



FY 2018/19

Town Manager's Recommended Budget

April 18, 2018

Town of Oro Valley

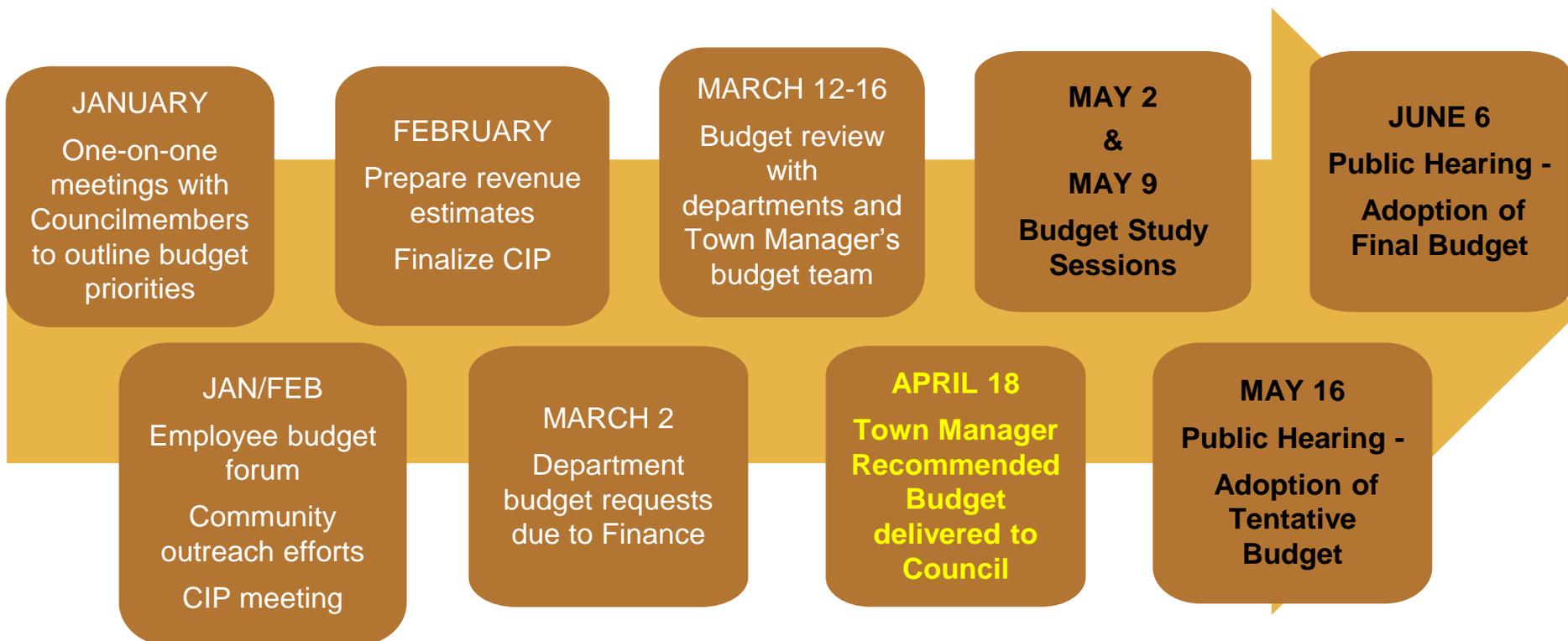
Overview

- ▶ Budget timeline
- ▶ Budget snapshot
- ▶ Strategic Plan focus areas
- ▶ Budget highlights





