



Town of Oro Valley

ANNUAL BUDGET FY 2021-22

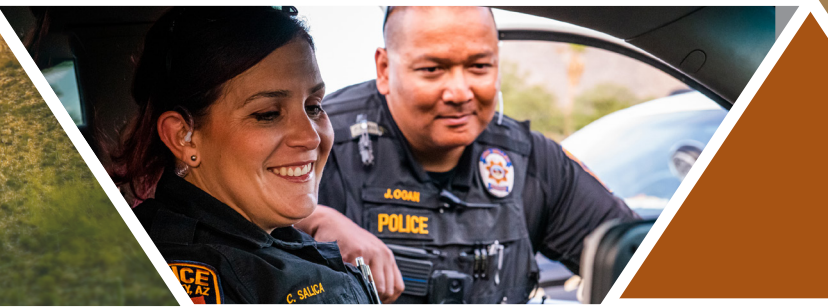
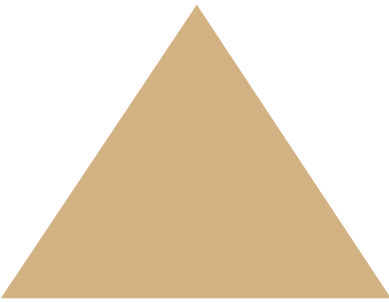


Photo: credit: Dominic Arizona Bonuccelli



ORO VALLEY, *it's in our nature*

ANNUAL BUDGET 2021 – 2022



Community Vision

Oro Valley strives to be a well-managed community that provides all residents with opportunities for quality living. Oro Valley will keep its friendly, small-town, neighborly character, while increasing services, employment and recreation. The Town's lifestyle continues to be defined by a strong sense of community, a high regard for public safety and an extraordinary natural environment and scenic views.

Mission

Govern efficiently, inclusively and responsively to promote community health, safety and a sustainable quality of life for residents, business and visitors.

Organizational Values

We are strongly committed to:

- Honesty, Integrity, Trustworthiness
- Openness, Accountability, Transparent Government
- Respect for Diversity
- Creativity, Teamwork and Continuous Improvement
- Excellent Service

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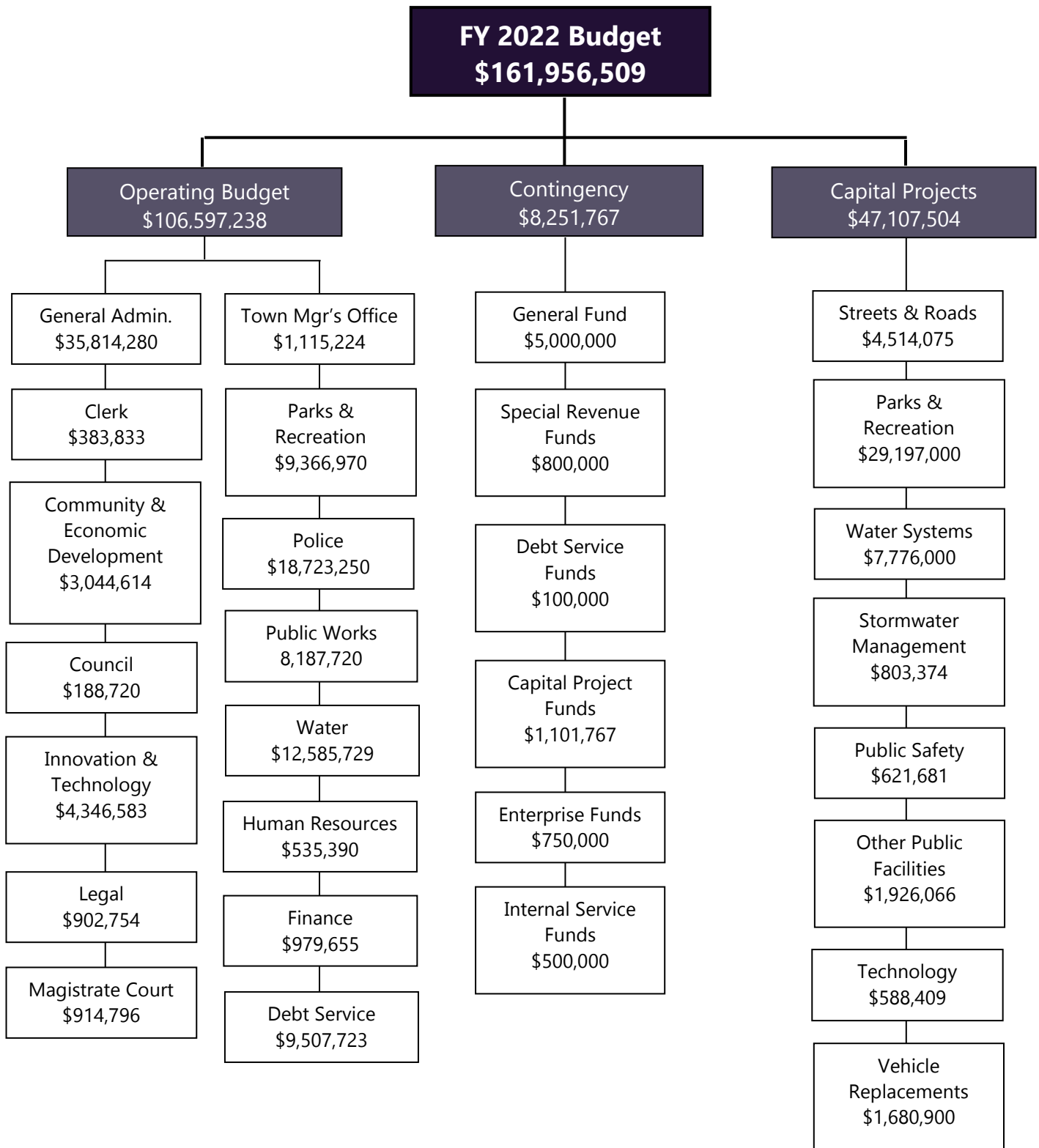
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Financial Organizational Chart



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

***Distinguished
Budget Presentation
Award***

PRESENTED TO

Town of Oro Valley

Arizona

For the Fiscal Year Beginning

July 1, 2020

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Town of Oro Valley, Arizona for its annual budget for the fiscal year beginning July 1, 2020.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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INTRODUCTION

Budget Message
"Know Your Town's Budget"
Community Profile
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Budget Document Guide
Mayor and Council
Organizational Chart
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Fund Structure
Financial & Budgetary Policies
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Budget Message



Mary Jacobs, Town Manager

It is my privilege to present the Town of Oro Valley balanced budget for Fiscal Year 2021/2022. This budget totals \$162 million, representing a significant increase of \$56.5 million, or 53% higher than the adopted Fiscal Year 2020/2021 budget of \$105.4 million. While that seems like a big jump, the increase is due primarily to one-time projects and initiatives made possible due to anticipated federal stimulus dollars and bond proceeds.

Families, businesses, and governments have faced many challenges over the past year due to the pandemic. Yet the Town of Oro Valley's adopted FY 21/22 budget reflects the Town's strong financial position as well as optimism and opportunities in the coming year – optimism that we can continue to provide high levels of service to our community and take advantage of opportunities to invest in the Town's long-term financial stability. The Town successfully navigated challenges posed by the COVID-19 pandemic and its financial performance reflects the positive economic activity within the community. New single-family residential permits approached levels not seen for nearly 20 years. Retail and remote sales tax collections combined saw double-digit growth in FY 2020/21. In April 2021, the Town Council voted to annex the Westward Look, which is expected to add more than \$750,000 in retail, bed and utility taxes to the Town's revenues annually.

A big part of the budget increase is due to the Town Council's recent vote to broaden the use of the half-cent sales tax originally dedicated to golf and the Community Center operations, opening its use to all Parks and Recreation functions. The Council also chose to direct a portion of that revenue source toward paying the debt service on \$25 million in bond financing for capital projects. The Council specified investments in Naranja Park, including multi-use fields, a splash pad, pickleball and basketball courts and other improvements, as well as replacing golf course irrigation, refurbishing tennis courts and improving parking at the Community Center, plus several new multi-use paths. This is good news for the community as it means that rather than saving money and building park facilities a little at a time, residents can expect to see these major investments much sooner.

Equally as important, the Town Council approved a debt issuance of \$17 million in pension obligation bonds to apply toward the Town's \$27.6 million Public Safety Pension Retirement System (PSPRS) unfunded pension liability. Together with a \$10 million cash contribution from reserves, this solution achieves the Council's PSPRS 100% funding goal far earlier than their projected deadline of 2036 while conservatively saving the Town more than \$9 million over the next fifteen years based on the Town's strong AA+ bond rating.

With strong financial preparation, a collaborative leadership team and responsible budget planning, this balanced budget represents the allocation of resources expected to be available in the coming fiscal year. The Town's FY 21/22 budget supports the priorities, goals and objectives outlined in the Town Council's FY2021/22 – FY2022/23 Strategic Leadership Plan, which include the following focus areas for investments to support the community:

- Economic Vitality
- Recreation and Culture
- Public Safety
- Roads, Water and Town Assets
- Land Use and Design
- Efficient and Effective Government
- Financial Stability and Sustainability

LOCAL, STATE AND NATIONAL TRENDS

As the Town of Oro Valley, and the nation at large, begin to emerge from the COVID-19 pandemic, things will be altered in subtle and yet dramatic ways. There are signs at the national, state and regional levels that portend positive trends for the upcoming fiscal year.

The U.S. economy is expected to grow 6.5% in 2021. Arizona remains well positioned to outpace most states in jobs, income and population increases, even after accounting for the negative impacts of the pandemic. According to Moody's Analytics, the Tucson area is among the best-positioned regions to thrive after the pandemic. This is due to the area's low population density, relatively high levels of educational attainment and an established regional economic development revitalization plan.

In Arizona, the travel and tourism industry were hit the hardest by the COVID-19 pandemic. The unemployment rate for metro Tucson's hospitality, restaurant and attractions firms is believed to have exceeded 20% at the end of 2020. This has also impacted the Town's bed tax and restaurant/bar collections, which were down nearly 20% when comparing the end of 2020 to the same period in 2019 and are estimated to be down nearly 35% by FY 20/21 year-end. Yet, it is widely predicted that rising vaccination rates will complement pent up demand and high personal savings rates to help this sector begin to recover in FY 21/22.

Both the retail and housing markets had surprisingly strong pandemic years and growth is expected to continue. From July 2020 – February 2021, Oro Valley retail collections were more than 15% higher than collections from the same period the prior fiscal year, which was pre-pandemic, helped greatly by a notable increase in on-line purchases. New single-family residential (SFR) permit activity was strong for most of 2020 throughout the Tucson region. Oro Valley experienced its most active year for new SFRs since 2003. A total of 385 new SFR permits were issued in 2020, which represents about a 43% increase from the 269 SFR permits issued in 2019.

The projected economic recovery is also expected to have a positive impact on the Town's largest revenue source, sales taxes. Sales taxes track the economy more closely than other potential revenue sources. Economic projections from reliable sources predict a rise in both general economic activity and specific economic activities that will increase the Town's sales tax revenues (retail sales, hotel stays, home construction). The Town is projecting a gradual uptick in sales tax revenue when compared to FY 20/21 estimates.

State shared revenues is typically the second largest revenue source for the Town. This revenue category is expected to increase by 4.1% overall. The increase in the state sales tax and vehicle license tax show a general belief that the state and region will return to more normal business operations as the economy recovers. While the Town expects to see increases in the state sales tax and vehicle license tax revenue of over 15%, these increases will be partially offset by an expected 8.9% reduction in state income taxes. This decrease is not due to pessimistic economic forecasts, but instead is due to delayed tax filings during the 2020 tax filing season caused by the pandemic.

MAJOR BUDGET CHANGES EXPLAINED

American Rescue Plan Act

On March 11, 2021 the American Rescue Plan Act (ARP) was signed into law by President Biden. Among the provisions was \$350 billion to help states, counties, cities and tribal governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. The Town of Oro Valley

budgeted to receive a total of \$10,986,791 split over two fiscal years, with the first half of the payment projected to be deposited by the Arizona Department of Revenue into Town accounts toward the end of FY 20/21. The first half payment has been included as a carryover amount, while the second half payment has been included as revenue in the FY 21/22 budget. After budgetary figures were finalized, the Town learned that its allocation would increase to \$15,377,780. The Town has until December 31, 2024 to spend its allocation, and approximately \$5,493,395 is planned for expenditure in the coming fiscal year.

The Town will use expected federal stimulus dollars to invest in capital and other one-time priorities. This frees up excess General Fund reserves, allowing Town Council to direct a significant \$10 million additional allocation toward the Town's \$27.6 million Public Safety Retirement System (PSPRS) unfunded liability.

The FY 21/22 budget includes the use of approximately \$1.3 million of ARP Act funding in the Town's General Fund towards one-time projects and programs. These items include funding for the OVNextSteps program, a Preschool Promise Scholarship Program, and deferred facility maintenance, among others. The remaining \$4.2 million is set to be transferred to the Town's Capital Fund to help fund current and future Capital Improvement Projects (CIP). The remaining ARP Act funding will be budgeted in the following fiscal year for one-time expenditures such as capital projects or facility maintenance. Use of the ARP Act funds for capital will help the Town reserve any year-end fund balance for the next two fiscal years for future Town priorities.

PSPRS Unfunded Liability

On April 7, 2021, the Town Council voted to direct the Town Manager to include in the budget capacity a \$10 million contribution from Town excess reserves, plus \$17 million in pension obligation bond proceeds to apply toward Oro Valley's \$27.6 million PSPRS unfunded pension liability.

The hybrid cash and pension obligation debt approach is the solution recommended by the Town's financial consultant, CBIZ, following an objective analysis of potential options to address the PSPRS unfunded pension liability. Staff and the Budget and Finance Commission also recommended this solution after a thorough review. The solution is consistent with the Town Council's PSPRS funding policy, which has set a 100% funding goal for the PSPRS and CORP retirement funds by 2036. The solution further requires the Town to continue paying its current contribution rates on an annual basis (41.65% for PSPRS and 75.53% for CORP).

Grants Fund

Another significant change from the prior year budget is the inclusion of a newly established Grants and Contributions Fund. This new fund will assist the Town in demonstrating spending compliance with Federal grants and awards, while also assisting the Town in ensuring current and future budgets are structurally balanced. It aligns with the Town Council's financial policy that one-time resources are utilized for one-time expenditures and will alleviate some of the perceived volatility from year-to-year in the General Fund due to anticipated grant funding.

TOWN OPERATIONS

The Town of Oro Valley has a demonstrated history of responsible budgets, strong reserve funds, conservative financial projections and continuous improvement. The FY 21/22 budget continues to build upon that foundation. FY 20/21 was especially conservative, incorporating a variety of cuts, position freezes and pauses on capital investments at the start of the fiscal year due to the initial uncertainty the pandemic would have on Town

revenues. The development of the budget remains mindful to using one-time resources for one-time investments. With inflationary cost increases projected in fuel, utilities, insurance and capital projects, among other categories, departmental operating budgets have been fine tuned to address top priorities. Department directors were very prudent in making budget requests and collaborated fully when revenue projections were unable to support all needs.

The following summary outlines major budget investments.

Compensation, Benefits and Personnel

Personnel is a significant expense to the Town's budget because the government is a service-based organization. Except for several years during the Great Recession, over the recent past the Town has been able to offer step/merit increases to eligible employees. For FY 20/21, the budget did not include step/merit increases due to the uncertainty surrounding expected revenue projections. However, the Town Council expressed a willingness to consider an adjustment later in the fiscal year depending on revenue collections and voted in January to provide a 3% across-the-board wage adjustment to eligible employees after reviewing favorable financial projections. The FY 21/22 budget once again includes step increases for sworn Police personnel and merit increases of 2.5-3% for all other employees.

The FY 21/22 budget includes \$50,000 to hire a firm to conduct a salary and compensation analysis to ensure the Town's compensation structure continues to remain competitive in the future. The last time the Town conducted a comprehensive review of this nature was nearly 10 years ago.

With no additional positions added in FY 20/21 within the General Fund, there are several crucial areas that require additional or restructured staffing to meet operational demands.

Public Safety – The FY 21/22 budget includes funds for an additional Telecommunicator position to help meet the increasing demands in keeping up with 911 calls. The budget also includes the reallocation of funds from Chief Riley's recent discontinuation of the paid Police Reserve Program toward a new full-time civilian Crime Scene Technician and a part-time Police Workforce Specialist, a position that will be primarily responsible for pre-hire background investigations, defensive tactics training programs and officer support. Some of the resources are being reallocated to the Public Works Department to add a Fleet Technician to bring certain maintenance activities for the Police and civilian fleet in-house.

Administration – The budget also includes an additional Senior Accountant position in the Finance Department to meet the operational needs of the organization. With only one staff-level accountant in the department, this position has been identified as necessary by the current and past CFOs for over four years. In addition, a new Systems Analyst position has been included within the Technology and Innovation Department to support the Water Utility's growing demands on software and other technology. The Water Utility will be funding the position through an increase in its administrative overhead transfer to the General Fund.

Public Works – As part of the process improvement initiative for Fleet Services, the department has reclassified a vacant position as Fleet Supervisor to oversee the expanded internal fleet maintenance program noted above. Some of the resources previously applied to a Police Reserve Officer assigned to Police fleet functions will be reallocated toward a Fleet Technician.

The FY 21/22 budget also includes the necessary reclassification of several positions at a total cost of \$20,982 to the General Fund. Classifications were adjusted to reflect the actual operational duties assigned to the positions as well as address internal and external equity issues.

Travel and training was sharply reduced in the FY 20/21 budget due to the expenditure reductions necessary to address the uncertainty of the pandemic's impact on Town revenues. In all departments, there is a recovery of this line item, although still lower than FY 19/20 as many conferences and training opportunities will continue to offer remote programs in lieu of in-person events due to the pandemic.

The Town continues to perform well in its employee health self-insurance fund. With an ongoing emphasis on wellness and early detection, Town employees and their dependents are not only well served with outstanding health plan choices, but they are taking steps to remain healthy. As a result, the Town will not need to increase employee-only health premiums for FY 21/22, an anomaly in the health benefit arena today. The Town will take the final step in moving dependent care for the PPO plan to the 75/25 contribution level in the coming fiscal year and will continue the transition to that split for dependents in the high deductible plan. The Town's benefit advisor has expressed that the self-insurance fund reserves remain very healthy and more than adequate to address any unexpected claims.

Strategic Investments

In February 2021, the Town Council met remotely for a two-day retreat to discuss and develop priorities for their next two-year Strategic Leadership Plan. On April 7, the Council provided feedback to staff on the draft plan, and on April 21 was formally adopted. The FY 21/22 budget was developed with these priorities in mind, and the Council's strategic focus areas provide the backdrop for outlining major investments, work efforts or changes to departmental budgets.

Economic Vitality – The Town continues to support area businesses as well as recruit new primary employers to Oro Valley. The pandemic has caused some businesses to pause on potential expansions and relocations, and others to proceed forward. The budget includes several investments and staff initiatives that will move the community toward future economic growth, including \$200,000 reserved in the General Administration budget for actions that will be developed as OVSafeSteps business assistance program transitions to OVNextSteps.

In October 2020, the UA Center for Innovation (UACI) at Oro Valley opened its doors to start-up bioscience/tech companies and currently houses two firms and expects to announce the third business soon. The budget again includes \$30,000 to support the services provided by the incubator as Town staff continue to work with UACI staff in identifying ways to eventually transition those companies to more permanent Oro Valley office space. In addition, a combined \$48,000 is included in the CED budget to support industry specific marketing, primary employer recruitment, external high-quality video, digital advertising, and site selector support and proposal response. The Town continues to maintain its strong partnership with Visit Tucson and has budgeted \$250,000 toward the base contract with the agency (down \$25,000 from the current fiscal year to reflect the reduction in bed taxes) but reserved another \$75,000 from the ARP Act funds for other initiatives or sponsorships that will help draw visitors to dine, shop, stay and recreate in Oro Valley, whether through Visit Tucson, Town initiatives or other partners. The FY 21/22 budget also continues the Town's \$40,000 operating agreement with the Oro Valley Chamber of Commerce to support the retention and expansion of Town businesses. A specific emphasis in the coming fiscal year will be assisting businesses in recovering post-pandemic.

Recreation and Culture – In FY 20/21, considerable time was devoted to the development of a comprehensive Parks and Recreation Master Plan. The final plan includes projected costs associated with: (1) lifecycle replacement and repair of existing facilities; (2) connectivity analysis; and (3) concept plans for the Community Center, Steam Pump Ranch, James D. Kriegh Park, Riverfront Park and Naranja Park. With a total projected cost of over \$62 million, the plan outlines top community priorities for the coming 10 years. With that in mind, the Town Council took action to utilize excess revenues from the half-cent sales tax dedicated to the Community Center Fund to issue a \$25 million bond to advance many of these capital projects. The Council directed that the \$25 million be allocated toward investments in Naranja Park, including multi-use fields, a splash pad, pickleball and basketball courts and other improvements, as well as replacing golf course irrigation, refurbishing tennis courts and improving parking at the Community Center, plus several new multi-use paths. In addition, several other Parks and Recreation capital projects that have been in the Town’s 10-year CIP for several years are also included in the FY21/22 budget, specifically:

- \$320,000 for improvements and updates to the playground at the James D. Kriegh Park
- \$195,000 to complete the playground project with connecting path, shade and a water fountain at Naranja Park
- \$115,000 for a water sanitization system for the Aquatic Center
- \$480,500 for the renovation of the BBQ and Bunk House at Steam Pump Ranch

About \$300,000 in carryover funds are included in the CIP budget to allow for the completion of the Garage renovation and Pusch House improvements at Steam Pump Ranch.

The Community Center Fund includes the resources necessary to operate all 45 holes of golf in keeping with Town Council direction. The irrigation project for the El Conquistador course is also included in the budget.

The budget also includes \$25,000 to continue the Town’s partnership with the Southern Arizona Arts and Cultural Alliance (SAACA) as well as the continued \$75,000 in funding support for the Oro Valley Children’s Museum.

Public Safety – The budget continues to prioritize funding for the health, wellness and safety of the Town’s first responders, to include training, support programs and personal protective equipment (PPE). Chief Riley has made some minor organizational changes to increase efficiencies and focus policing resources on data-driven needs, including mental health response, crime scene/evidence support, telecommunications and criminal investigations. The new positions noted earlier are a net increase of \$26,326 in the department’s budget and includes adding a crime scene vehicle for the new technician.

Also included in the budget is \$126,681 for a “Red Dot” system for officer duty handgun use, which has been shown to improve reaction time and the ability for an officer to remain focused on a threat during an altercation. The \$275,000 Police Mobile Command Post replacement has been elevated in priority within the CIP plan to ensure Oro Valley can remain ready to effectively respond to future emergencies as has been evidenced over the past year with responses required to situations associated with the pandemic, civil unrest and the Bighorn Fire.

Related to public safety and security, the Town has included \$220,000 to replace several emergency generators, \$110,000 for Town Hall campus security screen window coverings and \$300,000 for the migration of Town data servers to another location.

Land Use and Design – The Strategic Leadership Plan identifies several work tasks for the coming year that fall under this category. In addition to the staff time allocated toward these strategic objectives, the budget also includes a total of \$42,000 for professional services to assist with the objectives associated with a housing study, updating the Town’s design standards and updating the Dark Skies provisions. There is \$35,000 in the budget to retain the services of a professional planning firm to develop a master plan for the 109 acres of property on Oracle Road donated to the Town by the Rooney family.

Roads, Water and Town Assets – The budget continues to include substantial investments toward the design and construction of the Northwest Recharge, Recovery and Delivery System (NWRDRS), a partnership with the Town of Marana and Metro Water District to build infrastructure allowing all three entities to increase their utilization of Central Arizona Project (CAP) water allocations in the future. In total, the Water Utility has budgeted just over \$7.8 million for the NWRDRS program as well as other capital improvements and investments. Of that total, \$6.2 million is allocated from the Water Impact Fee fund.

Maintaining the Town’s high pavement condition remains a top priority for the Town Council, as well as residents. The budget includes \$1.6 million for the Town’s annual pavement preservation program. Other major road projects budgeted include \$575,000 to overlay Lambert Lane from La Canada Drive to La Cholla Blvd; \$425,000 for the First Avenue bridge deck repair; and \$527,000 for an asphalt overlay of Moore Road from La Cholla Blvd. to La Canada Drive.

Maintaining Town facilities and assets is a critical function for the Public Works Department. A Peak Performance process improvement initiative of Fleet Services revealed an opportunity for the Town to save funds by bringing certain vehicle preventative maintenance services in-house from contracted services for both the transit vehicles and white fleet. The analysis indicated that an investment of \$150,000 in the third bay at the Town’s fleet maintenance facility, along with the addition of a fleet technician, would generate a return on investment within three years followed by an annual savings of \$18,000. Those investments are included in the FY 21/22 budget. With the additional ARP Act funds, the budget also reserves \$800,000 in the General Administration budget toward additional facility projects targeted at building preservation, safety and ADA compliance improvements not included in the Public Works’ \$450,000 regular facility maintenance plan for the year. The additional projects will be finalized in the coming months.

Effective and Efficient Government – This overarching focus area touches all Town departments. Resources are again budgeted to continue the highly effective OV Peak Performance process improvement initiative for FY 21/22. In FY20/21, Peak Performance implemented 14 process improvements across the organization resulting in a \$64,995 savings in ongoing time and materials.

Financial Stability and Sustainability – The Town Council has prioritized the development of a permanent solution for addressing the Town’s PSPRS unfunded pension liability of \$27.6 million. The FY 21/22 budget includes a solution that will get the Town to its goal of 100% funding, and ensure it stays there by continuing to pay existing contribution rates to both PSPRS and CORP in the coming years. The budget includes an allocation of \$10 million in excess reserves and \$17 million in pension obligation debt to be deposited in the Town’s PSPRS account.

Other Regional Partnerships

The budget continues to include funds to support the Pima Animal Care Center (PACC) through Oro Valley’s highly successful partnership with Pima County. This year’s allocation to PACC is \$142,250, up slightly from the

prior fiscal year. PACC has done outstanding work during the pandemic to support families and their pets during this difficult time. Also included in the budget is a \$100,000 one-time investment toward the regional initiative to expand access to quality preschool education through the Preschool Promise Scholarship Program. Pima County has committed \$10 million over the next three years toward this initiative and the City of Tucson has committed \$1 million next fiscal year in addition to \$775,000 allocated in FY 20/21. The program is part of a workforce development initiative led by the Southern Arizona Leadership Council with participation by the United Way. This three-year pilot program is expected to demonstrate the value preschool education has on the future success of students. This contribution is intended to cover Oro Valley's participation for all three years of the pilot with the understanding that long-term funding for the program belongs with the level of government responsible for education.

Contingency

In FY 20/21, the adopted budget included a total of \$6.14 million in General Fund contingency to ensure the Town was adequately protected from unknowns of the pandemic. Given the stabilization of the Town's revenues, and the fact that none of the contingency was tapped into during the fiscal year, the FY 21/22 General Fund contingency has been lowered to \$5.0 million. The Town continues to adhere to its 25% General Fund reserve policy, which is \$13.5 million for the new fiscal year. The total ending projected Fund Balance for the General Fund is \$15.1 million, leaving \$1.6 million in excess reserves.

CAPITAL INVESTMENTS

Capital Fund

With over \$250 million in Town assets, continuing investments in existing infrastructure is crucial. The Town Council's financial policies include a requirement that the Town set aside at least 5% of sales tax revenues for the Capital Fund annually, which is \$1,022,882 for FY 21/22. This year, the budget includes a total of \$6.4 million in capital expenditures from the Capital Fund, not including the \$25 million in bond funds for parks and recreation projects. The following are highlights of some of the other Capital Fund projects. The rest can be found in the capital section of the budget document.

Police Command Post	\$275,000	Replacement of 1999 mobile command post
Police Red Dot System	\$126,681	Deployment of new system for duty handguns
Parks and Recreation Master Plan Priorities	\$1,500,000	To be determined following master plan approval and Council direction
James D Kreigh Park	\$320,000	Improvements and updates to playground area
Naranja Park Improvements	\$195,000	Add path connectivity, shade and water fountain
Steam Pump Ranch	\$480,500	BBQ and Bunk House renovations

Aquatic Center	\$115,000	Water sanitization project
680 Facility Improvements	\$252,000	Fleet bay improvements and office building renovations
Information Technology	\$410,000	Server upgrade, data center migration, security enhancements
Safety Improvements	\$330,000	Generator replacements and Security screens on main campus

In addition, the Capital Fund includes \$778,400 in total carryover dollars for completion of the Steam Pump Ranch Garage, the implementation of the permitting software system, and the outfitting of police vehicles budgeted in the prior fiscal year.

Roads and Streets

The budget includes funding for several projects in addition to the \$1.6 million in the Highway Fund for pavement preservation. Additional projects include the Lambert Lane overlay for \$575,000, and because the ARP Act funds have a timetable for use, one road project budgeted in the Capital Fund – the Moore Road overlay for \$527,000.

Fleet

The FY 21/22 budget continues to include funding for routine fleet replacements at just over \$1.8 million. These replacements include \$662,000 for the replacement and outfitting of 11 police vehicles, \$325,000 for heavy equipment and \$100,000 as part of the Town's portion to replace five public transit vans.

Water Utility

The Water Utility includes a total of 17 capital projects totaling \$7.8 million, details of which can be found in the CIP section of the budget document.

Stormwater Utility

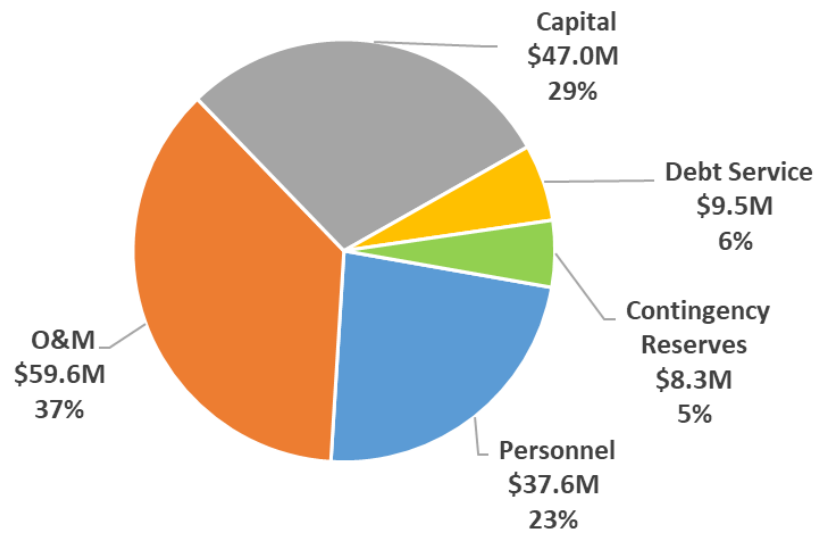
The Stormwater Utility fund includes two major capital projects totaling \$803,000. The first is the channel reconstruction project of the Gravel Mine Wash, and the second is drainage improvements in the Sierra Wash at Naranja Drive.

FINANCIAL OVERVIEW

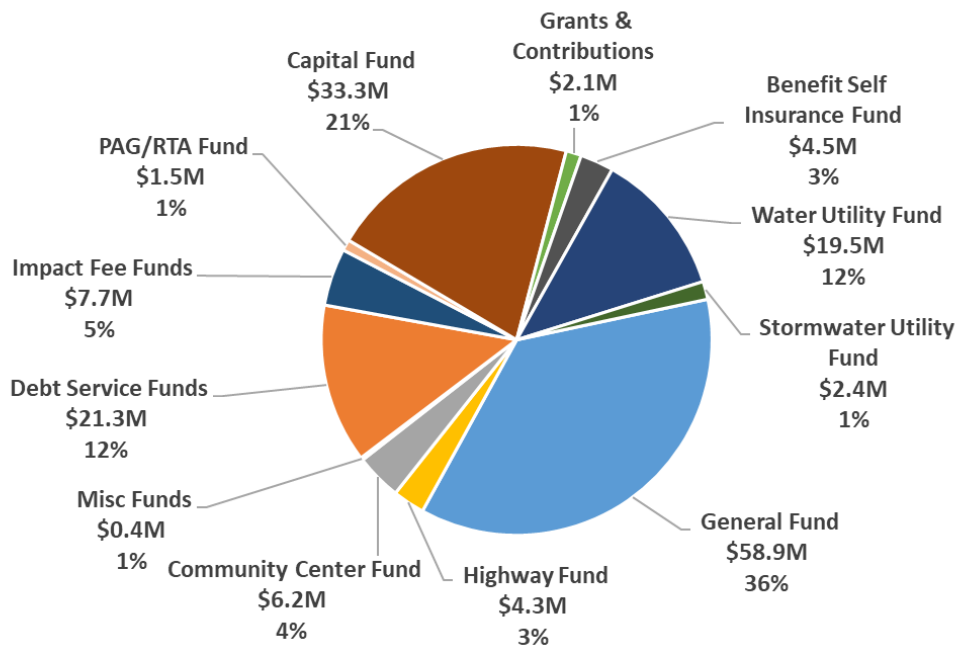
The following section offers an overview of the main funds of the FY 21/22 budget.

Below are two charts depicting the total FY21/22 budget of \$162.0 million by category and by fund.

FY 2021/22 Adopted Budget by Category



FY 2021/22 Adopted Budget by Fund



General Fund

The General Fund budget totals \$58.9 million (including contingency reserves of \$5.0 million and excluding interfund transfers of \$7.4 million), and overall is \$16.7 million or 37.4%, higher than the FY 20/21 budget of \$44.6 million. The General Fund has a planned use of excess reserves to fund identified one-time projects and initiatives.

The following are key revenue provisions included in the General Fund budget:

- In total, FY 21/22 General Fund revenues are \$3.7 million or 8.6% higher than FY 20/21 budgeted General Fund revenues.
- FY 21/22 local sales tax collections in the General Fund are \$3.0 million or 16.7% higher than FY 20/21 budget figures. This is largely due to projected economic recovery as the economy begins to rebound from the COVID-19 pandemic, as well as the annexation of the Westward Look Resort.
- State shared revenues are overall \$535,000 or 4.1% higher than FY 20/21 amounts. These revenue sources are dependent on population figures and revenues collections by the State.
- Licenses and permit revenues are \$257,000 or 16.1% higher than the adopted FY 20/21 budget, which reflect a continued strong housing market, yet are still conservative in nature.
- Charges for Services are \$148,000 or 6.6% higher than the adopted FY 20/21 budget. Primary drivers for this increase are a partial recovery of Parks & Recreation related revenues as well as increased administrative support charges to the Town's enterprise funds.

The following are key expenditure provisions included in the General Fund budget:

- Budgeted personnel costs for FY 21/22 total \$30.8 million. This figure includes step increases for sworn Police positions as well as 2.5% - 3.0% merit increases for all eligible Town positions. Additionally, the FY 21/22 personnel amount includes capacity for all recommended staffing changes noted earlier.
- For FY 20/21, department operations and maintenance (O&M) budgets were reduced \$1.2 million dollars during the onset of the pandemic. For FY 21/22, department O&M budgets increased \$1.1 million or 15.7%. This budget figure represents spending still slightly below pre-pandemic levels.
- There is a budgeted transfer of approximately \$5.2 million to the Capital Fund. This amount represents 5% of estimated General Fund sales tax collections per Town policy, as well as \$4.2 million in related ARP Act funding.
- As noted earlier, the FY 21/22 budget includes a \$10 million one-time contribution to PSPRS.
- Transfers out include approximately \$1.3 million for debt service payments related to issuing \$17 million worth of pension obligation bonds, as discussed previously.
- \$1.3 million of the approximate \$5.5 in million ARP Act funding is budgeted toward one-time projects and programs with the remaining \$4.2 million transferred to the Capital Fund.

The estimated year-end fund balance in the General Fund for FY 21/22 is \$15.1 million or 28.0% of the expenditure budget. The Town's adopted policy level is 25%.

Water Utility Fund

Revenues for the Water Utility Fund are estimated at \$17.3 million. This is a \$1.9 million, or 9.7% decrease from the FY 20/21 budget. Most of the decrease is due to bond proceeds budgeted in the prior fiscal year. When factoring this out, revenues are estimated to increase nearly \$1.1 million or 5.7%.

Expenditures for the Water Utility Fund are budgeted to decrease \$962,000 or 4.4% from the prior year budget. This is primarily attributed to fewer planned capital expenditures for this fiscal year. A listing of planned capital projects for the Water Utility Fund are outlined in the CIP section of the budget document.

10-Year Capital Improvement Program (CIP)

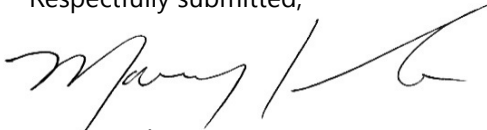
Town Council financial policies require the development of a 10-year Capital Improvement Program, which is reviewed and modified every year based upon needs and projected funding. The full 10-year plan projects a need for \$116.7 million in funding through FY 30/31. Total funding allocated to CIP projects for FY 21/22 is \$47.1 million. Highlights of the 10-year CIP plan include \$29.2 million for parks & recreation amenities, \$17.5 million for the Northwest Recharge Recovery and Delivery System (NWRDRS) project, \$19.3 million in continued pavement management and preservation, and \$5.0 million for road reconstruction or improvements. Additional details regarding CIP projects and project funding is included in the CIP section of the budget document.

CONCLUSION

I would like to thank the Mayor and Town Council for their vision and leadership in establishing priorities for this community through the development of the FY21/22 – FY22/23 Strategic Leadership Plan, and for your guidance through the course of the fiscal year.

I would also like to recognize and acknowledge the exceptional level of collaboration among staff from all Town departments in the development of the FY 21/22 budget, and for their diligence in responding to the Town Council's strategic direction. Finally, I would like to especially recognize my budget team for their extraordinary work and countless hours in preparing the budget: Senior Budget Analyst Michael Dyckman, Finance and Budget Administrator Wendy Gomez, Chief Financial Officer David Gephart, Chief Information Officer Chuck Boyer and Assistant Town Manager Chris Cornelison.

Respectfully submitted,



Mary Jacobs
Town Manager



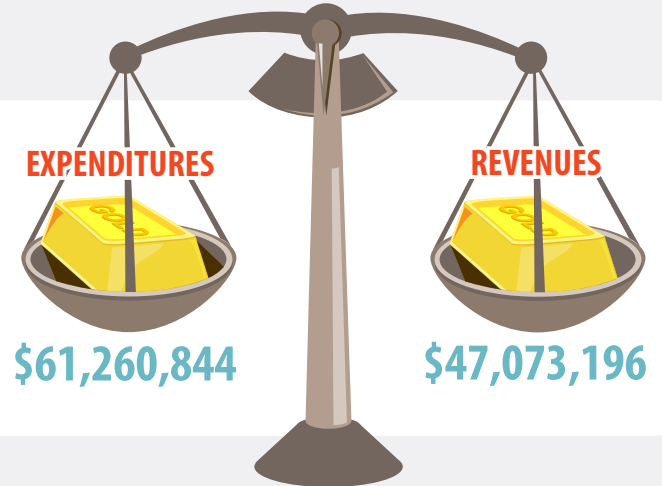
KNOW YOUR TOWN'S BUDGET

TOWN OF ORO VALLEY | FY 2021/22 BUDGET

Fiscal Year 2021/22 budget is in the amount of \$162.0 million; a \$56.5 million, or 53.6% increase from the adopted FY 2020/21 budget totaling \$105.4 million. This increase is primarily due to one-time projects and initiatives as a result of anticipated stimulus dollars and bond proceeds.

GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$61.3 million** (excluding budgeted contingency reserves of \$5,000,000).
- Estimated year-end contingency reserve balance in the General Fund for FY 2021/22 is **\$15.1 million**; 28.0% of the expenditure budget, exceeding the Town Council's policy of 25% by \$1.6 million.
- Includes planned use of **\$14.2 million** of reserves.



KEY REVENUE PROVISIONS

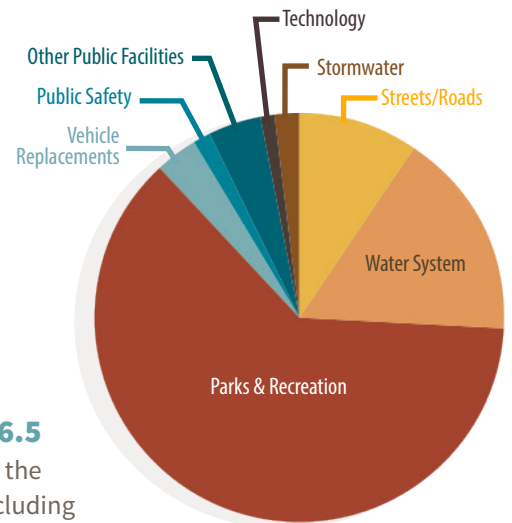
(Reflects all funds, except for first bulletpoint)

- Total FY 2021/22 General Fund revenues are **\$3.7 million**, or 8.6% higher than prior year budgeted General Fund revenues. This is due to local sales tax and permit revenues, which were budgeted at reduced levels in FY 2020/21 in anticipation of COVID-19 impacts.
- Local sales tax revenues are up **\$3.5 million**, or 16.8% from FY 2020/21.
- State-shared revenues, including Highway User Revenue Funds, are **\$691,000**, or 4.2% higher than prior year budgeted amounts.
- Budgeted grant revenues are **\$7.5 million** and include projected funds from the American Rescue Plan Act.

KEY EXPENDITURE PROVISIONS

FY 2021/22 Capital Improvement Program (CIP) projects in the amount of **\$47,107,504** include:

Streets/Roads	\$4,514,075
Water System	\$7,776,000
Parks & Recreation	\$29,197,000
Vehicle Replacements	\$1,680,900
Public Safety	\$621,681
Other Public Facilities	\$1,926,066
Technology	\$588,409
Stormwater	\$803,374



- The FY 2021/22 budget is **\$56.5 million**, or 53.6% more than the prior year adopted budget, excluding contingency.
- Personnel related costs are increasing **\$2.1 million**, or 5.8% and include the addition of several new positions and projected increases to health and other employee related benefits.
- Through a combination of reserves and bond proceeds, the budget includes a **\$27 million** payment towards the Town's unfunded police pension liability.

THE TOWN BUDGET: PLANNING FOR THE FUTURE

The budget is a long-range planning tool that allows the Town of Oro Valley to review the community's goals and objectives, evaluate and determine what is required to meet those objectives, and develop an implementation strategy.

SUCCESSFUL NAVIGATION OF THE COVID-19 PANDEMIC

The Town successfully navigated challenges posed by the COVID-19 pandemic. Financial performance across all funds far exceeded expectations. Permitting and development activity continued unabated throughout FY 2020/21, with single family residential permits approaching levels not seen for 15-plus years. Retail and remote sales tax collections combined saw double-digit growth in FY 2020/21. Impacts on Town revenues due to COVID-19 were largely limited to restaurant/bar and bed tax collections. When factoring out projected stimulus funding and expenditures, the Town is expected to end the fiscal year with a General Fund surplus of approximately \$2.7 million.

AMERICAN RESCUE PLAN ACT

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden. Among the provisions was \$350 billion to help states and local governments cover increased expenditures, replenish lost revenue and mitigate economic harm from the COVID-19 pandemic. The Town of Oro Valley is expecting to receive more than \$15 million in ARPA funding over two fiscal years. The Town has until December 31, 2024, to spend its allocation, and approximately \$5.5 million is planned for expenditure in the coming fiscal year. The Town will use expected federal stimulus dollars to invest in capital and other one-time priorities.

PSPRS UNFUNDED LIABILITY

On June 2, 2021, Town Council approved a debt issuance of \$17.0 million in pension obligation bonds to apply toward the Town's \$27.6 million Public Safety Pension Retirement System (PSPRS) unfunded pension liability. Town Council also voted to include a \$10 million cash contribution toward the unfunded liability from Town General Fund reserves. This hybrid solution is consistent with the Council's PSPRS funding policy, which has set a 100% funding goal for the PSPRS and CORP retirement funds by 2036.

PARKS AND RECREATION BOND FINANCING

On May 5, 2021, Town Council voted to redirect a portion of the Town's dedicated half-cent sales tax collections devoted to parks and recreation towards debt service on the issuance of approximately \$25 million in bond financing for capital projects.

The \$25 million in Parks and Recreation bond financing, the hybrid funding of the PSPRS unfunded pension liability, and the anticipated ARPA funding are the primary reasons for the budget increase for FY 2021/22.

FY 2021/22 BOND FINANCING

Similar to a family taking out debt to pay for a house or a car, a local government can issue bonds to finance necessary capital projects and advance strategic goals. This strategy is a common practice among cities, towns and counties and allows projects to be constructed sooner for the community instead of waiting until the dollars are saved.

