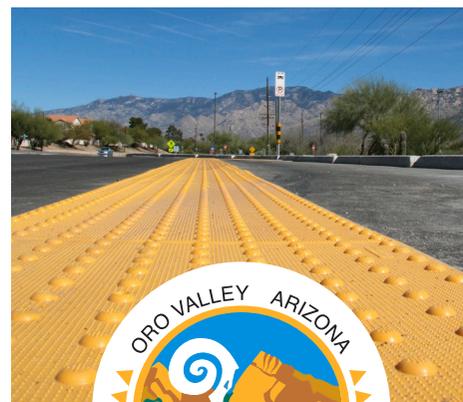


Town of Oro Valley

# ANNUAL BUDGET

FY 2020-21





**ORO VALLEY**, *it's in our nature*

## **ANNUAL BUDGET 2020 – 2021**



### **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

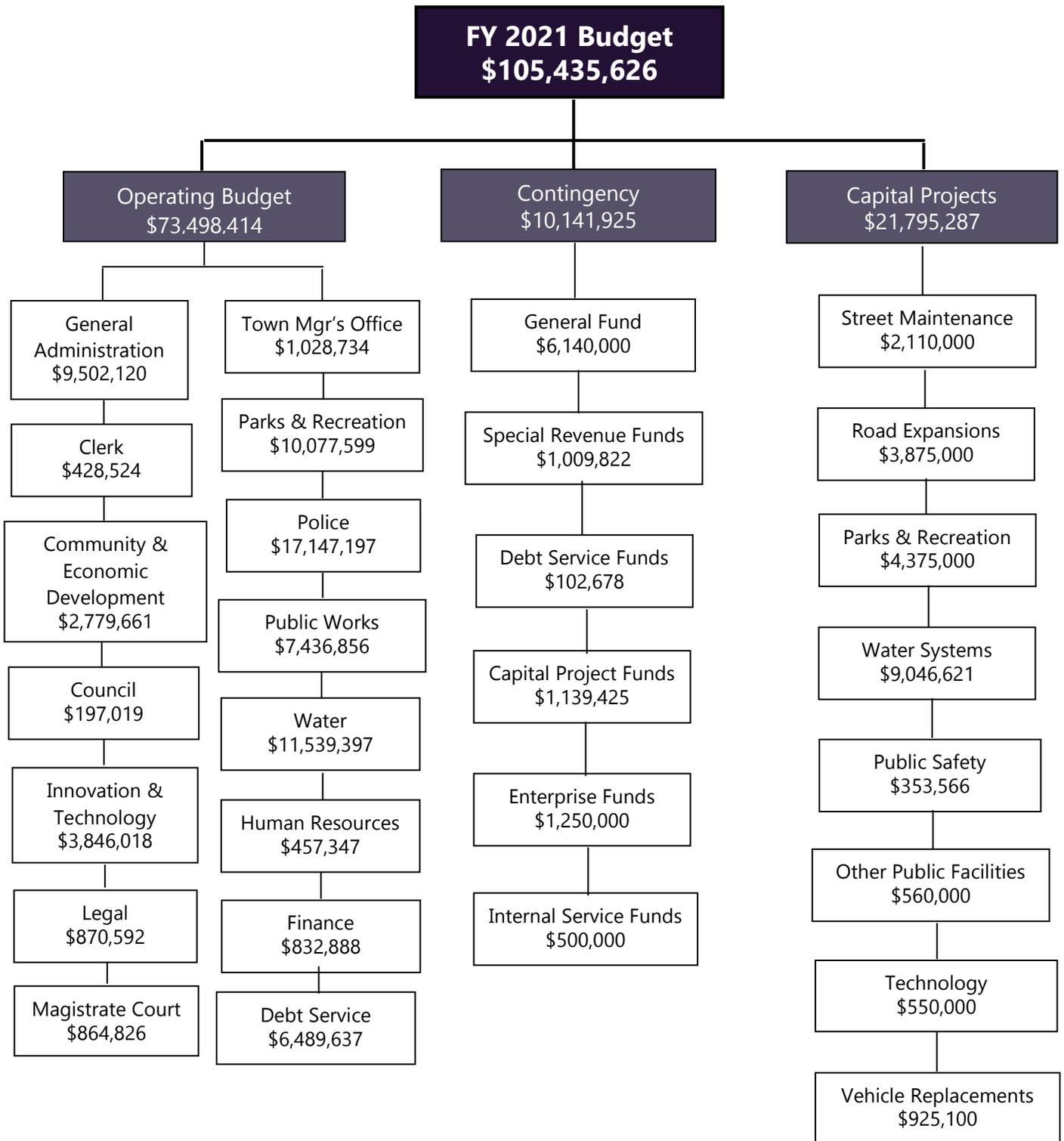
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# Financial Organizational Chart



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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, 2019**

*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, 2019.

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"  
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Organizational Chart  
General Plan  
Strategic Plan  
Fund Structure  
Financial & Budgetary Policies  
Budget Process



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# Budget Message

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Mary Jacobs, Town Manager

It is my privilege to present the Town of Oro Valley balanced budget for Fiscal Year 2020/2021. This budget totals \$105.4 million, representing a decrease of \$5.6 million, or 5.0% from the adopted FY 2019/2020 budget of \$111.0, which is further explained below.

The FY20/21 budget was particularly challenging to develop this year due to the considerable uncertainty facing the nation, state and region as a result of the COVID-19 pandemic and the impacts closures in education, business, hospitality, restaurants, and the service sector have had on the economy. The Town's own facilities and services have also been impacted. The Town temporarily closed the Community Center, many park amenities, and building lobbies, and transit use dropped off more than 80% at the height of the Governor's stay-at-home orders. These closures and decreased usage all impact community service delivery as well as some employee work schedules and their income. The uncertainty continues into the foreseeable future, but staff developed a budget that incorporates the best available information and focuses on the priorities of the community and elected body, while conforming to the reality of less revenue in the coming fiscal year.

With strong financial preparation, a collaborative leadership team, and targeted and responsible expenditure reductions, this balanced budget represents the allocation of resources expected to be available in this COVID-19 crisis during the fiscal year. The allocated resources will be focused on achieving the goals and objectives outlined in the Town Council's adopted FY 2019/20 – FY 2020/21 Strategic Leadership Plan, wherever possible.

The Council has identified the following focus areas for investments to support the community:

- Economic Vitality
- Recreation and Culture
- Public Safety
- Roads, Water and Town Assets
- Land Use
- Efficient and Effective Government
- Town Finances

## **A WELL PREPARED TOWN GOVERNMENT**

The Town of Oro Valley is strongly positioned to weather the projected national and state economic downturn with minimal expected impacts on services to the community. Had the trajectory of the Town's actual sales tax collections gone as projected, it was forecasted the Town would have seen a year-over-year increase of sales tax collections nearly 10% higher than the FY 19/20 budget at fiscal year-end. With the strong first eight-month performance, the Town still ended the FY19/20 fiscal year (unaudited numbers) with revenues at 108% of budget, despite the sharp decline in sales tax revenues after the start of the COVID-19 crisis. The Town's consistent conservative budgeting and forecasting practices have put the organization in an enviable financial position to start FY 20/21.

In addition, the following other preparations and actions have contributed to the Town's strong financial position:

- Early on in the COVID-19 pandemic, the Town implemented a hiring freeze, travel freeze and expenditure cutbacks starting in March 2020. These actions resulted in sufficient reductions to meet the expected drop in revenues without significant service reductions beyond the state or locally-imposed emergency facility closures.
- The Town has built up a healthy cash reserve in the General Fund above the 25% Council policy. Even with the significant revenue reduction expected at FY 19/20 year-end, the Town is expected to have a General Fund balance of approximately \$ 17.2 million to begin the new fiscal year.
- FY 19/20 was the first year the Town retained 100%, rather than 55%, of the sales taxes collected at the Oro Valley Marketplace following the expiration of a revenue sharing agreement from 10 years ago. Of the estimated \$750,000 in additional revenue this represents to the Town, \$500,000 was applied to an additional PSPRS contribution in FY 19/20. For FY 20/21, this on-going revenue stream will greatly assist in helping mitigate increases in operating costs.
- The Town has a strong debt position with only \$40.5 million in outstanding loans, bonds, and capital leases across all funds. In addition, the Town has a capital investment strategy that relies largely on pay-as-you-go, only utilizing financing for capital projects when financially prudent.

### **PROJECTED ECONOMIC CONDITIONS FOR FY 20/21**

While little data has been reported to date with regard to the Town's actual revenue collections following the statewide emergency closures, economic projections collected from reliable sources (e.g. UA Eller College, Arizona Joint Legislative Budget Committee, J.D. Power, etc.) as of the printing of this Adopted Budget show potentially concerning trends for the upcoming fiscal year:

- Arizona's June unemployment rate bounced up to 10.0%, but remained below the national rate at 11.1%.
- Housing permit activity is expected to be slower.
- U.S. hotel occupancy rate is down over 58% from last year. More than 40% of the 300,000-plus Arizonans who work in the hotel and resort industry have lost their jobs due to the pandemic.
- Enplanements at Tucson International Airport fell by 52% in March, and TSA reports that daily airport screenings in Arizona declined 96% in April compared with April 2019.
- Consumer spending has plummeted, including a 55% decline in auto sales from last year.
- In early March 2020, 0.25% of all mortgages in the US were in forbearance (lender allows borrower to pause or reduce payments) due to general financial hardship.

On the positive side, the University of Arizona Eller College of Business, and other sources, predict that Arizona will be among the fastest states to recover post-COVID.

In the General Fund, the FY 20/21 Adopted Budget is 3.7% less than the FY 19/20 Adopted Budget when excluding the CARES Act funds and the significantly larger contingency than last fiscal year explained below. The economic crisis is expected to have an impact on the Town's largest revenue source, sales taxes. Using the economic projections available at the time of budget preparation, the Town is projecting a sharp drop-off in year-over-year sales tax collections for the first six months of the fiscal year, and then a gradual uptick starting in January, with an expected overall decrease of 6% in that revenue category by FY 20/21 year-end. State Shared Revenues is the second largest revenue source for the Town. This revenue category is expected to increase by 5% due exclusively to the state income tax portion of the formula, which lags two years behind. The initial projection by the State showed a 12% increase overall, but was revised downward once the COVID-19 closures became a reality. This

reduction reflects a similar expected decrease in sales tax collections, as well as a reduction in the vehicle license tax portion. In addition, prior to the COVID-19 crisis, the Town was projecting an estimated 325 single family permits for FY 20/21. Based on economic projections and discussions with local builders, the Town has adjusted that projection to 225 single family homes constructed during the fiscal year, and commercial permit activity has been reduced by 40% from original projections.

## **TOWN OPERATIONS**

### **Expenditures Reduced**

In the General Fund, Operations and Maintenance (O&M) costs have been reduced 11.5% overall from the FY19/20 Adopted Budget, amounting to \$1.2 million. Department directors worked with their management teams to identify budget reductions that would be supportable and minimize service impacts to the community.

### **Excess Reserves to Fund Capital and Supplement Operations**

The Adopted Budget includes the use of excess reserves in the amount of \$2.3 million, of which \$900,000 will be applied to capital projects, and the balance used to mitigate the need for additional cuts in the General Fund. Ordinarily, excess reserves are used exclusively for one-time expenditures. But the pandemic has necessitated veering from the policy in order to balance cuts with loss of services to residents, for what is expected to be a short-term situation.

The Town Council also approved an amendment to the Town's Governmental Accounting Standards Board (GASB) 54 policy, which removed unnecessary restrictions still in place on fund balance from the former Bed Tax Fund that was collapsed into the General Fund in FY18/19. This change resulted in the availability of \$1.6 million of additional unassigned fund balance that will strengthen even further the availability of reserves the Town can use to get through this crisis.

The addition of the former Bed Tax fund balance, and the use of \$2.3 million for the Adopted Budget still leaves \$4.8 million above the Town Council's 25% reserve policy to hold for unforeseen revenue losses, unexpected expenditures, or reserve for capital expenditure use in FY 21/22.

### **Compensation, Benefits and Personnel**

Personnel is a significant expense to the Town's budget, as the government is a service-based organization. Except for several years during the Great Recession, over the recent past the Town has been able to offer step and merit increases for its employees. While the fair compensation and retention of employees is a significant priority for me and for the entire Town management team, and was similarly expressed as a priority by the Town Council during the February 2020 strategic planning retreat, the FY 20/21 Adopted Budget unfortunately includes neither step/merit increases nor a market adjustment we had hoped to include. Including step and merit increases would require identifying an additional \$500,000 in the General Fund for FY 20/21, and more importantly, has a compounding effect on future budgets in the five-year forecast. It is hoped that as the economy recovers, those increases and adjustments can be included in future budgets. However, I am pleased to report that the Adopted Budget was balanced without the need to institute layoffs or employee furloughs.

In mid-March 2020, I instituted a hiring freeze affecting seven vacant positions. An additional two positions became vacant before fiscal year end. All of those positions have been projected vacant through December 31, 2020 in the Adopted Budget.

The Town is self-funded for health benefits, and employees are to be commended for taking advantage of the Town's on-site health clinic, extensive wellness programs, and the "Know Your Numbers" initiative. All of these programs have had a notable positive effect on employee health, resulting in lower claims for employees and their dependents. Consequentially, the Town is able to keep its health premiums at existing levels, and has planned for at least one "premium holiday" for employees in the month of August, when deductions will not be made for health premiums. A potential additional premium holiday may be considered in early 2021 if claims experience continues to be low. In addition, the Town has broadened its financial support for employees choosing the high deductible health plan, increasing the Town's contribution for employee-only coverage from 80% Town-paid to 100% Town-paid starting July 1, 2020. Furthermore, families participating in the high deductible health plan will see their annual contribution to their Health Savings Account (HSA) increase from \$1,250 to \$1,750. These additional options for employees, and the ability to forgo premium increases, will assist our workforce and their families in this economic downturn.

Finally, it is to be expected that the Adopted Budget is conservatively approaching new positions and reclassifications for existing positions. The Water Utility budget includes a new Instrumentation Control Technician position, which is needed to help with the installation, calibration and repair of the utility's growing water system that increasingly relies on technology. The budget also includes the authorization to convert an IT Technician from part-time to full-time, which will only be filled if revenues meet projections. Last year, the Information Technology Department was given authorization for a pilot project converting budgeted professional services dollars used to hire an outside firm, to instead hire a part-time IT Technician. The Town was able to greatly expand the service hours available for help desk activities and reduce the backlog of requests for service, and the extra hours have proved to be even more useful as the department responded to organization-wide requests for technology access during the COVID-19 crisis. It is anticipated that the transition to more telework and expanded access to Town services electronically will only continue; therefore, converting the part-time position to full-time benefits the entire organization. The Adopted Budget also includes the necessary reclassification of 16 positions at a total cost of \$32,704 (\$28,715 in the General Fund). These positions are in Parks and Recreation, Police, Public Works and Human Resources departments. Classifications were adjusted to reflect the actual operational duties assigned to the positions as well as address internal and external equity issues.

### **CARES Act Funding**

In May 2020, the Governor announced a distribution of state CARES Act funds to local jurisdictions. Based on the formula, the Town received nearly \$5.3M for public safety expenses. The receipt of these funds freed up General Fund resources, which were subsequently allocated as followed in the FY20/21 Adopted Budget:

- Business Assistance Program: \$1,000,000
- Town Services/Continuity of Operations & Technology: \$320,000
- Facility Improvements: \$1,550,000
- Safety Initiatives: \$285,000
- PPE/sanitization: \$50,000
- Employee Wellness: \$50,000
- Nonprofit Support on Facility Use: \$20,000
- Council Strategic Priorities: \$261,000
- Additional PSPRS Contribution: \$500,000
- Additional Contingency: \$1,250,000

## Strategic Investments Continue

The Town Council's FY 19/20 – FY 20/21 Strategic Leadership Plan continues to serve as the foundation for prioritizing resources in the Adopted Budget. While there are some objectives that will need to be extended into FY 21/22 due to reduced resources, the Adopted Budget includes a number of initiatives that support the established direction of the elected body.

**Economic Vitality** – With the Town Council adoption of the Comprehensive Economic Development Strategy in October 2019, the Adopted Budget includes several investments and staff initiatives that will move the community toward future economic growth. The University of Arizona will welcome its first class of 110 students in its inaugural Veterinary Science program in Oro Valley this fall.

In addition, the UA Center for Innovation entered into an agreement with the Oro Valley Innovation Lab (OVIL) to take on the responsibility for managing and supporting the new business incubator currently under construction in Innovation Park. With \$60,000 in previous contributions by the Town and a matching contribution by Pima County for the construction of the building, this facility has already attracted several start-up bio-science companies that are poised to tap into the bio ecosystem at Innovation Park following the opening of the facility in Fall 2020. The Adopted Budget includes \$30,000 to contribute to the University of Arizona's operational commitment and ensure the incubator is resourced to recruit and support these new businesses. In addition, the Adopted Budget includes \$275,000 to continue the Town's long-standing partnership with Visit Tucson in attracting visitors to the community, down \$25,000 from FY 19/20. The Adopted Budget also continues the Town's \$40,000 commitment for an operating agreement with the Oro Valley Chamber of Commerce to support the retention and expansion of Town businesses, with a specific emphasis in the coming fiscal year on ways in which businesses impacted by the COVID-19 crisis can be assisted in their recovery.

**Recreation and Culture** – In late May 2020, the Town received the report from PRO's Consulting on the community Parks and Recreation Needs Assessment. The next step in the process is to develop updated master plans for the Town's parks and recreation facilities. It is expected that preliminary concepts will be developed during the fiscal year, and include continued public engagement. Detailed master plans, such as formal designs, will be budgeted in future fiscal years.

The Adopted Budget also includes \$550,000 for the renovation of the former garage at Steam Pump Ranch and \$50,000 for improvements to the Pusch House, which will permit the Town to permanently assign staff at the highly popular historic amenity and allow the facility to be open to the public daily. The Town has also partnered with Oro Valley Fast Pitch to fund a new pitching/batting cage at Riverfront Park. In addition, \$300,000 has been reserved in the Town's capital budget to apply toward one or two top priorities from the needs assessment, to be determined later. In the operating budget, the Adopted Budget includes resources to continue the improvements at park facilities.

In the Fall of 2019, the Town Council approved direction for the operation of and investment in the Town's golf courses. Following a three month open competitive process, the Town signed a contract with Billy Casper Golf who took over operations of the courses in late June 2020. The Community Center fund includes \$1.1M for the irrigation design of both the Conquistador and Canada courses, and the first phase of construction of that project on the Conquistador course. The completed two-course renovation project cost is expected to be \$4.2 million over three fiscal years. As expressed by the Town

Council in their actions, these capital investments will be made through available fund balance (pay-as-you-go).

**Public Safety** – With the opening of the new Magee police substation and evidence facility, and the renovation of the vacated space in the main police station, the Town continues its focus on updating essential equipment. Included in the Adopted Budget is \$220,000 to replace all of the department's emergency communications center consoles and other equipment, which are 17 years old. The Town also funded security improvements to the main police station in the amount of \$250,000. With all positions funded in the Police Department, the community can expect the continuation of effective and efficient core services. The Adopted Budget also includes resources needed to expand the department's focus on the health, wellness and safety of the Town's first responders, to include training, support programs, and appropriate personal protective equipment.

**Land Use** – The Council's Strategic Leadership Plan calls for the reevaluation of Town land use codes. Work has started on this project over the past fiscal year, and several code changes will move through the process to Council throughout the year. Those codes requiring outside consulting assistance will be stretched into FY 21/22 for completion.

**Water, Roads and Town Assets** – The Adopted Budget includes an expected initial investment of \$5.5 million in projects connected to the Northwest Recharge, Recovery and Delivery System (NWRD), a partnership with the Town of Marana and the Metro Water District to build infrastructure that will allow all three entities to increase their utilization of Central Arizona Project (CAP) water allocations in the future. At the recommendation of the Water Utility Director and I, the Town Council suspended the planned potable water rate increase for FY 20/21, but did approve the reclaimed water rate decrease as proposed.

The Council has specified in its Strategic Leadership Plan maintenance of the Town's high Overall Condition Index (OCI) of 76 for all paved streets. To that end, the Highway User Revenue Fund (HURF) budget includes \$1.5 million for the Pavement Preservation Program. The Adopted Budget applies facility maintenance dollars on HVAC and electrical improvements, roof replacement at the Town's Calle Concordia building, continued exterior painting projects, the reconfiguration/upgrade of the Town Council Chambers and other essential facility repairs.

**Effective and Efficient Government** – This overarching focus area touches all Town departments. Resources are again budgeted to continue the highly effective OV Peak Performance process improvement initiative in the new fiscal year. In FY 19/20, Peak Performance implemented 30 process improvements across the organization resulting in a \$55,000 savings in ongoing time and materials. These improvements originated from Town staff affecting front line operations. Improvements focused on eliminating redundancy, reducing waste, and streamlining processes. Many of these improvements leveraged technology the Town had already invested in, creating more value from our investment. The tremendous success of the Town's process improvement approach has paid off in dividends over the past two months during this pandemic crisis. As a result, I made a minor organizational change to elevate the focus on innovation in the organization by moving the Strategic Initiatives function from the Town Manager's office to combine with Information Technology, renaming the department Innovation and Technology, effective July 1. Also, with strong advocacy by Chief Riley, the Town's emergency planner was moved under Strategic Initiatives to better reflect the significant town-wide role this position takes in preparing, supporting and innovating Town operations in an emergency and during the recovery process.

**Town Finances** – The Town Council has set as a priority the ongoing stability of the Town’s financial future. The Adopted Budget includes an additional one-time contribution toward the Town’s Public Safety Pension Retirement System (PSPRS) unfunded actuarial liability in the amount of \$500,000.

### **Contingency**

Beginning last fiscal year, the Town changed its practice of including in the annual budget all fund balances and reserves, and instead budgeted a much smaller operating contingency to account for unexpected expenditures. In the current FY 19/20 Adopted Budget, the General Fund contingency amount is \$841,325. With the significant uncertainty of the current economic crisis, the Adopted Budget includes a General Fund contingency of \$6.14 million. The hope is that none of this contingency is needed to supplement operations. However, the General Fund is reliant on local and state-shared sales taxes, and with only a few months of actual receipts reported by the time of budget adoption, it is prudent the Town be prepared to continue operations and mitigate significant cutbacks should revenue projections not materialize as projected during the fiscal year.

### **CAPITAL INVESTMENTS – RENOVATIONS, REPLACEMENTS AND PRIORITIES**

#### **Capital Fund**

The expansion of the Capital Fund continues to be a positive source of revenue for necessary capital projects. With over \$250 million in Town assets, continuing investments in existing infrastructure is crucial, even during a down economy. The Town Council’s financial policies include a requirement that the Town set aside at least 5% of sales tax revenues for the Capital Fund annually, which is \$900K for FY 20/21. This year, the Adopted Budget includes a total of \$4.7 million in capital expenditures from the Capital Fund.

The following are highlights of some the Capital Fund projects included in the FY 20/21 Adopted Budget. The rest can be found in the capital section of the Adopted Budget:

IT Backup Replacements: \$200,000 - Hardware replacement

Permitting Software: \$200,000 - Replacement of Town’s permitting/inspection software module

911 Console Replacements: \$220,000 - Replacement of emergency communications equipment

Multi-Use Path Repair: \$400,000 - Oro Valley Marketplace MUP

Riverfront Batting Cage/Bull Pen: \$140,000 - New batting cage and fencing, with \$67,000 from outside funding

Steam Pump Ranch Garage: \$550,000 - Renovation of former garage for offices, public space/restrooms

Tennis court resurfacing: \$90,000 - Annual maintenance for courts

Main Campus sidewalks/ADA: \$200,000 - Sidewalk replacements and improved wayfinding

**Roads and Streets**

The Adopted Budget includes funding for several roadway projects in addition to the \$1.5 million in the Highway Fund for pavement preservation. Funding in the amount of \$320,000 in the Highway Fund will be applied to the Lambert Lane pavement overlay project from Lambert Lane Park to La Cholla Blvd. A carryover amount of \$3.6 million is also included in the budget for the last phase of construction of the widening of La Cholla Boulevard. Of this funding, \$1.8 million will come from Regional Transportation Authority (RTA), and \$1.8 million from Roadway Impact Fee Fund.

**Fleet**

The Adopted Budget continues to include funding for routine fleet replacements at just over \$963,000. These replacements include 14 vehicles for the Police Department, two vehicles for Street Maintenance, two trucks for Parks and Recreation, four Transit vans, one vehicle for Stormwater Utility and two trucks for the Water Utility.

**Water Utility**

The Water Utility includes a total of 22 capital projects totaling \$9.3 million, details of which can be found in the CIP section of the Adopted Budget.

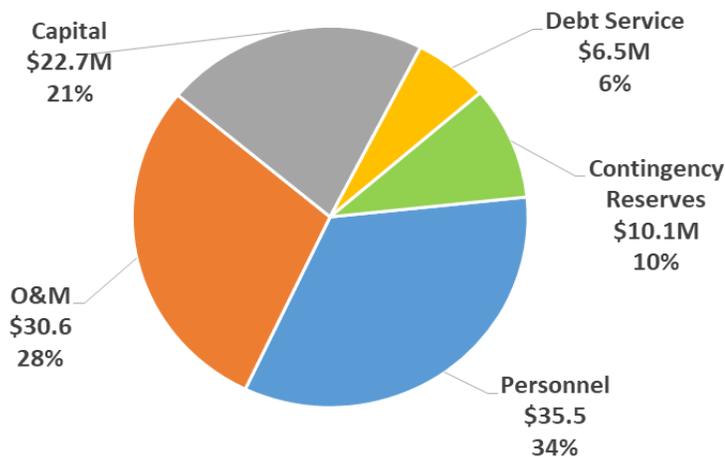
**Stormwater Utility**

In addition to an O&M budget of \$610,000, the FY 2020/21 Stormwater Utility budget also includes a budgeted contingency of \$500,000 to address any potential monsoon or storm related damage that may occur throughout the Town.

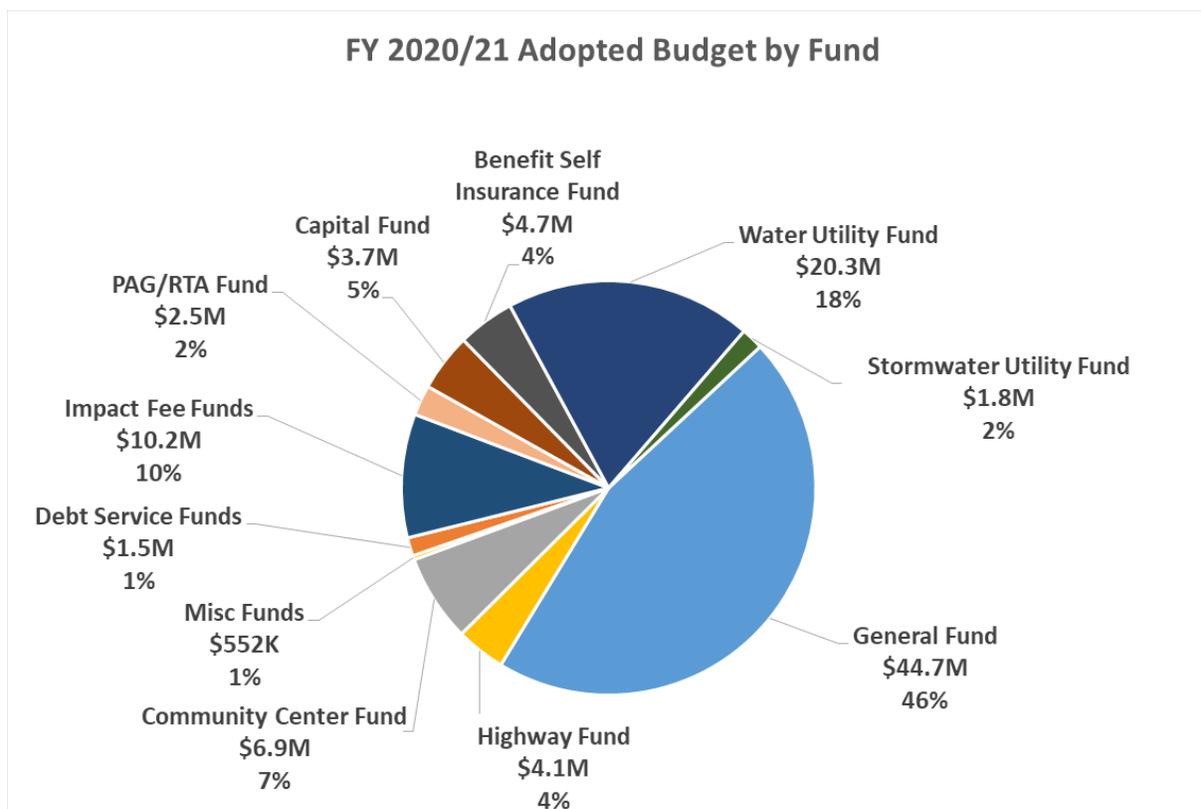
**FINANCIAL OVERVIEW**

The following section offers an overview of the main funds of the Adopted Budget, while the chart below depicts the total FY 20/21 Adopted Budget of \$105.4 million by category.

**FY 2020/21 Adopted Budget by Category**



The chart below depicts the total FY 20/21 Adopted Budget by Fund (excluding transfers).



### General Fund

The Adopted General Fund budget totals \$42.0 million (excluding contingency reserves of \$6.14 million and interfund transfers of \$2.6 million), and is \$2.0 million, or 5.0%, higher than the prior year budget of \$40.0 million. The General Fund has a planned use of excess reserves to fund one-time expenditures and some operational expenditures during the COVID-19 pandemic.

The following are key revenue provisions included in the Adopted General Fund budget:

- Total FY 20/21 General Fund revenues are \$4.0 million or 10.1% higher than FY 19/20 budgeted General Fund revenues.
- The FY 20/21 General Fund budget includes \$5.3 million in revenue related to the CARES Act for funding related to the COVID-19 crisis.
- FY 20/21 local sales tax revenues are \$1.2 million, or 6.1% lower than the adopted FY 19/20 budget. This is largely due to anticipated reductions caused by the global pandemic.
- Licenses and permit revenues are \$392,000 or 19.7% lower than the adopted FY 19/20 budget, which reflect a conservative forecast of commercial and residential development in the near-term.

- Charges for services are \$313,000 or 12.3% lower than the adopted FY 19/20 budget. A bulk of this revenue category is related to Parks & Recreation revenue, which is expected to decline during the first portion of the fiscal year.
- There is an overall increase in of approximately \$664,000, or 5.3% in state-shared revenues. The reason for this increase is due to state-shared income taxes expected to increase \$700,000 or 12.3% from the prior fiscal year.

The following are key expenditure provisions included in the Adopted General Fund budget:

- Budgeted personnel costs do not include merit and step increases for FY 20/21. Other employee related expenses are programmed to remain relatively flat for FY 20/21.
- Department operations and maintenance (O&M) budgets are \$1.2 million or 11.5% lower than budgeted FY 19/20 amounts
- The adopted O&M budget of \$12.3 million includes \$3.3 million for projects and programs funded with CARES Act funding.
- There is a transfer of \$1.8 million to the Capital Fund to fund capital needs for FY 20/21.

The estimated year-end reserve balance in the General Fund (excluding contingency) for FY 20/21 is \$15.9 million, or 35.7% of the Adopted expenditure budget. The Town's adopted policy level is 25.0%.

### **Water Utility Fund**

Revenues for the Water Utility Fund are estimated at \$19.2 million. This is a \$162,000, or 0.8% decrease from the adopted FY 19/20 budget. The majority of this decrease is due to water sales as overall consumption demands have recently decreased across the region.

Expenditures for the Water Utility Fund are budgeted to decrease \$334,000 or 1.5% from the adopted FY 19/20 budget. This is primarily attributed to less planned capital expenditures for this fiscal year. A listing of planned capital projects for the Water Utility Fund are outlined in the Capital Improvement Program (CIP) section of the Adopted Budget document.

### **10-Year Capital Improvement Program (CIP)**

Town Council financial policies require the development of a 10-year Capital Improvement Program. Reviewed and modified every year based upon needs and projected funding, the full 10-year plan projects a need for \$89.3 million in funding through FY 29/30. Total funding allocated to CIP projects in the Adopted Budget for FY 20/21 is \$21.8 million. Some highlights of the 10-year plan include: \$21.4 million for the Northwest Recharge Recovery and Delivery System (NWRDRS) water project; \$1.5 million in improvements to Steam Pump Ranch; \$10.1 million in improvements and projects at the Community Center; \$18.8 million in continued pavement preservation and management. More details regarding CIP projects and funding is included in the CIP section of the Adopted Budget.

### **CONCLUSION**

I would like to thank the Mayor and Town Council for their vision and leadership in establishing priorities for this community through the adoption of the FY 2019/20 – 2020/21 Strategic Leadership Plan, and throughout the course of the fiscal year. I especially want to recognize the Council's active engagement and thoughtful

deliberations in this budget process by reviewing data and responding to new information within the uncertainty of this pandemic.

I would also like to recognize and acknowledge the exceptional level of collaboration among staff from all Town departments in the development of the Adopted Budget, especially amid the challenges associated with budget reductions and changes in the workplace due to the pandemic. Finally, I would like to especially recognize my budget team for their extraordinary work in preparing the budget: Senior Budget Analyst Michael Dyckman, Finance and Budget Administrator Wendy Gomez, Chief Financial Officer David Gephart, Assistant Town Manager Chris Cornelison, and Chief Information Officer Chuck Boyer.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mary Jacobs", with a stylized flourish at the end.

Mary Jacobs  
Town Manager

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# KNOW YOUR TOWN'S BUDGET

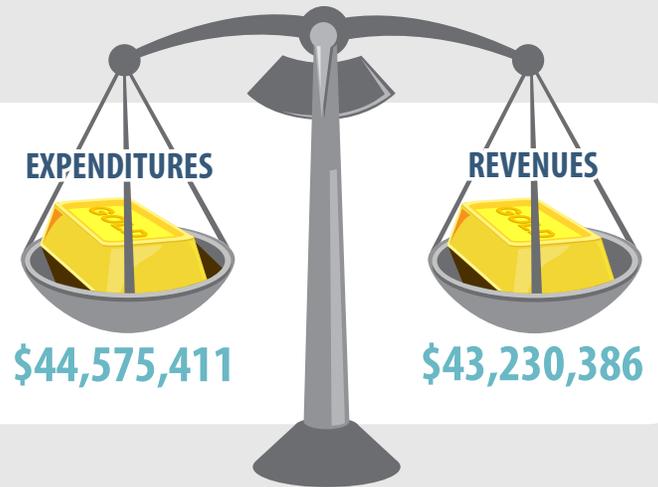


## TOWN OF ORO VALLEY | FY 2020/21 BUDGET

The Fiscal Year 2020/21 budget is in the amount of \$105.4 million; a \$5.6 million, or 5.1% decrease from the adopted FY 2019/20 budget totaling \$110 million. This decrease is primarily due to reductions in capital spending as a result of anticipated revenue reductions caused by the COVID-19 pandemic.

### GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$44.6 million** (excluding budgeted contingency reserves of \$6,140,000).
- Full, estimated year-end contingency reserve balance in the General Fund for FY 2020/21 is **\$15.9 million**; 37.9% of the expenditure budget.
- General Fund has a planned use of **\$1.2 million** of reserves.



### KEY REVENUE PROVISIONS

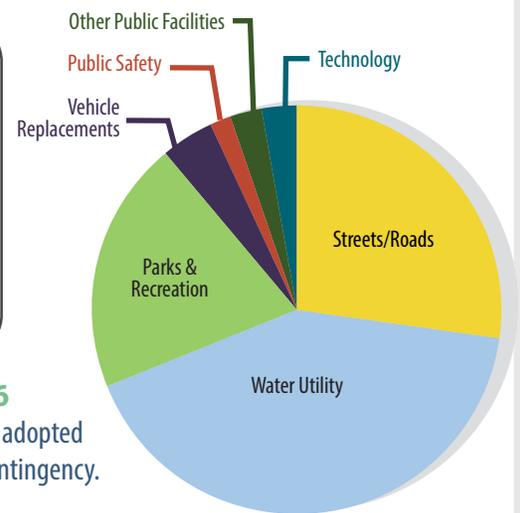
(Reflects all funds, except for first bulletpoint)

- Total FY 2020/21 General Fund revenues are **\$4 million**, or 10.1% higher than FY 2019/20 budgeted General Fund revenues due to anticipated state and federal funding related to COVID-19.
- Local sales tax revenues are down **\$1.2 million**, or 5.4% from FY 2019/20.
- Charges for services revenues are **\$264,000**, or 2.3% lower than FY 2019/20 budget amounts.
- Grant revenues are **\$5.5 million**, or 40.3% lower than FY 2019/20 budget amounts, which corresponds to reimbursements for a roadway widening project that took place in the prior fiscal year.
- State-shared revenues, including Highway User Revenue Funds, are **\$518,000**, or 3.2% higher than FY 2019/20 budget amounts.

### KEY EXPENDITURE PROVISIONS

FY 2020/21 Capital Improvement Program (CIP) projects in the amount of **\$21,795,287** include:

Streets/Roads	\$5,985,000
Water Utility	\$9,046,621
Parks & Recreation	\$4,375,000
Vehicle Replacements	\$925,100
Public Safety	\$353,566
Other Public Facilities	\$560,000
Technology	\$550,000



- The FY 2020/21 budget is **\$7.6 million**, or 7.1% less than the adopted FY 2019/20 budget, excluding contingency.
- Personnel related costs are roughly flat at **\$35.6 million**, or a 0.2% decrease.
- Includes **\$2.86 million** in funding for one-time costs and improvements related to continuity of operations during the COVID-19 pandemic.

# The Town Budget: Building for the Future

The budget is a long-range planning tool that allows the Town of Oro Valley to review the community's goals and objectives in a formal setting; evaluate and determine what is required to meet those objectives; and develop an implementation strategy. When constructing the budget for FY 2020/21, extra care was taken to ensure resources were allocated wisely and able to be reinvested into the Town's future.

## Forecasting and budgeting during COVID-19

The Town of Oro Valley is strongly positioned to weather the projected national, state and local economic downturn caused by COVID-19. Consistent, conservative budgeting and forecasting practices have put the organization in a strong financial position to start the fiscal year. While the total effect of COVID-19 is still unknown, the Town has once again taken a conservative stance to ensure expenditures do not outpace revenues and that sufficient resources are reserved should uncertainty continue into the foreseeable future.

The Town has forecasted its largest revenue source, sales taxes, to decrease by 5.4% or \$1.2 million dollars due to impacts from COVID-19. When factoring decreases in permit and other revenues sources, the Town is forecasted to have \$1.3 million less in resources compared to FY 2019/20.

To combat these revenue losses, the Town worked to identify budget reductions that would be supportable and minimize service impacts to the community. Operations and maintenance budgets in the General Fund were reduced by 6.9% without causing significant reductions to service levels. To further help mitigate lost revenues caused by COVID-19, the Town deferred some capital costs and left several positions vacant until the economic climate stabilizes. By enacting these practices, the Town is ensuring revenues are adequate to support projects and programs without the need to utilize restricted reserves balances.

In May 2020, Arizona Governor Doug Ducey announced a funding plan to provide nearly \$600 million in coronavirus relief and recovery to local Arizona governments and nonprofits that did not receive direct funding from the U.S. Treasury. The Town of Oro Valley's allocation is nearly \$5.3 million which was budgeted to support mitigating the effects of COVID-19, provide funding for key one-time projects and strengthen the Town's contingency reserves.

## Strategic investments

The Town of Oro Valley's Strategic Leadership Plan continues to serve as the foundation for prioritizing resources during economic uncertainty. For FY 2020/21, the Town was able to make several key investments into areas of economic vitality, recreation and culture, water and road infrastructure, among others. These investments were possible through a combination of dedicated revenue streams, one-time revenues and, in specific cases, the careful use of accumulated reserves. As always, the Town carefully reviews each project not only for cost but also alignment with policy goals, impact to the community, and potential ongoing operating costs.

## Strong reserves

The Town of Oro Valley is estimated to end the fiscal year with \$15.9 million in General Fund reserves. These resources have accumulated since the Great Recession, as the Town had several years of revenues outperforming expectations, as well as expenditures coming in below budget. Town Council's policy states that 25% of the fiscal year's budget must be set aside as reserves. For FY 2020/21, this figure is \$10.5 million. With an estimated \$15.9 million in reserves, or 37.9% of the budget, to end the fiscal year, the Town is well positioned should the economic impacts of COVID-19 last for multiple fiscal years.

## Monitoring and oversight

With continued uncertainty due to the COVID-19 pandemic, the Town will be closely monitoring revenues against projections on a monthly basis. Some capital projects will not proceed until early 2021 to ensure sufficient revenues are available. While revenue projections continue to be conservative, careful monitoring will give the Town time to respond if economic conditions do not materialize as forecasted.



## WHAT KINDS 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 property taxes to Pima County and other taxing districts (school districts, fire districts, etc.).

Town residents pay approximately **\$544 per household** in taxes to Oro Valley each year.

- 4% utility tax (\$3.0 million/year)
- 2.5% retail tax and 2.5% restaurant/bar tax (\$7.5 million/year)
- Total = \$10.5 million divided by 19,295 households = \$544 per household/year.

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

The FY 2020/21 Adopted Budget of \$105.4 million is comprised of 19 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 less than budgeted expenditures, the Town draws from its fund balance. For FY 2020/21, the Town plans to draw down, or spend, approximately \$10.1 million from its overall beginning fund balance total of \$51.7 million, leaving \$41.6 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 they are being used primarily to cash-fund capital projects in order to avoid borrowing funds to complete these projects. It is important to note that in FY 2020/21, the Town is planning to utilize fund balance of about \$1.2 million in the General Fund.

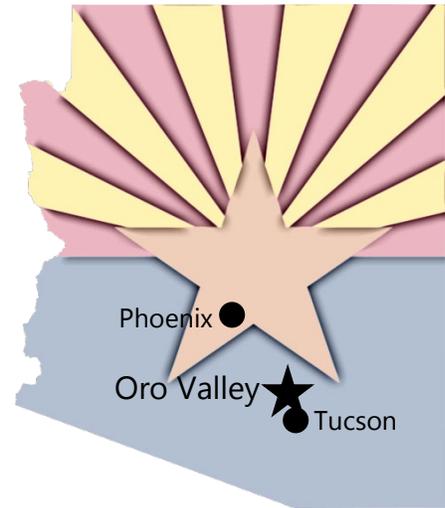
# Community Profile

## 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 – Safewise, 2019
- Arizona’s Best Small City – WalletHub, 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

### Population

	2000	2010	2019 (est.)
Oro Valley	29,700	41,011	45,901
Pima County	843,746	980,263	1,044,675
Arizona	5,130,632	6,392,017	7,188,366

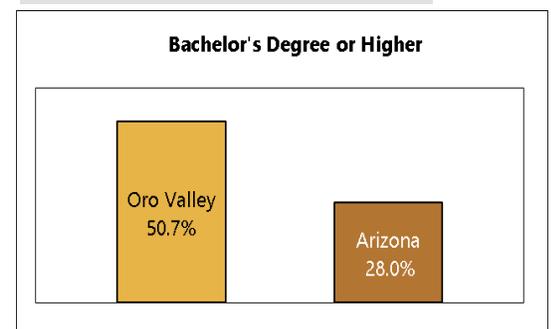
Source: US Census Bureau

### Labor Force

	2000	2010	2017
Civilian Labor Force	15,073	18,264	19,182
Unemployed	389	1,233	828
Unemployment Rate	2.6%	6.8%	4.3%

Source: Arizona Commerce Authority

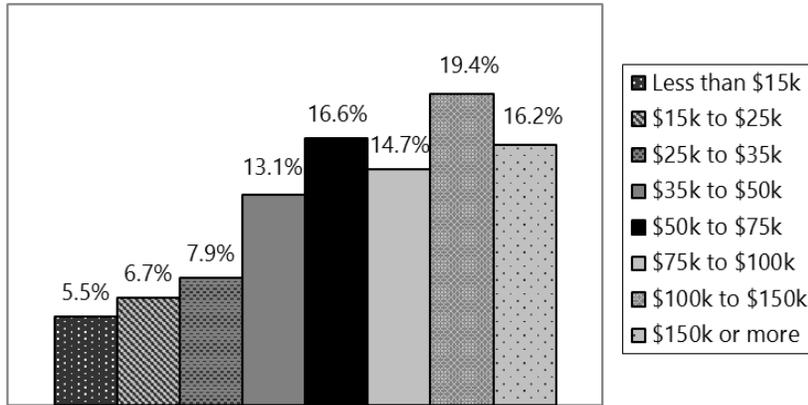
### Education Attainment



Source: US Census Bureau

# Community Profile

## Household Income



Source: US Census Bureau

## 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

## 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

## 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. Fire services are provided by Golder Ranch Fire Department, while law enforcement services are provided by the Town of Oro Valley Police Department.



## Taxes

### Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.45
Countywide	\$7.53
Fire District	\$2.45
Town of Oro Valley	\$0.00
<b>Total</b>	<b>\$15.23</b>

Source: Pima County Treasurer's Office

### Sales Tax

City/Town	2.5%
County	0.5%
State	5.6%

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

# 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

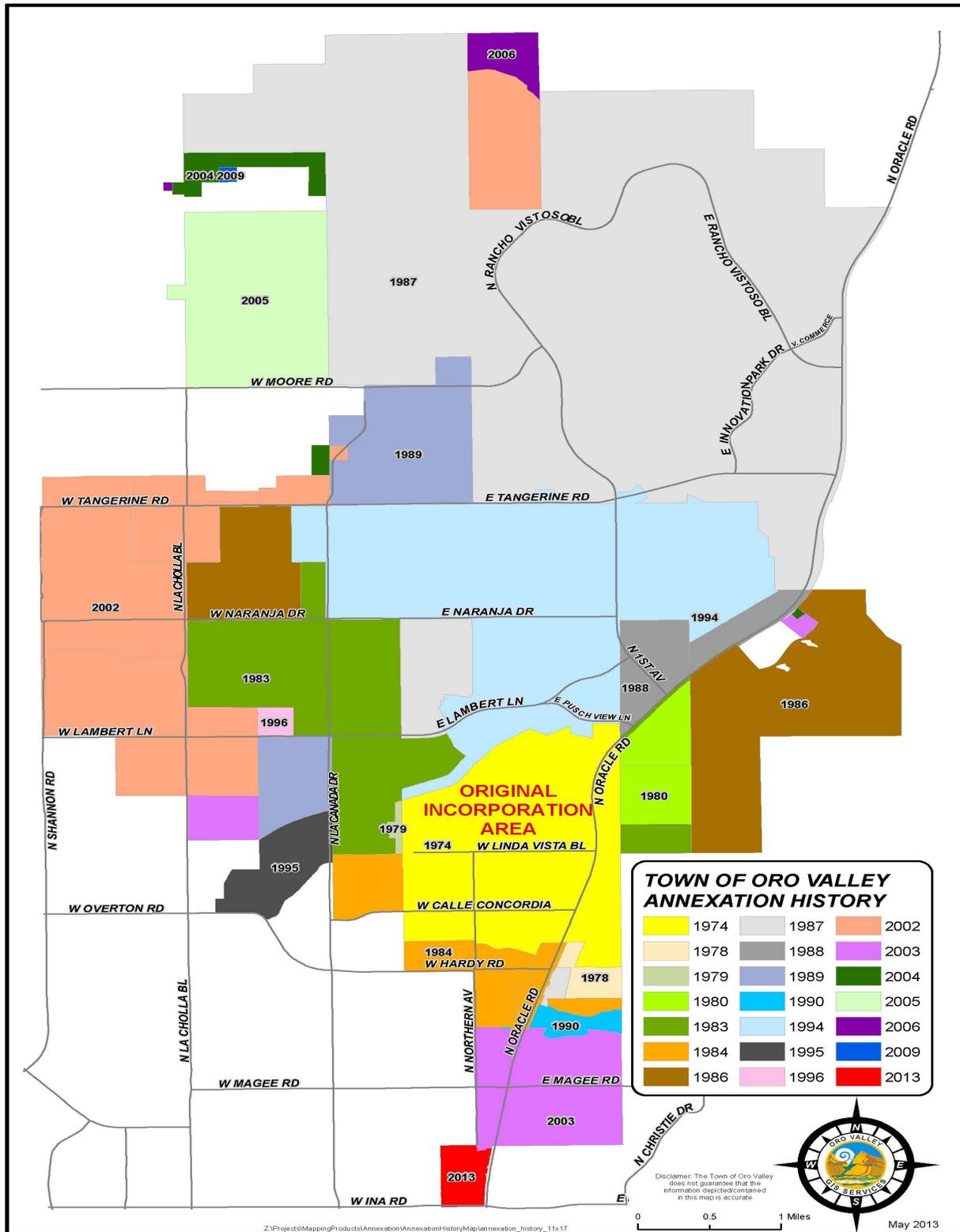
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## **Founding of the Town**

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 Leadership 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.
- Strategic Leadership Plan Goal, Council Focus Area and Objective(s): Tie to the Town's Council-adopted Strategic Leadership Plan and adopted General Plan
- Performance Measures: Performance indicators that assess progress towards Strategic Leadership Plan or General Plan goals and objectives.
- 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.

# Mayor and Council

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Joe Winfield, Mayor  
Term Expires: Nov 2022

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.