FY 2018/19 Budget Timeline





FY 2018/19 Town Manager's Recommended Budget

Budget Snapshot

- ▶ Recommended Budget total = \$143,175,201
- ▶ \$14.6 million, or 11.4%, increase from Adopted FY 17/18 Budget
- ▶ Increase is due primarily to
 - ▶ \$4.1 million increase in grant-funded roadway projects
 - ▶ \$2 million grant-funded Stormwater capital project
 - ▶ \$1.2 million increase in capacity for bond-funded capital projects
 - ▶ \$6 million increase in projected year-end reserve balances as result of revenue growth (economic improvement, development activity, impact fee collections, etc.)
- ▶ General Fund \$2.9 million planned use of excess reserves for one-time expenditures and ending fund balance of \$12.1 million (29% of expenditures; policy is 25%)

Strategic Plan Budget Focus Areas



2017 Strategic Plan Focus Areas guided the development of the FY 2018/19 Recommended Budget

- ▶ Economic Development
- ▶ Complete Community
- ▶ Parks and Recreation
- ▶ Public Safety
- ▶ Town Assets
- ▶ Water Resources and Energy
- ▶ Cultural Resources
- ▶ Land Use and Design
- ▶ Transportation
- ▶ Cost of Services





Economic Conditions and Revenue Projections

- ▶ Growth projections
 - ▶ 306 single family residential (SFR) permits forecasted
 - ▶ Continued commercial development activity
 - ▶ License & permit revenue growth projected at 3.5% in the General Fund
 - ▶ Local sales tax revenue growth projected at 6%
 - ▶ State shared revenues roughly flat

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

- ▶ Transfer of \$3.4 million in one-time revenues from General Fund to the Capital Fund
 - ▶ \$1.9 million for FY 2018/19 projects
 - ▶ \$1.5 million as seed money for future projects

- ▶ Economic Development
 - ▶ Increased funding for Visit Tucson (\$300K) and the Greater Oro Valley Chamber of Commerce (\$40K)



Staffing, Compensation and Benefits

- ▶ Merit and step increases
- ▶ 5% health insurance premium increase (Town and employees)
- ▶ Four new full-time positions
 - ▶ Procurement specialist
 - ▶ IT systems analyst
 - ▶ Public information officer
 - ▶ Parks and Recreation deputy director
- ▶ Conversion of two part-time positions in Clerk's Office to one full-time
- ▶ Replacement of one part-time position in Human Resources to one full-time
- ▶ Several position reclassifications



Town Operations

- ▶ Organizational changes
 - ▶ Former Community Development and Public Works Department divided into two departments
 - ▶ Public Works
 - ▶ Community and Economic Development (CED)
 - ▶ Consolidation of fleet operations in Public Works
 - ▶ Former Bed Tax Fund budget consolidated in the General Fund
 - ▶ Consolidation of telecommunications and technology dollars in Information Technology