For FY 2021/22, the Town plans to issue approximately \$42 million in bonds, specifically \$17 million to pay down the Town's unfunded police pension liability and up to \$25 million for community Parks and Recreation amenities.

Different from secondary property tax bonds which require voter approval, the Town and outside entities ensure there are sufficient resources to pay back these bonds in the future.

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 property taxes to Pima County and other taxing districts (school districts, fire districts, etc.).

Town residents and visitors pay approximately \$24.1 million in local sales taxes to Oro Valley each year.

- **4% utility tax (\$3.2 million/year)**
- **2.5% retail tax and 2.5% restaurant/bar tax (\$13.5 million/year)**
- **2.5% + 6.0% hotel and bed tax (\$2.3 million/year)**
- **4.0% construction tax (\$3.9 million/year)**
- **All other categories (\$1.1 million/year)**

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

The FY 2021/22 Adopted Budget of \$162.0 million is comprised of 17 separate funds, each with their own balanced budgets. Each fund contains its own "savings" account, otherwise known as its fund balance. When revenues are less than expenditures, the Town draws from its fund balance. For FY2021/22, the Town plans to spend approximately \$23.6 million from its overall beginning fund balance total of \$68.6 million, leaving \$45.0 million on hand at year-end. These are planned uses of funds that have been building up over a period of time being used primarily to cash-fund one-time capital projects and initiatives. In FY 2021/22 the Town is planning to utilize fund balance of about \$14.2 million in the General Fund.

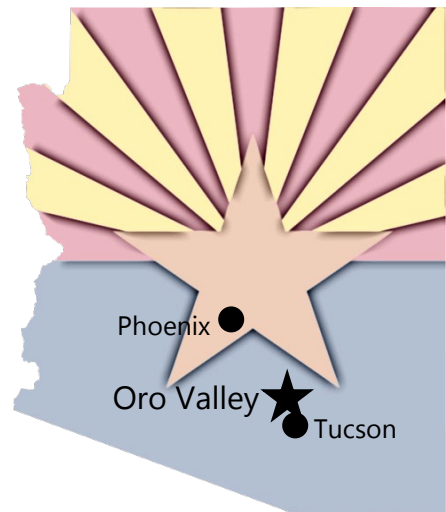
Community Profile

Oro Valley, Arizona

Oro Valley is located in northern Pima County approximately three miles north of the Tucson city limits. Nestled between the Catalina and Tortolita mountain ranges, the town sits at an elevation of 2,620 feet and covers more than 36 square miles.

ACCOLADES

- Safest City in Arizona – Safewise, 2019
- Arizona’s Best Small City – WalletHub, 2017
- One of the safest places to live in Arizona – National Council on Home Safety and Security, 2017
- One of America’s 10 Safest Suburbs – Movoto Real Estate, 2014
- Best Place in Arizona to Raise Kids – Bloomberg Businessweek, 2013



CLIMATE

When it comes to climate, Oro Valley is one of the sunniest, most comfortable places in the country. High temperatures average 83.4 degrees while lows average 53.8 degrees.

PRINCIPAL ECONOMIC ACTIVITIES

- Biotechnology/medical
- Recreation/resort/leisure
- Arts and culture

Basic Information

Founded: 1881	Distance to Major Cities:
Incorporated: 1974	Phoenix 109 miles, Tucson 3 miles
County: Pima	Legislative District: 9, 11
Congressional District: 1	Form of Government: Council – Manager

Age & Gender Composition

Male	49.3%
Female	50.7%
Median Age	54.0
Under 5 years	3.4%
5 to 9 years	4.6%
10 to 14 years	5.6%
15 to 19 years	5.8%
20 to 34 years	11.3%
35 to 44 years	9.9%
45 to 54 years	10.7%
55 to 64 years	14.9%
65 + years	34.0%

Source: US Census Bureau

Population

	2000	2010	2019 (est.)
Oro Valley	29,700	41,011	46,044
Pima County	843,746	980,263	1,043,400
Arizona	5,130,632	6,392,017	7,195,900

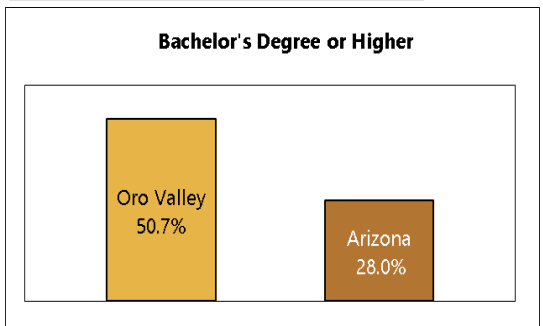
Source: US Census Bureau

Labor Force

	2000	2010	2017
Civilian Labor Force	15,073	18,264	19,182
Unemployed	389	1,233	828
Unemployment Rate	2.6%	6.8%	4.3%

Source: Arizona Commerce Authority

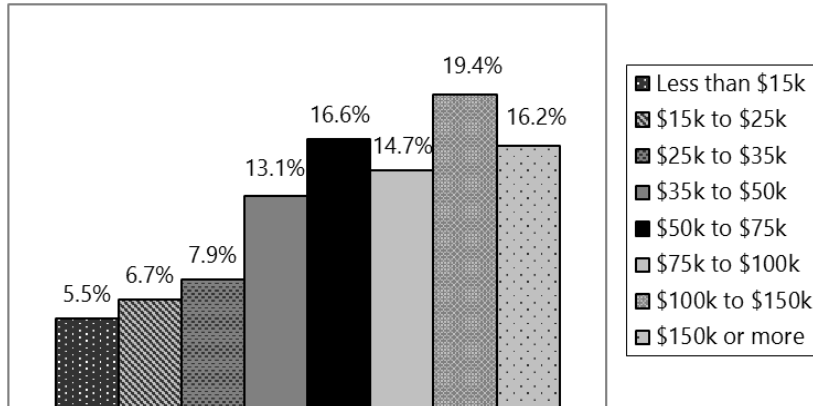
Education Attainment



Source: US Census Bureau

Community Profile

Household Income



Source: US Census Bureau

Major Employers

- Roche Tissue Diagnostics
- Honeywell Aerospace (unincorporated Pima County)
- Oro Valley Hospital
- Amphitheater School District
- Town of Oro Valley
- El Conquistador Tucson, A Hilton Resort
- Casa de la Luz Hospice
- Simpleview
- Meggitt Securaplane
- Splendido at Rancho Vistoso

Home Values

Less than \$50k	2.8%
\$50k to \$99k	1.6%
\$100k to \$199k	14.1%
\$200k to \$299k	37.7%
\$300k to \$499k	30.4%
\$500k to \$999k	11.6%
\$1M or more	1.7%

Source: US Census Bureau

Community Facilities

Oro Valley is home to more than 440 acres of parks, a community and recreation center, a competition-level aquatic center, an archery range, lighted ball fields, multi-use fields, tennis courts and an accessible playground. In addition to aquatic events, Oro Valley hosts a number of sporting events, including triathlons, duathlons and marathons. Fire services are provided by Golder Ranch Fire Department, while law enforcement services are provided by the Town of Oro Valley Police Department.



Taxes

Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.54
Countywide	\$7.90
Fire District	\$2.45
Town of Oro Valley	\$0.00
Total	\$15.89

Source: Pima County Treasurer's Office

Sales Tax

City/Town	2.5%
County	0.5%
State	5.6%

Source: League of Arizona Cities and Towns, Arizona Dept of Revenue

History of Oro Valley



The area of Oro Valley has been inhabited intermittently for nearly two thousand years by various groups of people. The Native American Hohokam tribe lived in the Honeybee Village located in the foothills of the Tortolita Mountains on Oro Valley's far north side around 500 AD. Hohokam artifacts are still being discovered in the Honeybee Village site that the Hohokam inhabited continuously for nearly 700 years.

Early in the 16th century, Native American tribes known as the Apache arrived in the southern Arizona area, including Oro Valley. These tribes inhabited the region only a few decades prior to the arrival of the Spanish Conquistadors, including Francisco Coronado. The Spanish established forts in the area, including the Presidio at Tucson (1775) beginning in the late 16th century.

Arizona Territorial Period

Beginning in the 19th century, Americans increasingly settled in the Arizona Territory, following the Mexican-American War and the subsequent Gadsden Purchase that included the area of southern Arizona. George Pusch, a German immigrant, settled in the area of Oro Valley in 1874 and established a cattle ranch. This ranch was unique because it utilized a steam pump to provide water, eventually popularizing Pusch's property as the Steam Pump Ranch on the Cañada del Oro. The steam pump was one of only two in the Arizona Territory.



Pusch's ranch provided respite for settlers and travelers entering and leaving the Tucson area. Pusch Ridge is named in honor of George Pusch.

Ranching in the area continued to flourish as greater numbers of Americans settled in the Arizona Territory. Large ranching families in the Oro Valley area included the Romeros and the Rooneys.

Gold rushers into the American West also were attracted to southern Arizona, where gold was said to be in abundance in and around the Santa Catalina mountains north of Tucson. Fueled by the legend of the lost Iron Door Gold Mine in the mountains, those in search of gold trekked through the Oro Valley area focusing their attention along the Cañada del Oro washbed.

Post-World War II Period

After World War II, the Tucson metro area experienced dramatic population growth, impacting Oro Valley as well. In the early 1950s, the Oro Valley Country Club opened at the base of Pusch Ridge, affirming the area's future as an affluent community. Although one tract housing development was built in the area in the early 1950s, the majority of the original homes in the Oro Valley area were built by individual land owners in a large ranch residential style.

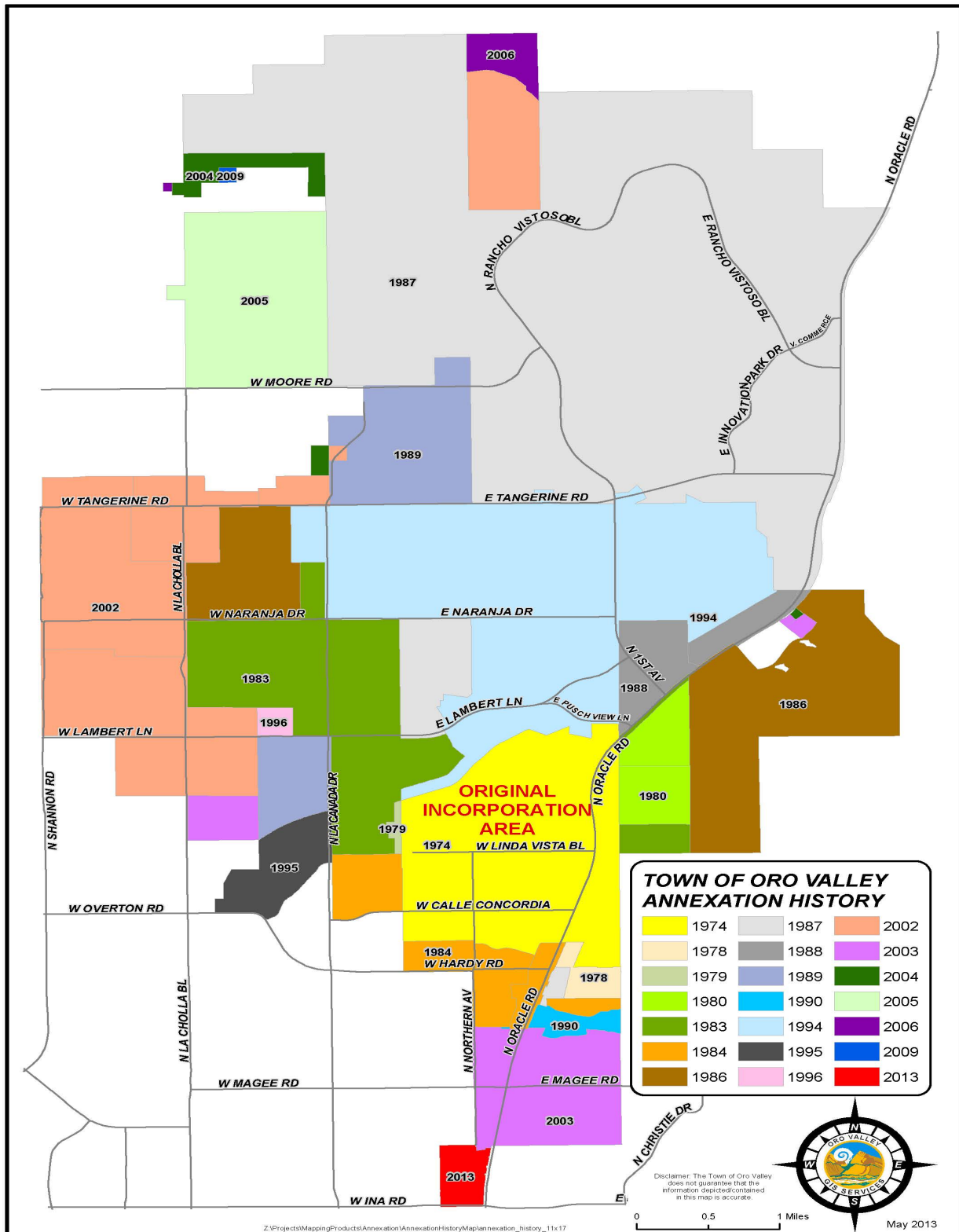
History of Oro Valley

Founding of the Town

The community continued to grow gradually, and area residents increasingly desired local control of the land in the area. In the late 1960s, incorporation became a greater focus in Oro Valley. Tucson Mayor James M. Corbett, Jr. expressed great interest in expanding the Tucson city limits to the far north side of Pima County. Corbett vowed to bring the Oro Valley area into Tucson "kicking and screaming," alluding to the reservations Oro Valley residents expressed about joining Tucson.

A petition to incorporate began to circulate in Oro Valley. The Pima County Board of Supervisors officially refused to allow Oro Valley to incorporate, and litigation followed. Ultimately, in 1974 a group of area residents successfully incorporated the Town of Oro Valley, then only 2.4 square miles in size. Oro Valley was centered primarily around the Oro Valley Country Club and Canyon del Oro High School. The Town began with a population of nearly 1,200. The map on the following page depicts Oro Valley's growth since its inception.

History of Oro Valley



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Budget Document Guide

The budget document seeks to implement the Town of Oro Valley's adopted General Plan and Strategic Plan within the boundaries of its available financial resources. The budget is a policy document, financial plan, operations guide and communication device.

The purpose of this guide is to provide the reader with some basic understanding on the organization of the budget document and what is included in each of the sections.

The budget document is comprised of the following five major areas:

Introduction

The introduction section includes the Manager's budget message, a "Know Your Town's Budget" synopsis document, a community profile and town history, the Town's Strategic Leadership Plan, General Plan, financial policies, fund structure and the budget process.

The Manager's budget message provides an introduction to the budget. The message outlines the assumptions used in the development of the budget, goals for the upcoming fiscal year, any new program enhancements or changes in service levels, and any challenges for the upcoming year.

Also included is a budget synopsis or "snapshot" document called "Know Your Town's Budget", a community profile containing interesting facts about the town, and a history of the town. The section also includes information on the Town's elected officials, an organization chart, elements of the Town's General Plan and Strategic Plan, financial policies of the Town and the budget development process.

Financial Overview

The financial overview section illustrates the total financial picture of the Town, sources and uses of funds, as well as types of debt issued and their uses.

The financial overview begins with the total sources and uses of funds. Summary tables and graphs depict revenue sources and expenditure categories.

Consolidated financial summaries and schedules provide a look, by major fund levels, at the sources and uses of funds, beginning and ending fund balances, and explanations of variance in these balances.

The revenue and expenditure section provides a detailed history of sources and uses both at the fund level and the program level. It also contains a section on revenue sources which discusses their use, assumptions used in forecasting, and anticipated growth. The expenditure section includes an explanation of year-over-year changes in expenditure categories.

The personnel summary provides an overview of personnel and employee compensation, staffing levels, employee benefit matching rates, FTEs per capita and consolidated personnel schedules.

The debt section provides an overview on the types of debt issued by the Town, their uses and future debt requirements.

The long term forecast discusses the broader economic outlook for the Town and includes five-year forecasts of the Town's General Fund and Highway Fund.

Budget Document Guide

Program Budgets

The program budget section contains the operating piece of the budget document. Specifics on types of services offered, along with associated costs and revenues are found in this section.

Each program budget begins with a department overview. Organizational charts and summary budget schedules are shown for departments with multiple funds, divisions or program areas. Program budgets also contain the following information:

- Accomplishments: Highlights achieved by departments in the previous fiscal year.
- Strategic Leadership Plan Goal, Council Focus Area and Objective(s): Tie to the Town's Council-adopted Strategic Leadership Plan and adopted General Plan
- Performance Measures: Performance indicators that assess progress towards Strategic Leadership Plan or General Plan goals and objectives.
- Departmental Budgets: Larger departmental budgets are divided into program areas. The program areas give a brief description of each program and the service provided. Department and program budgets include data on personnel, expenditures by category and explanations on variances between budget years.

Capital Improvement Program (CIP)

The capital improvement section contains information on the projects budgeted in this fiscal year and their operating impacts on the budget.

The capital improvement section describes the process and timeline for compiling the CIP budget, a summary of revenue sources to support the program, and a ten-year CIP plan.

It also includes a description and justification for each of the projects budgeted and their future operating impact.

Appendix

The appendix section contains several additional documents pertaining to the budget and a glossary of terms.

The appendix section contains the resolution adopting the budget, Auditor General Statements and a glossary of frequently used terms.

Mayor and Council



Joe Winfield, Mayor
Term Expires: Nov 2022

Oro Valley's Mayor and Council are committed to providing high-quality municipal services and responsible development. Through the Town Manager, the Mayor and Council provide policy direction by adopting rules, regulations, and procedures to meet community needs. The Mayor and Council remain accountable and accessible to the residents through their commitment to full, honest, and timely communication.



Melanie Barrett, Vice Mayor
Term Expires: Nov 2022



Joyce Jones-Ivey, Councilmember
Term Expires: Nov 2022



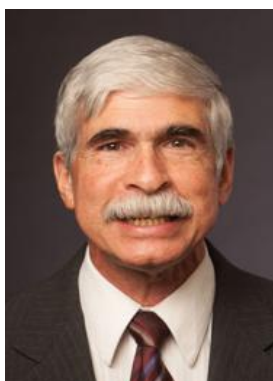
Josh Nicolson, Councilmember
Term Expires: Nov 2022



Timothy Bohlen, Councilmember
Term Expires: Nov 2024



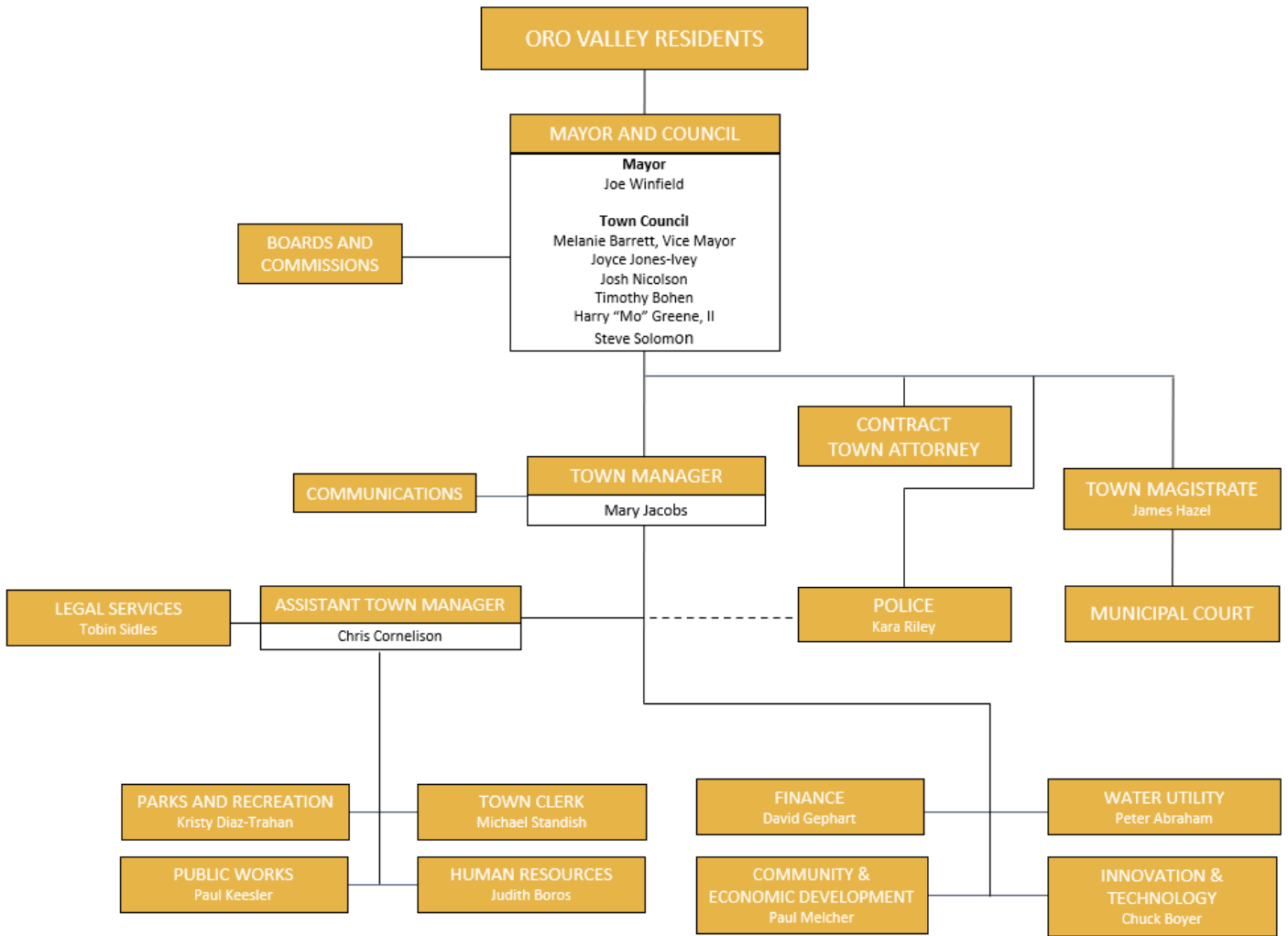
Harry "Mo" Green II,
Councilmember
Term Expires: Nov 2024



Steve Solomon, Councilmember
Term Expires: Nov 2024

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Organizational Chart



General Plan

Arizona State law requires all cities, town and counties in Arizona to prepare, update or readopt a document known as a General Plan every 10 years to guide and inform critical decisions about a community’s future and quality of life. Although the General Plan addresses immediate concerns, it focuses primarily on the future of the community, particularly on future improvements, land development and growth.

The adoption or re-adoption of the General Plan must be approved by the affirmative vote of at least two-thirds of the members of Town Council and ratified by voters. The current General Plan (also referred to as *Your Voice, Our Future*) was adopted and ratified in 2016 and is summarized below:

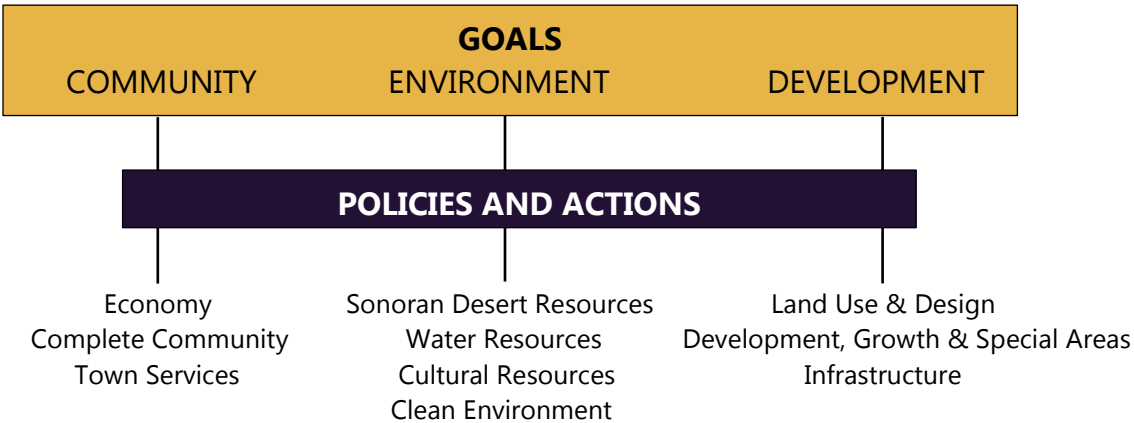
VISION AND GUIDING PRINCIPLES

ORO VALLEY’S VISION FOR THE FUTURE

Oro Valley strives to be a well-managed community that provides all residents with opportunities for quality living. Oro Valley will keep its friendly, small-town, neighborly character, while increasing services, employment and recreation. The Town’s lifestyle continues to be defined by a strong sense of community, a high regard for public safety and an extraordinary natural environment and scenic views.

GUIDING PRINCIPLES

- Focus on community safety and maintain low crime
- Preserve the scenic beauty and environment
- Keep the unique community identity as a special place
- Create a complete community with a broad range of shopping, dining and places to gather
- Minimize traffic and increase ways to get around Town
- Manage how we grow and maintain high design standards
- Grow the number of high-quality employment opportunities
- Keep Oro Valley a family-friendly community
- Support and build on high quality of schools
- Provide more parks, recreation and cultural opportunities for all ages
- Promote conservation of natural resources
- Maintain financial stability



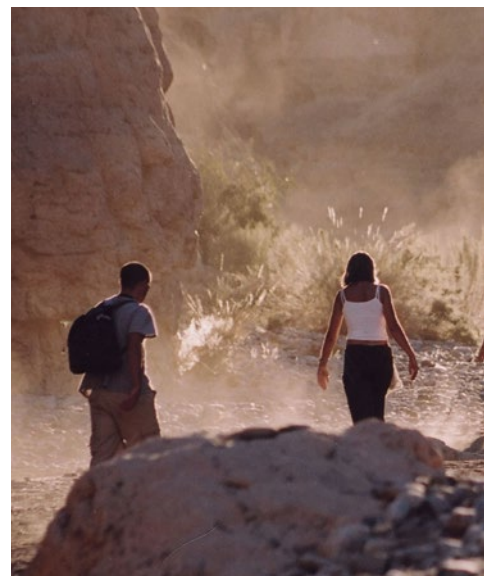


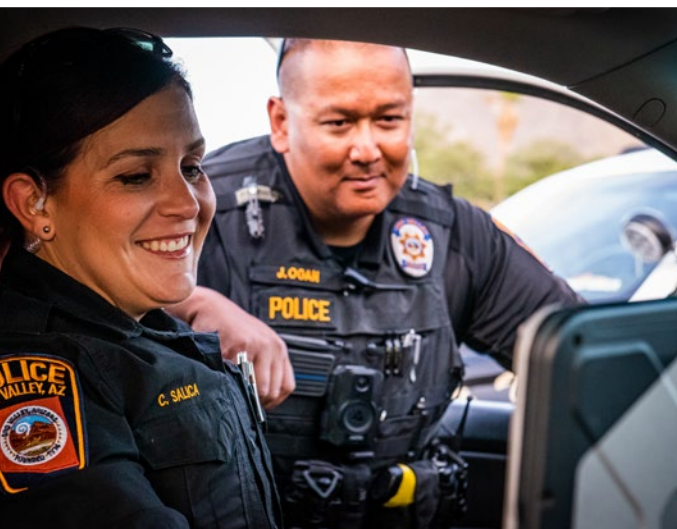
ORO VALLEY TOWN COUNCIL



STRATEGIC LEADERSHIP PLAN

FY 21/22 - FY 22/23





OVERVIEW

The Council-adopted Strategic Leadership Plan for fiscal years 2021/22 through 2022/23 is the culmination of an extensive three-month process involving Town Council and staff. Rooted deeply in the values and priorities of the Your Voice, Our Future 10-year general plan, the two-year Strategic Leadership Plan provides organizational direction in seven focus areas:

- Economic Vitality
- Land Use and Design
- Culture and Recreation
- Effective and Efficient Government
- Public Safety
- Financial Stability and Sustainability
- Roads Water and Town Assets

Within these focus areas are 16 goals and 50 objectives to guide everything from budget decisions to municipal operations, providing the community with a clear understanding of goals and expectations for the next two fiscal years.



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Culture and Recreation	5
Public Safety	6
Roads, Water and Town Assets	7
Land Use and Design	8
Effective and Efficient Government	9
Financial Stability and Sustainability	11

ORO VALLEY'S VISION FOR THE FUTURE

YOUR VOICE, OUR FUTURE

Oro Valley strives to be a well-managed community that provides all residents with opportunities for quality living. Oro Valley will keep its friendly, small-town, neighborly character, while increasing services, employment and recreation. The Town's lifestyle continues to be defined by a strong sense of community, a high regard for public safety and an extraordinary natural environment and scenic views.





FOCUS AREA 1: ECONOMIC VITALITY



GOAL 1A:

Implement actions to support and assist local businesses in navigating the current and projected economic conditions.

OBJECTIVES

- Transition the OVSafeSteps initiative to ongoing business support programs designed to help with post-pandemic recovery.
- Review and propose changes to Town codes that assist local businesses in adapting to emerging consumer buying habits.

GOAL 1B:

Implement strategies to attract, grow and retain primary employers and expand local job opportunities.

OBJECTIVES

- Prioritize actions that identify and recruit high-quality primary, employer prospects for the Town of Oro Valley consistent with the Council-adopted Comprehensive Economic Development Strategy.
- Develop strategies to incentivize entrepreneurial opportunities for start-up and home-based businesses, business expansion opportunities and adaptive reuse of vacant buildings.
- Evaluate the effectiveness of the 2019-2020 economic development business attraction efforts and recommend any improvements.



GOAL 1C:

Implement strategies to attract and retain retail, restaurant and hospitality investment and expansion in commercial centers.

OBJECTIVES

- Conduct an external retail market assessment by a qualified firm to provide targeted data designed to assist the Town in attracting and retaining restaurant and retail establishments.
- Work with the owner of the Oro Valley Village Center to develop a multi-faceted, mutually agreeable approach to attract and retain new investment and an expanded customer base to that complex.
- Partner with the Oro Valley Chamber of Commerce to convene an annual business summit focused on increasing the Town and community's understanding of the challenges and opportunities associated with operating a thriving business.
- Leverage the growing positive relationships with local businesses to develop enhanced strategies that make Oro Valley more business friendly.

GOAL 1D:

Identify strategies to entice area residents and visitors to choose Oro Valley as a premiere place to dine, shop, play and stay.

OBJECTIVES

- Produce and begin implementation of a robust Oro Valley-centric visitor attraction and marketing strategy, partnering with Visit Tucson and other stakeholders as appropriate.
- Partner with stakeholders to develop and implement actions and strategies that highlight the Town's flourishing arts and culture opportunities to both visitors and residents.

FOCUS AREA 2: CULTURE AND RECREATION



GOAL 2A:

Invest in and maintain a high-quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community's needs.

OBJECTIVES

- Explore a cost-effective plan and develop a corresponding intergovernmental agreement with Amphitheater Unified School District to utilize appropriate school facilities for community recreation programs.
- Invest in the top priorities of the final Council-adopted Parks and Recreation Master Plan.

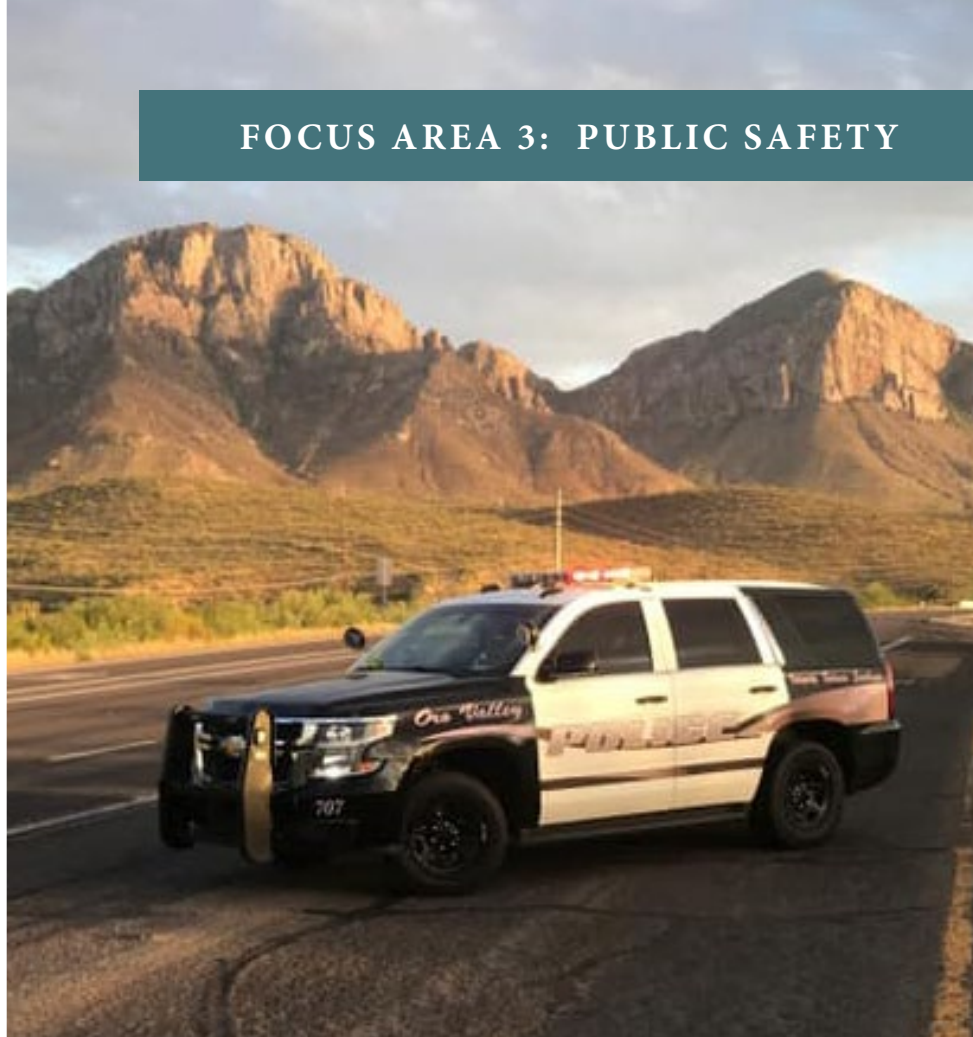
GOAL 2B:

Support recreational, cultural and arts programs that provide opportunities for residents to connect with their community.

OBJECTIVES

- Explore opportunities to create or expand multigenerational programs and facilities.
- Form a temporary task force to review current senior recreation programming and identify opportunities that will broaden and improve such program access.
- Expand or reimagine programs that address community wellness issues across all generations.
- Identify and implement expanded ways in which volunteers can help effectively support and grow community programs and events.

FOCUS AREA 3: PUBLIC SAFETY



GOAL 3A:

Support strategies that continue to ensure Oro Valley's standing as one of the safest communities in Arizona.

OBJECTIVES

- Utilize data to enhance deployment strategies for High Visibility Enforcement (HiVE) in high collision areas to address the increasing volume of traffic and associated issues in and around Oro Valley roadways.
- Allocate and deploy officers to efficiently and effectively manage and reduce crime utilizing current crime trends.
- Develop an outreach and marketing campaign to effectively recruit diverse and qualified officers, to include partnering with local educational institutions.
- Develop and implement ways to expand drug free awareness education and programming to area youth.

GOAL 3B:

Support actions that maintain and enhance the community's trust in the Oro Valley Police Department.

OBJECTIVES

- Work with local and regional partners to educate and address the impacts mental health issues are having on public safety and the entire community.
- Complete the Arizona Law Enforcement Accreditation Program (ALEAP).



FOCUS AREA 4: ROADS, WATER AND TOWN ASSETS

GOAL 4A:

Support investments and strategies that result in a quality transportation network throughout the community.

OBJECTIVES

- Continue to invest in a pavement management program that results in an Overall Condition Index (OCI) rating of 76 or better for all paved streets.
- Expand the Town's community beautification program.
- Participate in and support the Regional Transportation Authority's (RTA) effort to facilitate voter reauthorization of RTA Next by ensuring Oro Valley's long-term transportation needs are fairly represented.
- Analyze the service and financial impacts of an RTA discontinuation scenario and provide alternative options in addressing transit service needs and future transportation infrastructure.

GOAL 4B:

Deliver a safe, reliable and sustainable water supply that meets the long-term needs of the community.

OBJECTIVES

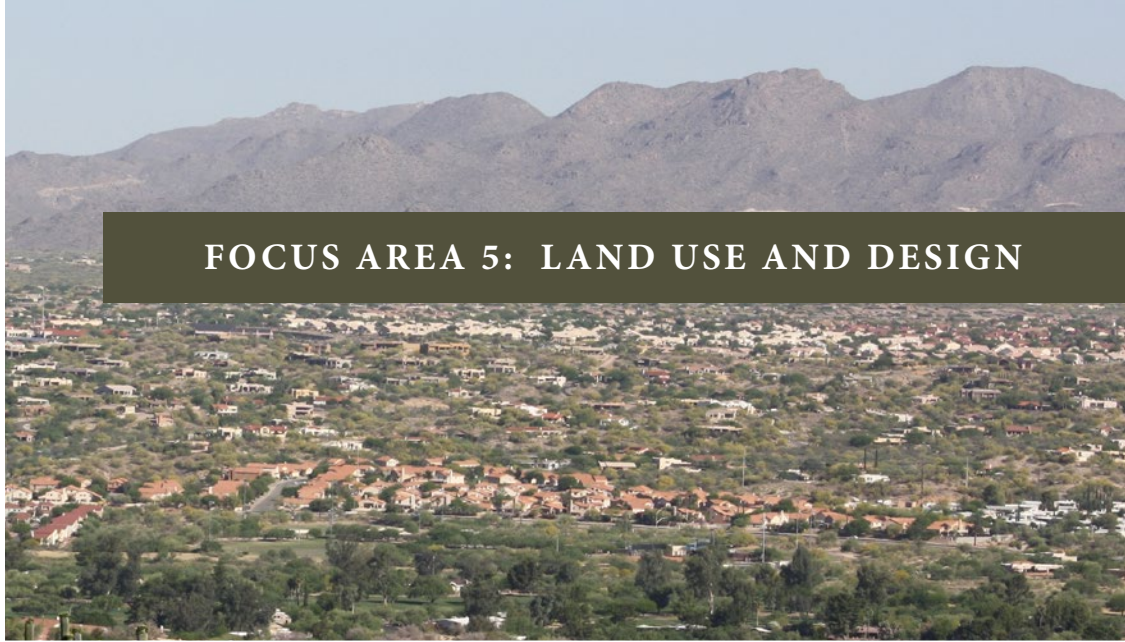
- Implement a plan to further improve water infrastructure reliability, maintenance and efficiency.
- Implement steps to ensure the Water Utility continues to supply water to its current and future customers in an environmentally and financially sustainable manner.
- Leverage technology to enhance customer support through improved communication and expanded conservation opportunities.

GOAL 4C:

Support investments and strategies that ensure the effective utilization of Town resources in maintaining properties and equipment.

OBJECTIVES

- Develop a comprehensive, organization-wide facility space plan that maximizes efficiencies and reflects the best use of Town properties for current and future needs.
- Determine the feasibility of expanding solar shade structures throughout Town facilities and evaluate grant funding opportunities.
- Cost effectively maintain, repair and improve aging Town facilities.
- Develop strategies to expand broadband services throughout the town.
- Identify and implement strategies to reduce downstream watershed pollution emanating from Town washes.



FOCUS AREA 5: LAND USE AND DESIGN

GOAL 5A:

Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community.

OBJECTIVES

- Conduct an assessment to determine the types of residential opportunities necessary to successfully promote a thriving and diverse economic base.
- Conduct an analysis of Town codes and ordinances to ensure the design standards maintain the unique character of Oro Valley while also providing for a variety of architectural concepts that integrate with and enhance the community.
- Review Town codes related to recreation amenity requirements for residential subdivisions and recommend updates that will prioritize larger neighborhood area parks and amenities as outlined in the Parks and Recreation needs assessment.
- Develop a Master Plan for the Rooney property that takes into consideration opportunities for economic growth, retention of open space and potential future municipal uses.





FOCUS AREA 6: EFFECTIVE & EFFICIENT GOVERNMENT

GOAL 6A:

Continue strengthening community outreach, engagement and transparency.

OBJECTIVES

- Utilize creative methods to increase resident knowledge and understanding of Town services, programs and facilities.
- Broaden the use of web-based tools and technologies to increase community engagement and transparency.

GOAL 6B:

Maintain and strengthen our culture of continuous improvement to affect an efficient and high-performing organization.

OBJECTIVES

- Foster a culture of continuous improvement through actions that support, challenge and engage the employee at all levels.
- Continue to provide regular training to Town staff to enhance process improvement proficiencies.
- Identify and implement ways in which Peak Performance teams share their journey and successes within the organization.



GOAL 6C:

Attract and retain talented employees to effectively carry out the Town's mission.

OBJECTIVES

- Review and modify Town policies to incorporate innovative and effective workforce practices that remain viable post-pandemic.
- Ensure wellness and benefit programs are valuable, cost effective and desired by employees and families to support wellness and productivity.
- Conduct a comprehensive compensation evaluation to ensure the Town remains competitive in recruiting and retaining employees.



FOCUS AREA 7: FINANCIAL STABILITY AND SUSTAINABILITY

GOAL 7A:

Ensure the Town can financially sustain expected levels of service for current and future residents.

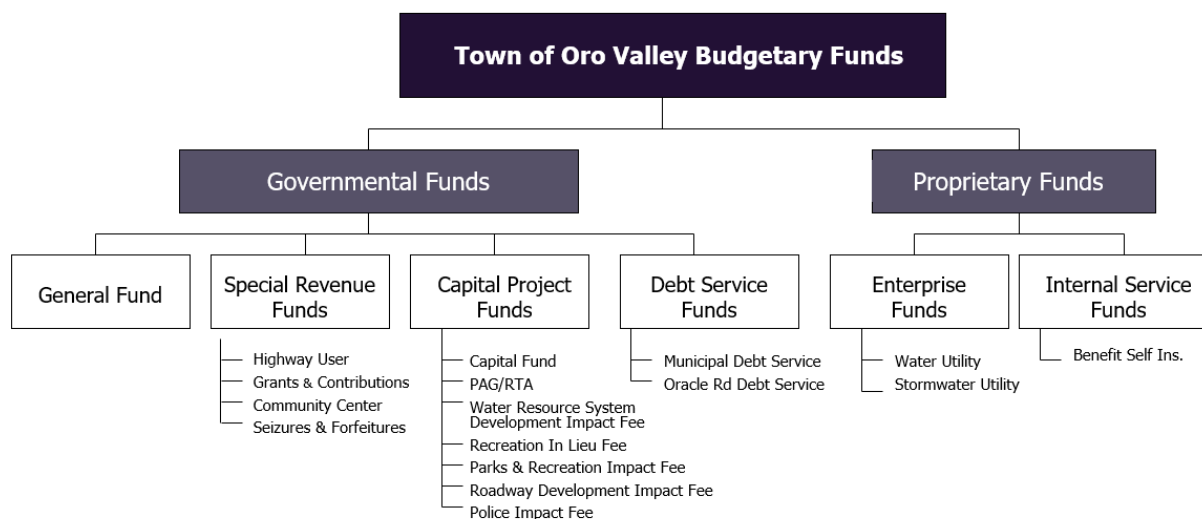
OBJECTIVES

- Adopt a comprehensive plan for permanently addressing the Town's Public Safety Personnel Retirement System (PSPRS) unfunded actuarial accrued liability.
- Continue pursuing top priority annexations as identified in the Town Council's annexation policy, and working with the State of Arizona to pursue annexation of nearby state land for tech park, commercial and residential uses.
- Develop a buildout analysis that projects short and long-term impacts to Town service levels and provides potential mitigation options.



Fund Structure

The Town's accounting and budget structure is segregated into various funds. In governmental accounting, a fund is a separate, self-balancing set of accounts that are created and maintained for specific purposes. All of the Town's funds are appropriated in the annual budget.



The **General Fund** is the primary operating fund of the Town and is set up to account for the resources devoted to finance services traditionally associated with local government. Police, parks and recreation, development services, human resources, finance, legal services and magistrate court are some examples of services in the General Fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose. The Highway User Revenue Fund accounts for the Town's share of motor fuel tax revenues, which are expended on street/roadway construction, maintenance and improvements. The Grants & Contributions fund assists in demonstrating spending compliance with grants and awards, while also assisting the Town in ensuring current and future budgets are structurally balanced. The Community Center Fund accounts for the operations of the Town's Community Center and contract-managed golf. The Seizure & Forfeiture Funds account for state and federal police seizures and forfeitures received by the Town.