Melanie Barrett, Vice Mayor  
Term Expires: Nov 2022



Joyce Jones-Ivey, Councilmember  
Term Expires: Nov 2022



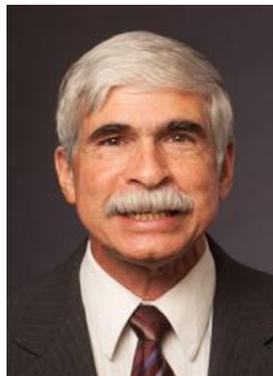
Josh Nicolson, Councilmember  
Term Expires: Nov 2022



Rhonda Piña, Councilmember  
Term Expires: Nov 2020



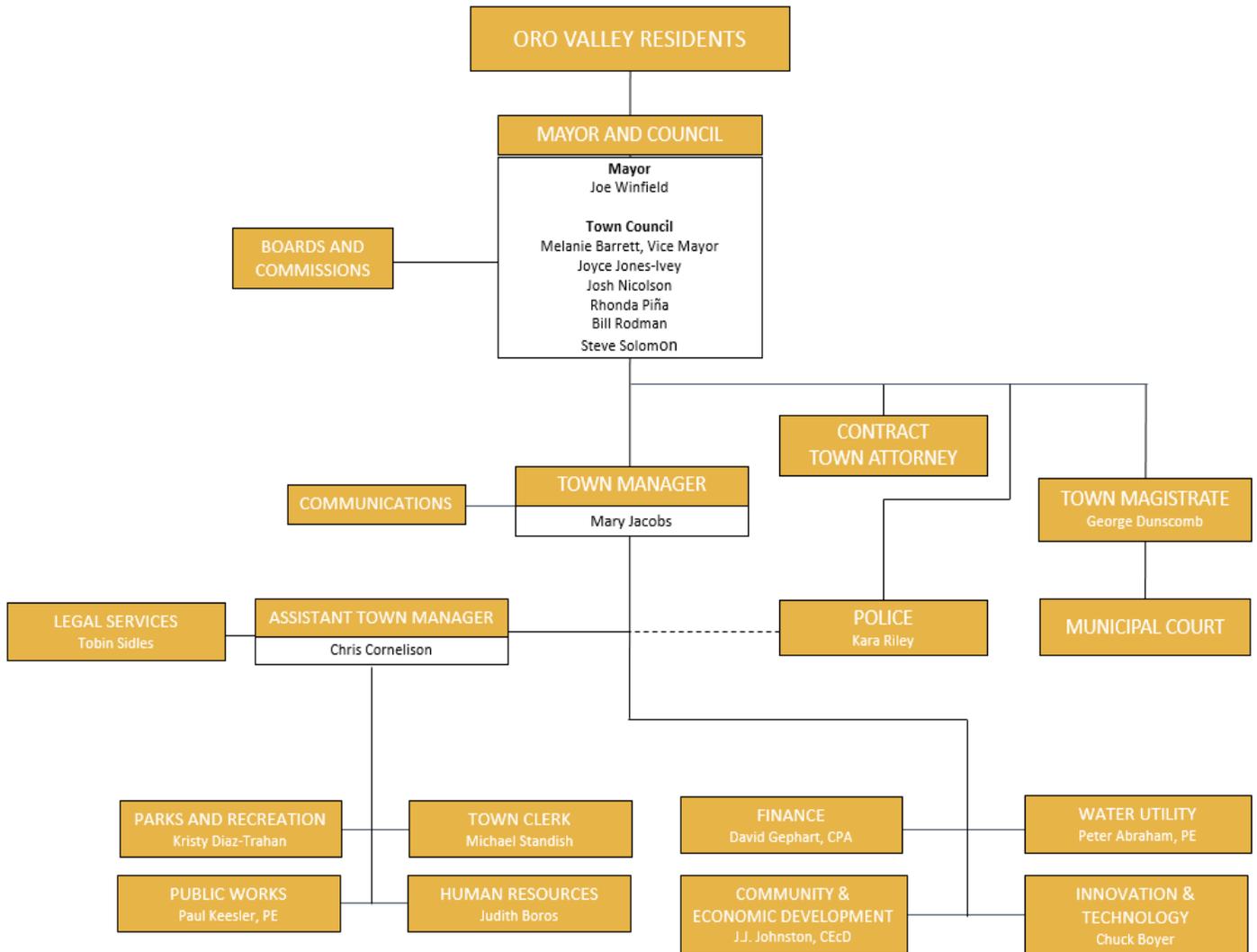
Bill Rodman, Councilmember  
Term Expires: Nov 2020



Steve Solomon, Councilmember  
Term Expires: Nov 2020

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# Organizational Chart



# 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





**FY 19/20 - FY 20/21**  
Oro Valley Town Council  
Strategic Leadership Plan



FY19/20 – FY20/21  
ORO VALLEY TOWN COUNCIL  
STRATEGIC LEADERSHIP PLAN

*ACKNOWLEDGMENTS*

Mayor Joe Winfield  
Vice Mayor Melanie Barrett  
Councilmember Joyce Jones-Ivey  
Councilmember Josh Nicolson  
Councilmember Rhonda Piña  
Councilmember Bill Rodman  
Councilmember Steve Solomon  
  
Town Manager Mary Jacobs

## **ORO VALLEY'S VISION FOR THE FUTURE**

### ***YOUR VOICE, OUR 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.

### **STRATEGIC FOCUS AREAS**

- ➔ Economic Vitality
- ➔ Culture and Recreation
- ➔ Public Safety
- ➔ Roads, Water and Town Assets
- ➔ Land Use
- ➔ Effective and Efficient Government
- ➔ Town Finances

## TOWN COUNCIL FOCUS AREA 1: ECONOMIC VITALITY

Goal 1A: Implement strategies to improve opportunities to attract, grow and retain primary employers and expand local job opportunities.

### OBJECTIVES

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- Develop and present a business incentive program to Town Council.
- Analyze and develop strategies to expand available properties for primary employment.
- Support local and regional collaborative initiatives that help attract and grow start-up businesses in key target sectors within Oro Valley, including an incubator/accelerator at Innovation Park.
- Explore the feasibility of a town-owned fiber optic network to minimize reliance on third party carriers and increase technology capabilities at Town facilities.
- Identify ways in which the Town can support collaborative efforts between educational institutions, business, government and non-profit organizations to continue improving student knowledge, skills and abilities in preparation for workforce entry.

Goal 1B: Implement strategies to attract retail and restaurant investment and expansion in primary commercial centers within the community.

### OBJECTIVES

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- Conduct an external retail market assessment by a qualified firm to provide targeted data designed to assist the town in attracting and retaining retail.
- Work with the owner of the Oro Valley Marketplace to develop a multi-faceted, mutually agreeable approach to attract and retain new investment and an expanded customer base to that center.
- Analyze current and projected vacancies at major commercial centers and develop policy options that could facilitate reinvestment and long-term sustainability.
- Develop and begin implementation of a robust economic development marketing strategy that provides targeted and expected information for business and retail prospects.
- Partner with the Greater Oro Valley Chamber of Commerce to convene an annual business summit focused on increasing the Town and community's understanding of the challenges and opportunities associated with a thriving retail and restaurant market.

Goal 1C: Develop a comprehensive annexation blueprint to guide the Town's strategic growth and economic expansion.

### OBJECTIVES

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- Analyze unincorporated areas within the Town's growth boundary and develop a written policy that contains a set of criteria, priorities and strategies with which to proactively consider annexation opportunities that are beneficial to the community.

Goal 1D: Improve Town responsiveness to commercial investments that better correlate to the speed of business.

#### **OBJECTIVES**

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- Complete transition to electronic plan submittal and review.
- Benchmark similar planning and permitting processes and procedures in highly successful local governments, prioritize improvements and implement improvement plan.

Goal 1E: Identify opportunities to increase sustainable tourism investment in the community.

#### **OBJECTIVES**

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- Analyze current tourism investment, trends and economic impacts within the community and region and identify visitor categories that could be more effectively attracted.
- Develop and implement a more robust visitor attraction strategy that builds upon the Town's strengths, amenities and visitor data.
- Evaluate the estimated economic impact (EEI) of current special events in Oro Valley and develop a strategy to support, grow and attract those with positive EEI.

## **TOWN COUNCIL FOCUS AREA 2: CULTURE AND RECREATION**

Goal 2A: Invest in and maintain a high quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community's needs.

#### **OBJECTIVES**

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- Conduct a comprehensive, community-wide needs assessment for parks and recreation amenities and programs, including such things as sports fields and courts, play structures, water/splash features and community space, to help inform future investment decisions and plans.
- Implement the Town Council's decision regarding the Town's golf course property and Community Center.
- Install a new playground and related amenities (e.g. shade structure, parking lot and lighting) at Naranja Park.
- Explore opportunities to partner with the Amphitheater Unified School District to utilize school amenities within the Town limits and expand the intergovernmental agreement as appropriate.
- Using the needs assessment information, develop a comprehensive, Town-wide Parks and Recreation Master Plan with input from the community, including individual plans for the Community Center, James D. Kriegh Park, Riverfront Park and Naranja Park.
- Review the Steam Pump Master Plan and Needs Assessment and reprioritize capital investments and programming opportunities consistent with community and Town Council input.

## TOWN COUNCIL FOCUS AREA 3: PUBLIC SAFETY

Goal 3A: Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members.

### OBJECTIVES

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- Implement officer training in Interdiction for the Protection of Children, with a focus on applying to the Oracle Road corridor to protect endangered children.
- Provide Rescue Task Force (RTF) training to partnering fire departments and continue regional approach to Active Shooter preparedness.
- Explore the expansion of the Police Department's body camera program to all officers.
- Explore the feasibility of establishing a "Drug Court" within the Town's Municipal Court to provide opportunities for individuals convicted of certain crimes to address substance abuse issues.
- Deploy the High Visibility Enforcement (HiVE) in high collision areas to address the increasing volume of traffic and associated issues in and around Oro Valley roadways.
- Adopt new businesses as they open to create positive relationships and educate them on safety trends locally and regionally.
- Analyze Police call, response and service trends/data and develop a responsible short and long-term plan to ensure the community continues to receive high quality public safety services.

## TOWN COUNCIL FOCUS AREA 4: ROADS, WATER AND TOWN ASSETS

4A: Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community.

### OBJECTIVES

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- Maintain an Overall Condition Index (OCI) rating of 76 for all paved streets.
- Develop a comprehensive, organization-wide facility space plan concept that maximizes efficiencies and reflects the best use of Town properties for the future.
- Integrate the capital asset replacement and maintenance plan into the Town's capital improvement program.
- Explore the feasibility of partnering with the Arizona Department of Transportation to improve Oracle Road pavement conditions and traffic signal coordination.
- Partner with the Regional Transportation Authority (RTA) in evaluating long-term transportation needs for future RTA continuation, ensuring Oro Valley's needs are fairly represented.
- Identify ways in which the Town can further reduce its consumption of energy and water.

4B: Provide a high quality, safe and reliable water supply that meets the long-term needs of the community while considering the natural environment.

#### **OBJECTIVES**

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- Reduce groundwater pumping to further preserve groundwater supplies by maximizing Central Arizona Project (CAP) water deliveries with existing infrastructure.
- Expand education and outreach programs to communicate with residents and businesses about incorporating effective water conservation strategies at home and at work.
- Align the Town’s water code with regional and state drought contingency plans and other best management practices and present to the Town Council for adoption.

## **TOWN COUNCIL FOCUS AREA 5: LAND USE**

5A: Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community.

#### **OBJECTIVES**

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- Review and evaluate the effectiveness of the Environmentally Sensitive Land Ordinance (ESLO) against the goals in which it was originally established, identify any unintended consequences, and recommend changes to the Planning and Zoning Commission and Town Council.
- Review and recommend to the Planning and Zoning Commission and Town Council updates of Town Codes in the following key areas: signs in the public right-of-way; residential design standards; noise and odor abatement; and the Economic Expansion Zone (EEZ).
- Update the Drainage Criteria Manual in the Town’s Stormwater Code and Floodplain Ordinance to incentivize commercial property maintenance of drainage facilities and minimize pollutant runoff.

## **TOWN COUNCIL FOCUS AREA 6: EFFECTIVE & EFFICIENT GOVERNMENT**

Goal 6A: Strengthen community engagement and citizen outreach.

#### **OBJECTIVES**

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- Develop and implement a strategy to enhance Town Council interaction with residents.
- Design and begin implementation of a multi-faceted strategy to more effectively seek citizen input, especially underrepresented segments of the community.
- Effectively maximize the use of communication tools such as social media, the town website and other marketing avenues to keep residents informed of Town services, programs and events.

- Develop and implement a community outreach strategy for Census 2020 to ensure maximum resident participation.
- Work with the Town Council to develop and implement strategies to enhance Council engagement with and utilization of Town Boards and Commissions.
- Explore options for creating effective community input opportunities to help recommend programs and investments that meet the needs of different demographic groups in the community.
- Increase resident understanding of the Town’s financial structure, including revenue sources, operational costs and programs, facilities, and capital investments.

**Goal 6B: Enable greater transparency and more efficient community access to town information and performance.**

**OBJECTIVES**

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- Leverage technology to broaden electronic access to information and data on town finances and contracts.
- Develop and implement a town-wide performance management dashboard system to keep the community informed of progress on key strategic objectives and other major performance goals.

**Goal 6C: Identify internal efficiency opportunities for continuous improvement to effect a high performing organization and culture.**

**OBJECTIVES**

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- Expand employee training and use of process improvement tools through the Town’s internal OV Peak Performance initiative.

**Goal 6D: Recruit and retain talented employees to effectively carry out the Town’s mission.**

**OBJECTIVES**

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- Benchmark workforce policies and practices and recommend and implement sustainable changes to the Town’s Personnel Policies and internal procedures as appropriate.
- Develop a robust on-going training program that supports delivery of quality services, strengthens employee engagement and builds leadership skills.
- Update and implement an effective employee onboarding program that builds employee knowledge of and connection with Town practices and supports a positive organizational culture.

## TOWN COUNCIL FOCUS AREA 7: TOWN FINANCES

Goal 7A: Ensure the Town's financial future remains stable.

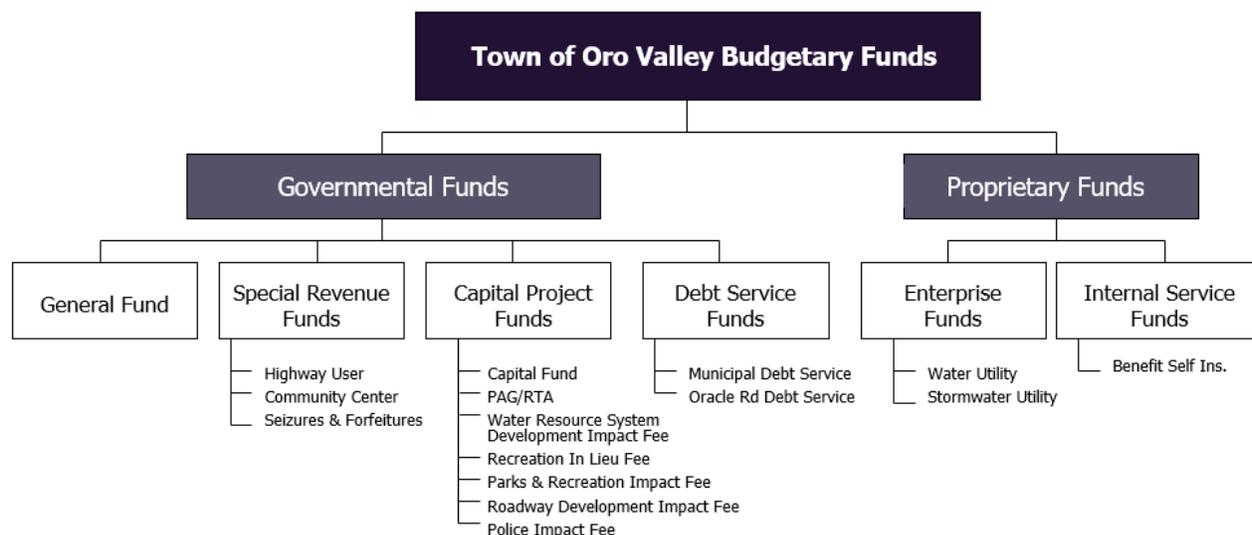
### **OBJECTIVES**

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- Align capital investments with the Town Council's Strategic Leadership Plan and financial policies.
- Explore opportunities to broaden revenue diversity to improve the Town's long-term financial stability.
- Adopt and implement a long-term strategy to adequately fund the Town's Public Safety Pension Retirement System (PSPRS) liability.
- Continue to align the annual budget and associated work plans with conservatively forecasted revenues.

# 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. The Town has a dedicated Capital Project Fund to track various capital expenses. Additionally, most of the other capital project funds consist of impact fee funds. 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) is also a capital project fund.

# 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 non-major 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.

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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 30<sup>th</sup>. 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

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- 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 Certificate 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.

# Budget Process

The following table illustrates the calendar timeline and step-by-step progression of the FY 2020-2021 budget process:

DATE	DESCRIPTION
On or before January 13, 2020	Distribute CIP and new personnel request forms
Week of February 3, 2020	New CIP requests due
Wednesday, February 19, 2020	CIP Committee meeting 1 of 2
Friday, February 21, 2020	Senior Management Team budget kickoff presentation. MUNIS budget entry instructions distributed to departments
Monday, February 24, 2020	New personnel requests due
Friday, February 28, 2020	Council Retreat: Strategic Plan review, preliminary revenue projections and budget discussion
Week of March 9, 2020	Informational budget sessions/feedback with Town employees to present priorities heard from Council Retreat
Wednesday, March 4, 2020	Water to issue Notice of Intent
Week of March 16, 2020	CIP Committee meeting 2 of 2
Friday, March 20, 2020	Department budget requests due in MUNIS. Finance finalizes revenue estimates for FY 20/21
Monday, March 23 - Friday, March 27, 2020	Finance compiles department budget requests and determines fund deficits/surpluses. Department directors meeting for high-level review of budget requests
Monday, March 30, 2020 - Friday, April 3, 2020	Meetings between Town Manager, budget steering committee and department heads to review budget requests
Monday, April 6, 2020 - Friday, May 15, 2020	Finance prepares Town Manager Recommended Budget
Wednesday, May 20, 2020	Town Manager Recommended Budget and CIP program presented to Council and delivered to Budget and Finance Commission
Wednesday, May 27, 2020 - Thursday, May 28, 2020	Council budget work sessions and presentation of five-year forecast
Tuesday, June 2, 2020	Budget and Finance Commission Meeting
Wednesday, June 3, 2020	Water rates Public Hearing and adoption
Wednesday, June 10, 2020	Council budget work session
<b>Wednesday, June 17, 2020</b>	<b>Tentative Budget Adoption</b> , Public Hearing
Wednesday, July 1, 2020	Council budget work session (following regular meeting)
<b>Wednesday, July 15, 2020</b>	<b>Final Budget Adoption</b> , Public Hearing

# Budget Process

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## Initial Processes and Guidelines

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

- Economic Vitality
- Culture and Recreation
- Public Safety
- Roads, Water and Town Assets
- Land Use
- Effective and Efficient Government
- Town Finances

The FY 2020-2021 budget process began in January 2020, when CIP and new personnel request forms and instructions were distributed to departments. In February 2020, a planning retreat was held with Councilmembers to review the Town's two-year Strategic Leadership Plan. The Strategic Leadership Plan, as well as one-on-one meetings with Councilmembers, help guide and identify budget priorities and goals, and facilitate alignment with long-range planning. Initial planning of the Capital Improvement Program (CIP) began in January. CIP project requests were submitted to Finance for preliminary review and compilation.

In March, informational budget forums were held with Town employees to present priorities heard from Council. An internal, cross-departmental team met for CIP project presentation and review. 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 and Adoption

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, Chief Financial Officer, Chief Information Officer, Finance & Budget Administrator, 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 10-year Capital Improvement Program are delivered to the Council. Simultaneously, a financial sustainability plan is updated and presented to Council that includes various assumption factors, projected revenue and departmental costs to complete a five-year financial picture. 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.

With the onset of the COVID-19 global pandemic, the budget process and timeline had to be reworked and revised to allow for rapid changes in the economic environment as well as how the budget process traditionally takes place. Revenues estimates and assumptions were reworked and departments were

# Budget Process

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asked to revise and reduce their budgets at the line-item level. The Manager's Recommended Budget, Tentative Budget, and Final Budget were moved later into the calendar year to allow staff additional time to revise revenue and expenditure estimates to align expenses with updated forecasts.

The proposed budget was delivered and presented to Council for tentative adoption on June 17, 2020.

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 July 15, 2020.

## **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 2018. 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 2020-2021 expenditure limit for Oro Valley is \$105,435,626.

In 2020, voters approved a proposition that would move the Town from home rule to a permanent base adjustment. Beginning in FY 21/22, the Town of Oro Valley will be on a permanent base adjustment will not require voter approval every four years unless a new base adjustment or home rule is needed.

## **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

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  - Fund Balances
- Historical Fund Balances
- Budget Summary
- Revenue Summary
- Revenue Schedule by Fund
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- Personnel Schedule
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- Debt Service Schedules
- Long Term Forecast



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# Budget Overview

The budget for FY 2020/2021 totals \$105.4 million, which includes a \$73.5 million operating budget and \$21.8 million for capital projects, and represents a \$5.6 million, or 5.0% decrease from the previous fiscal year budget of \$111.0 million. This decrease is primarily due to a reduction in operations & maintenance (O&M) and capital expenditures as a result of the COVID-19 pandemic and economic uncertainty in the near future.

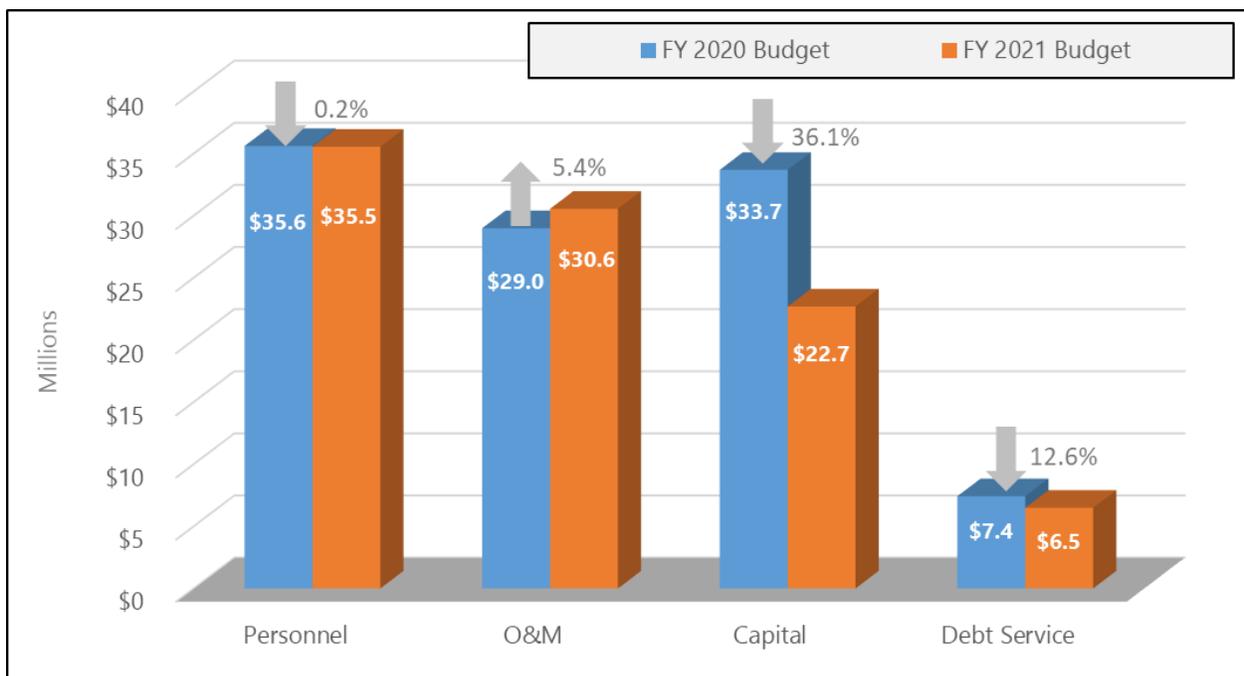
Budgeted capital for FY 20/21 is still a significant portion of the budget at \$22.7 million and includes capacity for roadway improvements, water system improvements, parks and recreation amenities and improvements, public safety facilities and equipment, and fleet and technology replacements. Refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects.

The FY 20/21 personnel budget provides funding for two new positions, and includes capacity for pension and health insurance premium changes. Refer to the personnel summary section of the budget for further discussion and details regarding personnel changes.

The O&M budget is increasing by approximately \$1.6 million, or 5.4%, due to the addition of \$3.3 million in expenditures related to federal CARES Act funding. Excluding CARES Act related projects, the O&M budget has decreased \$1.7 million or 5.9% compared to FY 19/20.

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



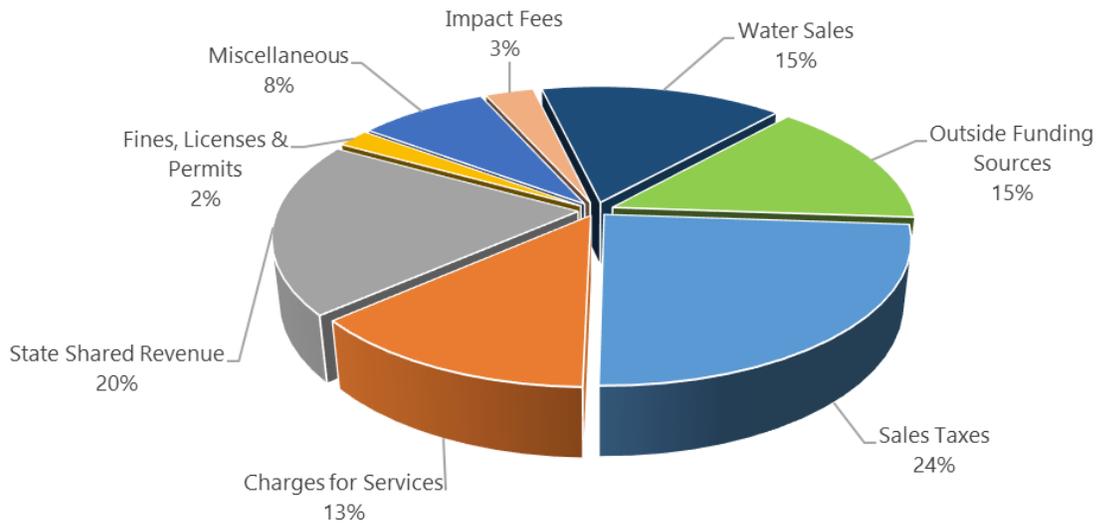
# Budget Overview

## Revenues

Budgeted revenue for FY 20/21 totals \$85.2 million and represents a \$9.2, or 9.7% decrease from FY 19/20. This decrease is primarily due anticipated reductions in local sales tax collections as well as reductions in outside funding sources for capital projects. 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 20/21, the Town has budgeted revenue from sales taxes, which is a major funding source (24% of the total), state shared revenues (20% of total), and water sales (15% of total). Revenue from outside funding sources (15% of total) includes \$5.3 million in CARES Act funding, \$2.2 million in bond proceeds and \$2.8 million in state and local grant proceeds.

**FY 20/21 Budgeted Revenue Sources**



## Revenue Sources

	FY 2019	FY 2019/20		FY 2020/21	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	23,559,895	21,789,758	21,200,108	20,621,264	(1,168,494)	-5.4%
Charges for Services	11,332,945	11,535,517	10,561,798	11,271,950	(263,567)	-2.3%
State Shared Revenue	15,443,778	16,135,122	15,584,163	16,653,367	518,245	3.2%
Fines, Licenses & Permits	2,523,601	2,104,118	2,304,260	1,742,500	(361,618)	-17.2%
Miscellaneous	6,261,005	5,444,084	5,752,466	6,965,197	1,521,113	27.9%
Impact Fees	2,907,707	2,809,238	3,332,071	2,609,310	(199,928)	-7.1%
Water Sales	12,582,508	13,714,000	13,434,000	13,078,000	(636,000)	-4.6%
Outside Funding Sources	11,048,828	20,882,552	15,510,562	12,292,214	(8,590,338)	-41.1%
<b>Total Revenue</b>	<b>\$ 85,660,266</b>	<b>\$ 94,414,389</b>	<b>\$ 87,679,428</b>	<b>\$ 85,233,802</b>	<b>\$ (9,180,587)</b>	<b>-9.7%</b>

*Does not include interfund transfers or carry-forward fund balances*

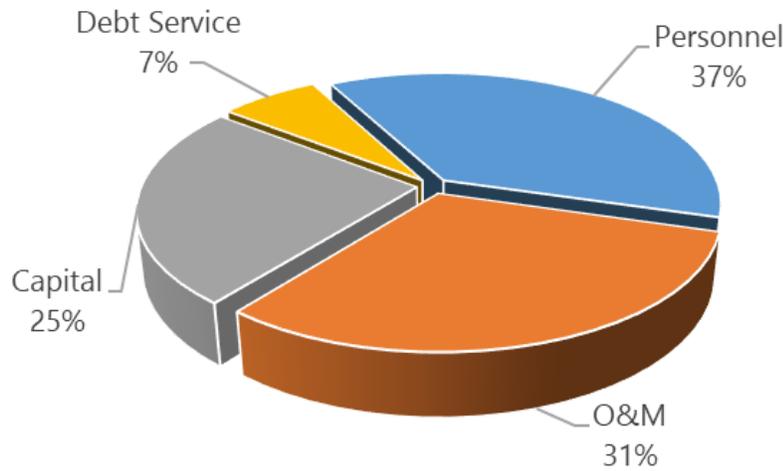
# Budget Overview

## Expenditures

Budgeted expenditures for FY 20/21 total \$95.3 million and represent a 9.9% decrease over FY 19/20. The budget includes \$73.5 million to support daily operations and services and \$21.8 million in capital projects to fund roadway expansions and improvements, water and stormwater infrastructure improvements, parks and recreation amenities and improvements, and public safety improvements.

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

**FY 2020/21 Budgeted Uses**



<b>Budgeted Uses</b>						
	<b>FY 2019</b>	<b>FY 2019/20</b>		<b>FY 2020/21</b>	<b>Variance</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>to Budget</b>	<b>%</b>
Personnel	33,206,479	35,614,559	34,751,606	35,548,825	(65,734)	-0.2%
O&M	25,050,698	28,992,601	25,876,912	29,736,951	744,350	2.6%
Capital	20,675,355	33,691,801	26,099,286	23,518,288	(10,173,513)	-30.2%
Debt Service	7,164,734	7,423,689	7,320,840	6,489,637	(934,052)	-12.6%
<b>Total Expenditures</b>	<b>\$ 86,097,266</b>	<b>\$ 105,722,650</b>	<b>\$ 94,048,644</b>	<b>\$ 95,293,701</b>	<b>\$ (10,428,949)</b>	<b>-9.9%</b>

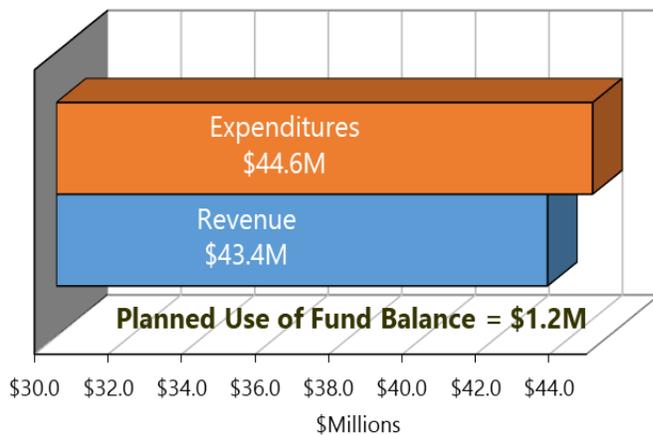
*Does not include depreciation, amortization, interfund transfers or contingency amounts*

# Budget Overview

## 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.”

**FY2021 General Fund Expenditures & Revenues**



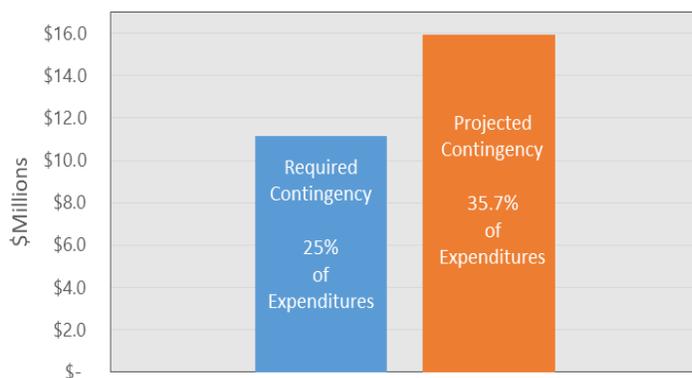
Revenues	\$ 43,350,386
Expenditures	<u>44,575,411</u>
Surplus/(Deficit)	(\$ 1,225,025)

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.

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 the General Fund’s annual expenditures must be set aside as a required contingency in the General Fund.

Expenditures	\$44,575,411
Contingency Requirement	<u>25%</u>
Required Contingency	\$11,143,853

**FY2021 General Fund Contingency Reserve**



The General Fund ending balance for FY 20/21 is projected to be \$15,932,318, which equals 35.7% of budgeted expenditures. With uncertainty caused by the COVID-19 pandemic, the Town has increased budgeted contingency from \$841,325 in FY19/20 to \$6.14 million in FY20/21 to provide greater flexibility. This budgeted amount does utilize 1.9% of the required contingency amount. This is expected to be a one-time occurrence due to the unprecedented nature surrounding the pandemic and the economic climate.

# Fund Balances

	General (1) Fund	Special (2) Revenue Funds	Capital (3) Project Funds
<b>Revenues and Other Sources</b>			
Taxes	\$ 18,128,304	\$ 2,492,960	\$ -
Licenses and Permits	1,592,500	25,000	-
Fines	125,000	-	-
Water Sales	-	-	-
Charges for Services	2,239,675	4,479,650	28,125
State Shared Revenue	13,194,438	3,458,929	-
Intergovernmental	1,672,000	-	-
Grants	5,865,969	210,000	1,992,000
Seizures & Forfeitures	-	325,000	-
Impact Fees	-	-	2,609,310
Interest Income	150,000	7,000	217,000
Miscellaneous	262,500	128,000	883,010
Other Financing Sources	120,000	-	18,367,021
<b>Total</b>	<b>\$ 43,350,386</b>	<b>\$ 11,126,539</b>	<b>\$ 24,096,466</b>
<b>Expenditures and Other Uses</b>			
General Government			
<i>Town Council</i>	\$ 197,019	\$ -	\$ -
<i>Town Manager's Office</i>	1,028,734	-	-
<i>Clerk</i>	428,524	-	-
<i>Human Resources</i>	457,347	-	-
<i>Finance</i>	832,888	-	-
<i>Innovation &amp; Technology</i>	3,846,018	-	-
<i>Legal</i>	870,592	-	-
<i>Magistrate Court</i>	864,826	-	-
<i>General Administration</i>	5,251,466	-	30,000
<i>Debt Service</i>	-	-	-
<i>Capital Projects</i>	-	-	5,429,666
Community & Economic Dev.	2,779,661	-	-
Parks and Recreation	3,478,517	6,599,082	-
Police	17,051,408	95,789	-
Public Works	4,898,891	3,866,213	-
Water Utility	-	-	6,356,000
<i>Personnel</i>	-	-	-
<i>Operations &amp; Maintenance</i>	-	-	-
<i>Capital Outlay</i>	-	-	-
<i>Debt Service</i>	-	-	325,099
Roadway Improvements	-	-	4,165,000
Other Financing Uses	2,589,520	278,302	14,492,678
<b>Total</b>	<b>\$ 44,575,411</b>	<b>\$ 10,839,386</b>	<b>\$ 30,798,443</b>
Increase/(Decrease)	(1,225,025)	287,153	(6,701,977)
Beginning Fund Balance	\$ 17,157,343	\$ 1,227,740	\$ 11,160,760
<b>Ending Fund Balance</b>	<b>\$ 15,932,318</b>	<b>\$ 1,514,893</b>	<b>\$ 4,458,783</b>

# Fund Balances

	Enterprise Funds (4)		Internal (5)	(6)	2020-2021 Total
	Water Utility Fund	Non-Major Enterprise Fund	Service Fund	Debt Service Funds	
<b>Revenues and Other Sources</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 20,621,264
Licenses and Permits	-	-	-	-	1,617,500
Fines	-	-	-	-	125,000
Water Sales	13,078,000	-	-	-	13,078,000
Charges for Services	3,086,500	1,438,000	-	-	11,271,950
State Shared Revenue	-	-	-	-	16,653,367
Intergovernmental	-	-	-	-	1,672,000
Grants	-	-	-	39,245	8,107,214
Seizures & Forfeitures	-	-	-	-	325,000
Impact Fees	-	-	-	-	2,609,310
Interest Income	75,000	1,000	-	179,038	629,038
Miscellaneous	-	-	4,207,654	100,000	5,581,164
Other Financing Sources	2,942,995	-	-	1,079,199	22,509,215
<b>Total</b>	<b>\$ 19,182,495</b>	<b>\$ 1,439,000</b>	<b>\$ 4,207,654</b>	<b>\$ 1,397,482</b>	<b>\$ 104,800,022</b>
<b>Expenditures and Other Uses</b>					
General Government					
<i>Town Council</i>	\$ -	\$ -	\$ -	\$ -	\$ 197,019
<i>Town Manager's Office</i>	-	-	-	-	1,028,734
<i>Clerk</i>	-	-	-	-	428,524
<i>Human Resources</i>	-	-	-	-	457,347
<i>Finance</i>	-	-	-	-	832,888
<i>Innovation &amp; Technology</i>	-	-	-	-	3,846,018
<i>Legal</i>	-	-	-	-	870,592
<i>Magistrate Court</i>	-	-	-	-	864,826
<i>General Administration</i>	-	-	4,207,654	13,000	9,502,120
<i>Debt Service</i>	-	-	-	1,389,483	1,389,483
<i>Capital Projects</i>	-	-	-	-	5,429,666
Community & Economic Dev.	-	-	-	-	2,779,661
Parks and Recreation	-	-	-	-	10,077,599
Police	-	-	-	-	17,147,197
Public Works	-	1,307,750	-	-	10,072,854
Water Utility	19,523,074	-	-	-	25,879,074
<i>Personnel</i>	3,495,355	-	-	-	3,495,355
<i>Operations &amp; Maintenance</i>	8,044,042	-	-	-	8,044,042
<i>Capital Outlay</i>	3,208,622	-	-	-	3,208,622
<i>Debt Service</i>	4,775,055	-	-	-	5,100,154
Roadway Improvements	-	-	-	-	4,165,000
Other Financing Uses	2,205,721	-	-	-	19,566,221
<b>Total</b>	<b>\$ 21,728,795</b>	<b>\$ 1,307,750</b>	<b>\$ 4,207,654</b>	<b>\$ 1,402,483</b>	<b>\$ 114,859,922</b>
Increase/(Decrease)	(2,546,300)	131,250	-	(5,001)	(10,059,900)
Beginning Fund Balance	\$ 19,917,688	\$ 944,991	\$ 1,107,185	\$ 197,503	\$ 51,713,209
<b>Ending Fund Balance</b>	<b>\$ 17,371,388</b>	<b>\$ 1,076,241</b>	<b>\$ 1,107,185</b>	<b>\$ 192,502</b>	<b>\$ 41,653,309</b>

# Fund Balances

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The fund balances table depicts the estimated beginning fund balance at July 1, 2020, the budgeted revenues and expenditures for FY 20/21 and the projected ending fund balance at June 30, 2021.

- 1) The fund balance in the General Fund is decreasing \$1,225,025, which is a planned decrease to fund one-time expenditures.
- 2) Fund balances in the Special Revenue Funds are increasing \$287,153.
- 3) The fund balance in Capital Funds are decreasing \$6,701,977 due to planned one-time projects.
- 4) The fund balance in the Water Utility Enterprise Fund is decreasing \$2,546,300. This is a planned use of funds that have been accumulated for capital projects. The fund balance in the Stormwater Utility Fund is increasing \$131,250. Fund balance is expected remain steady at \$736,508 for the Benefit Self Insurance Fund.
- 5) Fund balance is expected to remain unchanged at \$1,107,185 for the Benefit Self Insurance Fund.
- 6) Fund balances in the Debt Service Funds are decreasing \$5,001, 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.

# Historical Fund Balances

	General Fund			Non-Major Governmental Funds		
	2019 Actual	2020 Estimate	2021 Budget	2019 Actual	2020 Estimate	2021 Budget
(A)						
<b>Revenues and Other Sources</b>						
Taxes	\$ 21,090,430	\$ 18,899,146	\$ 18,128,304	\$ 2,469,464	\$ 2,300,962	\$ 2,492,960
Licenses and Permits	2,356,618	2,184,210	1,592,500	31,213	50	25,000
Fines	135,771	120,000	125,000	-	-	-
Water Sales	-	-	-	-	-	-
Charges for Services	2,549,459	2,141,965	2,239,675	4,294,993	3,762,333	4,507,775
State Shared Revenue	11,879,951	12,070,307	13,194,438	3,563,828	3,513,856	3,458,929
Intergovernmental	1,433,139	1,585,000	1,672,000	-	-	-
Seizures & Forfeitures	-	-	-	81,615	33,000	325,000
Grants	460,614	452,500	5,865,969	7,038,460	11,940,062	2,241,245
Impact Fees	-	-	-	2,907,707	3,332,071	2,609,310
Interest Income	648,233	555,980	150,000	1,204,423	369,719	403,038
Miscellaneous	370,119	295,800	262,500	136,935	209,904	1,111,010
Other Financing Sources	120,000	120,000	120,000	2,035,000	1,380,000	19,446,220
<b>Total</b>	<b>\$ 41,044,334</b>	<b>\$ 38,424,908</b>	<b>\$ 43,350,386</b>	<b>\$ 23,763,638</b>	<b>\$ 26,841,957</b>	<b>\$ 36,620,487</b>
<b>Expenditures and Other Uses</b>						
General Government						
<i>Administrative Services</i>	\$ 4,217,666	\$ 4,540,359	\$ -			
<i>Town Council</i>	193,646	206,001	197,019			
<i>Town Manager's Office</i>	1,217,267	1,294,364	1,028,734			
<i>Clerk</i>	388,362	361,076	428,524			
<i>Human Resources</i>			457,347			
<i>Finance</i>			832,888			
<i>Innovation &amp; Technology</i>			3,846,018			
<i>Legal</i>	808,638	874,057	870,592			
<i>Magistrate Court</i>	844,463	912,169	864,826			
<i>General Government</i>	2,414,069	2,594,923	5,251,466	1,215,894	1,376,102	718,000
<i>Debt Service</i>						
<i>Capital Projects</i>				6,337,749	3,857,616	4,744,666
Community & Econ. Dev.	2,651,644	2,787,207	2,779,661			
Parks and Recreation	3,380,694	3,497,763	3,478,517	5,761,280	5,868,694	6,599,082
Police	16,129,298	16,993,985	17,051,408	911,702	59,593	95,789
Public Works	3,202,286	4,631,486	4,898,891	4,068,440	4,014,875	3,866,213
Water Utility						
<i>Personnel</i>						
<i>Operations &amp; Maintenance</i>				170,570	213,877	
<i>Capital Outlay</i>				1,336,550	1,126,603	6,681,099
<i>Debt Service</i>				64,715		1,389,483
Roadway Improvements				6,503,410	13,476,500	4,175,000
Use of Contingency		-				
Other Financing Uses	4,150,514	1,895,436	2,589,520	490,410	368,810	14,770,980
<b>Total</b>	<b>\$ 39,598,547</b>	<b>\$ 40,588,826</b>	<b>\$ 44,575,411</b>	<b>\$ 26,860,720</b>	<b>\$ 30,362,670</b>	<b>\$ 43,040,312</b>
Increase/(Decrease)	1,445,787	(2,163,918)	(1,225,025)	(3,097,082)	(3,520,713)	(6,419,825)
Beginning Fund Balance	\$ 17,875,474	\$ 19,321,261	\$ 17,157,343	\$ 19,203,801	\$ 16,106,719	\$ 12,586,006
<b>Ending Fund Balance</b>	<b>\$ 19,321,261</b>	<b>\$ 17,157,343</b>	<b>\$ 15,932,318</b>	<b>\$ 16,106,719</b>	<b>\$ 12,586,006</b>	<b>\$ 6,166,181</b>

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

# Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2019 Actual	2020 Estimate	2021 Budget	2019 Actual	2020 Estimate	2021 Budget
<b>Revenues and Other Sources</b>						
Taxes						
Licenses and Permits						
Fines						
Water Sales	12,582,508	13,434,000	13,078,000			
Charges for Services	3,062,457	3,219,500	3,086,500	1,426,036	1,438,000	1,438,000
State Shared Revenue						
Intergovernmental						
Seizures & Forfeitures						
Grants						-
Impact Fees						
Interest Income	195,897	130,000	75,000	16,393	17,852	1,000
Miscellaneous	6,248	185,050		210	10	
Other Financing Sources			2,942,995			
<b>Total</b>	<b>\$ 15,847,110</b>	<b>\$ 16,968,550</b>	<b>\$ 19,182,495</b>	<b>\$ 1,442,639</b>	<b>\$ 1,455,862</b>	<b>\$ 1,439,000</b>
<b>Expenditures and Other Uses</b>						
General Government						
<i>Administrative Services</i>						
<i>Town Council</i>						
<i>Town Manager's Office</i>						
<i>Clerk</i>						
<i>Human Resources</i>						
<i>Finance</i>						
<i>Innovation &amp; Technology</i>						
<i>Legal</i>						
<i>Magistrate Court</i>						
<i>General Government</i>						
<i>Debt Service</i>						
<i>Capital Projects</i>						
Community & Econ. Dev.						
Parks and Recreation						
Police						
Public Works				1,397,155	1,454,117	1,307,750
Water Utility						
<i>Personnel</i>	3,141,492	3,338,997	3,495,355			
<i>Operations &amp; Maintenance</i>	6,674,406	7,620,252	8,044,042			
<i>Capital Outlay</i>	8,642,519	3,600,000	3,208,622			
<i>Debt Service</i>	991,152	5,730,553	4,775,055			
Roadway Improvements						
Use of Contingency						
Other Financing Uses	2,581	2,472	2,205,721			
<b>Total</b>	<b>\$ 19,452,150</b>	<b>\$ 20,292,274</b>	<b>\$ 21,728,795</b>	<b>\$ 1,397,155</b>	<b>\$ 1,454,117</b>	<b>\$ 1,307,750</b>
Increase/(Decrease)	(3,605,040)	(3,323,724)	(2,546,300)	45,484	1,745	131,250
Beginning Fund Balance	\$ 26,846,452	\$ 23,241,412	\$ 19,917,688	\$ 897,762	\$ 943,246	\$ 944,991
<b>Ending Fund Balance</b>	<b>\$ 23,241,412</b>	<b>\$ 19,917,688</b>	<b>\$ 17,371,388</b>	<b>\$ 943,246</b>	<b>\$ 944,991</b>	<b>\$ 1,076,241</b>

Note: Does not include depreciation or amortization

# Historical Fund Balances

	Internal Service Funds			Total All Funds		
	2019 Actual	2020 Estimate	2021 Budget	2019 Actual	2020 Estimate	2021 Budget
<b>Revenues and Other Sources</b>						
Taxes				\$ 23,559,894	\$ 21,200,108	\$ 20,621,264
Licenses and Permits				2,387,831	2,184,260	1,617,500
Fines				135,771	120,000	125,000
Water Sales				12,582,508	13,434,000	13,078,000
Charges for Services	-			11,332,945	10,561,798	11,271,950
State Shared Revenue				15,443,779	15,584,163	16,653,367
Intergovernmental				1,433,139	1,585,000	1,672,000
Seizures & Forfeitures				81,615	33,000	325,000
Grants				7,499,074	12,392,562	8,107,214
Impact Fees				2,907,707	3,332,071	2,609,310
Interest Income	26,798			2,091,744	1,073,551	629,038
Miscellaneous	3,655,749	3,988,151	4,207,654	4,169,261	4,678,915	5,581,164
Other Financing Sources				2,155,000	1,500,000	22,509,215
<b>Total</b>	<b>\$ 3,682,547</b>	<b>\$ 3,988,151</b>	<b>\$ 4,207,654</b>	<b>\$ 85,780,268</b>	<b>\$ 87,679,428</b>	<b>\$ 104,800,022</b>
<b>Expenditures and Other Uses</b>						
General Government						
<i>Administrative Services</i>				\$ 4,217,666	\$ 4,540,359	\$ -
<i>Town Council</i>				193,646	206,001	197,019
<i>Town Manager's Office</i>				1,217,267	1,294,364	1,028,734
<i>Clerk</i>				388,362	361,076	428,524
<i>Human Resources</i>				-	-	457,347
<i>Finance</i>				-	-	832,888
<i>Innovation &amp; Technology</i>				-	-	3,846,018
<i>Legal</i>				808,638	874,057	870,592
<i>Magistrate Court</i>				844,463	912,169	864,826
<i>General Government</i>	3,432,199	3,617,475	4,207,654	7,062,162	7,588,500	10,177,120
<i>Debt Service</i>				-	-	-
<i>Capital Projects</i>				6,337,749	3,857,616	4,744,666
Community & Econ. Dev.				2,651,644	2,787,207	2,779,661
Parks and Recreation				9,141,974	9,366,457	10,077,599
Police				17,041,000	17,053,578	17,147,197
Public Works				8,667,881	10,100,478	10,072,854
Water Utility				-	-	-
<i>Personnel</i>				3,141,492	3,338,997	3,495,355
<i>Operations &amp; Maintenance</i>				6,844,976	7,834,129	8,044,042
<i>Capital Outlay</i>				9,979,069	4,726,603	9,889,721
<i>Debt Service</i>				1,055,867	5,730,553	6,164,538
Roadway Improvements				6,503,410	13,476,500	4,175,000
Use of Contingency				-	-	-
Other Financing Uses				4,643,505	2,266,718	19,566,221
<b>Total</b>	<b>\$ 3,432,199</b>	<b>\$ 3,617,475</b>	<b>\$ 4,207,654</b>	<b>\$ 90,740,771</b>	<b>\$ 96,315,362</b>	<b>\$ 114,859,922</b>
Increase/(Decrease)	250,348	370,677	-	(4,960,503)	(8,635,934)	(10,059,900)
Beginning Fund Balance	\$ 486,160	\$ 736,508	\$ 1,107,185	\$ 65,309,649	\$ 60,349,146	\$ 51,713,209
<b>Ending Fund Balance</b>	<b>\$ 736,508</b>	<b>\$ 1,107,185</b>	<b>\$ 1,107,185</b>	<b>\$ 60,349,146</b>	<b>\$ 51,713,209</b>	<b>\$ 41,653,310</b>

Note: Does not include depreciation or amortization

# Budget Summary

	FY 2018	FY 2019	FY 2020		FY 2021
	Actual		Budget	Projected	Budget
<b>Personnel</b>					
General Fund	277.76	292.56	309.69	309.69	310.69
Special Revenue Funds	51.47	49.20	37.55	37.55	37.55
Capital Project Funds	4.00	-	-	-	-
Enterprise Funds	48.23	49.73	49.73	49.73	50.73
Internal Service Funds	1.15	-	-	-	-
<b>TOTAL PERSONNEL</b>	<b>382.61</b>	<b>391.49</b>	<b>396.97</b>	<b>396.97</b>	<b>398.97</b>
<b>Expenditures by Fund</b> <sup>1)</sup>					
General Fund	32,891,890	35,448,033	40,045,779	38,693,390	41,985,891
Special Revenue Funds	11,613,913	9,963,857	10,388,381	9,943,162	10,561,084
Debt Service Funds	1,012,800	1,215,895	1,380,140	1,376,102	1,402,483
Capital Project Funds	9,458,873	15,190,558	24,084,896	18,672,124	16,305,765
Enterprise Funds	18,881,537	20,846,724	25,808,482	21,746,391	20,830,824
Internal Service Funds	4,025,529	3,432,199	4,014,972	3,617,475	4,207,654
<b>TOTAL EXPENDITURES</b>	<b>77,884,542</b>	<b>86,097,266</b>	<b>105,722,650</b>	<b>94,048,644</b>	<b>95,293,701</b>
<b>Expenditures by Category</b> <sup>1)</sup>					
Personnel	32,090,868	33,206,479	35,614,559	34,751,606	35,548,825
Operations & Maintenance	26,093,215	25,050,698	28,992,601	25,876,912	29,736,951
Capital Outlay	13,057,767	20,675,355	33,691,801	26,099,286	23,518,288
Debt Service	6,642,692	7,164,734	7,423,689	7,320,840	6,489,637
<b>TOTAL EXPENDITURES</b>	<b>77,884,542</b>	<b>86,097,266</b>	<b>105,722,650</b>	<b>94,048,644</b>	<b>95,293,701</b>
<b>Operating Results</b>					
Total Revenues <sup>2)</sup>	81,797,298	85,660,266	94,414,389	87,679,428	85,233,802
Total Expenditures <sup>1)</sup>	77,884,542	86,097,266	105,722,650	94,048,644	95,293,701
<b>NET OPERATING RESULTS</b> <sup>3)</sup>	<b>3,912,756</b>	<b>(437,000)</b>	<b>(11,308,261)</b>	<b>(6,369,216)</b>	<b>(10,059,899)</b>

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 20/21 is estimated to total \$85,233,802. In comparison to the FY 19/20 budget, revenue is projected to decrease by approximately \$9.2 million, or 9.7%. This decrease is attributable to grant and bond-funded capital projects, namely the La Cholla roadway widening project.

