FY 2016/17
Town Manager’s Recommended Budget
April 6, 2016
Overview

- Budget Timeline
- Budget Snapshot
- Strategic Plan Budget Focus Areas
- New Initiatives
- Financial Overview
FY 16/17 Budget Timeline

**JANUARY**
- One-on-one meetings with Councilmembers to outline budget priorities

**FEBRUARY**
- Prepare revenue estimates
- CIP Committee Meeting

**MARCH 7-11**
- Budget review with departments and Town Manager’s budget team

**APRIL 6**
- Town Manager Recommended Budget delivered to Council

**APRIL 13 & 27**
- Budget Study Sessions
  - MAY 11
    - 3RD Session (if desired)

**MAY 11**
- 3RD Session (if desired)

**JUNE 1**
- Public Hearing - Adoption of Final Budget

**JANUARY**
- Employee budget forum and community outreach efforts

**FEBRUARY 26**
- Department budget requests due to Finance

**MAY 18**
- Public Hearing - Adoption of Tentative Budget
Budget Snapshot

► Recommended Budget total = $117,368,948

► $2.3 million, or 1.9%, decrease from Adopted FY 15/16 Budget

► Decrease is due to the following:
  ► $1 million decrease in budgeted capital due to project completions
  ► Decrease in budgeted year-end contingency reserves due to planned use of balances for one-time capital projects

► General Fund surplus of $57,000 and ending fund balance of $10.0 million (30% of expenditures; policy is 25%)

► Second year of Community Center operations
  ► Capital investment of $596,000
  ► Overall ending fund balance of $53,000 in the Community Center Fund
2015 Strategic Plan Focus Areas guided the development of the FY 2016/17 Recommended Budget

- Fiscal Responsibility
- Communication
- Economic Development
- Parks, Recreation and Cultural Development
- Community Infrastructure and Services
Fiscal Responsibility

- Growth projections
  - 230 Single Family Residential (SFR) permits forecasted
  - Modest commercial activity and two significant larger projects

- $57,000 General Fund surplus to increase contingency reserves

- Use of one-time revenues for one-time expenditures

- Transfer of $1.5 million in one-time revenues from General Fund to the General Government CIP Fund for capital projects
Management of benefit costs through health insurance cost sharing (85% Town paid, 15% employee paid), onsite health clinic and wellness programs

Continued vehicle and computer replacement program

- Vehicle set-aside for future replacement - $285,000
- Vehicle replacement - $637,000
- Computer, server and mobile data computer replacements - $126,000
Oro Valley Vista – continued bi-monthly production

Increased marketing and advertising budget for the Community & Recreation Center, and new website for golf, tennis and Overlook restaurant reservations

Social media use to promote events, activities and provide general Town updates

Coffee with a Cop, Adopt-A-Business, Citizens Police Academy programs, Coffee with the Mayor and Town Manager

General Plan update efforts continued; expected to go before voters in November 2016
Economic Development

- Continued emphasis on
  - Tourism
  - Bioscience and high technology
  - Business attraction, retention and expansion
  - “Shop local” campaigns

- Visit Tucson funding capacity of $250,000 (up from $215,000 in FY 15/16)

- Oro Valley Chamber of Commerce funding of $30,000
Significant capital investment budgeted for FY 16/17

- Two new unlit multi-use (soccer) fields at Naranja Park - $350,000; 1st year cost of 2-year project (second year cost $380,000)
- Community Center CIP budget - ADA improvements, family/teen area, tennis court improvements, golf course pump station improvements, golf cart path improvements – total $596,000
- Aquatic Center pool heater replacement - $148,000

Public/non-profit partnerships

- Children’s Museum Oro Valley - $75,000
- SAACA - $32,550
  - Concert series
  - OV Festival of the Arts
  - Cruise, BBQ and Blues Classic Car Show
Community Infrastructure and Services

Three major PAG and RTA-Funded road widening projects
- La Cholla, from Lambert to Tangerine - $1.5M
- Tangerine, from La Cañada to Shannon - $2.7M
- Lambert, from La Cañada to La Cholla - $6.5M

Water Utility main relocations associated with road widening projects - $2.2 million

Pavement preservation program - $1.15M

Library parking lot expansion - $187,000; funded with library impact fees ($37,000) and a donation from the Friends of the Oro Valley Public Library ($150,000)

Police evidence and substation facility - $1.9 million

680 Calle Concordia facility improvements - $50,000
New Initiatives

- Overseeding of soccer fields at Naranja and Riverfront Parks is now standard operation for the Town
  - $50,000 budgeted in FY 16/17 for overseeding at both parks

- Changed name of Development and Infrastructure Services (DIS) Department to Community Development and Public Works (CDPW)

- Funding of $15,000 included for video conferencing equipment to establish an “alternative to jail” program
Financial Overview

Year-over-Year Budget Comparison

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 15/16 Budgeted</th>
<th>FY 16/17 Recommended</th>
<th>Change</th>
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<tr>
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Revenue Projections

- General Fund local sales taxes $302,000, or 2.0%, higher than FY 15/16 budget

- License and permit revenues $149,000, or 8.4%, lower than FY 15/16 budget, reflective of projected building activity

- Increase of $396,000, or 3.8%, in state-shared revenues

- HURF gas tax revenues $15,000, or 0.5%, higher than FY 15/16 budget

- Bed tax revenues $141,000, or 14.9%, higher than FY 15/16 budget, following completed renovations of a major hotel and continued growth in tourism sector
Financial Overview (Continued)

Personnel Changes

**TEMPORARY; fully reimbursed by outside funding; NO BUDGET IMPACT**
- **3 FTEs** - Two new full-time construction inspectors and one new full-time construction clerk for PAG and RTA roadway projects – POSITIONS TERMINATE WHEN PROJECTS ARE COMPLETE

**TEMPORARY; capital-project related; budget impact of $171,750**
- **3 FTEs** - Three new full-time heavy equipment operator II’s to construct fields at Naranja Park and perform golf course cart path capital maintenance – POSITIONS TERMINATE WHEN PROJECTS ARE COMPLETE

**In-house personnel replacing contracted services; NO BUDGET IMPACT**
- **2 FTEs** – One new full-time Parks Maintenance Crew Leader and one new full-time Parks Maintenance Worker I replacing contracted services
- **.95 FTEs** – Two 19-hr custodians at the Community Center replacing contracted services

**Capacity to address current facility needs – ALL PART-TIME; budget impact of $26,700**
- **5.14 FTEs** – Facility supervisors, facility shift leaders, facility attendants and lifeguards at Aquatic Center and Community Center (3.44 FTEs with no budget impact tied to re-opening of Community Center pool)

**Re-organizations; position adjustments; net budget impact of $3,850**
- **1.73 FTEs** – Water Utility replacing manager position with two operator positions for $17K savings; 19-hour office assistant tied to Parks Maintenance re-org with no budget impact; Aquatic Center office assistant increase from 30-hour to 40-hour with $21K budget impact
Capital Improvement Program (CIP)
Total CIP projects = $19.8M Town-wide

FY 2016/17 Recommended CIP by Fund

- PAG/RTA Fund: $9,027,000
- Water Utility Fund: $3,285,000
- Other Funds: $622,000
- General Govt CIP Fund: $2,648,000
- Highway Fund: $1,625,000
- Community Center Fund: $596,000
- Roadway Impact Fee Fund: $2,000,000
Awards and Accolades

Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award – 8th consecutive year

GFOA Certificate of Achievement for Excellence in Financial Reporting – 22nd consecutive year

GFOA Popular Annual Financial Reporting (PAFR) Award – 3rd consecutive year