

KNOW YOUR TOWN'S BUDGET

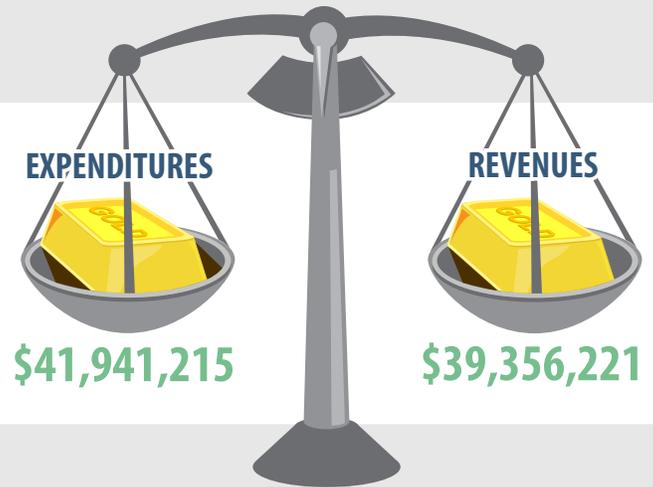


TOWN OF ORO VALLEY | FY 2019-20 BUDGET

The Fiscal Year 2019/20 budget is in the amount of \$111.0 million; a \$31.9 million, or 22.3% decrease from the adopted FY 2018/19 budget totaling \$142.9 million. This decrease is due to the Town's cash reserve balances, which in previous fiscal years were budgeted in full. Beginning FY 2019/20, the amount of budgeted contingency reflects only those portions of spendable reserves within the funds, should the need arise during the fiscal year.

GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$42.0 million** (excluding budgeted contingency reserves of \$841,000).
- Full, estimated year-end contingency reserve balance in the General Fund for FY 2019/20 is **\$12.8 million**; 30.5% of the expenditure budget.
- General Fund is balanced, with a **\$2.6 million** planned use of reserves for one-time expenditures.



KEY REVENUE PROVISIONS

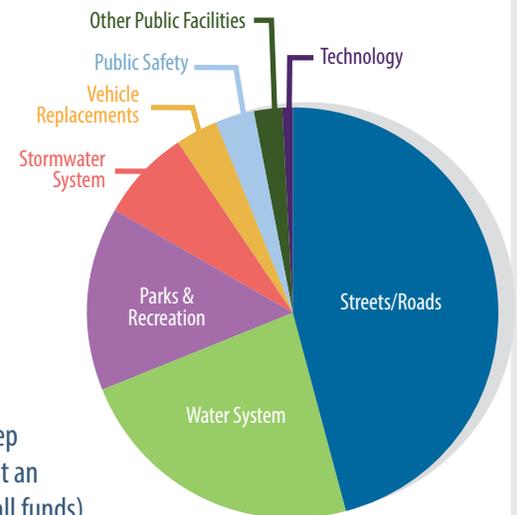
(Reflects all funds, except for first bulletpoint)

- Total FY 2019/20 General Fund revenues are **\$448,000**, or 1.2%, higher than FY 2018/19 budgeted General Fund revenues.
- Local sales tax revenues are roughly flat to FY 2018/19 budget amounts, at **\$21.8 million**.
- Charges for services revenues are **\$241,000**, or 2.1% higher than FY 2018/19 budget amounts.
- Grant revenues are **\$1.6 million**, or 10.3% lower than FY 2018/19 budget amounts, which corresponds to reimbursements for a roadway widening project on La Cholla Boulevard.
- State-shared revenues, including Highway User Revenue Funds, are **\$1.1 million**, or 7.6% higher than FY 2018/19 budget amounts.