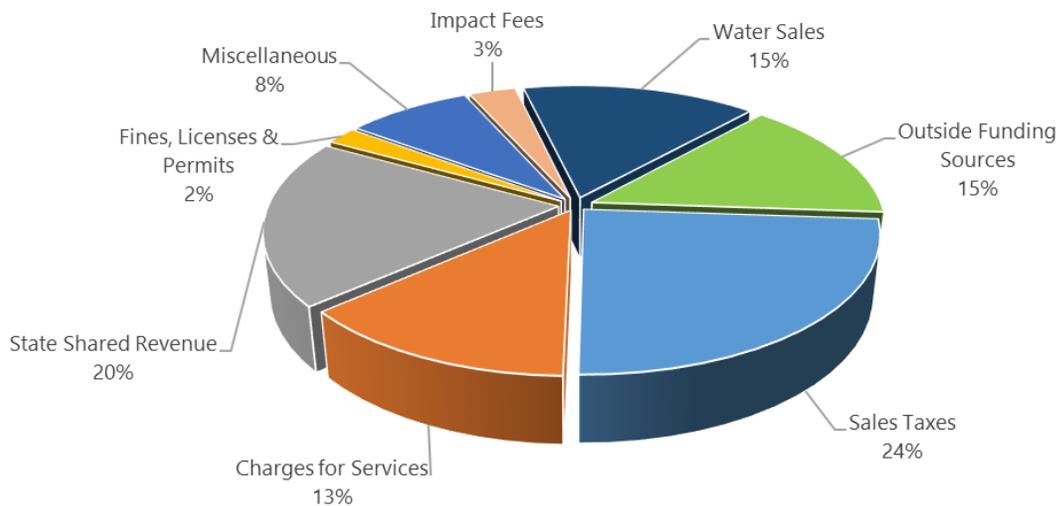
With the global economy struggling since the onset of the COVID-19 pandemic in March of 2020, near and long term revenue estimates became incredibly difficult to forecast due to the many uncertainties that still exist. With that in mind, projections remain conservative while still attempting to be as accurate as possible. Revenues related to consumer spending are all expected to see decreases for FY 20/21. Local sales tax revenues are expected to decrease 5.4% or \$1.2 million compared to the FY19/20 budget. The bulk of these decreases are anticipated to be seen in construction, restaurants & bars, as well as hotel/bed tax categories. These revenue categories are projected to show a sharp drop-off in year-over-year collections for the first six months of the fiscal year and a gradual increase beginning in January of 2021.

Revenues associated with residential and commercial development are also projected to see declines in the upcoming fiscal year. The Town has budgeted 225 single family residential (SFR) permits and modest commercial activity for FY 20/21, compared to the 300 SFR permits and higher commercial activity projected for FY 19/20.

Overall, state shared revenues are anticipated to increase approximately \$500,000 or 3.2% compared to the previous fiscal year. While decreases in state shared sales tax, vehicle license tax and highway user revenues are forecasted, the Town is expecting a 12% or \$700,000 increase in state shared income tax revenues. This is due to a two year lag between the state’s collection and the distribution to cities and towns. Therefore, the Town state shared income tax revenue for FY 20/21 are based on collections from FY 18/19.

Depending on the revenue source, estimates are based on susceptibility to economic factors, current performance, economic drivers and indicators, information received from State reports and other sources. Refer to the Revenue Schedule by Fund on page 75 for detailed changes in revenue from year to year.

**FY 20/21 Budgeted Revenue Sources**



# Revenue Summary

Revenue Sources						
	FY 2019	FY 2019/20		FY 2020/21	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	23,559,895	21,789,758	21,200,108	20,621,264	(1,168,494)	-5.4%
Charges for Services	11,332,945	11,535,517	10,561,798	11,271,950	(263,567)	-2.3%
State Shared Revenue	15,443,778	16,135,122	15,584,163	16,653,367	518,245	3.2%
Fines, Licenses & Permits	2,523,601	2,104,118	2,304,260	1,742,500	(361,618)	-17.2%
Miscellaneous	6,261,005	5,444,084	5,752,466	6,965,197	1,521,113	27.9%
Impact Fees	2,907,707	2,809,238	3,332,071	2,609,310	(199,928)	-7.1%
Water Sales	12,582,508	13,714,000	13,434,000	13,078,000	(636,000)	-4.6%
Outside Funding Sources	11,048,828	20,882,552	15,510,562	12,292,214	(8,590,338)	-41.1%
<b>Total Revenue</b>	<b>\$ 85,660,266</b>	<b>\$ 94,414,389</b>	<b>\$ 87,679,428</b>	<b>\$ 85,233,802</b>	<b>\$ (9,180,587)</b>	<b>-9.7%</b>

*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"> <li>1.5% decrease in retail collections</li> <li>11.3% decrease in restaurant &amp; bar collections</li> <li>22.1% decrease in hotel related collections</li> <li>20.3% decrease in construction related collections</li> <li>0.8% decrease in utility sales tax collections</li> <li>1.6% decrease in cable franchise fee collections</li> </ul>
Charges for Services -\$264K	<ul style="list-style-type: none"> <li>12.3% decrease General Fund, due mainly to recreation fees and transit farebox revenues</li> <li>5.4% decrease in Water Utility Fund for reduced construction related activity</li> <li>1.1% increase in Stormwater Utility Fund for stormwater utility fee</li> </ul>
State Shared Revenues +\$518K	<ul style="list-style-type: none"> <li>0.9% decrease in state shared sales taxes</li> <li>0.8% decrease in vehicle license tax</li> <li>2.2% decrease in HURF revenues</li> <li>12.3% increase in state income taxes</li> </ul>
Fines, Licenses & Permits -\$362K	<ul style="list-style-type: none"> <li>6.6% decrease in commercial building permit revenues, based on projected activity</li> <li>25.3% decrease in residential building permit revenues, based on projected activity</li> </ul>
Outside Funding -\$8.6M	<ul style="list-style-type: none"> <li>82.1% decrease in state grants related to the La Cholla Blvd project</li> <li>58.8% decrease in anticipated bond proceeds</li> <li>608.8% increase in federal grants related to CARES Act Funding</li> </ul>
Impact Fees -\$200K	<ul style="list-style-type: none"> <li>7.1% decrease based on anticipated commercial and residential building activity</li> </ul>
Water Sales -\$636K	<ul style="list-style-type: none"> <li>4.6% decrease based on reduced demand and no rate increases</li> </ul>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>General Fund</b>						
Local Sales Tax:						
Local Sales Tax	17,959,999	20,454,936	18,686,206	18,274,146	17,513,304	-6.3%
Sales Tax Audit Recoveries	1,200	-	-	-	-	0.0%
Cable Franchise Fees	656,664	635,494	625,000	625,000	615,000	-1.6%
<b>Total Local Sales Tax</b>	<b>18,617,864</b>	<b>21,090,430</b>	<b>19,311,206</b>	<b>18,899,146</b>	<b>18,128,304</b>	<b>-6.1%</b>
License & Permit Fees:						
Business Licenses & Permits	206,927	204,385	206,300	206,300	202,500	-1.8%
Residential Building Permits	1,463,401	1,626,779	1,345,000	1,360,000	1,005,000	-25.3%
Commercial Building Permits	683,494	247,688	232,818	353,734	217,500	-6.6%
Sign Permits	29,709	21,658	20,000	22,550	20,000	0.0%
Special Inspection Fees	7,821	11,653	8,000	8,650	8,500	6.3%
Grading Permit Fees	162,012	168,781	90,000	126,445	75,000	-16.7%
Road Permits	-	-	25,000	32,872	-	-100.0%
Floodplain Use Permits	-	-	2,000	4,500	4,000	100.0%
Fire Permits & Fees	81,211	75,675	55,000	69,159	60,000	9.1%
<b>Total License &amp; Permit Fees</b>	<b>2,634,574</b>	<b>2,356,618</b>	<b>1,984,118</b>	<b>2,184,210</b>	<b>1,592,500</b>	<b>-19.7%</b>
Federal Grants:						
CNA	19,928	-	-	-	-	0.0%
DEA Overtime Reimbursement	36,697	31,806	36,000	36,000	36,000	0.0%
Miscellaneous Federal Grants	4,475	16,444	6,750	26,750	28,200	317.8%
AZCares Funding	-	-	-	-	5,286,153	100.0%
HIDTA	110,667	17,702	-	-	-	0.0%
HIDTA-DEA	104,643	95,659	100,000	100,000	101,316	1.3%
GOHS	38,313	35,917	259,450	67,407	192,000	-26.0%
Homeland Security	54,486	166,153	129,000	129,000	129,000	0.0%
Joint Terrorism Task Force	17,887	21,913	18,343	18,343	18,300	-0.2%
<b>Total Federal Grants</b>	<b>387,097</b>	<b>385,593</b>	<b>549,543</b>	<b>377,500</b>	<b>5,790,969</b>	<b>953.8%</b>
State Grants:						
Misc State Grants	139,391	75,022	75,000	75,000	75,000	0.0%
<b>Total State Grants</b>	<b>139,391</b>	<b>75,022</b>	<b>75,000</b>	<b>75,000</b>	<b>75,000</b>	<b>0.0%</b>
State/County Shared:						
State Income	5,422,693	5,370,779	5,870,065	5,870,065	6,593,212	12.3%
State Sales	4,210,168	4,469,774	4,660,650	4,460,242	4,618,121	-0.9%
Vehicle License Tax	1,944,973	2,039,397	2,000,000	1,740,000	1,983,105	-0.8%
<b>Total State/County Shared</b>	<b>11,577,834</b>	<b>11,879,951</b>	<b>12,530,715</b>	<b>12,070,307</b>	<b>13,194,438</b>	<b>5.3%</b>
Other Intergovernmental:						
School Resource Officers	186,022	81,139	180,000	90,000	180,000	0.0%
RTA Reimbursements	1,339,272	1,223,125	1,385,000	1,385,000	1,380,000	-0.4%
PCLD Reimbursements	13,395	25,684	20,000	20,000	20,000	0.0%
Animal Control Revenues	97,666	103,191	90,000	90,000	92,000	2.2%
<b>Total Other Intergovernmental</b>	<b>1,636,354</b>	<b>1,433,139</b>	<b>1,675,000</b>	<b>1,585,000</b>	<b>1,672,000</b>	<b>-0.2%</b>
Charges for Services:						
Court Costs	146,042	151,909	130,000	131,000	135,000	3.8%
Public Defender Fees	6,557	2,445	2,400	3,000	2,400	0.0%
Zoning & Subdivision Fees	137,224	172,569	145,000	145,000	140,000	-3.4%
User Fees - Swimming Pool	615,111	627,842	681,000	353,001	430,000	-36.9%
User Fees - Fields & Courts	97,704	118,453	119,800	96,165	115,000	-4.0%
User Fees - Miscellaneous	161,001	165,419	161,800	115,615	151,800	-6.2%
Copy Services	3,231	2,650	2,100	2,600	2,250	7.1%
Town Hall Usage Fees	420	40	-	-	-	0.0%
General Government Other	2,715	2,685	2,500	2,618	2,500	0.0%
Police Report Copying	6,592	7,470	6,400	6,400	6,500	1.6%
Police Other	9,754	17,487	8,000	6,500	8,000	0.0%
Engineer Plan Review Fees	78,356	80,965	55,000	60,000	50,000	-9.1%

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	%
	Actual	Actual	Budget	Projected	Budget	to Budget
Fare Box	119,536	138,125	140,000	140,000	121,500	-13.2%
Administrative Services	513,000	701,256	732,050	732,050	732,050	0.0%
Financial Services	185,076	195,480	197,075	197,075	197,075	0.0%
Real Property Rental Income	87,067	87,233	87,414	87,414	87,500	0.1%
Maps	3,120	3,110	-	20	250	0.0%
Impound Processing	-	28,920	15,000	14,000	15,000	0.0%
Pawn Slips	600	600	600	600	600	0.0%
Police Fingerprinting	14,640	16,420	14,000	16,100	4,500	-67.9%
Concession Sales	25,942	23,727	30,000	10,371	15,000	-50.0%
Public Record Request Fees	2,270	2,599	2,500	2,400	2,500	0.0%
Parks Cancellation Fees	439	978	-	36	250	0.0%
Court Security Fee	-	-	20,000	20,000	20,000	0.0%
<b>Total Charges for Services</b>	<b>2,217,697</b>	<b>2,549,459</b>	<b>2,552,639</b>	<b>2,141,965</b>	<b>2,239,675</b>	<b>-12.3%</b>
Fines:						
Fines	131,393	135,771	120,000	120,000	125,000	4.2%
<b>Total Fines</b>	<b>131,393</b>	<b>135,771</b>	<b>120,000</b>	<b>120,000</b>	<b>125,000</b>	<b>4.2%</b>
Interest Income:						
Interest - Investments	(27,573)	648,233	150,000	555,980	150,000	0.0%
<b>Total Interest Income</b>	<b>(27,573)</b>	<b>648,233</b>	<b>150,000</b>	<b>555,980</b>	<b>150,000</b>	<b>0.0%</b>
Miscellaneous:						
Miscellaneous	22,823	18,632	4,000	4,000	5,000	25.0%
Special Events	17,865	24,704	14,000	1,300	5,000	-64.3%
Insurance Recoveries	46,156	-	-	34,000	-	0.0%
In-Lieu Income	325,056	296,160	270,000	243,000	245,000	-9.3%
Sale of Assets	5,703	30,624	-	13,500	7,500	0.0%
<b>Total Miscellaneous</b>	<b>417,603</b>	<b>370,119</b>	<b>288,000</b>	<b>295,800</b>	<b>262,500</b>	<b>-8.9%</b>
<b>TOTAL GENERAL FUND</b>	<b>37,732,233</b>	<b>40,924,335</b>	<b>39,236,221</b>	<b>38,304,908</b>	<b>43,230,386</b>	<b>10.2%</b>
<b>Highway Fund</b>						
License & Permit Fees:						
Road Permits	40,971	26,773	-	50	25,000	0.0%
Floodplain Use Permits	4,145	4,440	-	-	-	0.0%
<b>Total License &amp; Permit Fees</b>	<b>45,116</b>	<b>31,213</b>	<b>-</b>	<b>50</b>	<b>25,000</b>	<b>0.0%</b>
State Grants:						
PAG Reimbursements	16,645	-	-	-	-	0.0%
RTA Reimbursements	129,563	127,008	180,000	180,000	210,000	16.7%
<b>Total State Grants</b>	<b>146,208</b>	<b>127,008</b>	<b>180,000</b>	<b>180,000</b>	<b>210,000</b>	<b>16.7%</b>
State/County Shared:						
Highway User	3,333,250	3,563,828	3,604,407	3,513,856	3,458,929	-4.0%
<b>Total State/County Shared</b>	<b>3,333,250</b>	<b>3,563,828</b>	<b>3,604,407</b>	<b>3,513,856</b>	<b>3,458,929</b>	<b>-4.0%</b>
Interest Income:						
Interest - Investments	31,054	122,107	-	3,168	5,000	0.0%
<b>Total Interest Income</b>	<b>31,054</b>	<b>122,107</b>	<b>-</b>	<b>3,168</b>	<b>5,000</b>	<b>0.0%</b>
Miscellaneous:						
Miscellaneous	10,275	1,137	1,500	4,177	2,000	33.3%
Insurance Recoveries	3,310	5,978	-	59,650	-	0.0%
<b>Total Miscellaneous</b>	<b>13,585</b>	<b>7,115</b>	<b>1,500</b>	<b>63,827</b>	<b>2,000</b>	<b>33.3%</b>
<b>TOTAL HIGHWAY FUND</b>	<b>3,569,213</b>	<b>3,851,269</b>	<b>3,785,907</b>	<b>3,760,901</b>	<b>3,700,929</b>	<b>-2.2%</b>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Bed Tax Fund</b>						
Local Sales Tax:						
Local Sales Tax	1,372,344	-	-	-	-	0.0%
<b>Total Local Sales Tax</b>	<b>1,372,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
Interest Income:						
Interest - Investments	(86)	-	-	-	-	0.0%
<b>Total Interest Income</b>	<b>(86)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
Miscellaneous:						
Miscellaneous	-	-	-	-	-	0.0%
<b>Total Miscellaneous</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL BED TAX FUND</b>	<b>1,372,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Seizures &amp; Forfeitures Funds</b>						
Interest Income:						
Interest - Investments	4,428	9,101	-	6,100	2,000	0.0%
<b>Total Interest Income</b>	<b>4,428</b>	<b>9,101</b>	<b>-</b>	<b>6,100</b>	<b>2,000</b>	<b>0.0%</b>
Miscellaneous:						
Forfeitures	361,106	81,615	325,000	33,000	325,000	0.0%
<b>Total Miscellaneous</b>	<b>361,106</b>	<b>81,615</b>	<b>325,000</b>	<b>33,000</b>	<b>325,000</b>	<b>0.0%</b>
<b>TOTAL SEIZURES &amp; FORFEITURES FUNDS</b>	<b>365,534</b>	<b>90,716</b>	<b>325,000</b>	<b>39,100</b>	<b>327,000</b>	<b>0.6%</b>
<b>Impound Fee Fund</b>						
Charges for Services:						
Impound Fees	36,750	-	-	-	-	0.0%
<b>Total Charges for Services</b>	<b>36,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL IMPOUND FEE FUND</b>	<b>36,750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Community Center Fund</b>						
Local Sales Tax:						
Local Sales Tax	2,330,941	2,469,464	2,478,552	2,300,962	2,492,960	0.6%
<b>Total Local Sales Tax</b>	<b>2,330,941</b>	<b>2,469,464</b>	<b>2,478,552</b>	<b>2,300,962</b>	<b>2,492,960</b>	<b>0.6%</b>
Charges for Services:						
User Fees - Daily Drop-In	33,194	30,305	35,000	26,279	30,000	-14.3%
User Fees - Member Dues	723,789	704,244	757,000	513,783	707,000	-6.6%
User Fees - Recreation Programs	160,410	199,443	170,000	77,536	160,000	-5.9%
User Fees - Swimming Pools	16,498	19,969	16,000	3,713	8,000	-50.0%
Rental Income	61,583	80,657	87,782	71,290	70,002	-20.3%
Concession Sales	260	174	-	135	100	0.0%
Management Contract Revenues	3,386,855	3,232,076	3,204,271	3,041,472	3,504,548	9.4%
<b>Total Charges for Services</b>	<b>4,382,588</b>	<b>4,266,868</b>	<b>4,270,053</b>	<b>3,734,208</b>	<b>4,479,650</b>	<b>4.9%</b>
Interest Income:						
Interest - Investments	-	16,179	-	12,390	1,000	0.0%
<b>Total Interest Income</b>	<b>-</b>	<b>16,179</b>	<b>-</b>	<b>12,390</b>	<b>1,000</b>	<b>0.0%</b>
Miscellaneous:						
Miscellaneous	404	-	-	-	125,000	0.0%
Special Events	-	(125)	-	-	-	0.0%
Sale of Assets	-	-	-	-	-	0.0%
Insurance Recoveries	560	-	-	-	-	0.0%
<b>Total Miscellaneous</b>	<b>963</b>	<b>(125)</b>	<b>-</b>	<b>-</b>	<b>125,000</b>	<b>0.0%</b>
<b>TOTAL COMMUNITY CENTER FUND</b>	<b>6,714,492</b>	<b>6,752,386</b>	<b>6,748,605</b>	<b>6,047,560</b>	<b>7,098,610</b>	<b>5.2%</b>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Municipal Debt Service Fund</b>						
Interest Income:						
Interest	4,296	85,154	5,000	18,639	5,000	0.0%
<b>Total Interest Income</b>	<b>4,296</b>	<b>85,154</b>	<b>5,000</b>	<b>18,639</b>	<b>5,000</b>	<b>0.0%</b>
Federal Grants:						
Miscellaneous Grants	45,119	56,013	43,509	43,509	39,245	-9.8%
<b>Total Federal Grants</b>	<b>45,119</b>	<b>56,013</b>	<b>43,509</b>	<b>43,509</b>	<b>39,245</b>	<b>-9.8%</b>
Miscellaneous:						
Miscellaneous	100,670	110,639	100,000	104,000	100,000	0.0%
<b>Total Miscellaneous</b>	<b>100,670</b>	<b>110,639</b>	<b>100,000</b>	<b>104,000</b>	<b>100,000</b>	<b>0.0%</b>
<b>TOTAL MUNICIPAL DEBT SERVICE FUND</b>	<b>150,085</b>	<b>251,805</b>	<b>148,509</b>	<b>166,148</b>	<b>144,245</b>	<b>-2.9%</b>
<b>Oracle Road Debt Service Fund</b>						
Interest Income:						
Special Assessments	26,730	17,959	11,912	9,397	4,038	-66.1%
Penalties	226	1,741	-	285	-	0.0%
<b>Total Interest Income</b>	<b>26,955</b>	<b>19,700</b>	<b>11,912</b>	<b>9,682</b>	<b>4,038</b>	<b>-66.1%</b>
Principal Repayments:						
Principal Repayments	149,124	156,107	165,000	158,948	170,000	3.0%
<b>Total Principal Repayments</b>	<b>149,124</b>	<b>156,107</b>	<b>165,000</b>	<b>158,948</b>	<b>170,000</b>	<b>3.0%</b>
<b>TOTAL ORACLE RD DEBT SERVICE FUND</b>	<b>176,080</b>	<b>175,807</b>	<b>176,912</b>	<b>168,630</b>	<b>174,038</b>	<b>-1.6%</b>
<b>Townwide Roadway Development Impact Fee Fund</b>						
State Grants:						
PAG Reimbursements	-	250,000	-	-	-	0.0%
<b>Total State Grants</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
Impact Fees:						
Residential Impact Fees	501,480	643,594	330,340	412,495	297,350	-10.0%
Commercial Impact Fees	340,597	42,953	211,090	112,600	16,970	-92.0%
<b>Total Impact Fees</b>	<b>842,077</b>	<b>686,547</b>	<b>541,430</b>	<b>525,095</b>	<b>314,320</b>	<b>-41.9%</b>
Interest Income:						
Interest - Investments	26,589	148,136	30,000	29,387	30,000	0.0%
<b>Total Interest Income</b>	<b>26,589</b>	<b>148,136</b>	<b>30,000</b>	<b>29,387</b>	<b>30,000</b>	<b>0.0%</b>
<b>TOTAL ROADWAY IMPACT FEE FUND</b>	<b>868,666</b>	<b>1,084,683</b>	<b>571,430</b>	<b>554,482</b>	<b>344,320</b>	<b>-39.7%</b>
<b>PAG/RTA Fund</b>						
State Grants:						
PAG Reimbursements	2,402,914	3,238	-	-	-	0.0%
RTA Reimbursements	1,965,976	6,341,111	10,300,000	11,716,553	1,875,000	-81.8%
<b>Total State Grants</b>	<b>4,368,890</b>	<b>6,344,349</b>	<b>10,300,000</b>	<b>11,716,553</b>	<b>1,875,000</b>	<b>-81.8%</b>
Miscellaneous:						
Miscellaneous	182,457	1,387	-	198,401	-	0.0%
<b>Total Miscellaneous</b>	<b>182,457</b>	<b>1,387</b>	<b>-</b>	<b>198,401</b>	<b>-</b>	<b>0.0%</b>
Charges for Services:						
Real Property Rental Income	22,969	28,125	28,125	28,125	28,125	0.0%
<b>Total Charges for Services</b>	<b>22,969</b>	<b>28,125</b>	<b>28,125</b>	<b>28,125</b>	<b>28,125</b>	<b>0.0%</b>
<b>TOTAL PAG/RTA FUND</b>	<b>4,574,315</b>	<b>6,373,861</b>	<b>10,328,125</b>	<b>11,943,079</b>	<b>1,903,125</b>	<b>-81.6%</b>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>General Government Development Impact Fee Fund</b>						
Interest Income:						
Interest - Investments	31	44	-	-	-	0.0%
<b>Total Interest Income</b>	<b>31</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL GEN. GOVT. IMPACT FEE FUND</b>	<b>31</b>	<b>44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>Parks &amp; Recreation Development Impact Fee Fund</b>						
Impact Fees:						
Residential Impact Fees	293,608	253,760	244,816	240,025	309,668	26.5%
<b>Total Impact Fees</b>	<b>293,608</b>	<b>253,760</b>	<b>244,816</b>	<b>240,025</b>	<b>309,668</b>	<b>26.5%</b>
Interest Income:						
Interest - Investments	2,893	11,624	-	9,480	5,000	0.0%
<b>Total Interest Income</b>	<b>2,893</b>	<b>11,624</b>	<b>-</b>	<b>9,480</b>	<b>5,000</b>	<b>0.0%</b>
<b>TOTAL PARKS IMPACT FEE FUND</b>	<b>296,501</b>	<b>265,384</b>	<b>244,816</b>	<b>249,505</b>	<b>314,668</b>	<b>28.5%</b>
<b>Police Development Impact Fee Fund</b>						
Impact Fees:						
Residential Impact Fees	105,164	91,496	93,000	88,210	85,911	-7.6%
Commercial Impact Fees	38,285	7,960	18,074	16,741	10,000	-44.7%
<b>Total Impact Fees</b>	<b>143,449</b>	<b>99,456</b>	<b>111,074</b>	<b>104,951</b>	<b>95,911</b>	<b>-13.7%</b>
Interest Income:						
Interest - Investments	5,251	3,193	-	1,600	-	0.0%
<b>Total Interest Income</b>	<b>5,251</b>	<b>3,193</b>	<b>-</b>	<b>1,600</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL POLICE IMPACT FEE FUND</b>	<b>148,700</b>	<b>102,650</b>	<b>111,074</b>	<b>106,551</b>	<b>95,911</b>	<b>-13.7%</b>
<b>Community Center Bond Fund</b>						
Other Financing Sources:						
Bond Proceeds	-	-	3,000,000	-	-	-100.0%
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>
<b>TOTAL COMMUNITY CENTER BOND FUND</b>	<b>-</b>	<b>-</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>
<b>Capital Fund</b>						
State Grants:						
Misc State Grants	-	-	100,000	-	117,000	17.0%
<b>Total State Grants</b>	<b>-</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>117,000</b>	<b>17.0%</b>
Federal Grants:						
Misc Federal Grants	-	261,090	229,500	-	-	-100.0%
<b>Total Federal Grants</b>	<b>-</b>	<b>261,090</b>	<b>229,500</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>
Other Financing Sources:						
Bond Proceeds	-	2,035,000	-	-	-	0.0%
<b>Total Other Financing Sources</b>	<b>-</b>	<b>2,035,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
Interest - Investments	-	88,437	-	-	-	0.0%
<b>Total Interest Income</b>	<b>-</b>	<b>88,437</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Miscellaneous:						
Vehicle Reserves	-	-	536,900	-	633,010	17.9%
Insurance Recoveries	-	-	-	-	-	0.0%
Miscellaneous	-	-	-	-	250,000	0.0%
<b>Total Miscellaneous</b>	-	-	536,900	-	883,010	64.5%
<b>TOTAL CAPITAL FUND</b>	-	<b>2,384,527</b>	<b>866,400</b>	-	<b>1,000,010</b>	<b>15.4%</b>
<b>Fleet Fund</b>						
Miscellaneous:						
Insurance Recoveries	11,488	-	-	-	-	0.0%
Vehicle Reserves	374,896	-	-	-	-	0.0%
Sale of Assets	70,939	-	-	-	-	0.0%
<b>Total Miscellaneous</b>	457,324	-	-	-	-	0.0%
Charges for Services:						
Fleet Services	860,271	-	-	-	-	0.0%
<b>Total Charges for Services</b>	860,271	-	-	-	-	0.0%
<b>TOTAL FLEET FUND</b>	<b>1,317,595</b>	-	-	-	-	<b>0.0%</b>
<b>Benefit Self Insurance Fund</b>						
Interest Income:						
Interest - Investments	-	26,798	-	-	-	0.0%
<b>Total Interest Income</b>	-	26,798	-	-	-	0.0%
Miscellaneous:						
Self Insurance Premiums - Employer	2,782,028	2,801,349	3,120,884	3,058,467	3,220,753	3.2%
Self Insurance Premiums - Employee	616,999	637,196	649,868	669,364	571,509	-12.1%
COBRA Premiums	51,367	26,813	50,000	50,000	50,000	0.0%
Retiree Premiums	21,189	45,988	45,000	45,000	50,000	11.1%
UHC Wellness Program	-	20,000	20,000	20,000	20,000	0.0%
Miscellaneous	120,716	124,403	129,220	145,321	295,392	128.6%
<b>Total Miscellaneous</b>	3,592,299	3,655,749	4,014,972	3,988,152	4,207,654	4.8%
<b>TOTAL BENEFIT SELF INSURANCE FUND</b>	<b>3,592,299</b>	<b>3,682,547</b>	<b>4,014,972</b>	<b>3,988,152</b>	<b>4,207,654</b>	<b>4.8%</b>
<b>Water Utility Fund</b>						
Water Sales:						
Residential Water Sales	8,990,121	9,018,737	9,638,800	9,442,004	9,400,000	-2.5%
Commercial Water Sales	860,124	856,941	909,200	890,637	920,000	1.2%
Irrigation Water Sales	1,433,059	1,157,011	1,412,300	1,383,465	1,186,000	-16.0%
Turf Related Water Sales	1,769,304	1,237,413	1,541,200	1,509,733	1,362,000	-11.6%
Construction Water Sales	534,060	312,406	212,500	208,161	210,000	-1.2%
<b>Total Water Sales</b>	13,586,668	12,582,508	13,714,000	13,434,000	13,078,000	-4.6%
Charges for Services:						
Engineer Plan Review Fees	9,646	25,384	10,000	7,000	10,000	0.0%
Construction Inspection Fees	52,870	20,289	25,000	56,000	35,000	40.0%
Misc Service Revenue	19,045	29,669	15,000	25,000	20,000	33.3%
Backflow-Install Permit Fee	3,055	2,860	3,300	6,000	5,000	51.5%
Sewer Fees	273,537	339,719	390,000	372,000	375,000	-3.8%
Late Fees	91,054	86,804	88,000	78,000	90,000	2.3%
NSF Fees	3,264	3,706	4,500	2,500	4,500	0.0%

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Rain Sensors	23	8	-	-	-	0.0%
Meter Income	108,116	83,990	91,400	94,000	95,000	3.9%
New Service Establish Fees	93,340	99,175	90,000	95,000	90,000	0.0%
Reconnect Fees	34,208	42,039	32,000	30,000	32,000	0.0%
Groundwater Preservation Fee	2,611,075	2,213,303	2,400,500	2,336,000	2,217,000	-7.6%
Other	112,812	115,511	113,000	118,000	113,000	0.0%
<b>Total Charges for Services</b>	<b>3,412,043</b>	<b>3,062,457</b>	<b>3,262,700</b>	<b>3,219,500</b>	<b>3,086,500</b>	<b>-5.4%</b>
Interest Income:						
Interest - Investments	(36,589)	195,897	63,000	130,000	75,000	19.0%
<b>Total Interest Income</b>	<b>(36,589)</b>	<b>195,897</b>	<b>63,000</b>	<b>130,000</b>	<b>75,000</b>	<b>19.0%</b>
Miscellaneous:						
Miscellaneous	379	6,248	-	5,000	-	0.0%
Insurance Recoveries	1,520	-	-	11,000	-	0.0%
Sale of Assets	855	-	-	50	-	0.0%
<b>Total Miscellaneous</b>	<b>2,755</b>	<b>6,248</b>	<b>-</b>	<b>16,050</b>	<b>-</b>	<b>0.0%</b>
Other Financing Sources:						
Bond Proceeds	-	-	2,305,000	1,500,000	2,188,000	-5.1%
NWRRDS Funding	-	-	-	-	754,995	0.0%
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>2,305,000</b>	<b>1,500,000</b>	<b>2,942,995</b>	<b>27.7%</b>
<b>TOTAL WATER UTILITY FUND</b>	<b>16,964,876</b>	<b>15,847,109</b>	<b>19,344,700</b>	<b>18,299,550</b>	<b>19,182,495</b>	<b>-0.8%</b>
<b>Alternative Water Resources Development Impact Fee Fund</b>						
Impact Fees:						
Residential Impact Fees	1,268,104	1,037,537	1,213,500	1,194,000	-	-100.0%
Commercial Impact Fees	370,071	209,301	62,690	450,000	-	-100.0%
<b>Total Impact Fees</b>	<b>1,638,175</b>	<b>1,246,838</b>	<b>1,276,190</b>	<b>1,644,000</b>	<b>-</b>	<b>-100.0%</b>
Interest Income:						
Interest - Investments	18,584	293,514	40,000	69,271	-	-100.0%
<b>Total Interest Income</b>	<b>18,584</b>	<b>293,514</b>	<b>40,000</b>	<b>69,271</b>	<b>-</b>	<b>-100.0%</b>
<b>TOTAL AWRDIF FUND</b>	<b>1,656,759</b>	<b>1,540,352</b>	<b>1,316,190</b>	<b>1,713,271</b>	<b>-</b>	<b>-100.0%</b>
<b>Potable Water System Development Impact Fee Fund</b>						
Impact Fees:						
Single Family Connections	631,701	506,770	604,500	540,000	-	-100.0%
Multi-Family Connections	-	10,075	-	45,000	-	0.0%
Commercial Connections	110,004	35,359	13,096	113,000	-	-100.0%
Irrigation Connections	74,340	68,902	18,132	120,000	-	-100.0%
<b>Total Impact Fees</b>	<b>816,045</b>	<b>621,106</b>	<b>635,728</b>	<b>818,000</b>	<b>-</b>	<b>-100.0%</b>
Interest Income:						
Interest - Investments	(14,597)	269,046	36,800	63,729	-	-100.0%
<b>Total Interest Income</b>	<b>(14,597)</b>	<b>269,046</b>	<b>36,800</b>	<b>63,729</b>	<b>-</b>	<b>-100.0%</b>
<b>TOTAL PWSDF FUND</b>	<b>801,448</b>	<b>890,152</b>	<b>672,528</b>	<b>881,729</b>	<b>-</b>	<b>-100.0%</b>

# Revenue Schedule by Fund

Major Revenue Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Water Resources Development Impact Fee Fund</b>						
Impact Fees:						
Residential Impact Fees	-	-	-	-	1,437,075	0.0%
Non-Residential Impact Fees	-	-	-	-	452,336	0.0%
<b>Total Impact Fees</b>	-	-	-	-	<b>1,889,411</b>	<b>0.0%</b>
Interest Income:						
Interest - Investments	-	-	-	-	182,000	0.0%
<b>Total Interest Income</b>	-	-	-	-	<b>182,000</b>	<b>0.0%</b>
<b>TOTAL WRSDIF FUND</b>	-	-	-	-	<b>2,071,411</b>	<b>0.0%</b>
<b>Stormwater Utility Fund</b>						
State Grants:						
Miscellaneous State Grants	-	-	2,100,000	-	-	-100.0%
<b>Total State Grants</b>	-	-	<b>2,100,000</b>	-	-	<b>-100.0%</b>
Charges for Services:						
Late Fees	1,488	1,940	1,500	910	1,500	0.0%
Stormwater Utility Fee	1,384,324	1,424,096	1,420,500	1,437,090	1,436,500	1.1%
<b>Total Charges for Services</b>	<b>1,385,811</b>	<b>1,426,036</b>	<b>1,422,000</b>	<b>1,438,000</b>	<b>1,438,000</b>	<b>1.1%</b>
Interest Income:						
Interest - Investments	5,916	16,393	1,000	17,852	1,000	0.0%
<b>Total Interest Income</b>	<b>5,916</b>	<b>16,393</b>	<b>1,000</b>	<b>17,852</b>	<b>1,000</b>	<b>0.0%</b>
Miscellaneous:						
Miscellaneous	467	210	-	10	-	0.0%
<b>Total Miscellaneous</b>	<b>467</b>	<b>210</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL STORMWATER UTILITY FUND</b>	<b>1,392,195</b>	<b>1,442,639</b>	<b>3,523,000</b>	<b>1,455,862</b>	<b>1,439,000</b>	<b>-59.2%</b>
<b>TOTAL REVENUE - ALL FUNDS</b>	<b>\$ 81,730,030</b>	<b>\$ 85,660,266</b>	<b>\$ 94,414,389</b>	<b>\$ 87,679,428</b>	<b>\$ 85,233,802</b>	<b>-9.7%</b>

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

# Revenue Sources

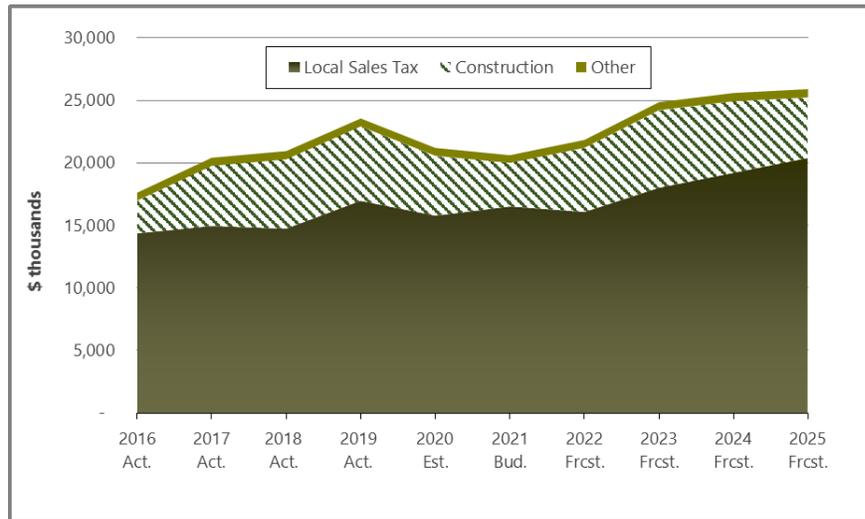
## Local Sales Tax

### 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. One quarter 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.



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 decline initially from the COVID-19 pandemic, and then gradually increase. Retail and restaurant/bar sales tax collections are expected to see large declines initially. However, rapid recovery is also expected. The following assumptions were used in compiling the projections:

- A sharp, but brief economic downturn from COVID-19 beginning late FY 19/20 through the first half of FY 20/21 causes declines large declines in construction, hotel and restaurant & bar taxes; growth rebounds thereafter
- After a rebound in FY 21/22, construction sales tax begins to decline in the outer years of the forecast as the pace of building activity slows with build-out
- Other tax categories projected to grow at a rate of 1-5% per year with varying economic growth patterns, potential utility rate increases, population growth and inflation

# Revenue Sources

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	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
	2018	14,737,491	5,553,450	657,864
	2019	16,939,069	5,985,332	635,494
PROJECTION	2020	15,781,986	4,793,122	625,000
	2021	16,559,479	3,446,785	615,000
	2022	16,046,621	5,170,178	627,300
	2023	18,016,629	6,204,213	639,846
	2024	19,232,844	5,707,876	652,643
	2025	20,387,951	4,851,951	665,696

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

# Revenue Sources

## Fines, Licenses and Permits

### Description

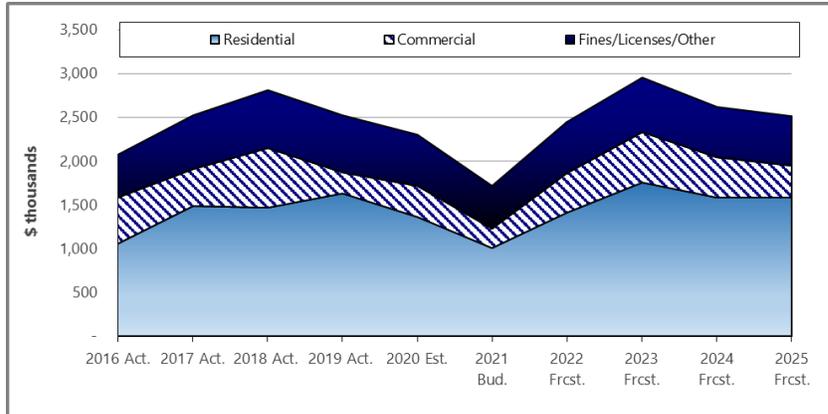
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits,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

Permit revenues from development related activity are projected to decline sharply for FY 20/21 due to reduced residential and commercial activity caused by the COVID-19 pandemic. However, a quick recovery with growth beginning in FY 21/22 is forecasted at this time:



- Single family residential permits are budgeted at 225 for FY 2021, projected at 275 for FY 2022, 330 for FY 2023, 325 by FY 2024, and begin declining by FY 2025 to 275
- 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 from business licenses and fines sees an initial decline in FY 20/21 but then grows gradually with population and the addition of new businesses within the town
- Development-related permit and fee revenues, such as grading, fire, etc. mirror residential and commercial growth and begin to decline slightly

		Residential Building Permits	Commercial Building Permits	Business Licenses, Fines & Other
ACTUAL	2015	973,190	226,561	531,429
	2016	1,052,162	525,998	496,986
	2017	1,490,966	419,363	610,258
	2018	1,463,401	683,494	664,489
	2019	1,626,779	247,688	649,189
PROJECTION	2020	1,360,000	353,734	590,476
	2021	1,005,000	217,500	495,000
	2022	1,407,000	456,750	578,400
	2023	1,758,750	570,938	627,229
	2024	1,582,875	456,750	581,925
	2025	1,588,255	365,400	563,585

# Revenue Sources

## State Shared Revenue

### Description

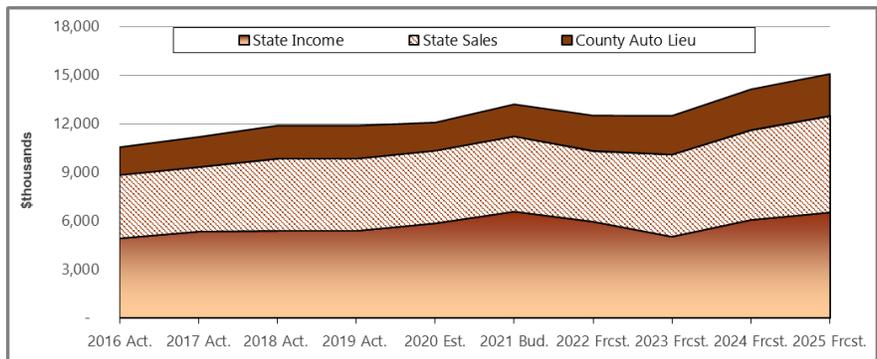
Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, state income tax, and vehicle license tax. Oro Valley receives its share of the state sales and income tax based on the relation of its population to the total 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. Shared income tax revenues reflect state collections from two years prior.

### 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 20% of General Fund budgeted revenue for FY 2021. Due to the delay in which state income tax revenues are shared, state shared revenues are anticipated to increase 5.3% for FY 2021 despite the economic slowdown caused by COVID-19.



