

KNOW YOUR TOWN'S BUDGET

TOWN OF ORO VALLEY | FY 2018-19 BUDGET



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

GENERAL FUND HIGHLIGHTS

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



KEY REVENUE PROVISIONS

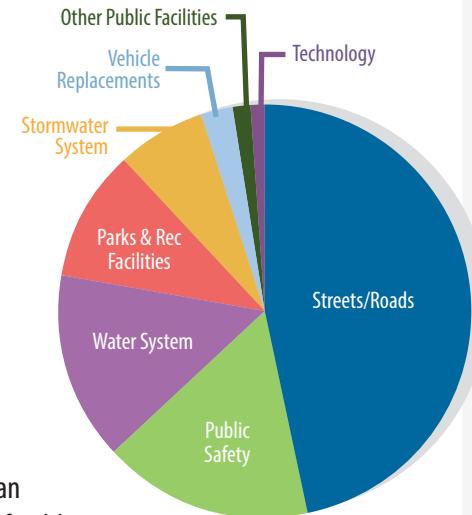
(Reflects all funds, except for first bulletpoint)

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

KEY EXPENDITURE PROVISIONS

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

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



- Includes funding for merit and step increases for eligible employees at an estimated cost of **\$582,000** (all funds).
- Department operations and maintenance budgets in the General Fund are 20.0%, or **\$1,582,000** higher than adopted FY 2017/18 levels due in large part to the consolidation of the Bed Tax Fund into the General Fund, as well as information technology costs.

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

You talked, we listened! Resident responses from the Town's "5 Questions in 5 Minutes" online budget questionnaire noted highest priority in the areas of public safety, streets, parks and recreation, water, and business attraction and retention. Here's how those responses were incorporated into the FY 2018/19 budget:

Parks and Recreation

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

Public safety

The Oro Valley Police Department implements several community-based programs to enhance public safety, including School Resource Officers, Dispose-A-Med, Adopt-A-Business, Rape Aggression Defense Training, Coffee with a Cop and Citizen Volunteer Assistants Program. These, and many more community-based programs and services, receive funding from the Town because they play a valuable role in keeping our residents actively engaged in public safety. Capital funding of \$4.7 million is included in the FY 2018/19 budget to complete construction and expansion of an evidence facility and southern substation on Magee Road.

Streets

The Town of Oro Valley is well known for having quality infrastructure. The budget includes \$800,000 for the Pavement Preservation Program in the Highway Fund, which maintains the current condition of our roads. Oro Valley has the best roads in the region, and the amount of maintenance expected to be delivered remains at a level which will not allow the infrastructure to deteriorate. Major road improvement projects in the FY 2018/19 budget include \$12.7 million for a widening and improvement project on La Cholla Boulevard, as well as \$1.0 million for an intersection improvement at La Cañada Drive and Moore Road.

Reliable, quality water

The Oro Valley Water Utility takes very seriously its responsibility to ensure the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards. Great care is taken to manage this valuable resource through use of reclaimed water, distribution of Central Arizona Project (CAP) water and advanced meter reading infrastructure. More than \$4.8 million in capital improvements are budgeted for the Water Utility in FY 2018/19 to increase the Town's allocation of CAP water and ensure a safe, adequate and reliable water supply for the future.

Economic Development

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

WHAT KIND OF TAXES DO ORO VALLEY RESIDENTS PAY?



The Town of Oro Valley does NOT levy a property tax; however, Oro Valley property owners pay more than \$27 million every year in primary property taxes to Pima County.

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

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

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

The FY 2018/19 Adopted Budget of \$142.9 million is comprised of 20 separate funds, each with their own balanced budgets. Each fund contains its own "savings" account, otherwise known as its fund balance. When budgeted revenues are more than budgeted expenditures, the Town adds to its fund balance. When budgeted revenues are less than budgeted expenditures, the Town draws from its fund balance. For FY 2018/19, the Town plans to draw down, or spend, approximately \$8.2 million from its overall beginning fund balance total of \$47.6 million, leaving \$39.3 million on hand in the overall fund balance at year-end. These are planned uses of funds that have been building up over a period of time and are being used primarily to cash-fund capital projects in order to avoid going into debt to complete these projects. It is important to note that the Town's main operating fund, the General Fund, is planning to utilize fund balance in FY 2018/19 by about \$3.1 million for one-time expenditures and set-aside funding for future years.