KEY EXPENDITURE PROVISIONS

FY 2019/20 Capital Improvement Program (CIP) projects in the amount of **\$32,976,039** include:

Streets/Roads	\$15,115,000
Water System	\$7,636,539
Parks & Recreation	\$4,740,000
Stormwater System	\$2,442,000
Vehicle Replacements	\$1,109,100
Public Safety	\$961,000
Other Public Facilities	\$761,400
Technology	\$211,000



- Includes funding for merit and step increases for eligible employees at an estimated cost of **\$500,000** (all funds).
- Department operations and maintenance budget in the General Fund is 7.4%, or **\$700,000** higher than adopted FY 2018/19, due to implementation of a comprehensive facility repair and maintenance program, a reorganization of the Public Works Administration Division to the General Fund, numerous economic vitality initiatives, and cost increases in areas including software maintenance and licensing, gasoline, utilities and insurance.

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

The Town of Oro Valley now uses FlashVote, an online survey tool that makes it even easier for residents to provide input on important decisions regarding issues like the Town's budget. Along with guidance provided by the Town Council's adopted Strategic Leadership Plan, resident input is incorporated into the Town's budget with the following priorities for FY 2019/20:

Culture and Recreation

Significant investment towards cultural and recreational amenities is included in the FY 2019/20 budget. A comprehensive parks and recreation needs assessment will be conducted, to be utilized in the development of a new parks and recreation master plan. Infrastructure improvements will be made and a new playground installed at Naranja Park for a combined, two-year cost estimate of \$1.7 million. Continued landscaping, the installation of a shade structure and other historic preservation improvements will take place at Steam Pump Ranch. Improvements at James D. Kriegh (JDK) Park will include a restroom replacement and an additional shade ramada. In addition, more than \$100,000 is included in the Parks Management Division to enhance the overall condition of the Town's parks and recreational amenities. The Town will also continue its special events funding and partnerships with agencies that provide a variety of cultural programs and events for residents.

Public safety

Oro Valley is consistently ranked one of the safest cities in Arizona with a strong regard for public safety. The FY 2019/20 budget includes the funding of three new officers and a new sergeant to ensure residents' standards and expectations continue to be met. The Oro Valley Police Department (OVPD) implements several community-based programs to enhance public safety, including School Resource Officers, Dispose-A-Med, Adopt-A-Business, Self-Defense Awareness and Fight Education (SAFE) Program, Coffee with a Cop and Citizen Volunteer Assistants Program (CVAP). These, and many more community-based programs and services, receive funding from the Town because they play a valuable role in keeping our residents actively engaged in public safety.

Streets

The Town of Oro Valley is well known for having quality infrastructure. The budget includes \$1,450,000 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 2019/20 budget include \$12.0 million for a widening and improvement project on La Cholla Boulevard, as well as \$1.0 million for a roundabout at the intersection of 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 \$7.6 million in capital improvements are budgeted for the Water Utility in FY 2019/20 that will serve to increase the Town's allocation of CAP water and ensure a safe, adequate and reliable water supply for the future.

Economic Vitality

The Town will continue its regional partnerships with the Greater Oro Valley Chamber of Commerce, Visit Tucson and the Southern Arizona Arts & Cultural Alliance. These partnerships are vital to the strength of our business community, tourism industry and cultural offerings. Business attraction and retention efforts include a continued membership with Sun Corridor, funding for an external retail assessment to assist in identifying retail and restaurants with a good fit for Oro Valley, development of industry-specific collateral materials and other marketing tools, and the hosting of an annual business summit for the Town's retail and restaurant market. The budget also includes a \$50,000 contribution to the non-profit Oro Valley Innovation Lab to start construction of a facility intended to attract start-up businesses in the biosciences. All of these efforts help to ensure the continued growth and diversification of the Town's workforce and economic base for a thriving economy.

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 primary property taxes to Pima County.

Town residents pay approximately **\$562 per year, per household** in taxes to Oro Valley.

- 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 18,691 households = \$562 per household/year.

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

The FY 2019/20 Adopted Budget of \$111.0 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 2019/20, the Town plans to draw down, or spend, approximately \$11.3 million from its overall beginning fund balance total of \$49.1 million, leaving \$37.8 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 going into debt to complete these projects. It is important to note that in FY 2019-20, the Town is planning to utilize fund balance of about \$2.6 million in the General Fund for one-time expenditures.