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:

- 5.3% increase projected for FY 2021, due to increased state shared income taxes then declines in future years
- As state shared sales taxes recover, reductions are seen in state shared income taxes due to lag in revenue stream

		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	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
	2018	5,422,693	4,210,168	1,944,973
	2019	5,370,779	4,469,774	2,039,397
PROJECTION	2020	5,870,065	4,460,242	1,740,000
	2021	6,593,212	4,618,121	1,983,105
	2022	5,933,891	4,387,215	2,181,416
	2023	5,043,807	5,045,297	2,399,557
	2024	6,052,569	5,549,827	2,519,535
	2025	6,536,774	5,938,315	2,595,121

# Revenue Sources

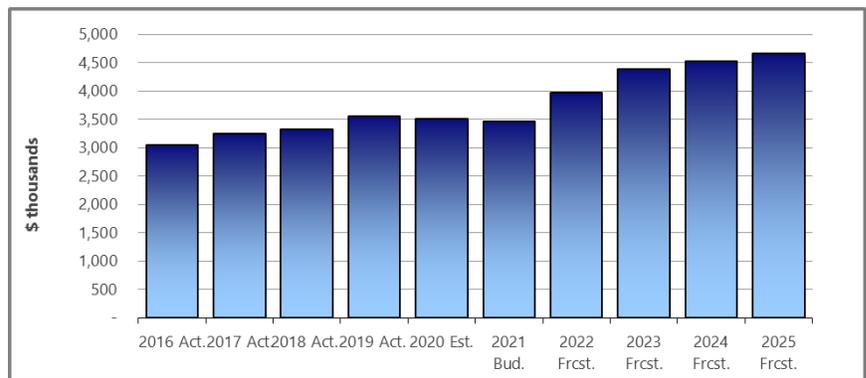
## Highway User Revenue (HURF)

### 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.



### Projections

HURF revenue collections are a major source of funding for roadway improvements and account for 95% of Highway Fund budgeted revenue for FY 2021. 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 (DPS) or other purposes. The following assumptions were used in compiling the projections:

- Slight decrease in revenues in FY 2021 related to the COVID-19 pandemic as gasoline demand is reduced with a quick recovery to pre-pandemic levels starting in FY 2022
- Annual growth of 3% thereafter, based on ADOT projections

		HURF Revenue
ACTUAL	2015	2,912,780
	2016	3,045,057
	2017	3,252,020
	2018	3,333,250
	2019	3,563,828*
PROJECTION	2020	3,513,856
	2021	3,458,929
	2022	3,977,768
	2023	4,395,434
	2024	4,527,297
	2025	4,663,116

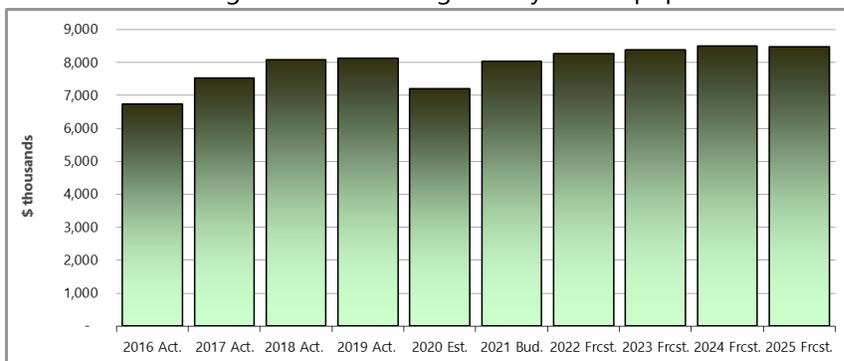
\* Increase partially attributable to new state-adopted public safety fee and subsequent decrease in amount swept from HURF to fund DPS operations

# Revenue Sources

## 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.



### Projections

FY 2020 year-end estimates and FY 2021 budget figures assume facility closures as a result of the COVID-19 pandemic that equate to a sharp drop in revenue. The following assumptions were used in the projections:

- Revenue generated from development activity is tied to anticipated single family residential and commercial building permits
- Recreation fee revenues see sharp declines in the near-term, caused by COVID-19 related closures then rebound beginning in FY 2022
- Transit farebox revenues see sharp declines in the near-term, caused by COVID-19 related closures then rebound beginning in FY 2022

		General Services	Development Services	Recreation Fees *	Transit	Water	Stormwater **
ACTUAL	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
	2018	274,006	220,000	5,282,346	119,536	800,968	1,385,811
	2019	254,062	257,721	5,202,309	138,125	849,154	1,426,036
PROJECTION	2020	235,157	205,020	4,309,360	140,000	883,500	1,438,000
	2021	229,275	190,250	5,191,450	121,500	869,500	1,438,000
	2022	238,446	171,225	5,399,108	121,500	871,100	1,462,500
	2023	243,215	188,348	5,507,090	127,545	852,700	1,474,500
	2024	248,079	190,231	5,617,232	133,954	827,400	1,474,500
	2025	246,839	192,133	5,589,146	140,651	827,400	1,488,600

\* 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

# Revenue Sources

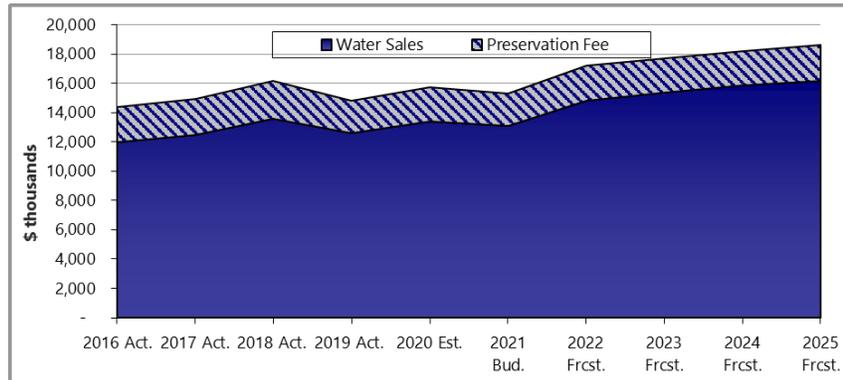
## Water Revenue

### 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.

### 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 245 to 355 new connections annually through FY 2025
- No water rate increase for FY 2021, with rate increases ranging from 2.6% to 4.6% in future 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	2015	11,280,574	2,330,231
	2016	12,018,429	2,371,099
	2017	12,493,557	2,440,045
	2018	13,586,668	2,611,075
	2019	12,582,508	2,213,303
PROJECTION	2020	13,434,000	2,336,000
	2021	13,078,000	2,217,000
	2022	14,845,600	2,355,200
	2023	15,351,400	2,366,000
	2024	15,848,900	2,374,000
	2025	16,165,500	2,385,000

# Revenue Sources

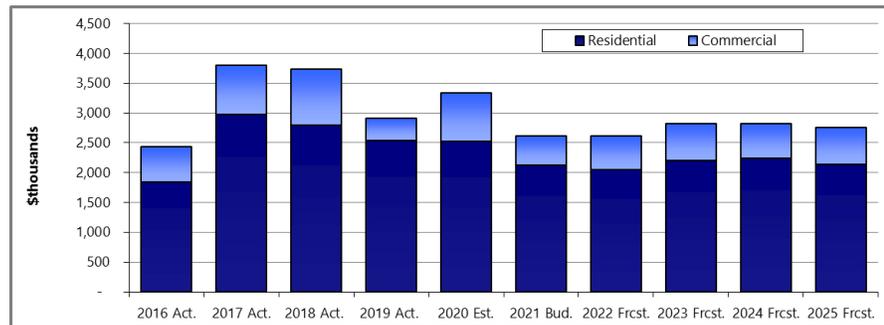
## Development Impact Fees

### 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.

### Uses

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



### Projections

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:

- 225 single family residential permits will be issued in FY 2021, a large year-over-year decrease caused by the COVID-19 pandemic. Followed by a rebound beginning in FY2022
- Commercial fees tie to future development activity within the town will see a large reduction beginning in FY2021 followed by a modest recovery

		Residential Fees	Commercial Fees
ACTUAL	2015	1,465,898	736,954
	2016	1,843,450	591,334
	2017	2,981,127	822,546
	2018	2,867,325	933,296
	2019	2,543,232	364,475
PROJECTION	2020	2,519,730	812,341
	2021	2,130,004	479,306
	2022	2,049,398	570,429
	2023	2,205,203	614,542
	2024	2,241,297	584,079
	2025	2,140,514	620,060

# Revenue Sources

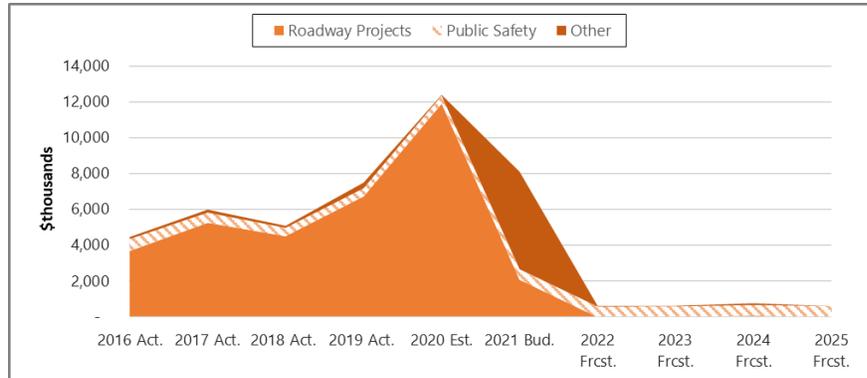
## Grants

### 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.

### 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. The large amount of



other grant revenue is related to one-time funding from the federal CARES Act. This funding is designed to aid and support governments and businesses during the COVID-19 pandemic. Cities and Towns may use this funding however they deem appropriate.

### 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 2021 following the completion of the La Cholla Boulevard roadway widening project
- Limited growth anticipated for public safety grants

		Roadway Projects	Public Safety	Other
ACTUAL	2015	2,281,499	737,036	69,324
	2016	3,677,410	672,741	113,157
	2017	5,256,383	564,825	168,526
	2018	4,515,098	456,412	115,195
	2019	6,721,357	460,614	317,103
PROJECTION	2020	11,896,553	452,500	43,509
	2021	2,085,000	579,239	5,442,975
	2022		585,032	35,287
	2023		590,882	30,088
	2024	75,000	596,791	25,147
	2025		602,458	

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# Expenditure Summary

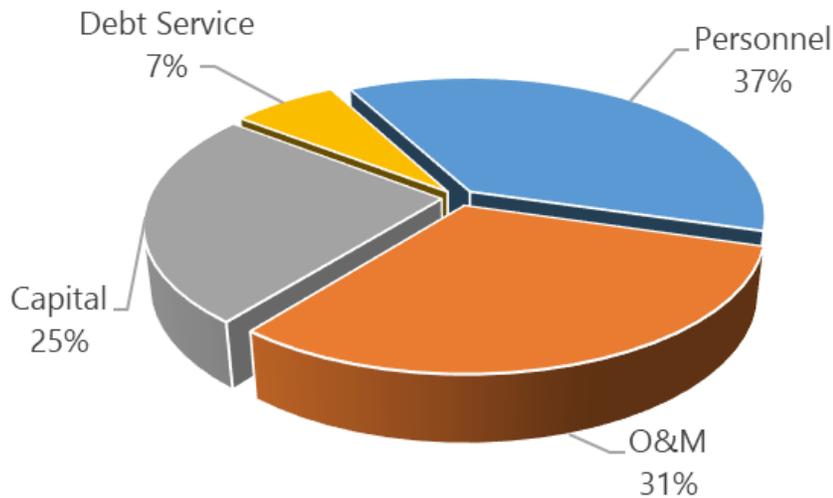
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The expenditure budget for FY 2020/21 totals \$95,293,701 and represents a \$10.4 million, or 9.9% decrease over the prior fiscal year budgeted expenditures. The budget includes \$73.5 million to support daily operations and services and \$21.8 million 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 20/21 is significant and addresses several areas of critical need, including roadway and street improvements, water and stormwater system improvements, public safety facilities and equipment, parks and recreation amenities and improvements, as well as fleet and technology replacements. Please reference the Capital Improvement Program (CIP) section of the budget document for further details on capital improvement projects.

## FY 2020/21 Budgeted Uses



## Expenditure Summary

<b>Budgeted Uses</b>						
	<b>FY 2019</b>	<b>FY 2019/20</b>		<b>FY 2020/21</b>	<b>Variance</b>	
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>to Budget</b>	<b>%</b>
Personnel	33,206,479	35,614,559	34,751,606	35,548,825	(65,734)	-0.2%
O&M	25,050,698	28,992,601	25,876,912	29,736,951	744,350	2.6%
Capital	20,675,355	33,691,801	26,099,286	23,518,288	(10,173,513)	-30.2%
Debt Service	7,164,734	7,423,689	7,320,840	6,489,637	(934,052)	-12.6%
<b>Total Expenditures</b>	<b>\$ 86,097,266</b>	<b>\$ 105,722,650</b>	<b>\$ 94,048,644</b>	<b>\$ 95,293,701</b>	<b>\$ (10,428,949)</b>	<b>-9.9%</b>

*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 -\$65K	<ul style="list-style-type: none"> <li>No increases for step and merits due to COVID-19 pandemic</li> <li>\$170K increase for two new positions (General Fund &amp; Water Utility Fund)</li> <li>\$262K increase due to increased pension costs</li> <li>\$131K decrease in salary costs for temporary hiring freeze</li> <li>\$222K decrease in group insurance costs</li> </ul>
O&M +\$1.6M	<ul style="list-style-type: none"> <li>\$2.2M budgeted in projects related to funding received from CARES Act</li> <li>\$1.0M budgeted for Business Assistance Program (CARES Act funding)</li> <li>\$1.7M reduction in various department O&amp;M budgets</li> </ul>
Capital -\$10.2M	<ul style="list-style-type: none"> <li>\$9.1M decrease in roadway projects related to the completion of the La Cholla widening project</li> <li>\$1.4M increase in Water Utility system capital improvement projects</li> <li>\$2.4M decrease in Stormwater Utility system capital improvements from a reduction in potential grant mitigation funding</li> <li>\$339K increase for technology capital improvements</li> </ul>
Debt Service -\$934K	<ul style="list-style-type: none"> <li>Decrease in payments from completion of one debt series in FY19/20</li> </ul>

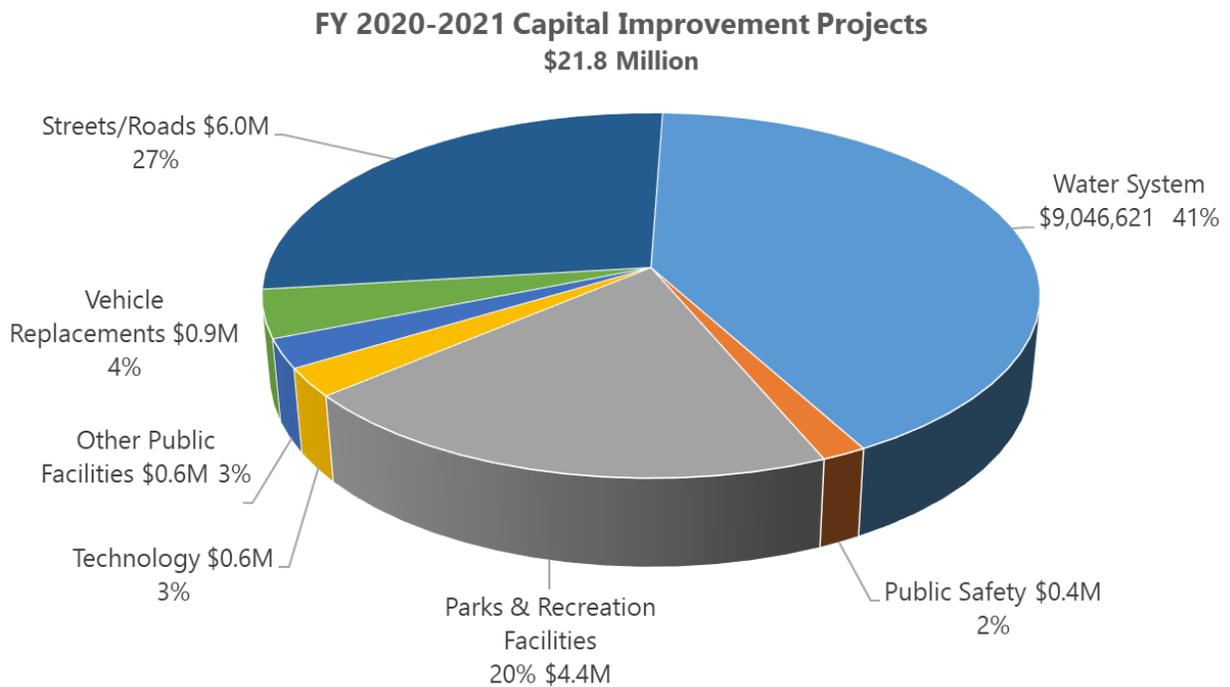
# Expenditure Summary

## 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 Leadership 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 2020/21 adopted budget includes \$21.8 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.



# Expenditure Schedule by Fund

Major Expenditure Accounts	FY 2018	FY 2019	FY 2020		FY 2021	% to budget
	Actual	Actual	Budget	Projected	Budget	
<b>General Fund</b>						
Administrative Services	3,168,231	4,217,666	4,648,370	4,540,359	-	-100.0%
Finance	-	-	-	-	832,888	100.0%
Human Resources	-	-	-	-	457,347	100.0%
Innovation & Technology	-	-	-	-	3,846,018	100.0%
Clerk	469,826	388,362	366,336	361,076	428,524	17.0%
Community & Economic Development	2,791,027	2,651,644	3,039,421	2,787,207	2,779,661	-8.5%
Council	189,389	193,646	206,001	206,001	197,019	-4.4%
General Administration	1,834,599	2,414,069	2,590,400	2,594,923	5,251,466	102.7%
Legal	730,858	808,638	874,057	874,057	870,592	-0.4%
Magistrate Court	875,275	844,463	923,561	912,169	864,826	-6.4%
Town Manager's Office	821,783	1,217,267	1,314,145	1,294,364	1,028,734	-21.7%
Parks and Recreation	3,334,365	3,380,694	3,808,366	3,497,763	3,478,517	-8.7%
Police	16,636,009	16,129,298	17,448,615	16,993,985	17,051,408	-2.3%
Public Works	2,040,528	3,202,286	4,826,507	4,631,486	4,898,891	1.5%
<b>TOTAL GENERAL FUND</b>	<b>32,891,890</b>	<b>35,448,033</b>	<b>40,045,779</b>	<b>38,693,390</b>	<b>41,985,891</b>	<b>4.8%</b>
<b>Special Revenue Funds</b>						
Highway User Revenue Fund	3,959,398	3,945,081	4,123,148	4,014,875	3,866,213	-6.2%
Bed Tax Fund	806,994	-	-	-	-	0.0%
Community Center Fund	6,522,943	5,755,133	6,182,387	5,868,694	6,599,082	6.7%
Impound Fee Fund	58,254	-	-	-	-	0.0%
Seizures & Forfeitures Funds	266,324	263,643	82,846	59,593	95,789	15.6%
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>11,613,913</b>	<b>9,963,857</b>	<b>10,388,381</b>	<b>9,943,162</b>	<b>10,561,084</b>	<b>1.7%</b>
<b>Debt Service Funds</b>						
Municipal Debt Service Fund	834,460	1,039,532	1,200,228	1,200,228	1,225,445	2.1%
Oracle Road Improvement District Fund	178,340	176,363	179,912	175,874	177,038	-1.6%
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>1,012,800</b>	<b>1,215,895</b>	<b>1,380,140</b>	<b>1,376,102</b>	<b>1,402,483</b>	<b>1.6%</b>
<b>Capital Project Funds</b>						
Parks and Recreation Impact Fee Fund	-	6,147	410,000	100,000	695,000	69.5%
Police Impact Fee Fund	-	648,059	660,000	110,000	10,000	-98.5%
Energy Efficiency Project Fund	568,251	86	-	-	-	0.0%
Community Center Bond Fund	-	-	3,000,000	-	-	-100.0%
Capital Fund	1,857,849	6,337,749	3,309,100	3,857,616	4,744,666	43.4%
Alternative Water Resource Dev. Impact Fee	180,631	471,626	2,559,800	1,227,558	-	-100.0%
Potable Water System Dev. Impact Fee	352,193	1,100,209	1,135,996	445,996	-	-100.0%
Water Resources Dev. Impact Fee	-	-	-	-	6,681,099	100.0%
PAG/RTA Fund	4,763,392	6,503,410	10,300,000	11,914,954	2,365,000	-77.0%
Roadway Impact Fee Fund	1,736,557	123,272	2,710,000	1,016,000	1,810,000	-33.2%
<b>TOTAL CAPITAL PROJECT FUNDS</b>	<b>9,458,873</b>	<b>15,190,558</b>	<b>24,084,896</b>	<b>18,672,124</b>	<b>16,305,765</b>	<b>-32.3%</b>
<b>Enterprise Funds</b>						
Water Utility	17,666,867	19,449,569	22,060,077	20,292,274	19,523,074	-11.5%
Stormwater Utility	1,214,670	1,397,155	3,748,405	1,454,117	1,307,750	-65.1%
<b>TOTAL ENTERPRISE FUNDS</b>	<b>18,881,537</b>	<b>20,846,724</b>	<b>25,808,482</b>	<b>21,746,391</b>	<b>20,830,824</b>	<b>-19.3%</b>
<b>Internal Service Funds</b>						
Fleet Fund	1,283,096	-	-	-	-	0.0%
Benefit Self Insurance	2,742,433	3,432,199	4,014,972	3,617,475	4,207,654	4.8%
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>4,025,529</b>	<b>3,432,199</b>	<b>4,014,972</b>	<b>3,617,475</b>	<b>4,207,654</b>	<b>4.8%</b>
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>\$ 77,884,542</b>	<b>\$ 86,097,266</b>	<b>\$ 105,722,650</b>	<b>\$ 94,048,644</b>	<b>\$ 95,293,701</b>	<b>-9.9%</b>

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

# Expenditures by Program

This table represents a summary of the adopted FY 2020 - 2021 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
<b>Finance</b>	7.20	832,888						832,888
	<b>7.20</b>	<b>832,888</b>	-	-	-	-	-	<b>832,888</b>
<b>Human Resources</b>	4.00	457,347						457,347
	<b>4.00</b>	<b>457,347</b>	-	-	-	-	-	<b>457,347</b>
<b>Innovation &amp; Technology</b>	13.80	3,846,018						3,846,018
	<b>13.80</b>	<b>3,846,018</b>	-	-	-	-	-	<b>3,846,018</b>
<b>Clerk</b>	4.73	428,524						428,524
	<b>4.73</b>	<b>428,524</b>	-	-	-	-	-	<b>428,524</b>
<b>Community &amp; Economic Dev.</b>								
Administration	1.60	277,641						277,641
Permitting	10.48	999,664						999,664
Planning	6.30	561,517						561,517
Inspection and Compliance	9.00	840,638						840,638
Economic Development	1.00	100,201						100,201
	<b>27.78</b>	<b>2,779,661</b>	-	-	-	-	-	<b>2,779,661</b>
<b>Council</b>	7.00	197,019						197,019
	<b>7.00</b>	<b>197,019</b>	-	-	-	-	-	<b>197,019</b>
<b>General Administration</b>		5,251,466		13,000	5,449,666 (C)		4,207,654 (D)	14,921,786
	-	<b>5,251,466</b>	-	<b>13,000</b>	<b>5,449,666</b>	-	<b>4,207,654</b>	<b>14,921,786</b>
<b>Legal</b>	6.00	870,592						870,592
	<b>6.00</b>	<b>870,592</b>	-	-	-	-	-	<b>870,592</b>
<b>Magistrate Court</b>	8.48	864,826						864,826
	<b>8.48</b>	<b>864,826</b>	-	-	-	-	-	<b>864,826</b>
<b>Town Manager's Office</b>	8.38	1,028,734						1,028,734
	<b>8.38</b>	<b>1,028,734</b>	-	-	-	-	-	<b>1,028,734</b>
<b>Parks and Recreation</b>								
Administration	4.00	466,519						466,519
Parks Maintenance	9.96	1,394,179						1,394,179
Recreation & Culture	6.70	543,350						543,350
Aquatics	20.89	1,074,469						1,074,469
Community Center	21.55		6,599,082 (E)					6,599,082
	<b>63.10</b>	<b>3,478,517</b>	<b>6,599,082</b>	-	-	-	-	<b>10,077,599</b>

# Expenditures by Program

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
<b>Police</b>								
Administration	5.00	1,278,274	95,789 (F)					1,374,063
Support Services	56.21	6,408,780						6,408,780
Field Services	72.44	8,850,075						8,850,075
Professional Development & Training	2.00	327,252						327,252
Professional Standards	1.48	187,027						187,027
	<b>137.13</b>	<b>17,051,408</b>	<b>95,789</b>	-	-	-	-	<b>17,147,197</b>
<b>Public Works</b>								
Administration	12.75	1,279,914	5,112 (A)					1,285,026
Transportation Engineering	15.00		3,512,881 (A)					3,512,881
Street Maintenance			348,220 (A)					348,220
Facilities Maintenance	5.00	1,180,023						1,180,023
Fleet	2.00	1,220,026						1,220,026
Stormwater Utility	10.25					1,307,750 (B)		1,307,750
Transit Services	25.89	1,218,928						1,218,928
	<b>70.89</b>	<b>4,898,891</b>	<b>3,866,213</b>	-	-	<b>1,307,750</b>	-	<b>10,072,854</b>
<b>Water Utility</b>								
Administration	9.48					11,356,850 (G)		11,356,850
Engineering & Planning	6.00					3,472,841 (G)		3,472,841
Operations	25.00					4,693,383 (G)		4,693,383
Water Resource Development					6,681,099			6,681,099
	<b>40.48</b>	-	-	-	<b>6,681,099</b>	<b>19,523,074</b>	-	<b>26,204,173</b>
<b>Debt Service</b>								
	-	-	-	1,389,483 (H)				1,389,483
	-	-	-	<b>1,389,483</b>	-	-	-	<b>1,389,483</b>
<b>Roadway Improvements</b>								
	-	-	-	-	4,175,000 (I)			4,175,000
	-	-	-	-	<b>4,175,000</b>	-	-	<b>4,175,000</b>
<b>FY 2020/21 Adopted Budget</b>	<b>398.97</b>	<b>41,985,891</b>	<b>10,561,084</b>	<b>1,402,483</b>	<b>16,305,765</b>	<b>20,830,824</b>	<b>4,207,654</b>	<b>95,293,701</b>

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

- (A) Highway Fund
- (B) Stormwater Utility Fund
- (C) Parks & Rec Impact Fee Fund, Police Impact Fee Fund, Townwide Roadway Impact Fee Fund and Capital Fund
- (D) Benefit Self Insurance Fund
- (E) Community Center Fund
- (F) Seizures & Forfeitures Funds
- (G) Water Utility Fund
- (H) Municipal Debt Service Fund and Oracle Road Imp District Fund
- (I) Roadway Dev Impact Fee Fund and PAG/RTA Fund

# Personnel Summary

## Personnel and Employee Compensation

Personnel service represents 48% 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.

Due to anticipated reduced revenues caused by the COVID-19 pandemic, the FY 20/21 budget does not include capacity for funding of employee merit and step increases. Benefit costs rose slightly due to increased pension rates. 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 2019/20 Budget	FY 2020/21 Budget	+/-
Innovation & Technology	12.80*	13.80	+1.00
Water Utility	39.48	40.48	+1.00

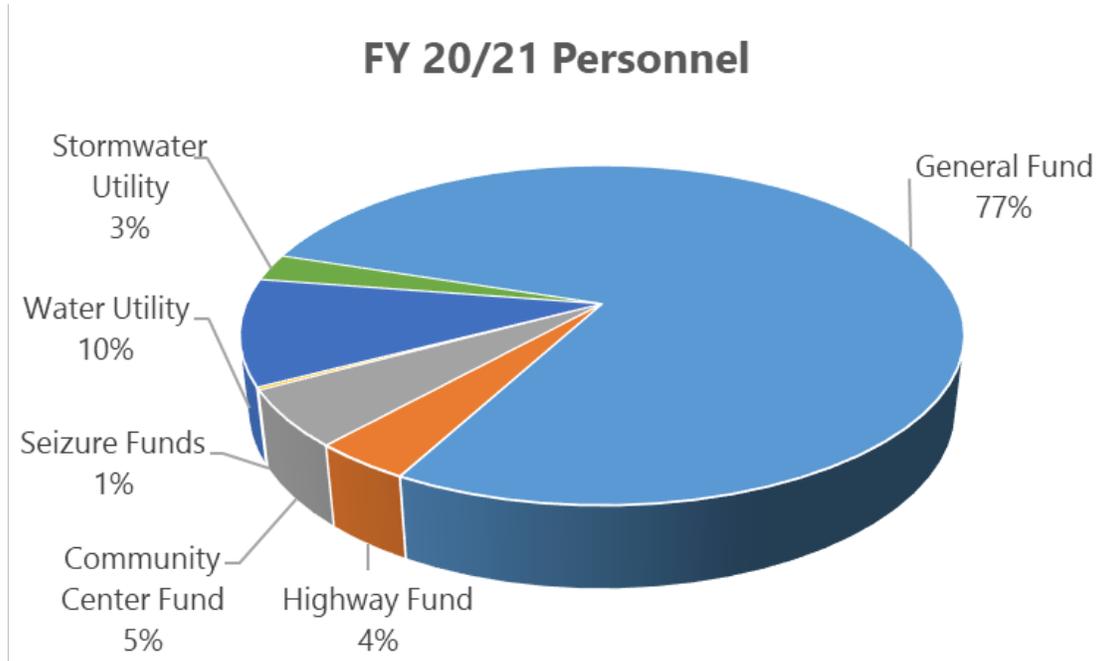
*\* Prior to FY20/21, Innovation & Technology, Human Resources and Finance were condensed into Administrative Services. For FY20/21, FTE counts are now listed separately for each department.*

The FY 20/21 budget includes the authoring for adding two new FTEs. A full-time IT Technician was added to expand the service hours available for help desk activities and reduce the backlog of requests for service. During the COVID-19 crisis, this position is expected to be a critically needed addition.

The Water Utility budget includes a new Instrumentation Control Technical position. This position will be critical to assist with the installation, calibration and repair of the utility's growing water system that increasingly relies on technology.

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 80% of the premium and the employee pays 15%. For employee coverage of dental premiums, the Town pays 100% of the premium. Premiums in FY 20/21 have no rate increases and have a planned “premium holiday”, where deductions will not be made for health premiums. Additionally, the Town has broadened its financial support for employees choosing the high deductible health plan, increasing the Town’s contribution for employee-only coverage from 80% Town-paid to 100% Town-paid. Furthermore, families participating in the high deductible health plan will see their annual contribution to the Health Savings Account (HSA) increase from \$1,250 to \$1,750.

The contribution rate for the Arizona State Retirement System (ASRS) will increase slightly, from 12.11% to 12.22%. The rate for the Public Safety Personnel Retirement System will increase roughly 3%, while the Correction Officers Retirement Plan rate will increase about 15.5%. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Arizona State Retirement System (ASRS)	11.50%	11.80%	12.11%	12.22%
Public Safety Personnel Retirement System (PSPRS)	34.85%	37.04%	38.59%	41.65%
Correction Officers Retirement Plan (CORP)	43.63%	61.36%	59.94%	75.53%
Medical Premiums (per year)*	\$4,115	\$4,270	\$4,132	\$4,132
Dental Premiums (per year)**	\$201	\$201	\$300	\$300

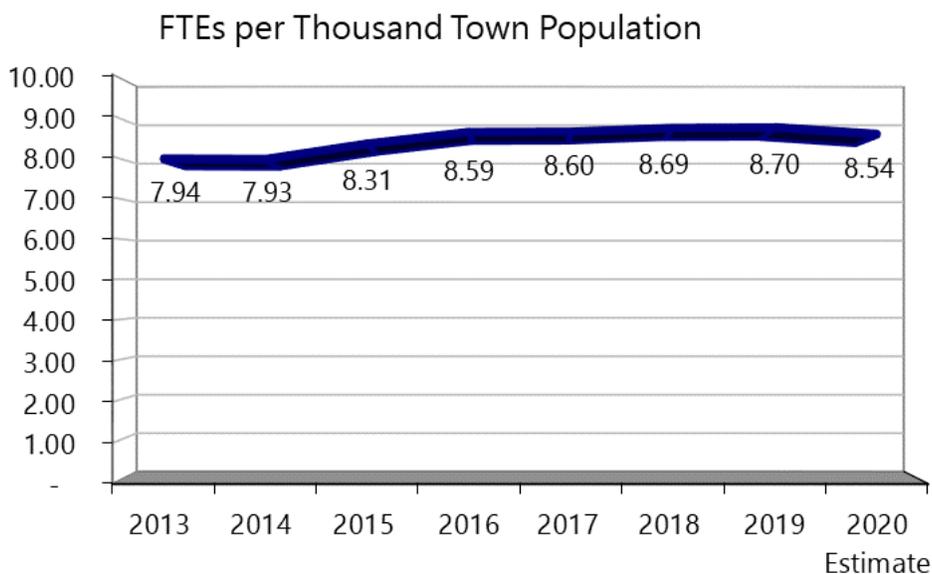
\* single (employee-only) PPO coverage

\*\* single (employee-only) base plan coverage

# Personnel Summary

## Employees per Capita

During the last economic recession, the Town reduced staff considerably. With recovery, continued population growth, as well as added facilities and amenities, the number of employees has grown gradually since that time. Looking at an employee per capita trend, full-time equivalent positions (FTEs) 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 may increase gradually with the town's continued population growth, subject to available funding sources.



# Personnel Summary by Fund

	FY 2018	FY 2019	FY 2020		FY 2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>General Fund</b>						
Administrative Services	18.48	21.00	21.00	21.00	-	(21.00)
Clerk	4.69	4.73	4.73	4.73	4.73	-
Community & Economic Dev.	26.88	28.38	28.38	27.78	27.78	-
Council	7.00	7.00	7.00	7.00	7.00	-
Finance	-	-	-	-	7.20	7.20
Human Resources	-	-	-	-	4.00	4.00
Innovation & Technology	-	-	-	-	13.80	13.80
Legal	6.00	6.00	6.00	6.00	6.00	-
Magistrate Court	8.00	8.00	8.48	8.48	8.48	-
Town Manager's Office	7.38	10.38	10.38	10.38	8.38	(2.00)
Parks and Recreation	38.31	41.55	41.55	41.55	41.55	-
Police	133.13	132.13	137.13	137.13	136.13	(1.00)
Public Works	27.89	33.39	45.04	45.64	45.64	-
<b>General Fund Personnel</b>	<b>277.76</b>	<b>292.56</b>	<b>309.69</b>	<b>309.69</b>	<b>310.69</b>	<b>1.00</b>
<b>Special Revenue Funds</b>						
Highway Fund	24.00	26.65	15.00	15.00	15.00	-
Bed Tax Fund	3.00	-	-	-	-	-
Community Center Fund	22.47	21.55	21.55	21.55	21.55	-
Impound Fee Fund	1.00	-	-	-	-	-
Seizure Funds	1.00	1.00	1.00	1.00	1.00	-
<b>Special Revenue Funds Personnel</b>	<b>51.47</b>	<b>49.20</b>	<b>37.55</b>	<b>37.55</b>	<b>37.55</b>	<b>-</b>
<b>Capital Project Funds</b>						
PAG/RTA Fund	2.50	-	-	-	-	-
Capital Fund	1.50	-	-	-	-	-
<b>Capital Projects Funds Personnel</b>	<b>4.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Enterprise Funds</b>						
Water Utility	39.48	39.48	39.48	39.48	40.48	1.00
Stormwater Utility	8.75	10.25	10.25	10.25	10.25	-
<b>Enterprise Funds Personnel</b>	<b>48.23</b>	<b>49.73</b>	<b>49.73</b>	<b>49.73</b>	<b>50.73</b>	<b>1.00</b>
<b>Internal Service Funds</b>						
Fleet Fund	1.15	-	-	-	-	-
<b>Internal Service Funds Personnel</b>	<b>1.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Town Personnel</b>	<b>382.61</b>	<b>391.49</b>	<b>396.97</b>	<b>396.97</b>	<b>398.97</b>	<b>2.00</b>

# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Administrative Services</b>						
Admin. Svcs. Director/Chief Financial Officer	-	1.00	1.00	1.00	-	(1.00)
Finance Director	1.00	-	-	-	-	-
Chief Procurement Officer	-	1.00	1.00	1.00	-	(1.00)
Procurement Administrator	1.00	-	-	-	-	-
Finance & Budget Administrator	-	-	-	1.00	-	-
Finance Manager	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	-	(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	1.00	-	(1.00)
IT Director	1.00	-	-	-	-	-
NetOps Supervisor	-	-	-	1.00	-	-
Network Administrator	2.00	2.00	2.00	1.00	-	(2.00)
Systems Analyst	1.00	2.00	2.00	2.00	-	(2.00)
Data Base Analyst	1.00	1.00	1.00	1.00	-	(1.00)
Senior GIS Administrator	-	1.00	1.00	1.00	-	(1.00)
Senior GIS Specialist	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	1.00	-	(1.00)
Senior Office Specialist	1.00	1.00	1.00	1.00	-	(1.00)
Human Resource Assistant	-	1.00	1.00	1.00	-	(1.00)
Office Specialist	0.48	-	-	-	-	-
<b>Total Administrative Services</b>	<b>18.48</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>	<b>-</b>	<b>(21.00)</b>

Full-time employees: -  
Part-time employees: -

<b>Clerk</b>						
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 Assistant	1.44	1.48	1.48	1.48	1.48	-
Communications Intern	0.25	0.25	0.25	0.25	0.25	-
<b>Total Clerk</b>	<b>4.69</b>	<b>4.73</b>	<b>4.73</b>	<b>4.73</b>	<b>4.73</b>	<b>-</b>

Full-time employees: 4  
Part-time employees: 2



# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Human Resources</b>						
Human Resources Director	-	-	-	-	1.00	1.00
Human Resources Analyst	-	-	-	-	2.00	2.00
Human Resources Assistant	-	-	-	-	1.00	1.00
<b>Total Human Resources</b>	-	-	-	-	<b>4.00</b>	<b>4.00</b>

Full-time employees: 4  
Part-time employees: -

<b>Innovation &amp; Technology</b>						
Chief Information Officer	-	-	-	-	1.00	1.00
NetOps Supervisor	-	-	-	-	1.00	1.00
Network Administrator	-	-	-	-	1.00	1.00
Systems Analyst	-	-	-	-	2.00	2.00
IT Analyst	-	-	-	-	1.00	1.00
Database Analyst	-	-	-	-	1.00	1.00
Senior GIS Administrator	-	-	-	-	1.00	1.00
GIS Analyst	-	-	-	-	1.00	1.00
Help Desk Technican	-	-	-	-	1.00	1.00
Strategic Initiatives Manager	-	-	-	-	1.00	1.00
Constituent Services Coordinator	-	-	-	-	1.00	1.00
Emergency Mgmt & Safety Coordinator	-	-	-	-	1.00	1.00
Senior Office Specialist	-	-	-	-	0.80	0.80
<b>Total Innovation &amp; Technology</b>	-	-	-	-	<b>13.80</b>	<b>13.80</b>

Full-time employees: 14  
Part-time employees: -

<b>Legal</b>						
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	-
<b>Total Legal</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>-</b>

Full-time employees: 6  
Part-time employees: -

<b>Magistrate Court</b>						
Magistrate Judge	1.00	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	1.00	-
Courtroom Clerk	1.00	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	3.00	3.00	-
Court Clerk	1.00	1.00	1.48	1.48	1.48	-
Court Security Officer	-	-	-	-	1.00	1.00
Bailiff	1.00	1.00	1.00	1.00	-	(1.00)
<b>Total Magistrate Court</b>	<b>8.00</b>	<b>8.00</b>	<b>8.48</b>	<b>8.48</b>	<b>8.48</b>	<b>-</b>

Full-time employees: 8  
Part-time employees: 1

# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Town Manager's Office</b>						
Town Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Management Intern	0.38	0.38	0.38	0.38	0.38	-
Strategic Initiatives Manager	-	1.00	1.00	1.00	-	(1.00)
Economic Development Manager	1.00	-	-	-	-	-
Economic Development Specialist	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)
Digital Content Specialist	-	-	-	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	1.00	1.00	-
<b>Total Town Manager's Office</b>	<b>10.38</b>	<b>10.38</b>	<b>10.38</b>	<b>10.38</b>	<b>8.38</b>	<b>(2.00)</b>

Full-time employees: 8  
Part-time employees: 1

<b>Parks and Recreation</b>						
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Deputy Parks & Recreation Director	-	1.00	1.00	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)
Parks Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Crew Leader	1.00	1.00	1.00	-	-	(1.00)
Parks Maintenance Worker III	-	-	-	1.00	1.00	1.00
Parks Maintenance Worker II	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Worker I	5.00	5.00	5.00	5.00	5.00	-
Park Monitor	0.96	0.96	0.96	0.96	0.96	-
Facilities Maintenance Technician	2.00	-	-	-	-	-
Senior Office Specialist	2.00	2.00	3.00	3.00	3.00	-
Office Specialist	1.00	1.00	-	1.00	1.00	1.00
Office Assistant	1.00	1.00	1.00	-	-	(1.00)
Assistant Recreation Manager	2.00	2.00	2.00	3.00	3.00	1.00
Recreation Leader	2.91	2.91	2.91	2.91	2.91	-
Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Lifeguard Supervisor	-	-	-	-	2.25	2.25
Aquatics Facility Supervisor	2.25	2.25	2.25	2.25	-	(2.25)
Aquatics Shift Leader	3.08	2.54	2.54	2.54	2.54	-
Aquatics Facility Attendant	5.76	4.80	4.80	4.80	4.80	-
Custodian	0.48	0.48	0.48	0.48	0.48	-
Recreation Supervisor	-	-	-	-	0.75	0.75
Facility Supervisor	-	-	-	0.75	-	-
Facility Attendant	5.00	5.00	5.00	4.25	4.25	(0.75)
Recreation Aide	6.63	6.63	6.63	6.63	6.63	-
Fitness Instructor	1.75	2.00	2.00	2.00	2.00	-
Lifeguard/Swim Instructor	8.96	13.53	13.53	13.53	13.53	-
<b>Total Parks and Recreation</b>	<b>60.78</b>	<b>63.10</b>	<b>63.10</b>	<b>63.10</b>	<b>63.10</b>	<b>-</b>

(not including seasonal employees) Full-time employees: 22  
Part-time employees: 34

# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Police</b>						
Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Deputy Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	5.00	5.00	5.00	5.00	5.00	-
Sergeant	12.00	12.00	13.00	13.00	13.00	-
Public Relations Sergeant	1.00	1.00	1.00	1.00	1.00	-
Detective	6.00	7.00	7.00	7.00	7.00	-
Patrol Officer	53.00	51.00	54.00	54.00	55.00	1.00
Traffic Investigator	-	-	-	-	1.00	1.00
Motorcycle Officer	6.00	6.00	6.00	6.00	4.00	(2.00)
School Resource Officer	9.00	8.00	9.00	9.00	9.00	-
K-9 Officer	2.00	2.00	2.00	3.00	3.00	1.00
DUI Officer	2.00	3.00	3.00	2.00	2.00	(1.00)
Training Officer	1.00	1.00	1.00	1.00	1.00	-
Reserve Officer	2.88	2.88	2.88	2.88	2.88	-
Systems Analyst	1.00	1.00	1.00	1.00	1.00	-
Police Telecommunications Manager	1.00	1.00	1.00	1.00	1.00	-
Telecommunications Supervisor	2.00	2.00	2.00	2.00	2.00	-
Lead Public Safety Telecommunicator	-	-	-	-	-	-
Public Safety Telecommunicator	10.00	10.00	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	-	-	-	-	-
Senior Office Specialist	2.00	2.00	2.00	2.00	3.00	1.00
Office Specialist	1.00	1.00	1.00	1.00	-	(1.00)
Office Assistant	1.25	1.25	1.25	1.25	1.25	-
<b>Total Police</b>	<b>135.13</b>	<b>133.13</b>	<b>138.13</b>	<b>138.13</b>	<b>137.13</b>	<b>(1.00)</b>

Full-time employees: 134  
Part-time employees: 8

# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Public Works</b>						
Public Works Director & Town Engineer	-	1.00	1.00	1.00	1.00	-
Assistant Public Works Director	-	1.00	1.00	1.00	1.00	-
Asst. Comm. Dev. & Public Works Director	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	1.00	1.00	-
Stormwater Civil Engineer	1.00	-	-	-	-	-
Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
Stormwater Utility Division Manager	1.00	1.00	1.00	1.00	1.00	-
Stormwater Utility Project Manager	1.00	1.00	1.00	1.00	1.00	-
Streets and Drainage Operations Supervisor	-	-	-	-	1.00	1.00
Stormwater Field Superintendent	1.00	1.00	1.00	1.00	-	(1.00)
Senior Transit Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Transit Crew Leader	1.00	1.00	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	-
Streets & Drainage Op. Superintendent	-	-	-	-	1.00	1.00
Streets Maintenance Superintendent	1.00	1.00	1.00	1.00	-	(1.00)
Senior Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Construction Inspector	2.00	3.00	3.00	3.00	3.00	-
Construction Clerk	0.50	-	-	-	-	-
Administrative Coordinator	1.00	0.40	0.40	1.00	1.00	0.60
Stormwater Utility Analyst	1.00	1.00	1.00	1.00	1.00	-
Stormwater Inspector Designer	1.00	1.00	1.00	1.00	1.00	-
Fleet and Facility Manager	-	-	-	1.00	1.00	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	1.00	1.00	-
Traffic Signs/Markings Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	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	3.00	3.00	3.00	3.00	-
Heavy Equipment Operator III	1.00	1.00	1.00	-	-	(1.00)
Heavy Equipment Operator II	7.00	7.00	7.00	8.00	8.00	1.00
Heavy Equipment Operator I	1.00	1.00	1.00	-	-	(1.00)
Senior Office Specialist	-	1.00	1.00	1.00	1.00	-
Office Specialist	1.40	1.00	1.00	1.00	2.00	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	1.96	1.96	1.96	1.96	0.96	(1.00)
Transit Driver	19.71	19.71	19.71	19.71	19.71	-
<b>Total Public Works</b>	<b>65.79</b>	<b>70.29</b>	<b>70.29</b>	<b>70.89</b>	<b>70.89</b>	<b>0.60</b>

Full-time employees: 48

Part-time employees: 61

# Personnel Schedule

	FY 2018	FY 2019	FY 2020		FY2021	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
<b>Water Utility</b>						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Engineering & Planning Manager	1.00	1.00	1.00	1.00	1.00	-
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water Operations Manager	-	1.00	1.00	1.00	1.00	-
Water Production Superintendent	1.00	-	-	-	-	-
Water Distribution Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Engineer Project Manager	1.00	1.00	-	-	-	-
Water Production & Meter Ops. Superint.	-	1.00	1.00	1.00	1.00	-
Senior Engineering Associate	-	-	2.00	2.00	2.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	-	-	-	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	4.00	3.00	3.00	3.00	3.00	-
Construction Inspector	2.00	2.00	2.00	2.00	2.00	-
Water Control Systems Supervisor	-	-	-	1.00	1.00	1.00
Electric and Control Technician	1.00	1.00	1.00	-	-	(1.00)
Instrumentation & Control Technican	-	-	-	-	1.00	1.00
Civil Engineer Tech	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator III	7.00	8.00	8.00	8.00	8.00	-
Water Utility Operator II	4.00	4.00	4.00	4.00	4.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Water Utility Analyst	-	-	-	1.00	1.00	1.00
Customer Service Supervisor	1.00	1.00	1.00	-	-	(1.00)
Water Utility Operator I	5.00	4.00	4.00	4.00	4.00	-
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	-
<b>Total Water Utility</b>	<b>39.48</b>	<b>39.48</b>	<b>39.48</b>	<b>39.48</b>	<b>40.48</b>	<b>1.00</b>

Full-time employees: 40  
Part-time employees: 1

<b>Total Personnel</b>	<b>382.61</b>	<b>391.49</b>	<b>396.97</b>	<b>396.97</b>	<b>398.97</b>	<b>2.00</b>
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**Full-time employees: 323**  
**Part-time employees: 114**

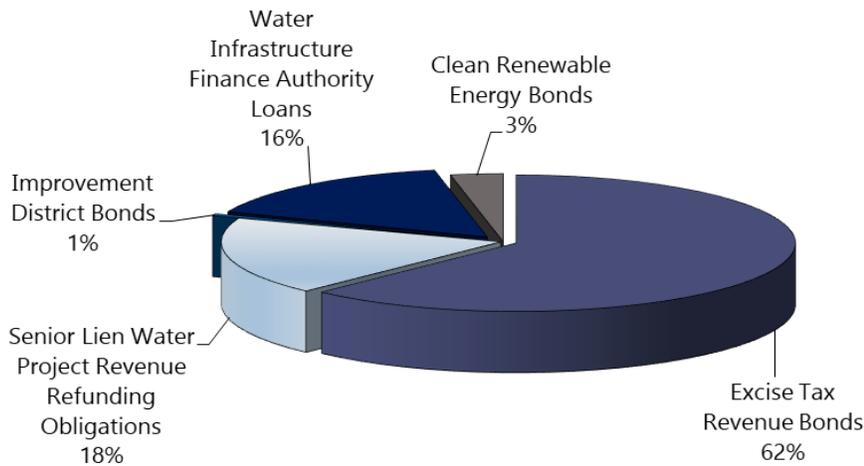
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# Debt Service

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.

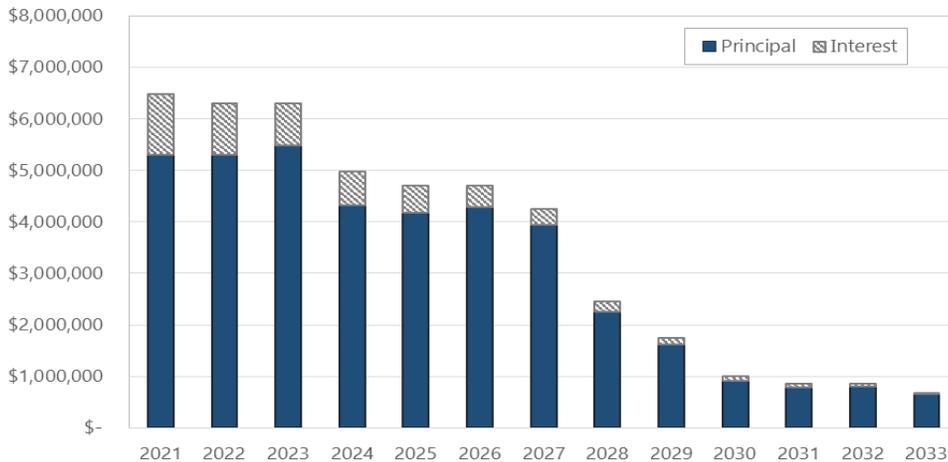
The chart below represents the percentage each type of bonded debt contributes to the total outstanding debt of the Town as of June 30, 2020.

