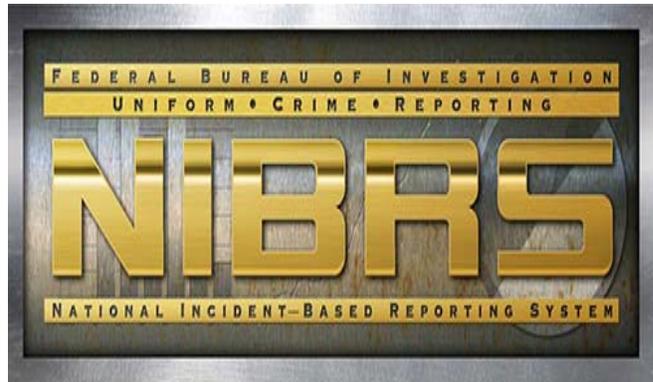
Post Project Annual Operating Impact

Overseeding costs	\$ 6,000
Total Annual Operating Impact	\$ 6,000 <i>(project may also provide opportunity for water savings)</i>

PROJECT TITLE: National Incident Based Reporting System

PROJECT DESCRIPTION: This project covers the installation and implementation of the Incident Based Reporting (IBR) module to capture and report crime data for federally mandated compliance

PROJECT JUSTIFICATION: Federally mandated project that will bring the Town into compliance with upcoming requirements



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
General Fund	\$ 95,100	Equipment	\$ 95,100		\$ 95,100
Total	\$ 95,100	Total Project Costs	\$ -	\$ 95,100	\$ 95,100

Post Project Annual Operating Impact

Maintenance costs	\$ 11,986
Total Annual Operating Impact	\$ 11,986 <i>(increases 3-4% annually)</i>

CIP – Project Descriptions

PROJECT TITLE: Emergency Operations Center Generator

PROJECT DESCRIPTION: Generator for the Town’s Emergency Operations Center, which is the focal point for coordination of the Town’s emergency planning, training and response/recovery efforts in the event of an emergency, natural disaster or act of terrorism

PROJECT JUSTIFICATION: Maintains functionality of the entire facility to provide uninterrupted communications and continuity of operations; maintenance of operation includes the Town’s ability to continue IT functionality through redundant systems



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
General Fund	\$	145,900		\$ 5,000		\$ 5,000	
				3,500		3,500	
				1,500		1,500	
				61,500		61,500	
				72,000		72,000	
				2,400		2,400	
Total	\$	145,900	Total Project Costs	\$ -	\$ 145,900	\$ -	\$ 145,900

Post Project Annual Operating Impact

Maintenance costs		\$ 3,000
Total Annual Operating Impact		\$ 3,000

PROJECT TITLE: Windows 10 Upgrade

PROJECT DESCRIPTION: Windows 7 is at end of life and support in 2020; this project will upgrade all Town computers to Windows 10

PROJECT JUSTIFICATION: Being on a supported operating system is a requirement for the Arizona Criminal Justice Information Systems and entitles the Town to security updates by Microsoft; software vendors require a current operating system for support



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
General Fund	\$	75,000	Equipment	\$ 75,000		\$ 75,000	
Total	\$	75,000	Total Project Costs	\$ -	\$ 75,000	\$ -	\$ 75,000

Post Project Annual Operating Impact

Total Annual Operating Impact		\$ -
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CIP – Project Descriptions

PROJECT TITLE: Security System Upgrades

PROJECT DESCRIPTION: Install card readers and cameras in key locations around the Town

PROJECT JUSTIFICATION: Protection of Town assets; provides 24/7 surveillance and recordings of Town facilities; decreases the likelihood of thefts, vandalism, etc; assurance of employee safety and security



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
General Fund	\$	50,000	Equipment	\$	50,000	\$	50,000
Total	\$	50,000	Total Project Costs	\$	-	\$	50,000

Post Project Annual Operating Impact

Maintenance costs	\$	1,000
Total Annual Operating Impact	\$	1,000

PROJECT TITLE: Police Property/ID and 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:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget					
General Fund	\$	3,452,436	Property Acquisition	\$	312,029	\$	312,029				
Police Impact Fees		650,000	Architecture & Engineering		356,572		171,418	527,990			
Excise Tax Bonds		2,000,000	Utilities & Infrastructure		47,038		240,000	287,038			
			Construction				4,769,024	4,769,024			
			Furnishings, Fixtures, Equipment		16,355		190,000	206,355			
Total	\$	6,102,436	Total Project Costs	\$	731,994	\$	5,370,442	\$	-	\$	6,102,436

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: Steam Pump Ranch Improvements

PROJECT DESCRIPTION: Continue the planting plan at Steam Pump Ranch, beautifying and creating a natural dust mitigation

PROJECT JUSTIFICATION: Fulfills goals and strategies within the Cultural Resources focus area of the 2017 Strategic Plan; continue landscaping plan to mitigate dust at the ranch while in use by the public for farmers market and other special events and ongoing activities



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
General Fund	\$	175,000	Construction	\$ 75,000	\$ 100,000	\$ 175,000
Total	\$	175,000	Total Project Costs	\$ -	\$ 75,000	\$ 100,000

Post Project Annual Operating Impact

Water costs		\$ 3,600
Total Annual Operating Impact	\$	3,600

PROJECT TITLE: Tennis Court Improvements

PROJECT DESCRIPTION: Crack repair, resurfacing and repainting of asphalt tennis courts at Oro Valley Community Center