- ▶ Budget reflects incorporation of a recommended Water Utility rate increase



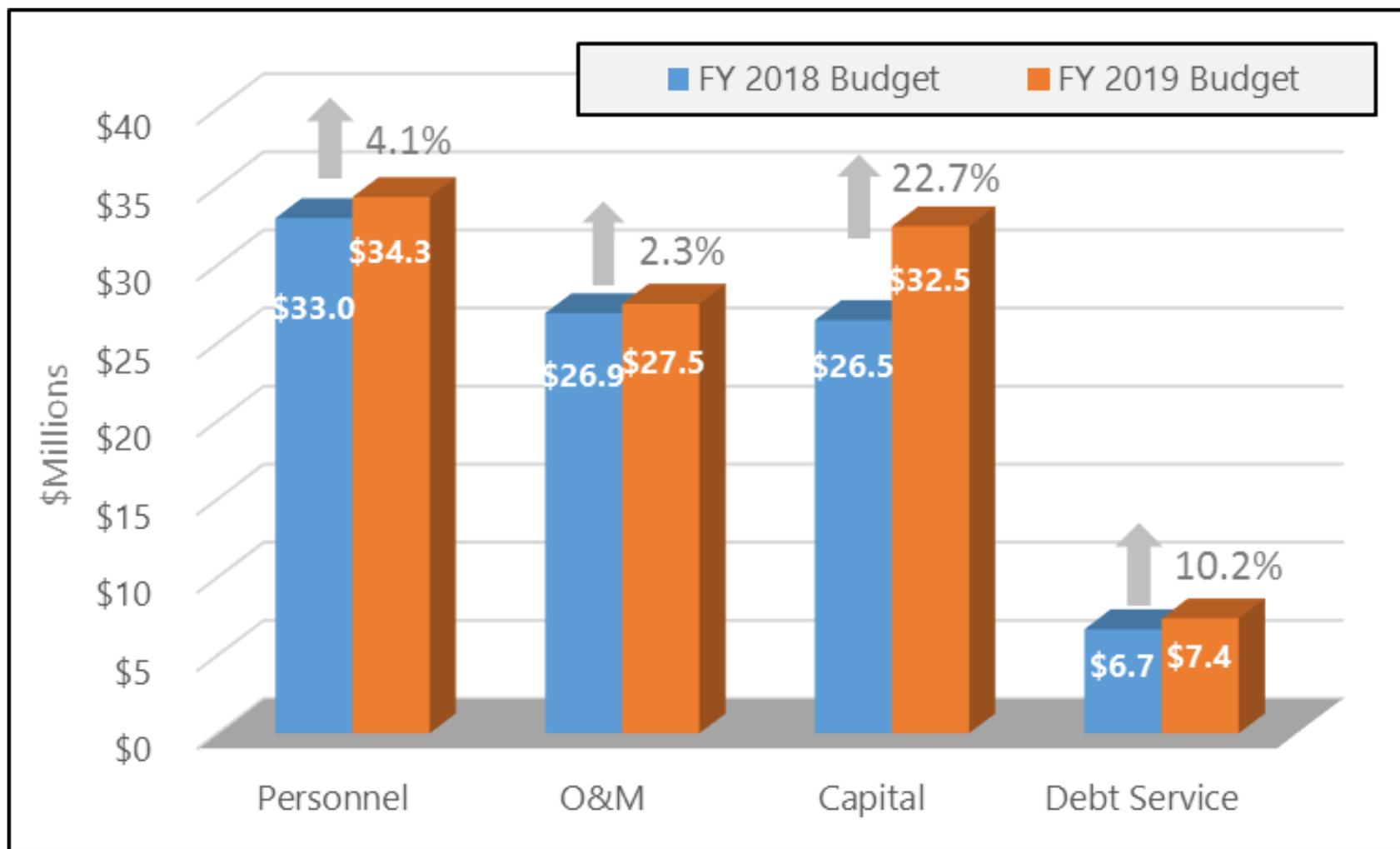
Major Capital Investments

- ▶ Major capital investment budgeted for FY 2018/19
 - ▶ La Cholla Blvd. widening project - \$12.7 million
 - ▶ Water Utility projects - \$4.8 million
 - ▶ Police evidence facility - \$3.4 million
 - ▶ Community Center bond-funded improvements - \$3 million
 - ▶ Stormwater Utility improvements - \$2.3 million
 - ▶ La Cañada and Moore intersection improvement - \$1 million
 - ▶ Pavement preservation - \$800K
 - ▶ Recreation improvements - \$495K (JDK Park ballfield renovations, Steam Pump Ranch landscaping, tennis court improvements)
 - ▶ Facility roof replacements \$252K