**Outstanding Principal = \$40,526,758**



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

**Annual Debt Service**

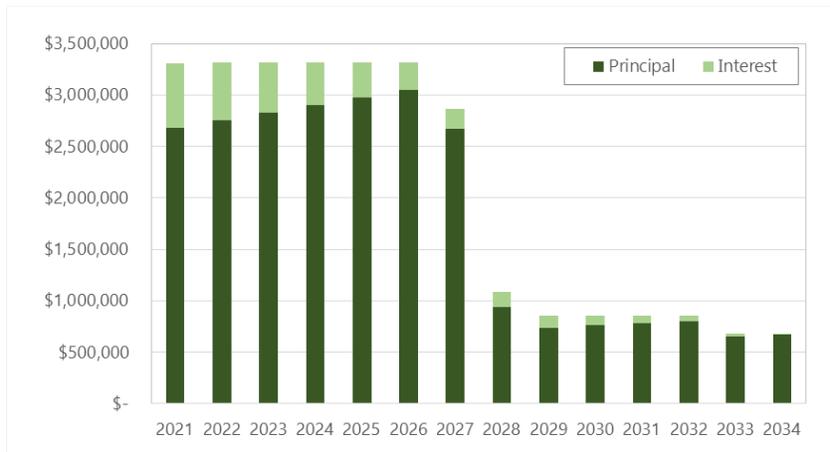


# Debt Service

## Financing Sources

### Excise Tax Revenue Bonds

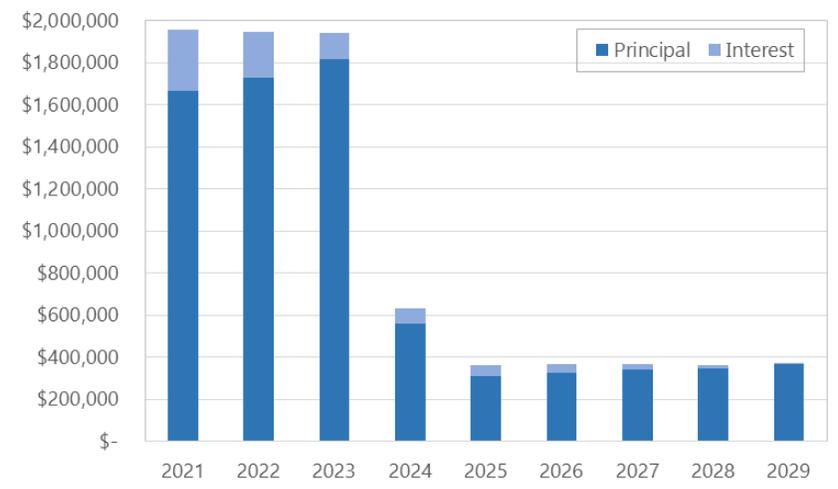
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities,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

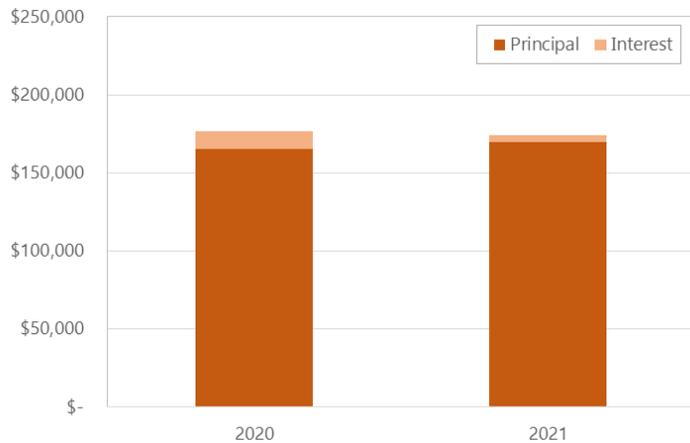
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds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



# Debt Service

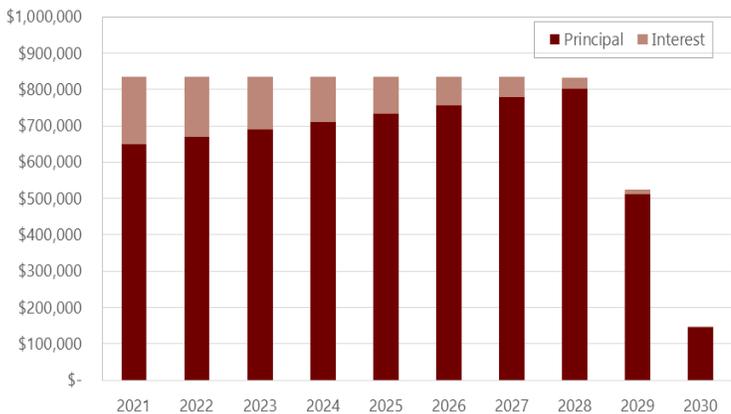
## Improvement District Bonds

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. FY 20/21 is the final repayment year for these improvement district bonds.



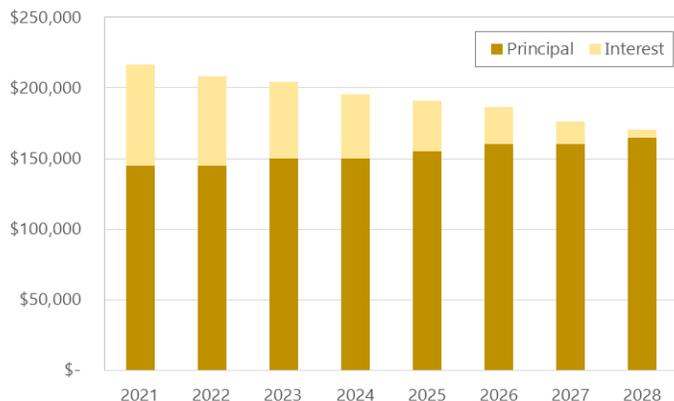
## Water Infrastructure Finance Authority Loans (WIFA)

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
2021	3,305,654	1,957,081	174,038	836,509	216,354	6,489,636
2022	3,312,669	1,945,531		836,198	208,249	6,302,648
2023	3,319,678	1,941,906		835,878	204,706	6,302,168
2024	3,319,712	630,331		835,548	195,721	4,981,312
2025	3,320,298	362,931		835,207	191,318	4,709,753
2026	3,315,455	365,231		834,855	186,370	4,701,911
2027	2,862,901	368,631		834,493	176,066	4,242,091
2028	1,082,369	362,925		834,118	170,437	2,449,849
2029	858,479	371,159		524,499		1,754,137
2030	857,123			146,758		1,003,881
2031	857,161					857,161
2032	856,564					856,564
2033	684,230					684,230
2034	684,177					684,177
	<b>28,636,469</b>	<b>8,305,728</b>	<b>174,038</b>	<b>7,354,065</b>	<b>1,549,219</b>	<b>46,019,519</b>

# 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>
2021	170,000	8,075	178,075
Total	\$170,000	\$8,075	\$178,075

**\$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>
2021	238,397	72,186	310,583
2022	246,827	63,607	310,434
2023-2025	794,093	136,262	930,355
2026-2028	881,344	47,468	928,813
Total	\$2,160,662	\$319,524	\$2,480,186

# 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>
2021	110,419	38,650	149,069
2022	113,920	35,093	149,014
2023-2025	363,897	82,792	446,690
2026-2028	399,624	46,499	446,123
2029-2030	286,212	9,119	295,331
Total	<u>\$1,274,073</u>	<u>\$212,154</u>	<u>\$1,486,227</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>
2021	145,000	71,354	216,354
2022	145,000	63,249	208,249
2023-2025	455,000	136,745	591,745
2026-2028	485,000	47,872	532,872
Total	<u>\$1,230,000</u>	<u>\$319,219</u>	<u>\$1,549,219</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 Town's Aquatic Center.

**Security:** Excise Taxes

### Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	170,000	55,619	225,619
2022	175,000	48,719	223,719
2023-2024	375,000	75,538	450,538
2025-2026	405,000	46,350	451,350
2027-2028	435,000	16,272	451,272
Total	<u>\$1,560,000</u>	<u>\$242,497</u>	<u>\$1,802,497</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>
2021	1,665,000	292,081	1,957,081
2022	1,730,000	215,531	1,945,531
2023-2025	2,685,000	250,169	2,935,169
2026-2029	1,375,000	92,947	1,467,947
Total	<u>\$7,455,000</u>	<u>\$850,728</u>	<u>\$8,305,728</u>

# Debt Service Schedules

**\$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>
2021	300,915	75,942	376,856
2022	308,895	67,856	376,750
2023-2024	642,582	110,590	753,172
2025-2027	1,029,202	99,690	1,128,892
2028-2029	732,430	19,551	751,981
Total	\$3,014,023	373,628	3,387,652

**\$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>
2021	409,000	45,410	454,410
2022	417,000	37,522	454,522
2023-2024	862,000	50,730	912,730
2025-2026	894,000	17,133	911,133
Total	\$2,582,000	\$150,795	\$2,732,795

# Debt Service Schedules

**\$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>
2021	120,000	38,302	158,302
2022-2023	273,000	68,035	341,035
2024-2026	439,000	78,595	517,595
2027-2029	469,000	48,631	517,631
2030-2032	500,000	16,654	516,654
Total	<u>\$1,801,000</u>	<u>\$250,217</u>	<u>\$2,051,217</u>

**\$14,302,000**

## Excise Tax Revenue Refunding Obligations, Series 2017

**Date:** April 6, 2017

**Interest:** Payable semiannually commencing on January 1, 2018, and thereafter on July 1 and January 1 of each year.

**Purpose:** The bonds were issued to refund previously issued excise tax revenue refunding bonds. The previously issued obligations provided funding to refinance certain outstanding excise tax secured obligations.

**Security:** Excise Taxes

### Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	1,520,000	259,743	1,779,743
2022	1,557,000	222,357	1,779,357
2023-2025	4,902,000	433,536	5,335,536
2026-2027	3,470,000	84,831	3,554,831
Total	<u>\$11,449,000</u>	<u>\$1,000,467</u>	<u>\$12,449,467</u>

# Debt Service Schedules

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**\$8,140,000**

**Excise Tax Revenue Obligations, Series 2018**

**Date:** October 23, 2018

**Interest:** Payable semiannually commencing on July 1, 2019, and thereafter on January 1 and July 1 of each year.

**Purpose:** The bonds were issued to finance Oro Valley Water Utility infrastructure improvements and the Town's new police evidence and substation facility.

**Security:** Excise Taxes

**Debt Service:**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	458,000	229,580	687,580
2022	471,000	215,553	686,553
2023-2025	1,502,000	558,187	2,060,187
2026-2028	1,642,000	415,854	2,057,854
2029-2031	1,795,000	260,218	2,055,218
2032-2034	1,963,000	90,102	2,053,102
Total	<u>\$7,831,000</u>	<u>\$1,769,494</u>	<u>\$9,600,494</u>

# 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 Leadership 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.



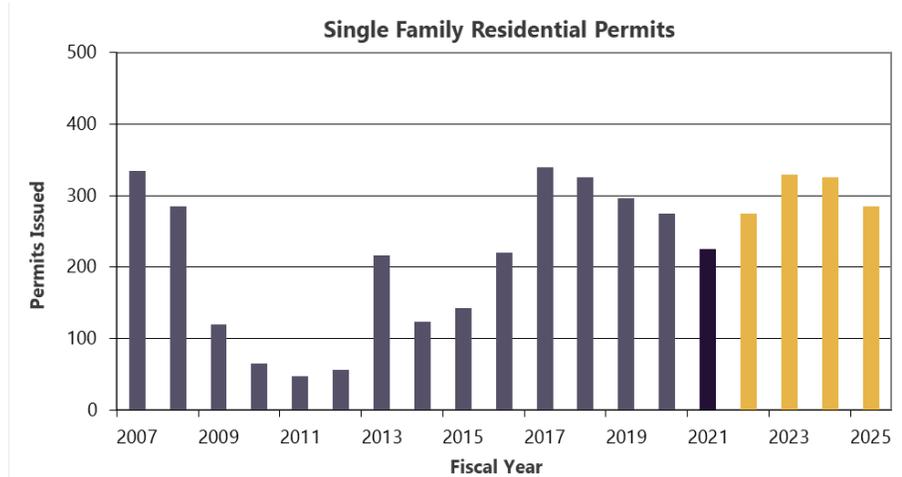
The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact of new commercial and residential development, future construction projects and economic conditions to develop a long term forecast.

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 and Financial 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, it is anticipated that other revenues sources will be needed to continue the viability of the Town.

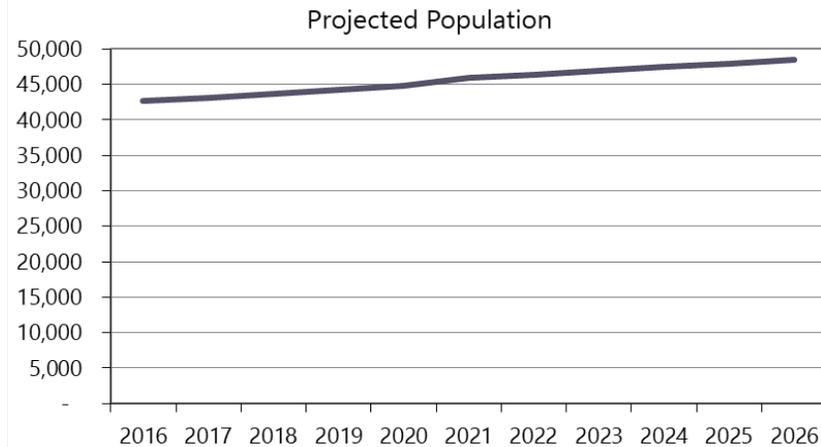
In early 2000, the Town of Oro Valley issued nearly 800 single family residential (SFR) permits, which was considerably higher than other communities in the area. In 2002, the number of permits began to gradually decline. This graph depicts historical SFR permit totals, as well as projected totals through FY 24/25.



# 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.

The Town's 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.



All this being said, prior to the COVID-19 pandemic, the Town had been experiencing healthy economic growth, both at the local and state levels, since recovering from the great recession. The FY20/21 budget and future forecasts were particularly challenging to develop due to the considerable uncertainty facing the nation, state and region as a result of the COVID-19 pandemic, stay-at-home orders and the impacts closures in education, business, hospitality, restaurants, and the service sector have had on the economy.

Economic indicators and experts suggest a fairly rapid recovery once a vaccine is widely available and distributed. Overall, Arizona is on pace to recover to pre-pandemic levels of economic activity in 2021, probably well before the nation as a whole. Because there still is a large amount of uncertainty about the future of the outbreak and the economic impacts associated with it, projections may be subject to large revisions by mid fiscal year.

## 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 Leadership 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

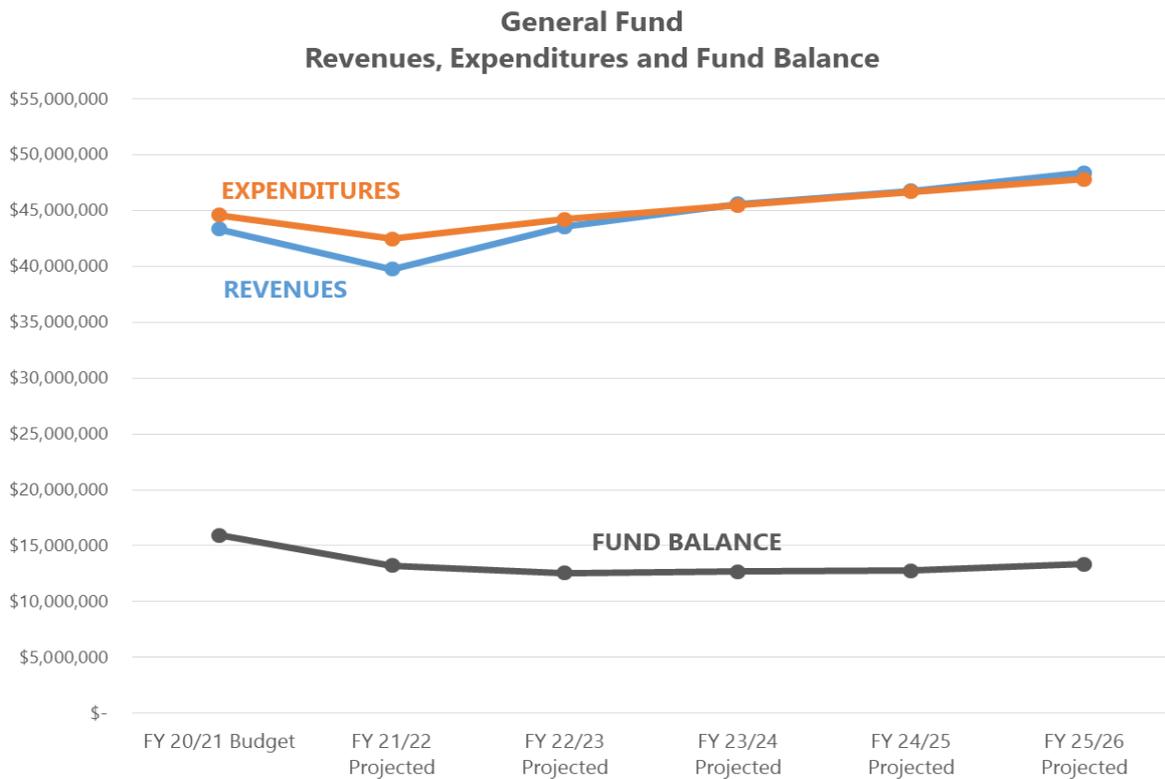
### General Fund

The General Fund forecast demonstrates an initial decrease in revenues beginning in FY 21/22, and then a gradual increase over the next five years, and is balanced with expenditure levels that sustain programs and services, continue capital investments, dedicate funding towards the Town’s unfunded pension liability, and continue the commitment to reasonable employee compensation and benefits.

The forecast assumes the economic downturn caused by COVID-19 subsides by FY 21/22 and recovery is fairly strong. FY 20/21 revenues figures appear higher due to a one-time revenue received from the CARES Act. The projection assumes COVID-19 impacts retail, restaurant/bar, bed tax and construction revenues for FY 21/22. Construction sales tax and construction related revenues see an earlier rebound due to potential pent up demand. Due to the lag in revenues related to state shared income taxes, these are projected to decline beginning in FY 22/23. The revenue projection assumes 200-400 SFR permits per year post-COVID-19 and no annexations.

Expenditures in the forecast reflect merit increases for employees in each year after FY 20/21 with historical normal increases to health insurance premiums and retirement benefits. The current forecast includes a limited capacity for new positions beginning in FY 21/22. The forecast also assumes increased O&M needs beginning in FY 21/22, a continued \$500,000 annual payment toward the Town’s public safety pension unfunded liability, and continued funding for capital projects in compliance with the Town’s adopted financial policies.

The fund balance in the General Fund is maintained at or above the Town’s adopted policy requirement of 25% of expenditures each year, ranging from approximately \$12 million to \$13 million each year.

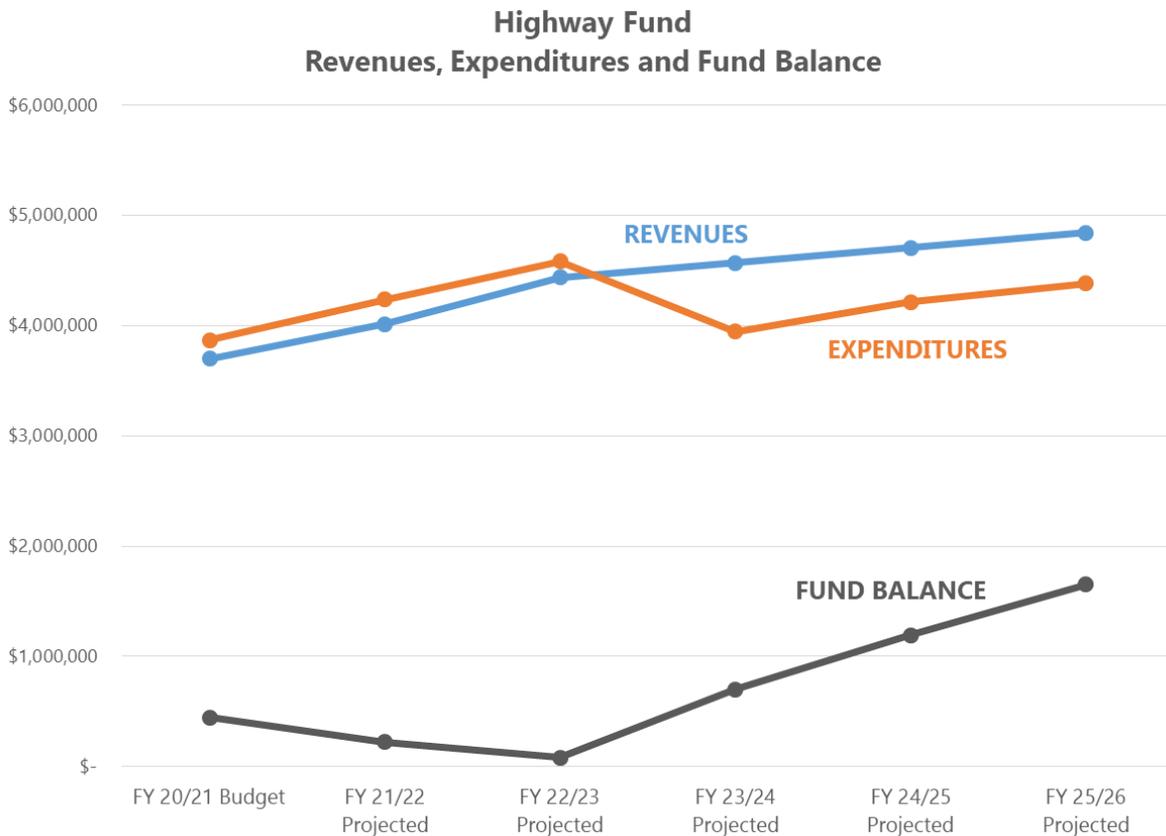


# Long Term Forecast

## Highway Fund

Highway Fund revenues are comprised primarily of State-shared highway user (gas tax) revenues. The State-shared highway user revenue projections are provided by the Arizona Department of Transportation and are projected to grow an average of 3% per year, with a decrease assumed in the current fiscal year due to reduced demand caused by the COVID-19 pandemic. Highway Fund expenditures reflect similar assumptions as those included in the General Fund forecast for personnel and operations and maintenance (O&M) costs. Funding for the Town’s pavement preservation program is included in the forecast at approximately \$1.4 - \$1.8 million per year, in addition to modest annual capacity for street sign replacements and sidewalk improvements and other road related projects.

The fund balance in the Highway Fund is projected to increase to approximately \$678,000 by FY 24/25.



## Conclusion

The short-term outlook for the Town remains subject to change due to uncertainty surrounding COVID-19. In addition, 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 Leadership Plans, in the areas of economic vitality and Town finances, were developed with the intent to broaden and diversify the town’s workforce, economic base, and revenue sources, helping to ensure the Town’s long-term financial stability.



## PROGRAM BUDGETS

Clerk  
Community and Economic Development  
Council  
Finance  
Human Resources  
Innovation & Technology  
Legal  
Magistrate Court  
Town Manager's Office  
Parks and Recreation  
Police  
Public Works  
Water Utility



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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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Implemented a solution to broaden electronic access to Town contracts through existing software
- Added 633 documents consisting of 53,983 pages to the Town's electronic document database
- Implemented a new recording solution for public meetings resulting in budget savings and an increased user experience
- Implemented AgendaQuick for use among all town boards and commissions resulting in a more uniform and efficient agenda management process

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Enable greater transparency and more efficient community access to Town information and performance

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective & Efficient Government	Explore and implement a new business licensing software system that would provide a more streamlined and efficient user experience				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Issue 100% of business license renewals within 30 days	100%	100%	100%		100% within 25 days
Issue 100% of new business license requests within 3-5 days of application	100%	100%	100%		100%
Initiate 100% of public record requests within 24 business hours of receipt	100%	100%	100%		100%
Develop and implement a solution to broaden electronic access to Town contracts	N/A	N/A	N/A		By June 30, 2021



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

# Clerk

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
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	1.48	1.48	1.48	1.48	-
Communications Intern	0.25	0.25	0.25	0.25	-
<b>Total FTEs</b>	<b>4.73</b>	<b>4.73</b>	<b>4.73</b>	<b>4.73</b>	<b>-</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 311,544	\$ 337,936	\$ 337,936	\$ 340,424	0.7%
Operations & Maintenance	73,838	28,400	23,140	88,100	210.2%
Capital Outlay	2,980	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 388,362</b>	<b>\$ 366,336</b>	<b>\$ 361,076</b>	<b>\$ 428,524</b>	<b>17.0%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
Business Licenses & Permits	\$ 204,385	\$ 206,300	\$ 206,300	\$ 206,300	0.0%
Public Record Request Fees	2,599	2,500	2,400	2,500	0.0%
<b>Total Revenues</b>	<b>\$ 206,984</b>	<b>\$ 208,800</b>	<b>\$ 208,700</b>	<b>\$ 208,800</b>	<b>0.0%</b>

## Expenditure and Staffing Changes

### Operations & Maintenance

Operations & Maintenance increased 210% due to election related costs.

# 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

### ADMINISTRATION

- Adopted, expanded and achieved new CED performance metrics.
- Updated cross training of staff and succession planning.
- Completed CED work plans aligned with the Town Council Strategic Leadership Plan and the Comprehensive Economic Development Strategy.
- Successfully implemented CED Continuity of Operations.
- Achieved new levels of efficiency across all CED team.

### PERMITTING

- Continued trend of increasing number of digital submittals from applicants, now receiving all submittals digitally and issuing out all permits and inspection cards digitally.
- Relocated front counter staff into a more secure and updated front lobby area with enhancements for both customers and staff.
- As of the end of April '20, issued a total of 1,916 permits, including 231 single family residential permits, 38 grading permits, 45 commercial building permits, 156 photovoltaic permits, and 137 pool permits.

## Community & Economic Development(CED)

- Collected over \$1.9 million in plan review and permit fees representing more than \$156 million in work valuation for new private construction.
- Issued commercial building permits for major projects such as the UA Center for Innovation, Ventana's Central Utility Plant and new Building 4, Leman Academy Expansion, Dutch Bros, Dunn Edwards, Pusch Ridge Christian Academy Expansion, Ironwood Dermatology, Street Tacos and Beer Co, Avant Dermatology and Sonoran ENT.

### PLANNING

- Substantially increased community awareness and information sharing regarding project cases by producing informational videos. The number of views has exceeded expectations.
- Processed two Tier 1 (Major) General Plan Amendment cases utilizing the following means of virtual outreach: highly utilized informational videos, HOA meeting presentations, three General Plan Amendment interactive ZOOM meetings, and six General Plan Amendment public hearings (Planning & Zoning Commission and Town Council) anticipated in the fall/winter of 2020/21.
- Facilitated seven in-person neighborhood meetings prior to COVID 19 protocols.
- Processed 99 applications of various types, including 16 pre-applications.
- Completed Planning review comments within time standards for all development applications.
- Vigilantly implemented saguaro preservation best practices during construction of three subdivisions with exceptionally dense and tall specimens.
- Completed Zoning Code update to enable monument signs in public rights of way upon approval by Town Council.
- Completed zoning code update drafts for the following Town Council Strategic Leadership Plan items: improvements to the Economic Expansion Zone & Commercial Code/Tech Park & Odor mitigation standards (all three jointly presented to the Planning & Zoning Commission twice and Town Council on three occasions), and Noise standard amendments (presented to the Planning & Zoning Commission in June).
- Completed staff research elements of the Environmentally Sensitive Lands Ordinance update project. Consultants were interviewed to weigh in on key technical components and provide an objective evaluation. Contract process was put on indefinite hold due to COVID-19 related budget concerns.
- Comprehensively evaluated *Your Voice, Our Future* General Plan Action Item implementation and updated the Planning Work plan accordingly.
- Increased community understanding of development objectives and growth via media articles and website improvements.
- Led purchase and implementation effort to improve Town website search engine for Town and Zoning codes. Designed and implemented user friendly improvements to OVprojects.com.

# Community & Economic Development(CED)

## INSPECTION & COMPLIANCE

- Successfully implemented the 2018 Building Codes, and has provided relevant training to inspection staff, in an effort to maintain professionalism and consistency.
- Performed over 28,000 inspections at approximately 11,000 locations. Some high profile projects include Lemna Academy (Phase 2), multiple tenant improvement projects for Ventana Medical, the Oro Valley Hospital Pharmacy reconstruction, Miles Label Company (industrial project), Charred Pie Restaurant in Oro Valley Marketplace, Street Tacos in Rooney Ranch, and Dutch Bros at El Corridor.
- With assistance from the Information Technology Department, provided an opportunity for customers to utilize Skype as an option when scheduling inspections
- Responded to an estimated 91 complaints and has opened 423 code-compliance related violations.

## ECONOMIC DEVELOPMENT

- At the onset of COVID-19, shifted the emphasis of business outreach from retention and expansion to recovery. Prior to this change, 53 businesses had been visited and Mayor Winfield joined Town staff and the Oro Valley Chamber for 20 of the visits.
- Created and frequently updated a new Business Resources site on the Town's website during the COVID-19 emergency.
- To respond to the pandemic, implemented a plan with assistance from Town department staff to contact all store front business owners in Oro Valley via phone or email to share information about available resources on the Town's website; seek information about layoffs, temporary closures, and shortened hours of operation; confirm contact information and generally support businesses. Town staff personally delivered updates to more than four hundred businesses in Oro Valley.
- Council unanimously adopted the 2019-2024 Comprehensive Economic Development Strategic (CEDS) Plan. Staff has implemented more than a dozen of its goals and objectives.
- Regularly added net new primary employer business projects into the active business expansion and attraction pipeline which currently has more than 60 potential projects.
- Several primary employer prospects announced new locations in Oro Valley, including the UA Center of Innovation at Oro Valley, Miles Labeling Company, Avant Dermatology/MOHS Surgical Center, and the UA Veterinarian College. Expansions included Roche Tissue Diagnostics campus in Oro Valley.
- Expanded the Economic Development page on the Town's new website to include a "Site Selectors" section.
- Partnered with the University of Arizona to support the construction of a bioscience incubator in Innovation Park operated under a multi-year agreement with the Oro Valley Innovation Labs (OVIL) and the University of Arizona Center for Innovation to run the incubator under the name of the UA Center of Innovation at Oro Valley. Construction will be completed in the fall of 2020.
- The Town provided direct assistance to the U of A in support of the new Veterinarian College. Staff met with the American Veterinary Medical Association Council and Education Board and UA's project steering committee to provide added support.
- Provided on-location detailed community briefings to dozens of commercial and industrial real estate brokers, home builders, contractors, project consultants and several related trade associations, such as the Southern Arizona Home Builders Association, the Metropolitan Planning Alliance and several Chambers of Commerce and economic development organizations.
- Hosted a booth Oro Valley at the BIOSA/BIO5 Student Industry Networking Event to support new talent attraction programs.

# Community & Economic Development(CED)

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community

COUNCIL FOCUS AREA	OBJECTIVE(S)
Land Use	<ul style="list-style-type: none"> <li>Review and evaluate effectiveness of the Environmentally Sensitive Land Ordinance (ESLO) against goals in which it was originally established, identify any unintended consequences, and recommend changes to the Planning and Zoning Commission and Town Council</li> <li>Review and recommend to Planning and Zoning Commission and Town Council updates of Town Codes in the following key areas: signs in public right-of-way; residential design standards; noise and odor abatement; and the Economic Expansion Zone (EEZ)</li> </ul>

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Complete ESLO analysis, evaluate alignment with General Plan, conduct key outreach, address deficiencies with code updates, conduct Commission and Council study sessions and public hearings				N/A	Council adoption by Spring 2022

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Community & Economic Development(CED)

PERFORMANCE MEASURES (CONTINUED)	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Sign Code update – research, draft code, outreach, Commission and Council public hearings					
Design Standards Update - research, draft code, outreach, Commission and Council public hearings					Council adoption by 2022
EEZ Update - research, draft code, outreach, Commission and Council public hearings					Council review in Fall 2020
Time from first zoning or building code violation complaint to investigation	72 hours	72 hours	72 hours		72 hours
% of zoning or building code violations resolved through voluntary compliance	95%	95%	95%		95%
% of inspections completed by end of next business day	97%	90%	98%		95%

**Target Met**    
 **Target Not Met**    
 **Informational Only**    
 **N/A - New/Previous Measure**

# Community & Economic Development(CED)

## STRATEGIC LEADERSHIP PLAN GOAL

Improve Town responsiveness to commercial investments that better correlate to the speed of business

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Economic Vitality	<ul style="list-style-type: none"> <li>Complete transition to electronic plan submittal and review</li> <li>Benchmark similar planning and permitting processes and procedures in highly successful local governments, prioritize improvements and implement improvement plan</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Implement review software for customer digital/electronic submittals	Staff software training completed June 2018	Implement software September 2019	September 2019		
Begin utilizing MUNIS Citizen Self-Service website for electronic plan submittals					
Analyze existing processes and compare to other jurisdictions to identify opportunities for improvement					By December 31, 2020
Promote digital program and solicit feedback and implement adjustments where necessary for greater efficiencies					
Prioritize opportunities for process improvement and implement improvement plan					

Target Met    
 Target Not Met    
 Informational Only    
 N/A - New/Previous Measure

# Community & Economic Development(CED)

## STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to improve opportunities to attract, grow and retain primary employers and expand local job opportunities

COUNCIL FOCUS AREA		OBJECTIVE(S)			
Economic Vitality	<ul style="list-style-type: none"> <li>Develop and present a business incentive program to Town Council</li> <li>Analyze and develop strategies to expand available properties for primary employment</li> <li>Support local and regional collaborative initiatives that help attract and grow start-up businesses in key target sectors within Oro Valley, including an incubator/accelerator at Innovation Park</li> <li>Identify ways in which Town can support collaborative efforts between educational institutions, business, government and non-profits to continue improving student knowledge, skills and abilities in preparation for workforce entry</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Incubator/accelerator initiative at Innovation Park		IGA with Pima County. Operating Agreement with Oro Valley Innovation Lab Board  \$10,000 funding in budget	Both documents prepared and signed  \$60,000 distributed (\$50k one-time investment)		\$30K in funding for UACI@OV by June 30, 2021
Business incentive program			Analyzed incentives offered by Arizona communities; developed draft policy to present to Town Council		

 Target Met
  Target Not Met
  Informational Only
  N/A - New/Previous Measure

# Community & Economic Development(CED)

PERFORMANCE MEASURES (CONTINUED)	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Implement strategy to expand available properties for primary employment					
Collaboration meetings with educational institutions, business, government & non-profits					Meet with six agencies by June 30, 2021
Number of active business prospects in business development pipeline			56		At least 50
Number of local business visitations	243	100	136		At least 100

## STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to attract retail and restaurant investment and expansion in primary commercial centers within the community

COUNCIL FOCUS AREA	OBJECTIVE(S)
Economic Vitality	<ul style="list-style-type: none"> <li>Conduct an external retail market assessment by a qualified firm to provide targeted data designed to assist the town in attracting and retaining retail</li> <li>Partner with Greater Oro Valley Chamber of Commerce to convene annual business summit focused on increasing town and community’s understanding of challenges and opportunities associated with a thriving retail and restaurant market</li> <li>Develop and begin implementation of a robust economic development marketing strategy that provides targeted and expected information for business and retail prospects</li> </ul>

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
External retail market assessment					Deferred until 2021

Target Met    
 Target Not Met    
 Informational Only    
 N/A - New/Previous Measure

# Community & Economic Development(CED)

PERFORMANCE MEASURES (CONTINUED)	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Annual business summit in partnership with Greater Oro Valley Chamber of Commerce					Will become a Virtual Event to be determined
Comprehensive Economic Development Strategy (CEDs)		Council adoption by Sept. 30, 2019	Adopted		

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A** N/A - New/Previous Measure

## Community & Economic Development(CED)

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>28.38</b>	<b>28.38</b>	<b>27.78</b>	<b>27.78</b>

	Expenditures by Division				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
Administration	\$ 236,632	\$ 314,113	\$ 252,395	\$ 277,641	-11.6%
Permitting	953,861	1,068,982	1,007,605	999,664	-6.5%
Planning	547,273	603,906	506,364	561,517	-7.0%
Inspection and Compliance	818,514	864,113	849,269	840,638	-2.7%
Economic Development	95,363	188,307	171,575	100,201	-46.8%
	<b>\$ 2,651,643</b>	<b>\$ 3,039,421</b>	<b>\$ 2,787,208</b>	<b>\$ 2,779,661</b>	<b>-8.5%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
Residential Building Permits	\$ 1,626,779	\$ 1,345,000	\$ 1,360,000	\$ 1,005,000	-25.3%
Commercial Building Permits	247,688	232,818	353,734	217,500	-6.6%
Special Inspection Fees	11,653	8,000	8,650	8,500	6.3%
Zoning and Subdivision Fees	172,569	145,000	145,000	140,000	-3.4%
Sign Permits	21,658	20,000	22,550	20,000	0.0%
Grading Permit Fees	168,781	90,000	126,445	75,000	-16.7%
Engineer Plan Review Fees	80,965	55,000	60,000	50,000	-9.1%
Fire Permits and Fees	75,675	55,000	69,159	60,000	9.1%
Grading Review Fees	1,078	-	-	-	0.0%
	<b>\$ 2,406,846</b>	<b>\$ 1,950,818</b>	<b>\$ 2,145,538</b>	<b>\$ 1,576,000</b>	<b>-19.2%</b>

## 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
CED Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	-	-	1.00	1.00	1.00
Administrative Coordinator	0.60	0.60	-	-	(0.60)
<b>Total FTEs</b>	<b>1.60</b>	<b>1.60</b>	<b>2.00</b>	<b>2.00</b>	<b>0.40</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 215,707	\$217,263	\$ 226,513	\$ 247,741	14.0%
Operations & Maintenance	20,925	96,850	25,882	29,900	-69.1%
<b>Total Expenditures</b>	<b>\$ 236,632</b>	<b>\$ 314,113</b>	<b>\$ 252,395</b>	<b>\$ 277,641</b>	<b>-11.6%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 69% due to business retail assessment survey in FY 19/20 budget.

## 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	1.00	1.00	-	-	(1.00)
<b>Total FTEs</b>	<b>10.48</b>	<b>10.48</b>	<b>9.48</b>	<b>9.48</b>	<b>(1.00)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 921,063	\$967,597	\$ 926,497	\$ 901,349	-6.8%
Operations & Maintenance	32,798	101,385	81,108	98,315	-3.0%
<b>Total Expenditures</b>	<b>\$ 953,861</b>	<b>\$ 1,068,982</b>	<b>\$ 1,007,605</b>	<b>\$ 999,664</b>	<b>-6.5%</b>

## 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	1.00	1.00	1.00	1.00	-
Planner	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Intern	0.30	0.30	0.30	0.30	-
<b>Total FTEs</b>	<b>6.30</b>	<b>6.30</b>	<b>6.30</b>	<b>6.30</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 512,063	\$549,196	\$ 472,660	\$ 531,607	-3.2%
Operations & Maintenance	35,210	54,710	51,975	29,910	-45.3%
<b>Total Expenditures</b>	<b>\$ 547,273</b>	<b>\$ 603,906</b>	<b>\$ 524,635</b>	<b>\$ 561,517</b>	<b>-7.0%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 45% due to various department reductions related to the COVID-19 pandemic.

## 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	-
<b>Total FTEs</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>-</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 805,572	\$850,558	\$ 838,425	\$ 830,764	-2.3%
Operations & Maintenance	12,942	13,555	10,844	9,874	-27.2%
<b>Total Expenditures</b>	<b>\$ 818,514</b>	<b>\$ 864,113</b>	<b>\$ 849,269</b>	<b>\$ 840,638</b>	<b>-2.7%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 27% due to various department reductions related to the COVID-19 pandemic.

## CED – Economic Development

### OVERVIEW

Beginning FY 2019, Economic Development was 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Economic Dev. Specialist	1.00	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>-</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	80,041	\$83,729	83,729	79,380	-5.2%
Operations & Maintenance	15,322	104,578	94,120	20,821	-80.1%
<b>Total Expenditures</b>	<b>95,363</b>	<b>188,307</b>	<b>177,849</b>	<b>\$ 100,201</b>	<b>-46.8%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance increased 80% due to reductions in travel as well as tax impact analysis study.

# Council

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## 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, accountable governance.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Issued a Mayoral Declaration of Emergency and amendments to help ensure the community was protected from the COVID19 pandemic.
- Implemented remote Town Council meetings that still allowed for the conduct of municipal business and effective public participation while affected by the Governor's stay at home order.
- Adopted a balanced budget for FY 19/20 totaling just over \$111 million, reflecting the community's values and priorities.
- Approved a plan to continue operating the Town's 36 holes of golf with predictable investments, implement course improvements on a pay-as-you-go basis, and lease the Pusch Ridge 9-hole course to HSL.
- Approved the placement of a permanent base adjustment ballot initiative on the August 2020 primary election ballot.
- Adopted the Town's first Comprehensive Economic Development Strategy to guide the attraction of future businesses and the expansion/retention of existing businesses.
- Selected Commander Kara Riley as the Town's next Chief of Police following a national search.

## 2020-2021 GOALS

- Economic Vitality
  - ✓ Implement strategies to improve opportunities to attract, grow and retain primary employers and expand local job opportunities
  - ✓ Implement strategies to attract retail and restaurant investment and expansion in primary commercial centers within the community
  - ✓ Develop a comprehensive annexation blueprint to guide the Town's strategic growth and economic expansion
  - ✓ Improve Town responsiveness to commercial investments that better correlate to the speed of business
  - ✓ Identify opportunities to increase sustainable tourism investment in the community
- Culture and Recreation
  - ✓ Invest in and maintain a high quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community's needs
- Public Safety
  - ✓ Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

# Council

## 2020-2021 GOALS (continued)

- Roads, Water and Town Assets
  - ✓ Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community
  - ✓ Provide a high quality, safe and reliable water supply that meets the long-term needs of the community while considering the natural environment
- Land Use
  - ✓ Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community
- Effective and Efficient Government
  - ✓ Strengthen community engagement and citizen outreach
  - ✓ Enable greater transparency and more efficient community access to Town information and performance
  - ✓ Identify internal efficiency opportunities for continuous improvement to effect a high performing organization and culture
  - ✓ Recruit and retain talented employees to effectively carry out the Town's mission
- Town Finances
  - ✓ Ensure the Town's financial future remains stable

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
Mayor	1.00	1.00	1.00	1.00	-
Councilmember	6.00	6.00	6.00	6.00	-
<b>Total FTEs</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	-

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 78,956	\$78,801	\$ 78,801	\$ 78,819	0.0%
Operations & Maintenance	111,331	127,200	127,200	118,200	-7.1%
<b>Total Expenditures</b>	<b>\$ 190,287</b>	<b>\$ 206,001</b>	<b>\$ 206,001</b>	<b>\$ 197,019</b>	<b>-4.4%</b>

# Finance

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## 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Increased resident understanding of the Town's financial structure, including revenue sources, operational costs and programs, facilities and capital investments through the following:
  - Received the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA) for the 12<sup>th</sup> consecutive year
  - Received the Certificate of Achievement for Financial Reporting Excellence from GFOA for the 27<sup>th</sup> consecutive year
  - Received the Popular Annual Financial Reporting award from GFOA for the 9<sup>th</sup> consecutive year
  - Received the Achievement of Excellence in Procurement award from the National Procurement Institute for the 13<sup>th</sup> consecutive year
  - Received an unmodified "clean" audit opinion for the Town's annual financial statements
  - Presented monthly financial updates to Town Council and Budget & Finance Commission
- Due to conservative budgeting practices, prudent fiscal management and strong fund balance reserves, it is projected that the Town will be able to absorb the financial impact from COVID-19 for FY 19/20, and will end the fiscal year on budget in the General Fund
- Secured Council approval of a resolution to propose a permanent base adjustment to voters in the fall of 2020
- 100% of internal customers rated Procurement quality as excellent or good
- 96% of internal customers rated Procurement timeliness as excellent or good
- Continued to align the Town's capital investments with Council's Strategic Leadership Plan and financial policies
- Continued to align the Town's annual budget and associated work plans with conservatively forecasted revenues

# Finance

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town's financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	<ul style="list-style-type: none"> <li>Explore opportunities to broaden revenue diversity to improve the Town's long-term financial stability</li> <li>Adopt and implement a long-term strategy to adequately fund the Town's Public Safety Pension Retirement System (PSPRS) liability</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Assist in update of Town-wide development impact fees and increase cost recovery of Town services through assisting in update of development review, permitting, and parks & recreation fees		Implement all updated fees by June 30, 2020	TBD	Update to council Feb. 26, 2020	Review other development related fees
Adopt annual PSPRS pension funding policy	June 19, 2019	By June 30, 2020	Yes		By June 30, 2021
Budget an additional payment toward the PSPRS unfunded liability debt as part of the annual budget process		\$500,000	\$500,000		\$500,000
Maintain excise tax revenue bond ratings of AA- from Fitch and Standard & Poor's (S&P)	Fitch AA-S&P AA-	Fitch AA-S&P AA-	Fitch AA-S&P AA+		Fitch AA-S&P AA+
Maintain minimum General Fund reserve balance of 25% of General Fund expenditures	49.4%	30.5%	42.1% (projected)		>25%
Maintain less than 5% variance between mid-year revenue forecast and actual fiscal year-end revenue for General Fund	+6.5%	<5%	TBD	TBD	<5%



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

# Finance

## STRATEGIC LEADERSHIP PLAN GOAL

Enable greater transparency and more efficient community access to Town information and performance

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective and Efficient Government	Leverage technology to broaden electronic access to information and data on Town’s finances and contracts				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Collaborate between Procurement, IT and Clerk’s Office to seek, source and implement best solution for public access to Town procurement contracts		By June 30, 2020	On temporary hold	N/A	On temporary hold
Research functions, feasibility, and request funding in FY 20/21 for an open books financial transparency solution that integrates with Town ERP system		By June 30, 2020	On temporary hold	N/A	On temporary hold
Implement Peak Performance initiative for employee travel and training expense reporting with utilization of ERP employee expense module		By December 31, 2019	March 2020		N/A

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Finance

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Chief Financial Officer	1.00	1.00	1.00	1.00	-
Finance & Budget Administrator	-	-	1.00	1.00	-
Chief Procurement Officer	1.00	1.00	1.00	1.00	-
Procurement Specialist	1.00	1.00	1.00	1.00	-
Finance Manager	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	0.20	(0.80)
<b>Total FTEs</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>7.20</b>	<b>(0.80)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 803,605	\$ 862,220	\$ 696,855	\$ 763,288	-11.5%
Operations & Maintenance	72,950	74,600	200,726	69,600	-6.7%
<b>Total Expenditures</b>	<b>\$ 876,555</b>	<b>\$ 936,820</b>	<b>\$ 897,581</b>	<b>\$ 832,888</b>	<b>-11.1%</b>

## Expenditure and Staffing Changes

### Personnel

Personnel decreased 11.5% due to reduction of a shared position between Finance and Innovation & Technology.

# 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Drafted and implemented new HR policies and procedures to accommodate new working conditions due to COVID-19 virus and the federal and state laws enacted as a result of the pandemic.
- Transitioned from paper, in person, new hire onboarding process to collecting electronic forms and signatures prior to the employee's start date; enhanced onboarding experience by streamlining the time for new employees to gain access to Town systems with time savings for staff and new employees.
- Implemented an improved new employee orientation/onboarding program by introducing an Employee Navigator to serve as a personal mentor for the first 90 days. A Navigator's Guide and Supervisor's Guide to New Employee Orientation/Onboarding were developed to enhance the overall orientation/onboarding experience for all with the goal of reducing turnover and increasing employee engagement.
- Facilitated the Town's first all on-line, passive open enrollment for employee benefits, whereby employee participation was required only in the event of plan changes.
- Completed Open Enrollment: Phase II by transitioning from manual enrollment and address updates with medical, dental, and vision files to a monthly electronic-data interchange file with our vendor, saving significant time and enhanced security.

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Recruit and retain talented employees to effectively carry out the Town's mission

COUNCIL FOCUS AREA	OBJECTIVE(S)
Effective & Efficient Government	<ul style="list-style-type: none"> <li>• Benchmark workforce policies and practices and recommend and implement sustainable changes to the Town's Personnel Policies and internal procedures as appropriate</li> <li>• Develop a robust on-going training program that supports delivery of quality services, strengthens employee engagement and builds leadership skills</li> <li>• Update and implement an effective employee onboarding program that builds employee knowledge of and connection with Town practices and supports a positive organizational culture</li> </ul>

# Human Resources

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Tailor training program for employees based on job classification.	Began examining options	4/1/2020	On hold until new HR Director hired		Develop training program based on job class by 2 <sup>nd</sup> quarter and achieve 75% completion rate by June 30
Improve employee orientation/onboarding program with enhanced transactional and strategic parameters.	Project underway; 1/3 complete	6/30/2020	Implemented June 2020		
Update personnel rules, procedures and practices that reflect current trends in municipal government	Project underway; 1/3 complete	By June 30, 2020	New HR Director will reassess		Update at least 25% of personnel policies and procedures to reflect current employment laws and HR practices in municipal government by June 30
Update performance appraisal process improvement	Web-based performance appraisal currently in beta testing	From paper to fully electronic process by June 30, 2020	Implemented June 2020		

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Human Resources

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	1.00	1.00	-
<b>Total FTEs</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 345,443	\$ 379,175	\$ 348,508	\$ 388,974	2.6%
Operations & Maintenance	84,528	83,873	155,777	68,373	-18.5%
<b>Total Expenditures</b>	<b>\$ 429,971</b>	<b>\$ 463,048</b>	<b>\$ 504,285</b>	<b>\$ 457,347</b>	<b>-1.2%</b>

## Expenditure and Staffing Changes

### Operations & Maintenance

Operations & Maintenance decreased 18.5% due to various department reductions caused by the COVID-19 pandemic.

# Innovation and Technology

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## OVERVIEW

The Innovation and Technology Department (ITD) is committed to providing secure, proven, innovative technologies that enhance operational efficiencies while providing convenient access to government information and services for employees, citizens, visitors and businesses. ITD is comprised of two divisions: Strategic Initiatives and Information Technology.

The Strategic Initiatives Division manages the Council Strategic Leadership Plan, OV Peak Performance Initiative, a town-wide initiative that focuses on process improvement and delivering better value to customers (internally and externally) by eliminating waste, annexations, special events, emergency management, constituent services, and tourism. Emergency Management programs ensure disaster preparedness, education, and information is made available to staff and to community stakeholders. Constituent Services provides administrative support to Town leadership through AskOV where concerns, complaints, inquiries, and referrals are addressed with excellent customer service and a commonsense approach.

The Information Technology Division (IT) identifies, implements and supports technology to all Town departments to support their business needs. Responsibilities include management and security of the Town's computer and telephony networks; Geographic Information System (GIS); technology acquisition; application management and support; and database management. IT strategizes its work through five focus areas: Service Delivery Improvement, Cyber Security, Application Lifecycles, Business Continuity, and IT as a Strategic Partner.