Capital Project Funds are used to account for revenue received and expenditures related to infrastructure improvements such as streets, water, buildings and park facilities. Examples of revenue sources include impact fees, the issuance of bonds, outside funding and special assessments. The Town has a dedicated Capital Project Fund to track various capital expenses. Additionally, most of the other capital project funds consist of impact fee funds. The PAG/RTA Fund, which is used to manage the collection and expenditure of roadway grant funds from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA) is also a capital project fund.

Fund Structure

Debt Service Funds are used to account for the payment of principal and interest on general long term debt obligations that are not serviced by the General, Special Revenue and Enterprise Funds. It does not include contractual obligations accounted for in the individual funds.

Enterprise Funds are funds in which the services provided are financed and operated similarly to those of a private business. User fees are established to ensure that revenues are adequate to meet all expenses. The Town's major enterprise fund is the Water Utility Fund, which is used to account for the costs to operate, construct and finance the town's water system. The Town's non-major enterprise fund is the Stormwater Utility Fund, which accounts for costs of maintaining the town's stormwater drainage system.

Internal Service Funds are funds that account for services provided to other divisions and departments within the Town government. The Benefit Self Insurance Fund is used to manage costs related to the Town's self-funding of health insurance.

BUDGET BASIS VERSUS ACCOUNTING BASIS

Budget Basis

The Town's governmental and proprietary fund budgets are prepared using the modified accrual basis of accounting. *Modified Accrual Basis* is the method under which revenues are recognized when they become susceptible to accrual; that is when they become both "measurable" and "available to finance expenditures of the current period." Revenue and expenditure recognition is determined by near-term inflows and outflows of financial resources.

Accounting Basis

The basis of accounting refers to when revenues and expenditures or expenses are to be recognized and reported in the Town's financial statements. *Full Accrual Basis* is the method under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenses are recorded when goods and services are received (whether cash disbursements are made at the time or not).

In accordance with generally accepted accounting principles (GAAP), the Town's proprietary fund financial statements are prepared using the full accrual basis of accounting, while the Town's governmental fund financial statements are prepared using the modified accrual basis of accounting.

Because the accounting basis differs from the budgeting basis for the Town's proprietary funds, the following differences are noted:

- Compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (budget basis)
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability on a GAAP basis, as opposed to being expended on a budget basis
- Capital outlays within the proprietary funds are recorded as assets on a GAAP basis and expended on a budget basis
- Pension contributions are expended on a budget basis; pension expense on a GAAP basis is equal to the increase in net pension liability after adjusting for deferred items.

Financial and Budgetary Policies

The Town of Oro Valley has an important responsibility to its residents to carefully account for public funds, manage its finances prudently and plan for the adequate funding of services desired by the public. Sound financial policies help to ensure the Town's capability to adequately fund and provide the government services desired by the community. The policies contained herein are designed to foster and support the continued financial strength and stability of the Town of Oro Valley. Following these policies enhances the Town's financial health as well as its image and reputation with residents, the general public, bond and credit rating agencies and investors. The policies serve as guidelines for the Town's overall fiscal planning and management. In addition, both the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting (NACSLB) recommend formal adoption of financial policies by the jurisdiction's governing board. The most recent Town Council amendment and readoption of the policies occurred on June 6, 2018 per Resolution (R)18-25.

A. Financial Planning Policies

A.1 Balanced Budgeting and Fiscal Planning Policies

Fiscal planning is the process of identifying resources and allocating those resources among multiple and competing needs. The primary vehicle for this planning is the preparation, monitoring and analysis of the Town's budget.

The Town shall develop an annual budget whereby recurring Town revenues shall be sufficient to support recurring operating expenditures with no use of General Fund contingency to support ongoing operational expenses.

The Town's annual budget will include contingency appropriation to provide for unanticipated increases in service delivery costs, emergencies, and needs that may arise through the fiscal year. The contingency appropriation may only be expended upon Council approval.

Budget development will use strategic multi-year fiscal planning; conservative revenue forecasts and a program/performance based budgeting method. This method requires each department to establish fiscal year goals and objectives that will be evaluated to determine the effectiveness and efficiency of both department and Town resources. Utilization of a program/performance budget format will provide a basis for evaluation of service and other impacts of potential increases or decreases in funding.

Monthly budget to actual revenue and expenditure reports will be prepared for all Town funds by the Finance Department and presented to Town Council. The reports will also include revenue and expenditure projections through the end of the fiscal year.

The Town will not use one-time (non-recurring) revenues to fund continuing (recurring) uses, or use external borrowing for operational requirements. The budget will incorporate the best available estimates of revenues and expenditures.

All budgetary appropriations that have not been expended or lawfully encumbered shall lapse at the end of the fiscal year, June 30th. Appropriations for capital projects in progress at fiscal year-end shall be made for the subsequent fiscal year.

The Town shall work to minimize the financial burden on its taxpayers by routinely evaluating both its administrative and direct service delivery systems in terms of efficiency, effectiveness and responsiveness. Technology shall be utilized when feasible to increase efficiency and cost-effectiveness.

Any fiscal year-end special revenue fund balance amounts in other special revenue funds of the Town shall be maintained, preserved separately, and carried forward within those funds and not considered as part of the contingency reserve requirement for the Town's General Fund.

Financial and Budgetary Policies

The Town's annual budget shall be adopted by the Town Council at the fund level, except in the General Fund, where it shall be adopted at the department level. To provide sufficient control and accountability, budgets shall be prepared and monitored by major expenditure categories (personnel, operations and maintenance, capital outlay, debt service). (A *fund* is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources).

The Town shall promote the understanding that its employees are its most valuable resource and shall employ sound management practices when planning for service delivery. The Town is committed to maintaining and improving the productivity of staff through a pleasant working environment, appropriate equipment including office automation and computer applications, necessary training and adequate supplies and materials as resources and adopted policies permit.

A.2 Long Range Planning

As part of the annual Town budget preparation cycle, the Finance Department shall prepare a minimum five-year financial forecast of projected revenues and expenditures to measure the financial sustainability of the Town's operations and service levels.

A.3 Cash Management & Investment Policy

Cash and investment programs will be maintained in accordance with the Town's adopted Investment Policy and will ensure that proper controls and safeguards are maintained. Town funds are managed with an emphasis of safety of principal, liquidity and financial yield, in that order.

Bond funds will be segregated from all other funds for arbitrage and accounting purposes.

Ownership of the Town's investment securities will be protected through third party custodial safekeeping.

All Town bank accounts shall be reconciled and reviewed on a monthly basis.

The Town will consolidate cash balances from various funds for investment purposes, and will allocate investment earnings to each participating fund. This will allow the Town to maximize yields from its overall portfolio.

Investment performance will be reviewed and reported on as outlined in the current adopted investment policy.

All treasury activities with financial institutions will be conducted based upon written contracts between the Town and the respective financial institution(s).

A.4 Asset Inventory

Capital assets are assets with an acquisition cost of \$5,000 or more and an estimated useful life of two or more years. Such assets shall be depreciated in the Town's financial statements over their estimated useful lives.

Minor assets are assets with an acquisition cost of \$1,000 or more but less than \$5,000 and an estimated useful life of two or more years. Such assets will not be depreciated in the Town's financial statements.

Expendable items are machinery and equipment purchases whose cost is less than \$1,000. These items will not be depreciated.

The Town will depreciate capital assets using the straight line depreciation method.

The Town will project equipment and vehicle replacement needs for the next five years and will update this projection each year. Subject to funding availability, Town departments will be charged an annual contribution amount to accumulate funds for this purpose based on a portion of their annual asset depreciation.

The Finance Department shall be responsible for verifying the actual physical existence of capital and minor assets and the accuracy of the Town's asset database. The process will be monitored through asset audits of Town departments and divisions. Any significant irregularities are reported to the Town Manager.

Financial and Budgetary Policies

The Town will maintain capital assets and infrastructure at a sufficient level to protect the Town's investment, to minimize future replacement and maintenance costs, and to continue service levels.

B. Revenue Policies

B.1 Revenue Diversification

The Town will strive for a General Fund revenue base consisting of a balance of sales taxes, state shared revenues, user fees and other revenue sources.

The Town will maintain a diversified and stable revenue base to protect against short term fluctuations in any single revenue source and economic changes locally and nationally.

The Town will estimate revenues in a realistic and moderate manner in order to minimize the risk of a revenue shortfall.

B.2 Fees and Charges

All non-enterprise user fees and charges shall be examined annually to determine the cost recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by Town Council or as otherwise specified in Town code.

Development impact fees for capital expenses attributable to new development will be reviewed periodically to ensure the fees recover all direct and indirect development related expenses and be approved by Town Council.

For enterprise fund operations, the Town will establish rates and fees at levels to cover fully the total direct and indirect costs, including operations, capital outlay, debt service, debt coverage requirements and unrestricted cash reserve balances. Enterprise funds will not be used to subsidize the operations of other funds. Interfund charges will be assessed for the administrative support of the enterprise activity.

B.3 Use of One-Time Revenues

The Town will utilize one-time (non-recurring) revenues to fund one-time operating expenditures, prepay existing debt, or supplement "pay as you go" capital outlay. One-time revenues shall not be used to fund recurring expenditures.

B.4 Use of Unpredictable Revenues

If the Town should receive unpredictable revenues from sales tax audits, unbudgeted grant funding, gifts or donations, the Town shall account for these revenues as one-time revenues. They shall not be used to fund recurring expenditures.

C. Expenditure Policies

C.1 Debt Capacity, Issuance and Management

The Town will seek to maintain and, if possible, improve its current bond rating in order to minimize borrowing costs and preserve access to credit. The Town will encourage and maintain good relations with financial bond rating agencies and will follow a policy of full and open disclosure.

Future bond issue proposals will be accompanied by an analysis showing how the new issue, combined with current debt, impacts the Town's debt capacity and conformance with Town debt policies.

The general policy of the Town is to fund capital projects with new, dedicated streams of revenue or voter-approved debt. Non voter-approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenditures.

Financing shall not exceed the useful life of the acquired asset.

The Town shall not use long term debt to finance current operations.

The Town will establish debt repayment schedules with fixed annual principal and interest payments.

Financial and Budgetary Policies

Proceeds from bonded debt will be used in accordance with the purpose of the issuance. Funds remaining after the project is completed will be used in accordance with the provisions stated in the bond ordinance that authorized the issuance of the debt.

The Town shall comply with the Internal Revenue Service arbitrage rebate requirements for bonded indebtedness.

Interest earnings on bond proceeds will be limited to 1) funding or acquiring the improvement(s) or asset(s) or 2) payment of debt service on the bonds.

All projects funded with bonded debt must be included in the Town's Capital Improvement Program.

When considering refunding any outstanding bonded debt, the Town will perform a cost benefit analysis to determine if the cost savings of refunding will be greater than the cost to refund. Considerations will be made with regard to the existing bond covenants when refunding any bonded debt.

When utility revenues are pledged as debt service payments, the Town will strive to maintain a 1.3 times debt service coverage ratio to ensure debt coverage in times of revenue fluctuation. This will be in addition to the required ratio in the bond indenture.

The Town will communicate, and where appropriate, coordinate with all jurisdictions with which we share a common tax base concerning our collective plans for future debt issues.

The Arizona Constitution limits the Town's bonded debt capacity (outstanding principal) to a certain percentage of the Town's secondary assessed valuation by the type of project to be constructed. The limit for general purpose municipal projects is 6%. For water, light, sewer, open space, public safety, park, law enforcement, fire and emergency services, and streets and transportation facilities projects, the limit is 20%.

C.2 Capital Improvement Program

The purpose of the Capital Improvement Program (CIP) is to systematically identify, plan, schedule, finance, track and monitor capital projects to ensure cost effectiveness as well as conformance to established policies.

A minimum ten-year Capital Improvement Program will be developed and updated annually, including anticipated funding sources. Capital improvement projects are defined as infrastructure, equipment purchases or construction which results in or makes improvements to a capitalized asset costing more than \$50,000 and having a useful life of five or more years.

The Capital Improvement Program will include, in addition to estimated operating maintenance expenditures, adequate funding to support repair and replacement of deteriorating infrastructure and avoidance of a significant unfunded liability.

Proposed capital projects will be reviewed and prioritized by a cross-departmental team regarding accurate costing (design, capital and operating) and overall consistency with the Town's goals and objectives. Financing sources will then be identified for the projects ranking the highest based on the established ranking systems and limited monies.

In order for the Town to provide sustainable funding for capital improvements and asset repair and maintenance needs each year, the annual budget shall include the allocation of a minimum of 5% of the Town's estimated excise tax collections to fund these needs, subject to Council approval and funding availability. These funds will be accounted for in a separate Capital Fund.

Capital improvement lifecycle costs will be coordinated with the development of the operating budget. Future operating, maintenance and replacement costs associated with new capital improvements will be forecast, matched to available revenue sources and included in the operating budget.

Financial and Budgetary Policies

The current fiscal year of the Capital Improvement Program will become the capital budget.

Staff will monitor projects to ensure their timely completion or determine if an adjustment to the Capital Improvement Plan needs to be presented to Council. A quarterly status report will be presented to the Town Council to monitor each project's progress and identify any significant issues.

C.3 Fund Balance Reserve Policies

Fund balance reserves will be established to offset difficult economic times, stabilize fluctuations in cash flow requirements, provide for emergency situations threatening the public health or safety and provide for unanticipated increases in service delivery costs, unanticipated declines in revenues, unforeseen opportunities and contingencies. Use of reserves should be utilized only after all budget sources have been examined for available funds, and subject to Town Council approval.

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balances will be classified in the following components:

- A. **Nonspendable Fund Balance:**
That portion of a fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form, such as prepaid items, supplies inventory or loans receivable; or (b) legally or contractually required to be maintained intact, such as the principal portion of an endowment. This category was traditionally reported as a "reserved" fund balance under the old standard.
- B. **Restricted Fund Balance:**
That portion of a fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either (a) externally imposed by creditors, such as debt covenants, grantors, contributors, or laws or regulations of other

governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a "reserved" fund balance under the old standard.

- C. **Committed Fund Balance:**
That portion of a fund balance that includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, and remain binding unless removed in the same manner. This category was traditionally reported as a "designated" fund balance under the old standard.
- D. **Assigned Fund Balance:**
That portion of a fund balance that includes amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed. Such intent needs to be established at either the highest level of decision making, or by an official designated for that purpose. This category was traditionally reported as a "designated" fund balance under the old standard.
- E. **Unassigned Fund Balance:**
That portion of a fund balance that includes amounts that do not fall into one of the above four categories. The General Fund is the only fund that should report this category of fund balance. This category was traditionally reported as an "undesignated" fund balance under the old standard.

The Town shall maintain, at a minimum, a fund balance contingency reserve in the General Fund that represents 25% of the General Fund's annual expenditures with no use of the General Fund contingency to support ongoing operational expenditures. This minimum reserve amount will be incorporated into the General Fund budget adopted by formal action taken by the Town Council. Accordingly, these reserves will be classified as committed fund balances.

Financial and Budgetary Policies

Any excess funds that accumulate over the 25% balance shall be allocated toward capital project funding and reducing the Town's Public Safety Personnel Retirement System (PSPRS) unfunded liability.

Fund balance reserves may only be appropriated by authorization of the Town Council. A plan will be developed to adequately replenish reserves when appropriations are projected to reduce reserves below the required minimum levels.

When multiple categories of fund balance reserves are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council and unassigned fund balance), the Town will start with the most restricted category – spending those funds first – before moving down to the next category with available funds.

The Water Enterprise Fund shall maintain a cash reserve in the operating fund of not less than 20% of the combined total of the annual budgeted amounts for personnel, operations & maintenance, and debt service. This cash reserve amount specifically excludes budgeted amounts for capital projects, depreciation, amortization and contingency. No cash reserve is required for the water utility impact fee funds.

All Town budgetary fund designations and reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the Town's long-term financial forecast.

C.4 Operating Expenditure Accountability

Expenditures will be controlled as outlined in the approved budget.

Department heads are responsible for monitoring expenditures to prevent exceeding their total departmental expenditure budget. It is the responsibility of department heads to immediately notify the Finance Director and Town Manager of any circumstances that could result in a departmental budget being exceeded.

The Arizona Constitution sets a limit on the expenditures of local jurisdictions. The Town will 56

comply with these expenditure limitations and will submit an audited expenditure limitation report, audited financial statements and audited reconciliation report as defined by the Uniform Expenditure Reporting System to the State Auditor General within prescribed timelines.

Monthly budget to actual revenue and expenditure reports will be prepared, for all Town funds, by the Finance Department and presented to the Town Council. The reports will also include revenue and expenditure projections through the end of the fiscal year.

To provide flexibility in the management of departmental budgets for major expenditures (personnel, operations & maintenance, capital outlay and debt service) the following budget amendment and transfer provisions shall apply:

- A. Transfers between funds shall require the recommendation of the Town Manager and formal action by the Town Council.
- B. Transfers between the line items within each major expenditure category shall be permitted upon recommendation of the Department Head and approval by the Town Manager.
- C. Transfers between the line items or major expenditure categories to fund additional personnel or increased expenditures as a result of personnel reclassifications shall require the recommendation of the Town Manager and formal action by the Town Council.
- D. Transfers between the operations and maintenance and capital outlay major expenditure categories shall be permitted upon recommendation of the Department Head and approval by the Town Manager.
- E. Transfers that would reduce or eliminate funding for items designated in the adopted Capital Improvement Program shall require the recommendation of the Town Manager and approval of the Town Council.

Financial and Budgetary Policies

- F. Transfers that would reduce or eliminate funding for debt service shall require the recommendation of the Town Manager and formal Council action.

D. Financial Reporting Policies

The Town's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

An annual audit of the Town's financial statements will be performed by an independent certified public accounting firm, with an audit opinion to be included with the Town's published Comprehensive Annual Financial Report (CAFR).

The Town's CAFR will be submitted to the GFOA Certificate of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

The Town's budget will be submitted annually to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends and resource choices.

Financial systems will maintain internal controls to monitor revenues, expenditures and program performance on an ongoing basis.

Budget Process

The following table illustrates the calendar timeline and step-by-step progression of the FY 2021-2022 budget process:

Date	Task Description
Wednesday, November 25, 2020	Initial CIP project requests due
Wednesday, December 2, 2020	Updated five-year General Fund financial forecast presented to Mayor and Council
Friday, January 22, 2021	Senior Management Team Budget Kick Off. Preliminary outlook, operating budget formation & entry. Budget entry open
Thursday, February 18, 2021 - Friday February 19, 2021	Council Retreat: Strategic Plan, preliminary revenue projections and budget discussion, and preliminary FY2022 CIP listing
Monday, February 22, 2021	Department budget requests due
Friday, February 26, 2021	Final revenue estimates
Monday, March 1, 2021	Budget Steering Committee initial meeting
Tuesday, March 2, 2021	Final CIP project requests and CIP project carry-forward amounts due to Finance
Wednesday, March 3, 2021	Water Rates Analysis - Council Adoption of Notice of Intent
Wednesday, March 3, 2021 - Friday, March 12, 2021	Meetings between Town Manager, Budget Steering Committee and department heads to proposed budgets
Monday, March 15, 2021 - Tuesday, April 15, 2021	Finance prepares Town Manager Recommended Budget
Week of March 22, 2021	Budget sessions/feedback with Town employees to present Town Manager priorities and Council Strategic Leadership Plan
Wednesday, April 16, 2021	Manager's Recommended Budget distributed to Council and Budget & Finance Commission
Thursday, April 22, 2021 - Friday, April 30, 2021	Individual Council budget meetings
Wednesday, May 5, 2021	Council Study Session. Budget work session; CIP presented to Council
Thursday, May 6, 2021	Council Study Session. Budget work session
Wednesday, June 2, 2021	Adoption of Proposed Water Rates, Public Hearing
Wednesday, June 2, 2021	Tentative Budget Adoption, Public Hearing; Presentation of five-year forecast
Wednesday, June 16, 2021	Final Budget Adoption, Public Hearing

Budget Process

Initial Processes and Guidelines

The focus areas, goals and strategies outlined in the Council-adopted Strategic Leadership Plan provide an initial framework to guide management and staff on budget priorities for the upcoming fiscal year. The seven focus areas are:

- Economic Vitality
- Culture and Recreation
- Public Safety
- Roads, Water and Town Assets
- Land Use and Design
- Effective and Efficient Government
- Financial Stability and Sustainability

The FY 2021-2022 budget process began in November 2020, when departments submitted their initial capital improvement program (CIP) project requests. At the start of 2021, a cross-departmental team met to compile a preliminary CIP program for Town Council discussion. In February 2021, a two-day planning retreat was held with Councilmembers to update the Town's Strategic Leadership Plan, discuss preliminary revenue projections and the CIP program for the upcoming fiscal year. The Strategic Leadership Plan, as well as one-on-one meetings with Councilmembers, help guide and identify budget priorities and goals, and facilitate alignment with long-range planning.

At the conclusion of the two-day planning retreat, each department develops their budget based on the identified priorities and goals. Departments build their budget and formulate next year's requests at the line-item level, as well as project current year-end estimates. This information is compiled on a program level and an overall department level for review and analysis.

Budget Review and Adoption

Once departments have submitted their budget requests for personnel, O&M, and capital, Finance staff reviews the requests and compiles a financial package for the Town Manager. Budget review meetings are held between each department and the Town Manager's budget steering committee to ensure that departmental initiatives are aligned with the budget priorities outlined by Town Council. The budget steering committee is composed of the Town Manager, Assistant Town Manager, Chief Financial Officer, Chief Information Officer, Finance & Budget Administrator, and the Senior Budget Analyst. Any gaps existing between revenues and expenditures are discussed among the budget steering committee and the Town Manager with a recommendation for closure.

The Town Manager ultimately recommends a budget for Council consideration. The Town Manager's recommended balanced budget and 10-year Capital Improvement Program are delivered to the Council. Simultaneously, a financial sustainability plan is updated and presented to Council that includes various assumption factors, projected revenue and departmental costs to complete a five-year financial picture. During budget work sessions, Councilmembers have the option of adding new items for consideration, as well as amending or removing existing staff recommended budget items. Upon Council's revisions to the Town Manager's recommended budget, Finance compiles and finalizes the proposed tentative budget.

With the challenges posed by the COVID-19 pandemic beginning to lessen during the FY 2021-2022 budget process, staff remained conservative, yet optimistic on key revenue provisions. The overall budget process assumed that challenges brought on the pandemic would continue to lessen and the local, regional, and national economy would return to pre-pandemic levels.

Budget Process

The Manager's recommended budget was delivered to Council on April 16, 2021 for review with dedicated study sessions for discussion on May 5 and May 6, 2021.

With input received during the two budget study sessions, the tentative budget was presented and adopted on June 2, 2021. The adoption of the tentative budget sets the expenditure limitation for the fiscal year. In addition to having been available on the Town's website, the budget is also published via newspaper and two public hearings are held.

After completion of the public hearings, the final budget for FY 2021-2022 was adopted on June 16, 2021.

Expenditure Limitation

The State of Arizona imposes an expenditure limitation on local jurisdictions. State statute sets the limit unless otherwise approved by the voters. If the limit imposed by the State is not sufficient to meet the Town's needs, the budget law provides four options to potentially solve the problem. All of these options require voter approval.

- A local home rule (alternative expenditure limitation)
- A permanent base adjustment
- A capital projects accumulation fund
- A one-time override

The voters of the Town of Oro Valley adopted the Home Rule Option in 2018. The expenditure limit approved by the voters must be used in determining the Town's expenditure limit until a new base is adopted. The Home Rule option is voted on every four years. The FY 2021-2022 expenditure limit for Oro Valley is \$161,956,509.

In 2020, voters approved a proposition that would move the Town from home rule to a permanent base adjustment. Beginning in FY 23/24, the Town of Oro Valley will be on a permanent base adjustment will not require voter approval every four years unless a new base adjustment or home rule is needed.

Budget Amendments

Because detailed budgets are considered by the Town to be a planning tool for department management, departments should have some degree of flexibility in establishing and adjusting such detail including major expenditure categories. To provide such flexibility, the following budget amendment and transfer provisions shall apply:

- a) Transfers between funds shall require the recommendation of the Town Manager and formal action by the Town Council.
- b) Transfers between line items within each major expenditure category shall be permitted upon recommendation of the department director and approval by the Town Manager.
- c) Transfers between the line items or major expenditure categories to fund additional personnel or increased expenditures as a result of personnel reclassifications shall require the recommendation of the Town Manager and formal action by the Town Council.
- d) Transfers between the operations and maintenance and capital outlay major expenditure categories shall be permitted upon recommendation of the department director and approval by the Town Manager.

- e) Transfers that would reduce or eliminate funding for items designated in the adopted Capital Improvement Program shall require the recommendation of the Town Manager and formal Council action.
- f) Transfers that would reduce or eliminate funding for debt service shall require the recommendation of the Town Manager and formal Council action.

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FINANCIAL OVERVIEW

- Budget Overview
 - Fund Balances
- Historical Fund Balances
- Budget Summary
- Revenue Summary
- Revenue Schedule by Fund
- Revenue Sources
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- Expenditure Schedule by Fund
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Budget Overview

The budget for FY 2021/2022 totals \$162.0 million, which includes a \$107.9 million operating budget and \$47.1 million for capital projects, and represents a \$56.5 million, or 53% increase from the previous fiscal year budget of \$105.4 million.

This increase is primarily due to two main factors. First, there is an increase in the operations & maintenance (O&M) budget to include a one-time \$27.0 million payment to the Public Safety Pension Retirement System (PSPRS) to reduce the unfunded liability.

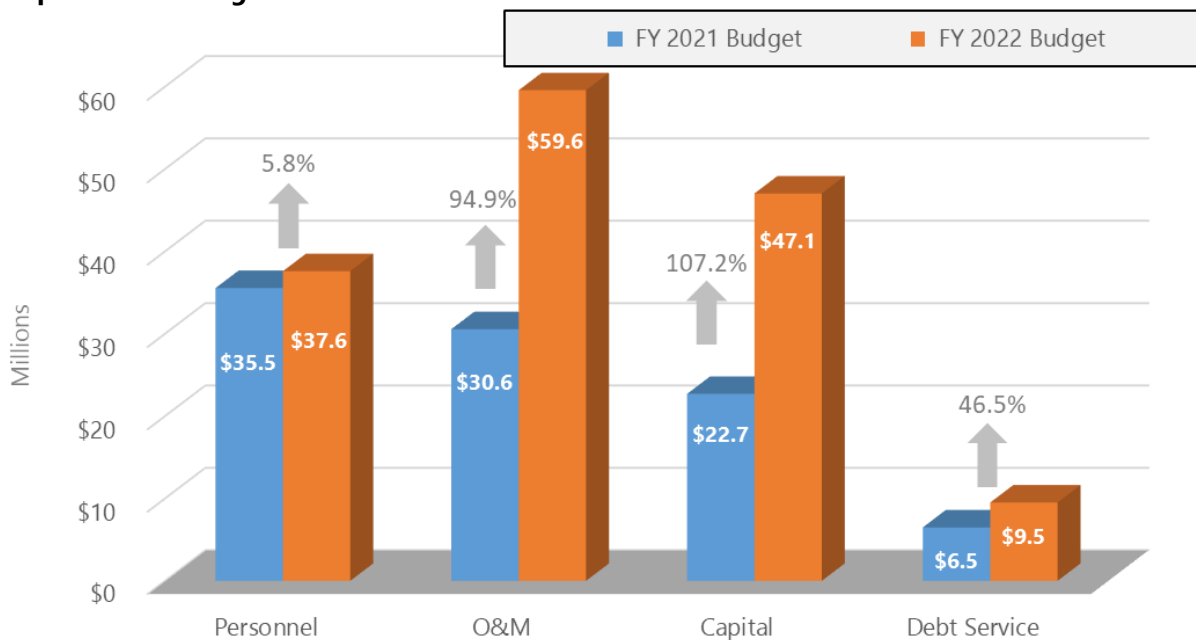
The second being a \$24.3 million or 107% increase in capital outlay compared to the prior year budget. Budgeted capital for FY 21/22 is a significant portion of the budget at \$47.1 million and includes capacity for roadway improvements, water system improvements, parks and recreation amenities and improvements, public safety facilities and equipment, and fleet and technology replacements. Please refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects.

The FY 21/22 personnel budget provides funding for eight new positions, several position reclassifications, and includes capacity for pension and health insurance premium changes. Refer to the personnel summary section of the budget for further discussion and details regarding personnel changes.

The O&M budget is increasing by approximately \$29.0 million, or 94.9%, due to the addition of \$27.0 million in expenditures related to the PSPRS payment. Excluding this one-time payment, the O&M budget is increasing \$2.0 million or 6.6% compared to FY 20/21.

A more detailed discussion on the changes to each category of the Town’s budget can also be found in the expenditure summary section of this document.

Comprehensive Budget Overview



Budget Overview

Budget Process Changes

The Town Manager’s recommended balanced budget for FY 21/22 was prepared and delivered to the Town Council and made public on April 16, 2021. The budget process is typically underway for several months leading up to this point, and Town Council, as well as the public encouraged to ask questions and offer input on the proposed budget for the upcoming fiscal year. During the next few weeks, there is the option to add new items, as well as amend or removing existing items from the recommended budget. After necessary revisions, a tentative and subsequent final budget are formally adopted by Town Council.

For FY 21/22, several significant changes were made from the recommended budget presented in April, to the final adopted budget in June. The largest of these changes was the addition of a \$25.0 million bond issuance for several parks and recreation capital improvement projects throughout the town. Another change to the recommended budget was the inclusion of revenues and expenditures related to the formal annexation of the Westward Look resort. In total, the overall budget increased \$27.6 million or 20.5% from the recommended amount of \$134.4 million to the adopted amount of \$162.0 million. A summary of the changes are listed below.

General Fund:

Refinement of personnel budget:	-\$10,244
Visit Tucson contribution:	\$160,000
Carry-over related to facility project:	\$75,000
Westward Look Improvement CIP:	\$540,075

Grants & Contribution Fund:

Possible grant funding:	\$1,000,000
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Seizure & Forfeitures Fund

Reallocation of capacity:	-\$195
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Water Fund:

Refinement of project amounts:	-\$10,000
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Community Center Fund:

Revised golf figures:	\$108,002
Project moved to Capital Fund:	-\$2,700,000

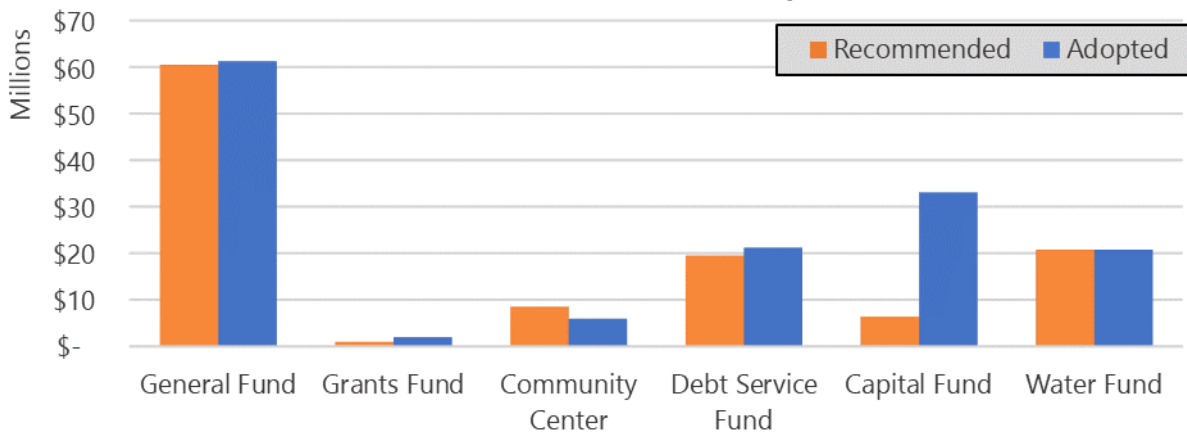
Municipal Debt Service Fund:

Debt service for \$25.0M bond:	\$1,700,000
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Capital Fund:

Addition of two FTEs:	\$215,146
Project moved to Capital Fund:	\$2,700,000
Parks & Rec bond projects:	\$22,300,000
Refinement of project carry-over:	\$1,477,966

FY 21/22 Recommended vs. Adopted



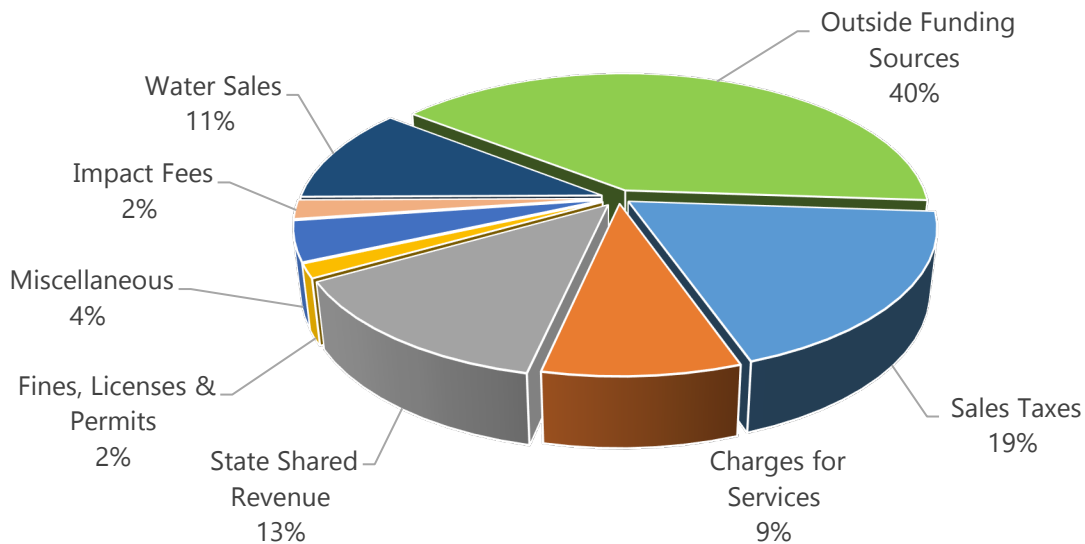
Budget Overview

Revenues

Budgeted revenue for FY 21/22 totals \$130.1 million and represents a \$44.9, or 52.6% increase from FY 20/21. This increase is due to an improving economic forecast, as well as \$42.0 million for budgeted bond proceeds. Town receives a variety of funding sources to finance operations, which are discussed in further detail in the Financial Overview section of the budget document.

In FY 21/22, the Town has budgeted revenues from sales taxes, which is a major funding source (19% of the total), state shared revenues (13% of total) and water sales (11% of total). Revenue from outside funding sources (40% of total) includes \$5.5 million in American Rescue Plan Act (ARPA) funding, \$42.0 million in bond proceeds and \$4.4 million in state and local grant proceeds and other sources.

FY 21/22 Budgeted Revenue Sources



Revenue Sources

	FY 2020	FY 2020/21		FY 2021/22	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	23,419,451	20,621,264	23,132,725	24,090,505	3,469,241	16.8%
Charges for Services	10,728,116	11,271,950	10,442,192	11,450,468	178,518	1.6%
State Shared Revenue	16,332,192	16,653,367	17,155,532	17,344,845	691,478	4.2%
Fines, Licenses & Permits	2,512,511	1,742,500	2,920,663	1,999,000	256,500	14.7%
Miscellaneous	9,062,286	6,965,197	5,929,916	5,777,327	(1,187,870)	-17.1%
Impact Fees	3,418,426	2,609,310	1,023,558	2,749,953	140,643	5.4%
Water Sales	13,764,702	13,078,000	14,175,000	13,974,000	896,000	6.9%
Outside Funding Sources	14,579,671	12,292,214	16,992,799	52,698,827	40,406,613	328.7%
Total Revenue	\$ 93,817,355	\$ 85,233,802	\$ 91,772,385	\$ 130,084,925	\$ 44,851,123	52.6%

Does not include interfund transfers or carry-forward fund balances

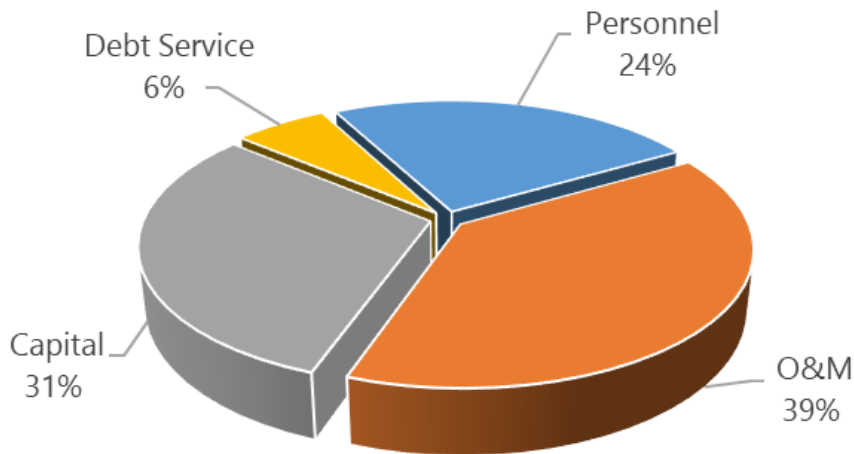
Budget Overview

Expenditures

Budgeted expenditures (excluding contingency) for FY 21/22 total \$153.7 million and represent a 61.3% increase over FY 20/21. The budget includes approximately \$79.7 million to support daily operations and services and \$47.0 million in capital projects to fund roadway expansions and improvements, water and stormwater infrastructure improvements, parks and recreation amenities and improvements, and public safety improvements.

Further detail on uses of expenditures and types can be found in the Financial Overview section of the budget document.

FY 2021/22 Budgeted Uses



	Budgeted Uses				Variance	
	FY 2020	FY 2020/21		FY 2021/22	to Budget	%
	Actual	Budget	Projected	Budget		
Personnel	34,388,668	35,548,825	34,542,546	37,599,254	2,050,429	5.8%
O&M	25,575,669	29,736,951	28,576,783	59,564,610	29,827,659	100.3%
Capital	24,159,899	23,518,288	17,275,994	47,033,155	23,514,867	100.0%
Debt Service	7,048,895	6,489,637	6,312,599	9,507,723	3,018,086	46.5%
Total Expenditures	\$ 91,173,131	\$ 95,293,701	\$ 86,707,922	\$ 153,704,742	\$ 58,411,041	61.3%

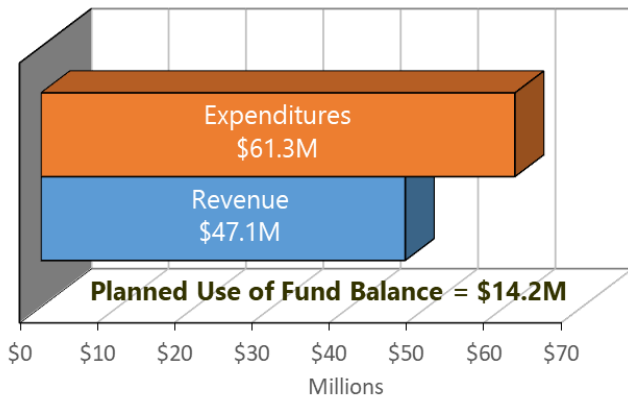
Does not include depreciation, amortization, interfund transfers or contingency amounts

Budget Overview

Budget Policy

In accordance with the Town’s adopted Financial and Budgetary Policies, A.1 – Balanced Budgeting and Fiscal Planning Policies, “The Town shall develop an annual budget whereby recurring Town revenues shall be sufficient to support recurring operating expenditures with no use of General Fund contingency to support ongoing operational expenses.”

FY 2022 General Fund Expenditures and Revenue

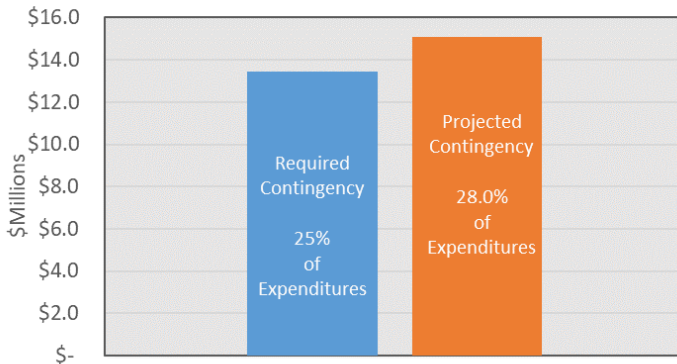


Revenues	\$ 47,073,196
Expenditures	<u>61,260,844</u>
Surplus/(Deficit)	(\$ 14,187,648)

The budget is structurally balanced, that is all recurring expenditures are expected to be covered with recurring revenues. The planned use of fund balance will go towards funding of one-time expenditures in the budget.

Another section of Financial Policy A.1, involves contingencies, its uses, and the reserve requirement – “The Town’s annual budget will include contingency appropriation to provide for unanticipated increases in service delivery costs, emergencies, and needs that may arise through the fiscal year.” The policy set by Council mandates 25% of the General Fund’s annual expenditures must be set aside as a required contingency in the General Fund.

FY 2022 General Fund Contingency Reserve



Expenditures (excludes x-fers)	\$53,852,580
Contingency Requirement	<u>25%</u>
Required Contingency	\$13,463,145

The General Fund ending balance for FY 21/22 is projected to be \$15,078,995, which equals 28.0% of budgeted expenditures. With uncertainty around the COVID-19 pandemic, as well as possible future federal aid, the Town has budgeted \$5.0 million in General Fund contingency for FY 21/22 to provide flexibility should unanticipated expenditures or revenues become known during the fiscal year.

Fund Balances

	General (1) Fund	Special (2) Revenue Funds	Enterprise Funds: (3)		Capital (4) Project Funds	Internal (5) Service Funds	(6) Debt Service Funds	2021-2022 Total
			Water Utility Fund	Non-Major Enterprise Fund				
Revenues and Other Sources								
Taxes	\$ 21,157,707	\$ 2,932,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,090,505
Licenses and Permits	1,849,000	25,000	-	-	-	-	-	1,874,000
Fines	125,000	-	-	-	-	-	-	125,000
Water Sales	-	-	13,974,000	-	-	-	-	13,974,000
Charges for Services	2,387,776	4,339,467	3,255,000	1,440,100	28,125	-	-	11,450,468
State Shared Revenue	13,729,923	3,614,922	-	-	-	-	-	17,344,845
Intergovernmental	1,344,500	-	-	-	-	-	-	1,344,500
Grants	6,065,290	454,250	-	300,000	675,000	-	34,787	7,529,327
Seizures & Forfeitures	-	325,000	-	-	-	-	-	325,000
Impact Fees	-	-	-	-	2,755,453	-	-	2,755,453
Interest Income	150,000	9,000	100,000	1,500	240,000	-	5,000	505,500
Miscellaneous	264,000	1,627,000	-	-	781,010	3,994,317	100,000	6,766,327
Other Financing Sources	-	100,000	-	-	31,976,277	-	21,087,499	53,163,776
Total	\$ 47,073,196	\$ 13,427,437	\$ 17,329,000	\$ 1,741,600	\$ 36,455,865	\$ 3,994,317	\$ 21,227,286	\$ 141,248,701
Expenditures and Other Uses								
General Government								
<i>Town Council</i>	\$ 188,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,720
<i>Town Manager's Office</i>	1,115,224	-	-	-	-	-	-	1,115,224
<i>Clerk</i>	383,833	-	-	-	-	-	-	383,833
<i>Human Resources</i>	535,390	-	-	-	-	-	-	535,390
<i>Finance</i>	979,655	-	-	-	-	-	-	979,655
<i>Innovation & Technology</i>	4,346,583	-	-	-	-	-	-	4,346,583
<i>Legal</i>	902,754	-	-	-	-	-	-	902,754
<i>Magistrate Court</i>	914,796	-	-	-	-	-	-	914,796
<i>General Administration</i>	14,459,559	1,500,000	-	-	-	3,994,317	17,010,000	36,963,876
Debt Service								
Principal	-	-	-	-	-	-	3,971,586	3,971,586
Interest	-	-	-	-	-	-	243,859	243,859
<i>Capital Projects</i>	-	-	-	-	32,864,456	-	-	32,864,456
Comm. & Economic Dev.	3,044,614	-	-	-	-	-	-	3,044,614
Parks and Recreation	3,446,361	5,920,609	-	-	-	-	-	9,366,970
Police	18,171,000	552,250	-	-	-	-	-	18,723,250
Public Works	5,364,091	4,090,525	-	2,160,407	215,146	-	-	11,830,169
Water Utility								
<i>Personnel</i>	-	-	3,662,217	-	-	-	-	3,662,217
<i>Operations & Maintenance</i>	-	-	8,647,862	-	-	-	-	8,647,862
<i>Capital Outlay</i>	-	-	1,751,650	-	6,300,000	-	-	8,051,650
Debt Service								
Principal	-	-	4,215,022	-	319,207	-	-	4,534,229
Interest	-	-	717,887	-	40,162	-	-	758,049
Roadway Improvements	-	-	-	-	1,675,000	-	-	1,675,000
Other Financing Uses	7,408,264	1,868,519	1,762,402	-	117,750	-	6,841	11,163,776
Total	\$ 61,260,844	\$ 13,931,903	\$ 20,757,040	\$ 2,160,407	\$ 41,531,721	\$ 3,994,317	\$ 21,232,286	\$ 164,868,518
Increase/(Decrease)	(14,187,648)	(504,466)	(3,428,040)	(418,807)	(5,075,856)	-	(5,000)	(23,619,817)
Beginning Fund Balance	\$ 29,266,643	\$ 3,167,776	\$ 11,202,256	\$ 690,488	\$ 21,856,676	\$ 2,271,165	\$ 162,562	\$ 68,617,565
Ending Fund Balance	\$ 15,078,995	\$ 2,663,310	\$ 7,774,216	\$ 271,681	\$ 16,780,820	\$ 2,271,165	\$ 157,562	\$ 44,997,749

Fund Balances

The fund balances table depicts the estimated beginning fund balance at July 1, 2021, the budgeted revenues and expenditures for FY 21/22 and the projected ending fund balance at June 30, 2022.