Financial Overview

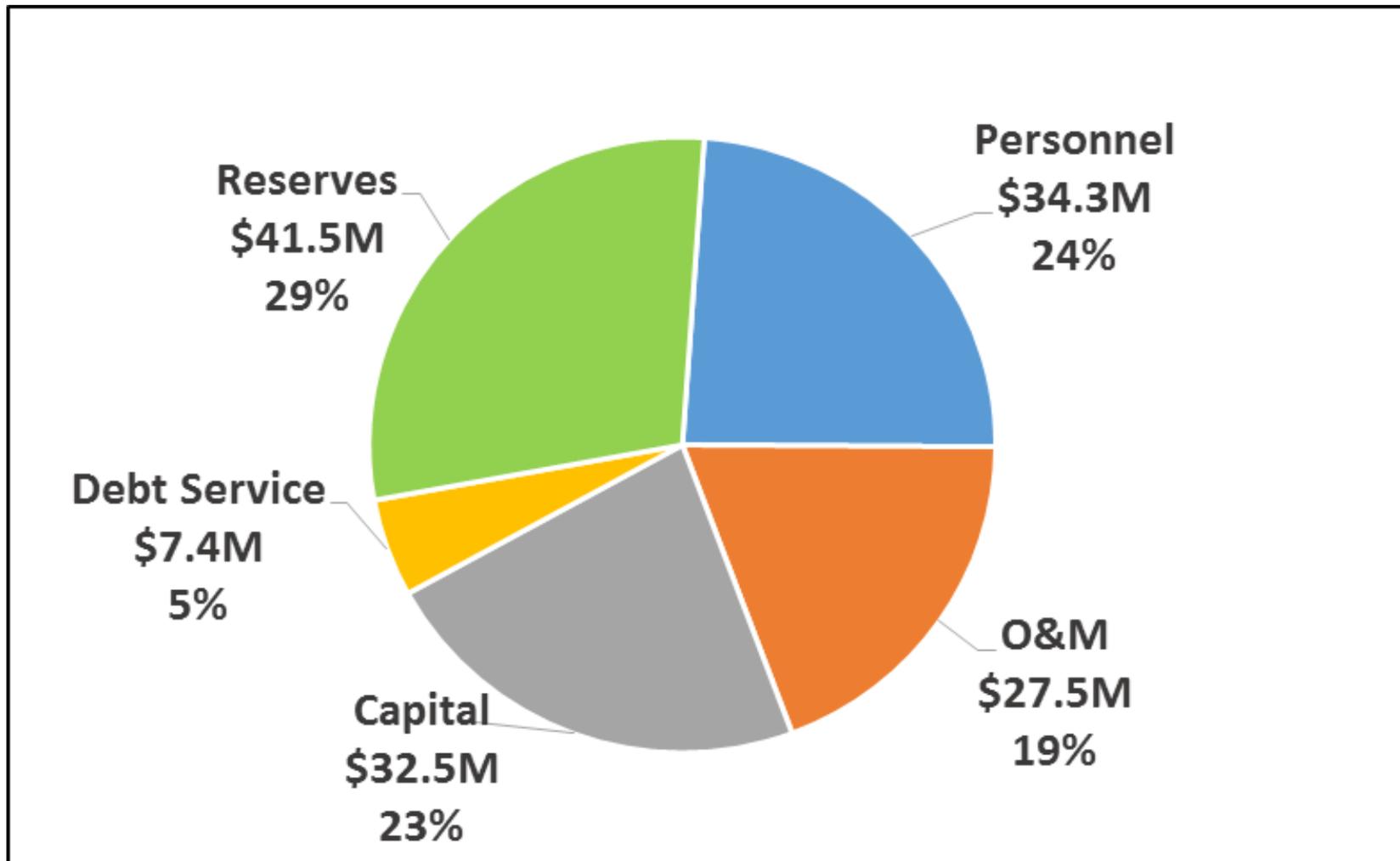
Year-over-Year Budget Comparison





Financial Overview (Continued)