## 2019-2020 ACCOMPLISHMENTS

- Implemented solutions to accommodate new working conditions due to COVID-19. These included: expanded Working From Home (WFH) capabilities, support of interactive online public meetings, digital signatures, Multifactor Authentication (MFA), and technology to support remote building inspections.
- Implemented electronic employee expense module.
- Cybersecurity – Implemented mandatory new hire cybersecurity training. Continue to provide updated cybersecurity training courses twice per year. Continue ongoing phishing testing campaign with remedial training.
- Continued expansion of Town asset management software into the Water Utility and Facilities.
- Implemented high availability access to the Internet.
- Leveraged GIS tools to create an interactive map-based reference for Town projects.
- Increased employee participation in the OV Peak Performance process improvement initiative resulting in a cost savings of more than \$65k for the fiscal year from 35 implemented process improvements.
- Initiated implementation of "Peak Leadership" initiative among the Town's Senior Management Team, a process-driven approach to executing a strategy and operating business that drives clarity, connectivity, and consistency throughout the organization.
- Implemented a robust 2020 Census outreach program, resulting in the Town of Oro Valley boasting the highest citizen response rate in the State of Arizona.
- The National Weather Service recognized Oro Valley Police Department for the 2019 WRNA Ambassador of Excellence Award due to the ongoing partnership and collaboration related to weather.

# Innovation & Technology

- Planning, Conduct, and Evaluation of a town-wide tabletop exercise for the Senior Management Team was held in December 2019 in collaboration with Golder Ranch Fire District.
- Emergency Management and Safety Coordinator received Certified Emergency Manager (CEM) designation.

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

- Replacement of Permits, Code Enforcement, and Business License software.
- Upgrade the Town’s backup solution to accommodate modern technologies.
- Upgrade office suite software to maintain functionality and keep with current standards.
- GIS enterprise software upgrade to maintain functionality and keep with current standards.
- ERP enterprise upgrade to maintain functionality and keep with current standards.
- Expand Peak Performance Lean process improvement training to additional employees.
- Establish Town wide performance dashboards by defining key metrics to report on.
- Continue facilitation of the Town’s annexation strategy.

## STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to improve opportunities to attract, grow and retain primary employers and expand local job opportunities

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Economic Vitality	Explore feasibility of a Town-owned fiber optic network to minimize reliance on third party carriers and increase technology capabilities at Town facilities				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Delivery of a proposal describing a model of Town-owned fiber optics plant, uses, and implementation plan		1/15/2021	In Progress	In Progress	1/15/2021

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A**    
 N/A - New/Previous Measure

# Innovation & Technology

## STRATEGIC LEADERSHIP PLAN GOAL

Enable greater transparency and more efficient community access to town information and performance

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective & Efficient Government	Leverage technology to broaden electronic access to information and data on Town finances and contracts				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Implementation of a publicly accessible reporting tool showing Town finance and contract information.		1/15/2021	In Progress	In Progress	1/15/2021

 **Target Met**
 **Target Not Met**
 **Informational Only**
 **N/A - New/Previous Measure**

# Innovation & Technology

## STRATEGIC LEADERSHIP PLAN GOAL

- Strengthen community engagement and citizen outreach
- Enable greater transparency and more efficient community access to town information and performance
- Identify internal efficiency opportunities for continuous improvement to effect a high performing organization and culture

COUNCIL FOCUS AREA	OBJECTIVE(S)						
		PERFORMANCE MEASURES	FY 2019 ACTUAL	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Effective and Efficient Government	<ul style="list-style-type: none"> <li>• Develop and implement a strategy to enhance Council interaction with residents</li> <li>• Design and begin implementation of a multi-faced strategy to more effectively seek citizen input, especially underrepresented segments of the community</li> <li>• Expand employees training and use of process improvement tools through the Town’s internal OV Peak Performance initiative</li> </ul>	*Develop community engagement strategy for Council to connect with residents and visitors	-	Attend at least 8 community engagement events	24		12
		Increase engagement in the Ask Portal by 5%	513	539	762		592
		Peak Performance initiative cost savings	-	\$75,000	\$67,500		\$25,000
		Peak Performance initiatives implemented	28	25	35		25

\* Engagement events will be modified, due to COVID-19.

**Target Met**    
 **Target Not Met**    
 **Informational Only**    
 **N/A - New/Previous Measure**

# Innovation & Technology

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Chief Information Officer (CIO)	1.00	1.00	1.00	1.00	-
NetOps Supervisor	-	-	-	1.00	1.00
Network Administrator	2.00	2.00	2.00	1.00	(1.00)
Systems Analyst	2.00	2.00	2.00	2.00	-
Database Analyst	1.00	1.00	1.00	1.00	-
Senior GIS Administrator	1.00	1.00	1.00	1.00	-
GIS Analyst	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	-
Help Desk Technican	-	-	-	1.00	1.00
Strategic Initatives Manager	-	-	-	1.00	1.00
Constituent Services Coord.	-	-	-	1.00	1.00
Emergency Mgmt & Safety	-	-	-	1.00	1.00
Senior Office Specialist	-	-	-	0.80	0.80
<b>Total FTEs</b>	<b>9.00</b>	<b>9.00</b>	<b>9.00</b>	<b>13.80</b>	<b>4.80</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 887,296	\$ 942,627	\$ 937,411	\$ 1,441,968	53.0%
Operations & Maintenance	1,807,688	2,053,875	1,951,181	2,118,550	3.1%
Capital Outlay	216,156	252,000	250,000	285,500	13.3%
<b>Total Expenditures</b>	<b>\$ 2,911,140</b>	<b>\$ 3,248,502</b>	<b>\$ 3,138,592</b>	<b>\$ 3,846,018</b>	<b>18.4%</b>

## Expenditure and Staffing Changes

### Personnel

Personnel increased 53% due to the migration of employees from Town Manager's Office and Police as well as the addition of a Help Desk Technician position.

# 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Received the Administrative Professional Lifetime Achievement Award
- Provided statewide training to police officers and prosecutors
- Responded to legal claims against the Town
- Reviewed policies, contracts and ordinances

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA		OBJECTIVE(S)			
Public Safety		Provide the highest quality representation in order to meet the present and future needs of the Town in an efficient and effective manner			
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Fulfill 100% of all legal requests within 14 days	98%	100%	100%		100%
Number of criminal cases handled by prosecution staff (calendar year)	748	700	496 through first six months		700
Provide local or statewide officer training at least 2X a year	3	2	3		2

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A**    
 N/A - New/Previous Measure

# Legal

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	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
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	-
<b>Total FTEs</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>-</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 698,873	\$ 733,322	\$ 733,322	\$ 721,071	-1.7%
Operations & Maintenance	109,765	140,735	140,735	149,521	6.2%
<b>Total Expenditures</b>	<b>\$ 808,638</b>	<b>\$ 874,057</b>	<b>\$ 874,057</b>	<b>\$ 870,592</b>	<b>-0.4%</b>

# 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.

## 2019-2020 ACCOMPLISHMENTS

- Planned, (including attending multiple trainings and conferences) set ground work and launched the Diversion Court.
- Initiated the purchase of “video conferencing equipment” to create a direct connection to a jail courtroom for hearings with in-custody defendants, eliminating the need for weekly transports of prisoners.
- Held “safety trainings” for the staff including “Active Shooter (beyond that provided by the PD), Stop the Bleed and NARCAN trainings.
- Started an “In House” training program to ensure consistency with our court customers.
- Successfully cross-trained our senior court clerk to manage daily/month deposits, remittances, and reporting.
- Revised some of our payment plan policies to assist our court customers in reestablishing payment plans and getting their driver licenses reinstated.
- Engaged in Community Outreach with a presentation in Saddlebrook.
- Transitioned from the previous form of court security, i.e. a “bailiff in a police uniform” to a “Court Security Officer”, including all the training and certification involved in that process
- Transitioned to a state-wide electronic protective order system, AZPOINT

## 2019-2020 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA	OBJECTIVE(S)
Public Safety	Explore the feasibility of establishing a “Drug Court” within the Town’s Municipal Court to provide opportunities for individuals convicted of certain crimes to address substance abuse issues

# Magistrate Court

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Move forward with implementation of Drug Court program with proposal and requested funding brought to Town Council				N/A	
Maintain Compliance with AOC Minimum Accounting Standards	In Compliance	In Compliance	In Compliance		In Compliance
Continue the warrant program for outstanding warrants that establishes accountability for defendants and enforces compliance with court orders [Program to be discontinued due to staffing changes]	Yes	Yes	Yes		N/A
Each full-time judicial officer and Court employee to complete at least 16 credit hours of judicial education each year	Yes	Yes	Yes		Yes
Each Court employee to complete ethics, diversity and computer network security training annually	Yes	Yes	Yes		Yes
Implement a cross-training program to deepen the court's knowledge base				N/A	Yes

Target Met    
 Target Not Met    
 Informational Only    
 N/A - New/Previous Measure

# Magistrate Court

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
Magistrate Judge	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	-
Courtroom Clerk	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	3.00	-
Court Clerk	1.00	1.48	1.48	1.48	-
Court Security Officer	-	-	-	1.00	1.00
Bailiff	1.00	1.00	1.00	-	(1.00)
<b>Total FTEs</b>	<b>8.00</b>	<b>8.48</b>	<b>8.48</b>	<b>8.48</b>	<b>-</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 722,082	\$ 788,291	\$ 776,899	\$ 724,216	-8.1%
Operations & Maintenance	122,381	135,270	135,270	140,610	3.9%
<b>Total Expenditures</b>	<b>\$ 844,463</b>	<b>\$ 923,561</b>	<b>\$ 912,169</b>	<b>\$ 864,826</b>	<b>-6.4%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
Court Costs	\$ 151,909	\$ 130,000	\$ 131,000	\$ 135,000	3.8%
Court Security Fee	-	20,000	20,000	20,000	0.0%
Public Defender Fees	2,445	2,400	3,000	2,400	0.0%
Fines	135,771	120,000	120,000	125,000	4.2%
<b>Total Revenues</b>	<b>\$ 290,125</b>	<b>\$ 272,400</b>	<b>\$ 274,000</b>	<b>\$ 282,400</b>	<b>3.7%</b>

# 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; Finance; Human Resources; Information Technology; Legal Services; Police; Water Utility; Community and Economic Development; Public Works; Parks and Recreation; and Magistrate Court.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Effectively managed the COVID19 crisis and related fiscal year-end financial impacts, resulting in minimal impacts to critical community services and positive positioning of the Town for FY20/21.
- Increased employee participation in the OV Peak Performance process improvement initiative resulting in a cost savings of more than \$55k for the fiscal year from 29 implemented process improvements.
- Earned a significant bond upgrade from Standard and Poor's from AA- rating to AAA, the second highest available to local governments.
- Trained all Senior Management Team members in the Peak Leadership initiative, a process and data-driven approach to managing and operating Town business.
- Implemented a robust 2020 Census outreach program, resulting in the Town of Oro Valley boasting the highest citizen response rate in the State of Arizona.
- Researched and recommended to the Town Council a ballot initiative to adjust the Town's state-imposed permanent base in order to more effectively manage future Town finances, which the elected body agreed to place on the August 2020 ballot for consideration by Oro Valley voters.
- Increased the number of videos utilized for resident communication, resulting in a significant increase in engagement in the Town's social media and website.
- Developed and launched a new Town website that is more user-friendly and includes a public engagement tool called "Discuss," which enables more resident input on important topics.

# Town Manager's Office

## 2020-2021 GOALS AND OBJECTIVES

### STRATEGIC LEADERSHIP PLAN GOAL

- Strengthen community engagement and citizen outreach
- Enable greater transparency and more efficient community access to town information and performance
- Identify internal efficiency opportunities for continuous improvement to effect a high performing organization and culture

COUNCIL FOCUS AREA	OBJECTIVE(S)					
Effective and Efficient Government	<ul style="list-style-type: none"> <li>• Effectively maximize the use of communication tools such as social media, the town website and other marketing avenues to keep residents informed of Town services, programs and events</li> <li>• Develop and implement a strategy to enhance Council interaction with residents</li> <li>• Design and begin implementation of a multi-faced strategy to more effectively seek citizen input, especially underrepresented segments of the community</li> <li>• Expand employees training and use of process improvement tools through the Town's internal OV Peak Performance initiative</li> </ul>					
		PERFORMANCE MEASURES	FY 2019 ACTUAL	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS
	Increase average monthly engagement (view, likes, comments on posted information) on the Town's Facebook page	2,598	N/A*	5,400		5,000
	Develop community engagement strategy for Council to connect with residents and visitors	-	-	-		Attend at least 8 community engagement events
	Increase engagement in the Ask Portal by 5%	513	489	513		539
	Peak Performance initiative cost savings	54,000	\$52,000	\$54,000		\$75,000
	Peak Performance initiatives implemented	28		28		25

\* Facebook changed its algorithm for engagement statistics in 2020, requiring the establishment of a new baseline.

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A**    
 N/A - New/Previous Measure

## Town Manager's Office

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Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>10.38</b>	<b>10.38</b>	<b>10.38</b>	<b>8.38</b>

Expenditures by Program					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 642,854	\$ 688,045	\$ 682,386	\$ 514,270	-25.3%
Communications	574,414	626,100	611,978	514,464	-17.8%
	<b>\$1,217,268</b>	<b>\$1,314,145</b>	<b>\$1,294,364</b>	<b>\$1,028,734</b>	<b>-21.7%</b>

## 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.

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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	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	-
<b>Total FTEs</b>	<b>4.88</b>	<b>4.88</b>	<b>4.88</b>	<b>3.88</b>	<b>(1.00)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 591,121	\$ 623,525	\$ 623,525	\$ 495,000	-20.6%
Operations & Maintenance	51,733	64,520	58,861	19,270	-70.1%
<b>Total Expenditures</b>	<b>\$ 642,854</b>	<b>\$ 688,045</b>	<b>\$ 682,386</b>	<b>\$ 514,270</b>	<b>-25.3%</b>

## Town Manager's Office – Communications

### 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.

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Communications Administrator	1.00	1.00	1.00	1.00	-
New Media Developer	1.00	1.00	-	-	(1.00)
Constituent Services Coordinator	1.00	1.00	1.00	-	(1.00)
Marketing & Comm. Specialist	1.00	1.00	1.00	1.00	-
Public Information Officer	1.00	1.00	1.00	1.00	-
Digital Content Specialist	-	-	1.00	1.00	1.00
Senior Office Specialist	0.50	0.50	0.50	0.50	-
<b>Total FTEs</b>	<b>5.50</b>	<b>5.50</b>	<b>5.50</b>	<b>4.50</b>	<b>(1.00)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 469,705	\$ 501,562	\$ 496,412	\$ 392,179	-21.8%
Operations & Maintenance	104,709	124,538	115,566	120,085	-3.6%
Capital	-	-	-	2,200	0.0%
<b>Total Expenditures</b>	<b>\$ 574,414</b>	<b>\$ 626,100</b>	<b>\$ 611,978</b>	<b>\$ 514,464</b>	<b>-17.8%</b>

### Expenditure and Staffing Changes

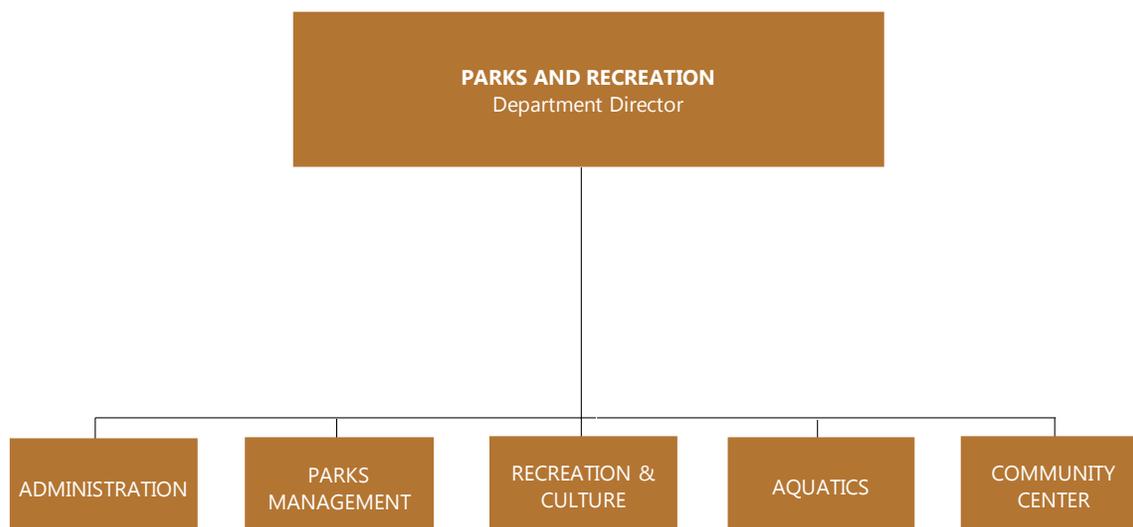
#### Personnel

Personnel decreased 20.8% and 21.8% due to migration of FTEs from Town Manager's Office to Innovation & Technology department.

#### Operations & Maintenance

Operations & Maintenance decreased 70.1% and 3.6% from moving O&M line item from Town Manager's Office to Innovation & Technology department, as well as reductions in Travel.

# Parks and Recreation



## OVERVIEW

The Parks and Recreation Department is comprised of the following divisions: Administration, Parks Management, 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

### ADMINISTRATION

- Developed an RFP for a Needs Assessment and Master Plan. Selected PRO's Consulting and began work in December. Needs Assessment final report presented to Council in May. Phase II (Master Plan) will take place in FY20/21
- Secured a SHPO Grant for an Adaptive Reuse Study at Steam Pump Ranch
- Implemented new recreation management software system (CivicRec) after developing competitive Request for Proposal

### PARKS MANAGEMENT

- Installed a new restroom at James D. Kriegh Park
- Developed an RFP for a new playground at Naranja Park. Secured Norris Design as design team and the first phase of infrastructure started in February. We anticipate the project to be completed in the fall 2020.
- Implemented an Eatable Orchard at Steam Pump Ranch as part of the Planting Plan
- Upgraded first phase of irrigation pump system at Riverfront Park

### RECREATION & CULTURE

- Expanded October community event programming that resulted in over 10,000 participants throughout the month.
- Implemented a very successful Friday night concert series
- Implemented senior programming to include day trips
- Completed Proctor-Leiber House backyard improvement project

# Parks and Recreation

## AQUATICS

- Continued to support and attract special events that are linked to economic impact
- Upgraded restroom/locker room flooring
- Painted interior and exterior walls of building and fencing
- Implemented new facility rental fee schedule to align all groups and teams paying the same rate

## COMMUNITY CENTER

- Installed two, post-tension concrete slab Pickleball Courts
- Implemented new Pickleball leagues
- Implemented a Member Engagement series
- Implemented a weekly member newsletter

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Invest in and maintain a high quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community’s needs

COUNCIL FOCUS AREA	OBJECTIVE(S)
Culture and Recreation	<ul style="list-style-type: none"> <li>• Conduct a comprehensive, community-wide needs assessment for parks and recreation amenities and programs</li> <li>• Implement the Town Council’s decision regarding the Town’s golf course property and Community Center</li> <li>• Install a new playground and related amenities (e.g. shade structure, parking lot and lighting) at Naranja Park</li> <li>• Explore opportunities to partner with the Amphitheater Unified School District to utilize school amenities within the Town limits and expand the intergovernmental agreement as appropriate</li> <li>• Using the needs assessment information, develop a comprehensive, Town-wide Parks and Recreation Master Plan with input from the community, including individual plans for the Community Center, James D. Kriegh Park, Riverfront Park and Naranja Park</li> <li>• Review the Steam Pump Master Plan and Needs Assessment and reprioritize capital investments and programming opportunities consistent with community and Town Council input</li> </ul>

## Parks and Recreation

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Complete a Parks and Recreation needs assessment	-	-	-		
Complete a comprehensive Parks and Recreation Master Plan	-	-	-		By Feb, 2021
Implement the Town Council's decision regarding the Town's golf course property and Community Center	-	-	-		Continue to monitor
Install playground at Naranja Park	-	-	-		By Nov 2020
Explore partnerships with Amphitheater School District	-	-	-		By Dec 31, 2020
"Likes" on the Town's Parks and Recreation Facebook page	4,797	3,700	6,000		7,500



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

# Parks and Recreation

## STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town's financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	Explore opportunities to broaden revenue diversity to improve the Town's long-term financial stability				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
% Cost recovery for Aquatics division	49.0%	53.2%	49.0%		50.4%
% Cost recovery for Recreation & Culture division	41.2%	27.3%	41.2%		35.4%
No. of Community Center memberships	1,127	1,250	1,127		1,150



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

# Parks and Recreation

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>63.10</b>	<b>63.10</b>	<b>63.10</b>	<b>63.10</b>

Expenditures by Fund					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 3,380,695	\$ 3,808,366	\$ 3,497,764	\$ 3,478,517	-8.7%
Community Center Fund	5,755,133	6,182,387	5,877,664	6,599,082	6.7%
	<b>\$ 9,135,828</b>	<b>\$ 9,990,753</b>	<b>\$ 9,375,428</b>	<b>\$10,077,599</b>	<b>0.9%</b>

Revenues by Fund					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 938,974	\$ 992,600	\$ 567,052	\$ 714,050	-28.1%
Community Center Fund	6,752,511	6,748,605	6,060,271	7,098,610	5.2%
	<b>\$ 7,691,485</b>	<b>\$ 7,741,205</b>	<b>\$ 6,627,323</b>	<b>\$ 7,812,660</b>	<b>0.9%</b>

## Parks and Recreation – General Fund

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>41.55</b>	<b>41.55</b>	<b>41.55</b>	<b>41.55</b>

Expenditures by Division					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 502,000	\$ 662,528	\$ 631,515	\$ 466,519	-29.6%
Parks Management	1,108,938	1,267,083	1,184,000	1,394,179	10.0%
Recreation and Culture	407,879	465,377	431,389	543,350	16.8%
Aquatics	1,361,878	1,413,378	1,250,860	1,074,469	-24.0%
	<b>\$3,380,695</b>	<b>\$3,808,366</b>	<b>\$3,497,764</b>	<b>\$3,478,517</b>	<b>-8.7%</b>

Revenue Sources					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Aquatics User Fees	\$ 627,842	\$ 681,000	\$ 353,001	\$ 430,000	-36.9%
Concession Sales	23,717	30,000	10,371	15,000	-50.0%
Fields & Courts User Fees	118,454	119,800	85,465	115,000	-4.0%
Miscellaneous User Fees	168,961	161,800	118,215	154,050	-4.8%
State Grants	-	-	-	-	0.0%
	<b>\$ 938,974</b>	<b>\$ 992,600</b>	<b>\$ 567,052</b>	<b>\$ 714,050</b>	<b>-28.1%</b>

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Deputy Parks & Rec. Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Multimodal Planner	1.00	1.00	-	-	(1.00)
Office Specialist	-	-	1.00	1.00	1.00
Office Assistant	1.00	1.00	-	-	(1.00)
<b>Total FTEs</b>	<b>5.00</b>	<b>5.00</b>	<b>4.00</b>	<b>4.00</b>	<b>(1.00)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 429,081	\$ 462,395	\$ 462,395	\$ 358,246	-22.5%
Operations & Maintenance	72,919	200,133	169,120	108,273	-45.9%
<b>Total Expenditures</b>	<b>\$ 502,000</b>	<b>\$ 662,528</b>	<b>\$ 631,515</b>	<b>\$ 466,519</b>	<b>-29.6%</b>

### Expenditure and Staffing Changes

#### Personnel

Personnel decreased 22.5% due to movement of staff between Parks & Recreation admin division and recreation and culture division.

#### Operations & Maintenance

Operations & Maintenance decreased 27% due to various department reductions.

# Parks and Recreation – General Fund

## Parks Management

### 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.

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Parks Maint Superintendent	1.00	1.00	1.00	1.00	-
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	-
Parks Maintenance Crew Leader	1.00	1.00	-	-	(1.00)
Parks Maintenance Worker III	-	-	1.00	1.00	1.00
Parks Maintenance Worker II	1.00	1.00	1.00	1.00	-
Parks Maintenance Worker I	5.00	5.00	5.00	5.00	-
Park Monitor	0.96	0.96	0.96	0.96	-
<b>Total FTEs</b>	<b>9.96</b>	<b>9.96</b>	<b>9.96</b>	<b>9.96</b>	<b>-</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	537,776	\$ 566,133	\$ 528,107	\$ 565,429	-0.1%
Operations & Maintenance	480,666	600,850	570,808	614,750	2.3%
Capital Outlay	90,496	100,100	85,085	214,000	113.8%
<b>Total Expenditures</b>	<b>\$ 1,108,938</b>	<b>\$ 1,267,083</b>	<b>\$ 1,184,000</b>	<b>\$ 1,394,179</b>	<b>10.0%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay increased 114% for equipment purchases at outdoor park amenities.

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
Recreation & Culture Manager	1.00	1.00	1.00	1.00	-
Assistant Recreation Manager	1.00	1.00	2.00	2.00	1.00
Recreation Leader	1.95	1.95	1.95	1.95	-
Recreation Aide	1.75	1.75	1.75	1.75	-
<b>Total FTEs</b>	<b>5.70</b>	<b>5.70</b>	<b>6.70</b>	<b>6.70</b>	<b>1.00</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	250,824	\$ 297,607	\$ 297,607	\$ 385,930	29.7%
Operations & Maintenance	151,051	159,770	128,782	157,420	-1.5%
Capital	6,004	8,000	5,000	-	-100.0%
<b>Total Expenditures</b>	<b>\$ 407,879</b>	<b>\$ 465,377</b>	<b>\$ 431,389</b>	<b>\$ 543,350</b>	<b>16.8%</b>

### Expenditure and Staffing Changes

#### Personnel

Personnel increased 30% due to movement of staff between Parks & Recreation admin division and recreation and culture division.

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	-
Senior Office Specialist	-	1.00	1.00	1.00	-
Facility Supervisor	2.25	2.25	2.25	2.25	-
Shift Leader	0.96	0.96	0.96	0.96	-
Facility Attendant	4.80	4.80	4.80	4.80	-
Lifeguard/Swim Instructor	9.88	9.88	9.88	9.88	-
<b>Total FTEs</b>	<b>20.89</b>	<b>20.89</b>	<b>20.89</b>	<b>20.89</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 717,432	\$ 805,138	\$ 764,881	\$ 764,269	-5.1%
Operations & Maintenance	611,711	604,240	483,392	303,200	-49.8%
Capital Outlay	32,734	4,000	2,587	7,000	75.0%
<b>Total Expenditures</b>	<b>\$ 1,361,878</b>	<b>\$ 1,413,378</b>	<b>\$ 1,250,860</b>	<b>\$ 1,074,469</b>	<b>-24.0%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 50% due to reduced utility costs as well as contracted services related to pool facility rental

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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	-
Custodian	0.48	0.48	0.48	0.48	-
Facility Supervisor	-	-	0.75	0.75	0.75
Facility Attendant	5.00	5.00	4.25	4.25	(0.75)
Aquatics Shift Leader	1.58	1.58	1.58	1.58	-
Lifeguard	3.65	3.65	3.65	3.65	-
Recreation Leader	0.96	0.96	0.96	0.96	-
Recreation Aide	4.88	4.88	4.88	4.88	-
Fitness Instructor	2.00	2.00	2.00	2.00	-
<b>Total FTEs</b>	<b>21.55</b>	<b>21.55</b>	<b>21.55</b>	<b>21.55</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 698,672	\$ 850,734	\$ 773,964	\$ 762,713	-10.3%
Operations & Maintenance	4,930,474	5,225,153	4,997,200	4,711,869	-9.8%
Capital Outlay	125,987	106,500	106,500	1,124,500	955.9%
<b>Total Expenditures</b>	<b>\$ 5,755,133</b>	<b>\$ 6,182,387</b>	<b>\$ 5,877,664</b>	<b>\$ 6,599,082</b>	<b>6.7%</b>

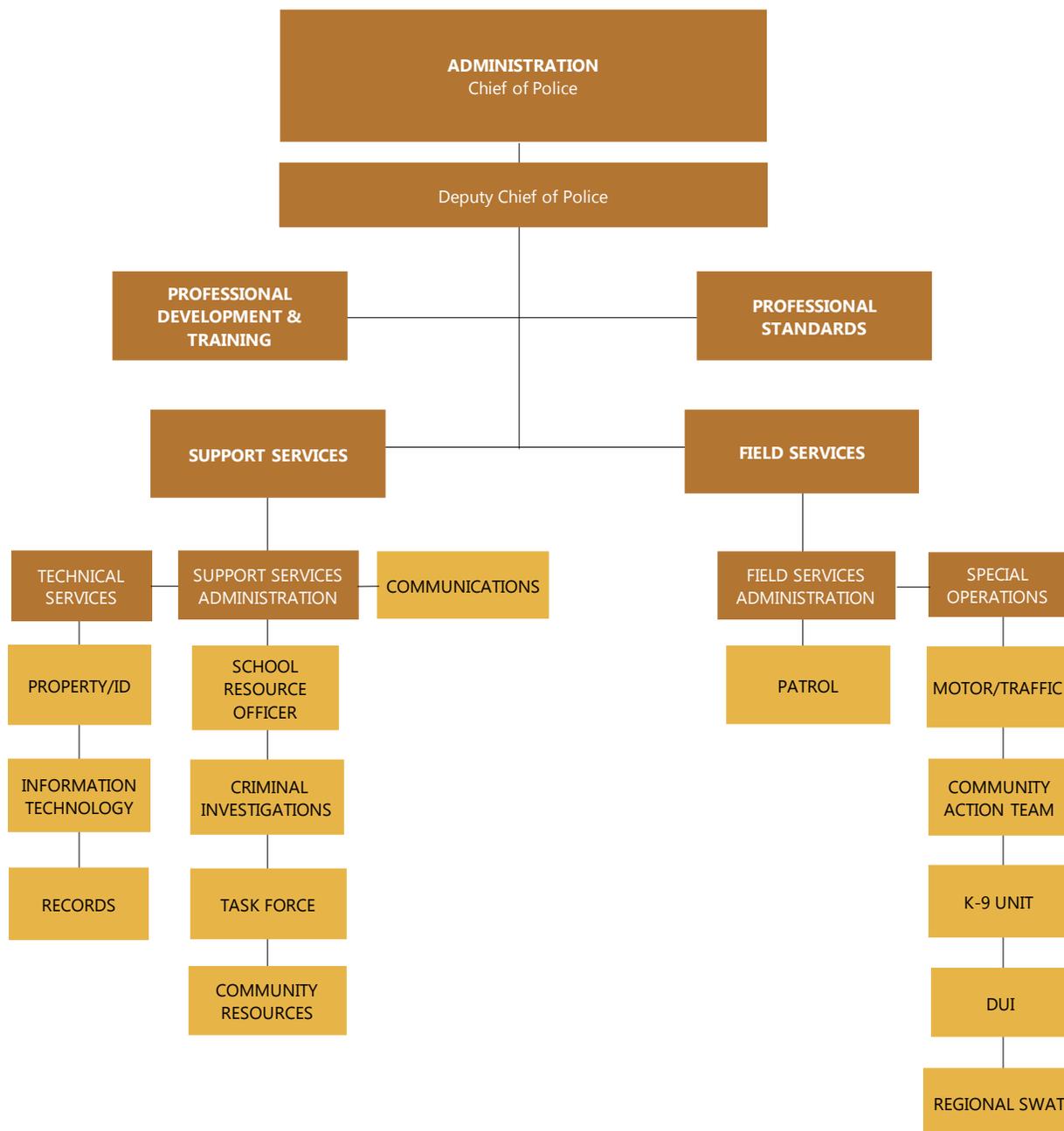
	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
Local Sales Taxes	\$ 2,469,464	\$ 2,478,552	\$ 2,313,673	\$ 2,492,960	0.6%
Charges for Services	4,266,869	4,270,053	3,734,208	4,479,650	4.9%
Miscellaneous	16,179	-	12,390	126,000	0.0%
<b>Total Revenues</b>	<b>\$ 6,752,511</b>	<b>\$ 6,748,605</b>	<b>\$ 6,060,271</b>	<b>\$ 7,098,610</b>	<b>5.2%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay increased 956% for the Golf Course Irrigation CIP project.

# 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

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## 2019-2020 MAJOR ACCOMPLISHMENTS

- Conducted department wide training of sworn personnel in Interdiction for the Protection of Children (IPC) to assist officers in identify and assisting a child who may be missing, exploited or at risk of being exploited.
- Conducted department wide training of sworn personnel in Officer Wellness and Suicide prevention to address national trends.
- Provided 15 active shooter response trainings and threat vulnerability risk assessments to non-profits, business, schools and other community groups.
- Established a fully functional back up Emergency Communications Center (ECC) at OVPD for Marana to utilize while their ECC was being worked on. Marana co-operated out of OVPD's ECC for 2 months.
- Collaborated with partner agencies to create the Southern Arizona Law Enforcement Explorer Academy (SALEEA).
- Continued to support back to school and 'Shop with a Cop' programs.
- Continued hosting Coffee with a Cop program at multiple Oro Valley restaurants.
- Implemented a 911 education program, taught by Oro Valley Public Safety Telecommunicators, for local elementary schools.
- Citizen Volunteer Assistants Program (CVAP) members contributed 8,564 volunteer hours during the first three quarters.
- Explorers contributed approximately 500 volunteer hours during the first three quarters.
- Received funding of \$107,000 from the Governor's Office of Highway Safety for overtime and equipment to support DUI enforcement, hazardous moving violation enforcement and participation during Southern Arizona DUI Task Force Operations.
- Awarded funding of \$226,900 from Operation Stonegarden for equipment, overtime and mileage to combat illegal contraband / human smuggling and apprehend terrorists entering the country.
- OVPD officers participated in all eight Southern Arizona DUI Task Force deployments.
- OVPD Public Safety Telecommunicators exceeded national quality assurance expectations, with a yearly average score of 98.21%.

# Police

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Public Safety	<ul style="list-style-type: none"> <li>Continue Regional Approach to Active Shooter Preparedness.</li> <li>Deploy High Visibility Enforcement (HiVE) in high collision areas to address the increasing volume of traffic and associated issues in and around Oro Valley roadways.</li> <li>Analyze Police call, response and service trends/data and develop a responsible short and long-term plan to ensure the community continues to receive high quality public safety services.</li> <li>Implement driver’s training to address contemporary operator issues.</li> <li>Develop and implement the “Return Me Home Safe” concept to assist with the safe return of the population subject to additional hazards associated with Alzheimer’s and dementia.</li> <li>Improve Department preparedness by updating stored and issued personal protective equipment (PPE).</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
HiVE deployments conducted	4	2/mo - 24 total	4		3 per month for total of 36
% of Priority I calls responded to in under five minutes	79%	90%	81%		Please see new measure
% of Priority II calls responded to in under eight minutes	88%	90%	88%		Please see new measure
Interdiction for the Protection of Children (IPC)		Implement by June 30, 2020	Dept wide training Completed January 2020		
Rescue Task Force (RTF) and Active Shooter Preparedness trainings held	6 RTF; 43 Active Shooter		15 active shooter presentation		Ongoing

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Police

PERFORMANCE MEASURES (CONTINUED)	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Adopt-A-Business Program	135 Businesses		138 Businesses		Ongoing
Verbal De-Escalation: Surviving Verbal Conflict		101 certified officers	97 certified officers		
Axon Body Worn Camera Program	All Patrol	Research feasibility for full implementation by June 30, 2020	Expanded to SROs and CAT Squad		
OVPD Social Media – Likes/Followers	5,495 Facebook 3,989 Twitter	Revive Instagram	7,023 Facebook 4,582 Twitter Instagram increased to 1296 followers		
Priority 1 calls for service					Average response time under five minutes, evaluated by quarter
Priority 2 calls for service					Average response time under eight minutes, evaluated by quarter
Driver’s Training					Complete by June 2021
Return Me Home Safe					Complete by June 2021

 **Target Met**  
  **Target Not Met**  
  **Informational Only**  
  **N/A - New/Previous Measure**

# Police

PERFORMANCE MEASURES (CONTINUED)	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
PPE - Complete audit and update issued equipment					Complete by June 2021

PPE - Bring warehoused PPE to meet federally recommended standards

Complete by June 2021

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Police

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>133.13</b>	<b>138.13</b>	<b>138.13</b>	<b>138.13</b>

	Expenditures by Division				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
Administration	\$ 1,373,839	\$ 1,452,336	\$ 1,452,336	\$ 1,278,274	-12.0%
Support Services	6,221,072	6,568,381	6,271,284	6,408,780	-2.4%
Field Services	8,177,873	9,137,667	8,889,628	8,850,075	-3.1%
Professional Dev. & Training	189,152	180,189	187,999	327,252	81.6%
Professional Standards	167,362	192,888	192,738	187,027	-3.0%
	<b>\$ 16,129,298</b>	<b>\$ 17,531,461</b>	<b>\$ 16,993,985</b>	<b>\$ 17,051,408</b>	<b>-2.7%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
Federal Grants	\$ 385,594	\$ 549,543	\$ 377,500	\$ 503,500	-8.4%
Intergovernmental	81,138	180,000	90,000	180,000	0.0%
State Grants	75,022	75,000	75,000	75,000	0.0%
Seizures & Forfeitures	263,643	82,846	54,213	95,789	15.6%
Fingerprinting	16,420	14,000	16,100	4,500	-67.9%
Report Copying	7,470	6,400	6,400	6,500	1.6%
Impound Processing	28,920	15,000	14,000	15,000	0.0%
Other	-	26,210	-	-	-100.0%
	<b>\$ 858,207</b>	<b>\$ 948,999</b>	<b>\$ 633,213</b>	<b>\$ 880,289</b>	<b>-7.2%</b>

# 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.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
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	1.00	-
Administrative Services Manager	1.00	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	-

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 895,166	\$ 896,916	\$ 896,916	\$ 871,965	-2.8%
Operations & Maintenance	478,673	555,420	555,420	406,309	-26.8%
Capital Outlay	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>\$ 1,373,839</b>	<b>\$ 1,452,336</b>	<b>\$ 1,452,336</b>	<b>\$ 1,278,274</b>	<b>-12.0%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 27% due to reductions in insurance costs and various other department reductions.

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Sergeant	3.00	3.00	3.00	3.00	-
School Resource Officer	8.00	9.00	9.00	9.00	-
Detective	7.00	7.00	7.00	7.00	-
Officer	6.00	6.00	6.00	6.00	-
Officer/Special Events Coord.	1.00	1.00	1.00	1.00	-
Telecommunications Manager	1.00	1.00	1.00	1.00	-
Telecommunications Supervisor	2.00	2.00	2.00	2.00	-
Telecommunicator	10.00	10.00	10.00	10.00	-
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	-
Systems Analyst	1.00	1.00	1.00	1.00	-
Crime Scene Tech Supervisor	1.00	1.00	1.00	1.00	-
Crime Scene Technician	2.00	2.00	2.00	2.00	-
Emerg. Mgmt. & Safety Coord.	1.00	-	-	-	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Reserve Officer	0.96	0.96	0.96	0.96	-
<b>Total FTEs</b>	<b>55.21</b>	<b>55.21</b>	<b>55.21</b>	<b>55.21</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 5,927,505	\$ 6,021,856	\$ 5,931,856	\$ 6,008,057	-0.2%
Operations & Maintenance	215,151	255,075	255,075	208,223	-18.4%
Capital Outlay	78,416	291,450	84,353	192,500	-34.0%
<b>Total Expenditures</b>	<b>\$ 6,221,072</b>	<b>\$ 6,568,381</b>	<b>\$ 6,271,284</b>	<b>\$ 6,408,780</b>	<b>-2.4%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay decreased 34% due to reductions in grant related equipment purchases.

## 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Sergeant	8.00	9.00	9.00	8.00	(1.00)
Lead Officer	9.00	9.00	9.00	9.00	-
K-9 Officer	2.00	2.00	2.00	2.00	-
DUI Officer	3.00	3.00	3.00	2.00	(1.00)
Traffic Investigator	-	-	-	1.00	1.00
Motorcycle Officer	5.00	5.00	5.00	3.00	(2.00)
Officer	36.00	39.00	39.00	41.00	2.00
Reserve Officer	1.44	1.44	1.44	1.44	-
Emerg. Mgmt. & Safety Coord.	-	1.00	1.00	1.00	-
Crime Analyst	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	2.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
<b>Total FTEs</b>	<b>70.44</b>	<b>75.44</b>	<b>75.44</b>	<b>74.44</b>	<b>(1.00)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 8,142,935	\$ 9,088,757	\$ 8,840,718	\$ 8,818,865	-3.0%
Operations & Maintenance	34,938	36,910	36,910	31,210	-15.4%
Capital Outlay	-	12,000	12,000	-	-100.0%
<b>Total Expenditures</b>	<b>\$ 8,177,873</b>	<b>\$ 9,137,667</b>	<b>\$ 8,889,628</b>	<b>\$ 8,850,075</b>	<b>-3.1%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay decreased 100% due to one-time purchases in FY19/20.

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Sergeant	-	-	-	1.00	1.00
Training Officer	1.00	1.00	1.00	1.00	-
Reserve Officer	0.48	-	-	-	-
<b>Total FTEs</b>	<b>1.48</b>	<b>1.00</b>	<b>1.00</b>	<b>2.00</b>	<b>1.00</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 131,722	\$ 123,389	\$ 123,389	\$ 280,252	127.1%
Operations & Maintenance	57,430	56,800	64,610	47,000	-17.3%
<b>Total Expenditures</b>	<b>\$ 189,152</b>	<b>\$ 180,189</b>	<b>\$ 187,999</b>	<b>\$ 327,252</b>	<b>81.6%</b>

### Expenditure and Staffing Changes

#### Personnel

Personnel costs increases 127% due to moving of personnel between police divisions to provide enhanced community service.

## Police – Professional Standards

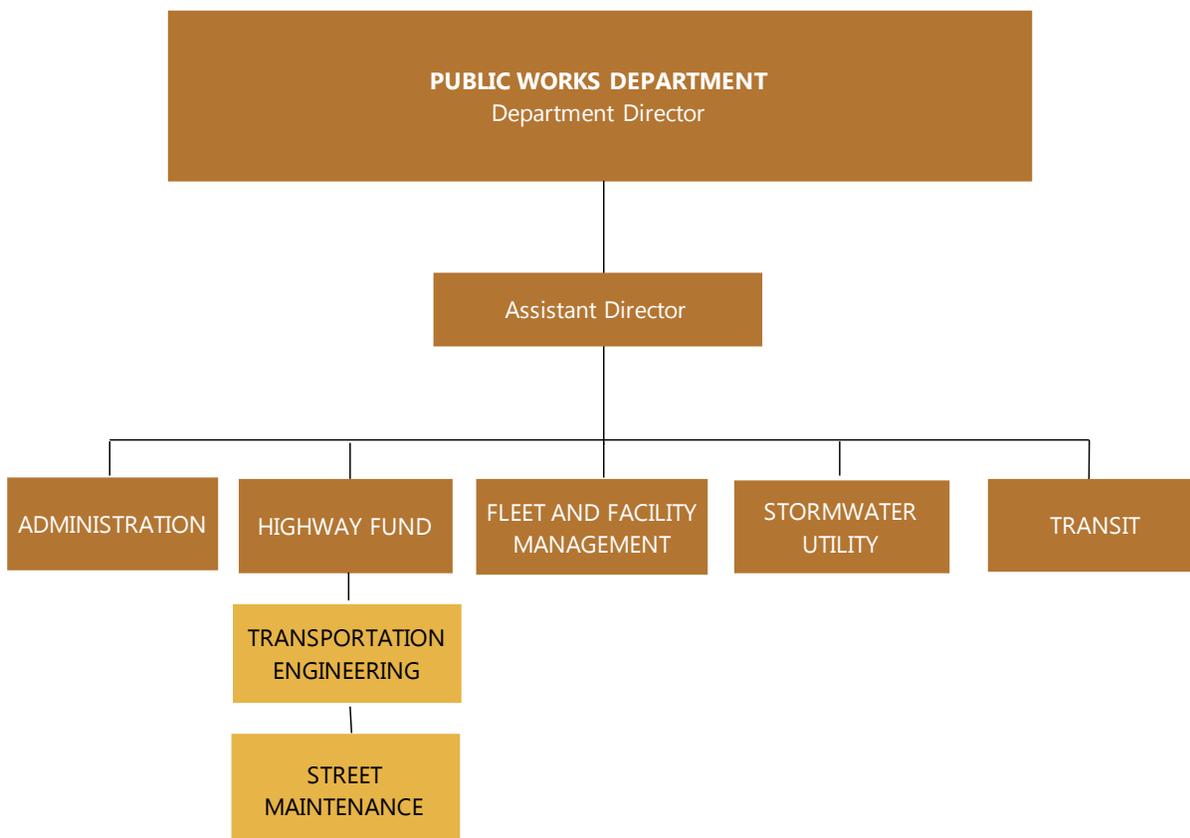
### OVERVIEW

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.

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
Sergeant	1.00	1.00	1.00	1.00	-
Reserve Officer	-	0.48	0.48	0.48	-
<b>Total FTEs</b>	<b>1.00</b>	<b>1.48</b>	<b>1.48</b>	<b>1.48</b>	<b>-</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 150,260	\$ 183,238	\$ 183,238	\$ 174,647	-4.7%
Operations & Maintenance	17,102	9,650	9,500	12,380	28.3%
<b>Total Expenditures</b>	<b>\$ 167,362</b>	<b>\$ 192,888</b>	<b>\$ 192,738</b>	<b>\$ 187,027</b>	<b>-3.0%</b>

# Public Works



## OVERVIEW

The Public Works Department is organized into five functional areas: Administration, Highway Fund, Fleet and Facility Management, Stormwater, and Transit. Administration manages all the department's activities, non-fund specific capital projects and capital project management/support to other departments as needed. Highway Fund, which includes Transportation Engineering and Street Maintenance divisions are responsible for road related construction projects as well as routine maintenance. Fleet and Facility Management is responsible for Town facility maintenance including repairs and minor renovations, and fleet maintenance for vehicles and equipment. Stormwater is responsible for management and operation of the Town's Stormwater Utility. Transit is responsible for management and operation of the Sun Shuttle Dial-a-Ride public transit service under contract with the Regional Transportation Authority.

# Public Works

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>70.29</b>	<b>70.29</b>	<b>70.89</b>	<b>70.89</b>

	Expenditures by Fund **				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
General Fund	\$ 3,202,286	\$ 4,826,507	\$ 4,631,486	\$ 4,898,891	1.5%
Highway Fund	2,784,086	4,123,148	4,080,739	3,861,101	-6.4%
Stormwater Utility Fund	1,123,868	3,748,405	1,454,117	1,307,750	-65.1%
	<b>\$ 7,110,240</b>	<b>\$ 12,698,060</b>	<b>\$ 10,166,342</b>	<b>\$ 10,067,742</b>	<b>-20.7%</b>

*Divisions/programs supported by the General Fund include Fleet Maintenance, Facilities Maintenance, Transit and Administration (beginning FY 2020)*

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

	Revenues by Fund **				Variance to Budget
	FY 2019 Actual	FY 2020		FY 2021 Budget	
		Budget	Projected		
General Fund	\$ 1,361,250	\$ 1,545,000	\$ 1,545,000	\$ 1,521,500	-1.5%
Highway Fund	953,861	3,785,907	3,760,851	3,700,929	-2.2%
Stormwater Utility Fund	1,442,639	3,523,000	1,455,862	1,439,000	-59.2%
	<b>\$ 3,757,750</b>	<b>\$ 8,853,907</b>	<b>\$ 6,761,713</b>	<b>\$ 6,661,429</b>	<b>-24.8%</b>

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

# Public Works – Administration

## OVERVIEW

Administration is responsible for department management and oversight, funding and program implementation, contract management, and obtaining reimbursement of outside funding for projects from 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Drafted and prepared the Public Works Continuity of Operations Plan
- Provided oversight, project management and administration to over 105 projects and plan development
- Development and implementation of a town wide Traffic Safety Committee to discuss concerns and issues related to improving safety within the right-of ways and reduce collision and fatalities
- Naranja Park infrastructure development and construction (over 50,000 CY of material moved)

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Identify internal efficiency opportunities for continuous improvement to effect a high performing organization and culture

COUNCIL FOCUS AREA	OBJECTIVE(S)
Effective and Efficient Government	<ul style="list-style-type: none"> <li>• Expand use of process improvement tools through the Town’s internal OV Peak Performance initiative</li> </ul>

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
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Develop at least two standard operating procedures looking for opportunities to improve processes

-

Complete at least two

3 Completed



Complete at least two

Target Met
 Target Not Met
 Informational Only
 N/A - New/Previous Measure

## Public Works – Administration

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
PW Director & Town Engineer	0.50	1.00	1.00	1.00	-
Assistant Public Works Director	1.00	0.75	0.75	0.75	-
Fleet & Facilities Manager	-	-	1.00	1.00	1.00
Operations Division Manager	-	1.00	-	-	(1.00)
Streets & Drainage Op. Super.	-	-	-	1.00	1.00
Streets Maint Superintendent	-	1.00	1.00	-	(1.00)
Streets & Drainage Crew Leader	-	2.00	2.00	2.00	-
Heavy Equipment Operator III	-	1.00	-	-	(1.00)
Heavy Equipment Operator II	-	4.00	5.00	5.00	1.00
Heavy Equipment Operator I	-	1.00	-	-	(1.00)
Administrative Coordinator	0.40	0.40	1.00	1.00	0.60
Office Specialist	-	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>1.90</b>	<b>13.15</b>	<b>12.75</b>	<b>12.75</b>	<b>(0.40)</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ -	\$ 1,205,232	\$ 1,084,597	\$ 1,147,889	-4.8%
Operations & Maintenance		174,170	174,170	132,025	-24.2%
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 1,379,402</b>	<b>\$ 1,258,767</b>	<b>\$ 1,279,914</b>	<b>-7.2%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 24 % due to reductions in insurance costs and other department reductions.

# Public Works – Fleet & Facility Management

## OVERVIEW

Fleet & Facility Maintenance are programs within the Fleet & Facilities Management 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 the Town's buildings and facilities.

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. Fleet costs for the Town's Water Utility and Stormwater Utility are budgeted in the Enterprise Funds.