PROJECT JUSTIFICATION: Prevent further degradation, which creates tripping hazards and results in more costly repairs in the future; ensures courts are maintained for safer and enjoyable use by public



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
General Fund	\$	80,000	Construction	\$ 80,000		\$ 80,000
Total	\$	80,000	Total Project Costs	\$ -	\$ 80,000	\$ -

Post Project Annual Operating Impact

Avoidance of future costly removal and reconstruction costs; avoidance of liability for personal injury claims

CIP – Project Descriptions

PROJECT TITLE: Pavement Preservation Program

PROJECT DESCRIPTION: Perform annual roadway and multi-use path surface treatments 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 Plans



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
HURF gas taxes	\$	800,000		\$ 800,000		\$ 800,000
Total	\$	800,000	Total Project Costs	\$ -	\$ 800,000	\$ -

Post Project Annual Operating Impact

Maintaining adequate funding for this program prevents future costly roadway reconstruction and rehabilitation

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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Highway Fund	\$	286,439	\$ 36,439			\$ 36,439
				250,000		250,000
Total	\$	286,439	Total Project Costs	\$ 36,439	\$ 250,000	\$ -

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Rancho Vistoso Boulevard Street Lights

PROJECT DESCRIPTION: Replace conduit and conductors of street light circuits one and three along Rancho Vistoso Boulevard

PROJECT JUSTIFICATION: Escalating maintenance costs and safety concerns due to malfunctioning lights



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Highway Fund	\$	435,000	Design	\$ 54,375	\$ 56,250	\$ 110,625
General Fund		450,000	Construction	380,625	393,750	774,375
Total	\$	885,000	Total Project Costs	\$ -	\$ 435,000	\$ 885,000

Post Project Annual Operating Impact

Maintenance Savings	\$	(6,000)
Total Annual Operating Impact	\$	(6,000)

PROJECT TITLE: Community Center Bond-Funded Improvements

PROJECT DESCRIPTION: Make numerous improvements to the Town's Community Center and golf courses, including golf course irrigation replacement, repurposing of facility space and facility remodeling

PROJECT JUSTIFICATION: Meets goals and strategies within the Parks and Recreation Focus Area of the 2017 Strategic Plan; improves ADA functionality of the facility; 15-20% reduction in water usage; significantly improved financial performance of the facility



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Excise Tax Bonds	\$	6,000,000	Design	\$ 265,000		\$ 265,000
			Furnishings, Fixtures & Equipment	210,000		210,000
			Construction	2,525,000	3,000,000	5,525,000
Total	\$	6,000,000	Total Project Costs	\$ -	\$ 3,000,000	\$ 6,000,000

Post Project Annual Operating Impact

\$400,000 estimated cost savings or revenue increases within two years following full implementation

CIP – Project Descriptions

PROJECT TITLE: La Cholla Boulevard from Overton to Tangerine Widening Project

PROJECT DESCRIPTION: Widen La Cholla Boulevard from Overton Road to Tangerine Road to four lanes, make drainage improvements and add multi-use lanes

PROJECT JUSTIFICATION: As per the adopted RTA plan



SOURCES OF FUNDING

BUDGETED PROJECT COSTS

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$ 3,860,000	Design	\$ 2,224,203	\$ 400,000		\$ 2,624,203
Pima County Impact Fees	3,180,000	Right of Way Acquisition	1,000,000			1,000,000
RTA Regional Funds	17,293,203	Construction		12,329,000	9,180,000	21,509,000
Roadway Impact Fees	800,000					
Total	\$ 25,133,203	Total Project Costs	\$ 3,224,203	\$ 12,729,000	\$ 9,180,000	\$ 25,133,203

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: La Cañada Drive & Moore Road Intersection Improvement

PROJECT DESCRIPTION: Implement traffic control improvements at the intersection of La Cañada Drive and Moore Road, per recommendations of a completed intersection safety study

PROJECT JUSTIFICATION: Due to the high growth rate at the vicinity of the intersection, traffic control improvements will improve travel and increase safety for vehicles and pedestrians at this intersection



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Roadway Impact Fees	\$ 1,000,000	Design		\$ 200,000		\$ 200,000
		Construction		800,000		800,000
Total	\$ 1,000,000	Total Project Costs	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000

Post Project Annual Operating Impact

Electricity and Maintenance Costs	\$ 3,600
Total Annual Operating Impact	\$ 3,600

CIP – Project Descriptions

PROJECT TITLE: Transportation Art by Youth (TABY) Program

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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	75,000	Design, Supplies, Construction	\$ 40,000	\$ 35,000	\$ 75,000
Total	\$	75,000	Total Project Costs	\$ 40,000	\$ 35,000	\$ - \$ 75,000

Post Project Annual Operating Impact

Minimal maintenance; vandalism repair

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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
PAG/RTA Fund Reserves	\$	285,000	Design	\$ 75,000		\$ 75,000
			Construction	210,000		210,000
Total	\$	285,000	Total Project Costs	\$ - \$ 285,000	\$ -	\$ 285,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Town-Wide Fleet Replacements

PROJECT DESCRIPTION: Annual replacement of vehicles across Town departments

PROJECT JUSTIFICATION: Replacement of aging fleet helps control vehicle repair and maintenance costs; vehicle reserves are set aside annually to fund replacements