- 1) The fund balance in the General Fund is decreasing \$14,187,648, due to one-time expenditures and a \$10.0 million payment to the Public Safety Pension Retirement System (PSPRS).
- 2) Fund balances in the Special Revenue Funds are decreasing \$504,466 for planned capital projects.
- 3) The fund balance in the Water Utility Enterprise Fund is decreasing \$3,428,040. This is a planned use of funds that have been accumulated for one-time capital projects. The fund balance in the Stormwater Utility Fund is decreasing \$418,807 due to one-time capital projects.
- 4) The fund balance in Capital Funds are decreasing \$5,075,856 due to planned one-time capital projects and equipment.
- 5) Fund balance is expected to remain unchanged at \$2,271,165 for the Benefit Self Insurance Fund.
- 6) Fund balances in the Debt Service Funds are decreasing \$5,000, which will be used to fund debt service payments and associated administrative costs. This is a planned use in the Debt Service Funds that must be spent for this purpose.

Historical Fund Balances

	General Fund			Non-Major Governmental Funds (A)		
	2020 Actual	2021 Estimate	2022 Budget	2020 Actual	2021 Estimate	2022 Budget
Revenues and Other Sources						
Taxes	\$ 20,834,535	\$ 20,365,240	\$ 21,157,707	\$ 2,584,916	\$ 2,767,485	\$ 2,932,798
Licenses and Permits	2,400,849	2,767,613	1,849,000	50	28,050	25,000
Fines	111,611	125,000	125,000	-	-	-
Water Sales	-	-	-	-	-	-
Charges for Services	2,072,288	1,964,885	2,387,776	3,968,188	3,953,307	4,367,592
State Shared Revenue	12,638,148	13,595,332	13,729,923	3,252,020	3,560,200	3,614,922
Intergovernmental	1,328,323	895,000	1,344,500	12,121,864	-	-
Grants	560,739	11,397,198	6,065,290	496,972	2,107,090	1,164,037
Seizures & Forfeitures	-	-	-	71,770	50,516	325,000
Impact Fees	-	-	-	3,885,269	3,802,252	2,744,453
Interest Income	807,580	295,445	150,000	950,897	397,077	254,000
Miscellaneous	311,906	224,700	264,000	2,076,237	1,222,822	2,519,010
Other Financing Sources	120,000	120,000	-	2,146,718	20,430,386	53,163,776
Total	\$ 41,185,979	\$ 51,750,413	\$ 47,073,196	\$ 31,554,901	\$ 38,319,185	\$ 71,110,588
Expenditures and Other Uses						
General Government						
<i>Town Council</i>	\$ 186,159	\$ 197,019	\$ 188,720	\$ -	\$ -	\$ -
<i>Town Manager's Office</i>	1,293,974	981,874	1,115,224	-	-	-
<i>Clerk</i>	364,676	428,524	383,833	-	-	-
<i>Human Resources</i>	488,994	447,153	535,390	-	-	-
<i>Finance</i>	917,411	832,888	979,655	-	-	-
<i>Innovation & Technology</i>	3,080,877	3,879,814	4,346,583	-	-	-
<i>Legal</i>	888,946	842,259	902,754	-	-	-
<i>Magistrate Court</i>	865,359	862,762	914,796	-	-	-
<i>General Administration</i>	2,704,081	5,078,967	14,459,559	10,207	13,000	18,510,000
<i>Debt Service</i>						
Principal	-	-	-	1,267,891	939,090	3,971,586
Interest	-	-	-	349,843	273,355	243,859
<i>Capital Projects</i>	-	-	-	3,607,970	3,542,933	32,864,456
Community & Econ. Dev.	2,724,032	2,736,135	3,044,614	-	-	-
Parks and Recreation	3,233,813	3,357,584	3,446,361	6,188,252	5,516,289	5,920,609
Police	16,815,002	16,823,969	18,171,000	64,713	80,725	552,250
Public Works	4,399,336	4,324,850	5,364,091	4,111,686	3,362,996	4,305,671
Water Utility						
<i>Personnel</i>	-	-	-	-	-	-
<i>Operations & Maintenance</i>	-	-	-	201,838	198,000	-
<i>Capital Outlay</i>	-	-	-	690,644	3,850,000	6,300,000
<i>Debt Service</i>						
Principal	-	-	-	266,613	276,580	319,207
Interest	-	-	-	54,050	48,519	40,162
Roadway Improvements	-	-	-	13,485,110	3,236,394	1,675,000
Other Financing Uses	1,895,436	2,589,520	7,408,264	368,810	378,302	1,993,110
Total	\$ 39,858,096	\$ 43,383,318	\$ 61,260,844	\$ 30,667,627	\$ 21,716,183	\$ 76,695,910
Increase/(Decrease)	1,327,883	8,367,095	(14,187,648)	887,274	16,603,002	(5,585,322)
Beginning Fund Balance	\$ 19,571,665	\$ 20,899,548	\$ 29,266,643	\$ 7,696,738	\$ 8,584,012	\$ 25,187,014
Ending Fund Balance	\$ 20,899,548	\$ 29,266,643	\$ 15,078,995	\$ 8,584,012	\$ 25,187,014	\$ 19,601,692

(A) Includes Special Revenue, Capital Projects and Debt Service Funds

Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2020 Actual	2021 Estimate	2022 Budget	2020 Actual	2021 Estimate	2022 Budget
Revenues and Other Sources						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Water Sales	13,764,702	14,175,000	13,974,000	-	-	-
Charges for Services	3,244,064	3,081,000	3,255,000	1,443,576	1,443,000	1,440,100
State Shared Revenue	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Grants	-	-	-	-	-	300,000
Seizures & Forfeitures	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-
Interest Income	378,089	80,000	100,000	23,148	7,190	1,500
Miscellaneous	186,067	15,000	-	40	29	-
Other Financing Sources	754,995	2,542,995	-	-	-	-
Total	\$ 18,327,917	\$ 19,893,995	\$ 17,329,000	\$ 1,466,764	\$ 1,450,219	\$ 1,741,600
Expenditures and Other Uses						
General Government						
<i>Town Council</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Town Manager's Office</i>	-	-	-	-	-	-
<i>Clerk</i>	-	-	-	-	-	-
<i>Human Resources</i>	-	-	-	-	-	-
<i>Finance</i>	-	-	-	-	-	-
<i>Innovation & Technology</i>	-	-	-	-	-	-
<i>Legal</i>	-	-	-	-	-	-
<i>Magistrate Court</i>	-	-	-	-	-	-
<i>General Administration</i>	-	-	-	-	-	-
<i>Debt Service</i>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Capital Projects</i>	-	-	-	-	-	-
Community & Econ. Dev.	-	-	-	-	-	-
Parks and Recreation	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	1,644,647	1,387,757	2,160,407
Water Utility						
<i>Personnel</i>	3,424,009	3,495,355	3,662,217	-	-	-
<i>Operations & Maintenance</i>	7,178,211	8,028,918	8,647,862	-	-	-
<i>Capital Outlay</i>	2,235,500	3,208,622	1,751,650	-	-	-
<i>Debt Service</i>						
Principal	4,709,485	3,918,061	4,215,022	-	-	-
Interest	918,221	856,994	717,887	-	-	-
Roadway Improvements	-	-	-	-	-	-
Other Financing Uses	2,472	1,602,521	1,762,402	-	-	-
Total	\$ 18,467,898	\$ 21,110,471	\$ 20,757,040	\$ 1,644,647	\$ 1,387,757	\$ 2,160,407
Increase/(Decrease)	(139,981)	(1,216,476)	(3,428,040)	(177,883)	62,462	(418,807)
Beginning Fund Balance	\$ 12,558,713	\$ 12,418,732	\$ 11,202,256	\$ 805,909	\$ 628,026	\$ 690,488
Ending Fund Balance	\$ 12,418,732	\$ 11,202,256	\$ 7,774,216	\$ 628,026	\$ 690,488	\$ 271,681

Note: Does not include depreciation or amortization

Historical Fund Balances

	Internal Service Funds			Total All Funds		
	2020 Actual	2021 Estimate	2022 Budget	2020 Actual	2021 Estimate	2022 Budget
Revenues and Other Sources						
Taxes	\$ -	\$ -	\$ -	\$ 23,419,451	\$ 23,132,725	\$ 24,090,505
Licenses and Permits	-	-	-	2,400,899	2,795,663	1,874,000
Fines	-	-	-	111,611	125,000	125,000
Water Sales	-	-	-	13,764,702	14,175,000	13,974,000
Charges for Services	-	-	-	10,728,116	10,442,192	11,450,468
State Shared Revenue	-	-	-	15,890,168	17,155,532	17,344,845
Intergovernmental	-	-	-	13,450,187	895,000	1,344,500
Grants	-	-	-	1,057,711	13,504,288	7,529,327
Seizures & Forfeitures	-	-	-	71,770	50,516	325,000
Impact Fees	-	-	-	3,885,269	3,802,252	2,744,453
Interest Income	65,514	58,577	-	2,225,228	838,289	505,500
Miscellaneous	3,587,057	3,804,301	3,994,317	6,161,307	5,266,852	6,777,327
Other Financing Sources	-	-	-	3,021,713	23,093,381	53,163,776
Total	\$ 3,652,571	\$ 3,862,878	\$ 3,994,317	\$ 96,188,132	\$ 115,276,690	\$ 141,248,701
Expenditures and Other Uses						
General Government						
<i>Town Council</i>	\$ -	\$ -	\$ -	\$ 186,159	\$ 197,019	\$ 188,720
<i>Town Manager's Office</i>	-	-	-	1,293,974	981,874	1,115,224
<i>Clerk</i>	-	-	-	364,676	428,524	383,833
<i>Human Resources</i>	-	-	-	488,994	447,153	535,390
<i>Finance</i>	-	-	-	917,411	832,888	979,655
<i>Innovation & Technology</i>	-	-	-	3,080,877	3,879,814	4,346,583
<i>Legal</i>	-	-	-	888,946	842,259	902,754
<i>Magistrate Court</i>	-	-	-	865,359	862,762	914,796
<i>General Administration</i>	2,802,644	3,680,536	3,994,317	5,516,932	8,772,503	36,963,876
<i>Debt Service</i>						
Principal	-	-	-	1,267,891	939,090	3,971,586
Interest	-	-	-	349,843	273,355	243,859
<i>Capital Projects</i>	-	-	-	3,607,970	3,542,933	32,864,456
Community & Econ. Dev.	-	-	-	2,724,032	2,736,135	3,044,614
Parks and Recreation	-	-	-	9,422,065	8,873,873	9,366,970
Police	-	-	-	16,879,715	16,904,694	18,723,250
Public Works	-	-	-	10,155,669	9,075,603	11,830,169
Water Utility						
<i>Personnel</i>	-	-	-	3,424,009	3,495,355	3,662,217
<i>Operations & Maintenance</i>	-	-	-	7,380,049	8,226,918	8,647,862
<i>Capital Outlay</i>	-	-	-	2,926,144	7,058,622	8,051,650
<i>Debt Service</i>						
Principal	-	-	-	4,976,098	4,194,641	4,534,229
Interest	-	-	-	972,271	905,513	758,049
Roadway Improvements	-	-	-	13,485,110	3,236,394	1,675,000
Other Financing Uses	-	-	-	2,266,718	4,570,343	11,163,776
Total	\$ 2,802,644	\$ 3,680,536	\$ 3,994,317	\$ 93,440,912	\$ 91,278,265	\$ 164,868,518
Increase/(Decrease)	849,927	182,342	-	2,747,220	23,998,425	(23,619,817)
Beginning Fund Balance	\$ 1,238,896	\$ 2,088,823	\$ 2,271,165	\$ 41,871,921	\$ 44,619,141	\$ 68,617,565
Ending Fund Balance	\$ 2,088,823	\$ 2,271,165	\$ 2,271,165	\$ 44,619,141	\$ 68,617,565	\$ 44,997,749

Note: Does not include depreciation or amortization

Budget Summary

	FY 2019	FY 2020	FY 2021		FY 2022
	Actual		Budget	Projected	Budget
Personnel					
General Fund	292.56	309.69	310.69	310.69	313.31
Special Revenue Funds	49.20	37.55	37.55	37.55	33.55
Capital Project Funds	-	-	-	-	2.00
Enterprise Funds	49.73	49.73	50.73	50.73	51.21
Internal Service Funds	-	-	-	-	-
TOTAL PERSONNEL	391.49	396.97	398.97	398.97	400.07
Expenditures by Fund ¹⁾					
General Fund	35,448,033	37,962,660	41,985,891	40,793,798	53,852,580
Special Revenue Funds	10,200,269	10,095,841	10,561,084	8,860,010	12,063,384
Debt Service Funds	1,215,895	1,377,345	1,402,483	1,225,445	21,225,445
Capital Project Funds	14,923,859	18,825,631	16,305,765	11,252,426	41,413,971
Enterprise Funds	19,626,674	20,110,073	20,830,824	20,895,707	21,155,045
Internal Service Funds	3,431,980	2,802,644	4,207,654	3,680,536	3,994,317
TOTAL EXPENDITURES	84,846,710	91,174,194	95,293,701	86,707,922	153,704,742
Expenditures by Category ¹⁾					
Personnel	33,206,479	34,388,668	35,548,825	35,542,546	37,599,254
Operations & Maintenance	25,050,479	25,576,732	29,736,951	28,576,783	59,564,610
Capital Outlay	19,231,687	24,159,899	23,518,288	17,275,994	47,033,155
Debt Service	7,358,065	7,048,895	6,489,637	6,312,599	9,507,723
TOTAL EXPENDITURES	84,846,710	91,174,194	95,293,701	87,707,922	153,704,742
Operating Results					
Total Revenues ²⁾	85,660,266	93,921,032	85,233,802	91,772,385	130,084,925
Total Expenditures ¹⁾	84,846,710	91,174,194	95,293,701	87,707,922	153,704,742
NET OPERATING RESULTS ³⁾	813,556	2,746,838	(10,059,899)	4,064,463	(23,619,817)

1) Excludes depreciation, amortization, contingency amounts and interfund transfers

2) Excludes carry-forward balances and interfund transfers

3) Negative net operating results are attributable to planned one-time projects/initiatives and any associated debt service

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Revenue Summary

Revenue for FY 21/22 is estimated to total \$130,084,925. In comparison to the FY 20/21 budget, revenue is projected to increase by approximately \$44.9 million, or 52.6%. This increase is mainly attributable anticipated bond proceeds.

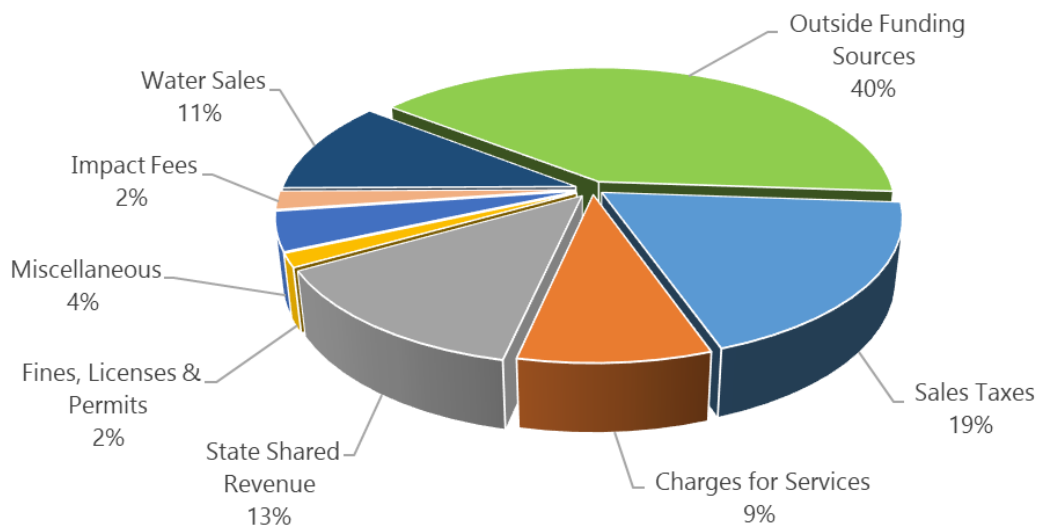
With the COVID-19 pandemic, revenues remain incredibly difficult to forecast due to the many uncertainties that still exist. With that in mind, projections remain conservative while still attempting to be as accurate as possible. Revenues related to consumer spending are expected to see modest recovery and increases for FY 21/22. Local sales tax revenues are expected to increase \$3.5 million, or 16.8% when compared to FY 20/21. The bulk of these increases are anticipated in restaurant & bar, as well as hotel/bed tax categories. These revenue categories are projected to show a continual recovery from COVID-19 impacts.

Revenues associated with residential and commercial development are also projected to see increases in the upcoming fiscal year. The Town has budgeted 275 single family residential (SFR) permits and modest commercial activity for FY 21/22. This is approximately at 25% increase from the prior fiscal year.

Overall, state shared revenues are anticipated to increase approximately \$691,000 or 4.2% compared to the prior fiscal year. While state shared income tax revenues are expected to decrease 8.9%, state sales tax revenues, vehicle license tax revenues and highway user fund revenues are all forecasted to increase. The decrease in state shared income tax revenues is due to a two year "lag" between the state's collection and distribution to cities and towns. Therefore, shared income tax revenues for FY 21/22 are based on collections from FY 19/20. With the onset of the COVID-19 pandemic towards the end of FY 19/20, income tax filing deadlines were delayed which resulted in a portion of FY 19/20 revenue being formally received in FY 20/21.

Depending on the revenue source, estimates are based on susceptibility to economic factors, current performance, economic drivers and indicators, information received from State reports and other sources. Refer to the Revenue Schedule by Fund on page 79 for detailed changes in revenue from year to year.

FY 21/22 Budgeted Revenue Sources



Revenue Summary

Revenue Sources						
	FY 2020	FY 2020/21		FY 2021/22	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	23,419,451	20,621,264	23,132,725	24,090,505	3,469,241	16.8%
Charges for Services	10,728,116	11,271,950	10,442,192	11,450,468	178,518	1.6%
State Shared Revenue	16,332,192	16,653,367	17,155,532	17,344,845	691,478	4.2%
Fines, Licenses & Permits	2,512,510	1,742,500	2,920,663	1,999,000	256,500	14.7%
Miscellaneous	9,165,965	6,965,197	5,929,916	5,777,327	(1,187,870)	-17.1%
Impact Fees	3,418,425	2,609,310	1,023,558	2,749,953	140,643	5.4%
Water Sales	13,764,702	13,078,000	14,175,000	13,974,000	896,000	6.9%
Outside Funding Sources	14,579,671	12,292,214	16,992,799	52,698,827	40,406,613	328.7%
Total Revenue	\$ 93,921,032	\$ 85,233,802	\$ 91,772,385	\$ 130,084,925	\$ 44,851,123	52.6%

Does not include interfund transfers or carry-forward fund balances

A brief description of the major changes in revenue sources from budget year to budget year is as follows:

Sales Taxes +\$3.5M	<ul style="list-style-type: none"> • 12.2% increase in retail collections • 12.2% increase in restaurant & bar collections • 51.6% increase in hotel related collections • 13.8% increase in construction related collections • 7.7% increase in utility sales tax collections
Charges for Services +\$179K	<ul style="list-style-type: none"> • 6.6% increase General Fund, due mainly to recreation fees and transit farebox revenues • 5.6% increase in Water Utility Fund for increased construction related activity • 0.1% increase in Stormwater Utility Fund for stormwater utility fee
State Shared Revenues +\$691K	<ul style="list-style-type: none"> • 17.1% increase in state shared sales taxes • 16.8% increase in vehicle license tax • 4.5% increase in HURF revenues • 8.9% decrease in state income taxes
Fines, Licenses & Permits +\$257K	<ul style="list-style-type: none"> • 11.5% increase in commercial building permit revenues, based on projected activity • 21.6% increase in residential building permit revenues, based on projected activity
Outside Funding +\$40.4M	<ul style="list-style-type: none"> • 18.2% increase in state grants related to public safety • 1,819% increase in anticipated bond proceeds • 8.7% increase in federal grants related to American Rescue Plan Act (ARPA) Funding
Impact Fees +\$141K	<ul style="list-style-type: none"> • 5.4% increase based on anticipated commercial and residential building activity
Water Sales +\$896,000	<ul style="list-style-type: none"> • 6.9% increase based on demand and scheduled rate increases
Miscellaneous	<ul style="list-style-type: none"> • 17.1% decreased based on anticipated NWRDRS reliability proceeds and revenues related to the Benefit Self Insurance Fund

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019		FY 2020		FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget			
General Fund								
Local Sales Tax:								
Local Sales Tax	20,454,936	20,172,487	17,513,304	19,750,240	20,542,707		17.3%	
Cable Franchise Fees	635,494	662,048	615,000	615,000	615,000		0.0%	
Total Local Sales Tax	21,090,430	20,834,535	18,128,304	20,365,240	21,157,707		16.7%	
License & Permit Fees:								
Business Licenses & Permits	204,385	193,935	202,500	202,500	202,500		0.0%	
Residential Building Permits	1,626,779	1,413,733	1,005,000	1,801,168	1,222,500		21.6%	
Commercial Building Permits	247,688	544,597	217,500	619,547	242,500		11.5%	
Sign Permits	21,658	20,166	20,000	21,000	20,000		0.0%	
Special Inspection Fees	11,653	7,670	8,500	4,000	8,000		-5.9%	
Grading Permit Fees	168,781	94,537	75,000	50,000	84,500		12.7%	
Road Permits	-	30,802	-	-	-		0.0%	
Floodplain Use Permits	-	4,190	4,000	2,200	4,000		0.0%	
Fire Permits & Fees	75,675	91,219	60,000	67,198	65,000		8.3%	
Total License & Permit Fees	2,356,618	2,400,849	1,592,500	2,767,613	1,849,000		16.1%	
Federal Grants:								
DEA Overtime Reimbursement	31,806	27,230	36,000	36,000	60,000		66.7%	
Miscellaneous Federal Grants	16,444	164,457	5,314,353	10,820,582	5,493,395		3.4%	
HIDTA-DEA	95,659	104,356	101,316	101,316	82,825		-18.3%	
GOHS	35,917	81,279	192,000	192,000	35,000		-81.8%	
Homeland Security	166,153	115,803	129,000	129,000	319,070		147.3%	
Joint Terrorism Task Force	21,913	14,897	18,300	18,300	-		-100.0%	
Total Federal Grants	385,593	508,022	5,790,969	11,297,198	5,990,290		3.4%	
State Grants:								
Misc State Grants	75,022	52,717	75,000	100,000	75,000		0.0%	
Total State Grants	75,022	52,717	75,000	100,000	75,000		0.0%	
State/County Shared:								
State Income	5,370,779	5,870,231	6,593,212	6,580,332	6,007,636		-8.9%	
State Sales	4,469,774	4,694,491	4,618,121	4,946,000	5,406,272		17.1%	
Vehicle License Tax	2,039,397	2,073,426	1,983,105	2,069,000	2,316,015		16.8%	
Total State/County Shared	11,879,951	12,638,148	13,194,438	13,595,332	13,729,923		4.1%	
Other Intergovernmental:								
School Resource Officers	81,139	65,000	180,000	65,000	65,000		-63.9%	
RTA Reimbursements	1,223,125	1,150,233	1,380,000	725,000	1,166,500		-15.5%	
PCLD Reimbursements	25,684	8,260	20,000	15,000	18,000		-10.0%	
Animal Control Revenues	103,191	104,830	92,000	90,000	95,000		3.3%	
Total Other Intergovernmental	1,433,139	1,328,323	1,672,000	895,000	1,344,500		-19.6%	
Charges for Services:								
Court Costs	151,909	117,381	135,000	130,000	135,000		0.0%	
Public Defender Fees	2,445	3,035	2,400	1,500	2,400		0.0%	
Zoning & Subdivision Fees	172,569	138,306	140,000	135,000	135,000		-3.6%	
User Fees - Swimming Pool	627,842	346,171	430,000	430,000	395,000		-8.1%	
User Fees - Fields & Courts	118,453	105,369	115,000	115,000	66,125		-42.5%	
User Fees - Miscellaneous	165,419	101,872	151,800	65,000	92,400		-39.1%	
Copy Services	2,650	2,172	2,250	500	2,000		-11.1%	
Town Hall Usage Fees	40	-	-	-	-		0.0%	
General Government Other	2,685	3,914	2,500	3,200	2,500		0.0%	
Police Report Copying	7,470	7,059	6,500	5,500	6,500		0.0%	
Police Other	17,487	4,190	8,000	9,000	8,000		0.0%	

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Engineer Plan Review Fees	80,965	54,047	50,000	15,000	51,000	2.0%
Grading Review Fees	1,078	-	-	-	-	0.0%
Fare Box	138,125	110,310	121,500	660	72,410	-40.4%
Administrative Services	701,256	729,048	732,050	732,050	1,284,677	75.5%
Financial Services	195,480	197,076	197,075	197,075	-	-100.0%
Real Property Rental Income	87,233	97,617	87,500	87,500	87,414	-0.1%
Maps	3,110	40	250	200	250	0.0%
Impound Processing	28,920	12,000	15,000	15,500	15,000	0.0%
Pawn Slips	600	300	600	600	600	0.0%
Police Fingerprinting	16,420	10,900	4,500	50	4,000	-11.1%
Concession Sales	23,727	11,195	15,000	50	5,000	-66.7%
Public Record Request Fees	2,599	1,917	2,500	1,500	2,500	0.0%
Parks Cancellation Fees	978	36	250	-	-	0.0%
Court Security Fee	-	18,333	20,000	20,000	20,000	0.0%
Total Charges for Services	2,549,459	2,072,288	2,239,675	1,964,885	2,387,776	6.6%
Fines:						
Fines	135,771	111,611	125,000	125,000	125,000	0.0%
Total Fines	135,771	111,611	125,000	125,000	125,000	0.0%
Interest Income:						
Interest - Investments	648,233	807,580	150,000	295,445	150,000	0.0%
Total Interest Income	648,233	807,580	150,000	295,445	150,000	0.0%
Miscellaneous:						
Miscellaneous	18,632	18,315	5,000	2,200	5,000	0.0%
Special Events	24,704	1,200	5,000	500	4,000	-20.0%
Insurance Recoveries	-	34,146	-	-	-	0.0%
In-Lieu Income	296,160	231,624	245,000	210,000	245,000	0.0%
Sale of Assets	30,624	26,621	7,500	12,000	10,000	33.3%
Total Miscellaneous	370,119	311,906	262,500	224,700	264,000	0.6%
TOTAL GENERAL FUND	40,924,335	41,065,979	43,230,386	51,630,413	47,073,196	8.9%
Highway Fund						
License & Permit Fees:						
Road Permits	26,773	50	25,000	28,000	25,000	0.0%
Floodplain Use Permits	4,440	-	-	50	-	0.0%
Total License & Permit Fees	31,213	50	25,000	28,050	25,000	0.0%
State Grants:						
PAG Reimbursements	-	-	-	-	-	0.0%
RTA Reimbursements	127,008	259,121	210,000	-	-	-100.0%
Total State Grants	127,008	259,121	210,000	-	-	-100.0%
State/County Shared:						
Highway User	3,563,828	3,694,044	3,458,929	3,560,200	3,614,922	4.5%
Total State/County Shared	3,563,828	3,694,044	3,458,929	3,560,200	3,614,922	4.5%
Interest Income:						
Interest - Investments	122,107	23,560	5,000	8,800	6,000	20.0%
Total Interest Income	122,107	23,560	5,000	8,800	6,000	20.0%
Miscellaneous:						
Miscellaneous	1,137	12,028	2,000	2,353	2,000	0.0%
Insurance Recoveries	5,978	74,940	-	-	-	0.0%
Total Miscellaneous	7,115	86,968	2,000	2,353	2,000	0.0%
TOTAL HIGHWAY FUND	3,851,269	4,063,742	3,700,929	3,599,403	3,647,922	-1.4%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Grants & Contributions Fund						
Federal Grants						
GOHS	-	-	-	-	27,500	100.0%
Miscellaneous Federal Grants	-	-	-	-	284,750	100.0%
Total Federal Grants	-	-	-	-	312,250	100.0%
State Grants:						
Miscellaneous State Grants	-	-	-	-	142,000	100.0%
Total State Grants	-	-	-	-	142,000	100.0%
Miscellaneous:						
Miscellaneous	-	-	-	-	1,500,000	100.0%
Total Miscellaneous	-	-	-	-	1,500,000	100.0%
TOTAL GRANTS & CONTRIBUTIONS FUND	-	-	-	-	1,954,250	100.0%
Seizures & Forfeitures Funds						
Interest Income:						
Interest - Investments	9,101	7,773	2,000	2,018	2,000	0.0%
Total Interest Income	9,101	7,773	2,000	2,018	2,000	0.0%
Miscellaneous:						
Forfeitures	81,615	71,771	325,000	50,516	325,000	0.0%
Total Miscellaneous	81,615	71,771	325,000	50,516	325,000	0.0%
TOTAL SEIZURES & FORFEITURES FUNDS	90,716	79,544	327,000	52,534	327,000	0.0%
Community Center Fund						
Local Sales Tax:						
Local Sales Tax	2,469,464	2,584,916	2,492,960	2,767,485	2,932,798	17.6%
Total Local Sales Tax	2,469,464	2,584,916	2,492,960	2,767,485	2,932,798	17.6%
Charges for Services:						
User Fees - Daily Drop-In	30,305	27,691	30,000	26,000	30,000	0.0%
User Fees - Member Dues	704,244	511,339	707,000	350,000	526,480	-25.5%
User Fees - Recreation Programs	199,443	77,456	160,000	16,000	82,500	-48.4%
User Fees - Swimming Pools	19,969	3,713	8,000	8,000	8,000	0.0%
Rental Income	80,657	73,658	70,002	64,502	70,002	0.0%
Concession Sales	174	156	100	100	100	0.0%
Management Contract Revenues	3,232,076	3,246,050	3,504,548	3,460,580	3,622,385	3.4%
Total Charges for Services	4,266,868	3,940,063	4,479,650	3,925,182	4,339,467	-3.1%
Interest Income:						
Interest - Investments	16,179	30,159	1,000	8,450	1,000	0.0%
Total Interest Income	16,179	30,159	1,000	8,450	1,000	0.0%
Miscellaneous:						
Miscellaneous	-	-	125,000	127,060	125,000	0.0%
Special Events	(125)	-	-	-	-	0.0%
Sale of Assets	-	-	-	-	-	0.0%
Insurance Recoveries	-	-	-	-	-	0.0%
Total Miscellaneous	(125)	-	125,000	127,060	125,000	0.0%
TOTAL COMMUNITY CENTER FUND	6,752,386	6,555,138	7,098,610	6,828,177	7,398,265	4.2%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Municipal Debt Service Fund						
Interest Income:						
Interest	85,154	20,651	5,000	1,000	5,000	0.0%
Total Interest Income	85,154	20,651	5,000	1,000	5,000	0.0%
Federal Grants:						
Miscellaneous Grants	56,013	38,043	39,245	39,245	34,787	-11.4%
Total Federal Grants	56,013	38,043	39,245	39,245	34,787	-11.4%
Miscellaneous:						
Bond Proceeds	-	-	-	-	17,000,000	0.0%
Miscellaneous	110,639	80,505	100,000	95,000	100,000	0.0%
Total Miscellaneous	110,639	80,505	100,000	95,000	17,100,000	17000.0%
TOTAL MUNICIPAL DEBT SERVICE FUND	251,805	139,199	144,245	135,245	17,139,787	11782.4%
Oracle Road Debt Service Fund						
Interest Income:						
Special Assessments	17,959	11,851	4,038	4,038	-	-100.0%
Penalties	1,741	530	-	-	-	0.0%
Total Interest Income	19,700	12,381	4,038	4,038	-	-100.0%
Principal Repayments:						
Principal Repayments	156,107	163,499	170,000	170,000	-	-100.0%
Total Principal Repayments	156,107	163,499	170,000	170,000	-	-100.0%
TOTAL ORACLE RD DEBT SERVICE FUND	175,807	175,880	174,038	174,038	-	-100.0%
Townwide Roadway Development Impact Fee Fund						
State Grants:						
PAG Reimbursements	250,000	-	-	-	-	0.0%
Total State Grants	250,000	-	-	-	-	0.0%
Impact Fees:						
Residential Impact Fees	643,594	540,980	297,350	470,205	305,440	2.7%
Commercial Impact Fees	42,953	103,206	16,970	82,977	21,750	28.2%
Total Impact Fees	686,547	644,186	314,320	553,182	327,190	4.1%
Interest Income:						
Interest - Investments	148,136	97,540	30,000	29,956	30,000	0.0%
Total Interest Income	148,136	97,540	30,000	29,956	30,000	0.0%
TOTAL ROADWAY IMPACT FEE FUND	1,084,683	741,726	344,320	583,138	357,190	3.7%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget	
PAG/RTA Fund						
State Grants:						
PAG Reimbursements	3,238	8,000	-		575,000	0.0%
RTA Reimbursements	6,341,111	12,113,864	1,875,000	1,947,977	100,000	-94.7%
Total State Grants	6,344,349	12,121,864	1,875,000	1,947,977	675,000	-64.0%
Miscellaneous:						
Miscellaneous	1,387	885,799	-	2,576	-	0.0%
Total Miscellaneous	1,387	885,799	-	2,576	-	0.0%
Charges for Services:						
Real Property Rental Income	28,125	28,125	28,125	28,125	28,125	0.0%
Total Charges for Services	28,125	28,125	28,125	28,125	28,125	0.0%
TOTAL PAG/RTA FUND	6,373,861	13,035,788	1,903,125	1,978,678	703,125	-63.1%
General Government Development Impact Fee Fund						
Interest Income:						
Interest - Investments	44	-	-	-	-	0.0%
Total Interest Income	44	-	-	-	-	0.0%
TOTAL GEN. GOVT. IMPACT FEE FUND	44	-	-	-	-	0.0%
Parks & Recreation Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	253,760	234,260	309,668	359,588	280,442	-9.4%
Total Impact Fees	253,760	234,260	309,668	359,588	280,442	-9.4%
Interest Income:						
Interest - Investments	11,624	23,110	5,000	5,340	5,000	0.0%
Total Interest Income	11,624	23,110	5,000	5,340	5,000	0.0%
TOTAL PARKS IMPACT FEE FUND	265,384	257,370	314,668	364,928	285,442	-9.3%
Police Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	91,496	84,978	85,911	101,791	77,825	-9.4%
Commercial Impact Fees	7,960	16,877	10,000	8,997	5,100	-49.0%
Total Impact Fees	99,456	101,855	95,911	110,788	82,925	-13.5%
Interest Income:						
Interest - Investments	3,193	2,091	-	700	500	0.0%
Total Interest Income	3,193	2,091	-	700	500	0.0%
TOTAL POLICE IMPACT FEE FUND	102,650	103,946	95,911	111,488	83,425	-13.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Capital Fund						
State Grants:						
Misc State Grants	-	88,116	117,000	119,868	-	-100.0%
Total State Grants	-	88,116	117,000	119,868	-	-100.0%
Federal Grants:						
Misc Federal Grants	261,090	111,694	-	-	-	0.0%
Total Federal Grants	261,090	111,694	-	-	-	0.0%
Other Financing Sources:						
Bond Proceeds	2,035,000	-	-	-	25,000,000	0.0%
Total Other Financing Sources	2,035,000	-	-	-	25,000,000	0.0%
Interest Income:						
Interest - Investments	88,437	85,269	-	69,037	10,000	0.0%
Total Interest Income	88,437	85,269	-	69,037	10,000	0.0%
Miscellaneous:						
Vehicle Reserves	420,396	536,904	633,010	633,010	741,010	17.1%
Insurance Recoveries	108,868	58,313	-	35,288	-	0.0%
Miscellaneous	213,114	427,364	250,000	250,048	40,000	0.0%
Total Miscellaneous	742,378	1,022,581	883,010	918,346	781,010	-11.6%
TOTAL CAPITAL FUND	3,126,905	1,307,660	1,000,010	1,107,251	25,791,010	2479.1%
Benefit Self Insurance Fund						
Interest Income:						
Interest - Investments	26,798	65,514	-	58,577	-	0.0%
Total Interest Income	26,798	65,514	-	58,577	-	0.0%
Miscellaneous:						
Self Insurance Premiums - Employer	2,801,349	2,772,668	3,220,753	2,827,775	2,995,907	-7.0%
Self Insurance Premiums - Employee	637,196	667,860	571,509	583,432	633,018	10.8%
COBRA Premiums	26,813	20,052	50,000	33,878	50,000	0.0%
Retiree Premiums	45,988	40,375	50,000	54,385	50,000	0.0%
UHC Wellness Program	20,000	20,000	20,000	20,000	20,000	0.0%
Miscellaneous	97,605	66,102	295,392	284,831	245,392	-16.9%
Total Miscellaneous	3,628,951	3,587,057	4,207,654	3,804,301	3,994,317	-5.1%
TOTAL BENEFIT SELF INSURANCE FUND	3,655,749	3,652,572	4,207,654	3,862,878	3,994,317	-5.1%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019		FY 2020		FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget			
Water Utility Fund								
Water Sales:								
Residential Water Sales	8,849,732	9,798,411	9,400,000	10,214,600	10,193,000		8.4%	
Commercial Water Sales	856,941	925,233	920,000	946,228	949,000		3.2%	
Irrigation Water Sales	1,157,011	1,258,430	1,186,000	1,285,624	1,264,000		6.6%	
Turf Related Water Sales	1,237,413	1,428,692	1,362,000	1,476,408	1,384,000		1.6%	
Construction Water Sales	312,406	353,936	210,000	252,140	184,000		-12.4%	
Total Water Sales	12,413,502	13,764,702	13,078,000	14,175,000	13,974,000		6.9%	
Charges for Services:								
Engineer Plan Review Fees	25,384	5,594	10,000	10,000	5,000		-50.0%	
Construction Inspection Fees	20,289	46,890	35,000	45,000	20,000		-42.9%	
Misc Service Revenue	29,669	28,239	20,000	18,000	25,000		25.0%	
Backflow-Install Permit Fee	2,860	6,132	5,000	5,000	4,000		-20.0%	
Sewer Fees	339,719	373,608	375,000	340,000	380,000		1.3%	
Late Fees	86,804	64,428	90,000	40,000	90,000		0.0%	
NSF Fees	3,706	2,426	4,500	2,000	2,000		-55.6%	
Rain Sensors	8	8	-	-	-		0.0%	
Meter Income	83,990	92,390	95,000	90,000	99,000		4.2%	
New Service Establish Fees	99,175	92,134	90,000	95,000	100,000		11.1%	
Reconnect Fees	42,039	25,225	32,000	15,000	32,000		0.0%	
Groundwater Preservation Fee	2,213,303	2,389,953	2,217,000	2,308,000	2,380,000		7.4%	
Other	115,511	117,037	113,000	113,000	118,000		4.4%	
Total Charges for Services	3,062,457	3,244,064	3,086,500	3,081,000	3,255,000		5.5%	
Interest Income:								
Interest - Investments	195,897	378,089	75,000	80,000	100,000		33.3%	
Total Interest Income	195,897	378,089	75,000	80,000	100,000		33.3%	
Miscellaneous:								
Miscellaneous	2,905,461	174,212	-	4,000	-		0.0%	
Insurance Recoveries	-	11,805	-	11,000	-		0.0%	
Sale of Assets	-	50	-	-	-		0.0%	
Total Miscellaneous	2,905,461	186,067	-	15,000	-		0.0%	
Other Financing Sources:								
Bond Proceeds	-	-	2,188,000	2,542,995	-		-100.0%	
NWRRDS Funding	169,005	754,995	754,995	-	-		0.0%	
Total Other Financing Sources	169,005	754,995	2,942,995	2,542,995	-		-100.0%	
TOTAL WATER UTILITY FUND	18,746,322	18,327,917	19,182,495	19,893,995	17,329,000		-9.7%	
Alternative Water Resources Development Impact Fee Fund								
Impact Fees:								
Residential Impact Fees	1,037,537	1,202,278	-	-	-		0.0%	
Commercial Impact Fees	209,301	425,157	-	-	-		0.0%	
Total Impact Fees	1,246,838	1,627,435	-	-	-		0.0%	
Interest Income:								
Interest - Investments	293,514	337,732	-	-	-		0.0%	
Total Interest Income	293,514	337,732	-	-	-		0.0%	
TOTAL AWRDIF FUND	1,540,352	1,965,167	-	-	-		0.0%	

Revenue Schedule by Fund

Major Revenue Accounts	FY 2019		FY 2020		FY 2021		FY 2022	% to Budget
	Actual	Actual	Budget	Projected	Budget			
Potable Water System Development Impact Fee Fund								
Impact Fees:								
Single Family Connections	506,770	553,493	-	-	-	-	0.0%	
Multi-Family Connections	10,075	39,971	-	-	-	-	0.0%	
Commercial Connections	35,359	104,706	-	-	-	-	0.0%	
Irrigation Connections	68,902	112,519	-	-	-	-	0.0%	
Total Impact Fees	621,106	810,689	-	-	-	-	0.0%	
Interest Income:								
Interest - Investments	269,046	171,951	-	-	-	-	0.0%	
Total Interest Income	269,046	171,951	-	-	-	-	0.0%	
TOTAL PWSDF FUND	890,152	982,640	-	-	-	-	0.0%	
Water Resources Development Impact Fee Fund								
Impact Fees:								
Residential Impact Fees	-	-	1,437,075	2,070,690	1,916,100	33.3%		
Non-Residential Impact Fees	-	-	452,336	708,004	143,296	-68.3%		
Total Impact Fees	-	-	1,889,411	2,778,694	2,059,396	9.0%		
Interest Income:								
Interest - Investments	-	-	182,000	175,000	200,000	9.9%		
Total Interest Income	-	-	182,000	175,000	200,000	9.9%		
TOTAL WRSDIF FUND	-	-	2,071,411	2,953,694	2,259,396	9.1%		
Stormwater Utility Fund								
State Grants:								
Miscellaneous State Grants	-	-	-	-	300,000	100.0%		
Total State Grants	-	-	-	-	300,000	100.0%		
Charges for Services:								
Late Fees	1,940	910	1,500	-	-	-100.0%		
Stormwater Utility Fee	1,424,096	1,442,666	1,436,500	1,443,000	1,440,100	0.3%		
Total Charges for Services	1,426,036	1,443,576	1,438,000	1,443,000	1,440,100	0.1%		
Interest Income:								
Interest - Investments	16,393	23,148	1,000	7,190	1,500	50.0%		
Total Interest Income	16,393	23,148	1,000	7,190	1,500	50.0%		
Miscellaneous:								
Miscellaneous	210	40	-	29	-	0.0%		
Total Miscellaneous	210	40	-	29	-	0.0%		
TOTAL STORMWATER UTILITY FUND	1,442,639	1,466,764	1,439,000	1,450,219	1,741,600	21.0%		
Recreation In Lieu Fee Fund								
Miscellaneous:								
Miscellaneous	-	382	-	225	-	0.0%		
Total Miscellaneous	-	382	-	225	-	0.0%		
TOTAL REC IN LIEU FEE FUND	-	382	-	225	-	0.0%		
TOTAL REVENUE - ALL FUNDS	\$ 89,275,059	\$ 93,921,414	\$ 85,233,802	\$ 94,726,304	\$ 130,084,925	52.6%		

Note: Does not include Interfund Transfers or Carry-Forward Balances

Revenue Sources

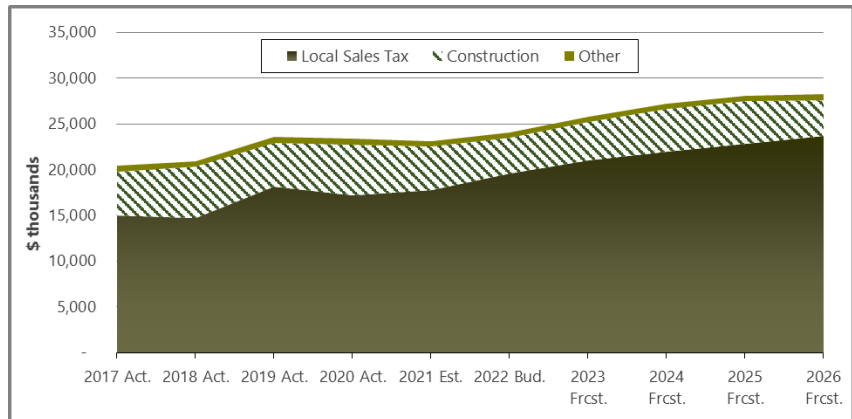
Local Sales Tax

Description

Arizona cities and towns under state law have the authority to establish certain taxes for revenue purposes. The local sales tax, as a means of financing municipal services, is the most important source of local revenue for most Arizona cities and towns. The Town of Oro Valley levies a 2.5% tax on sales collected within the town boundaries, with the exception of sales on utilities and construction activity, which are a 4% tax. The Town also levies an additional 6% tax on lodging. The sales tax is collected by the state and remitted to the Town on a weekly basis.