## 2019-2020 MAJOR ACCOMPLISHMENTS

Between fleet and facilities, over 3700 tasks and projects were completed, among them were:

- Police Department Substation and Evidence Facility
- 680 Fuel Island – Canopy light shield structures
- 680 electrical system assessment
- Sound abatement of select offices in the Administration building.
- Aquatic Center Restroom Floor Resurfacing
- Aquatics Center interior and exterior painting
- Community Center emergency structural beam repair
- Hopi Room improvements
- La Canada Golf Maintenance electrical assessment
- PD Main sally port evaporative cooler replacement
- PD Property Room Renovation
- PWCED Front Counter Safety Remodel
- Town Admin Restroom Renovation and ADA compliance - Exterior
- Town Campus Roof Renewal Project
- Community Center Fire Suppression system emergency repair
- Development of a Preventative Maintenance program with in Cartgraph OMS.
- Building C (Modular) flooring replacement
- Library boiler repair assessment
- Community Center electrical system emergency repair
- PD main station soffits stabilization
- Fleet Management Plan for use of 3rd Bay @ 680 Calle Concordia
- Stayed at or below annual budget allocations
- Developed new preventative fleet maintenance schedule within Cartgraph to decrease the labor hours attributed to manual processing.

# Public Works – Fleet & Facility Management

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Implement and support initiatives and strategies to maintain and enhance the durability, safety and appearance of the Town's fleet and facility assets.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	<ul style="list-style-type: none"> <li>Develop a comprehensive, organization-wide facility space plan concept that maximizes efficiencies and reflects the best use of Town properties for the future</li> <li>Integrate the capital asset replacement and maintenance plan into the Town's capital improvement program</li> <li>Develop and implement a long-term capital improvement plan for all Town fleet</li> <li>Complete necessary routine maintenance tasks to town equipment and vehicles</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Complete annual facility assessment	January 2019	By June 30, 2020	Completed		Integrate into Cartegraph
Operations & maintenance expenditures per square foot of buildings maintained	\$4.88	\$4.99	\$4.91		\$6.31
Develop benchmarks to create a program of continuous performance improvement	-	By June 30, 2020	Annual Fleet Analysis		NA
Develop a fleet plan and annual update to control and reduce vehicle operating costs		By June 30, 2020	Annual Fleet Analysis		NA
Total cost per mile for vehicle repair and maintenance	\$0.33	\$0.50	\$0.21		\$0.25
Maintain fleet availability rate at 95%	100%	90%	100%		100%
Total cost per mile to maintain transit vehicles (repair & fuel only)	\$0.24	\$0.50	\$0.47		\$0.50



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

## Public Works – Fleet & Facility Management

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
PW Director & Town Engineer	0.25	-	-	-	-
Facilities Maintenance Super.	-	-	1.00	1.00	1.00
Operations Division Manager	0.80	-	-	-	-
Facilities Maint Crew Leader	1.00	1.00	1.00	1.00	-
Facilities Maint Technician	3.00	3.00	3.00	3.00	-
Fleet Maint Mechanic III	1.00	1.00	1.00	1.00	-
Fleet Control Specialist	1.00	1.00	1.00	1.00	-
Office Specialist	0.45	-	-	-	-
<b>Total FTEs</b>	<b>7.50</b>	<b>6.00</b>	<b>7.00</b>	<b>7.00</b>	<b>1.00</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 635,595	\$ 497,823	\$ 518,627	\$ 514,299	3.3%
Operations & Maintenance	1,317,130	1,697,400	1,599,171	1,885,750	11.1%
Capital Outlay	85,340	-	13,359	-	0.0%
<b>Total Expenditures</b>	<b>\$ 2,038,065</b>	<b>\$ 2,195,223</b>	<b>\$ 2,131,157</b>	<b>\$ 2,400,049</b>	<b>9.3%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
Other Intergovernmental Revenue	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	0.0%
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>0.0%</b>

# Public Works – Highway Fund

## OVERVIEW

Within the Highway Fund, Public Works 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 signs, striping, intersection signals and lights. In addition, Public Works is responsible for street maintenance, including landscape maintenance, pavement repair, storm readiness and clean-up.

## 2019-2020 MAJOR ACCOMPLISHMENTS

Between transportation and streets maintenance over 2,800 tasks and projects were completed, among them were:

- Continued and accelerated construction on the La Cholla Boulevard roadway widening project
- Over 80 sidewalk and curb repairs
- Completed Shannon Road Design
- Via De La Verbenita cul-da-sac rehabilitation
- La Canada Drive & Moore Road Roundabout construction
- Annual crack sealing over 25 lane miles (over 90,000 LBS)
- Tangerine Road safety access (Safeway Vistoso Plaza)
- Pusch View Lane Mill/Overlay pavement
- La Canada Canada Hills Rectangular Rapid Flashing Beckons (RRFB) Crosswalk
- Annual main line striping completed
- Maintained a pavement overall condition index (OCI) of 76.95.

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community

COUNCIL FOCUS AREA	OBJECTIVE(S)
Roads, Water and Town Assets	<ul style="list-style-type: none"> <li>• Maintain an Overall Condition Index (OCI) rating of 76 for all paved streets</li> <li>• Explore the feasibility of partnering with the Arizona Department of Transportation (ADOT) to improve Oracle Road pavement conditions and traffic signal coordination</li> </ul>

## Public Works – Highway Fund

PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Overall Condition Index rating for all paved streets	70	76	76.95		76
Crack seal 20% of pavement annually throughout town	12%	18%	10.79%*		20%
Road rehabilitation expenditures per paved lane mile	\$18,181	\$29,000	\$27,000		>\$18,000
Restripe 100% of crosswalks, legends and symbols throughout town	90%	100%	90%*		100%
Restripe 100% of roads throughout town	90%	100%	85%*		100%
ADOT partnership on Oracle Road pavement conditions and traffic signal coordination		Hold at least two discussion meetings	Held multiple meetings with ADOT		Hold at least two discussion meetings

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

\* Not achieved due to project priorities and COVID-19.

## Public Works – Highway Fund

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>26.65</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>

Expenditures by Program					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Transportation Engineering	2,474,539	3,821,428	3,779,019	3,512,881	-8.1%
Street Maintenance	309,547	301,720	301,720	348,220	15.4%
	<b>\$ 2,784,086</b>	<b>\$ 4,123,148</b>	<b>\$ 4,080,739</b>	<b>\$ 3,861,101</b>	<b>-6.4%</b>

Revenue Sources					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
HURF Gas Taxes	\$ 3,563,828	\$ 3,604,407	\$ 3,513,856	\$ 3,458,929	-4.0%
Licenses and Permits		-	-	25,000	0.0%
State Grants	127,008	180,000	180,000	210,000	16.7%
Interest Income		-	3,168	5,000	0.0%
Miscellaneous	1,137	1,500	63,827	2,000	33.3%
	<b>\$ 3,691,973</b>	<b>\$ 3,785,907</b>	<b>\$ 3,760,851</b>	<b>\$ 3,700,929</b>	<b>-2.2%</b>

# Public Works – Transportation Engineering

## Highway Fund

### 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.

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Engineering Division Manager	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	-
Senior Civil Engineer Tech	3.00	3.00	3.00	3.00	-
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	1.00	1.00	1.00	1.00	-
Traffic Technician	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Crew Leader	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-
Construction Inspector	3.00	3.00	3.00	3.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	<b>15.00</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 1,282,639	\$ 1,378,198	\$ 1,378,198	\$ 1,387,651	0.7%
Operations & Maintenance	246,745	282,730	240,321	294,730	4.2%
Capital Outlay	945,155	2,160,500	2,160,500	1,830,500	-15.3%
<b>Total Expenditures</b>	<b>\$ 2,474,539</b>	<b>\$ 3,821,428</b>	<b>\$ 3,779,019</b>	<b>\$ 3,512,881</b>	<b>-8.1%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay decreased 15% due to reductions in CIP road projects.

# Public Works – Street Maintenance

## Highway Fund

### OVERVIEW

Street Maintenance is responsible for maintaining the town's streets and drainage ways. *Beginning FY 19/20, personnel associated with this division have shifted to Administration.*

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Operations Division Manager	0.20	-	-	-	-
Streets Maint Superintendent	1.00	-	-	-	-
Streets & Drainage Crew Leader	2.00	-	-	-	-
Heavy Equipment Operator III	1.00	-	-	-	-
Heavy Equipment Operator II	4.00	-	-	-	-
Heavy Equipment Operator I	1.00	-	-	-	-
Office Specialist	0.55	-	-	-	-
<b>Total FTEs</b>	<b>9.75</b>	-	-	-	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Operations & Maintenance	309,547	301,720	299,623	348,220	15.4%
Capital Outlay	-	-	2,097	-	0.0%
<b>Total Expenditures</b>	<b>\$ 309,547</b>	<b>\$ 301,720</b>	<b>\$ 301,720</b>	<b>\$ 348,220</b>	<b>15.4%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & maintenance increased 15% due to increased street maintenance costs.

# 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Successfully awarded state grant funds ADOT 5310 program to reimburse lift preventative maintenance
- Prior to COVID-19 pandemic-increased ridership by an average of 150 riders per month from 2019
- Prior to COVID-19 pandemic-decreased mileage per month by an average of 300 miles from 2019
- Improved accident prevention rate from 1 per 47k miles (2019) to 1 per 65k miles (2020)
- Delivered 100% of all service request throughout the COVID-19 pandemic

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	Partner with the Regional Transportation Authority (RTA) in evaluating long-term transportation needs for future RTA continuation, ensuring Oro Valley’s needs are fairly represented				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Develop plan to update and renew three-year Intergovernmental Agreement (IGA) with RTA for continued support of the Sun Shuttle Dial-a-Ride		By June 30, 2020	By Dec 30, 2019 New IGA		NA
Meet service levels of the community by fulfilling 100% of requested reservations	100%	100%	100%		100%

Target Met    
 Target Not Met    
 Informational Only    
 N/A    
 N/A - New/Previous Measure

# Public Works – Transit Services

## STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town’s financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	<ul style="list-style-type: none"> <li>Explore opportunities to broaden revenue diversity to improve the Town’s long-term financial stability</li> <li>Continue to align the annual budget and associated work plans with conservatively forecasted revenues</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Total cost per passenger trip	\$28.07	<\$30.00	\$39.09*		<\$30.00
Maintain a farebox recovery rate of no less than 6.5%	10.3%	>6.5%	6.9%		>6.5%

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

\*COVID-19 ridership drop and impact.

## Public Works – Transit Services

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Personnel</b>					
Senior Transit Crew Leader	1.00	1.00	1.00	1.00	-
Transit 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	19.71	19.71	19.71	19.71	-
Office Assistant	0.96	0.96	0.96	0.96	-
<b>Total FTEs</b>	<b>25.89</b>	<b>25.89</b>	<b>25.89</b>	<b>25.89</b>	<b>-</b>

	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
<b>Expenditures</b>					
Personnel	\$ 1,097,519	\$ 1,165,182	\$ 1,165,182	\$ 1,150,182	-1.3%
Operations & Maintenance	52,804	68,200	61,380	51,946	-23.8%
Capital Outlay	13,898	18,500	15,000	16,800	-9.2%
<b>Total Expenditures</b>	<b>\$ 1,164,221</b>	<b>\$ 1,251,882</b>	<b>\$ 1,241,562</b>	<b>\$ 1,218,928</b>	<b>-2.6%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
RTA Reimbursement	\$ 1,223,125	\$ 1,385,000	\$ 1,385,000	\$ 1,380,000	-0.4%
Farebox	138,125	140,000	140,000	121,500	-13.2%
<b>Total Revenues</b>	<b>\$ 1,361,250</b>	<b>\$ 1,525,000</b>	<b>\$ 1,525,000</b>	<b>\$ 1,501,500</b>	<b>-1.5%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

Operations & Maintenance decreased 13% due to department reductions caused by the COVID-19 pandemic.

# 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Revised the Drainage Criteria Manual
- Further developed the ten-year capital improvement program for Stormwater
- Developed the stormwater pollution prevention plan (SWPPP) inspection & tracking program
- Further developed the Municipal Separate Storm Sewer System (MS4) program
- Further developed town wide stormwater asset inspections and tracking system
- Submitted Pre-Disaster Mitigation Grant (PDM) application for Highland Wash
- Completed Highland, North Ranch, and Carmack Wash Watershed Studies with our partners at Pima County Regional Flood Control District
- Completed Arizona Disaster Emergency Mitigation Assistance Grant (ADEMA) of \$220K for Lambert Lane drainage CIP project Phase 2, east of Cross Road

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Land Use	Update the Drainage Criteria Manual in the Town's Stormwater Code and Floodplain Ordinance to incentivize commercial property maintenance of drainage facilities and minimize pollutant runoff				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Revise the Drainage Criteria Manual to approved content of findings		By June 30, 2020	By June 30, 2020		Public Outreach and Final



## Public Works - Stormwater Utility

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	High-quality and well-maintained Town assets, including streets, infrastructure and facilities				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Percentage of Stormwater assets inspected annually (20% required by law)	75%	20%	20%		20%
Design and build second Lambert Lane drainage repair CIP project		By June 30, 2020	By March 30, 2020		NA

### STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town's financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	Continue to align the annual budget and associated work plans with conservatively forecasted revenues				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Maintain cash reserves in the Stormwater Utility Fund of at least 15% of the collected annual stormwater fees *	50.6%	At least 15%	56.8%		At least 15%
Conduct annual rate review by October 30	Oct. 25, 2018	Oct. 30, 2019	Sept. 18, 2019		Oct. 30, 2020

\*Calculations do not include cash reserves balance dedicated to future vehicle equipment replacement.

 Target Met
  Target Not Met
  Informational Only
  N/A - New/Previous Measure

## Public Works - Stormwater Utility

Personnel	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
PW Director & Town Engineer	0.25	-	-	-	-
Assistant Public Works Director	-	0.25	0.25	0.25	-
Stormwater Utility Division Mgr	1.00	1.00	1.00	1.00	-
Senior Stormwater Engineer	1.00	1.00	1.00	1.00	-
Streets & Drainage Op. Supervisor	-	-	-	1.00	1.00
Stormwater Field Superintendent	1.00	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	3.00	3.00	3.00	3.00	-
Office Specialist				1.00	1.00
Office Assistant	1.00	1.00	1.00	-	(1.00)
<b>Total FTEs</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 695,011	\$ 785,580	\$ 758,017	\$ 830,507	5.7%
Operations & Maintenance	377,495	491,825	388,215	433,243	-11.9%
Capital Outlay	51,362	2,471,000	307,885	44,000	-98.2%
<b>Total Expenditures</b>	<b>\$ 1,123,868</b>	<b>\$ 3,748,405</b>	<b>\$ 1,454,117</b>	<b>\$ 1,307,750</b>	<b>-65.1%</b>

	Revenue Sources				Variance to Budget
	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	
Charges for Services	\$ 1,426,036	\$ 1,422,000	\$ 1,438,000	\$ 1,438,000	1.1%
State Grants	-	2,100,000	-	-	-100.0%
Miscellaneous	210	-	10	-	0.0%
Interest Income	16,393	1,000	17,852	1,000	0.0%
<b>Total Revenues</b>	<b>\$ 1,442,639</b>	<b>\$ 3,523,000</b>	<b>\$ 1,455,862</b>	<b>\$ 1,439,000</b>	<b>-59.2%</b>

### Expenditure and Staffing Changes

#### Operations & Maintenance

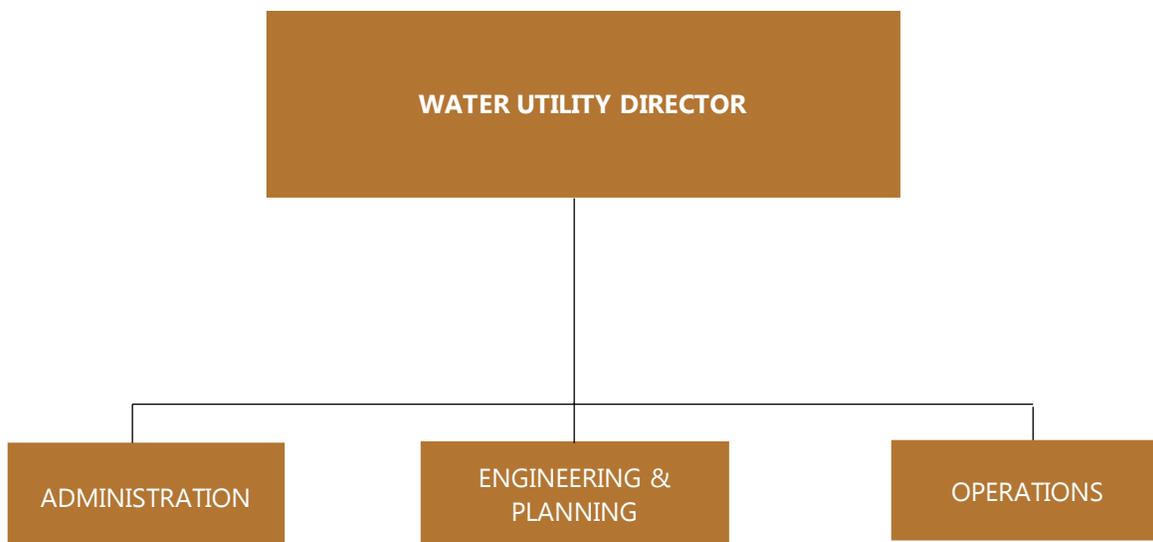
Operations & Maintenance decreased 12% due to department reductions caused by the COVID-19 pandemic.

#### Capital Outlay

Capital Outlay decreased 98% due to reduced grant funding for capital related projects.

# Water Utility

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## 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.

## 2019-2020 MAJOR ACCOMPLISHMENTS

- Delivered a combined total of 2.90 billion gallons of water to our customers
- 47% of the total deliveries were water supplies other than groundwater
  - 841 million gallons of CAP water
  - 597 million gallons of reclaimed water
- Utilized our full allocation of 10,305 acre feet of CAP water for potable use and recharge
- Pumped 1,764 acre feet of groundwater less than the estimated sustainable production rate
- Took 3,820 water quality samples with all results meeting regulatory requirements
- 273 new metered connections for a total customer base of 20,481 connections
- 533 elementary students participated in the Youth Water Conservation Education program
- Performed 50 water conservation audits (7 more than last year)
- Participated in the Wilson Elementary Schools' STEM fair
- The WaterSmart customer portal has 5,638 registered users and has provided over 7,000 leak alerts directly to our customers
- Completed the 2019 reclaimed water cost allocation analysis
- Developed an updated reclaimed water cost allocation model

# Water Utility

## 2020-2021 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

### STRATEGIC LEADERSHIP PLAN GOAL

Provide a high quality, safe and reliable water supply that meets the long-term needs of the community while considering the natural environment

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	<ul style="list-style-type: none"> <li>Reduce groundwater pumping to further preserve groundwater supplies by maximizing Central Arizona Project (CAP) water deliveries and existing infrastructure</li> <li>Expand education and outreach programs to communicate with residents and businesses about incorporating effective water conservation strategies at home and at work</li> <li>Align the Town of Oro Valley’s water code with regional and state drought contingency plans and other best management practices and present to the Town Council for adoption</li> </ul>				
PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Groundwater pumped	5,213 AF	≤ 5,000 AF	4,596 AF		≤ 5,000 AF
CAP water delivered	2,098 AF	≥ 2,500 AF	2,579		≥ 2,500 AF
Water Conservation Plan	-	-	-		Development of formal plan in effort to reduce gallons used per capita per day
Increase customer contacts in WaterSmart portal	-	-	-		6,000 contacts
Water Code Revisions	-	Commission Approval	Commission Approved		Adoption of code revisions

Target Met    
 Target Not Met    
 Informational Only    
 N/A - New/Previous Measure

## STRATEGIC LEADERSHIP PLAN GOAL

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PERFORMANCE MEASURES	FY 2019 ACTUALS	FY 2020 TARGET	FY 2020 RESULT	FY 2020 STATUS	FY 2021 TARGET
Years’ worth of Long Term Storage Credit Reserves	2.60	2.80	2.83		3.00
Compliance with all Arizona Department of Environmental Quality and Arizona Department of Water Resources regulations	Yes	Yes	Yes		Yes
Cash reserves in the Water Utility operating fund as % of combined budget for personnel, O&M and debt service	71.7%	70%	70.1%		60.0%
Debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds of at least 1.3	2.60%	1.30%	3.23%		1.30%

 **Target Met**    
  **Target Not Met**    
  **Informational Only**    
  **N/A - New/Previous Measure**

# Water Utility

Total FTEs			
FY 2019 Actual	FY 2020		FY 2021 Budget
	Budget	Projected	
<b>39.48</b>	<b>39.48</b>	<b>39.48</b>	<b>40.48</b>

Expenditures by Division					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 9,294,400	\$ 12,346,477	\$ 11,502,121	\$ 13,562,571	9.8%
Engineering and Planning	798,367	5,120,064	3,940,809	3,472,841	-32.2%
Operations	3,965,488	4,596,008	4,849,344	4,693,383	2.1%
	<b>\$ 14,058,255</b>	<b>\$ 22,062,549</b>	<b>\$ 20,292,274</b>	<b>\$ 21,728,795</b>	<b>-1.5%</b>

Revenue Sources					
	FY 2019 Actual	FY 2020		FY 2021 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 3,062,457	\$ 3,262,700	\$ 3,219,500	\$ 3,086,500	-5.4%
Interest Income	195,894	63,000	130,000	75,000	19.0%
Miscellaneous	3,074,466	-	185,050	-	0.0%
Bond Proceeds	-	2,305,000	1,500,000	2,942,995	27.7%
Water Sales	12,413,502	13,714,000	13,434,000	13,078,000	-4.6%
	<b>\$ 18,746,319</b>	<b>\$ 19,344,700</b>	<b>\$ 18,468,550</b>	<b>\$ 19,182,495</b>	<b>-0.8%</b>

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 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)
Customer Service Specialist	4.00	4.00	4.00	4.00	-
Customer Service Representative	0.48	0.48	0.48	0.48	-
Water Utility Analyst	-	-	1.00	1.00	1.00
Water Conservation Specialist	1.00	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>9.48</b>	<b>9.48</b>	<b>9.48</b>	<b>9.48</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 727,601	\$ 837,039	\$ 869,096	\$ 827,256	-1.2%
Operations & Maintenance	7,550,968	5,776,413	4,900,000	5,604,539	-3.0%
Capital Outlay	22,098	-	-	150,000	0.0%
Debt Service	991,152	5,730,553	5,730,553	4,775,055	-16.7%
Other Financing Uses	2,581	2,472	2,472	2,205,721	89128.2%
<b>Total Expenditures</b>	<b>\$ 9,294,400</b>	<b>\$ 12,346,477</b>	<b>\$ 11,502,121</b>	<b>\$ 13,562,571</b>	<b>9.8%</b>

### Expenditure and Staffing Changes

#### Other Financing Uses

Other Financing uses increased due to a budgeted transfer to the water impact fee fund.

# 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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Engineering & Planning Manager	1.00	1.00	1.00	1.00	-
Project Manager	1.00	-	-	-	-
Senior Engineering Associate	-	2.00	2.00	2.00	-
Engineering Design Reviewer	1.00	-	-	-	-
Construction Inspector	2.00	2.00	2.00	2.00	-
Civil Engineering Technician	1.00	1.00	1.00	1.00	-
<b>Total FTEs</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	-

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 581,452	\$ 584,196	\$ 520,557	\$ 591,256	1.2%
Operations & Maintenance	164,952	220,252	220,252	210,585	-4.4%
Capital Outlay	51,963	4,315,616	3,200,000	2,671,000	-38.1%
<b>Total Expenditures</b>	<b>\$ 798,367</b>	<b>\$ 5,120,064</b>	<b>\$ 3,940,809</b>	<b>\$ 3,472,841</b>	<b>-32.2%</b>

### Expenditure and Staffing Changes

#### Capital Outlay

Capital Outlay decreased 38% due to the cost associated with the current year CIP program.

# Water Utility - Operations

## OVERVIEW

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 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Water Operations Manager	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	1.00	1.00	-
Lead Water Utility Operator	3.00	3.00	3.00	3.00	-
Water Control Systems Supervisor	-	-	1.00	1.00	1.00
Electric & Control Technician	1.00	1.00	-	-	(1.00)
Instrumentation & Control Tech.	-	-	-	1.00	1.00
Meter Operations Supervisor	1.00	1.00	1.00	1.00	-
Water Utility Operator III	8.00	8.00	8.00	8.00	-
Water Utility Operator II	4.00	4.00	4.00	4.00	-
Water Utility Operator I	4.00	4.00	4.00	4.00	-
<b>Total FTEs</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>25.00</b>	<b>1.00</b>

Expenditures	FY 2019 Actual	FY 2020 Budget	FY 2020 Projected	FY 2021 Budget	Variance to Budget
Personnel	\$ 1,832,439	\$ 1,949,344	\$ 1,949,344	\$ 2,076,843	6.5%
Operations & Maintenance	2,019,033	2,229,552	2,500,000	2,228,918	0.0%
Capital Outlay	114,016	417,112	400,000	387,622	-7.1%
<b>Total Expenditures</b>	<b>\$ 3,965,488</b>	<b>\$ 4,596,008</b>	<b>\$ 4,849,344</b>	<b>\$ 4,693,383</b>	<b>2.1%</b>

### Expenditure and Staffing Changes

#### Personnel

Personnel increased 6.5% for the addition of a new FTE.

#### Capital Outlay

Capital Outlay decreased 7% due to onetime equipment costs in FY19/20.



## CAPITAL IMPROVEMENT PROGRAM

Program Overview  
Projects by Fund  
Project Descriptions



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# Capital Improvement Program (CIP)

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## 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 Leadership 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 prioritizing of all project requests was completed in order to prepare the proposed ten-year CIP. Meetings convened in February for project presentation and evaluation. The ten-year recommendation was submitted to Council for approval and adoption with the Town's final budget in July. A summary of the process and timeline is provided below:

December:	CIP request forms provided to department directors
February:	Department requests due Forms reviewed, cost analysis performed CIP packets distributed Meeting scheduled to present and evaluate project requests
February:	Meeting scheduled to prioritize projects CIP recommendations finalized
May:	Budget study sessions to present budget and CIP to Mayor and Council

# Capital Improvement Program

June: Adoption of Tentative Budget and CIP

July: Adoption of Final Budget and CIP

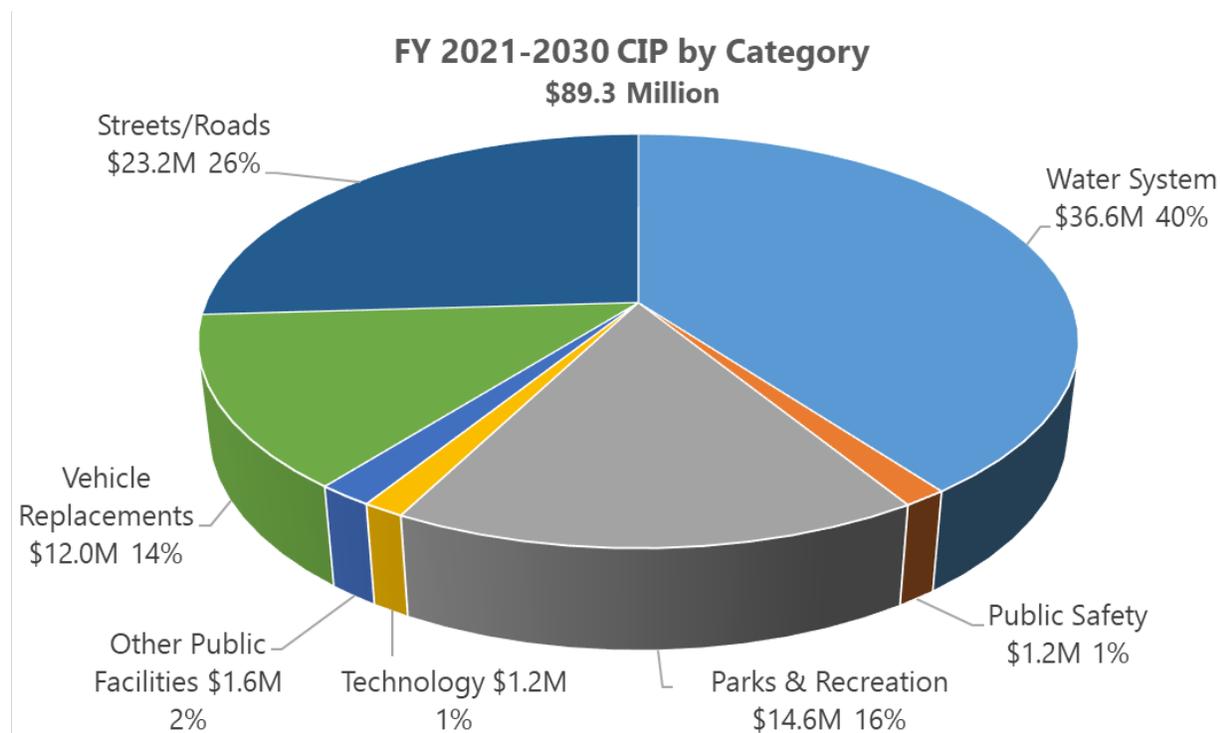
## Project Evaluation Criteria

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 selection of the projects to be funded. The evaluation criteria areas are as follows:

- Public Health, Safety and Welfare – improves or addresses pressing public health, safety, or welfare need
- Supports Stated Community Goals – implements or furthers the policies, goals and objectives of the Town’s General Plan, Strategic Leadership Plan, or other adopted plan
- Fiscal Impact – economic development impact, efficiency improvement, outside or dedicated funding sources, ongoing operating impact
- Service Level Impact – improves service levels or brings the Town up to a desired service level
- Legal Ramifications – exposure to liability actions, applicable regulations
- Relationship to Other Projects – coordination with and/or impacts on other ongoing or prospective projects

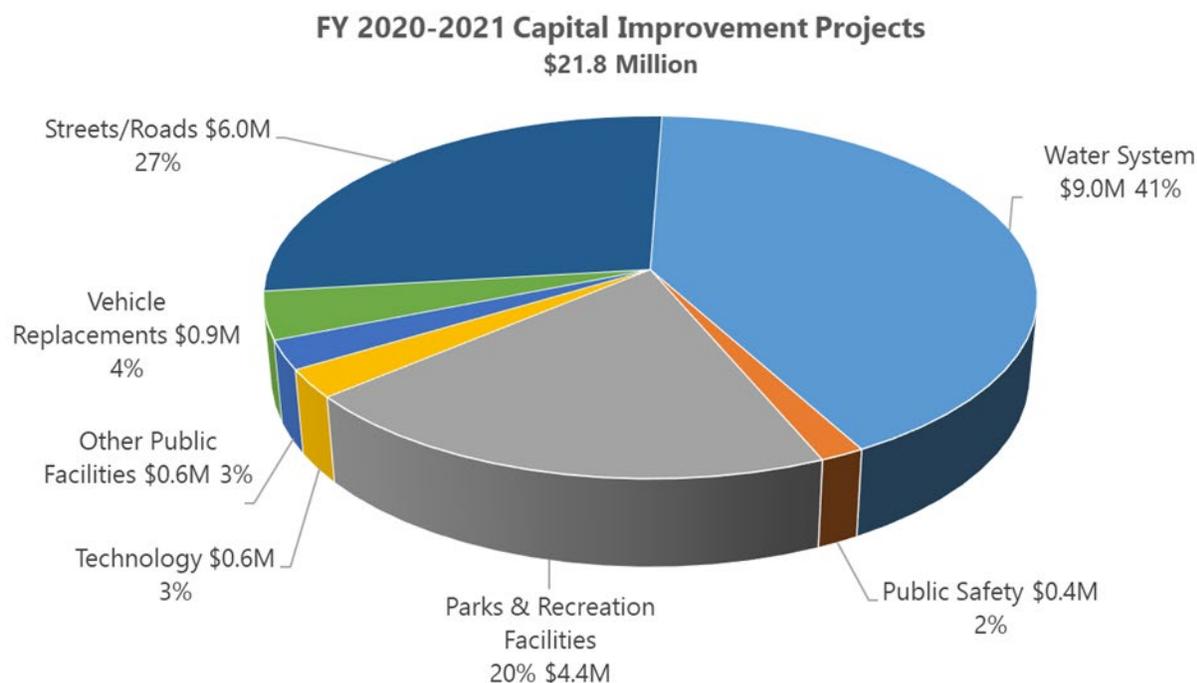
## Capital Improvement Program Summary

The cumulative ten-year CIP for the Town of Oro Valley totals \$89,276,436 for fiscal years 2020-21 through 2029-30. The graph below shows the allocations by category for the given years:



## Capital Improvement Program

The amount allocated for CIP projects in the FY 20/21 budget is \$21,795,287. The graph below shows the allocations by category. The projects included in the FY 20/21 CIP reflect the needs of the Town based on goals established in both the General Plan and Strategic Leadership Plan. The projects represent a significant investment in the infrastructure of the Town and attempt to meet the needs of the community.



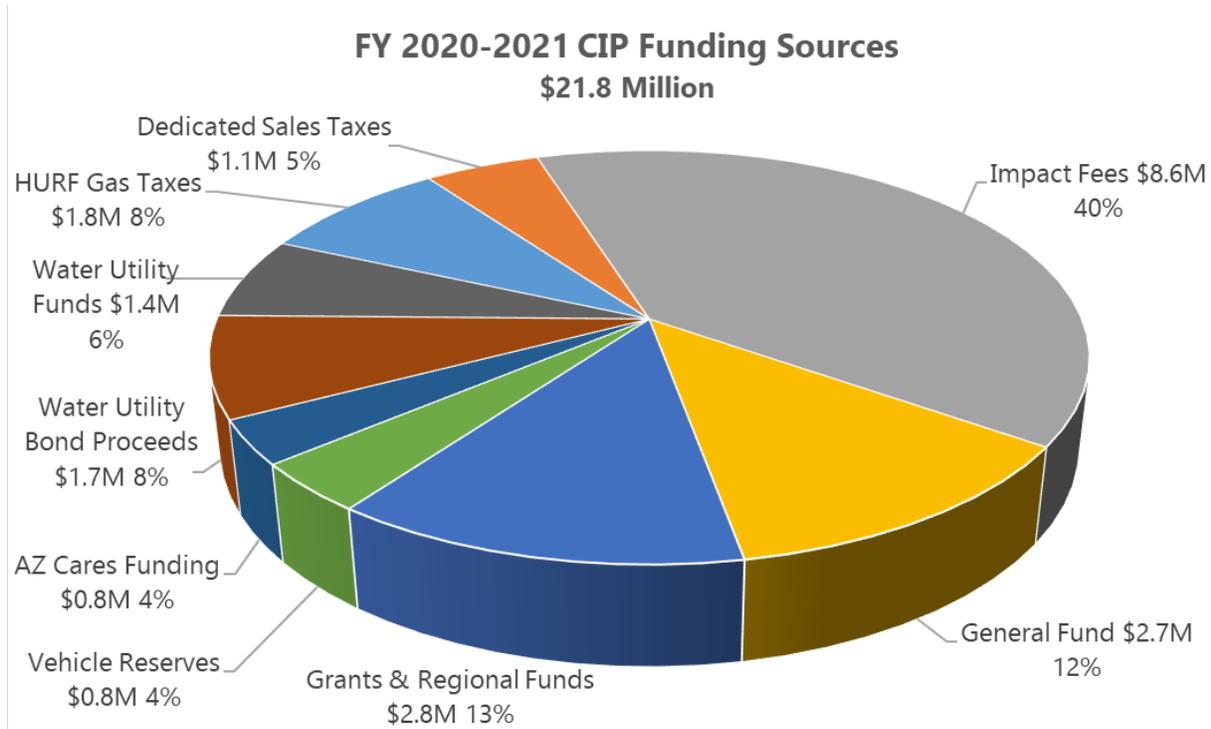
### Financing the Capital Improvement Program

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 19/20 CIP 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 2021-2030 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 20/2 CIP on the Town's overall operating budget:

Project	Impact	Impact \$ Annually
Emergency Communication Console Replacement	Maintenance costs for additional console	\$12,600
Emergency Operations Center Generator	Maintenance and inspection costs	\$3,000
Friends of the Library – Patio & Landscaping	Landscape costs	\$500
Naranja Park Archery Range Restroom	Maintenance and supply costs	\$6,200
Naranja Park Infrastructure	Maintenance, utility and supply costs	\$3,500
Naranja Park Playground	Maintenance, inspection and utility costs	\$1,500
Oro Valley MarketPlace Multi Use Path	Pavement preservation and striping	\$5,000
Riverfront Batting Cage and Bullpen	Maintenance and upkeep	\$500
Steam Pump Ranch Garage	Facility and operating costs	\$12,000
Townhall Sidewalks, ADA & Wayfinding	Maintenance and upkeep	\$500
Golf Course Irrigation	Water and utility savings	(\$25,000)
Ford F4504x2 Sign Truck with Lift gate	Vehicle maintenance costs	(\$2,500)
Sign Truck Replacement and Outfitting	Vehicle maintenance costs	(\$2,500)
Steam Pump Well Drill and Construct	Chlorine and electricity costs	\$5,000
Booster Rehabilitation	Electricity savings	(\$500)
Hydropneumatic Tank Replacement (High Mesa F)	Maintenance costs	(\$500)
Hydropneumatic Tank Replacement (Well F-1)	Maintenance costs	(\$500)
Main Valve Replacements	Maintenance costs	(\$500)
<b>Total</b>		<b>\$18,300</b>

*Note: This list represents projects that were approved for funding in FY 20/21 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.*

### Capital Improvement Program Summary

Projects included in the FY 20/21 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 20/21 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.

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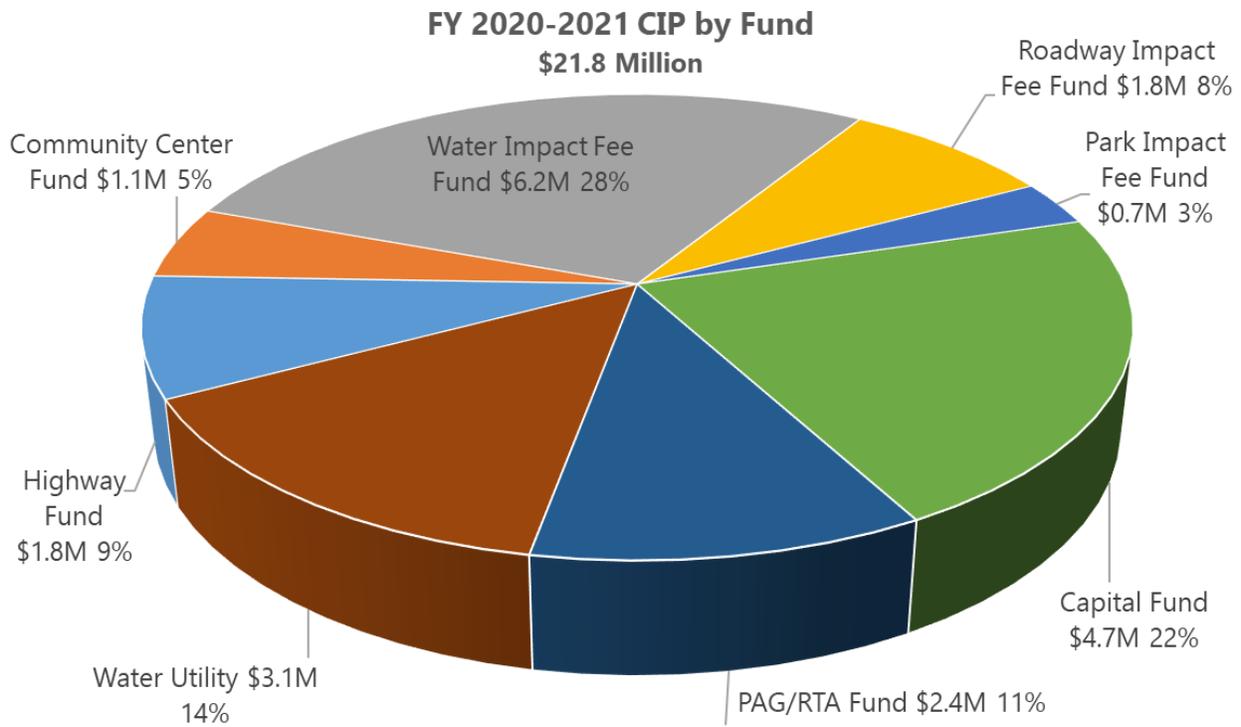
# Capital Improvement Program

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 while Table 2 identifies individual projects by fund.

**Table 1**

Fund	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26- FY29/30	Total
Highway Fund	\$ 1,820,000	\$ 3,050,345	\$ 1,926,109	\$ 1,719,988	\$ 1,831,903	\$ 9,116,949	\$ 19,465,294
Community Center Fund	1,100,000	2,035,000	4,035,000	2,090,000	90,000	-	9,350,000
Water Impact Fee Fund	6,158,000	3,580,193	1,070,193	12,020,000	500,000	-	23,328,386
Roadway Impact Fee Fund	1,800,000	450,000	450,000	-	-	-	2,700,000
Park Impact Fee Fund	685,000	-	-	500,000	500,000	-	1,685,000
Capital Fund	4,744,666	2,788,390	1,317,000	2,216,579	1,430,000	6,133,500	18,630,135
PAG/RTA Fund	2,365,000	-	-	75,000	-	75,000	2,515,000
Water Utility	3,122,621	1,677,000	1,925,000	2,564,000	2,064,000	250,000	11,602,621
<b>Grand Total</b>	<b>\$ 21,795,287</b>	<b>\$ 13,580,928</b>	<b>\$ 10,723,302</b>	<b>\$ 21,185,567</b>	<b>\$ 6,415,903</b>	<b>\$ 15,575,449</b>	<b>\$ 89,276,436</b>



# Capital Improvement Program

Table 2

Project Title	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
<b>Capital Fund</b>	<b>4,744,666</b>	<b>2,788,390</b>	<b>1,317,000</b>	<b>2,216,579</b>	<b>1,430,000</b>	<b>1,492,250</b>	<b>1,252,250</b>	<b>1,192,250</b>	<b>1,092,250</b>	<b>1,104,500</b>	<b>\$ 18,630,135</b>
680 Admin Building Remodel		102,000									\$ 102,000
680 Maintenance Bay		125,000									\$ 125,000
Admin Building Basement Remodel		100,000									\$ 100,000
Admin Building Reconfiguration		200,000									\$ 200,000
Backups Replacement	200,000										\$ 200,000
Community Center Elevator	750,000										\$ 750,000
Council Chamber AV Upgrades		105,000									\$ 105,000
Council Chambers Furniture		55,000									\$ 55,000
Emergency Comm Center Console Replace	220,000										\$ 220,000
EOC Generator	133,566										\$ 133,566
Friends of Oro Valley Library - Patio & Landscaping	250,000										\$ 250,000
Motorola APX6000 Portable Radio Replacement				335,000	335,000						\$ 670,000
Naranja Park Archery Range Restroom	160,000										\$ 160,000
Naranja Park Infrastructure	200,000										\$ 200,000
OV MarketPlace MUP	400,000										\$ 400,000
OVAC Pump Room Upgrades		247,000	247,000	247,000							\$ 741,000
OVPD Main Soffit Repair	50,000										\$ 50,000
Parks & Rec Needs Assessment Amenities	300,000										\$ 300,000
Pavement Preservation Non-Roads	60,000										\$ 60,000
Permits Replacement	200,000										\$ 200,000
Police Command Post				189,579							\$ 189,579
Pusch Tennis Stairs			75,000								\$ 75,000
Rancho Vistoso Blvd. Street Lights		325,000									\$ 325,000
Replacement of E-Citation and Crash Report Software		150,390									\$ 150,390
Replacement Phone System						300,000					\$ 300,000
Riverfront Bating Cage & Bullpen	140,000										\$ 140,000
Server OS Upgrade		50,000					60,000				\$ 110,000
Steam Pump Ranch BBQ Building Renovation		200,000									\$ 200,000
Steam Pump Ranch Garage	550,000										\$ 550,000
Steam Pump Ranch Improvements				250,000	150,000	100,000	100,000	100,000			\$ 700,000
Tennis Court Resurfacing	90,000										\$ 90,000
Town Hall Parking Lot		184,000									\$ 184,000
Town Hall Sidewalks, ADA & Wayfinding Improvements	200,000										\$ 200,000
Town wide Facility Improvements			50,000	50,000							\$ 100,000
Upgrade Desktop Operating System				200,000							\$ 200,000
Vehicle Replacement Program	841,100	945,000	945,000	945,000	945,000	1,092,250	1,092,250	1,092,250	1,092,250	1,104,500	\$ 10,094,600

# Capital Improvement Program

Table 2 cont.

Project Title	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
<b>Community Center Fund</b>	<b>1,100,000</b>	<b>2,035,000</b>	<b>4,035,000</b>	<b>2,090,000</b>	<b>90,000</b>						<b>\$ 9,350,000</b>
Community Center Improvements			2,000,000	2,000,000							\$ 4,000,000
Community Center Parking Lot		395,000	395,000								\$ 790,000
Golf Course Irrigation	1,100,000	1,550,000	1,550,000								\$ 4,200,000
Tennis Court Resurfacing		90,000	90,000	90,000	90,000						\$ 360,000
<b>Highway Fund</b>	<b>1,820,000</b>	<b>3,050,345</b>	<b>1,926,109</b>	<b>1,719,988</b>	<b>1,831,903</b>	<b>1,838,558</b>	<b>1,850,307</b>	<b>1,802,149</b>	<b>1,794,087</b>	<b>1,831,848</b>	<b>\$ 19,465,294</b>
Illuminated Street Signs		55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	\$ 495,000
Lambert Lane Pavement Overlay to La Cholla	320,000										\$ 320,000
Pavement Preservation Program	1,500,000	1,445,345	1,411,109	1,459,988	1,456,903	1,468,558	1,480,307	1,492,149	1,504,087	1,511,848	\$ 14,730,294
Planned Heavy Equipment Replacement		150,000	410,000	155,000	270,000	165,000	165,000	105,000	85,000	115,000	\$ 1,620,000
Shannon Road - Lambert to Naranja Drive		1,400,000									\$ 1,400,000
Sidewalk Safety Program			50,000	50,000	50,000	150,000	150,000	150,000	150,000	150,000	\$ 900,000
<b>PAG/RTA Fund</b>	<b>2,365,000</b>			<b>75,000</b>			<b>75,000</b>				<b>\$ 2,515,000</b>
Ford F450 4x2 Sign Truck w/ Lift Gate	90,000										\$ 90,000
La Canada Safety Enhancements	200,000										\$ 200,000
La Cholla Blvd Phase II	1,800,000										\$ 1,800,000
PAG TABY Grant	75,000			75,000			75,000				\$ 225,000
Sign Truck Replacement & Outfitting	200,000										\$ 200,000
<b>Park Impact Fees</b>	<b>685,000</b>			<b>500,000</b>	<b>500,000</b>						<b>\$ 1,685,000</b>
Naranja Park Improvements				500,000	500,000						\$ 1,000,000
Naranja Park Playground	685,000										\$ 685,000
<b>Road Development Impact Fees</b>	<b>1,800,000</b>	<b>450,000</b>	<b>450,000</b>								<b>\$ 2,700,000</b>
La Cholla and Moore Intersection Improvement		450,000	450,000								\$ 900,000
La Cholla Blvd Phase II	1,800,000										\$ 1,800,000
<b>Water Impact Fees</b>	<b>6,158,000</b>	<b>3,580,193</b>	<b>1,070,193</b>	<b>12,020,000</b>	<b>500,000</b>						<b>\$ 23,328,386</b>
Moore Road "F" Zone Interconnect		750,000									\$ 750,000
NWRRDS - Independent	2,363,000	830,193	330,193	11,100,000							\$ 14,623,386
NWRRDS - Partnered	3,145,000	2,000,000	740,000	920,000							\$ 6,805,000
Palisades C-Zone Storage Tank and Pipeline					500,000						\$ 500,000
Steam Pump Well Drill and Construct	650,000										\$ 650,000

# Capital Improvement Program

Table 2 cont.