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Vehicle Reserves	\$	778,750		\$ 816,750		\$ 816,750
PAG Regional Funds		38,000				
Total	\$	816,750	\$ -	\$ 816,750	\$ -	\$ 816,750

Post Project Annual Operating Impact

Potential for reduced maintenance costs as aging fleet are replaced

PROJECT TITLE: Nakoma Sky Replacement Well Drill and Construct

PROJECT DESCRIPTION: Drill and construct a new well at the Nakoma Sky development at First Ave. 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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	40,000	\$ 5,000	\$ 100,000		\$ 105,000
Excise Tax Bonds		1,500,000	35,000	1,400,000		1,435,000
Total	\$	1,540,000	\$ 40,000	\$ 1,500,000	\$ -	\$ 1,540,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Electromagnetic Flow Meter Replacements

PROJECT DESCRIPTION: Replace 20 well meters with new electromagnetic flow meters

PROJECT JUSTIFICATION: Improve operational efficiencies and minimize unaccounted water loss by installing reliable meters at water source (wells); allow real-time monitoring of flows and water-pumping volumes in our Advanced Metering Infrastructure (AMI)



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	150,000		\$ 75,000	\$ 75,000	\$ 150,000
Total	\$	150,000	\$ -	\$ 75,000	\$ 75,000	\$ 150,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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PROJECT TITLE: Hydropneumatic Tank Replacement Phase IV (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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Excise Tax Bonds	\$	100,000	\$ 10,720			\$ 10,720
Water Utility Revenues		10,720		100,000		100,000
Total	\$	110,720	\$ 10,720	\$ 100,000	\$ -	\$ 110,720

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 High Mesa "G" Zone 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:

Excise Tax Bonds	\$	100,000
Water Utility Revenues		11,743
Total	\$	111,743

BUDGETED PROJECT COSTS:

	Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Design	\$ 11,743			\$ 11,743
Construction		100,000		100,000
Total Project Costs	\$ 11,743	\$ 100,000	\$ -	\$ 111,743

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

PROJECT TITLE: Fire Line Backflow Protection

PROJECT DESCRIPTION: Retrofit and bring substandard fire service lines up to current standards to protect public health

PROJECT JUSTIFICATION: From 1999 to 2004, fire line backflow protection devices were not required per code; old stagnant water in them has created a potential health hazard if a backflow event occurs



SOURCES OF FUNDING:

Excise Tax Bonds	\$	564,000
Total	\$	564,000

BUDGETED PROJECT COSTS:

	Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Construction		\$ 188,000	\$ 376,000	\$ 564,000
Total Project Costs	\$ -	\$ 188,000	\$ 376,000	\$ 564,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Rancho Feliz Valve and Drain Valve Assembly (DVA) Replacements

PROJECT DESCRIPTION: Replace 11 DVAs and 33 isolation valves in the Rancho Feliz subdivision

PROJECT JUSTIFICATION: DVA replacements 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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
Excise Tax Bonds	\$	150,000		\$ 150,000		\$ 150,000	
Total	\$	150,000	Total Project Costs	\$ -	\$ 150,000	\$ -	\$ 150,000

Post Project Annual Operating Impact

Water main flushing program costs	\$	1,000
Total Annual Operating Impact	\$	1,000

PROJECT TITLE: Pressure-Reducing Valve - Aldersprings

PROJECT DESCRIPTION: Relocate buried pressure-reducing valve (PRV) above ground; work includes cutting pavement, excavation, piping modifications and metal fabrication

PROJECT JUSTIFICATION: Creates a safer work environment in a non-confined space by relocating buried equipment above ground



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
Excise Tax Bonds	\$	130,000		\$ 70,000	\$ 60,000	\$ 130,000	
Total	\$	130,000	Total Project Costs	\$ -	\$ 70,000	\$ 60,000	\$ 130,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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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 2019	2019	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	310,630	Construction	\$ 310,630	\$ 50,000	\$ 200,000	\$ 560,630
Excise Tax Bonds		250,000					
Total	\$	560,630	Total Project Costs	\$ 310,630	\$ 50,000	\$ 200,000	\$ 560,630

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 2019	2019	Future	Total
				Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$	176,615	Design	\$ 176,615			\$ 176,615
Excise Tax Bonds		800,000	Construction		600,000	200,000	800,000
Total	\$	976,615	Total Project Costs	\$ 176,615	\$ 600,000	\$ 200,000	\$ 976,615

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-					
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CIP – Project Descriptions

PROJECT TITLE: Tucson Water Wheeling at Oracle Road and Hardy Road

PROJECT DESCRIPTION: Construction of a new Central Arizona Project (CAP) water interconnect wheeling facility near Hardy Road and Oracle Road

PROJECT JUSTIFICATION: Project will allow the wheeling of an additional 150 acre feet of CAP water through the Tucson Water system, reducing reliance on groundwater and protecting and preserving the aquifer



SOURCES OF FUNDING:

Water Utility Revenues	\$	100,000
Excise Tax Bonds		450,000
Total	\$	550,000

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Design			\$ 100,000			\$ 100,000
Construction				450,000		450,000
Total Project Costs	\$	100,000	\$ 100,000	\$ 450,000	\$ -	\$ 550,000

Post Project Annual Operating Impact

Maintenance and operating costs		\$ 500
Total Annual Operating Impact	\$	500

PROJECT TITLE: Wall Upgrades and Improvements

PROJECT DESCRIPTION: Repair, seal and recoat security wall at the reclaim production facility; seal and recoat stucco walls at the reclaim facility, water plant 16, well D9 and Glover facility