Uses

Two percent of the 2.5% local sales tax, as well as the 4.0% utility sales tax, are used for any general governmental purpose. The additional 0.5% local sales tax was implemented in March of 2015 and is dedicated to funding the Town’s Community Center operations. Beginning in FY 21/22 the additional 0.5%



local sales tax is also dedicated to the annual debt service on the anticipated parks & recreation related bond issuance. One quarter of the 6% tax on lodging is used to support economic development and tourism efforts. The Town’s adopted financial policies dictate that a minimum of 5% of the Town’s excise tax collections fund capital improvements, asset repair and maintenance needs.

Projections

Local construction sales tax has declined significantly from its peak in 2008. This is due to slower economic growth and the town approaching build-out, as well as state legislation that has reduced collections for all Arizona cities and towns. Projected commercial activity for the Town consists mostly of infill projects and several larger projects deemed one-time in nature. Single family residential activity is expected to remain strong in the near-term and then gradually decrease over time. Hotel and restaurant/bar sales tax collections are expected to see strong near-term growth with the annexation of the Westward Look resort. The following assumptions were used in compiling the projections:

- Assumes continued economic recovery and growth with no downturns in the 5-year forecast
- Near-term growth in construction related sales taxes then declines in outer years as town approaches buildout
- All local sales tax revenues at or above pre-pandemic levels by FY 2022/23

Revenue Sources

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	2016	14,381,381	2,613,683	624,946
	2017	14,972,317	4,792,145	651,088
	2018	14,737,491	5,553,450	657,864
	2019	18,132,256	4,792,145	635,494
	2020	17,203,953	5,553,450	662,048
PROJECTION	2021	17,739,685	4,778,040	615,000
	2022	19,551,505	3,924,000	615,000
	2023	21,023,472	4,155,960	615,000
	2024	21,939,479	4,693,104	611,925
	2025	22,824,245	4,669,638	605,806
	2026	23,652,032	3,959,853	301,000

Revenue Sources

Fines, Licenses and Permits

Description

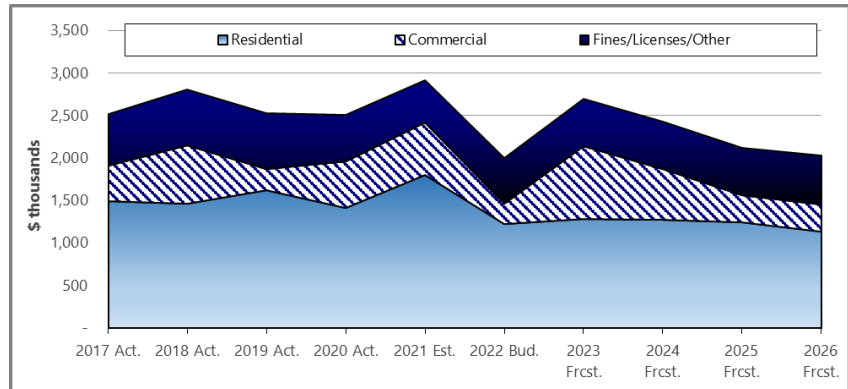
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits, both residential and commercial, zoning permits and a variety of other programs.

Uses

The revenue received from fines, licenses and permit fees is placed in the General Fund and used for various general governmental purposes.

Projections

Permitting revenues from development related activity are projected to decline from FY 20/21 year-end projections due to abnormally high activity over the last year. At this point it is assumed that this activity is not sustainable in the long-term. However, overall revenues are expected to increase, based on forecasted commercial development activity. The following assumptions were used when compiling the projections:



- Single family residential permits are budgeted at 275 for FY 21/22, projected at 255 for FY 22/23, 222 for FY 23/24, 243 by FY 24/25, and begin declining by FY 225/26 to 209
- Forecast for commercial building activity includes one-time projects subject to fluctuation
- An average of 75,000 square feet of miscellaneous commercial development will be added each year for the next five years
- Development-related permit and fee revenues, such as grading, fire, etc. mirror residential and commercial growth and begin to decline in outer years

		Residential Building Permits	Commercial Building Permits	Business Licenses, Fines & Other
ACTUAL	2016	1,052,162	525,998	496,986
	2017	1,490,966	419,363	610,258
	2018	1,463,401	683,494	664,489
	2019	1,626,779	247,688	649,189
	2020	1,413,777	544,597	554,180
PROJECTION	2021	1,801,168	619,547	499,948
	2022	1,222,500	242,500	534,000
	2023	1,283,625	860,875	553,325
	2024	1,270,789	602,613	560,099
	2025	1,245,373	313,359	561,406
	2026	1,133,289	321,192	571,234

Revenue Sources

State Shared Revenue

Description

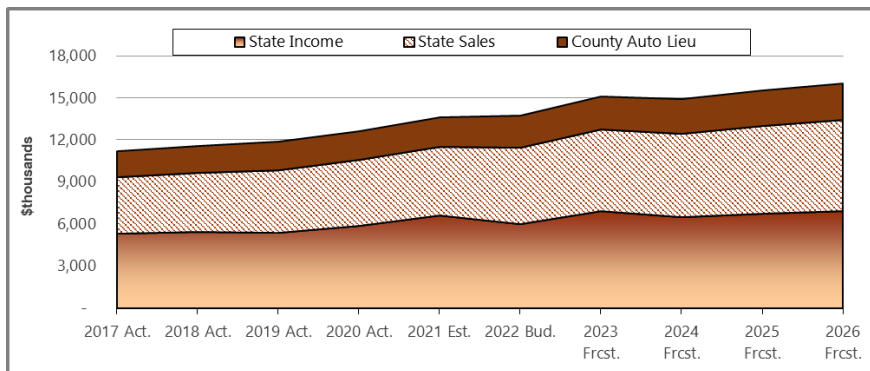
Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, state income tax, and vehicle license tax. Oro Valley receives its share of the state sales and income tax based on the relation of its population to the total population of all incorporated cities and towns in the state based on U.S. Census population figures. The vehicle license tax is distributed to Oro Valley based on the relation of its population to the total population of all incorporated cities and towns in Pima County. Shared income tax revenues reflect state collections from two years prior.

Uses

State Shared Revenue is collected in the General Fund and used for various general governmental purposes.

Projections

State Shared Revenue is a significant source of funding and represents 29% of General Fund budgeted revenue for FY 21/22. State shared revenues are projected to increase 4.1% for FY 21/22 which is attributable to a recovering economy from the COVID-19 pandemic.



Budget and legislative tax law changes made at the state level have the potential to impact this revenue source. The following assumptions were used in compiling the projections:

- 8.9% decrease in state shared income taxes projected for FY 21/22, due to a delayed tax filing deadline in calendar year 2020.
- FY 22/23 assumes a one-time increase to state shared income taxes
- No changes in distribution allocations to cities & towns are assumed in forecast

		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	2016	4,937,719	3,886,852	1,724,625
	2017	5,329,864	3,989,179	1,858,686
	2018	5,422,693	4,210,168	1,944,973
	2019	5,370,779	4,469,774	2,039,397
	2020	5,870,231	4,694,491	2,073,426
PROJECTION	2021	6,580,332	4,946,000	2,069,000
	2022	6,007,636	5,406,272	2,316,015
	2023	6,908,781	5,811,710	2,385,495
	2024	6,494,255	5,941,790	2,457,060
	2025	6,734,542	6,241,355	2,530,772
	2026	6,929,844	6,509,940	2,606,695

Revenue Sources

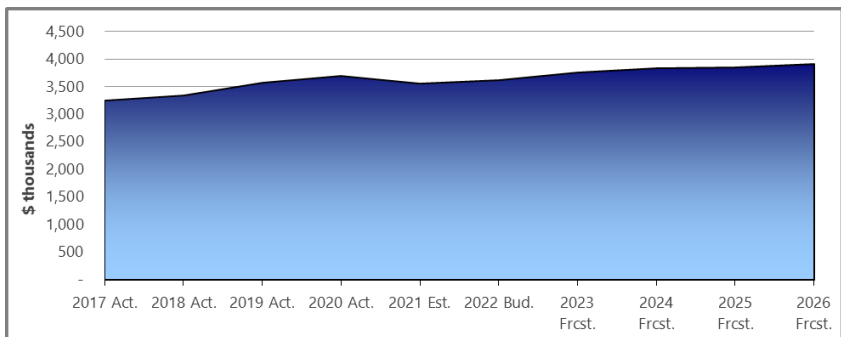
Highway User Revenue (HURF)

Description

HURF revenues are primarily generated from the state collected gasoline tax. Cities and towns receive 27.5% of highway user revenues. One-half of the monies that Oro Valley receives is based on its population in relation to the population of all cities and towns in the state. The remaining half is allocated on the basis of "county of origin" of gasoline sales and the relation of Oro Valley's population to the population of all cities and towns in Pima County. The intent of this distribution formula is to spread a portion of the money across the state solely on the basis of population while the remaining money flows to those areas with the highest gasoline sales.

Uses

There is a state constitutional restriction on the use of the highway user revenues which requires that these funds be used solely for street and highway purposes. The Town has a separate fund – Highway Fund – where this revenue is collected and distributed for such purposes.



Projections

HURF revenue collections are a major source of funding for roadway improvements and account for nearly all of Highway Fund budgeted revenue for FY 21/22. This revenue source is impacted by economic downturns, as well as any actions taken by the state legislature. The following assumptions were used in compiling the projections:

- HURF revenues see 2-4% growth in first few years, which is aligned with Arizona Department of Transportation (ADOT) projections
- Growth slows in outer years as demand is projected to decline as electric vehicle usage increases
- Forecast assumes no changes in allocation or tax levy

		HURF Revenue
ACTUAL	2016	3,045,057
	2017	3,252,020
	2018	3,333,250
	2019	3,563,828
	2020	3,694,044
PROJECTION	2021	3,560,200
	2022	3,614,922
	2023	3,759,519
	2024	3,834,709
	2025	3,853,883
	2026	3,915,545

Revenue Sources

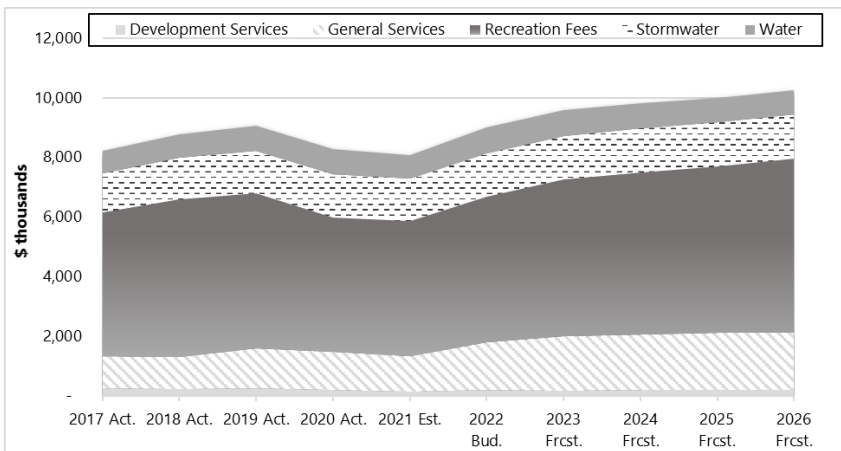
Charges for Services

Description

Charges for Services are fees charged for specific services provided by the Town. They include recreation user fees, development services fees, stormwater fees, various water fees and fares received from transit services. Except for development services fees and certain general services and water fees, the anticipated revenue generated from charges for services is generally correlated to population change and can be expected to increase with population growth. New or added recreation facilities and amenities would also cause these revenues to increase. Certain water fees and fees for development services are tied to development activity and will increase/decrease accordingly based on development activity within the town.

Uses

Revenues in this category cover many types of charges for services and therefore, the usage varies depending on fee type. Fee amounts are based upon either a partial or full cost-recovery methodology and are only increased where absolutely necessary to cover costs.



Projections

FY 20/21 year-end estimates factor in facility closures and reduced demand for services because of the COVID-19 pandemic. For FY 21/22 and beyond, it is assumed these revenues recover and continue to grow at pre-pandemic levels. The following assumptions were used in the projections:

- Revenue generated from development activity is tied to anticipated single family residential and commercial building permits
- Recreation fee revenues rebound from COVID-19 disruptions beginning in FY 21/22
- Transit farebox revenues start to recover in FY 21/22, although at a slower rate

		General Services	Development Services	Recreation Fees	Transit	Water	Stormwater *
ACTUAL	2016	918,365	247,370	4,570,569	88,684	689,972	828,258
	2017	981,924	253,867	4,809,323	100,052	747,346	1,314,757
	2018	972,082	220,000	5,282,346	119,536	800,968	1,385,811
	2019	1,179,718	257,721	5,203,287	138,125	849,154	1,426,036
	2020	1,167,467	192,393	4,504,706	110,310	854,111	1,443,576
PROJECTION	2021	1,165,500	150,200	4,535,232	660	773,000	1,443,000
	2022	1,533,116	186,250	4,897,992	72,410	875,000	1,440,100
	2023	1,739,072	167,650	5,257,393	83,272	875,000	1,465,500
	2024	1,770,453	201,130	5,430,610	87,435	872,000	1,472,700
	2025	1,813,834	201,150	5,575,899	91,807	847,000	1,477,400
	2026	1,832,447	181,042	5,840,989	96,397	826,000	1,480,800

* Increase in FY 2017 is attributable to a Council-approved fee increase

Revenue Sources

Water Revenue

Description

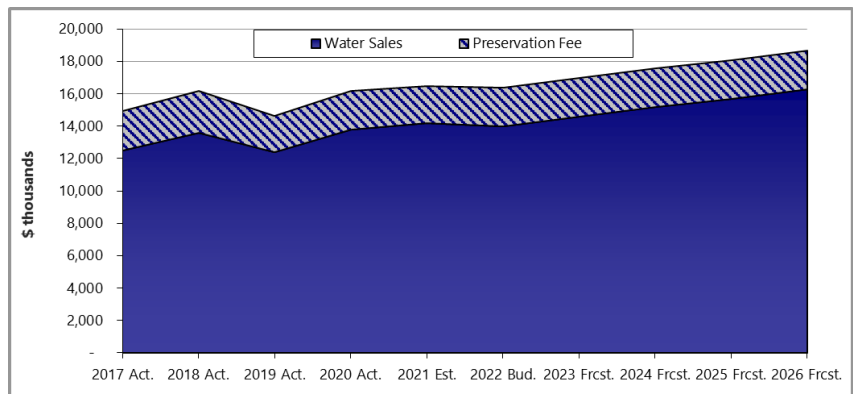
The Town’s Water Utility Fund is a self-sustaining fund with revenue generated from water sales, service fees and miscellaneous charges. Annually, the Oro Valley Water Utility Commission reviews and develops recommendations for water revenue requirements, water rates and fee structures.

Uses

The revenue collected from water sales is used for personnel, operations and maintenance, capital improvements to existing systems, and debt service. Revenue collected from the groundwater preservation fee (GPF) is used for renewable water capital infrastructure costs and related debt service.

Projections

Revenue projections relating to water sales and preservation fees are based on growth of the population as well as proposed rate increases. The following assumptions were used in compiling the projections:



- Growth is estimated at 200 to 255 new connections annually through FY 25/26
- Rate increases ranging from 2.6% to 4.6% in future years
- No groundwater preservation fee increases over the next five years
- Average single family residential monthly water use projected at roughly 7,300 gallons

		Water Sales	Groundwater Preservation Fee
ACTUAL	2016	12,018,429	2,371,099
	2017	12,493,557	2,440,045
	2018	13,586,668	2,611,075
	2019	12,413,502	2,213,303
	2020	13,764,702	2,389,953
PROJECTION	2021	14,175,000	2,308,000
	2022	13,974,000	2,380,000
	2023	14,566,447	2,380,000
	2024	15,164,673	2,380,000
	2025	15,669,471	2,380,000
	2026	16,263,888	2,385,000

Revenue Sources

Development Impact Fees

Description

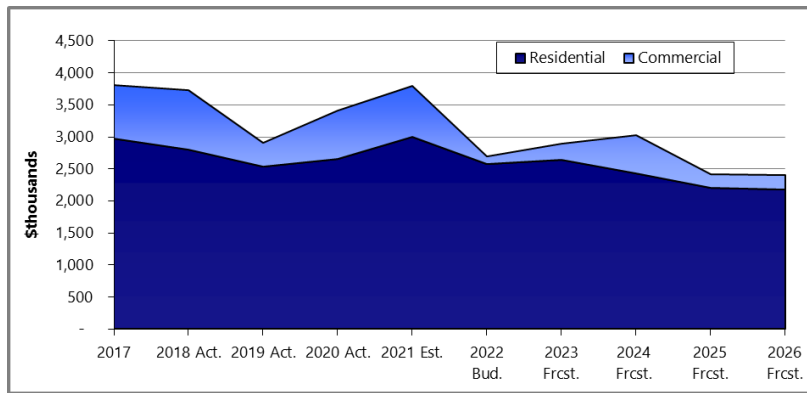
Development Impact Fees are fees assessed by the Town on new development for the purpose of financing infrastructure ultimately needed to support a growing community. State legislation has restricted the types of impact fees collected with increased limitations placed on their use. Commercial impact fees are assessed to support roadways, water facilities and police; residential impact fees are assessed to support roadways, water facilities, police, and parks & recreation facilities.

Uses

As mandated by state law, development impact fee revenue can only be used to support new projects and expansion-related capital infrastructure.

Projections

As the Town approaches build-out, residential and commercial construction activity can be expected to decrease. The following assumptions were used in compiling the projections:



- 275 SFR permits will be issued in FY 21/22 which represents a large year-over-year decrease from 498 SFR permits formally issued in FY 20/21. This assumes that current levels of homebuilding are not sustained into the future
- Commercial fees tie to future development activity within the town will see a large one-time increase in FY 23/24 due to anticipated commercial development

		Residential Fees	Commercial Fees
ACTUAL	2016	1,843,450	591,334
	2017	2,981,127	822,546
	2018	2,800,057	933,297
	2019	2,543,232	364,475
	2020	2,655,960	762,465
PROJECTION	2021	3,002,274	799,978
	2022	2,579,807	110,000
	2023	2,642,680	253,250
	2024	2,432,930	597,700
	2025	2,201,120	222,770
	2026	2,177,969	228,800

Revenue Sources

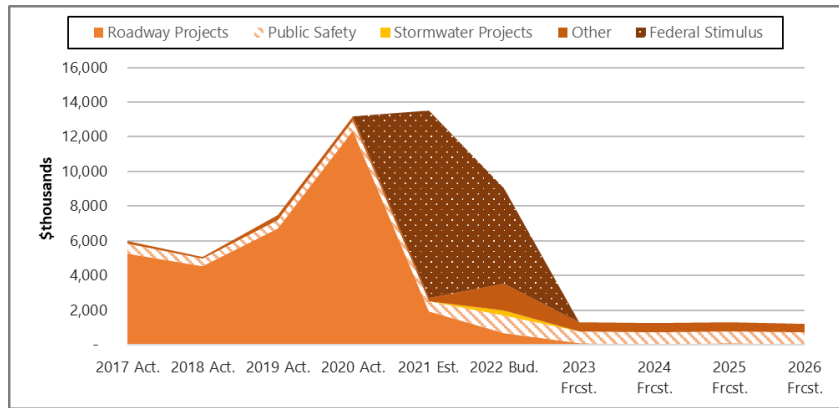
Grants

Description

The Town receives federal and state grant funding from various agencies and sources, mainly for roadway projects or to support public safety. Specific restrictions exist on all grants in regards to how the funds may be used or what they may be spent on. Grants provide the Town with critical funding for public infrastructure projects and Police Department task force operations and equipment.

Uses

As mentioned above, historically the bulk of the Town’s grant funding is for roadway projects and public safety. Funding from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA) provides for roadway expansion and improvement projects. The large amount of federal revenue is related to one-time funding from the federal CARES Act and American Rescue Plan Act. This funding is designed to aid and support governments and businesses during the COVID-19 pandemic.



Funding for roadway projects fluctuates widely, depending on current or planned projects and available funding. Funding beyond FY 2021 is not foreseen at this time. In recent years, the Town has also seen slight decreases in public safety funding, particularly towards the funding of employee benefits. The following assumptions were used in compiling the projections:

Projections

- Funding for roadway projects remains uncertain and is dependent on future regional voter approved plans
- No future federal funding beyond the American Rescue Plan Act is assumed

		Roadway Projects	Public Safety	Stormwater	Federal	Other
ACTUAL	2016	3,677,410	672,741	35,000		43,157
	2017	5,256,383	564,825			168,526
	2018	4,515,098	456,412			115,195
	2019	6,721,357	460,614			317,103
	2020	12,380,985	560,739			237,853
PROJECTION	2021	1,947,977	576,616		10,820,582	159,113
	2022	675,000	1,026,145	300,000	5,493,395	1,534,787
	2023	75,000	702,614			534,787
	2024		708,390			530,088
	2025	75,000	714,224			525,147
	2026		720,116			500,000

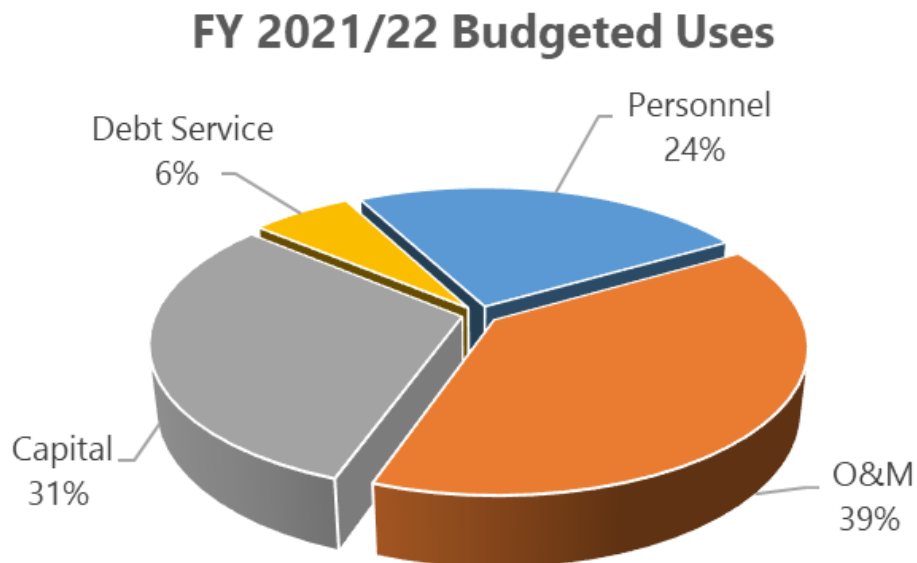
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Expenditure Summary

The expenditure budget for FY 21/22 totals \$153,704,742 and represents a \$58.4 million, or 61.3% increase over the prior fiscal year budgeted expenditures. The budget includes \$107.9 million to support daily operations and services and \$47.1 million in capital projects. The chart below reflects all budgeted uses and their portion of the overall expenditure budget.

A description of the changes in expenditure categories from budget year to budget year can be found on the following page. Please reference the Personnel section of the budget document for further explanations on personnel changes.

The capital budget for FY 21/22 is significant and addresses several areas of critical need, including roadway and street improvements, water and stormwater system improvements, public safety facilities and equipment, parks and recreation amenities and improvements, as well as fleet and technology replacements. Please reference the Capital Improvement Program (CIP) section of the budget document for further details on capital improvement projects.



Expenditure Summary

Budgeted Uses						
	FY 2020	FY 2020/21		FY 2021/22	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	34,388,668	35,548,825	34,542,546	37,599,254	2,050,429	5.8%
O&M	25,576,732	29,736,951	28,576,783	59,564,610	29,827,659	100.3%
Capital	24,159,899	23,518,288	17,275,994	47,033,155	23,514,867	100.0%
Debt Service	7,048,895	6,489,637	6,312,599	9,507,723	3,018,086	46.5%
Total Expenditures	\$ 91,174,194	\$ 95,293,701	\$ 86,707,922	\$ 153,704,742	\$ 58,411,041	61.3%

Does not include depreciation, amortization, interfund transfers or contingency amounts

A brief description of the major changes in expenditure categories from budget year to budget year is as follows:

Personnel +\$2.1M	<ul style="list-style-type: none"> Employee step increases and 2.5-3.0% merit increases \$664K increase for nine new positions and various position reclassifications \$389K increase due to increased pension costs \$160K increase in group insurance costs
O&M +\$29.8M	<ul style="list-style-type: none"> \$27.0 one-time payment to PSPRS which includes \$10.0M from the General Fund and \$17.0M from bond proceeds \$1.0M budgeted for possible funding tied to the former Vistoso Golf property Increases to department O&M budgets, as costs were deferred due to COVID-19
Capital +23.5M	<ul style="list-style-type: none"> \$24.8M increase in Parks & Recreation facilities as part of potential bond financing \$1.4M increase in various other public facilities \$0.8M increase in stormwater related capital improvements \$1.5M decrease in road related capital improvements
Debt Service +3.0M	<ul style="list-style-type: none"> Increase in payments from issuance of bonds for PSPRS and parks & recreation amenities

Expenditure Summary

Capital Improvement Program

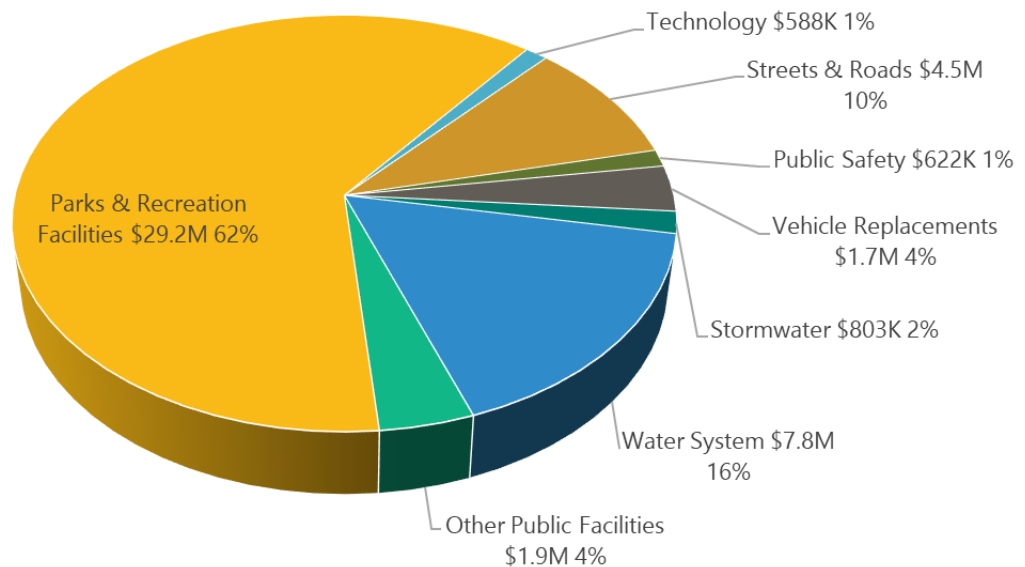
The Capital Improvement Program (CIP) is a comprehensive, ten-year plan of capital projects that identifies priorities, methods of financing, costs, and associated revenues. It includes a one-year recommendation for the Town's capital budget. The CIP is one of the mechanisms that implements the Town's General Plan and Strategic Leadership Plan. It allocates funds to meet goals and strategies specified in both plans and implements these plans as part of the project evaluation criteria.

The FY 21/22 adopted budget includes \$47.1 million in capital improvement projects, funded with a variety of sources. Budgeted projects include street and roadway improvements, water and stormwater utility system improvements, parks and recreation improvements and public safety facilities.

Further information on CIP projects and project descriptions can be found in the Capital Improvement section of the budget document.

FY 21/22 Capital Improvement Projects

\$47.1 Million



Expenditure Schedule by Fund

Major Expenditure Accounts	FY 2019	FY 2020	FY 2021		FY 2022	% to budget
	Actual	Actual	Budget	Projected	Budget	
General Fund						
Administrative Services	4,217,666	4,487,282	-	-	-	0.0%
Finance	-	-	832,888	832,888	979,655	17.6%
Human Resources	-	-	457,347	447,153	535,390	17.1%
Innovation & Technology	-	-	3,846,018	3,879,814	4,346,583	13.0%
Clerk	388,362	364,676	428,524	428,524	383,833	-10.4%
Community & Economic Development	2,651,644	2,724,032	2,779,661	2,736,135	3,044,614	9.5%
Council	193,646	186,159	197,019	197,019	188,720	-4.2%
General Administration	2,414,069	2,704,081	5,251,466	5,078,967	14,459,559	175.3%
Legal	808,638	888,946	870,592	842,259	902,754	3.7%
Magistrate Court	844,463	865,359	864,826	862,762	914,796	5.8%
Town Manager's Office	1,217,267	1,293,974	1,028,734	981,874	1,115,224	8.4%
Parks and Recreation	3,380,694	3,233,813	3,478,517	3,357,584	3,446,361	-0.9%
Police	16,129,298	16,815,002	17,051,408	16,823,969	18,171,000	6.6%
Public Works	3,202,286	4,399,336	4,898,891	4,324,850	5,364,091	9.5%
TOTAL GENERAL FUND	35,448,033	37,962,660	41,985,891	40,793,798	53,852,580	28.3%
Special Revenue Funds						
Highway User Revenue Fund	3,945,081	4,111,686	3,866,213	3,262,996	4,090,525	5.8%
Grants & Contributions Fund	-	-	-	-	1,954,250	0.0%
Community Center Fund	5,991,545	5,919,442	6,599,082	5,516,289	5,920,609	-10.3%
Seizures & Forfeitures Funds	263,643	64,713	95,789	80,725	98,000	2.3%
TOTAL SPECIAL REVENUE FUNDS	10,200,269	10,095,841	10,561,084	8,860,010	12,063,384	14.2%
Debt Service Funds						
Municipal Debt Service Fund	1,039,532	1,198,384	1,225,445	1,225,445	21,225,445	1632.1%
Oracle Road Improvement District Fund	176,363	178,961	177,038	174,038	-	-100.0%
TOTAL DEBT SERVICE FUNDS	1,215,895	1,377,345	1,402,483	1,399,483	21,225,445	1413.4%
Capital Project Funds						
Parks and Recreation Impact Fee Fund	6,147	9,121	695,000	849,932	-	-100.0%
Police Impact Fee Fund	648,059	9,121	10,000	-	-	-100.0%
Capital Fund	6,337,749	3,607,970	4,744,666	2,693,001	33,079,602	597.2%
Alternative Water Resource Dev. Impact Fee	471,626	782,169	-	-	-	0.0%
Potable Water System Dev. Impact Fee	833,596	164,363	-	-	-	0.0%
Water Resources Dev. Impact Fee	-	-	6,681,099	4,373,099	6,659,369	-0.3%
PAG/RTA Fund	6,503,410	13,219,405	2,365,000	1,588,040	1,475,000	-37.6%
Roadway Impact Fee Fund	123,272	1,033,482	1,810,000	1,648,354	200,000	-89.0%
TOTAL CAPITAL PROJECT FUNDS	14,923,859	18,825,631	16,305,765	11,152,426	41,413,971	154.0%
Enterprise Funds						
Water Utility	18,229,519	18,465,426	19,523,074	19,507,950	18,994,638	-2.7%
Stormwater Utility	1,397,155	1,644,647	1,307,750	1,387,757	2,160,407	65.2%
TOTAL ENTERPRISE FUNDS	19,626,674	20,110,073	20,830,824	20,895,707	21,155,045	1.6%
Internal Service Funds						
Benefit Self Insurance	3,431,980	2,802,644	4,207,654	3,680,536	3,994,317	-5.1%
TOTAL INTERNAL SERVICE FUNDS	3,431,980	2,802,644	4,207,654	3,680,536	3,994,317	-5.1%
TOTAL EXPENDITURES - ALL FUNDS	\$ 84,846,710	\$ 91,174,194	\$ 95,293,701	\$ 86,781,960	\$ 153,704,742	61.3%

Note: Does not include depreciation, amortization, interfund transfers or contingency amounts

Expenditures by Program

This table represents a summary of the adopted FY 2021 - 2022 budget and is structured around major program areas within departments which represent services and operations viable to the Town and to which resources are allocated on a fiscal year basis. Footnotes are provided to delineate the specific fund(s) that support(s) each program. The table also includes funding sources and full-time equivalent employees (FTEs) for each program. Further information on a specific program can be found in the Program Budgets Section of the budget document.

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Finance	8.20	979,655						979,655
	8.20	979,655	-	-	-	-	-	979,655
Human Resources	4.00	535,390						535,390
	4.00	535,390	-	-	-	-	-	535,390
Innovation & Technology	15.80	4,346,583						4,346,583
	15.80	4,346,583	-	-	-	-	-	4,346,583
Clerk	4.73	383,833						383,833
	4.73	383,833	-	-	-	-	-	383,833
Community & Economic Dev.								
Administration	1.60	297,878						297,878
Permitting	10.48	1,064,595						1,064,595
Planning	6.30	661,959						661,959
Inspection and Compliance	9.00	865,853						865,853
Economic Development	1.00	154,329						154,329
	27.78	3,044,614	-	-	-	-	-	3,044,614
Council	7.00	188,720						188,720
	7.00	188,720	-	-	-	-	-	188,720
General Administration		14,459,559	1,500,000 ^(A)	17,010,000 ^(B)	-	-	3,994,317 ^(C)	36,963,876
	-	14,459,559	1,500,000	17,010,000	-	-	3,994,317	36,963,876
Legal	6.00	902,754						902,754
	6.00	902,754	-	-	-	-	-	902,754
Magistrate Court	8.50	914,796						914,796
	8.50	914,796	-	-	-	-	-	914,796
Town Manager's Office	8.38	1,115,224						1,115,224
	8.38	1,115,224	-	-	-	-	-	1,115,224
Parks and Recreation								
Administration	4.00	441,380						441,380
Parks Maintenance	9.96	1,369,531						1,369,531
Recreation & Culture	6.70	498,834						498,834
Aquatics	20.89	1,136,616						1,136,616
Community Center	21.55		5,920,609 ^(D)					5,920,609
	63.10	3,446,361	5,920,609	-	-	-	-	9,366,970

Expenditures by Program

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Police								
Administration	5.00	1,617,401	98,000 (E)					1,715,401
Support Services	54.25	7,246,546	454,250 (A)					7,700,796
Field Services	72.00	8,696,101						8,696,101
Professional Development & Training	2.00	392,985						392,985
Professional Standards	1.48	217,967						217,967
	134.73	18,171,000	552,250	-	-	-	-	18,723,250
Public Works								
Administration	14.75	1,402,189						1,402,189
Transportation Engineering	12.00		3,766,525 (F)		215,146 (G)			3,981,671
Street Maintenance	-		324,000 (F)					324,000
Facilities Maintenance	4.00	1,315,999						1,315,999
Fleet	4.00	1,359,148						1,359,148
Stormwater Utility	10.73					2,160,407 (H)		2,160,407
Transit Services	25.89	1,286,755						1,286,755
	71.37	5,364,091	4,090,525	-	215,146	2,160,407	-	11,830,169
Water Utility								
Administration	9.48					7,001,368 (I)		7,001,368
Engineering & Planning	6.00					1,874,737 (I)		1,874,737
Operations	25.00					5,185,624 (I)		5,185,624
Water Resource Development	-				6,300,000			6,300,000
	40.48	-	-	-	6,300,000	14,061,729	-	20,361,729
				(B)	(J)	(I)		
				4,215,445	359,369	4,932,909		9,507,723
Debt Service	-	-	-	4,215,445	359,369	4,932,909	-	9,507,723
					34,539,456 (K)			34,539,456
Capital Improvements	-	-	-	-	34,539,456	-	-	34,539,456
FY 2021/22 Adopted Budget	400.07	53,852,580	12,063,384	21,225,445	41,413,971	21,155,045	3,994,317	153,704,742

Note: Does not include depreciation, amortization, interfund transfers or contingency amounts

(A) Grants & Contributions Fund
 (B) Municipal Debt Service Fund
 (C) Benefit Self Insurance Fund
 (D) Community Center Fund
 (E) Seizures & Forfeitures Funds
 (F) Highway Fund

(G) Capital Fund
 (H) Stormwater Utility Fund
 (I) Water Utility Fund
 (J) Water Resource Development Impact Fee Fund
 (K) Capital Fund, Roadway Dev. Impact Fee Fund, PAG/RTA Fund
 (L) Roadway Dev Impact Fee Fund and PAG/RTA Fund

Personnel Summary

Personnel and Employee Compensation

Personnel service represents 35% of the total operating budget, which is common in a service-based organization. Even so, since it is a significant portion of the budget, employee compensation, staffing levels and benefit costs are scrutinized and closely managed.

Due to COVID-19, the FY 20/21 budget did not include formal capacity for employee merit and step increases. For FY 21/22, the budget does allow for employee step and merit increases to be included. Benefit costs rose slightly due to increased pension rates. Based on the financial scenario laid out for the next five years, the Town's recurring revenues will need to be re-analyzed each year to confirm and determine an affordable and feasible level of future increases in overall compensation and benefits.

Staffing Level Changes

The following table summarizes the changes in staffing levels for the new fiscal year.

	FY 20/21 Budget	FY 21/22 Budget	+/-
Finance	7.20	8.20	+1.00
Innovation & Technology	12.80	15.80	+3.00
Magistrate Court	8.48	8.50	+0.02
Police	137.13	134.73	-2.40
Stormwater	10.25	10.73	+0.48
TOTAL			+2.1

The FY 21/22 budget includes the authoring for adding six new positions, as well as various position reclassifications and planned position eliminations.

In the Finance department, a second senior account position was added to help meet the operational needs of the organization. This position has been deemed essential for several years.

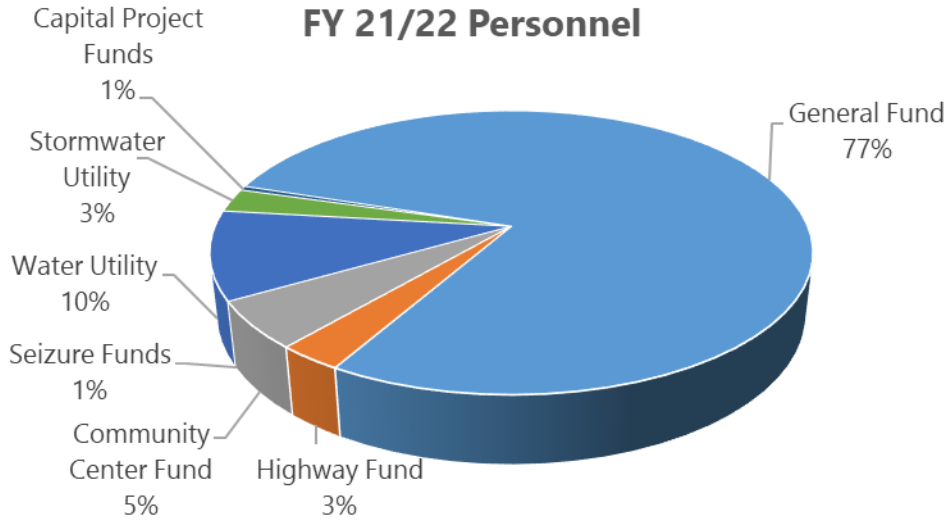
Within the Innovation & Technology department a new Systems Analyst position was added to help support the Water Utility's growing demands on software and other technology. Additionally, through reclassification processes, two positions that were previously within the Police department are now formally under Innovation & Technology.

The Town's Police department is adding an additional telecommunications position to help meet the increasing demands in keeping up with 911 calls. The budget also includes the reallocation of funds to discontinue the Police Reserve Program and create a full-time crime scene technician position and part-time police workforce specialist position.

The addition of a GIS intern within the Stormwater utility is included. This position will help expand the GIS and technology capabilities of the utility.

Refer to the Personnel Schedule document for a detailed listing of positions by department and/or program.

Personnel Summary



Benefit Rates and Costs

For employee coverage of medical premiums, the Town pays 85% of the premium and the employee pays 15%. For employee coverage of dental premiums, the Town pays 100% of the premium. Premiums in FY 21/22 have no rate increases.

The contribution rate for the Arizona State Retirement System (ASRS) is unchanged for FY 21/22 at 12.22%. The rate for PSPRS is projected to decrease. However, for the immediate future, the Town is choosing to elected a higher rate to maintain a high funding ratio. The Correction Officers Retirement Plan (CORP) rate will increase about 3.7%. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 18/19	FY 19/20	FY 20/21	FY 21/22
Arizona State Retirement System (ASRS)	11.80%	12.11%	12.22%	12.22%
Public Safety Personnel Retirement System (PSPRS)	37.04%	38.59%	41.65%	41.65%*
Correction Officers Retirement Plan (CORP)	61.36%	59.94%	75.53%	79.23%
Medical Premiums (per year)**	\$4,270	\$4,132	\$4,132	\$4,492
Dental Premiums (per year)***	\$201	\$300	\$300	\$314

* for FY 21/22, the Town is voluntarily contributing a higher rate to ensure a high funded ratio

** single (employee-only) PPO coverage

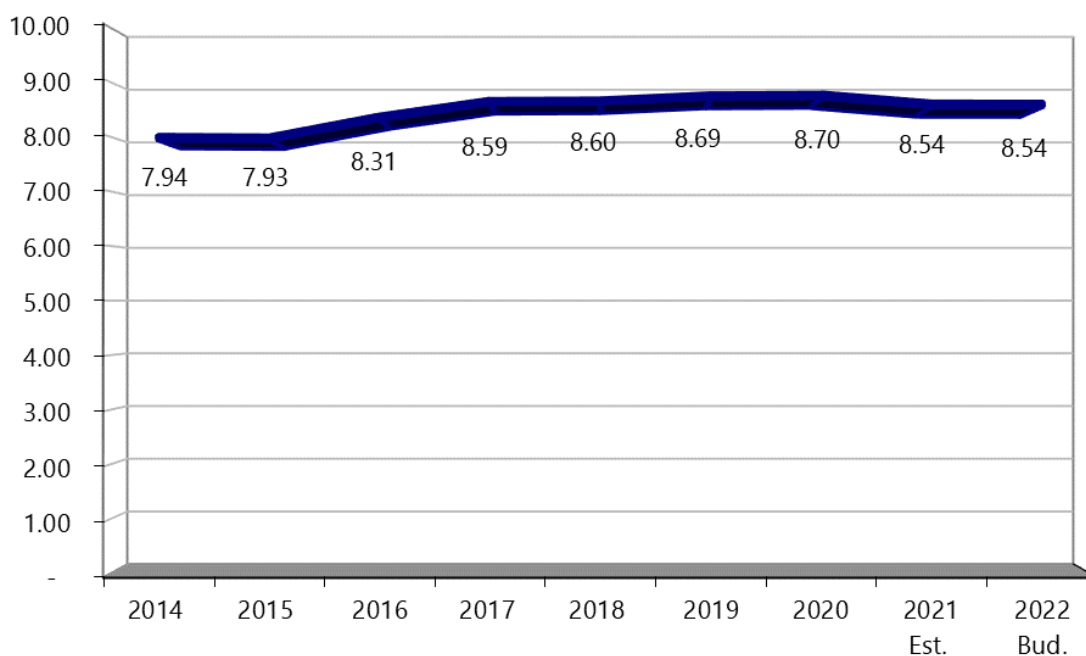
*** single (employee-only) base plan coverage

Personnel Summary

Employees per Capita

During the last economic recession, the Town reduced staff considerably. With recovery, continued population growth, as well as added facilities and amenities, the number of employees has grown gradually since that time. Looking at an employee per capita trend, full-time equivalent positions (FTEs) have remained relatively flat since 2016. FTEs per capita may increase gradually with the town’s continued population growth, subject to available funding sources.