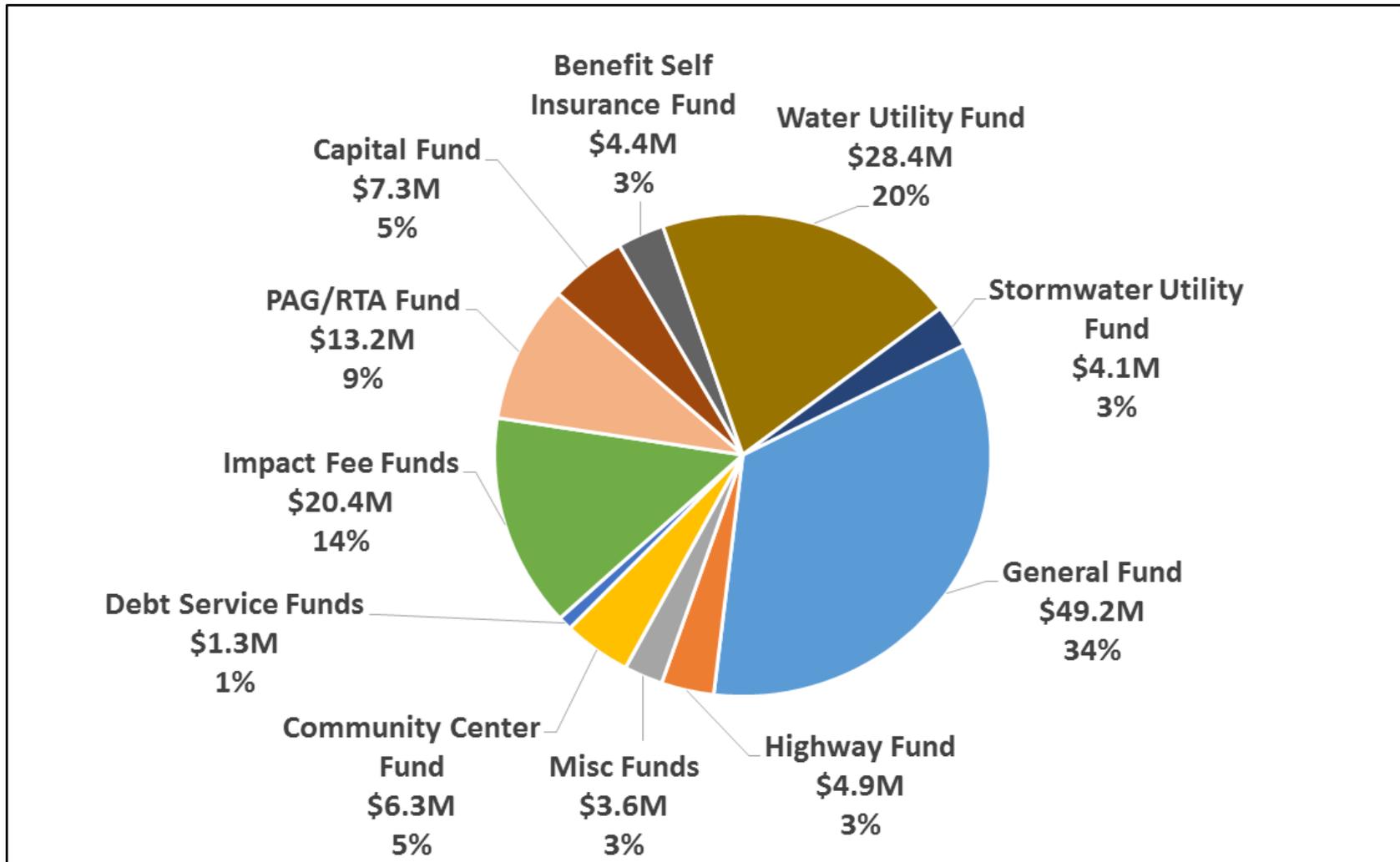
Budget by Category





Financial Overview (Continued)