PROJECT JUSTIFICATION: Prevent further damage to walls; water is penetrating beneath the stucco coating, causing spalling damage; grout between the upper security grating and wall is cracking



SOURCES OF FUNDING:

Water Utility Revenues	\$	85,000
Total	\$	85,000

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Construction				\$ 85,000		\$ 85,000
Total Project Costs	\$	-	\$ -	\$ 85,000	\$ -	\$ 85,000

Post Project Annual Operating Impact

Stucco repair cost savings		\$ (1,000)
Total Annual Operating Impact	\$	(1,000)

CIP – Project Descriptions

PROJECT TITLE: Operations Office Improvements - Reclaim Facility

PROJECT DESCRIPTION: Retrofit existing production facility shop into suitable office space and develop additional parking area

PROJECT JUSTIFICATION: Allows both Water Utility superintendents to be located in the same area, expediting supervisory coordination; provides Water Quality with a larger work area and frees up space at the Municipal Operations Center for other personnel



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	150,000	Design		\$ 20,000		\$ 20,000
			Construction		130,000		130,000
Total	\$	150,000	Total Project Costs	\$ -	\$ 150,000	\$ -	\$ 150,000

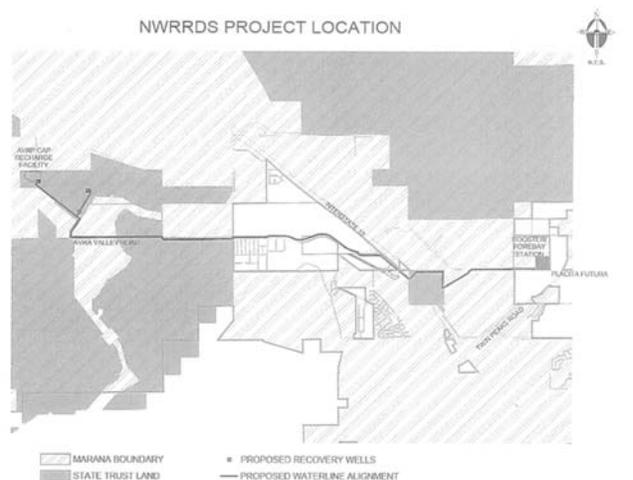
Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Program Support Services (Northwest Recharge, Recovery and Delivery System)

PROJECT DESCRIPTION: Professional consulting firm to provide program support services for design and construction of the Northwest Recharge, Recovery and Delivery System (NWRRDS)

PROJECT JUSTIFICATION: Consultant will serve in the capacity of a program manager, advising on construction methods, preparing preliminary design, procurement of the project engineers and contractors, overseeing contracts, permitting and construction oversight



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Alternative Water Impact Fees	\$	1,050,000	Architecture/Engineering		\$ 400,000	\$ 1,350,000	\$ 1,750,000
CAWCD Funds		700,000					
Total	\$	1,750,000	Total Project Costs	\$ -	\$ 400,000	\$ 1,350,000	\$ 1,750,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: Pipeline Route Study and Preliminary Design (Northwest Recharge, Recovery and Delivery System)

PROJECT DESCRIPTION: Pipeline route study and preliminary design from the Partnered Project to the Oro Valley Water Utility reservoir on King Air Drive

PROJECT JUSTIFICATION: An independent transmission main and storage tank/booster station are necessary to deliver additional Central Arizona Project water from the Partnered Project to the Oro Valley reservoir; study will include identifying property acquisition, easements, right of way, pipe alignment and pipe material



PIPELINE ALIGNMENT 1
SHEET 2
TOWN OF ORO VALLEY
UNIT CAP WATER PLANNING, DESIGN, AND DISTRIBUTION SYSTEM STUDY

SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Alternative Water Impact Fees	\$	120,000		\$ 200,000		\$ 200,000
CAWCD Funds		80,000				
Total	\$	80,000	Total Project Costs	\$ -	\$ 200,000	\$ -

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

PROJECT JUSTIFICATION: Replace lost well capacity, which has decreased approximately 1,500 gallons per minute since February 2007; 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 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	8,822	\$ 8,822	\$ 50,000	\$ 100,000	\$ 158,822
Potable Water Impact Fees		1,500,000		650,000	700,000	1,350,000
Total	\$	1,508,822	Total Project Costs	\$ 8,822	\$ 700,000	\$ 800,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: Catalina Ridge - Mitigation Grant Channel Repair

PROJECT DESCRIPTION: Mitigate channel deficiencies if federal grant is approved to repair failed channel (project contingent on grant award)

PROJECT JUSTIFICATION: Grant application has been submitted for funding to mitigate and repair a drainage channel that is damaged and in disrepair, which could potentially result in private property damage



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
AZDEMA Grant	\$	2,000,000	Construction	\$	2,000,000	\$	2,000,000
Total	\$	2,000,000	Total Project Costs	\$	-	\$	2,000,000

Post Project Annual Operating Impact

Avoidance of potential costly liability claims for private property damage

PROJECT TITLE: Calle Buena Vista at Carmack Wash – Low Flow Culvert

PROJECT DESCRIPTION: Construction of an all-weather culvert crossing on Calle Buena Vista at Carmack wash

PROJECT JUSTIFICATION: Principal roadway with relatively large flood discharges affecting the area five to ten times per year, resulting in street closures, removal of sand and shoulder regrading