FTEs per Thousand Town Population



Personnel Summary by Fund

	FY 2019	FY 2020	FY 2021		FY 2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
General Fund						
Administrative Services	21.00	21.00	-	-	-	-
Clerk	4.73	4.73	4.73	4.73	4.73	-
Community & Economic Dev.	28.38	27.78	27.78	27.78	27.78	-
Council	7.00	7.00	7.00	7.00	7.00	-
Finance	-	-	7.20	7.20	8.20	1.00
Human Resources	-	-	4.00	4.00	4.00	-
Innovation & Technology	-	-	12.80	14.80	15.80	3.00
Legal	6.00	6.00	6.00	6.00	6.00	-
Magistrate Court	8.00	8.48	8.48	8.48	8.50	0.02
Town Manager's Office	10.38	10.38	8.38	8.38	8.38	-
Parks and Recreation	41.55	41.55	41.55	41.55	41.55	-
Police	132.13	137.13	137.13	135.13	134.73	(2.40)
Public Works	33.39	45.64	45.64	45.64	46.64	1.00
General Fund Personnel	292.56	309.69	310.69	310.69	313.31	2.62
Special Revenue Funds						
Highway Fund	26.65	15.00	15.00	15.00	12.00	(3.00)
Community Center Fund	21.55	21.55	21.55	21.55	21.55	-
Seizure Funds	1.00	1.00	1.00	1.00	-	(1.00)
Special Revenue Funds Personnel	49.20	37.55	37.55	37.55	33.55	(4.00)
Capital Project Funds						
Capital Fund	-	-	-	-	2.00	2.00
Capital Projects Funds Personnel	-	-	-	-	2.00	2.00
Enterprise Funds						
Water Utility	39.48	39.48	40.48	40.48	40.48	-
Stormwater Utility	10.25	10.25	10.25	10.25	10.73	0.48
Enterprise Funds Personnel	49.73	49.73	50.73	50.73	51.21	0.48
Total Town Personnel	391.49	396.97	398.97	398.97	400.07	1.10

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Administrative Services						
Admin. Svcs. Director/Chief Financial Officer	1.00	1.00	-	-	-	-
Finance Director	-	-	-	-	-	-
Chief Procurement Officer	1.00	1.00	-	-	-	-
Procurement Administrator	-	-	-	-	-	-
Finance & Budget Administrator	-	-	-	-	-	-
Finance Manager	1.00	1.00	-	-	-	-
Senior Budget Analyst	1.00	1.00	-	-	-	-
Senior Accountant	1.00	1.00	-	-	-	-
Accounting Specialist	1.00	1.00	-	-	-	-
Human Resource Director	1.00	1.00	-	-	-	-
Human Resource Analyst	2.00	2.00	-	-	-	-
Chief Information Officer	1.00	1.00	-	-	-	-
IT Director	-	-	-	-	-	-
NetOps Supervisor	-	-	-	-	-	-
Network Administrator	2.00	2.00	-	-	-	-
Systems Analyst	2.00	2.00	-	-	-	-
Data Base Analyst	1.00	1.00	-	-	-	-
Senior GIS Administrator	1.00	1.00	-	-	-	-
Senior GIS Specialist	-	-	-	-	-	-
GIS Analyst	1.00	1.00	-	-	-	-
IT Analyst	1.00	1.00	-	-	-	-
Procurement Specialist	1.00	1.00	-	-	-	-
Senior Office Specialist	1.00	1.00	-	-	-	-
Human Resource Assistant	1.00	1.00	-	-	-	-
Office Specialist	-	-	-	-	-	-
Total Administrative Services	21.00	21.00	-	-	-	-

Full-time employees: -
Part-time employees: -

Clerk						
Town Clerk	1.00	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.48	1.48	1.48	1.48	1.48	-
Communications Intern	0.25	0.25	0.25	0.25	0.25	-
Total Clerk	4.73	4.73	4.73	4.73	4.73	-

Full-time employees: 4
Part-time employees: 2

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Community and Economic Development (CED)						
CED Director	1.00	1.00	1.00	1.00	1.00	-
Division Manager, Permitting	1.00	1.00	1.00	1.00	1.00	-
Division Manager, Planning	1.00	1.00	1.00	1.00	1.00	-
Div Mgr, Inspect. & Comp./Bldg Official	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
Principal Planner	2.00	2.00	2.00	2.00	2.00	-
Senior Planner	1.00	1.00	1.00	1.00	1.00	-
Planner	1.00	1.00	1.00	1.00	1.00	-
Economic Development Specialist	1.00	1.00	1.00	1.00	1.00	-
Senior Planning Technician	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-
Plans Examiner II	2.00	2.00	2.00	2.00	2.00	-
Building Inspector II	4.00	4.00	4.00	4.00	4.00	-
Building Inspector I	1.00	1.00	1.00	1.00	1.00	-
Plans Examiner I	1.00	1.00	1.00	1.00	1.00	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	1.00	-
Administrative Coordinator	0.60	-	-	-	-	-
Zoning Technician	1.00	1.00	1.00	1.00	1.00	-
Building Permit Technician	2.00	2.00	2.00	2.00	2.00	-
Senior Office Specialist	1.00	1.00	2.00	1.00	2.00	-
Office Specialist	0.48	0.48	0.48	0.48	0.48	-
Senior Office Assistant	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	-	1.00	-	-
Intern	0.30	0.30	0.30	0.30	0.30	-
Total CED	28.38	27.78	27.78	27.78	27.78	-
			Full-time employees:		27	
			Part-time employees:		2	
Council						
Mayor	1.00	1.00	1.00	1.00	1.00	-
Council Member	6.00	6.00	6.00	6.00	6.00	-
Total Council	7.00	7.00	7.00	7.00	7.00	-
			Full-time employees:		-	
			Part-time employees:		7	
Finance						
Chief Financial Officer	-	-	1.00	1.00	1.00	-
Finance and Budget Administrator	-	-	1.00	1.00	1.00	-
Senior Budget Analyst	-	-	1.00	1.00	1.00	-
Senior Accountant	-	-	1.00	1.00	2.00	1.00
Chief Procurement Officer	-	-	1.00	1.00	1.00	-
Contract Specialist	-	-	-	-	1.00	1.00
Procurement Specialist	-	-	1.00	1.00	-	(1.00)
Accounting Specialist	-	-	1.00	1.00	1.00	-
Senior Office Specialist	-	-	0.20	0.20	0.20	-
Total Finance	-	-	7.20	7.20	8.20	1.00
			Full-time employees:		8	
			Part-time employees:		-	

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Human Resources						
Human Resources Director	-	-	1.00	1.00	1.00	-
Human Resources Analyst	-	-	2.00	2.00	3.00	1.00
Human Resources Assistant	-	-	1.00	1.00	-	(1.00)
Total Human Resources	-	-	4.00	4.00	4.00	-

Full-time employees: 4
Part-time employees: -

Innovation & Technology						
Chief Information Officer	-	-	1.00	1.00	1.00	-
NetOps Supervisor	-	-	1.00	1.00	1.00	-
Applications Supervisor	-	-	-	1.00	1.00	1.00
Network Administrator	-	-	1.00	1.00	1.00	-
Systems Analyst	-	-	2.00	2.00	3.00	1.00
IT Analyst	-	-	1.00	1.00	1.00	-
Database Analyst	-	-	1.00	1.00	1.00	-
Senior GIS Administrator	-	-	1.00	1.00	1.00	-
GIS Analyst	-	-	1.00	1.00	1.00	-
Help Desk Technican	-	-	1.00	1.00	1.00	-
Strategic Initiatives Manager	-	-	1.00	1.00	1.00	-
Constituent Services Coordinator	-	-	1.00	1.00	1.00	-
Emergency Mgmt & Safety Coordinator	-	-	-	1.00	1.00	1.00
Senior Office Specialist	-	-	0.80	0.80	0.80	-
Total Innovation & Technology	-	-	12.80	14.80	15.80	3.00

Full-time employees: 15
Part-time employees: -

Legal						
Legal Services Director	1.00	1.00	1.00	1.00	1.00	-
Chief Civil Deputy Attorney	1.00	1.00	1.00	1.00	1.00	-
Assistant Town Prosecutor	1.00	1.00	1.00	1.00	1.00	-
Senior Paralegal	1.00	1.00	1.00	1.00	1.00	-
Paralegal I	1.00	1.00	1.00	1.00	1.00	-
Legal Secretary	1.00	1.00	1.00	1.00	1.00	-
Total Legal	6.00	6.00	6.00	6.00	6.00	-

Full-time employees: 6
Part-time employees: -

Magistrate Court						
Magistrate Judge	1.00	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	1.00	-
Deputy Court Administrator	-	-	-	-	1.00	1.00
Courtroom Clerk	1.00	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	3.00	3.00	-
Court Clerk	1.00	1.48	1.48	1.48	1.00	(0.48)
Court Security Officer	-	-	1.00	1.00	-	(1.00)
Court Security Coordinator	-	-	-	-	0.50	0.50
Bailiff	1.00	1.00	-	-	-	-
Total Magistrate Court	8.00	8.48	8.48	8.48	8.50	0.02

Full-time employees: 8
Part-time employees: 1

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Town Manager's Office						
Town Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Town Manager	1.00	1.00	1.00	1.00	1.00	-
Executive Assistant	1.00	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	-	-	(1.00)
Management Analyst	-	-	-	1.00	1.00	1.00
Management Intern	0.38	0.38	0.38	0.38	0.38	-
Strategic Initiatives Manager	1.00	1.00	-	-	-	-
Communications Administrator	1.00	1.00	1.00	1.00	1.00	-
New Media Developer	1.00	1.00	-	-	-	-
Digital Content Specialist	-	-	1.00	1.00	1.00	-
Marketing & Communications Specialist	1.00	1.00	1.00	1.00	1.00	-
Constituent Services Coordinator	1.00	1.00	-	-	-	-
Public Information Officer	1.00	1.00	1.00	1.00	1.00	-
Total Town Manager's Office	10.38	10.38	8.38	8.38	8.38	-

Full-time employees: 8
Part-time employees: 1

Parks and Recreation						
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Deputy Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Recreation & Culture Manager	1.00	1.00	1.00	1.00	1.00	-
Recreation Facility Manager	1.00	1.00	1.00	1.00	1.00	-
Multimodal Planner	1.00	1.00	-	-	-	-
Parks Maintenance Superintendent	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Crew Leader	1.00	1.00	-	-	-	-
Parks Maintenance Worker III	-	-	1.00	1.00	1.00	-
Parks Maintenance Worker II	1.00	1.00	1.00	2.00	2.00	1.00
Parks Maintenance Worker I	5.00	5.00	5.00	5.00	5.00	-
Park Monitor	0.96	0.96	0.96	0.96	0.96	-
Facilities Maintenance Technician	-	-	-	-	-	-
Senior Office Specialist	2.00	2.00	3.00	2.00	2.00	(1.00)
Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	-	-	-	-
Assistant Recreation Manager	2.00	2.00	3.00	3.00	3.00	-
Recreation Leader	2.91	2.91	2.91	2.91	2.91	-
Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Lifeguard Supervisor	-	-	2.25	2.25	2.25	-
Aquatics Facility Supervisor	2.25	2.25	-	-	-	-
Aquatics Shift Leader	2.54	2.54	2.54	2.54	2.54	-
Aquatics Facility Attendant	4.80	4.80	4.80	4.80	4.80	-
Custodian	0.48	0.48	0.48	0.48	0.48	-
Recreation Supervisor	-	-	0.75	0.75	0.75	-
Facility Supervisor	-	-	-	-	-	-
Facility Attendant	5.00	5.00	4.25	4.25	4.25	-
Recreation Aide	6.63	6.63	6.63	6.63	6.63	-
Fitness Instructor	2.00	2.00	2.00	2.00	2.00	-
Lifeguard/Swim Instructor	13.53	13.53	13.53	13.53	13.53	-
Total Parks and Recreation	63.10	63.10	63.10	63.10	63.10	-

(not including seasonal employees) Full-time employees: 22
Part-time employees: 34

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Police						
Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Deputy Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	5.00	5.00	5.00	5.00	5.00	-
Sergeant	12.00	13.00	13.00	13.00	13.00	-
Public Relations Sergeant	1.00	1.00	1.00	1.00	1.00	-
Detective	7.00	7.00	7.00	7.00	7.00	-
Patrol Officer	51.00	54.00	55.00	56.00	56.00	1.00
Traffic Investigator	-	-	1.00	1.00	1.00	-
Motorcycle Officer	6.00	6.00	4.00	4.00	4.00	-
School Resource Officer	8.00	9.00	9.00	8.00	7.00	(2.00)
K-9 Officer	2.00	3.00	3.00	3.00	3.00	-
DUI Officer	3.00	2.00	2.00	2.00	2.00	-
Training Officer	1.00	1.00	1.00	1.00	1.00	-
Reserve Officer	2.88	2.88	2.88	2.88	-	(2.88)
Systems Analyst	1.00	1.00	1.00	-	-	(1.00)
Police Telecommunications Manager	1.00	1.00	1.00	1.00	1.00	-
Telecommunications Supervisor	2.00	2.00	2.00	2.00	2.00	-
Public Safety Telecommunicator	10.00	10.00	10.00	10.00	11.00	1.00
Police Workforce Specialist	-	-	-	-	0.48	0.48
Records Supervisor	1.00	1.00	1.00	1.00	1.00	-
Records Specialist	5.00	5.00	5.00	5.00	5.00	-
Crime Scene Technician Supervisor	1.00	1.00	1.00	1.00	1.00	-
Crime Scene Technician	2.00	2.00	2.00	2.00	3.00	1.00
Administrative Services Manager	1.00	1.00	1.00	1.00	1.00	-
Crime Analyst	1.00	1.00	1.00	1.00	1.00	-
Emergency Mgmt & Safety Coordinator	1.00	1.00	1.00	-	-	(1.00)
Senior Office Specialist	2.00	2.00	3.00	3.00	3.00	-
Office Specialist	1.00	1.00	-	-	-	-
Office Assistant	1.25	1.25	1.25	1.25	1.25	-
Total Police	133.13	138.13	138.13	136.13	134.73	(3.40)

Full-time employees: 132
Part-time employees: 3

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Public Works						
Public Works Director & Town Engineer	1.00	1.00	1.00	1.00	1.00	-
Assistant Public Works Director	1.00	1.00	1.00	1.00	1.00	-
Engineering Division Manager	1.00	1.00	1.00	1.00	1.00	-
Operations Division Manager	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
Senior Stormwater Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
Civil Engineer	1.00	1.00	1.00	1.00	1.00	-
CIP Project Manager	-	-	-	-	2.00	2.00
Stormwater Utility Division Manager	1.00	1.00	1.00	1.00	1.00	-
Stormwater Utility Project Manager	1.00	1.00	1.00	1.00	1.00	-
Streets and Drainage Operations Supervisor	-	-	1.00	1.00	1.00	-
Stormwater Field Superintendent	1.00	1.00	-	-	-	-
GIS Stormwater Intern	-	-	-	-	0.48	0.48
Senior Transit Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Transit Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Civil Engineering Designer	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineering Tech	3.00	3.00	3.00	3.00	3.00	-
Streets & Drainage Op. Superintendent	-	-	1.00	1.00	1.00	-
Streets Maintenance Superintendent	1.00	1.00	-	-	-	-
Senior Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Construction Inspector	3.00	3.00	3.00	3.00	-	(3.00)
Administrative Coordinator	0.40	1.00	1.00	1.00	1.00	-
Stormwater Utility Analyst	1.00	1.00	1.00	1.00	1.00	-
Stormwater Inspector Designer	1.00	1.00	1.00	1.00	1.00	-
Fleet and Facility Manager	-	-	1.00	1.00	1.00	-
Facilities Maintenance Crew Leader	1.00	1.00	1.00	-	-	(1.00)
Fleet Maintenance Supervisor	-	-	-	1.00	1.00	1.00
Fleet Maintenance Mechanic III	1.00	1.00	1.00	1.00	1.00	-
Fleet Control Specialist	1.00	1.00	1.00	1.00	1.00	-
Fleet Attendant	-	-	-	-	1.00	1.00
Traffic Signs/Markings Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	1.00	-
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	2.00	-
Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Facilities Maintenance Technician	3.00	3.00	3.00	3.00	3.00	-
Heavy Equipment Operator III	1.00	1.00	-	-	-	-
Heavy Equipment Operator II	7.00	7.00	8.00	8.00	8.00	-
Heavy Equipment Operator I	1.00	1.00	-	-	-	-
Senior Office Specialist	1.00	1.00	1.00	2.00	2.00	1.00
Office Specialist	1.00	1.00	2.00	1.00	1.00	(1.00)
Transit Specialist	1.11	1.11	1.11	1.11	1.11	-
Transit Dispatcher	2.11	2.11	2.11	2.11	2.11	-
Office Assistant	1.96	1.96	0.96	0.96	0.96	-
Transit Driver	19.71	19.71	19.71	19.71	19.71	-
Total Public Works	70.29	70.89	70.89	70.89	71.37	0.48

Full-time employees: 48

Part-time employees: 61

Personnel Schedule

	FY 2019	FY 2020	FY 2021		FY2022	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Water Utility						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Engineering & Planning Manager	1.00	1.00	1.00	1.00	1.00	-
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water Operations Manager	1.00	1.00	1.00	1.00	1.00	-
Water Production Superintendent	-	-	-	-	-	-
Water Distribution Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Engineer Project Manager	1.00	1.00	-	-	-	-
Water Production & Meter Ops. Superint.	1.00	1.00	1.00	1.00	1.00	-
Senior Engineering Associate	-	-	2.00	2.00	2.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	-	-	-	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	3.00	3.00	3.00	3.00	3.00	-
Construction Inspector	2.00	2.00	2.00	2.00	2.00	-
Water Control Systems Supervisor	-	-	1.00	1.00	1.00	-
Electric and Control Technician	1.00	1.00	-	-	-	-
Instrumentation & Control Technican	-	-	1.00	1.00	1.00	-
Civil Engineer Tech	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator III	8.00	8.00	8.00	8.00	8.00	-
Water Utility Operator II	4.00	4.00	4.00	4.00	4.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Water Utility Analyst	-	-	1.00	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	-	-	-	-
Water Utility Operator I	4.00	4.00	4.00	4.00	4.00	-
Customer Service Specialist	4.00	4.00	4.00	4.00	4.00	-
Customer Service Representative	0.48	0.48	0.48	0.48	0.48	-
Total Water Utility	39.48	39.48	40.48	40.48	40.48	-
			Full-time employees:		40	
			Part-time employees:		1	
Total Personnel	391.49	396.97	398.97	398.97	400.07	1.10

Full-time employees: 322
Part-time employees: 110

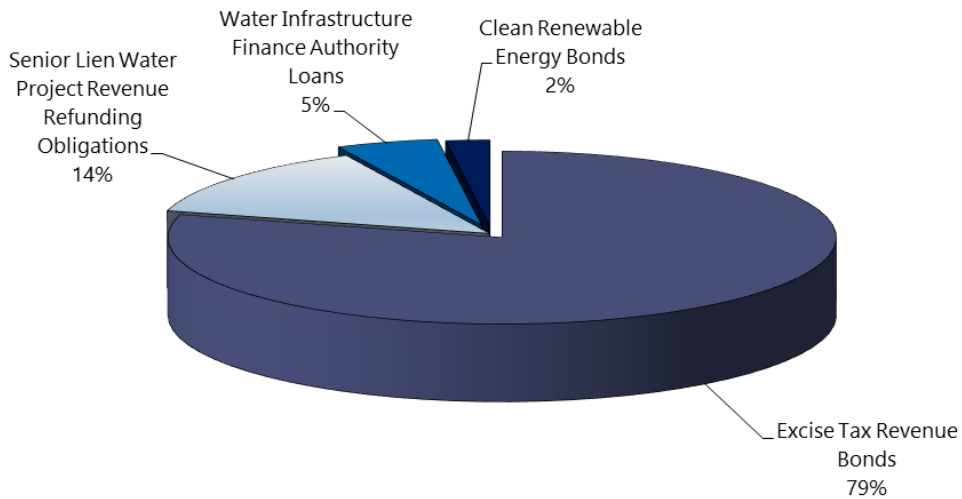
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Debt Service

The Town of Oro Valley occasionally issues debt to provide funding for the construction of capital projects. The Town has adopted financial policies on debt capacity that set guidelines for issuing debt and provide guidance in the timing and structuring of long-term debt commitments. The general policy of the Town is to fund capital projects with new, dedicated streams of revenue or voter-approved debt. Non voter-approved debt may be utilized when a dedicated revenue source other than general revenue can be identified to pay debt service expenditures. The Town currently uses Excise Tax Revenue Bonds, Water Project Revenue Bonds, Improvement District Bonds, Clean Renewable Energy Bonds, and programs offered by the state as funding mechanisms for capital projects.

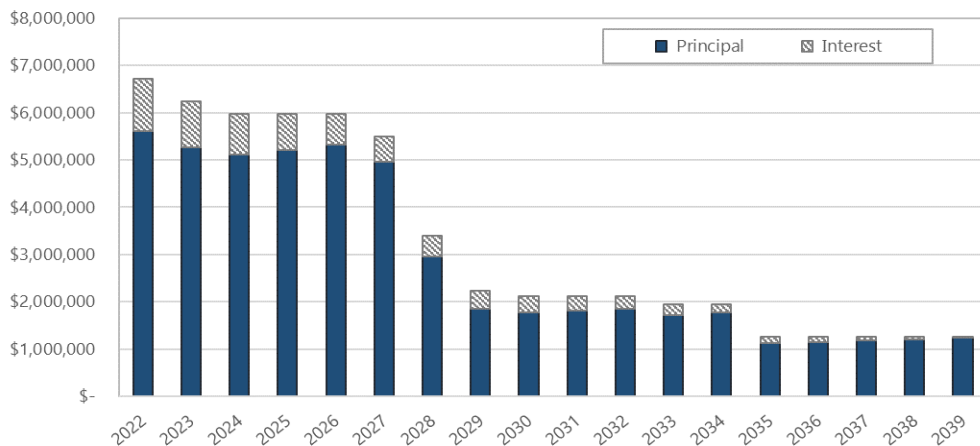
The chart below represents the percentage each type of bonded debt contributes to the total outstanding debt of the Town as of June 30, 2021.

Outstanding Principal = \$51,129,747



The following chart depicts total annual principal and interest requirements on the Town’s current outstanding debt.

Annual Debt Service

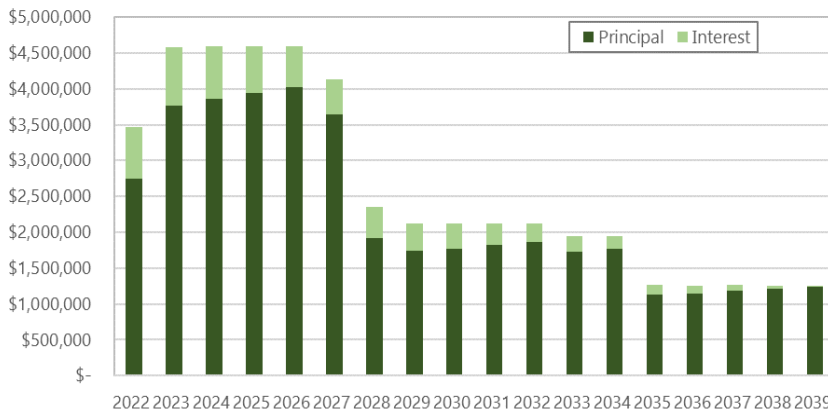


Debt Service

Financing Sources

Excise Tax Revenue Bonds

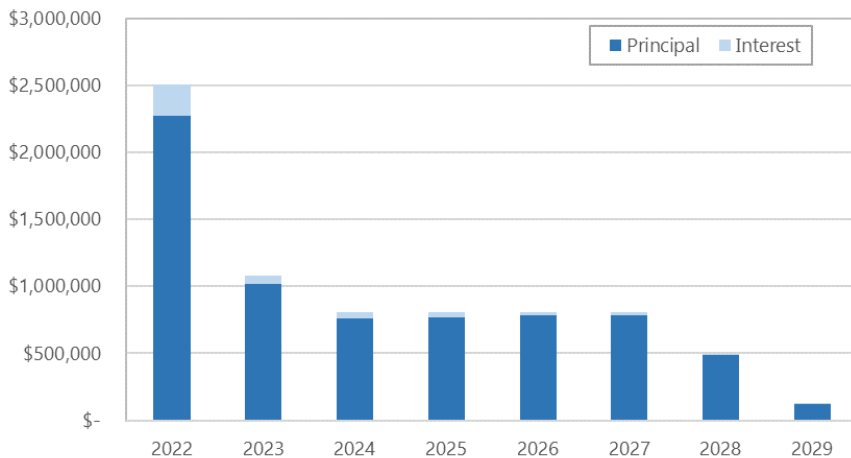
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities, parks and recreation amenities, the acquisition of land and construction of buildings to support Town services. The increase beginning in FY 2023 is a result of the 2021 issuance of pension obligation bonds to pay down an unfunded liability in the public safety pension retirement system (PSPRS). Repayment of the debt is pledged with excise sales tax, state shared revenue and other permit and fee revenues.



Bond Rating
 Standard & Poor's AA+
 Fitch AA+

Senior Lien Water Project Revenue Refunding Obligations

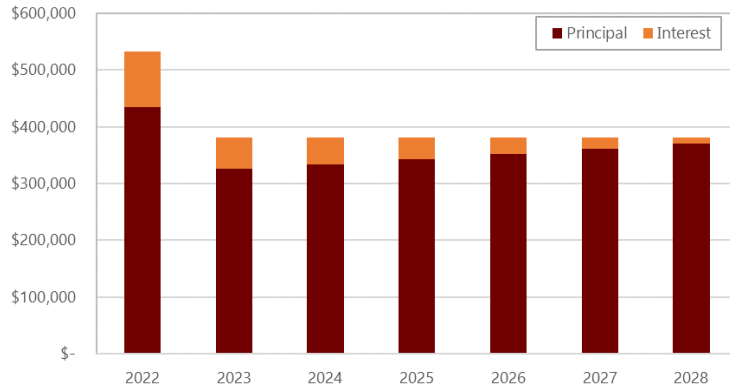
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. This was then again refunded in 2021 to take advantage of favorable market rates. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds may be issued without voter approval. Repayment of the debt is pledged with water system revenues.



Debt Service

Water Infrastructure Finance Authority Loans (WIFA)

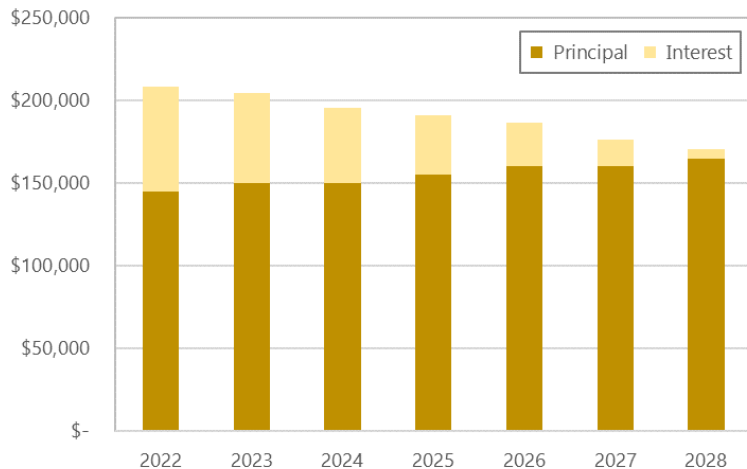
WIFA is a state agency with specific programs that can improve a city or town’s ability to use bonding as a revenue source. WIFA has the ability to assist smaller to medium sized communities in pooling their bond issues to help lower the costs of issuing debt. They also have monies set aside to help secure the debt and allow the bonds to be issued at the lowest interest rate possible. WIFA’s charge is specifically with water and wastewater projects. In 2007, the Town



received a \$4.6 million WIFA loan for infrastructure expansion of the reclaimed water system in the Town. In 2009, the Town received a \$2.3 million WIFA loan to finance existing water system infrastructure improvements. The 2007 and 2009 WIFA loans were refunded with the issuance of the 2021 Senior Lien Water Refunding Series. In 2014, the Town received a \$4.7 million WIFA to finance meter replacements.

Clean Renewable Energy Bonds (CREBs)

In 2010, the Town issued Clean Renewable Energy Bonds in the amount of \$2.4 million to finance the construction of solar panel covered parking structures in the parking lot of Town hall. The bonds are secured by the Town’s excise tax revenues. The debt service is paid through a combination of energy savings, electricity rebates from Tucson Electric Power Company, and a 55% interest subsidy from the U.S. Treasury Department.



Debt Service

Debt Limit

The Arizona Constitution limits the Town's bonded debt capacity (outstanding principal) to a certain percentage of the Town's secondary assessed valuation for General Obligation (G.O.) bonds. The Constitution states that for general municipal purposes, the Town cannot incur a debt exceeding 6% of the assessed valuation of taxable property. Additional bonds amounting to 20% of the assessed valuation of taxable property can be issued for water, lighting and sewer projects, and for the acquisition and development of land for open space preserves, parks, playgrounds and recreational facilities. The Town's current bond holdings do not include G.O. bonds and, therefore, are not subject to the debt limitation.

Impact of Debt Levels on Government Operations

The issuance of debt commits the Town to a significant, long-term recurring cost; therefore, each new debt issuance must be heavily scrutinized to ensure the Town's ability to repay the debt. Debt service payments are contractual obligations that take legal precedence over most other Town expenditures. Heavy debt levels may consume a significant portion of an entity's ongoing revenues and could impact an entity's ability to provide services to citizens and residents, especially during economic downturns and revenue declines. When feasible, the Town may utilize cash reserves to fund a project, versus the issuance of debt. The Town's financial policies on debt issuance and management also emphasize minimal borrowing costs and affordability of future debt service obligations.

Summary

The below information summarizes the total outstanding principal and interest on current Town debt obligations for the next twenty years. A measure of a community's financial soundness is its bond rating. The Town continues to maintain very strong coverage of debt service which contributes to the favorable bond ratings received from Standard & Poor's and Fitch Investors Service.

	Excise Tax Revenue Bonds	Water Project Revenue Bonds	WIFA Loans	CREBs	Total
2022	3,467,238	2,504,597	531,666	208,249	6,711,749
2023	4,576,401	1,078,037	380,846	204,706	6,239,991
2024	4,593,294	805,194	380,846	195,721	5,975,055
2025	4,589,012	808,378	380,846	191,318	5,969,554
2026	4,586,717	810,423	380,846	186,370	5,964,355
2027	4,129,251	804,729	380,846	176,066	5,490,893
2028	2,346,487	498,734	380,846	170,437	3,396,504
2029	2,122,940	119,499			2,242,439
2030	2,119,711				2,119,711
2031	2,120,914				2,120,914
2032	2,119,966				2,119,966
2033	1,945,558				1,945,558
2034	1,946,606				1,946,606
2035	1,261,868				1,261,868
2036	1,259,596				1,259,596
2037	1,260,499				1,260,499
2038	1,259,457				1,259,457
2039	1,256,721				1,256,721
	46,962,237	7,429,590	2,816,745	1,332,865	58,541,436

Debt Service Schedules

\$2,343,981

Water Infrastructure Finance Authority Loan

Date: October 22, 2009

Interest: Payable semiannually commencing on July 1, 2010, and semi annually thereafter on January 1 and July 1 of each year.

Purpose: This loan was secured to finance existing water system infrastructure improvements.

Security: Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	117,533	33,287	150,820
Total	<u>\$117,533</u>	<u>\$33,287</u>	<u>\$150,820</u>

\$2,445,000

Clean Renewable Energy Bonds – Direct Payment

Date: July 22, 2010

Interest: Payable semiannually commencing on January 1, 2011, and semiannually thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to finance the construction of solar panel covered parking structures in the parking lot of Town Hall.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal *</u>	<u>Interest *</u>	<u>Total</u>
2022	145,000	63,249	208,249
2023	150,000	54,706	204,706
2024-2026	465,000	108,408	573,408
2027-2028	325,000	21,502	346,502
Total	<u>\$1,085,000</u>	<u>\$247,865</u>	<u>\$1,332,865</u>

**Debt Service is subsidized by electricity rebates from Tucson Electric Power Co. and a 55% interest subsidy from the U.S. Treasury Department*

Debt Service Schedules

\$2,580,000

Excise Tax Revenue Obligations, Series 2012

Date: April 5, 2012

Interest: Payable semiannually commencing on January 1, 2013, and semiannually thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to finance the construction of enhancements and upgrades to the Town's Aquatic Center.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	175,000	48,719	223,719
2023	185,000	41,519	226,519
2024-2026	595,000	80,369	675,369
2027-2028	435,000	16,272	451,272
Total	<u>\$1,390,000</u>	<u>\$186,878</u>	<u>\$1,576,878</u>

\$16,595,000

Senior Lien Water Project Revenue Refunding Obligations, Series 2012

Date: May 24, 2012

Interest: Payable semiannually commencing on January 1, 2013, and thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to refund previously issued excise tax revenue bonds. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems.

Security: Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	1,815,000	172,281	1,987,281
Total	<u>\$1,815,000</u>	<u>\$172,281</u>	<u>\$1,987,281</u>

Debt Service Schedules

\$5,000,000

Water Infrastructure Finance Authority Loan

- Date:** January 22, 2014
- Interest:** Payable semiannually commencing on July 1, 2014, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** This loan was secured to finance the replacement of aging water meters with new technology electronic water meters.
- Security:** Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	317,087	63,760	380,846
2023	325,496	55,351	380,846
2024-2025	677,117	84,576	761,693
2026-2028	1,084,515	58,024	1,142,539
Total	<u>\$2,404,214</u>	<u>\$261,711</u>	<u>\$2,665,925</u>

\$3,775,000

Excise Tax Revenue Refunding Obligations, Series 2015

- Date:** November 2, 2015
- Interest:** Payable semiannually commencing on January 1, 2016, and semiannually thereafter on July 1 and January 1 of each year.
- Purpose:** The bonds were issued to refund previously issued excise tax revenue bonds. The previously issued obligations provided funding for the land acquisition, development costs and construction of a Municipal Operations Center.
- Security:** Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	417,000	37,522	454,522
2023	425,000	29,481	454,481
2024-2025	881,000	34,084	915,084
2026	450,000	4,298	454,298
Total	<u>\$2,173,000</u>	<u>\$105,384</u>	<u>\$2,278,384</u>

Debt Service Schedules

\$2,000,000

Excise Tax Revenue Obligations, Series 2016

Date: December 15, 2016

Interest: Payable semiannually commencing on July 1, 2017, and thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to finance energy efficiency improvements at the Town's Community Center.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	133,000	35,519	168,519
2023	140,000	32,516	172,516
2024-2026	439,000	78,595	517,595
2027-2029	469,000	48,631	517,631
2030-2032	500,000	16,654	516,654
Total	<u>\$1,681,000</u>	<u>\$211,915</u>	<u>\$1,892,915</u>

\$14,302,000

Excise Tax Revenue Refunding Obligations, Series 2017

Date: April 6, 2017

Interest: Payable semiannually commencing on January 1, 2018, and thereafter on July 1 and January 1 of each year.

Purpose: The bonds were issued to refund previously issued excise tax revenue refunding bonds. The previously issued obligations provided funding to refinance certain outstanding excise tax secured obligations.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	1,557,000	222,357	1,779,357
2023	1,595,000	184,060	1,779,060
2024-2026	5,021,000	312,972	5,333,972
2027	1,756,000	21,335	1,777,335
Total	<u>\$9,929,000</u>	<u>\$740,725</u>	<u>\$10,669,725</u>

Debt Service Schedules

\$8,140,000

Excise Tax Revenue Obligations, Series 2018

Date: October 23, 2018

Interest: Payable semiannually commencing on July 1, 2019, and thereafter on January 1 and July 1 of each year.

Purpose: The bonds were issued to finance Oro Valley Water Utility infrastructure improvements and the Town's new police evidence and substation facility.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	471,000	215,553	686,553
2023	486,000	201,102	687,102
2024-2026	1,547,000	512,147	2,059,147
2027-2029	1,692,000	365,511	2,057,511
2030-2032	1,849,000	205,194	2,054,194
2033-2034	1,328,000	40,408	1,368,408
Total	<u>\$7,373,000</u>	<u>\$1,539,913</u>	<u>\$8,912,913</u>

\$5,582,000

Senior Lien Water Project Revenue Refunding Obligations, Series 2021

Date: July 6, 2021

Interest: Payable semiannually commencing on July 1, 2019, and thereafter on January 1 and July 1 of each year.

Purpose: The bonds were issued to refund previously issued bonds. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems.

Security: Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	455,000	62,315	517,315
2023	1,021,000	57,037	1,078,037
2024-2026	2,315,000	108,994	2,423,994
2027-2029	1,396,000	26,962	1,422,962
Total	<u>\$5,582,000</u>	<u>\$255,309</u>	<u>\$5,442,309</u>

Debt Service Schedules

\$17,975,000

Excise Tax Revenue Obligations, Series 2021

Date: July 6, 2021

Interest: Payable semiannually commencing on July 1, 2019, and thereafter on January 1 and July 1 of each year.

Purpose: The bonds were issued to fund a portion of the Town's legacy obligations to the Public Safety Personnel Retirement System (PSPRS). At the same time, the Town is using \$10 million of General Fund reserves to reduce the PSPRS obligations. The combined contribution of the Town and the bond proceeds are to fully fund PSPRS.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	-	154,568	154,568
2023	940,000	316,724	1,256,724
2024-2026	2,890,000	923,559	3,813,559
2027-2029	2,960,000	834,929	3,794,929
2030-2032	3,105,000	684,743	3,789,743
2033-2035	3,300,000	485,625	3,785,625
2036-2038	3,540,000	239,552	3,779,552
2039	1,240,000	16,721	1,256,721
Total	<u>\$17,975,000</u>	<u>\$3,656,422</u>	<u>\$21,631,422</u>

Long Term Forecast

Oro Valley continues to operate within its budgetary limits. A major area of focus by the Town Council is on the future financial sustainability of the Town. This type of long term planning involves aligning our General and Strategic Leadership Plans to our long term forecast, which in turn, drives our budget. A long term forecast allows the Town to determine how current spending plans will impact future budgets.



The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact of new commercial and residential development, future construction projects and economic conditions to develop a long term forecast.

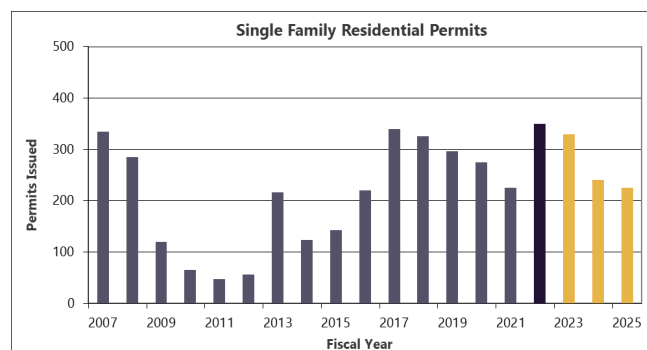
Finance staff works in tandem with the Community and Economic Development Department when compiling projections for long range planning to ensure compatibility among all planning processes. When compiling the long range forecast, the focus is on two of the Town’s major funds, the General Fund and Highway Fund.

Economic and Financial Environment

In previous years, the Town relied heavily on residential and commercial development to fund the business of operating a community. As the Town approaches build-out and these sources begin to diminish, it is anticipated that other revenues sources will be needed to continue the viability of the Town.

In the early 2000s, Oro Valley issued nearly 800 single family residential (SFR) permits, which was considerably higher than other communities in the area. In 2002, the number of permits began to gradually decline.

With the recent surge in homebuilding across the region and much of the country, the Town issued 498 SFR permits in fiscal year 20/21, the most in nearly two decades. The Town has maintained a conservative approach to SFR projections and assumes the current trend is not sustainable in the long-term with current build-out projections. This graph depicts historical SFR permit totals, as well as projected totals through FY 25/26.

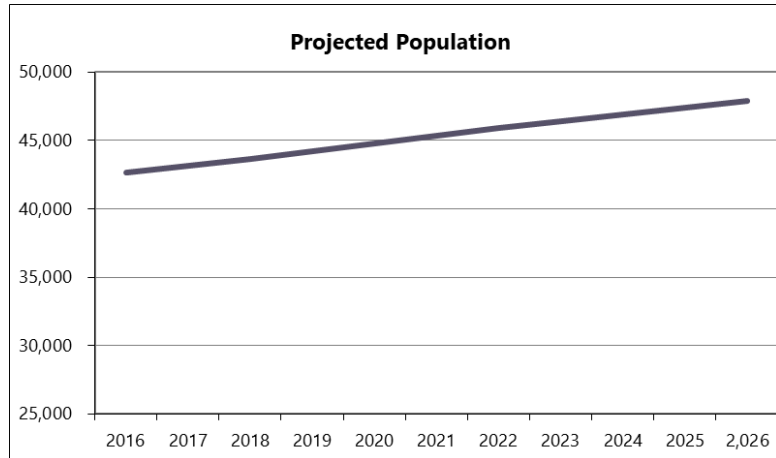


Long Term Forecast

Development and growth-related revenues such as these, as well as sales taxes and state shared revenues, are economically volatile and may experience steep declines during economic downturns, as was the case with the last economic recession. The Town does not levy a property tax, and is therefore extremely vulnerable to shifts in economic conditions. Furthermore, state legislation has impacted local tax collection, collection efforts and state shared revenues, and future attempts at further impacts are always possible.

The Town's population growth has slowed considerably from its historical trend and since the last economic recession, and is projected to increase at a slow pace over the next five years due in part to the limited amount of developable land within the incorporated boundaries of the town.

All this being said, prior to the COVID-19 pandemic, the Town had been experiencing healthy economic growth, both at the local and state levels, since recovering from the great recession.



The FY21/22 budget and future forecasts were particularly challenging to develop due to the considerable uncertainty facing the nation, state and region as a result of the COVID-19 pandemic, stay-at-home orders and the impacts that closures in education, business, hospitality, restaurants, and the service sector have had on the economy.

Economic indicators and experts suggested a fairly strong recovery with vaccine availability. Overall, Arizona is on pace to recover to pre-pandemic levels of economic activity in 2022, probably well before the nation as a whole. Because there still is a large amount of uncertainty about the future of the outbreak and the economic impacts associated with it, projections may be subject to considerable revisions each year.

Impacts of Future Capital Needs

In addition to personnel costs, the Capital Improvement Program makes up a significant portion of the Town's expenditure forecast, for both the one-time cost of the capital and the continued operational impacts of the new facilities or equipment. New or expanded parks and police facilities, for example, may require additional personnel and increased operations & maintenance (O&M) costs. Capital projects will continue to demand much of the Town's resources. Costs to support these projects, as well as any identified recurring costs, have been incorporated in the long-term forecast.

Budget Impact

The Town's General and Strategic Leadership Plans, its financial policies and the long term forecast all have dramatic impact on the budget. The development of the budget is a process of resource allocation, and the resources available to be allocated are a direct output of the long term forecast. The long term forecast influences the Town's decision-making by projecting the effect that current spending decisions will have on the future and whether resources will be available to fund them. Financial policies, such as fund balance reserve policies, can have a visible impact on the budget, particularly during economic downturns and revenue declines, when resources become strained.