Project Title	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
<b>Water Utility Fund</b>	<b>3,122,621</b>	<b>1,677,000</b>	<b>1,925,000</b>	<b>2,564,000</b>	<b>2,064,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>\$ 11,602,621</b>
4 inch PRV on Rancho Sonora Dr. (Design)	10,000										\$ 10,000
6 inch PRV @ Lambert D-8 (Design)	10,000	70,000									\$ 80,000
Allied Signal Reservoir Replacement	750,000										\$ 750,000
Booster Rehab (2 year - Design)	20,000	20,000	20,000	20,000	20,000						\$ 100,000
Booster Rehab (Construction)		200,000		200,000	400,000						\$ 800,000
Countryside DVA's (Design)					10,000						\$ 10,000
El Con Resort Supply Redundancy	50,000	285,000									\$ 335,000
El Con/Cmo. Diestro Main & Valve Replc. (Const.)	200,000										\$ 200,000
Fire Line Backflow Protection	20,000	20,000	20,000	20,000	20,000						\$ 100,000
Hilton Main Replacement (Design)					75,000						\$ 75,000
Hydropneumatic Tank Replacement (High Mesa "F")	75,000	175,000	175,000	175,000	175,000						\$ 775,000
Hydropneumatic Tank Replacement (Well F-1)	75,000	100,000	100,000	100,000	150,000						\$ 525,000
Instrumentation Replacement	54,000										\$ 54,000
La Canada E-F & E-G Booster Design and Construct		150,000	700,000								\$ 850,000
La Canada Reservoir Booster Station (Woodburn Relocation)	373,000										\$ 373,000
Main Valve Replacements	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	\$ 500,000
Nakoma Sky Replacement Well	738,000										\$ 738,000
Palisades Neighborhood Pipeline Redundancy			50,000	470,000	500,000						\$ 1,020,000
Production Facility Storage and Drainage Improvements	150,000	100,000			200,000						\$ 450,000
Pusch Ridge Estates Main Replacement (Design)					75,000						\$ 75,000
Reservoir Relining		175,000		175,000							\$ 350,000
SCADA Upgrade/Equipment	85,000										\$ 85,000
Utility Billing Software	150,000										\$ 150,000
Water Meters - New Connections	78,621	106,000	102,000	76,000	73,000						\$ 435,621
Water Utility Vehicle Replacement	84,000	76,000	108,000	118,000	76,000						\$ 462,000
Well D-8 Replacement Drill & Construct			450,000	1,010,000							\$ 1,460,000
Well Rehabilitation (D1/CS1)	150,000	150,000	150,000	150,000	240,000						\$ 840,000
<b>Total</b>	<b>21,795,287</b>	<b>13,580,928</b>	<b>10,723,302</b>	<b>21,185,567</b>	<b>6,415,903</b>	<b>3,380,808</b>	<b>3,227,557</b>	<b>3,044,399</b>	<b>2,936,337</b>	<b>2,986,348</b>	<b>\$ 89,276,436</b>

# Capital Improvement Program

The following are detailed descriptions of all projects budgeted for Fiscal Year 2020-2021:

**Project Title:** Backups Replacement

**Project Description:** Update of the Town's backups system

**Project Justification:** The Town's backup system is the primary means of disaster recovery. This project will upgrade the system to recover data from modern attacks such as ransomware, command and control attacks, cryptojacking, and malware



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>

**Post Project Annual Operating Impact**

*No additional costs at this time*

-

**Project Title:** Community Center Elevator

**Project Description:** Design and construction of an elevator at the Town's Community Center

**Project Justification:** Installation of an elevator at the Community Center to increase ADA accessibility to facility



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	750,000	-	750,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>

**Post Project Annual Operating Impact**

*Unknown at this time until final designs are complete*

-

# CIP – Project Descriptions

**Project Title:** Emergency Communication Console Replacement

**Project Description:** Replacement of the five current emergency communications center consoles and adding one additional console

**Project Justification:** The existing 17 year old workstation consoles have reached end of life and are no longer serviceable. Additionally, the 9-1-1- system, radio equipment and other technology platforms utilized have significantly changed and advanced over the past decade



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	220,000	-	220,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>220,000</b>	<b>-</b>	<b>220,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly software and maintenance costs for an additional console:* 12,600

**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	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	12,534	133,566	-	146,100
<b>PROJECT TOTALS</b>	<b>12,534</b>	<b>133,566</b>	<b>-</b>	<b>146,100</b>

**Post Project Annual Operating Impact**

*Estimated yearly maintenance costs:* 3,000

# CIP – Project Descriptions

**Project Title:** Friends Oro Valley Library - Patio & Landscaping

**Project Description:** Create a new outside patio on the North side of the library and update the existing landscaping around the entire building

**Project Justification:** This project request is being requested and fully funded by the Friends of the Oro Valley Library. Because this project is an improvement to Town owned public land/building, the Town must administer the construction



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Friends of Oro Valley Library - Donation	-	250,000	-	250,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>250,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly landscape maintenance costs:* 500

**Project Title:** Naranja Park Archery Range Restroom

**Project Description:** Construction and installation for men and women restroom building at the Naranja Park Archery Range

**Project Justification:** The Archery Range, courses, and surrounding trailheads see thousands of visitors a year. This project would add much needed restroom infrastructure to the area. This project was awarded \$50,000 in grant funding from the AZ Department of Game and Fish



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	110,000	-	110,000
Dept. Game & Fish - Grant	-	50,000	-	50,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>160,000</b>	<b>-</b>	<b>160,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly maintenance and supplies:* 6,200

# CIP – Project Descriptions

**Project Title:** Naranja Park Infrastructure

**Project Description:** New roadway and ramadas, additional paved and lighted parking lots, improve drainage at Naranja Park

**Project Justification:** Service level increase for the general public with safer roadways and parking, and a new ramada picnic area; project is included in Town Council Strategic Leadership Plan



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	541,720	200,000	-	741,720
<b>PROJECT TOTALS</b>	<b>541,720</b>	<b>200,000</b>	<b>-</b>	<b>741,720</b>

#### Post Project Annual Operating Impact

*Estimated yearly maintenance, utility and supplies:* 3,500

**Project Title:** Naranja Park Playground

**Project Description:** Installation of a new, multi-generational, destination playground at Naranja Park

**Project Justification:** Investment in high quality and accessible recreation to serve the community's needs; project is included in Town Council Strategic Leadership Plan



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	23,543	-	-	23,543
Park Impact Fees	-	685,000	-	685,000
<b>PROJECT TOTALS</b>	<b>23,543</b>	<b>685,000</b>	<b>-</b>	<b>708,543</b>

#### Post Project Annual Operating Impact

*Estimated yearly inspection, supplies and utility costs:* 1,500

# CIP – Project Descriptions

**Project Title:** Oro Valley MarketPlace Multi Use Path

**Project Description:** Reconstruct a total of 1.3 miles of multi-use path along the Oro Valley MarketPlace

**Project Justification:** Multi use paths are facilities on the exclusive right-of-way and with minimal cross flow by motor vehicles. This particular path has reach a pavement condition with severe deterioration in need of base repair and safety mitigation due to uneven pavement



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	400,000	-	400,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>400,000</b>

**Post Project Annual Operating Impact**

Estimated yearly pavement preservation and striping costs: 5,000

**Project Title:** OVPD Main Soffit Repair

**Project Description:** Repair Oro Valley Police Department (OVPD) facility soffits (exterior roof structure)

**Project Justification:** The Main OVPD facility's soffits have deteriorated and are falling down. Repair of the soffit will improve the appearance of the facility and prevent animals from nesting in the exposed cavities



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	50,000	-	50,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>

**Post Project Annual Operating Impact**

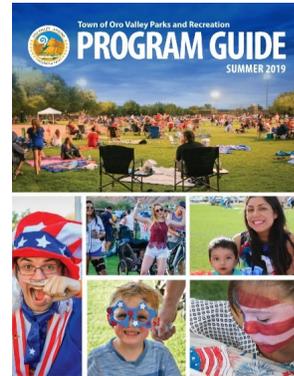
*None anticipated at this time* -

# CIP – Project Descriptions

**Project Title:** Parks & Recreation Needs Assessment Amenities

**Project Description:** Provide capacity to begin community identified needs upon completion of the Parks & Recreation Needs Assessment

**Project Justification:** Upon the completion of the Parks & Recreation Needs Assessment and Master Plan, this will provide funding to begin completed needs identified by the community



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	300,000	-	300,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>300,000</b>

**Post Project Annual Operating Impact**

*Unknown at this time. Dependent on results of Needs Assessment* -

**Project Title:** Pavement Preservation Non-Roads

**Project Description:** Annual pavement preservation program for non-roads. This project consists of applying an asphalt pavement surface treatment to Town owned parking lots and multi-use paths

**Project Justification:** Necessary to preserve and extend the service life of the pavement areas in parking lots and multi use paths



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	60,000	-	60,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>60,000</b>

**Post Project Annual Operating Impact**

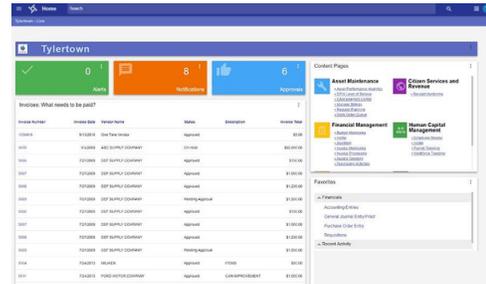
*Program prevents future costly roadway reconstruction and repairs* -

# CIP – Project Descriptions

**Project Title:** Permits System Replacement

**Project Description:** Replacement of the Town's permitting system

**Project Justification:** The current permit system has no planned future development and is in an "as is" state until end of life. Replacing the permitting and code enforcement software will allow growth with Oro Valley's technical needs



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>

**Post Project Annual Operating Impact**

*Unknown at this time. Dependent on software selected*

**Project Title:** Riverfront Batting Cage and Bullpen

**Project Description:** Installation of a covered and lighted hitting cage (3-bays) and bull pend (4-bays) at Riverfront Park. This project is in partnership with the Oro Valley Fast Pitch Softball organization

**Project Justification:** The existing cage is very small and allows for only one athlete to use at a time. The new facility will allow 14 athletes to train/practice at the same time



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	73,000	-	73,000
Outside Agency Funding	-	67,000	-	67,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>140,000</b>	<b>-</b>	<b>140,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly maintenance upkeep:*

500

# CIP – Project Descriptions

**Project Title:** Steam Pump Ranch Garage

**Project Description:** Restoration of historically significant building (garage) at Steam Pump Ranch

**Project Justification:** Project will allow for the Recreation & Culture division to move to Steam Pump Ranch and allow the facility to be open six days a week. Project will add indoor recreation space



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	550,000	-	550,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>550,000</b>	<b>-</b>	<b>550,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly facility and operating costs:* 12,000

**Project Title:** Tennis Court Resurfacing

**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	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	94,431	90,000	-	184,431
Community Center Fund	-	-	360,000	360,000
<b>PROJECT TOTALS</b>	<b>94,431</b>	<b>90,000</b>	<b>360,000</b>	<b>544,431</b>

**Post Project Annual Operating Impact**

*Avoidance of future costly reconstruction costs and potential liability* -

# CIP – Project Descriptions

**Project Title:** Townhall Sidewalks, ADA & Wayfinding

**Project Description:** Repair and replacement of sidewalks in main municipal complex and new entryway signs, directional signs and monument signs to direct pedestrian and vehicular traffic. Project will also include public art at the La Canada entrance

**Project Justification:** Benefit to customers who are visiting Town Hall and for the front office staff who are interrupted to provide building directions to customers



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly upkeep costs:* 500

**Project Title:** Vehicle Replacement Program

**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 annual to fund replacements



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	841,100	9,253,500	10,094,600
Water Utility Fund	-	84,000	378,000	462,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>925,100</b>	<b>9,631,500</b>	<b>10,556,600</b>

**Post Project Annual Operating Impact**

*Reduced maintenance costs as aging fleet vehicles are replaced* -

# CIP – Project Descriptions

**Project Title:** Golf Course Irrigation

**Project Description:** Irrigation system improvements to the 18-hole Conquistador golf course

**Project Justification:** Council direction to start golf course irrigation improvements in May 2021 on the Conquistador course. Work will span two fiscal years (FY20/21 & FY21/22).



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Community Center Fund	-	1,100,000	3,100,000	4,200,000
<b>PROJECT TOTALS</b>	-	<b>1,100,000</b>	<b>3,100,000</b>	<b>4,200,000</b>

**Post Project Annual Operating Impact**

*Estimated yearly water and utility savings:* (25,000)

**Project Title:** Lambert Lane Pavement Overlay to La Cholla

**Project Description:** Construct 5 foot multi-use paved shoulders, apply a stress absorbing membrane and 1.5 inch asphalt overlay between Lambert Lane Park and La Cholla Boulevard

**Project Justification:** This section of Lambert Lane has several distressed pavement sections that need to be removed and replaced, and there are no paved shoulders between Lambert Lane Park and the new La Cholla Boulevard project



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Highway Fund	-	320,000	-	320,000
<b>PROJECT TOTALS</b>	-	<b>320,000</b>	-	<b>320,000</b>

**Post Project Annual Operating Impact**

*Minimal increases anticipated with addition of multi-use path* -

# 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, meeting key elements of the General and Strategic Plans



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Highway Fund	-	1,500,000	13,230,294	14,730,294
<b>PROJECT TOTALS</b>	<b>-</b>	<b>1,500,000</b>	<b>13,230,294</b>	<b>14,730,294</b>

**Post Project Annual Operating Impact**

*Maintaining funding for this program prevents future costly reconstructions* -

**Project Title:** Ford F450 4x2 Sign Truck with Lift Gate

**Project Description:** Replace work truck for Signs & Stripping division

**Project Justification:** Current vehicle has reached end of life and is no longer useable. Current Signs & Stripping team is using a secondary vehicle that was scheduled to go to auction



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	90,000	-	90,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>90,000</b>	<b>-</b>	<b>90,000</b>

**Post Project Annual Operating Impact**

*Estimated savings in annual vehicle maintenance* (2,500)

# CIP – Project Descriptions

**Project Title:** La Canada Safety Enhancements

**Project Description:** Mitigate potential safety issues and increase the intersection's functionality and safety level of service

**Project Justification:** The intersection of La Canada and the Leman school ingress/egress points exhibit a low level of service and as such poses a safety issue. With the upcoming expansion of the school student population coupled with no bus service (100% parent drop-off), this problem will exacerbate



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>

**Post Project Annual Operating Impact**

*None anticipated at this time*

**Project Title:** La Cholla Blvd. from Overton to Tangerine

**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	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Highway Fund	441,782	-	-	441,782
PAG/RTA Fund	22,740,115	1,800,000	-	24,540,115
Roadway Impact Fees	-	1,800,000	-	1,800,000
<b>PROJECT TOTALS</b>	<b>23,181,897</b>	<b>3,600,000</b>	<b>-</b>	<b>26,781,897</b>

**Post Project Annual Operating Impact**

*None for first five years as pavement will be new*

# CIP – Project Descriptions

**Project Title:** PAG TABY Grant

**Project Description:** Design and construct public art with the Town's right-of-ways by local youth

**Project Justification:** Oro Valley has an ongoing commitment to create beautiful surroundings that enhance the quality of life for all who live, work and play in the town. This program allows us to use outside funding to support our Public Art program



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
TABY Grant	-	75,000	150,000	225,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>75,000</b>	<b>150,000</b>	<b>225,000</b>

**Post Project Annual Operating Impact**

*None anticipated at this time*

**Project Title:** Sign Truck Replacement and Outfitting

**Project Description:** Replace current sign truck with a new model and larger bucket

**Project Justification:** Current vehicle is past its useful life. In addition, currently only one technician can be in the bucket at a time which presents a safety issues when hoisting heavy signs and technical equipment



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>

**Post Project Annual Operating Impact**

*Estimated savings in annual vehicle maintenance*

*(2,500)*

# CIP – Project Descriptions

**Project Title:** NW Recharge Recovery Delivery Sys - Independent

**Project Description:** Northwest Recharge & Recovery Delivery System (NWRDRS) - Pipeline, easement acquisition, forebay reservoir & booster station

**Project Justification:** Project supports providing an additional 4,000 Acre-ft. per year of CAP water to the Oro Valley Water Utility Service Area



PIPELINE ALIGNMENT 1  
FIGURE 2  
TOWN OF ORO VALLEY  
2021 CAP WATER PLANNING, DESIGN, AND CONSTRUCTION PROGRAM STUDY  
carroll

SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Impact Fees	304,352	2,363,000	12,260,386	14,927,738
Water Utility Fund	126,294	-	-	126,294
<b>PROJECT TOTALS</b>	<b>430,646</b>	<b>2,363,000</b>	<b>12,260,386</b>	<b>15,054,032</b>

**Post Project Annual Operating Impact**

*Unknown at this time*

**Project Title:** NW Recharge Recovery Delivery Sys - Partnered

**Project Description:** Northwest Recharge & Recovery Delivery System (NWRDRS) - Consultant transmission main & reservoir design

**Project Justification:** Project supports providing an additional 4,000 Acre-ft. per year of CAP water to the Oro Valley Water Utility Service Area



PIPELINE ALIGNMENT 1  
FIGURE 2  
TOWN OF ORO VALLEY  
2021 CAP WATER PLANNING, DESIGN, AND CONSTRUCTION PROGRAM STUDY  
carroll

SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Impact Fees	602,086	3,145,000	3,660,000	7,407,086
Water Utility Fund	266,674	-	-	266,674
<b>PROJECT TOTALS</b>	<b>868,760</b>	<b>3,145,000</b>	<b>3,660,000</b>	<b>7,673,760</b>

**Post Project Annual Operating Impact**

*Unknown at this time*

# CIP – Project Descriptions

**Project Title:** Steam Pump 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:** Addresses growth along Oracle Road; redundant backup supply for future growth



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Impact Fees	756,050	650,000	-	1,406,050
<b>PROJECT TOTALS</b>	<b>756,050</b>	<b>650,000</b>	<b>-</b>	<b>1,406,050</b>

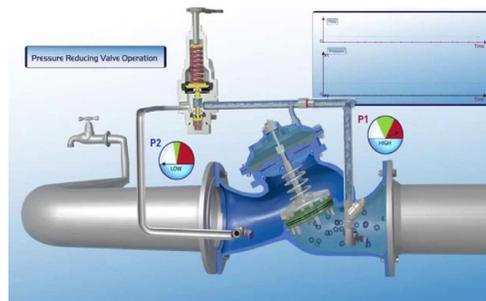
**Post Project Annual Operating Impact**

*Estimated yearly chlorine and electricity costs:* 5,000

**Project Title:** 6 Inch PRV at Lambert D-8

**Project Description:** Design PRV to serve C to B+ Zone with out having to take out of service and to allow for bypass of C+ water to B+ Zone

**Project Justification:** Capital improvement for infrastructure system redundancy, dependency and reliability



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	10,000	-	10,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

**Post Project Annual Operating Impact**

*None Anticipated* -

# CIP – Project Descriptions

**Project Title:** Allied Signal Reservoir Replacement

**Project Description:** Replacement of Allied Signal Reservoir to serve La Reserve Service area

**Project Justification:** Inspections of the reservoir revealed serious structural issues that would eventually lead to reservoir failure. Reservoir rehab costs 80% of reservoir replacement and is the most economical solution over time



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
2018 Utility Bonds	-	750,000	-	750,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>750,000</b>	<b>-</b>	<b>750,000</b>

**Post Project Annual Operating Impact**

*None Anticipated*

-

**Project Title:** Booster Rehabilitation

**Project Description:** Design work of header and pump efficiency evaluation. Construction in FY2021-2022

**Project Justification:** Reinvestment in capital for continued system reliability



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	20,000	80,000	100,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>20,000</b>	<b>80,000</b>	<b>100,000</b>

**Post Project Annual Operating Impact**

*Electricity Savings*

*(500)*

# CIP – Project Descriptions

**Project Title:** El Conquistador Resort Supply Redundancy

**Project Description:** Design portion of system for El Conquistador water supply with increased system reliability

**Project Justification:** Capital improvement for infrastructure system redundancy, dependency and reliability



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	50,000	285,000	335,000
<b>PROJECT TOTALS</b>	-	<b>50,000</b>	<b>285,000</b>	<b>335,000</b>

**Post Project Annual Operating Impact**

*None Anticipated*

**Project Title:** El Con & Cam Diestro Main & Valve Replacement

**Project Description:** Re-design a portion of the distribution system entering El Conquistador to create added redundancy and reliability to system

**Project Justification:** Capital infrastructure investment for a more reliable and efficient distribution system



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	200,000	-	200,000
<b>PROJECT TOTALS</b>	-	<b>200,000</b>	-	<b>200,000</b>

**Post Project Annual Operating Impact**

*None Anticipated*

# CIP – Project Descriptions

**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	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	20,000	80,000	100,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>20,000</b>	<b>80,000</b>	<b>100,000</b>

**Post Project Annual Operating Impact**

*None Anticipated*

**Project Title:** Hydropneumatic Tank Replacement (High Mesa F)

**Project Description:** Rehabilitation of 5,000 gallon Hydro Tank coating, complete refabrication to comply with American Standard of Mechanical Engineers Certified Tank

**Project Justification:** The existing tank is not certified by the American Society of Mechanical Engineers or National Board registered; ultrasonic thickness gauge measurements indicate corrosion inside the tank. Capital reinvestment for system reliability



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
2018 Utility Bonds	-	75,000	700,000	775,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>75,000</b>	<b>700,000</b>	<b>775,000</b>

**Post Project Annual Operating Impact**

*Decrease in maintenance costs due to new infrastructure*

*(500)*

# CIP – Project Descriptions

**Project Title:** Hydropneumatic Tank Replacement (Well F-1)

**Project Description:** Rehabilitation of 5,000 gallon Hydro Tank coating, complete refabrication to comply with American Standard of Mechanical Engineers Certified Tank

**Project Justification:** The existing tank is not certified by the American Society of Mechanical Engineers or National Board registered; ultrasonic thickness gauge measurements indicate corrosion inside the tank. Capital reinvestment for system reliability



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
2018 Utility Bonds	-	75,000	450,000	525,000
<b>PROJECT TOTALS</b>	-	<b>75,000</b>	<b>450,000</b>	<b>525,000</b>

**Post Project Annual Operating Impact**

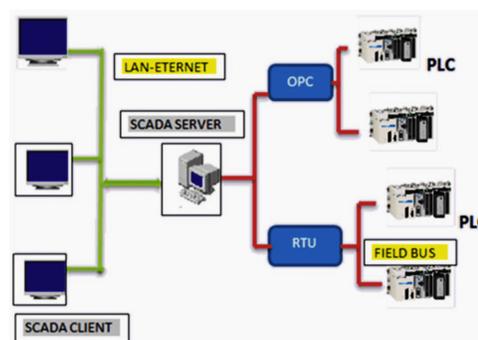
*Decrease in maintenance costs due to new infrastructure*

*(500)*

**Project Title:** Instrumentation Replacement

**Project Description:** SCADA Server and control logics board upgrade of SCADA

**Project Justification:** System reliability and security



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	54,000	-	54,000
<b>PROJECT TOTALS</b>	-	<b>54,000</b>	-	<b>54,000</b>

**Post Project Annual Operating Impact**

*none anticipated*

-

# CIP – Project Descriptions

**Project Title:** Woodshade Booster Station

**Project Description:** Engineering design/build of woodshade evaluating from pressure control to level controlled system and construction of new pumps and header pipe

**Project Justification:** System reliability and efficiency



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	373,000	-	373,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>373,000</b>	<b>-</b>	<b>373,000</b>

**Post Project Annual Operating Impact**

*None anticipated at this time* -

**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 and Strategic Plans



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	50,000	450,000	500,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>50,000</b>	<b>450,000</b>	<b>500,000</b>

**Post Project Annual Operating Impact**

*Decrease in maintenance costs due to new valves* (500)

# CIP – Project Descriptions

**Project Title:** Nakoma Sky Well Replacement

**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	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
2018 Utility Bonds	67,538	738,000	-	805,538
<b>PROJECT TOTALS</b>	<b>67,538</b>	<b>738,000</b>	<b>-</b>	<b>805,538</b>

**Post Project Annual Operating Impact**

*replacement well; none anticipated*

-

**Project Title:** Production Facility Storage & Drainage Improve.

**Project Description:** Modify existing drainage ways and retention basins to comply with the Water Utility's de-minimus permit for discharges while providing additional space to move an existing storage container to the production facility

**Project Justification:** Ensures de-minimus compliance while at the same time transfers material currently stored at the MOC



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	150,000	300,000	450,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>150,000</b>	<b>300,000</b>	<b>450,000</b>

**Post Project Annual Operating Impact**

*none anticipated at this time*

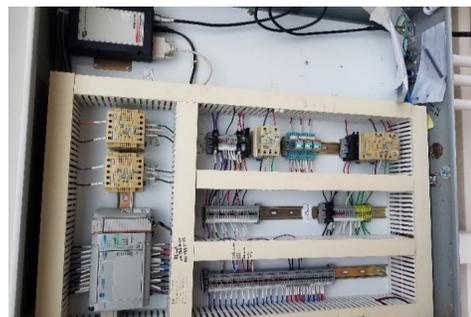
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# CIP – Project Descriptions

**Project Title:** SCADA Upgrade/Equipment

**Project Description:** Upgrade of HMI, RTU, PLC's SCADA system for added reliability and communications with water system

**Project Justification:** System reliability and redundancy to controls and operations



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	85,000	-	85,000
<b>PROJECT TOTALS</b>	-	<b>85,000</b>	-	<b>85,000</b>

**Post Project Annual Operating Impact**

*none anticipated at this time*

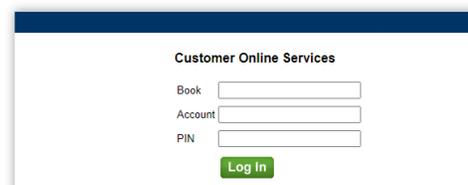
**Project Title:** Utility Billing Software

**Project Description:** Procurement and implementation of a new water utility billing software

**Project Justification:** Purchase and implementation of a new water utility billing software to expand business module and customer account information



*ORO VALLEY, it's in our nature*



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	85,000	-	85,000
<b>PROJECT TOTALS</b>	-	<b>85,000</b>	-	<b>85,000</b>

**Post Project Annual Operating Impact**

*Unknown at this time*

# CIP – Project Descriptions

**Project Title:** Water Meters - New System Connections

**Project Description:** Purchase of new AMI water meter for new system connections

**Project Justification:** AMI meters provide superior system resource metering and tracking



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	78,621	357,000	435,621
<b>PROJECT TOTALS</b>	<b>-</b>	<b>78,621</b>	<b>357,000</b>	<b>435,621</b>

**Post Project Annual Operating Impact**

*None anticipated at this time*

**Project Title:** Well Rehabilitation (D1/CS1)

**Project Description:** Rehabilitation of Well D1/CS1 to increase useful life

**Project Justification:** Video log assessment, brush bail, pump efficiency evaluation/replacement to provide system reliability and efficiency



SOURCES OF FUNDING	PRE 2021 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
2018 Utility Bonds	-	150,000	-	150,000
<b>PROJECT TOTALS</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>

**Post Project Annual Operating Impact**

*None anticipated at this time*

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## APPENDIX

Resolution Adoption  
Auditor General Statements  
Glossary



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**RESOLUTION NO. (R)20-38**

**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 2020-2021; AND DIRECTING THE TOWN MANAGER, TOWN CLERK, TOWN LEGAL SERVICES DIRECTOR, OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION**

**WHEREAS**, on June 17, 2020, 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 17, 2020, 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 2020-2021; 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 2020-2021.

**NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that:**

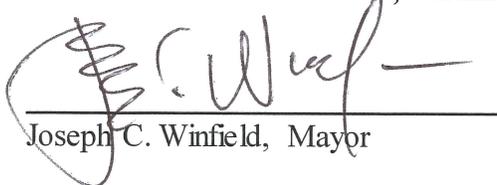
**SECTION 1.** The said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced or changed, are hereby adopted and approved as the budget of the Town of Oro Valley for the Fiscal Year 2020-2021 in the amount of \$105,435,626.

**SECTION 2.** 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 2020-2021.

**SECTION 3.** The Town Manager, Town Clerk, Town Legal Services Director, or their duly authorized officers and agents are hereby authorized and directed to take all steps necessary to carry out the purposes and intent of this resolution.

**PASSED AND ADOPTED** by the Mayor and Town Council of the Town of Oro Valley, Arizona this 15th day of July 2020.

**TOWN OF ORO VALLEY, ARIZONA**

  
\_\_\_\_\_  
Joseph C. Winfield, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Michael Standish, Town Clerk

Date: 7/17/2020

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Tobin Sidles, Legal Services Director

Date: 7-17-2020

**OFFICIAL BUDGET FORMS**

**TOWN OF ORO VALLEY**

**Fiscal Year 2021**

**TOWN OF ORO VALLEY**

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**Fiscal Year 2021**

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[Schedule D—Other Financing Sources/\(Uses\) and Interfund Transfers](#)

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[Schedule G—Full-Time Employees and Personnel Compensation](#)

**TOWN OF ORO VALLEY**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2021**

Fiscal Year	S c h	FUNDS									
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds		
2020	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	1	40,706,766	11,314,540	1,468,201	26,156,755	0	26,858,482	4,514,972	111,019,716
2020	Actual Expenditures/Expenses**	E	2	38,693,390	9,943,162	1,376,102	18,672,124	0	21,746,391	3,617,475	94,048,644
2021	Fund Balance/Net Position at July 1***		3	17,157,343	1,227,740	197,503	20,662,679	0	11,160,760	1,107,185	51,513,210
2021	Primary Property Tax Levy	B	4	0							0
2021	Secondary Property Tax Levy	B	5								0
2021	Estimated Revenues Other than Property Taxes	C	6	43,230,386	11,126,539	318,283	5,729,445	0	17,678,500	4,207,654	82,290,807
2021	Other Financing Sources	D	7	0	0	0	0	0	2,942,995	0	2,942,995
2021	Other Financing (Uses)	D	8	0	0	0	0	0	0	0	0
2021	Interfund Transfers In	D	9	120,000	0	1,079,200	18,367,021	0	0	0	19,566,221
2021	Interfund Transfers (Out)	D	10	2,589,520	278,302	0	14,492,678	0	2,205,721	0	19,566,221
2021	Reduction for Amounts Not Available:		11								
LESS:	Amounts for Future Debt Retirement:					89,825					89,825
	Future Capital Projects				287,153		12,821,277		7,495,710		20,604,140
	Maintained Fund Balance for Financial Stability			9,792,318	217,918					607,185	10,617,421
											0
											0
2021	Total Financial Resources Available		12	48,125,891	11,570,906	1,505,161	17,445,190	0	22,080,824	4,707,654	105,435,626
2021	Budgeted Expenditures/Expenses	E	13	48,125,891	11,570,906	1,505,161	17,445,190	0	22,080,824	4,707,654	105,435,626

**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

	2020	2021
1	\$ 111,019,716	\$ 105,435,626
2		
3	111,019,716	105,435,626
4		
5	\$ 111,019,716	\$ 105,435,626
6	\$	\$

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 2021**

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
Local Sales Tax	\$ 18,686,206	\$ 18,274,146	\$ 17,513,304
Cable Franchise Tax	625,000	625,000	615,000
<b>Licenses and permits</b>			
Licenses	206,300	206,300	202,500
Permits	1,624,818	1,929,922	1,246,500
Fees	153,000	198,250	143,500
<b>Intergovernmental</b>			
State/County Shared	12,530,715	12,185,307	13,194,438
State Grants	75,000	75,000	75,000
Federal Grants	549,543	364,819	5,790,969
Reimbursements	1,585,000	1,285,000	1,580,000
Other	90,000	100,000	92,000
<b>Charges for services</b>			
Reimbursements	152,400	153,000	157,400
Fees	1,369,700	903,211	1,061,150
Other	1,030,539	1,031,539	1,021,125
<b>Fines and forfeits</b>			
Fines	120,000	110,000	125,000
<b>Interest on investments</b>			
Interest Income	150,000	504,929	150,000
<b>Miscellaneous</b>			
Miscellaneous	288,000	316,926	262,500
<b>Total General Fund</b>	<b>\$ 39,236,221</b>	<b>\$ 38,263,349</b>	<b>\$ 43,230,386</b>

\* 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 2021**

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
<b>SPECIAL REVENUE FUNDS</b>			
<b>Highway User Revenue Fund</b>			
Highway User Fuel Tax	\$ 3,604,407	\$ 3,513,856	\$ 3,458,929
Permits		50	25,000
Interest Income		3,168	5,000
State Grants	180,000	180,000	210,000
Other	1,500	63,827	2,000
	<u>\$ 3,785,907</u>	<u>\$ 3,760,901</u>	<u>\$ 3,700,929</u>
<b>Seizures &amp; Forfeitures</b>			
Seizures & Forfeitures	\$ 325,000	\$ 33,000	\$ 325,000
Interest Income		6,100	2,000
	<u>\$ 325,000</u>	<u>\$ 39,100</u>	<u>\$ 327,000</u>
<b>Community Center Fund</b>			
Local Sales Tax	\$ 2,478,552	\$ 2,300,962	\$ 2,492,960
Charges for Services	4,250,551	3,714,706	4,460,148
Other	19,502	19,502	145,502
	<u>\$ 6,748,605</u>	<u>\$ 6,035,170</u>	<u>\$ 7,098,610</u>
<b>Total Special Revenue Funds</b>	<u>\$ 10,859,512</u>	<u>\$ 9,835,171</u>	<u>\$ 11,126,539</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 2021**

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
<b>DEBT SERVICE FUNDS</b>			
<b>Municipal Debt Service Fund</b>			
Federal Grants	\$ 43,509	\$ 43,509	\$ 39,245
Interest Income	5,000	18,639	5,000
Miscellaneous	100,000	104,000	100,000
	\$ 148,509	\$ 166,148	\$ 144,245
<b>Oracle Road Improvement District</b>			
Special Assessments	\$ 176,912	168,630	\$ 174,038
	\$ 176,912	\$ 168,630	\$ 174,038
<b>Total Debt Service Funds</b>	\$ 325,421	\$ 334,778	\$ 318,283
<b>CAPITAL PROJECTS FUNDS</b>			
<b>Alternative Water Resources Development Impact Fee Fund</b>			
Development Impact Fees	\$ 1,276,190	\$ 1,644,000	\$
Interest Income	40,000	69,271	
	\$ 1,316,190	\$ 1,713,271	\$
<b>Potable Water System Development Impact Fee Fund</b>			
Development Impact Fees	\$ 635,728	\$ 818,000	\$
Interest Income	36,800	63,729	
	\$ 672,528	\$ 881,729	\$
<b>Water Resources Development Impact Fee Fund</b>			
Development Impact Fees	\$	\$	\$ 1,889,411
Interest Income			182,000
	\$	\$	\$ 2,071,411
<b>Townwide Roadway Development Impact Fee Fund</b>			
Development Impact Fees	\$ 541,430	\$ 525,095	\$ 314,320
Interest Income	30,000	29,387	30,000
	\$ 571,430	\$ 554,482	\$ 344,320
<b>Parks and Recreation Impact Fee Fund</b>			
Development Impact Fees	\$ 244,816	\$ 240,025	\$ 309,668
Interest Income		9,480	5,000
	\$ 244,816	\$ 249,505	\$ 314,668
<b>Police Impact Fee Fund</b>			
Development Impact Fees	\$ 111,074	\$ 104,951	\$ 95,911
Interest Income		1,600	
	\$ 111,074	\$ 106,551	\$ 95,911
<b>Capital Fund</b>			
Miscellaneous	\$ 536,900	\$ 536,900	\$ 883,010
State Grants	100,000	100,000	117,000
Federal Grants	229,500	229,500	
	\$ 866,400	\$ 866,400	\$ 1,000,010
<b>PAG/RTA Fund</b>			
State Grants	\$ 10,300,000	\$ 11,716,553	\$ 1,875,000
Other	28,125	28,125	28,125
Miscellaneous		198,401	
	\$ 10,328,125	\$ 11,943,079	\$ 1,903,125
<b>Total Capital Projects Funds</b>	\$ 14,110,563	\$ 16,315,017	\$ 5,729,445

\* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**TOWN OF ORO VALLEY**  
**Revenues Other Than Property Taxes**  
**Fiscal Year 2021**

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
<b>ENTERPRISE FUNDS</b>			
<b>Water Utility Fund</b>			
Water Sales	\$ 13,714,000	\$ 13,434,000	\$ 13,078,000
Charges for Services	3,262,700	3,219,700	3,086,500
Interest Income	63,000	130,000	75,000
	<u>\$ 17,039,700</u>	<u>\$ 16,783,700</u>	<u>\$ 16,239,500</u>
<b>Stormwater Utility Fund</b>			
Charges for Services	\$ 1,422,000	\$ 1,438,000	\$ 1,438,000
Interest Income	1,000	17,852	1,000
State Grants	2,100,000		
Miscellaneous		10	
	<u>\$ 3,523,000</u>	<u>\$ 1,455,862</u>	<u>\$ 1,439,000</u>
<b>Total Enterprise Funds</b>	<u>\$ 20,562,700</u>	<u>\$ 18,239,562</u>	<u>\$ 17,678,500</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.			
<b>INTERNAL SERVICE FUNDS</b>			
<b>Benefit Self Insurance Fund</b>			
Miscellaneous	\$ 4,014,972	\$ 3,988,152	\$ 4,207,654
	<u>\$ 4,014,972</u>	<u>\$ 3,988,152</u>	<u>\$ 4,207,654</u>
<b>Total Internal Service Funds</b>	<u>\$ 4,014,972</u>	<u>\$ 3,988,152</u>	<u>\$ 4,207,654</u>
<b>TOTAL ALL FUNDS</b>	<u>\$ 89,109,389</u>	<u>\$ 86,976,029</u>	<u>\$ 82,290,807</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 2021**

FUND	OTHER FINANCING 2021		INTERFUND TRANSFERS 2021	
	SOURCES	(USES)	IN	(OUT)
<b>GENERAL FUND</b>				
Transfer from Community Center Fund	\$	\$	\$ 120,000	\$
Transfer to Capital Fund				1,771,143
Transfer to Debt Service Fund				815,377
Transfer to Oracle Rd Improvement District Fund				3,000
<b>Total General Fund</b>	<b>\$</b>	<b>\$</b>	<b>\$ 120,000</b>	<b>\$ 2,589,520</b>
<b>SPECIAL REVENUE FUNDS</b>				
Community Center Fund	\$	\$	\$	\$ 278,302
<b>Total Special Revenue Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 278,302</b>
<b>DEBT SERVICE FUNDS</b>				
Municipal Debt Service Fund	\$	\$	\$ 1,076,200	\$
Oracle Rd Improvement District Fund			3,000	
<b>Total Debt Service Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,079,200</b>	<b>\$</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Capital Fund	\$	\$	\$ 1,771,143	\$
Police Impact Fee Fund				100,000
Alt Water Resources Impact Fee Fund				8,611,958
Potable Water System Impact Fee Fund				5,780,720
Water Resources Impact Fee Fund			16,595,878	
<b>Total Capital Projects Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$ 18,367,021</b>	<b>\$ 14,492,678</b>
<b>ENTERPRISE FUNDS</b>				
Water Utility Fund	\$ 2,942,995	\$	\$	\$ 2,205,721
<b>Total Enterprise Funds</b>	<b>\$ 2,942,995</b>	<b>\$</b>	<b>\$</b>	<b>\$ 2,205,721</b>
<b>INTERNAL SERVICE FUNDS</b>				
	\$	\$	\$	\$
<b>Total Internal Service Funds</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 2,942,995</b>	<b>\$</b>	<b>\$ 19,566,221</b>	<b>\$ 19,566,221</b>

**TOWN OF ORO VALLEY**  
**Expenditures/Expenses by Fund**  
**Fiscal Year 2021**

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
<b>GENERAL FUND</b>				
Administrative Services	\$ 4,648,370	\$	\$ 4,540,359	\$
Human Resources				457,347
Innovation and Strategy				3,846,018
Finance				832,888
Clerk	366,336		361,076	428,524
Community and Economic Development	3,039,421		2,787,207	2,779,661
Council	206,001		206,001	197,019
General Administration	2,590,400		2,594,923	5,251,466
Legal	874,057		874,057	870,592
Magistrate Court	923,561		912,169	864,826
Town Manager's Office	1,314,145		1,294,364	1,028,734
Parks and Recreation	3,808,366		3,497,763	3,478,517
Police	17,448,615		16,993,985	17,051,408
Public Works	4,826,507		4,631,486	4,898,891
Contingency Reserve	841,325	(180,338)		6,140,000
<b>Total General Fund</b>	<b>\$ 40,887,104</b>	<b>\$ (180,338)</b>	<b>\$ 38,693,390</b>	<b>\$ 48,125,891</b>
<b>SPECIAL REVENUE FUNDS</b>				
Highway User Revenue Fund	\$ 4,213,739	\$	\$ 4,014,875	\$ 4,066,213
Seizures and Forfeitures	372,883		59,593	327,000
Community Center Fund	6,727,918		5,868,694	7,177,693
<b>Total Special Revenue Funds</b>	<b>\$ 11,314,540</b>	<b>\$</b>	<b>\$ 9,943,162</b>	<b>\$ 11,570,906</b>
<b>DEBT SERVICE FUNDS</b>				
Municipal Debt Service Fund	\$ 1,282,049	\$	\$ 1,200,228	\$ 1,325,445
Oracle Rd. Improvement District Fund	186,152		175,874	179,716
<b>Total Debt Service Funds</b>	<b>\$ 1,468,201</b>	<b>\$</b>	<b>\$ 1,376,102</b>	<b>\$ 1,505,161</b>
<b>CAPITAL PROJECTS FUNDS</b>				
Townwide Roadway Impact Fee Fund	\$ 3,010,000	\$	\$ 1,016,000	\$ 2,110,000
Alt Water Resources Impact Fee Fund	2,859,800		1,227,558	
Potable Water System Impact Fee Fund	1,435,996		445,996	
Water Resources Dev Impact Fee Fund				6,981,099
Parks and Recreation Impact Fee Fund	781,806		100,000	995,000
Police Impact Fee Fund	764,149	(650,000)	110,000	101,035
General Government Impact Fee Fund	3,580			
Recreation In Lieu Fee Fund	15,718			16,004
Capital Fund	3,315,100	830,338	3,857,616	4,744,666
PAG/RTA Fund	10,790,268		11,914,954	2,497,386
Community Center Bond Fund	3,000,000			
<b>Total Capital Projects Funds</b>	<b>\$ 25,976,417</b>	<b>\$ 180,338</b>	<b>\$ 18,672,124</b>	<b>\$ 17,445,190</b>
<b>ENTERPRISE FUNDS</b>				
Water Utility Enterprise Fund	\$ 22,810,077	\$	\$ 20,292,274	\$ 20,273,074
Stormwater Utility Enterprise Fund	4,048,405		1,454,117	1,807,750
<b>Total Enterprise Funds</b>	<b>\$ 26,858,482</b>	<b>\$</b>	<b>\$ 21,746,391</b>	<b>\$ 22,080,824</b>
<b>INTERNAL SERVICE FUNDS</b>				
Benefit Self Insurance Fund	\$ 4,514,972	\$	\$ 3,617,475	\$ 4,707,654
<b>Total Internal Service Funds</b>	<b>\$ 4,514,972</b>	<b>\$</b>	<b>\$ 3,617,475</b>	<b>\$ 4,707,654</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 111,019,716</b>	<b>\$</b>	<b>\$ 94,048,644</b>	<b>\$ 105,435,626</b>

\* 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 2021**

<b>DEPARTMENT/FUND</b>	<b>ADOPTED BUDGETED EXPENDITURES/ EXPENSES</b>	<b>EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED</b>	<b>ACTUAL EXPENDITURES/ EXPENSES*</b>	<b>BUDGETED EXPENDITURES/ EXPENSES</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2021</b>
Administrative Services				
General Fund	\$ 4,648,370	\$	\$ 4,540,359	\$
<b>Department Total</b>	<b>\$ 4,648,370</b>	<b>\$</b>	<b>\$ 4,540,359</b>	<b>\$</b>
Human Resources				
General Fund	\$	\$	\$	\$ 457,347
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 457,347</b>
Innovation & Strategy				
General Fund	\$	\$	\$	\$ 3,846,018
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 3,846,018</b>
Finance				
General Fund	\$	\$	\$	\$ 832,888
<b>Department Total</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 832,888</b>
Clerk				
General Fund	\$ 366,336	\$	\$ 361,076	\$ 428,524
<b>Department Total</b>	<b>\$ 366,336</b>	<b>\$</b>	<b>\$ 361,076</b>	<b>\$ 428,524</b>
Community & Economic Development				
General Fund	\$ 3,039,421	\$	\$ 2,787,207	\$ 2,779,661
<b>Department Total</b>	<b>\$ 3,039,421</b>	<b>\$</b>	<b>\$ 2,787,207</b>	<b>\$ 2,779,661</b>
Council				
General Fund	\$ 206,001	\$	\$ 206,001	\$ 197,019
<b>Department Total</b>	<b>\$ 206,001</b>	<b>\$</b>	<b>\$ 206,001</b>	<b>\$ 197,019</b>
General Administration				
General Fund	\$ 2,590,400	\$	\$ 2,594,923	\$ 5,251,466
General Fund - Contingency Reserve	841,325	(180,338)		6,140,000
Municipal Debt Service Fund	1,282,049		1,200,228	1,325,445
Oracle Rd. Improvement District Fund	186,152		175,874	179,716
Benefit Self Insurance Fund	4,514,972		3,617,475	4,707,654
General Government Impact Fee Fund	3,580			
Capital Fund	3,315,100	830,338	3,857,616	4,744,666
<b>Department Total</b>	<b>\$ 12,733,578</b>	<b>\$ 650,000</b>	<b>\$ 11,446,116</b>	<b>\$ 22,348,947</b>

**TOWN OF ORO VALLEY**  
**Expenditures/Expenses by Department**  
**Fiscal Year 2021**

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
Legal				
General Fund	\$ 874,057	\$	\$ 874,057	\$ 870,592
<b>Department Total</b>	<b>\$ 874,057</b>	<b>\$</b>	<b>\$ 874,057</b>	<b>\$ 870,592</b>
Magistrate Court				
General Fund	\$ 923,561	\$	\$ 912,169	\$ 864,826
<b>Department Total</b>	<b>\$ 923,561</b>	<b>\$</b>	<b>\$ 912,169</b>	<b>\$ 864,826</b>
Town Manager's Office				
General Fund	\$ 1,314,145	\$	\$ 1,294,364	\$ 1,028,734
<b>Department Total</b>	<b>\$ 1,314,145</b>	<b>\$</b>	<b>\$ 1,294,364</b>	<b>\$ 1,028,734</b>
Parks and Recreation				
General Fund	\$ 3,808,366	\$	\$ 3,497,763	\$ 3,478,517
Parks & Recreation Impact Fee Fund	781,806		100,000	995,000
Recreation In Lieu Fee Fund	15,718			16,004
Community Center Fund	6,727,918		5,868,694	7,177,693
Community Center Bond Fund	3,000,000			
<b>Department Total</b>	<b>\$ 14,333,808</b>	<b>\$</b>	<b>\$ 9,466,457</b>	<b>\$ 11,667,214</b>
Police				
General Fund	\$ 17,448,615	\$	\$ 16,993,985	\$ 17,051,408
Seizures and Forfeitures	372,883		59,593	327,000
Police Impact Fee Fund	764,149	(650,000)	110,000	101,035
<b>Department Total</b>	<b>\$ 18,585,647</b>	<b>\$ (650,000)</b>	<b>\$ 17,163,578</b>	<b>\$ 17,479,443</b>
Public Works				
General Fund	\$ 4,826,507	\$	\$ 4,631,486	\$ 4,898,891
Highway Fund	4,213,739		4,014,875	4,066,213
Stormwater Utility Fund	4,048,405		1,454,117	1,807,750
PAG/RTA Fund	10,790,268		11,914,954	2,497,386
Townwide Roadway Impact Fee Fund	3,010,000		1,016,000	2,110,000
<b>Department Total</b>	<b>\$ 26,888,919</b>	<b>\$</b>	<b>\$ 23,031,432</b>	<b>\$ 15,380,240</b>
Water Utility				
Water Utility Fund	\$ 22,810,077	\$	\$ 20,292,274	\$ 20,273,074
Alt Water Resources Impact Fee Fund	2,859,800		1,227,558	
Potable Water System Impact Fee Fund	1,435,996		445,996	
Water Resources Dev Impact Fee Fund				6,981,099
<b>Department Total</b>	<b>\$ 27,105,873</b>	<b>\$</b>	<b>\$ 21,965,828</b>	<b>\$ 27,254,173</b>

\* 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 2021**

<b>FUND</b>	<b>Full-Time Equivalent (FTE)</b>	<b>Employee Salaries and Hourly Costs</b>	<b>Retirement Costs</b>	<b>Healthcare Costs</b>	<b>Other Benefit Costs</b>	<b>Total Estimated Personnel Compensation</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
<b>GENERAL FUND</b>	310.69	\$ 19,657,600	\$ 4,732,060	\$ 2,527,995	\$ 2,059,155	\$ 28,976,810
<b>SPECIAL REVENUE FUNDS</b>						
Highway User Revenue Fund	15.00	\$ 1,031,311	\$ 126,026	\$ 126,656	\$ 103,659	\$ 1,387,652
Community Center Fund	21.55	667,837	14,122	25,910	54,844	762,713
Seizures and Forfeitures	1.00	54,422	22,667	11,381	7,319	95,789
<b>Total Special Revenue Funds</b>	<b>37.55</b>	<b>\$ 1,753,570</b>	<b>\$ 162,815</b>	<b>\$ 163,947</b>	<b>\$ 165,822</b>	<b>\$ 2,246,154</b>
<b>ENTERPRISE FUNDS</b>						
Water Utility Fund	40.48	\$ 2,525,621	\$ 306,641	\$ 418,962	\$ 244,133	\$ 3,495,357
Stormwater Utility Fund	10.25	608,204	74,323	86,337	61,643	830,507
<b>Total Enterprise Funds</b>	<b>50.73</b>	<b>\$ 3,133,825</b>	<b>\$ 380,964</b>	<b>\$ 505,299</b>	<b>\$ 305,776</b>	<b>\$ 4,325,864</b>
<b>TOTAL ALL FUNDS</b>	<b>398.97</b>	<b>\$ 24,544,995</b>	<b>\$ 5,275,839</b>	<b>\$ 3,197,241</b>	<b>\$ 2,530,753</b>	<b>\$ 35,548,828</b>

# Glossary

**ACCRUAL:** Accounting method that records revenues and expenses when they are incurred, regardless of when cash is exchanged.

**ADOPTED BUDGET:** Formal action made by Town Council that sets 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.

**APPROPRIATION:** a sum of money or total of assets devoted to a special purpose.

**AUDIT:** Objective examination and evaluation of the financial statements of an organization by an outside Certified Public Accountant firm to ensure that the financial records are a fair and accurate representation of the transactions.

**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

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**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 2018.

**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

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**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.

**MAJOR FUND:** As defined by the Government Finance Officers Association budget award criteria, a major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

**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.

**NON-MAJOR FUND:** As defined by the Government Finance Officers Association budget award criteria, a non-major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute less than 10% of the revenues or expenditures of the appropriated budget.

**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.

# Glossary

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**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.

**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.

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