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2019 Expenditures	2019 Projected	Future Expenditures	Total Budget	
Stormwater Utility Revenues	\$	250,000	Design & Data Analysis	\$	50,000	\$	50,000
			Construction		200,000		200,000
Total	\$	250,000	Total Project Costs	\$	-	\$	250,000

Post Project Annual Operating Impact

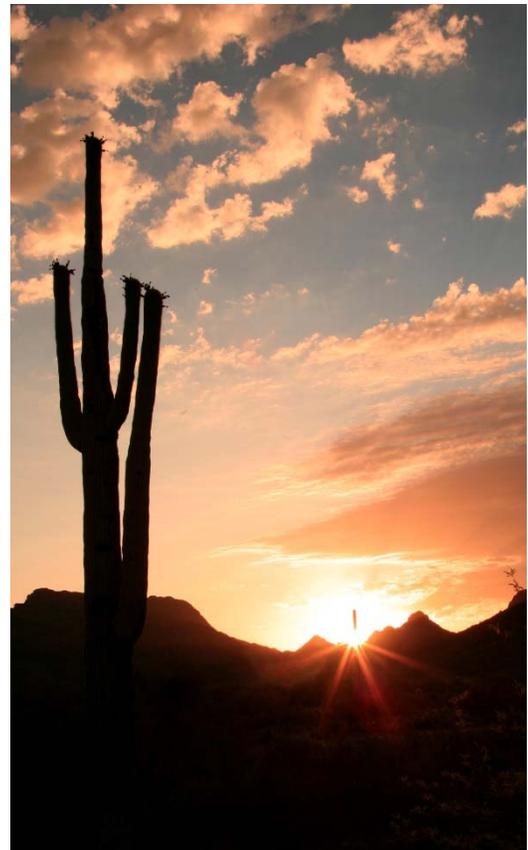
None anticipated; post-storm cleanup costs expected to be offset with culvert maintenance

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APPENDIX

Resolution Adoption
Auditor General Statements
Glossary



RESOLUTION NO. (R)18-27

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 2018-2019

WHEREAS, on May 16, 2018, 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 6, 2018, 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 2018/2019; 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 2018-2019.

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 2018-2019 in the amount of \$142,906,231.

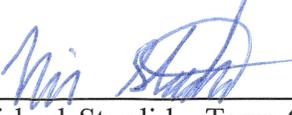
BE IT FURTHER RESOLVED that the Mayor and Council of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the budget for the Fiscal Year 2018-2019.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona, this 6th day of June 2018.

TOWN OF ORO VALLEY, ARIZONA


Dr. Satish I. Hiremath, Mayor

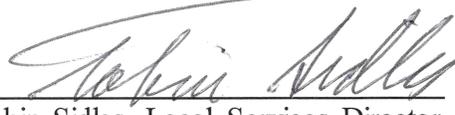
ATTEST:



Michael Standish, Town Clerk

Date: 6/8/18

APPROVED AS TO FORM:



Tobin Sidles, Legal Services Director

Date: 6/8/18



Town of Oro Valley

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TOWN OF ORO VALLEY
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2019

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	Enterprise Funds Available	Internal Service Fund	Total All Funds	
2018	Adopted/Adjusted 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
2018	Actual Expenditures/Expenses**	E	33,628,359	11,778,607	1,024,706	10,007,588	0	19,228,511	4,275,462	79,943,233
2019	Fund Balance/Net Position at July 1***		15,035,308	1,025,842	99,564	21,318,245		9,514,215	578,559	47,571,733
2019	Primary Property Tax Levy	B	0							0
2019	Secondary Property Tax Levy	B								0
2019	Estimated Revenues Other than Property Taxes	C	38,788,563	10,540,507	332,006	15,837,355	0	19,807,733	3,828,334	89,134,498
2019	Other Financing Sources	D	0	0	0	3,000,000	0	3,200,000	0	6,200,000
2019	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2019	Interfund Transfers In	D	120,000	550,000	884,094	3,403,000	0	0	0	4,957,094
2019	Interfund Transfers (Out)	D	4,700,514	253,999	0	0	0	2,581	0	4,957,094
2019	Reduction for Amounts Not Available:									
	LESS: Amounts for Future Debt Retirement:									0
										0
										0
										0
2019	Total Financial Resources Available		49,243,357	11,862,350	1,315,664	43,558,600	0	32,519,367	4,406,893	142,906,231
2019	Budgeted Expenditures/Expenses	E	49,243,357	11,862,350	1,315,664	43,558,600	0	32,519,367	4,406,893	142,906,231

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

	2018	2019
1.	\$ 128,567,505	\$ 142,906,231
2.		
3.	128,567,505	142,906,231
4.		
5.	\$ 128,567,505	\$ 142,906,231
6.	\$ 128,567,505	\$ 142,906,231

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 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 16,544,573	\$ 17,611,208	18,752,418
Cable Franchise Tax	620,000	655,379	685,000
Licenses and permits			
Licenses	200,000	202,000	204,000
Permits	1,740,236	2,055,454	1,797,596
Fees	122,885	197,719	134,500
Intergovernmental			
State/County Shared	11,636,928	11,540,562	11,708,575
State Grants	234,760	114,200	118,800
Federal Grants	471,342	426,836	596,162
Reimbursements	1,698,360	1,557,331	1,715,900
Other	95,000	90,000	90,000
Charges for services			
Reimbursements	151,000	135,000	135,000
Fees	1,244,691	1,191,535	1,259,945
Other	814,762	815,176	1,013,917
Fines and forfeits			
Fines	120,000	120,000	120,000
Interest on investments			
Interest Income	103,000	(11,722)	150,000
Miscellaneous			
Miscellaneous	233,000	295,714	306,750
Total General Fund	\$ 36,030,537	\$ 36,996,392	\$ 38,788,563