Long Term Forecast

Fund Forecasts

General Fund

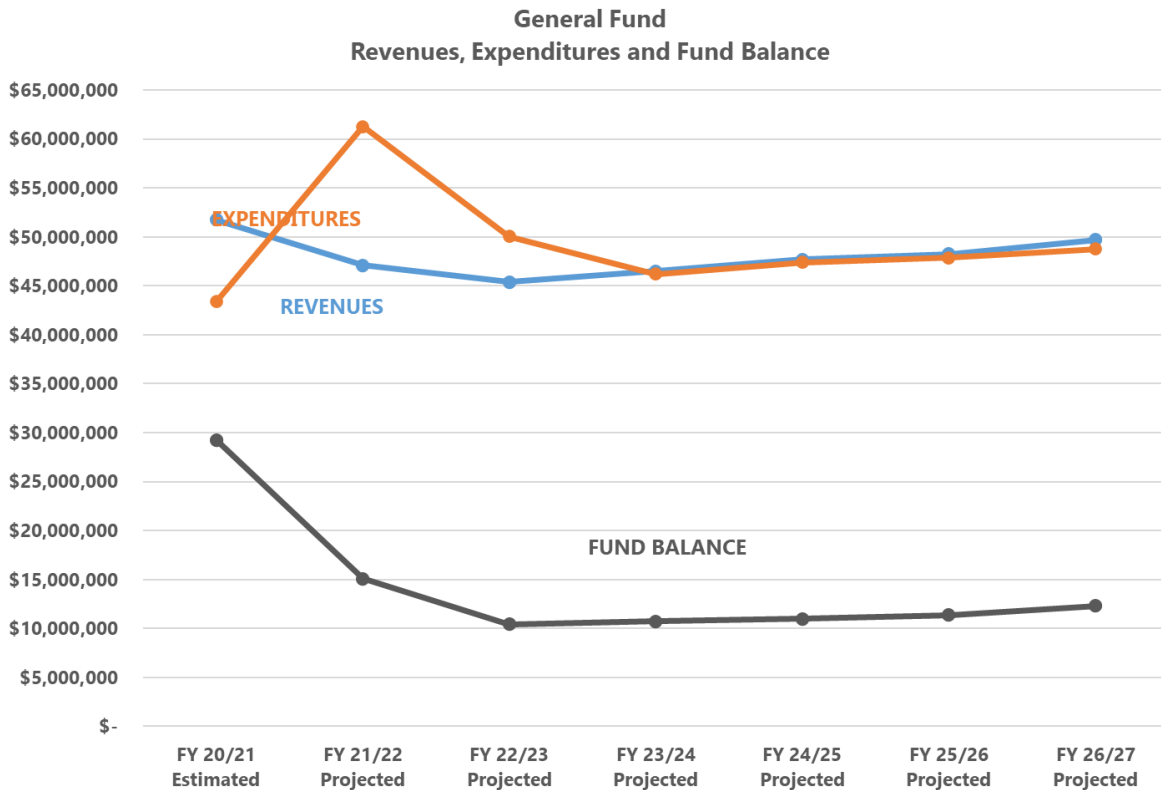
The General Fund forecast demonstrates conservative and sustainable growth in most revenues sources through FY 26/27 and is balanced with expenditures levels that sustain programs and services, continue capital investments, and continue the commitment to reasonable employee compensation and benefits.

Estimated and projected revenues for FY 20/21 and FY 21/22 include federal revenue from the CARES Act and American Rescue Plan Act. Because no additional federal aid revenue is forecasted, there is an anticipated decline in one-time revenues. However, ongoing revenues assume continued gradual growth.

The forecast projects that the economic downturn caused by COVID-19 subsides by FY 22/23 and economic activity returns to pre-pandemic levels. The forecast does not include recent state income tax cuts made by the Arizona State legislature, which are set to be effective in FY 23/24. These income tax reductions are anticipated to impact the Town’s portion of state shared income tax revenue and future forecasts will need to account for this potential reduction.

Expenditures in the forecast reflect merit increases for employees in each year with historical normal increases to healthcare and retirement benefits. The forecast includes a limited capacity for new positions in each year. To remain consistent with financial policies, the forecast assumes the Town’s contribution towards the public safety pension program remains at current FY 20/21 rates throughout the forecast. Additional debt service related to the recently issued pension obligation bonds is also included.

The fund balance in the General Fund is maintained at or above the Town’s adopted policy requirement of 25% of expenditures each year, ranging from approximately \$10 million to \$13 million each year.



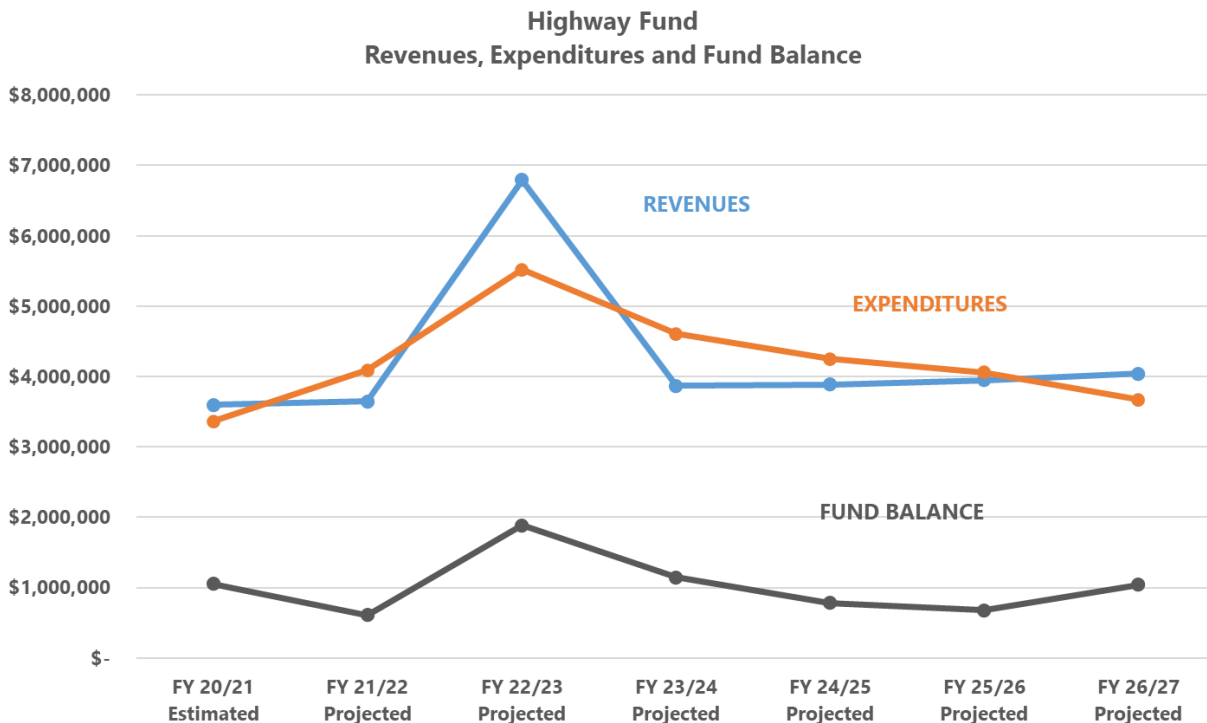
Long Term Forecast

Highway Fund

Highway Fund revenues are comprised primarily of State-shared highway user (gas tax) revenues. The State-shared highway user revenue projections are provided by the Arizona Department of Transportation and are projected to grow an average of 2.5% per year, with slower growth assumed in outer years as there is no current legislation to account for increased electric vehicle usage. Due to projected future capital needs, to maintain a positive fund balance, a one-time transfer of funds is forecasted in FY 22/23.

Highway Fund expenditures reflect similar assumptions as those included in the General Fund forecast for personnel and operations and maintenance (O&M) costs. Funding for the Town’s pavement preservation program is included in the forecast at approximately \$1.6 million per year with 2-5% increases each year. Additionally, there is modest annual capacity for street sign replacements and sidewalk improvements and other road related projects.

The fund balance in the Highway Fund is projected remain fairly constant at or near \$1.0 million each year.



Conclusion

The short-term outlook for the Town remains subject to change due to uncertainty surrounding the future of COVID-19. In addition, reliance on growth, development and volatile revenue sources leaves Oro Valley vulnerable to economic fluctuations. A delicate balance exists between community needs and the resources available to meet those needs. Major service level changes or added programs will require new revenue sources to fund such expansions. The goals and strategies outlined in the Town’s General and Strategic Leadership Plans, in the areas of economic vitality and Town finances, were developed with the intent to broaden and diversify the town’s workforce, economic base, and revenue sources, helping to ensure the Town’s long-term financial stability.



PROGRAM BUDGETS

Clerk
Community and Economic Development
Council
Finance
Human Resources
Innovation & Technology
Legal
Magistrate Court
Town Manager's Office
Parks and Recreation
Police
Public Works
Water Utility



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Clerk

OVERVIEW

The Clerk's Office is the centralized information distribution point for our citizens, Town Council and staff. Responsibilities include preserving the legislative history of the Town, maintaining public records of the Town and conducting fair and impartial elections. The Clerk's Office provides staff support to Town Council; public records and information; business licensing; records management; elections; voter registration; and notary services. Functions of the Clerk's Office are performed in accordance with Arizona Revised Statutes, Oro Valley Town Code and the administrative policies and objectives of the Town.

2020-2021 MAJOR ACCOMPLISHMENTS





- Implemented a solution to obtain electronic signatures on ordinances, resolutions and minutes resulting in reduced processing times and the reduction of paper costs.
- Added 315 documents consisting of 8,224 pages to the Town's electronic document database.
- In collaboration with the Innovation & Technology Department, transitioned and trained staff to conduct public meetings via Zoom due to the COVID-19 pandemic.
- Conducted the August 4, 2020 primary election in which all three Council seats were filled and Prop 480 – Permanent Base Adjustment was approved. Voter turnout was 54.96%.
- Received and processed 295 public record requests.

Clerk

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Enable greater transparency and more efficient community access to Town information and performance

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective & Efficient Government	Explore and implement a new business licensing software system that would provide a more streamlined and efficient user experience				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Issue 100% of business license renewals within 30 days	100%	100%	100%		100% within 20 days
Issue 100% of new business license requests within 3-5 days of application	100%	100%	100%		100%
Initiate 100% of public record requests within 24 business hours of receipt	100%	100%	100%		100%
Develop and implement a solution to broaden electronic access to Town contracts	N/A	N/A	N/A		N/A



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Clerk

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Town Clerk	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Assistant	1.48	1.48	1.48	1.48	-
Communications Intern	0.25	0.25	0.25	0.25	-
Total FTEs	4.73	4.73	4.73	4.73	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 340,146	\$ 340,424	\$ 340,424	\$ 358,733	5.4%
Operations & Maintenance	24,531	88,100	88,100	25,100	-71.5%
Total Expenditures	\$ 364,677	\$ 428,524	\$ 428,524	\$ 383,833	-10.4%

	Revenue Sources				Variance to Budget
	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	
Business Licenses & Permits	\$ 193,932	\$ 202,500	\$ 202,500	\$ 202,500	0.0%
Public Record Request Fees	1,917	2,500	1,500	2,500	0.0%
Total Revenues	\$ 195,849	\$ 205,000	\$ 204,000	\$ 205,000	0.0%

Community & Economic Development(CED)



OVERVIEW

The Community and Economic Development (CED) Department supports and welcomes new and expanded business and residential development in the Town of Oro Valley. The department provides excellent customer service in coordinating all facets of economic development, planning, permitting, and inspection and compliance related to horizontal and vertical construction within the community. Our team is dedicated to ensuring that development proceeds in a safe and efficient manner that meets today's business needs. The department encourages the use of best practices in both community and economic development, including planning for growth and development that supports a sustainable economy, diverse employment and housing opportunities, and expanded education and cultural experiences for local residents.

2020-2021 MAJOR ACCOMPLISHMENTS

ADMINISTRATION

- Implemented new performance metrics.
- Completed work plans aligned with the Town Council Strategic Leadership Plan and the Comprehensive Economic Development Strategy.
- Continued to implement remote work strategies that maintained a high level of customer service for all divisions.

PERMITTING

- Completed the transition to electronic plan submittal and review.
- As of the end of April 2021, issued 2,098 permits, including 385 single family residential permits, 28 grading permits, 32 commercial building permits, 218 photovoltaic permits and 171 pool permits.
- Collected over \$2.2 million in plan review and permit fees representing more than \$198 million in work valuation for new private construction.
- Issued commercial building permits for projects such as OV Self Storage and Business Center, AZ Blood and Cancer Specialists, Salted Pig BBQ, TMC One, Seis Kitchen, Ashley Furniture, Jersey Mike's and Noodleholics. Issued Type 2 grading permits for new residential projects Capella Parcel M and Sagueros Viejos East, Phase 2.

Community & Economic Development(CED)

PLANNING

- Processed two Tier 1 (Major) - General Plan Amendment cases utilizing the following means of virtual outreach: five highly utilized informational videos, one HOA meeting presentation, four General Plan Amendment interactive ZOOM neighborhood meetings and five General Plan Amendment public hearings (Planning & Zoning Commission and Town Council). Processed one Tier 2 - General Plan Amendment for the Westward Look Annexation Project.
- Processed applications of various types, including 23 pre-applications.
- Completed Planning review comments within time standards for all development applications.
- Comprehensively evaluated *Your Voice, Our Future* General Plan action item implementation and updated the Planning work plan accordingly.
- Developed strategies to expand available properties for primary employment, including allowing for certain high-tech manufacturing, wholesale, and research and development uses in C-1 and C-2 Commercial Zoning Districts, and expanded the Economic Expansion Zoning Overlay District.
- Town Council approved an Annexation Strategy, from which the Westward Look Resort annexation, general plan amendment and rezoning was considered approved by Town Council.

INSPECTION & COMPLIANCE

- Performed 23,527 inspections at approximately 8,645 locations. Some high-profile projects include Roche building expansions, the Salted Pig BBQ, F45 Fitness and TMC One.
- With assistance from the Innovation & Technology Department, provided an opportunity for customers to utilize Skype for pre-construction meetings.
- As of April 1, 2021, staff investigated a total of 233 violations/complaints recorded. Of those recorded, 23 complaints did not lead to a violation.

ECONOMIC DEVELOPMENT




- Town Council adopted a primary employer incentive program.
- Town Council approved strategies to expand available properties for primary employment, including allowing for certain high-tech manufacturing, wholesale, and research and development uses in C-1 and C-2 Commercial Zoning Districts, and expanded the Economic Expansion Zoning Overlay District.
- In response to the pandemic, assisted the Town Manager with the implementation of OVSafeSteps and the associated Hardship Grant.
- Regularly added net new primary employer business projects into the active business expansion and attraction pipeline.

Community & Economic Development(CED)

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Land Use	<ul style="list-style-type: none"> Conduct an assessment to determine the types of residential opportunities necessary to successfully promote a thriving and diverse economic base. Conduct an analysis of Town codes and ordinances to ensure the design standards maintain the unique character of Oro Valley while also providing for a variety of architectural concepts that integrate with and enhance the community. 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Housing Study proposed Scope of Work to Town Council September 2021 with study results to Town Council in July 2022	N/A	N/A	N/A	N/A	Study Results to Town Council
Research best practices, draft amendments, Commission and Council public hearings	N/A	N/A	N/A	N/A	Complete stakeholder outreach prior to final draft
Time from first zoning or building code violation complaint to investigation	72 hours	72 hours	72 hours		72 hours
% of zoning or building code violations resolved through voluntary compliance	95%	95%	95%		95%
% of inspections completed by end of next business day	97%	90%	98%		95%

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Community & Economic Development(CED)

STRATEGIC LEADERSHIP PLAN GOAL

Implement actions to support and assist local businesses in navigating the current and projected economic conditions.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Economic Vitality	<ul style="list-style-type: none"> Transition the OVSafeSteps initiative to ongoing business support programs designed to help with post-pandemic recovery. Review and propose changes to Town codes that assist local businesses in adapting to emerging consumer buying habits. 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Survey Oro Valley businesses community, present recommendations to Town Manager	N/A	N/A	N/A	N/A	Fall 2021
Research ways consumer buying habits could be reflected in the Town Code	N/A	N/A	N/A	N/A	Complete analysis by December 2021

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A** N/A - New/Previous Measure

Community & Economic Development(CED)

STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to attract and retain retail, restaurant and hospitality investment and expansion in commercial centers.


COUNCIL FOCUS AREA	OBJECTIVE(S)				
Economic Vitality	<ul style="list-style-type: none"> • Prioritize actions that identify and recruit high-quality primary, employer prospects for the Town of Oro Valley consistent with the Council-adopted Comprehensive Economic Development Strategy. • Develop strategies to incentivize entrepreneurial opportunities for start-up and home-based businesses, business expansion opportunities and adaptive reuse of vacant buildings. • Evaluate the effectiveness of the 2019-2020 economic development business attraction efforts and recommend any improvements. 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Recruitment Team reset, town information updated, finalize recruitment strategies	N/A	N/A	N/A	N/A	September 2021
Entrepreneurial business program Phase One	N/A	N/A	N/A	N/A	December 2021
Evaluation complete with recommendations	N/A	N/A	N/A	N/A	February 2022

 **Target Met**
 **Target Not Met**
 **Informational Only**
 **N/A - New/Previous Measure**

Community & Economic Development(CED)

STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to attract and retain retail, restaurant and hospitality investment and expansion in commercial centers.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Economic Vitality	<ul style="list-style-type: none"> Conduct an external retail market assessment by a qualified firm to provide targeted data designed to assist the Town in attracting and retaining restaurant and retail establishments. Partner with the Oro Valley Chamber of Commerce to convene an annual business summit focused on increasing the Town and community’s understanding of the challenges and opportunities associated with operating a thriving business. Work with the owner of the Oro Valley Village Center to develop a multi-faceted, mutually agreeable approach to attract and retain new investment and an expanded customer base to that complex. Leverage the growing positive relationships with local businesses to develop enhanced strategies that make Oro Valley more business friendly. 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
External retail market assessment	N/A	N/A	N/A	N/A	Deferred until FY22-23
Annual business summit in partnership with Greater Oro Valley Chamber of Commerce	N/A	N/A	N/A		June 2022
Restructured development plan and Town Council review	N/A	N/A	N/A	N/A	December 2021
Conduct experience surveys for new businesses, developers and issued permits	N/A	N/A	N/A	N/A	Phase One October 2021, Phase Two April 2022

 Target Met
  Target Not Met
  Informational Only
  N/A - New/Previous Measure

Community & Economic Development(CED)

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
27.78	27.78	27.78	27.78

	Expenditures by Division				Variance to Budget
	FY 2020 Actual	FY 2021		FY 2022 Budget	
		Budget	Projected		
Administration	\$ 269,362	\$ 277,641	\$ 237,249	\$ 297,878	7.3%
Permitting	951,908	999,664	989,833	1,064,595	6.5%
Planning	516,938	561,517	559,788	661,959	17.9%
Inspection and Compliance	844,941	840,638	857,392	865,853	3.0%
Economic Development	140,882	100,201	91,873	154,329	54.0%
	\$ 2,724,031	\$ 2,779,661	\$ 2,736,135	\$ 3,044,614	9.5%

	Revenue Sources				Variance to Budget
	FY 2020 Actual	FY 2021		FY 2022 Budget	
		Budget	Projected		
Residential Building Permits	\$ 1,413,734	\$ 1,005,000	\$ 1,801,168	\$ 1,222,500	21.6%
Commercial Building Permits	544,597	217,500	619,547	242,500	11.5%
Special Inspection Fees	7,670	8,500	4,000	8,000	-5.9%
Zoning and Subdivision Fees	138,306	140,000	135,000	135,000	-3.6%
Sign Permits	20,166	20,000	21,000	20,000	0.0%
Grading Permit Fees	94,537	75,000	50,000	84,500	12.7%
Engineer Plan Review Fees	54,047	50,000	15,000	51,000	2.0%
Fire Permits and Fees	91,219	60,000	67,198	65,000	8.3%
	\$ 2,364,276	\$ 1,576,000	\$ 2,712,913	\$ 1,828,500	16.0%

CED – Administration

OVERVIEW

The primary function of the Community and Economic Development Director is to ensure harmonious growth as well as the health, safety and welfare of the public in the built environment. The director, with support of the division managers and administrators, provides leadership, direction and support to the department's staff. Responsibilities include: establishing departmental policy; leadership direction and support of the department's staff; preparation and management of the department's operating and capital budget; code interpretation and enforcement; revisions to the Town Code; Council support; Town Manager's Executive Leadership Team; customer service including effective public outreach and communication; and resolution of personnel and legal issues.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
CED Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 243,815	\$247,741	\$ 207,349	\$ 237,478	-4.1%
Operations & Maintenance	25,547	29,900	29,900	60,400	102.0%
Total Expenditures	\$ 269,362	\$ 277,641	\$ 237,249	\$ 297,878	7.3%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 102% due to costs related to consultant for property donation

CED – Permitting

OVERVIEW

The Permitting division coordinates all facets of plan review for permitting and development by assessing compliance with the codes and ordinances adopted by the Town. Plan review and coordination of projects include conceptual and final site plans, improvement plans, grading, building, walls, pools, spas, signs, equipment and miscellaneous projects for both residential and commercial development.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Division Mgr, Permitting	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	-
Plans Examiner II	2.00	2.00	2.00	2.00	-
Plans Examiner I	1.00	1.00	1.00	1.00	-
Senior Planning Technician	1.00	1.00	1.00	1.00	-
Building Permit Tech	2.00	2.00	2.00	2.00	-
Office Specialist	0.48	0.48	0.48	0.48	-
Total FTEs	9.48	9.48	9.48	9.48	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 915,632	\$901,349	\$ 901,349	\$ 951,170	5.5%
Operations & Maintenance	36,276	98,315	88,484	113,425	15.4%
Total Expenditures	\$ 951,908	\$ 999,664	\$ 989,833	\$ 1,064,595	6.5%

CED – Planning

OVERVIEW

The Planning division administers the General Plan and Zoning Code for the harmonious growth of the town. The division is responsible for providing planning and zoning services to the community, Town Council, Planning and Zoning Commission, Board of Adjustment and project teams. The division's current work plan focuses on updates to the sign code, zoning code, general plan and associated guidelines and standards.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Division Mgr, Planning	1.00	1.00	1.00	1.00	-
Principal Planner	2.00	2.00	2.00	2.00	-
Senior Planner	1.00	1.00	1.00	1.00	-
Planner	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Intern	0.30	0.30	0.30	0.30	-
Total FTEs	6.30	6.30	6.30	6.30	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 490,784	\$531,607	\$ 531,673	\$ 576,049	8.4%
Operations & Maintenance	26,154	29,910	28,115	85,910	187.2%
Total Expenditures	\$ 516,938	\$ 561,517	\$ 559,788	\$ 661,959	17.9%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 237% due to various programs such as a Housing Study

CED – Inspection & Compliance

OVERVIEW

The Inspection and Compliance division is responsible for inspecting all new and altered, commercial and residential, vertical and horizontal construction within the town to assess their compliance with the codes and ordinances adopted by the Town. The division is also responsible for the monitoring and enforcement of the zoning, building and Town codes and ordinances, including all construction, plant salvage, landscape, signage and development performance standards.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Division Mgr, Insp. & Comp.	1.00	1.00	1.00	1.00	-
Building Inspector II	4.00	4.00	4.00	4.00	-
Building Inspector I	1.00	1.00	1.00	1.00	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	-
Zoning Technician	1.00	1.00	1.00	1.00	-
Senior Office Assistant	1.00	1.00	1.00	1.00	-
Total FTEs	9.00	9.00	9.00	9.00	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 840,049	\$830,764	\$ 850,974	\$ 854,008	2.8%
Operations & Maintenance	4,892	9,874	6,418	11,845	20.0%
Total Expenditures	\$ 844,941	\$ 840,638	\$ 857,392	\$ 865,853	3.0%

CED – Economic Development

OVERVIEW

Beginning FY 2019, Economic Development was a new General Fund division within the Community and Economic Development Department. These costs were previously budgeted in the Bed Tax Fund. Economic Development is responsible for business recruitment, retention and expansion.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Economic Dev. Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	80,077	\$79,380	79,380	83,478	5.2%
Operations & Maintenance	60,805	20,821	12,493	70,851	240.3%
Total Expenditures	140,882	100,201	91,873	\$ 154,329	54.0%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 240% due to marketing tools and programs and increased travel costs

Council

OVERVIEW

Town Council consists of seven officials elected by residents of the town. The Mayor is directly elected by the citizens while the Vice Mayor is selected by the Council annually. Councilmembers serve four-year overlapping terms in the manner prescribed by state law. The Mayor and Councilmembers of Oro Valley are committed to high quality municipal services and responsible development. Through the Town Manager, the Town Council provides policy direction by adopting rules, regulations and procedures to meet community needs. The Mayor and Councilmembers remain accountable and accessible to the residents through their commitment to full, honest and timely communication and exchange promoting responsive, accountable governance.

2020-2021 MAJOR ACCOMPLISHMENTS

- Successfully annexed the Westward Look Resort, resulting in an expected \$750,000 - \$1.2M in additional revenue to the Town annually.
- Supported and participated in business outreach efforts as part of the OVSafeSteps program, connecting with dozens of businesses in the community, in partnership with Town staff and representatives of the Oro Valley Chamber of Commerce.
- Successfully conducted all Town Council meetings remotely during the pandemic, increasing attendance substantially.
- Adopted a balanced budget for FY 20/21 totaling just over \$105.4 million, reflecting the community's values and priorities.
- Approved the Town Council's bi-annual Strategic Leadership Plan to guide town operations and investments during FY21/22 - 22/23.
- Approved a viable course of action for the Town's Pusch 9-hole golf course following the unsuccessful opportunity to lease the property to HSL, a solution that includes participation by the adjacent homeowners' associations.
- Approved a plan to address the Town's PSPRS unfunded liability through a \$10 million substantial contribution and \$17 million in Pension Obligation Bonds, achieving 100% funding 16 years early and saving an estimated \$9 million in today's dollars.
- Selected James Hazel as the Town's new Magistrate Judge after an open, competitive recruitment.

2021-2022 GOALS

- Economic Vitality
 - ✓ Implement actions to support and assist local businesses in navigating the current and projected economic conditions.
 - ✓ Implement strategies to attract, grow and retain primary employers and expand local job opportunities.
 - ✓ Implement strategies to attract and retain retail, restaurant and hospitality investment and expansion in commercial centers.
 - ✓ Identify strategies to entice area residents and visitors to choose Oro Valley as a premier place to dine, shop, play and stay.
- Culture and Recreation
 - ✓ Invest in and maintain a high-quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community's needs.
 - ✓ Support recreational, cultural and arts programs that provide opportunities for residents to connect with their community.

Council

2021-2022 GOALS (continued)

- Public Safety
 - ✓ Support strategies that continue to ensure Oro Valley's standing as one of the safest communities in Arizona.
 - ✓ Support actions that maintain and enhance the community's trust in the Oro Valley Police Department.
- Roads, Water and Town Assets
 - ✓ Support investments and strategies that result in a quality transportation network throughout the community.
 - ✓ Deliver a safe, reliable and sustainable water supply that meets the long-term needs of the community.
 - ✓ Support investments and strategies that ensure the effective utilization of Town resources in maintaining properties and equipment.
- Land Use and Design
 - ✓ Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community
- Effective and Efficient Government
 - ✓ Continue strengthening community outreach, engagement, and transparency.
 - ✓ Maintain and strengthen our culture of continuous improvement to affect an efficient and high-performing organization.
 - ✓ Attract and retain talented employees to effectively carry out the Town's mission.
- Town Finances
 - ✓ Ensure the Town can financially sustain expected levels of service for current and future residents.

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Mayor	1.00	1.00	1.00	1.00	-
Councilmember	6.00	6.00	6.00	6.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 80,321	\$78,819	\$ 78,819	\$ 78,820	0.0%
Operations & Maintenance	103,717	118,200	118,200	109,900	-7.0%
Total Expenditures	\$ 184,038	\$ 197,019	\$ 197,019	\$ 188,720	-4.2%

Finance

OVERVIEW

Finance is responsible for Town financial activities, including accounting, payroll and accounts payable processing, budget development, coordination and analysis, financial statement preparation, audit coordination, debt management, managerial reporting, sales tax compliance and participation in a variety of other administrative and special projects. Finance also coordinates the development of the Town's Capital Improvement Program and provides procurement administration for the Town.

2020-2021 MAJOR ACCOMPLISHMENTS

- Increased resident understanding of the Town's financial structure, including revenue sources, operational costs and programs, facilities and capital investments through the following:
 - Received the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA) for the 13th consecutive year.
 - Received the Certificate of Achievement for Financial Reporting Excellence from GFOA for the 28th consecutive year.
 - Received the Popular Annual Financial Reporting award from GFOA for the 10th consecutive year.
 - Received the Achievement of Excellence in Procurement award from the National Procurement Institute for the 14th consecutive year.
 - Received an unmodified "clean" audit opinion for the Town's annual financial statements.
 - Presented monthly financial updates to Town Council and Budget & Finance Commission.
- Due to conservative budgeting practices, prudent fiscal management and strong fund balance reserves, the Town has weathered the financial impact from the COVID-19 pandemic and will end the fiscal year on budget in the General Fund.
- Secured voter approval to change from Home Rule to Permanent Base Adjustment in the fall of 2020.
- 100% of internal customers rated Procurement quality as excellent or good.
- 96% of internal customers rated Procurement timeliness as excellent or good.
- Continued aligning the Town's capital investments with Council's Strategic Leadership Plan and financial policies.
- Transitioned to in-house preparation of the Comprehensive Financial Annual Report.
- Continued aligning the Town's annual budget and associated work plans with conservatively forecasted revenues.

Finance

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town's financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	<ul style="list-style-type: none"> Explore opportunities to broaden revenue diversity to improve the Town's long-term financial stability Adopt and implement a long-term strategy to adequately fund the Town's Public Safety Pension Retirement System (PSPRS) liability 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Assist in update of Town-wide development impact fees and increase cost recovery of Town services through update of development review, permitting, and parks & recreation fees	Delayed due to COVID-19	Delayed due to COVID-19	Delayed due to COVID-19	N/A	Implementation for July 1, 2022 due to COVID-19
Adopt annual PSPRS pension funding policy	June 17, 2020	By June 30, 2021	Yes		By June 30, 2022
Budget additional payment toward the PSPRS unfunded liability debt as part of the budget process	\$500,000	\$500,000	\$500,000		\$27,000,000
Maintain excise tax revenue bond ratings of AA+ from Fitch and Standard & Poor's (S&P)	Fitch AA+ S&P AA+	Fitch AA+ S&P AA+	Fitch AA+ S&P AA+		Fitch AA+ S&P AA+
Maintain minimum General Fund reserve balance of 25% of General Fund expenditures	55.1%	>25%	79.9% (projected)		>25%
Maintain less than 5% variance between mid-year revenue forecast and actual fiscal year-end revenue for General Fund	+6.5%	<5%	+6.7%		<5%



Finance

STRATEGIC LEADERSHIP PLAN GOAL

Enable greater transparency and more efficient community access to Town information and performance

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective and Efficient Government	Leverage technology to broaden electronic access to information and data on Town's finances and contracts				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Collaborate between Procurement, IT and Clerk's Office to seek, source and implement best solution for public access to Town procurement contracts	On temporary hold	On temporary hold	On temporary hold	N/A	By June 30, 2022
Research functions, feasibility, and request funding in FY 20/21 for an open books financial transparency solution that integrates with Town ERP system	By June 30, 2020	On temporary hold	On temporary hold	N/A	By June 30, 2022



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Finance

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Chief Financial Officer	1.00	1.00	1.00	1.00	-
Finance & Budget Administrator	1.00	1.00	1.00	1.00	-
Chief Procurement Officer	1.00	1.00	1.00	1.00	-
Contract Specialist	-	-	-	1.00	1.00
Procurement Specialist	1.00	1.00	1.00	-	(1.00)
Senior Budget Analyst	1.00	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	2.00	1.00
Accounting Specialist	1.00	1.00	1.00	1.00	-
Senior Office Specialist	0.20	0.20	0.20	0.20	-
Total FTEs	7.20	7.20	7.20	8.20	1.00

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 708,552	\$ 763,288	\$ 763,288	\$ 881,824	15.5%
Operations & Maintenance	208,859	69,600	69,600	97,831	40.6%
Total Expenditures	\$ 917,411	\$ 832,888	\$ 832,888	\$ 979,655	17.6%

Expenditure and Staffing Changes

Personnel:

Personnel increased 16% due to the addition of a second Sr. Accountant position

Operations & Maintenance:

O&M increased 41% due to budgeted asset inventory services

Human Resources

OVERVIEW

Human Resources (HR) provides services and support in the following areas: policy and procedure; administration and compliance; compensation and benefits; hiring, development and retention; employee and labor relations; and performance management.

2020-2021 MAJOR ACCOMPLISHMENTS

- Initiated advertising and recruiting volunteer opportunities within the Town of Oro Valley on the Town’s Job Opportunities webpage. Members of the public interested in volunteering with the town can review the specific opportunities available. Departments can take advantage of the streamlined processes in place with the town’s hiring software such as email notification system, automated advertising to several websites and volunteer coordinator alerts.
- Developed and implemented a town wide electronic employee performance evaluation form, creating town wide training, an online user guide for supervisors and updated policy. The electronic format and process ensures consistency, yet the approval process can be modified for each department, and HR can monitor the status of evaluations.
- Facilitated the first Virtual Wellness Fair for Town of Oro Valley employees lasting an entire month rather than the traditional one-day event. Employees and their families could access the fair “on demand” to learn about a variety of health and wellness topics from several different vendors.
- Completed town wide on-line training customized for general employee classifications and for supervisory classifications. Training topics focused on workplace conduct and compliance.
- Developed and implemented an electronic employee exit survey, emailing employees leaving the organization for voluntary feedback to gather metrics for future employee retention strategies.
- Drafted and implemented new HR policies and procedures to accommodate new working conditions due to the COVID-19 pandemic and the federal and state laws.





2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Recruit and retain talented employees to effectively carry out the Town’s mission

COUNCIL FOCUS AREA	OBJECTIVE(S)
Effective & Efficient Government	<ul style="list-style-type: none"> • Benchmark workforce policies and practices and recommend and implement sustainable changes to the Town’s Personnel Policies and internal procedures as appropriate • Develop a robust on-going training program that supports delivery of quality services, strengthens employee engagement and builds leadership skills • Update and implement an effective employee onboarding program that builds employee knowledge of and connection with Town practices and supports a positive organizational culture

Human Resources

PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Tailor training program for employees based on job classification.	Began examining options	4/1/2020	On hold until new HR Director hired		Develop training program based on job class by 2 nd quarter and achieve 75% completion rate by June 30
Improve employee orientation/onboarding program with enhanced transactional and strategic parameters.	Project underway; 1/3 complete	6/30/2020	Implemented June 2020		
Update personnel rules, procedures and practices that reflect current trends in municipal government	Project underway; 1/3 complete	By June 30, 2020	New HR Director will reassess		Update at least 25% of personnel policies and procedures to reflect current employment laws and HR practices in municipal government by June 30
Update performance appraisal process improvement	Web-based performance appraisal currently in beta testing	From paper to fully electronic process by June 30, 2020	Implemented June 2020		N/A

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Human Resources

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Human Resource Director	1.00	1.00	1.00	1.00	-
Human Resource Analyst	2.00	2.00	2.00	3.00	1.00
Human Resource Assistant	1.00	1.00	1.00	-	(1.00)
Total FTEs	4.00	4.00	4.00	4.00	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 346,061	\$ 388,971	\$ 373,994	\$ 401,410	3.2%
Operations & Maintenance	142,933	68,373	73,159	133,980	96.0%
Total Expenditures	\$ 488,994	\$ 457,344	\$ 447,153	\$ 535,390	17.1%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 96% due to compensation study budgeted for FY 21/22

Innovation & Technology

OVERVIEW

The Innovation & Technology Department (I&T) is committed to providing secure, proven, innovative technologies that enhance operational efficiencies while providing convenient access to government information and services for employees, citizens, visitors and businesses. I&T is comprised of two divisions: Innovation and Strategy, and Information Technology.

The Innovation and Strategy Division manages the Council Strategic Leadership Plan, OV Peak Performance (continuous improvement activities dedicated to delivering better value to customers, internally and externally, by eliminating waste), annexations, special events, emergency management, safety, constituent services and tourism. Emergency Management programs ensure disaster preparedness, education and information is made available to staff and to community stakeholders. Constituent Services, through phone calls and AskOV, addresses concerns, complaints, inquiries and referrals with excellent customer service and a commonsense approach.

The Information Technology Division (ITD) identifies, implements and supports technology for all Town departments to support their business needs. Responsibilities include management and security of the Town's computer and telephony networks, Geographic Information System (GIS), technology acquisition, application and database support. ITD strategizes its work through five focus areas: Service Delivery Improvement; Cyber Security; Application Lifecycles; Business Continuity; and ITD as a Strategic Partner.

2020-2021 ACCOMPLISHMENTS

- Continued implementation of solutions to accommodate new working conditions due to the COVID-19 pandemic. These included expanded work from home capabilities, support of interactive online public meetings, digital signatures, multifactor authentication, and technology to support remote building inspections.
- Upgraded and expanded the electronic document management system to accommodate a 100% paperless office.
- Continue to provide updated cybersecurity training courses twice per year along with ongoing phishing testing campaign with remedial training.
- Updated backup solution to accommodate expanded cloud usage. Implemented air gapped backups for ransomware protection.
- Upgraded and expanded the Town's GIS system, including a new storage architecture and latest GIS version.
- Continued Peak Performance Training to 35 full-time employees and expanded Peak Performance Lean Green Belt training to 14 employees.
- As of January 2021, realized a cost savings of \$64,395 related to Peak Improvement Projects.
- Launched a National Preparedness Month social media campaign, during the month of September 2020 to educate the Oro Valley community.
- Emergency Management and Safety Coordinator collaborated with all departments to update their Continuity of Operations Plan (COOP).
- Established the COVID Response Team to evaluate, research and provide recommendations to Manager's Policy Team on the impacts of Executive Orders, public health advisories, special events and restrictions.
- Coordinated and provided operational planning and logistics support to MHC Healthcare's COVID-19 vaccination site at James Kreigh Park.

Innovation & Technology

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

- Upgrade all servers and supporting infrastructure to a Windows 2019 environment.
- Upgrade audio, visual, and telepresence technology in the Magistrate Court.
- Upgrade the Town primary datacenter with improved security, infrastructure access, cooling, and lightning protection.
- Finish replacement of Permits, Code Enforcement, and Business License software.
- Finish replacement of water utility customer information system
- Enhance IT related water utility infrastructure for increased redundancy and stability while increasing functionality
- Continue converting paper, spreadsheet and Access managed processes to newer transparent digital solutions
- ERP enterprise upgrade to maintain functionality and keep with current standards.
- Expand Peak Performance Lean process improvement training to additional employees.
- Establish Town wide performance dashboards by defining key metrics to report on.
- Continue facilitation of the Town’s annexation strategy.

STRATEGIC LEADERSHIP PLAN GOAL

Implement strategies to improve opportunities to attract, grow and retain primary employers and expand local job opportunities


COUNCIL FOCUS AREA	OBJECTIVE(S)				
FY 19 – 21 SLP Economic Vitality	Explore feasibility of a Town-owned fiber optic network to minimize reliance on third party carriers and increase technology capabilities at Town facilities				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Delivery of a proposal describing a model of Town-owned fiber optics plant, uses, and implementation plan	N/A	1/15/2021	In Progress	In Progress	9/15/2021

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Innovation & Technology

STRATEGIC LEADERSHIP PLAN GOAL

Support investments and strategies that ensure the effective utilization of Town resources in maintaining properties and equipment.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	Develop strategies to expand broadband services throughout the town				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Provide strategies to council based on available options.	N/A	N/A	N/A	 N/A	3/15/2023



Target Met



Target Not Met



Informational Only











N/A - New/Previous Measure

Innovation & Technology

STRATEGIC LEADERSHIP PLAN GOAL

Maintain and strengthen our culture of continuous improvement to affect an efficient and high-performing organization.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective and Efficient Government	<ul style="list-style-type: none"> Foster a culture of continuous improvement through actions that support, challenge and engage the employee at all levels. Continue to provide regular training to Town staff to enhance process improvement proficiencies. Identify and implement ways in which Peak Performance teams share their journey and successes within the organization. 				
PERFORMANCE MEASURES	FY 2020 ACTUAL	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Add quarterly Peak Improvement events. Add storyboards to InsideOV as projects complete.	N/A	N/A	N/A		5
Peak Performance initiative cost savings	\$54,000	\$52,000	\$227,397		\$75,000
Peak Performance initiatives implemented	35	25	20		24
Employees Lean Six Sigma Green Belt Certified	1	15	16		15

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Innovation & Technology

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Chief Information Officer (CIO)	1.00	1.00	1.00	1.00	-
NetOps Supervisor	-	1.00	1.00	1.00	-
Applications Supervisor	-	-	1.00	1.00	1.00
Network Administrator	2.00	1.00	1.00	1.00	-
Systems Analyst	2.00	2.00	2.00	3.00	1.00
Database Analyst	1.00	1.00	1.00	1.00	-
Senior GIS Administrator	1.00	1.00	1.00	1.00	-
GIS Analyst	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	-
Help Desk Technician	-	1.00	1.00	1.00	-
Strategic Initiatives Manager	-	1.00	1.00	1.00	-
Constituent Services Coord.	-	1.00	1.00	1.00	-
Emergency Mgmt & Safety	-	-	1.00	1.00	1.00
Senior Office Specialist	0.80	0.80	0.80	0.80	-
Total FTEs	9.80	12.80	14.80	15.80	3.00

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 960,397	\$ 1,540,148	\$ 1,540,148	\$ 1,665,903	8.2%
Operations & Maintenance	1,897,307	2,118,550	2,065,586	2,412,880	13.9%
Capital Outlay	223,174	285,500	274,080	267,800	-6.2%
Total Expenditures	\$ 3,080,878	\$ 3,944,198	\$ 3,879,814	\$ 4,346,583	10.2%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 14% due to increased software maintenance costs and licensing

Legal

OVERVIEW

The Legal Services Department is managed by the Legal Services Director. A contract attorney is hired by the Mayor and Council to act as their chief legal advisor. The Legal Services Department is committed to providing the highest quality representation possible to meet the present and future needs of the Town in an efficient and effective manner.




2020-2021 MAJOR ACCOMPLISHMENTS

- Continued to hold court cases telephonically throughout the COVID-19 pandemic.
- Provided statewide DUI, Drugged Driving and Criminal Year Update training to police officers and prosecutors.
- Responded to legal claims against the Town.
- Reviewed contracts, policies and ordinances and provided legal advice.

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Public Safety	Provide the highest quality representation in order to meet the present and future needs of the Town in an efficient and effective manner				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Fulfill 100% of all legal requests within 14 days	98%	100%	100%		100%
Number of criminal cases handled by prosecution staff (calendar year)	748	700	496 through first six months		700
Provide local or statewide officer training at least 2X a year	2	2	3		2



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Legal

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Legal Services Director	1.00	1.00	1.00	1.00	-
Chief Civil Deputy Attorney	1.00	1.00	1.00	1.00	-
Assistant Town Prosecutor	1.00	1.00	1.00	1.00	-
Senior Paralegal	1.00	1.00	1.00	1.00	-
Paralegal I	1.00	1.00	1.00	1.00	-
Legal Secretary	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 727,075	\$ 721,071	\$ 696,476	\$ 751,078	4.2%
Operations & Maintenance	161,870	149,521	145,783	151,676	1.4%
Total Expenditures	\$ 888,945	\$ 870,592	\$ 842,259	\$ 902,754	3.7%

Magistrate Court

OVERVIEW

The Oro Valley Magistrate Court is charged with the processing and adjudication by trial, hearing or otherwise, of all cases filed in the Court. This includes misdemeanor criminal and traffic cases, civil traffic cases and Town Code violations. The Court is also responsible for the collection of fines, surcharges, restitution and other fees, issuing domestic violence orders of protection and injunctions against harassment, taking applications for and issuing marriage licenses and performing weddings. Services rendered by the Court are governed by rules set by the Arizona Supreme Court, statutes and/or ordinances enacted by the Arizona Legislature and/or the Oro Valley Town Council.

2020-2021 ACCOMPLISHMENTS

Oro Valley Magistrate Court was challenged to conduct court in completely different and previously unapproved ways in response to the COVID-19 pandemic. These adaptations and accomplishments included:








- The Court quickly adjusted from conducting in-person hearings to remote hearings for all cases for several months. This included conducting most of the hearings on the telephone with defendants either appearing outside the building and coming into the lobby to sign paperwork, or appearing from remote locations with paperwork delivered electronically.
- Broadcast all court hearings available to the public by way of a link to Court Website
- Complied with the "open to the public" mandate by broadcasting trials and contested hearings on YouTube, in both video and audio formats.
- Increased public access by providing direct links to audio hearings.
- Obtained equipment and established procedures to allow staff to work remotely as appropriate.
- Updated the transmission of documents to electronic delivery for defendants and attorneys.
- Quickly adapted to multiple staff members contracting COVID-19, shutting down all in-person operations within three hours.
- Established protocols for sanitizing the court room, lobby and all staff areas, including health monitoring and PPE to ensure the safety of staff.