Budget by Fund

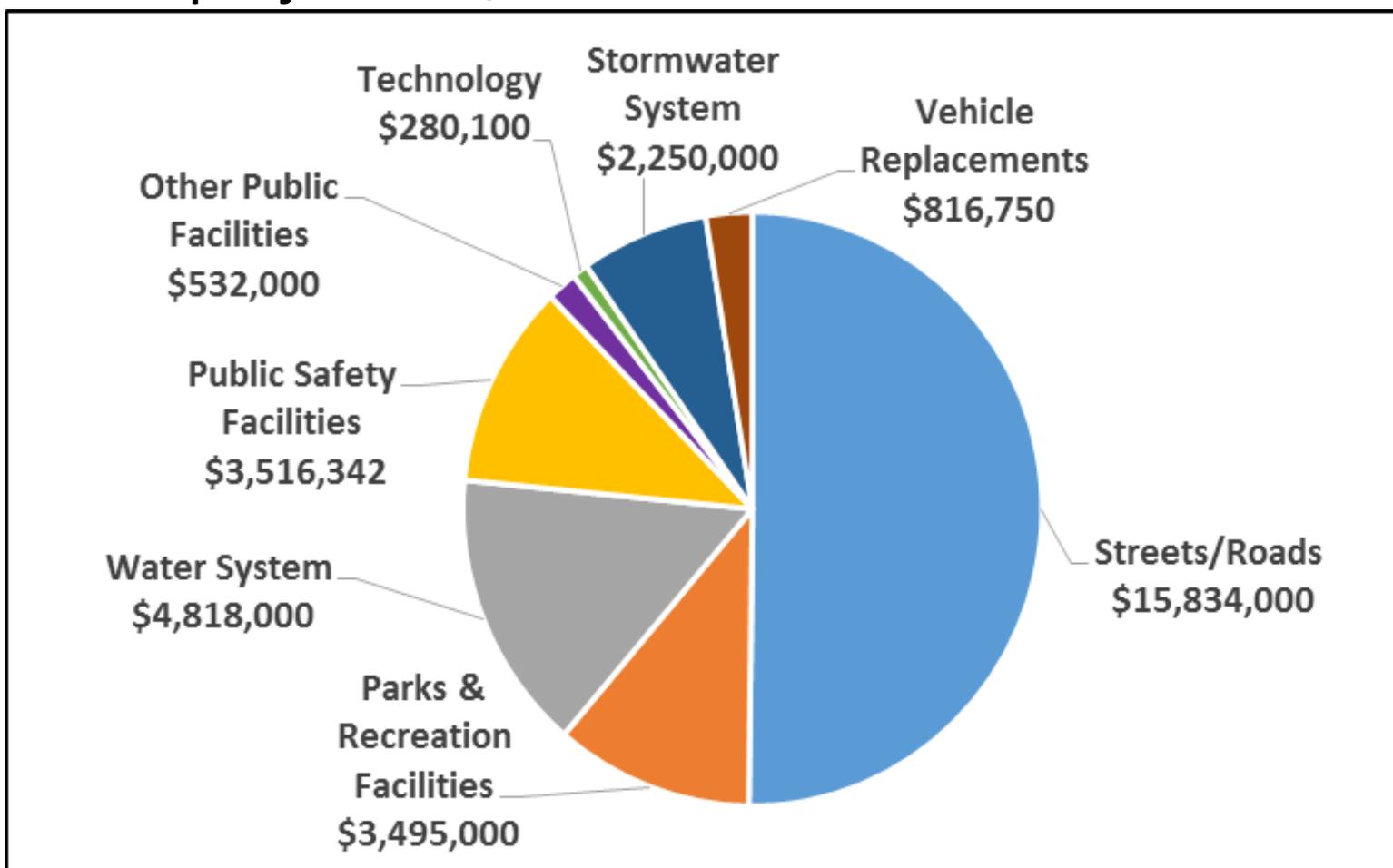




Financial Overview (Continued)

Capital Improvement Program (CIP)

Total CIP projects = \$31.5M Town-wide





Town of Oro Valley

Awards and Accolades

Government Finance Officers Association (GFOA)
Distinguished Budget Presentation Award – 10th
consecutive year



GFOA Certificate of Achievement for Excellence in
Financial Reporting – 24th consecutive year



GFOA Popular Annual Financial Reporting (PAFR)
Award – 5th consecutive year