* 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 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway User Fuel Tax	\$ 3,363,581	\$ 3,363,581	3,291,659
Permits	57,000	44,948	48,700
Interest Income	36,994	26,524	50,000
Charges for Services			
State Grants	100,000	114,011	165,000
Other	2,000	4,103	3,000
	<u>\$ 3,559,575</u>	<u>\$ 3,553,167</u>	<u>3,558,359</u>
Bed Tax Fund			
Local Sales Tax	\$ 1,126,955	\$ 1,279,940	
Interest Income	8,011	1,678	
	<u>\$ 1,134,966</u>	<u>\$ 1,281,618</u>	
Seizures & Forfeitures			
Seizures & Forfeitures	\$ 275,000	\$ 275,000	325,000
Interest Income		3,600	
	<u>\$ 275,000</u>	<u>\$ 278,600</u>	<u>325,000</u>
Impound Fee Fund			
Fees	\$ 40,000	\$ 34,288	
	<u>\$ 40,000</u>	<u>\$ 34,288</u>	
Community Center Fund			
Local Sales Tax	\$ 2,308,112	\$ 2,308,112	2,384,558
Charges for Services	4,159,931	4,344,109	4,253,088
Other	27,861	19,502	19,502
	<u>\$ 6,495,904</u>	<u>\$ 6,671,723</u>	<u>6,657,148</u>
Total Special Revenue Funds	<u>\$ 11,505,445</u>	<u>\$ 11,819,396</u>	<u>\$ 10,540,507</u>

* 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 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
DEBT SERVICE FUNDS			
Municipal Debt Service Fund			
Federal Grants	\$ 51,403	\$ 51,403	47,578
Interest Income		3,500	
Miscellaneous	90,000	100,000	100,000
	\$ 141,403	\$ 154,903	147,578
Oracle Road Improvement District			
Special Assessments	\$ 186,520	\$ 186,520	184,428
	\$ 186,520	\$ 186,520	184,428
Total Debt Service Funds	\$ 327,923	\$ 341,423	\$ 332,006
CAPITAL PROJECTS FUNDS			
Alternative Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 1,387,819	\$ 1,496,413	1,476,597
Interest Income	34,485	4,905	34,485
	\$ 1,422,304	\$ 1,501,318	1,511,082
Potable Water System Development Impact Fee Fund			
Development Impact Fees	\$ 691,333	\$ 743,413	735,557
Interest Income	37,238	(11,523)	37,238
	\$ 728,571	\$ 731,890	772,795
Townwide Roadway Development Impact Fee Fund			
Development Impact Fees	\$ 906,401	\$ 724,670	510,964
Interest Income	5,000	17,800	10,000
State Grants			250,000
	\$ 911,401	\$ 742,470	770,964
Parks and Recreation Impact Fee Fund			
Development Impact Fees	\$ 294,505	\$ 261,080	261,936
Interest Income		2,000	2,000
	\$ 294,505	\$ 263,080	263,936
Police Impact Fee Fund			
Development Impact Fees	\$ 128,207	\$ 141,069	111,678
Interest Income		2,000	
	\$ 128,207	\$ 143,069	111,678
General Government Impact Fee Fund			
Interest Income	\$	\$ 15	
		\$ 15	
Capital Fund			
Miscellaneous	\$	\$	420,400
			420,400
PAG/RTA Fund			
State Grants	\$ 7,899,982	\$ 5,551,200	11,964,000
Other	22,500	71,029	22,500
	\$ 7,922,482	\$ 5,622,229	11,986,500
Total Capital Projects Funds	\$ 11,407,470	\$ 9,004,071	\$ 15,837,355

* 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 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
ENTERPRISE FUNDS			
Water Utility Fund			
Water Sales	\$ 12,075,700	\$ 13,403,654	13,152,900
Charges for Services	3,225,300	3,331,215	3,183,500
Interest Income	93,164	(16,969)	62,333
Miscellaneous	2,745	2,745	2,745
	<u>\$ 15,394,164</u>	<u>\$ 16,720,645</u>	<u>16,398,733</u>
Stormwater Utility Fund			
Charges for Services	\$ 1,402,500	\$ 1,394,180	1,407,000
Interest Income	500	3,103	2,000
State Grants			2,000,000
Miscellaneous		51	
	<u>\$ 1,403,000</u>	<u>\$ 1,397,334</u>	<u>3,409,000</u>
Total Enterprise Funds	<u>\$ 16,797,164</u>	<u>\$ 18,117,979</u>	<u>\$ 19,807,733</u>
INTERNAL SERVICE FUNDS			
Fleet Fund			
Fleet Services	\$ 760,000	\$ 836,858	
Miscellaneous	394,896	400,896	
	<u>\$ 1,154,896</u>	<u>\$ 1,237,754</u>	
Benefit Self Insurance Fund			
Miscellaneous	\$ 3,645,264	\$ 3,651,064	3,828,334
	<u>\$ 3,645,264</u>	<u>\$ 3,651,064</u>	<u>3,828,334</u>
Total Internal Service Funds	<u>\$ 4,800,160</u>	<u>\$ 4,888,818</u>	<u>\$ 3,828,334</u>
TOTAL ALL FUNDS	<u>\$ 80,868,699</u>	<u>\$ 81,168,079</u>	<u>\$ 89,134,498</u>

