FY 2018/19
Town Manager’s Recommended Budget
April 18, 2018
Overview

- Budget timeline
- Budget snapshot
- Strategic Plan focus areas
- Budget highlights
FY 2018/19 Budget Timeline

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

JAN/FEB
Employee budget forum
Community outreach efforts
CIP meeting

FEBRUARY
Prepare revenue estimates
Finalize CIP

MARCH 12-16
Budget review with departments and Town Manager’s budget team

MARCH 2
Department budget requests due to Finance

APRIL 18
Town Manager Recommended Budget delivered to Council

MAY 2 & MAY 9
Budget Study Sessions

MAY 16
Public Hearing - Adoption of Tentative Budget

JUNE 6
Public Hearing - Adoption of Final 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%)
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
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

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<thead>
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<th>Category</th>
<th>FY 2018 Budget</th>
<th>FY 2019 Budget</th>
<th>Change</th>
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<tr>
<td>Personnel</td>
<td>$33.0</td>
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Budget by Category

- Reserves: $41.5M (29%)
- Personnel: $34.3M (24%)
- Debt Service: $7.4M (5%)
- O&M: $27.5M (19%)
- Capital: $32.5M (23%)
Budget by Fund

- General Fund: $49.2M (34%)
- Stormwater Utility Fund: $4.1M (3%)
- Water Utility Fund: $28.4M (20%)
- Highway Fund: $4.9M (3%)
- Benefit Self Insurance Fund: $4.4M (3%)
- Capital Fund: $7.3M (5%)
- PAG/RTA Fund: $13.2M (9%)
- Impact Fee Funds: $20.4M (14%)
- Debt Service Funds: $1.3M (1%)
- Community Center Fund: $6.3M (5%)
- Misc Funds: $3.6M (3%)
Capital Improvement Program (CIP)

Total CIP projects = $31.5M Town-wide
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