* 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 2019

FUND	OTHER FINANCING 2019		INTERFUND TRANSFERS 2019	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfer from Community Center Fund	\$		\$ 120,000	\$
Transfer to Highway Fund				550,000
Transfer to Municipal Debt Service Fund				744,514
Transfer to Oracle Rd Improvement District Fund				3,000
Transfer to Capital Fund				3,403,000
Total General Fund	\$	\$	\$ 120,000	\$ 4,700,514
SPECIAL REVENUE FUNDS				
Highway Fund	\$		\$ 550,000	
Community Center Fund				253,999
Total Special Revenue Funds	\$	\$	\$ 550,000	\$ 253,999
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$	\$	\$ 881,094	\$
Oracle Road Improvement District Fund			3,000	
Total Debt Service Funds	\$	\$	\$ 884,094	\$
CAPITAL PROJECTS FUNDS				
Capital Fund	\$	\$	\$ 3,403,000	
Community Center Bond Fund		3,000,000		
Total Capital Projects Funds	\$	\$ 3,000,000	\$ 3,403,000	\$
ENTERPRISE FUNDS				
Water Utility Fund	\$	\$ 3,200,000	\$	\$ 2,581
Total Enterprise Funds	\$	\$ 3,200,000	\$	\$ 2,581
TOTAL ALL FUNDS	\$	\$ 6,200,000	\$ 4,957,094	\$ 4,957,094

TOWN OF ORO VALLEY
Expenditures/Expenses by Fund
Fiscal Year 2019

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
GENERAL FUND				
Clerk	\$ 485,098	\$	\$ 485,098	444,559
Council	214,759		214,759	210,494
Community Development & Public Works	4,893,469		4,844,157	
Community and Economic Development				2,869,324
Public Works				3,518,946
Administrative Services	3,375,735		3,343,602	4,450,555
General Administration	1,682,216		1,682,216	2,696,700
Legal	779,670		749,302	793,567
Magistrate Court	874,282		874,282	884,385
Town Manager's Office	844,708		828,524	1,251,370
Parks and Recreation	3,667,092		3,554,323	3,606,586
Police	17,108,674		16,977,096	16,557,555
Contingency Reserve	11,797,345		75,000	11,959,316
Total General Fund	\$ 45,723,048	\$	\$ 33,628,359	\$ 49,243,357
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 5,085,635	\$	\$ 4,099,535	4,912,895
Seizures and Forfeitures	420,336		302,288	604,393
Bed Tax Fund	1,070,446		850,481	
Impound Fee Fund	65,345		59,606	
Community Center Fund	6,330,245		6,466,697	6,345,062
Total Special Revenue Funds	\$ 12,972,007	\$	\$ 11,778,607	\$ 11,862,350
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ 883,551	\$	\$ 835,186	1,121,499
Oracle Road Improvement District Fund	196,514		189,520	194,165
Total Debt Service Funds	\$ 1,080,065	\$	\$ 1,024,706	\$ 1,315,664
CAPITAL PROJECTS FUNDS				
Townwide Roadway Dev Impact Fee Fund	\$ 3,935,497	\$	\$ 1,458,500	3,152,090
Alternative Water Rscs Dev Impact Fee Fund	7,627,267		186,844	9,297,630
Potable Water System Dev Impact Fee Fund	6,173,575		356,627	6,706,102
Parks and Recreation Impact Fee Fund	239,112			502,602
Police Impact Fee Fund	623,245			760,029
General Government Impact Fee Fund	3,525			3,539
Recreation In Lieu Fee Fund	15,718			15,718
Capital Fund	4,034,577		1,811,423	7,253,256
PAG/RTA Fund	8,518,687		5,625,857	12,867,634
Energy Efficiency Project Fund	700,000		568,337	
Capital Project Bond Fund	5,000,000			
Community Center Bond Fund				3,000,000
Total Capital Projects Funds	\$ 36,871,203	\$	\$ 10,007,588	\$ 43,558,600
ENTERPRISE FUNDS				
Water Utility Fund	\$ 23,965,923	\$	\$ 17,922,811	28,415,612
Stormwater Utility Fund	1,918,448		1,305,700	4,103,755
Total Enterprise Funds	\$ 25,884,371	\$	\$ 19,228,511	\$ 32,519,367
INTERNAL SERVICE FUNDS				
Fleet Fund	\$ 2,377,939	\$	\$ 1,316,314	
Benefit Self Insurance Fund	3,658,872		2,959,148	4,406,893
Total Internal Service Funds	\$ 6,036,811	\$	\$ 4,275,462	4,406,893
TOTAL ALL FUNDS	\$ 128,567,505	\$	\$ 79,943,233	\$ 142,906,231

* 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 2019

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
Clerk:				
General Fund	\$ 485,098	\$	\$ 485,098	\$ 444,559
Department Total	\$ 485,098	\$	\$ 485,098	\$ 444,559
Council:				
General Fund	\$ 214,759	\$	\$ 214,759	\$ 210,494
Department Total	\$ 214,759	\$	\$ 214,759	\$ 210,494
Community Development & Public Works:				
General Fund	\$ 4,893,469	\$	\$ 4,844,157	\$
Highway Fund	5,085,635		4,099,535	\$
Townwide Roadway Dev Impact Fee Fund	3,935,497		1,458,500	
Stormwater Utility Fund	1,918,448		1,305,700	
Fleet Fund	2,377,939		1,316,314	
PAG/RTA Fund	8,518,687		5,625,857	
Department Total	\$ 26,729,675	\$	\$ 18,650,063	\$
Community and Economic Development:				
General Fund	\$	\$	\$	\$ 2,869,324
Department Total	\$ 214,759	\$	\$	\$ 2,869,324
Public Works:				
General Fund	\$	\$	\$	\$ 3,518,946
Highway Fund				\$ 4,912,895
Stormwater Utility Fund				4,103,755
PAG/RTA Fund				12,867,634
Townwide Roadway Dev Impact Fee Fund				3,152,090
Department Total	\$	\$	\$	\$ 28,555,320
Administrative Services:				
General Fund	\$ 3,375,735	\$	\$ 3,343,602	\$ 4,450,555
Department Total	\$ 3,375,735	\$	\$ 3,343,602	\$ 4,450,555
General Administration:				
General Fund	\$ 1,682,216	\$	\$ 1,682,216	\$ 2,696,700
General Fund - Contingency Reserve	11,797,345		75,000	11,959,316
Municipal Debt Service Fund	883,551		835,186	1,121,499
Oracle Road Improvement District Fund	196,514		189,520	194,165
Benefit Self Insurance Fund	3,658,872		2,959,148	4,406,893
General Government Impact Fee Fund	3,525			3,539
Capital Fund	4,034,577		1,811,423	7,253,256
Energy Efficiency Project Fund	700,000		568,337	
Capital Project Bond Fund	5,000,000			
Department Total	\$ 27,956,600	\$	\$ 8,120,830	\$ 27,635,368
Legal:				
General Fund	\$ 779,670	\$	\$ 749,302	\$ 793,567
Department Total	\$ 779,670	\$	\$ 749,302	\$ 793,567

* 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 2019

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	BUDGETED EXPENDITURES/ EXPENSES 2019
Magistrate Court:				
General Fund	\$ 874,282	\$	\$ 874,282	\$ 884,385
Department Total	\$ 874,282	\$	\$ 874,282	\$ 884,385
Town Manager's Office:				
General Fund	\$ 844,708	\$	\$ 828,524	\$ 1,251,370
Bed Tax Fund	1,070,446		850,481	
Department Total	\$ 1,915,154	\$	\$ 1,679,005	\$ 1,251,370
Parks and Recreation:				
General Fund	\$ 3,667,092	\$	\$ 3,554,323	\$ 3,606,586
Parks and Recreation Impact Fee Fund	239,112			502,602
Recreation In Lieu Fee Fund	15,718			15,718
Community Center Fund	6,330,245		6,466,697	6,345,062
Community Center Bond Fund				3,000,000
Department Total	\$ 10,252,167	\$	\$ 10,021,020	\$ 13,469,968
Police:				
General Fund	\$ 17,108,674	\$	\$ 16,977,096	\$ 16,557,555
Seizures and Forfeitures	420,336		302,288	604,393
Police Impact Fee Fund	623,245			760,029
Impound Fee Fund	65,345		59,606	
Department Total	\$ 18,217,600	\$	\$ 17,338,990	\$ 17,921,977
Water Utility:				
Water Utility Fund	\$ 23,965,923	\$	\$ 17,922,811	\$ 28,415,612
Alternative Water Rscs Dev Impact Fee Fund	7,627,267		186,844	9,297,630
Potable Water System Dev Impact Fee Fund	6,173,575		356,627	6,706,102
Department Total	\$ 37,766,765	\$	\$ 18,466,282	\$ 44,419,344

* 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 2019

FUND	Full-Time Equivalent (FTE) 2019	Employee Salaries and Hourly Costs 2019	Retirement Costs 2019	Healthcare Costs 2019	Other Benefit Costs 2019	Total Estimated Personnel Compensation 2019
GENERAL FUND	291.82	18,462,424	4,084,526	2,532,564	1,956,836	27,036,350
SPECIAL REVENUE FUNDS						
Highway Fund	27.15	1,713,720	202,219	273,550	188,197	2,377,686
Seizures and Forfeitures	1.00	49,911	18,487	11,446	6,821	86,665
Community Center Fund	20.61	662,087	16,073	34,858	56,311	769,329
Total Special Revenue Funds	<u>48.76</u>	<u>\$ 2,425,718</u>	<u>\$ 236,779</u>	<u>\$ 319,854</u>	<u>\$ 251,329</u>	<u>\$ 3,233,680</u>
ENTERPRISE FUNDS						
Water Utility Fund	39.48	2,423,543	283,950	399,487	234,195	3,341,175
Stormwater Utility Fund	10.25	566,227	66,815	78,124	57,821	768,987
Total Enterprise Funds	<u>49.73</u>	<u>\$ 2,989,770</u>	<u>\$ 350,765</u>	<u>\$ 477,611</u>	<u>\$ 292,016</u>	<u>\$ 4,110,162</u>
TOTAL ALL FUNDS	<u>390.31</u>	<u>\$ 23,877,912</u>	<u>\$ 4,672,070</u>	<u>\$ 3,330,029</u>	<u>\$ 2,500,181</u>	<u>\$ 34,380,192</u>



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 ten-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.