Magistrate Court

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Public Safety	Establish unscheduled Court appearance times each week for those individuals with warrants, thus reducing court and jail costs. Work to establish a regularly scheduled time for Initial Appearances for those arrested by Oro Valley Police Department so they can be seen by the Judge locally and thus reduce costs paid to Pima County Jail.				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Move forward with implementation of paperless Court progress to reduce cost and make Court documents readily available to the public	N/A	N/A	N/A		
Maintain Compliance with AOC Minimum Accounting Standards	In Compliance	In Compliance	In Compliance		In Compliance
Continue the warrant program for outstanding warrants that establishes accountability for defendants and enforces compliance with court orders	Yes	Yes	Yes		Yes
Each full-time judicial officer and Court employee to complete at least 16 credit hours of judicial education each year	Yes	Yes	Yes		Yes
Each Court employee to complete ethics, diversity, and computer network security training annually	Yes	Yes	Yes		Yes
Implement a cross-training program to deepen the court's knowledge base	N/A	N/A	N/A		Yes

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Magistrate Court

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Magistrate Judge	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	1.00	1.00	-
Deputy Court Administrator	-	-	-	1.00	1.00
Courtroom Clerk	1.00	1.00	1.00	1.00	-
Senior Court Clerk	3.00	3.00	3.00	3.00	-
Court Clerk	1.48	1.48	1.48	1.00	(0.48)
Court Security Officer	-	1.00	1.00	-	(1.00)
Court Security Coordinator	-	-	-	0.50	0.50
Bailiff	1.00	-	-	-	-
Total FTEs	8.48	8.48	8.48	8.50	0.02

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 754,490	\$ 724,216	\$ 741,213	\$ 748,880	3.4%
Operations & Maintenance	110,869	140,610	121,549	165,916	18.0%
Total Expenditures	\$ 865,359	\$ 864,826	\$ 862,762	\$ 914,796	5.8%

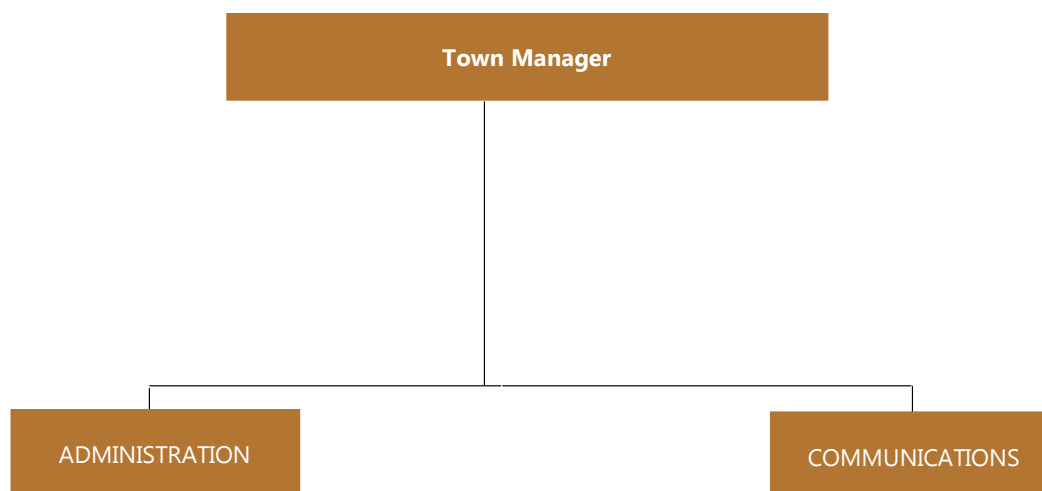
	Revenue Sources				Variance to Budget
	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	
Court Costs	\$ 117,381	\$ 135,000	\$ 130,000	\$ 135,000	0.0%
Court Security Fee	18,333	20,000	20,000	20,000	0.0%
Public Defender Fees	3,035	2,400	1,500	2,400	0.0%
Fines	111,611	125,000	125,000	125,000	0.0%
Total Revenues	\$ 250,360	\$ 282,400	\$ 276,500	\$ 282,400	0.0%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 18% due to court appointed attorney fees as well as one-time operating equipment

Town Manager's Office



OVERVIEW

The Town Manager is responsible for the proper management and administration of the Town and serves as the Chief Administrative Officer of the government under the direction of the Town Council. The Town Manager is further responsible for tourism promotion, intergovernmental programs, communications and for coordination of the administrative functions of the various departments, divisions, boards and services of the Town government. The Town of Oro Valley is made up of the following departments and/or offices: Town Manager; Town Clerk; Finance; Human Resources; Information Technology; Legal Services; Police; Water Utility; Community and Economic Development; Public Works; Parks and Recreation; and Magistrate Court.

2020-2021 MAJOR ACCOMPLISHMENTS

- Successfully adapted operations and created and implemented a variety of new protocols and policies, including the implementation of federal and state policies related to COVID-19 resulting in limited impacts on Town services to the community and a safe working environment. Developed and implemented a robust business assistance program, OVSafeSteps, designed to support area businesses with financial reimbursements for PPE, marketing and technical assistance expenses, while encouraging the community to patronize those who took the OVSafeSteps pledge.
- Partnered with and sponsored the Oro Valley Rotary Club's Taste of Oro Valley annual event so the event could continue being offered during the pandemic in a safe manner.
- Assisted the County in creating a vaccination point of distribution at James D. Kriegh Park for regional residents.
- Developed and created a podcast series titled, "This is Oro Valley," with the Town Manager covering interesting topics related to water, community policing, the OVSafeSteps business assistance program, Steam Pump Ranch, pavement preservation and other areas to help area residents learn more about their local government.
- Completed the new playground project at Naranja Park, receiving the *Best Park Award* from the Best of the Northwest Awards.

Town Manager’s Office

2020-2021 MAJOR ACCOMPLISHMENTS (continued)

- Negotiated and brought forward a successful annexation of the Westward Look Resort for Town Council’s consideration.
- Completed the Naranja Park Solar Shade Project in partnership with Tucson Electric Power.
- Provided sufficient educational materials for the public to understand the details of Prop 480 – Permanent Base Adjustment, which ultimately was passed by voters.
- Through the Peak Performance process improvement initiative, implemented multiple process changes that resulted in cost savings of approximately \$64,000.

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

- Continue strengthening community outreach, engagement and transparency.
- Maintain and strengthen our culture of continuous improvement to affect an efficient and high-performing organization.
- Attract and retain talented employees to effectively carry out the Town’s mission.

COUNCIL FOCUS AREA	OBJECTIVE(S)
Effective and Efficient Government	<ul style="list-style-type: none"> • Utilize creative methods to increase resident knowledge and understanding of Town services, programs and facilities. • Broaden the use of web-based tools and technologies to increase community engagement and transparency. • Foster a culture of continuous improvement through actions that support, challenge and engage the employee at all levels. • Review and modify Town policies to incorporate innovative and effective workforce practices that remain viable post-pandemic. • Ensure wellness and benefit programs are valuable, cost effective and desired by employees and families to support wellness and productivity. • Conduct a comprehensive compensation evaluation to ensure the Town remains competitive in recruiting and retaining employees.

PERFORMANCE MEASURES	FY 2020 ACTUAL	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Website: Annual number of page views	N/A	N/A	950,139	N/A	1,045,152
Website: Annual number of users	N/A	N/A	273,529	N/A	300,881
Website: Annual number of new users	N/A	N/A	268,249	N/A	295,073
Website: UTM Code Performance (clicks/post/source)	N/A	N/A	19.25	N/A	20.9
Podcast: Annual downloads (Nov. - Jun.)	N/A	N/A	1045	N/A	1,149
Social Media: Average monthly reach	N/A	N/A	1,708	N/A	1,800
Social Media: Average monthly engagement	N/A	N/A	134	N/A	150
Social Media: Post engagement rate	N/A	N/A	7.22%	N/A	8%
Social Media: Total followers	N/A	N/A	7,720	N/A	8,000



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Important notes about data:

WEBSITE: Statistics for FY 20-21 are skewed due to a bump in website traffic because of the Bighorn Fire. So even the desired 10% growth in overall web traffic is achieved, it is unlikely it would surpass the figures generated by the fire.

SOCIAL MEDIA: Data includes numbers from organic reach as well as ads and boosted posts. The Bighorn Fire and COVID posts do skew the numbers a bit higher (for example, the organic reach for one of our fire posts was 46k) so goals for next FY are conservative.

Town Manager's Office

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
10.38	8.38	8.38	8.38

Expenditures by Program - General Fund					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 675,706	\$ 514,270	\$ 491,032	\$ 611,135	18.8%
Communications	618,269	514,464	490,702	504,089	-2.0%
	\$1,293,975	\$1,028,734	\$ 981,734	\$1,115,224	8.4%

Town Manager's Office – Administration

OVERVIEW

The Town Manager's office is responsible for the fiscal health of the Town government, and for direction and coordination of the administrative functions of the various departments, divisions, boards and services of the Town Government. The Town Manager's office provides staff support to the Town Council, handles media relations, promotes the Town's legislative agenda through intergovernmental programs, promotes tourism, and seeks opportunities for partnerships and financial assistance at the county, state and federal levels through grants, legislation and federal appropriation requests. The Town Manager's office also maintains citizen and community relations, as well as Oro Valley representation on regional boards and quasi-governmental councils to keep the Town's needs and interests considered in regional decision-making.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Town Manager	1.00	1.00	1.00	1.00	-
Assistant Town Manager	1.00	1.00	1.00	1.00	-
Strategic Initiatives Manager	1.00	-	-	-	-
Management Analyst	-	-	1.00	1.00	1.00
Executive Assistant	1.00	1.00	1.00	1.00	-
Senior Office Specialist	0.50	0.50	-	-	(0.50)
Management Intern	0.38	0.38	0.38	0.38	-
Total FTEs	4.88	3.88	4.38	4.38	0.50

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 629,822	\$ 495,000	\$ 472,725	\$ 588,109	18.8%
Operations & Maintenance	45,884	19,270	18,307	23,026	19.5%
Total Expenditures	\$ 675,706	\$ 514,270	\$ 491,032	\$ 611,135	18.8%

Expenditure and Staffing Changes

Personnel:

Personnel increased 19% due to the mid-year reclassification of a Sr. Office Specialist position to a Management Analyst position to aid in strategic planning

Operations & Maintenance:

O&M increased 20% due to increased event and training costs

Town Manager's Office – Communications

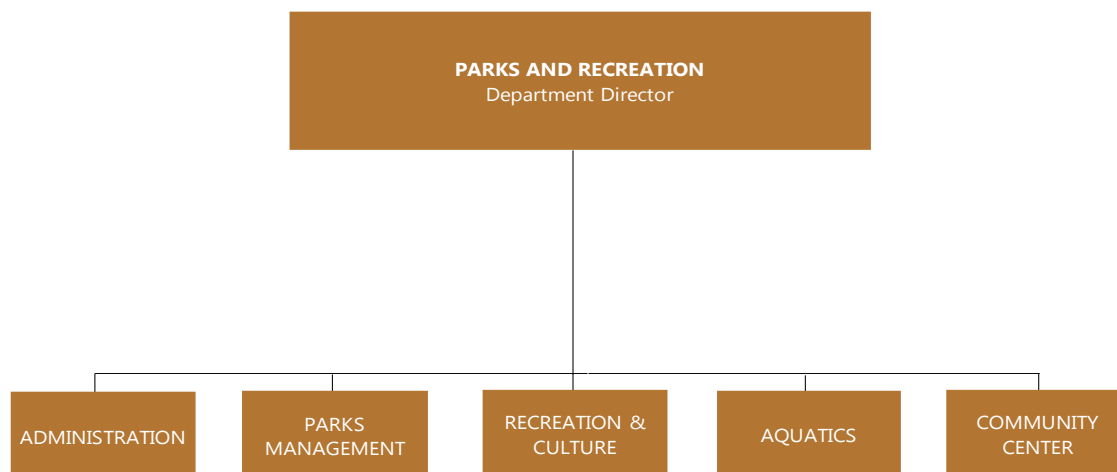
OVERVIEW

The Communications Administrator manages and facilitates all media relations on behalf of the Town (with the exception of the Police Department, which has a designated public information officer). The Communications Division is responsible for internal and external communications and publications, the Town's website and employee intranet, oversight of the Town's social media accounts, graphic design and photography. Additionally, the Communications Division, in partnership with Economic Development, manages and facilitates the Town's marketing and advertising efforts. The division also plans, develops and produces publications and services designed to facilitate communication between Town leadership and residents in order to keep residents informed about Town services, activities and programs.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Communications Administrator	1.00	1.00	1.00	1.00	-
New Media Developer	1.00	1.00	1.00	1.00	-
Constituent Services Coordinator	1.00	-	-	-	-
Marketing & Comm. Specialist	1.00	1.00	1.00	1.00	-
Public Information Officer	1.00	1.00	1.00	1.00	-
Senior Office Specialist	0.50	0.50	-	-	(0.50)
Total FTEs	5.50	4.50	4.00	4.00	(0.50)

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 520,422	\$ 392,179	\$ 374,531	\$ 379,619	-3.2%
Operations & Maintenance	97,847	122,285	116,171	124,470	1.8%
Total Expenditures	\$ 618,269	\$ 514,464	\$ 490,702	\$ 504,089	-2.0%

Parks and Recreation



OVERVIEW

The Parks and Recreation Department is comprised of the following divisions: Administration, Parks Management, Recreation and Culture, Aquatics and Community Center/Golf Fund. The department is further responsible for providing staff support to the Parks and Recreation Advisory Board and the Historic Preservation Commission.

The Mission of the Department is *Inspire Connection through Recreation*

2020-2021 MAJOR ACCOMPLISHMENTS

ADMINISTRATION

- Completed an 18-month long Parks and Recreation Master Plan process. Town Council unanimously provided a vote of appreciation.
- Secured grant funding for a restroom building at the Naranja Park Archery range.
- Increased budget oversight and spending approach to ensure fiscal responsibility during the pandemic.
- Entered into a new Golf Management Service agreement with Indigo Golf Partners.
- Initiated design and restoration of the Garage at Steam Pump Ranch.

PARKS MANAGEMENT

- New playground was installed and opened at Naranja Park.
- Implemented an Eatable Orchard at Steam Pump Ranch as part of the Planting Plan.
- Upgraded the first phase of irrigation pump system at Riverfront Park.
- New restroom was installed at Naranja Park Archery Range.

RECREATION & CULTURE

- Created online experiences and camps to take the place of in-person summer programming.
- Contracted with El Toro Flicks for drive-in movie opportunities during an otherwise downtime at the Steam Pump Ranch property.
- Worked with the Historic Planning Commission to create and approve a future Priority Funding Plan for the Steam Pump Ranch property.

Parks and Recreation

AQUATICS

- Continued operations with minimal closure time through implementation of new guidelines and requirements due to the pandemic.
- Replaced and refurbished facility heater systems.
- Painted interior and exterior walls of the facility.
- Communicated and worked with membership and long-term facility users to allow maximum use during COVID-19 capacity restrictions.

COMMUNITY CENTER

- Implemented new reservation and communication methods with members and community for use of the facility, to ensure adherence to required COVID-19 capacity limitations.
- Increased hours of operation for pool access throughout the pandemic.
- Completed several small projects and installations during closures to include new fans for air flow, staff break room area, equipment storage, and pool filtration replacement and repairs.
- Met nearly 50% of the FY20/21 revenue goal despite a six-month closure and over 50% decrease in memberships.


Parks and Recreation


2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Invest in and maintain a high quality parks, recreation and trail system that is accessible, comprehensive, connected and serves the community's needs

COUNCIL FOCUS AREA	OBJECTIVE(S)
Culture and Recreation	<ul style="list-style-type: none"> Explore a cost-effective plan and develop a corresponding intergovernmental agreement with Amphitheater Unified School District to utilize appropriate school facilities for community recreation programs. Invest in the top priorities of the final Council-adopted Parks and Recreation Master Plan.

PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Implementation of Council Bond funded projects to include Naranja Park, Community Center tennis courts and parking lot, Steam Pump Ranch projects and SUP projects (TBD), and Amphi School Partnership.	N/A	N/A	N/A		June 2022




Develop a partnership Between the Town and Amphitheater School District for joint use of sports facilities.	N/A	N/A	N/A		June 2022
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 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Parks and Recreation

STRATEGIC LEADERSHIP PLAN GOAL

Support recreational, cultural and arts programs that provide opportunities for residents to connect with their community.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Culture and Recreation	Explore opportunities to broaden revenue diversity to improve the Town's long-term financial stability				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Diversify and expand wellness opportunities to better serve Oro Valley residents of all ages.	N/A	N/A	N/A		June 2022
Create volunteer recruitment, training, and support program	N/A	N/A	N/A		June 2022
Create new opportunities for seniors in Oro Valley, including possible facility changes and/or new facilities.	N/A	N/A	N/A		June 2022



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Parks and Recreation

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
63.10	63.10	63.10	63.10

Expenditures by Fund					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 2,162,909	\$ 3,478,517	\$ 3,398,060	\$ 3,446,361	-0.9%
Community Center Fund	5,668,846	6,599,082	5,316,189	5,920,609	-10.3%
	\$ 7,831,755	\$ 10,077,599	\$ 8,714,249	\$ 9,366,970	-7.1%

Revenues by Fund					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 564,607	\$ 711,800	\$ 610,050	\$ 558,525	-21.5%
Community Center Fund	6,555,137	7,098,610	6,828,177	7,398,265	4.2%
	\$ 7,119,744	\$ 7,810,410	\$ 7,438,227	\$ 7,956,790	1.9%

Parks and Recreation – General Fund

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
41.55	41.55	41.55	41.55

Expenditures by Division					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 538,509	\$ 466,519	\$ 446,496	\$ 441,380	-5.4%
Parks Management	1,107,815	1,394,179	1,394,179	1,369,534	-1.8%
Recreation and Culture	516,585	543,350	491,401	498,831	-8.2%
Aquatics		1,074,469	1,065,984	1,136,616	5.8%
	\$2,162,909	\$3,478,517	\$3,398,060	\$3,446,361	-0.9%

Revenue Sources					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Aquatics User Fees	\$ 346,171	\$ 430,000	\$ 430,000	\$ 395,000	-8.1%
Concession Sales	11,195	15,000	50	5,000	-66.7%
Fields & Courts User Fees	105,369	115,000	115,000	66,125	-42.5%
Miscellaneous User Fees	101,872	151,800	65,000	92,400	-39.1%
	\$ 564,607	\$ 711,800	\$ 610,050	\$ 558,525	-21.5%

Parks and Recreation – General Fund

Administration

OVERVIEW

The Parks and Recreation Administration Division is responsible for program registrations, processing fees and making deposits, coordinating facility reservations, grant writing and management for the department, responding to all phone, walk-in and email inquiries, and clerical and organizational support to the entire department. Additionally, this division provides administrative support to the Parks and Recreation Advisory Board.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Deputy Parks & Rec. Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	-	-	(1.00)
Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	3.00	3.00	(1.00)

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 371,907	\$ 358,246	\$ 342,554	\$ 347,834	-2.9%
Operations & Maintenance	166,602	108,273	103,942	93,546	-13.6%
Total Expenditures	\$ 538,509	\$ 466,519	\$ 446,496	\$ 441,380	-5.4%

Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 14% due to various department reductions and shifts to other divisions within Parks & Recreation

Parks and Recreation – General Fund

Parks Management

OVERVIEW

The Parks Maintenance Division is responsible for janitorial services, turf management, landscape maintenance and property upkeep for all parks, natural trails, and bicycle/pedestrian oasis facilities. Parks Maintenance is also responsible for the landscape maintenance at the Town Hall campus.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Parks Maint Superintendent	1.00	1.00	1.00	1.00	-
Parks Maintenance Supervisor	1.00	1.00	1.00	1.00	-
Parks Maintenance Worker III	1.00	1.00	1.00	1.00	-
Parks Maintenance Worker II	1.00	1.00	2.00	2.00	1.00
Parks Maintenance Worker I	5.00	5.00	5.00	5.00	-
Park Monitor	0.96	0.96	0.96	0.96	-
Total FTEs	9.96	9.96	10.96	10.96	1.00

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 533,782	\$ 565,429	\$ 565,429	\$ 630,284	11.5%
Operations & Maintenance	536,870	614,750	614,750	633,750	3.1%
Capital Outlay	37,163	214,000	214,000	105,500	-50.7%
Total Expenditures	\$ 1,107,815	\$ 1,394,179	\$ 1,394,179	\$ 1,369,534	-1.8%

Expenditure and Staffing Changes

Capital Outlay

Capital Outlay decreased 51% from one-time purchases in prior fiscal year

Parks and Recreation – General Fund

Recreation & Culture

OVERVIEW

The Recreation and Culture Division is a consolidation of the previous Recreation and Cultural Resources Divisions. The Recreation and Culture Division is responsible for providing recreational programs, activities, classes, hikes, and special events for all ages, as well as ball field management and contracts. It is also responsible for management of all town historic and cultural properties, such as Steam Pump Ranch. Additionally, this division is responsible for implementation and follow-through of master plans for town historic sites and cultural resources.

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Recreation & Culture Manager	1.00	1.00	1.00	1.00	-
Assistant Recreation Manager	2.00	2.00	2.00	2.00	-
Recreation Leader	1.95	1.95	1.95	1.95	-
Recreation Aide	1.75	1.75	1.75	1.75	-
Total FTEs	6.70	6.70	6.70	6.70	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 360,067	\$ 385,930	\$ 385,930	\$ 389,681	1.0%
Operations & Maintenance	152,005	157,420	105,471	109,150	-30.7%
Capital	4,513	-	-	-	0.0%
Total Expenditures	\$ 516,585	\$ 543,350	\$ 491,401	\$ 498,831	-8.2%

Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 31% due to change in contract programming and instructors

Parks and Recreation – General Fund

Aquatics

OVERVIEW

The Aquatics Division is responsible for the safe operation, maintenance and management of the Oro Valley Aquatic Center. This facility includes an Olympic-sized swimming pool, a 25-yard pool, a splash pad for children and other family-friendly amenities. The facility serves as one of Southern Arizona's premier, competition-level facilities.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Aquatics Manager	1.00	1.00	1.00	1.00	-
Assistant Aquatics Manager	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Facility Supervisor	2.25	2.25	2.25	2.25	-
Shift Leader	0.96	0.96	0.96	0.96	-
Facility Attendant	4.80	4.80	4.80	4.80	-
Lifeguard/Swim Instructor	9.88	9.88	9.88	9.88	-
Total FTEs	20.89	20.89	20.89	20.89	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 692,660	\$ 764,269	\$ 755,784	\$ 821,566	7.5%
Operations & Maintenance	375,657	303,200	303,200	280,050	-7.6%
Capital Outlay	2,587	7,000	7,000	35,000	400.0%
Total Expenditures	\$ 1,070,904	\$ 1,074,469	\$ 1,065,984	\$ 1,136,616	5.8%

Expenditure and Staffing Changes

Capital Outlay

Capital Outlay increased 400% due to a one-time budgeted purchase of new pool covers

Community Center Fund

OVERVIEW

This fund is used to manage the operations of the Town's Community Center, golf, food & beverage and tennis facilities. Revenues include a dedicated 0.5% sales tax, as well as revenues from golf, tennis, food and beverage, fitness and recreation activities. Expenditures include personnel, operating and capital improvement costs for the facilities. Golf, as well as food and beverage, are managed by an outside contractor.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Recreation Facility Manager	1.00	1.00	1.00	1.00	-
Assistant Recreation Manager	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Facility Supervisor	0.75	0.75	0.75	0.75	-
Custodian	0.48	0.48	0.48	0.48	-
Facility Attendant	4.25	4.25	4.25	4.25	-
Aquatics Shift Leader	1.58	1.58	1.58	1.58	-
Lifeguard	3.65	3.65	3.65	3.65	-
Recreation Leader	0.96	0.96	0.96	0.96	-
Recreation Aide	4.88	4.88	4.88	4.88	-
Fitness Instructor	2.00	2.00	2.00	2.00	-
Total FTEs	21.55	21.55	21.55	21.55	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 750,815	\$ 762,713	\$ 683,157	\$ 875,291	14.8%
Operations & Maintenance	4,795,029	4,711,869	4,348,532	4,912,818	4.3%
Capital Outlay	123,002	1,124,500	284,500	132,500	-88.2%
Total Expenditures	\$ 5,668,846	\$ 6,599,082	\$ 5,316,189	\$ 5,920,609	-10.3%

	Revenue Sources				Variance to Budget
	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	
Local Sales Taxes	\$ 2,584,916	\$ 2,492,960	\$ 2,767,485	\$ 2,932,798	17.6%
Charges for Services	3,940,063	4,479,650	3,925,182	4,339,467	-3.1%
Miscellaneous	30,159	126,000	135,510	126,000	0.0%
Total Revenues	\$ 6,555,137	\$ 7,098,610	\$ 6,828,177	\$ 7,398,265	4.2%

Expenditure and Staffing Changes

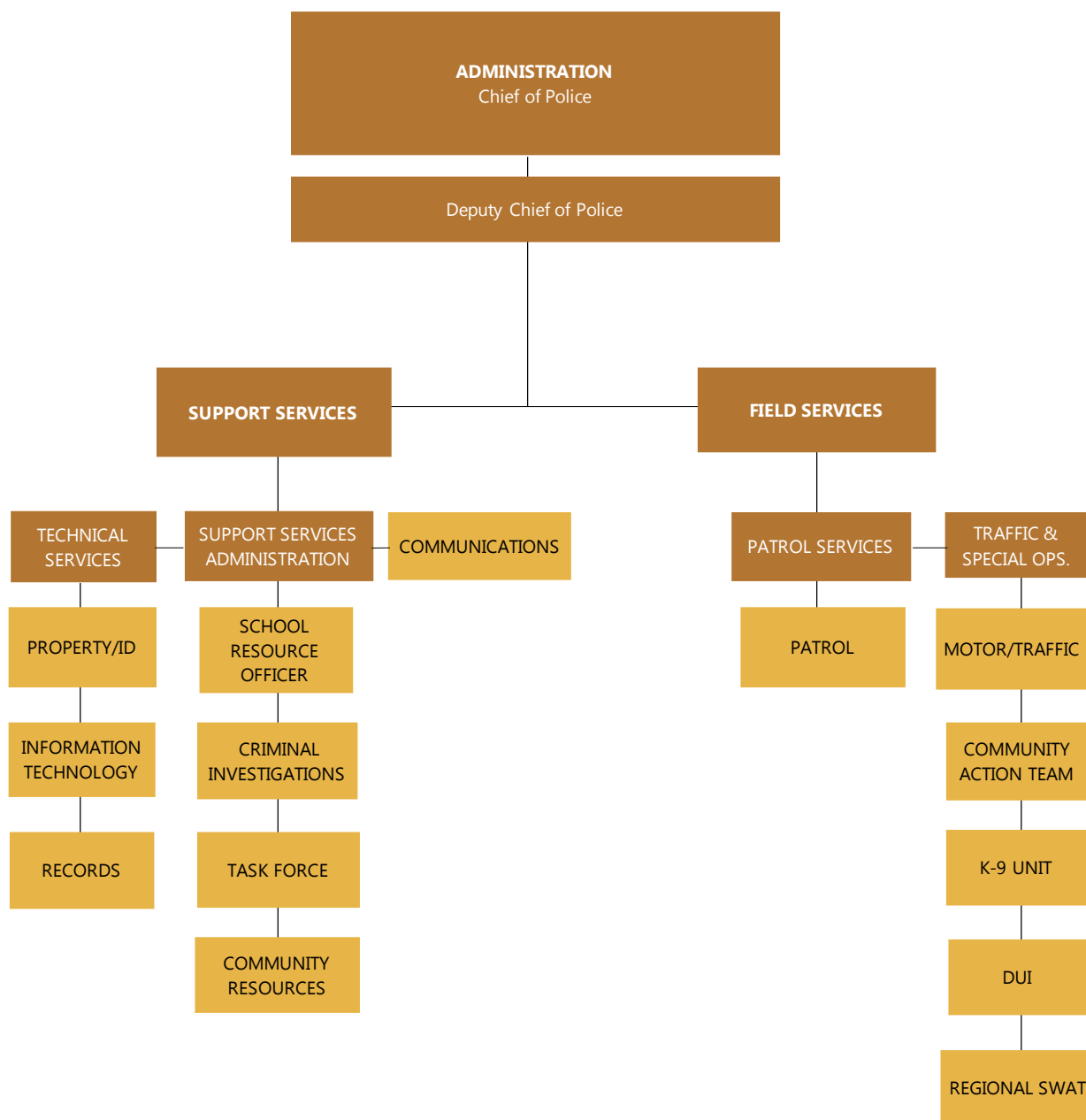
Personnel

Personnel increased 15% due to budgeted facilities closures in prior fiscal year

Capital Outlay

Capital Outlay decreased 88% due to movement of golf course irrigation CIP project from Community Center Fund to Capital Fund

Police



OVERVIEW

The men and women of this agency are dedicated to serving this community with integrity, compassion, and fairness. The Oro Valley Police Department continues to make community engagement and community policing a top priority. We strive to be the most respected and highly motivated police agency in Arizona.

Police

2020-2021 MAJOR ACCOMPLISHMENTS

- Multiple vendors use various matrix criteria to identify "The Safest Cities in Arizona." Oro Valley was identified as:
 - #1 by Safehome.org
 - #2 by Homesnacks.com
 - #3 by Alarms.org
- Chief Kara M. Riley was recognized as Best of the Northwest Community Leader by Tucson Local Media.
- Chief Kara M. Riley was selected to sit on the Executive Board for the Arizona Women's Initiative Network (AZWIN).
- Lt. John Teachout was requested by the International Association of Chiefs of Police to assist them as a Subject Matter Expert and work in cooperation with the National Highway Traffic Safety Administration (NHTSA) as part of an advisory group for "Building a Culture of Traffic Safety."
- Sgt. Marshall Morris was selected by the Arizona Peace Officer Standards and Training (AZPOST) Board as a Subject Matter Expert to assist them in the development and implementation of a community engagement lesson plan.
- Ofc. Ryan Goss was recognized nationally by the Mothers Against Drunk Driving (MADD) for his efforts in traffic safety related to impaired driving.
- Ofc. Trey Brown was recognized as MADD Officer of the Year combating impaired driving through school programs as a School Resource Officer.
- Ofc. Brian Kleinberg was recognized at the state level for his contributions to Traffic Incident Management.
- The Department was accepted into the Arizona Association of Chiefs of Police (AACOP) accreditation program.
- Implemented the National Incident-Based Reporting System (NIBERS). This is a federal reporting system and all agencies within the nation must participate.
- While adhering to COVID-19 protocols, continued to support back to school and 'Cops and Kids' programs.
- Completed a Request for Proposal process and secured a contract for towing services.
- Implemented Blue Teams, a "red flag" warning system for the Office of Professional Standards that assists with identifying and tacking personnel issues while streamlining the citizen complaint process.
- Conducted an audit of all policies and confirmed that Oro Valley PD follows best practices, local/state/federal laws and Constitutional requirements. The Department prepared for anticipated mandates expecting to be implemented by Presidential Executive Order. Subsequently, the department submitted our policies to the Department of Justice and received certification that they are in compliance.
- Implemented a full-time officer to assist with the mental health crisis facing the nation. The officer will participate as a member of the regional Mental Health Support Team (MHST) with a primary focus within the Oro Valley community.
- Expanded the use of body-worn cameras.
- Collaborated with the Federal Incident Command Team to combat the Bighorn Fire.
- Received a Certificate of Appreciation from the Type 1 Incident Management Commander, thanking OVPD for our support and collaboration during the Bighorn Fire.

Police










- Implemented the TEXT911 program, which provides the ability to text a request for emergency response during extreme circumstances where the act of calling 911 would further endanger the person in need of assistance.
- Implemented a COVID-19 rapid diagnostic testing cycle for staff. The results provided command staff critical information, enhancing operational readiness while helping to mitigate potential exposures.
- Developed an action plan and acquired essential equipment to assist with the protection of the community, staff and critical infrastructure in preparation for civil unrest.
- Audited PPE, ensuring all officers had the equipment needed to safely operate in the community, and increased the amount of stocked equipment to meet federal recommendations.
- Continued to promote traffic safety through various strategies to include Oro Valley's High Visibility Enforcement (HiVE) deployments and participating in the Southwest DUI Taskforce operations.
- Developed and implemented the Oro Valley Safe Return Program.
- Received funding in the amount of \$236,014 from the Governor's Office of Highway Safety for overtime and equipment, to include the purchase of two motorcycles to support DUI enforcement, hazardous moving violation enforcement and participation during Southern Arizona DUI Task Force Operations.
- OVPD officers participated in the Southern Arizona DUI Task Force deployment efforts.
- Awarded funding in the amount of \$362,118 from Operation Stonegarden for equipment, overtime and mileage to combat illegal contraband / human smuggling and apprehend terrorists entering the country.
- Received funding in the amount of \$31,000 from the Attorney General for body-worn cameras and personal protective equipment.
- OVPD Public Safety Telecommunicators exceeded national quality assurance expectations, with a yearly average score of 97.6%.
- Completed the Capital Improvement Plan to upgrade our emergency communications center.

Police

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Support strategies that result in a safe community with low crime, safe neighborhoods and positive relationships between law enforcement and community members

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Public Safety	<ul style="list-style-type: none"> Continue Regional Approach to Active Shooter Preparedness. Deploy High Visibility Enforcement (HiVE) in high collision areas to address the increasing volume of traffic and associated issues in and around Oro Valley roadways. Analyze Police call, response and service trends/data and develop a responsible short and long-term plan to ensure the community continues to receive high quality public safety services. Implement driver's training to address contemporary operator issues. Develop and implement the "Return Me Home Safe" concept to assist with the safe return of the population subject to additional hazards associated with Alzheimer's and dementia. Improve Department preparedness by updating stored and issued personal protective equipment (PPE). 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
HiVE deployments conducted	4	2/mo - 24 total	27		1 per month for total of 12
% of Priority I calls responded to in under five minutes	79%	90%	81%		
% of Priority II calls responded to in under eight minutes	88%	90%	89%		
Interdiction for the Protection of Children (IPC)	N/A	Implement by June 30, 2020	Dept training completed Jan. 2020		
Rescue Task Force (RTF) and Active Shooter Preparedness trainings held	6 RTF; 43 Active Shooter	Hold Trainings	15 active shooter presentation		



Target Met



Target Not Met











Informational Only



N/A - New/Previous Measure

Police

PERFORMANCE MEASURES (CONTINUED)	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Adopt-A-Business Program	135 Businesses	Create Program	145 Businesses		Ongoing
Verbal De-Escalation: Surviving Verbal Conflict	N/A	101 certified officers	97 certified officers		N/A
Axon Body Worn Camera Program	All Patrol	Research feasibility for full implementatio n by 06/30/2020	Expanded to SROs and CAT Squad		N/A
OVPD Social Media – Likes/Followers	5,495 Facebook 3,989 Twitter	Revive Instagram	Followers: 15,032 Facebook 6,397 Twitter 1,807 Instagram		N/A
Priority 1 calls for service	N/A	N/A	N/A		Average response time under five minutes, evaluated by quarter
Priority 2 calls for service	N/A	N/A	N/A		Average response time under eight minutes, evaluated by quarter
Driver's Training	N/A	Complete department- wide training	No training due to COVID		Complete by June 2022
Return Me Home Safe	N/A	Create program for vulnerable population	OV Safe Return is operational		N/A



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Police

PERFORMANCE MEASURES (CONTINUED)	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
PPE - Complete audit and update issued equipment	N/A	N/A	N/A	N/A	N/A
PPE - Bring warehoused PPE to meet federally recommended standards	N/A	N/A	N/A	N/A	N/A



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Police

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
138.13	138.13	136.13	134.73

Expenditures by Division					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 1,862,725	\$ 1,795,323	\$ 1,788,806	\$ 2,260,583	25.9%
Support Services	6,169,135	7,106,936	6,349,122	7,737,886	8.9%
Field Services	8,826,045	8,850,075	8,686,042	8,724,781	-1.4%
	\$ 16,857,905	\$ 17,752,334	\$ 16,823,970	\$ 18,723,250	5.5%

Revenue Sources					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Federal Grants	\$ 508,022	\$ 503,500	\$ 476,616	\$ 496,895	-1.3%
Intergovernmental	65,000	180,000	65,000	65,000	-63.9%
State Grants	52,717	75,000	75,000	75,000	0.0%
Seizures & Forfeitures	53,471	95,789	95,789	98,195	2.5%
Fingerprinting	10,900	4,500	50	4,000	-11.1%
Report Copying	7,059	6,500	5,500	6,500	0.0%
Impound Processing	1,200	15,000	15,500	15,000	0.0%
Other	4,190	8,000	9,000	8,000	0.0%
	\$ 702,559	\$ 888,289	\$ 742,455	\$ 768,590	-13.5%

Police - Administration

OVERVIEW

The Oro Valley Police Department (OVPD) embodies a community policing philosophy and guides all staff toward embracing this throughout the entire organization. Personnel are trained to deliver a high level of service that meet our community's expectations. OVPD allows our staff to uphold professional certifications and focuses on developing the skills, abilities, knowledge, and talents to maintain exceptional services. OVPD thoroughly investigates all complaints against its employees in order to preserve public confidence in our willingness to oversee and control the actions of our employees. In Oro Valley, community policing is considered one of our pillars that underlies all programs and initiatives.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Police Chief	1.00	1.00	1.00	1.00	-
Deputy Police Chief	1.00	1.00	1.00	1.00	-
Lieutenant	1.00	1.00	1.00	1.00	-
Sergeant	1.00	2.00	2.00	2.00	-
Public Info. Officer - Sergeant	1.00	1.00	1.00	1.00	-
Training Officer	1.00	1.00	1.00	1.00	-
Police Workforce Specialist	-	-	-	0.48	0.48
Reserve Officer	0.48	0.48	0.48	-	(0.48)
Administrative Services Manager	1.00	1.00	1.00	1.00	-
Total FTEs	7.48	8.48	8.48	8.48	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 1,238,215	\$ 1,329,864	\$ 1,329,864	\$ 1,433,966	7.8%
Operations & Maintenance	624,510	465,459	458,942	826,617	77.6%
Total Expenditures	\$ 1,862,725	\$ 1,795,323	\$ 1,788,806	\$ 2,260,583	25.9%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M budget increased 78% due to insurance costs and field training supplies

Police – Support Services

OVERVIEW

The Support Services Division is comprised of Criminal Investigations Unit, Community Action Team, Crime Analyst, Task Force Operations, Property and I.D., School Resource Officers, Community Resources, Citizen Volunteer Assistants Program, Records, and the Communications Bureau. Support Services focuses on and analyzes crime trends, efficient resource allocation and technological solutions.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Sergeant	3.00	3.00	3.00	4.00	1.00
School Resource Officer	9.00	9.00	9.00	7.00	(2.00)
Detective	7.00	7.00	7.00	7.00	-
Lead Officer	-	-	-	1.00	1.00
Officer	6.00	6.00	6.00	5.00	(1.00)
Officer/Special Events Coord.	1.00	1.00	1.00	1.00	-
Telecommunications Manager	1.00	1.00	1.00	1.00	-
Telecommunications Supervisor	2.00	2.00	2.00	2.00	-
Telecommunicator	10.00	10.00	10.00	11.00	1.00
Records Supervisor	1.00	1.00	1.00	1.00	-
Records Specialist	5.00	5.00	5.00	5.00	-
Office Assistant	1.25	1.25	1.25	1.25	-
Systems Analyst	1.00	1.00	-	-	(1.00)
Crime Analyst	-	-	1.00	1.00	1.00
Crime Scene Tech Supervisor	1.00	1.00	1.00	1.00	-
Crime Scene Technician	2.00	2.00	2.00	3.00	1.00
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Reserve Officer	0.96	0.96	0.96	-	(0.96)
Total FTEs	55.21	55.21	55.21	55.25	0.04

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 5,811,249	\$ 6,706,913	\$ 5,948,399	\$ 7,032,075	4.8%
Operations & Maintenance	263,495	207,523	208,223	665,811	220.8%
Capital Outlay	94,391	192,500	192,500	40,000	-79.2%
Total Expenditures	\$ 6,169,135	\$ 7,106,936	\$ 6,349,122	\$ 7,737,886	8.9%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M budget increased 221% due to increased grant related equipment and programs

Police – Field Services

OVERVIEW

The Field Services Division is comprised of Patrol, Traffic Unit, K-9 and Pima Regional assignments. Field Services is responsible for the uniformed patrol functions of the Department, including 24-hour response to the initial investigation of crimes and incidents, traffic enforcement and control, crash investigations, community policing programs and specialized operations such as SWAT and K-9.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Sergeant	9.00	8.00	8.00	7.00	(1.00)
Lead Officer	9.00	9.00	9.00	7.00	(2.00)
K-9 Officer	2.00	2.00	2.00	2.00	-
Traffic Investigator	-	1.00	1.00	1.00	-
DUI Officer	3.00	2.00	2.00	2.00	-
Motorcycle Officer	5.00	3.00	3.00	4.00	1.00
Officer	39.00	41.00	41.00	43.00	2.00
Reserve Officer	1.44	1.44	1.44	-	(1.44)
Emerg. Mgmt. & Safety Coord.	1.00	1.00	-	-	(1.00)
Crime Analyst	1.00	1.00	-	-	(1.00)
Senior Office Specialist	1.00	2.00	2.00	2.00	-
Office Specialist	1.00	-	-	-	-
Total FTEs	75.44	74.44	72.44	71.00	(3.44)

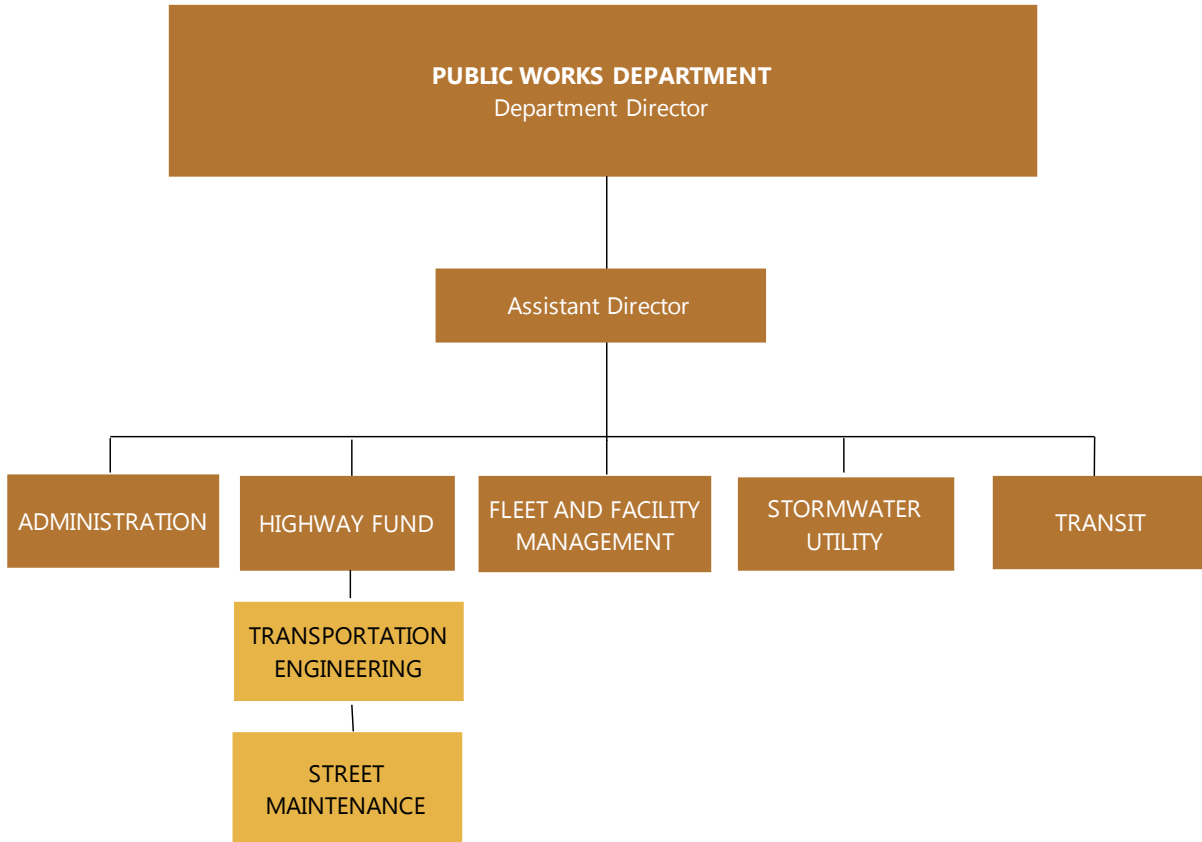
Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 8,783,141	\$ 8,818,865	\$ 8,656,080	\$ 8,656,101	-1.8%
Operations & Maintenance	42,904	31,210	29,962	68,680	120.1%
Total Expenditures	\$ 8,826,045	\$ 8,850,075	\$ 8,686,042	\$ 8,724,781	-1.4%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M budget increased 120% due to uniform and safety equipment costs

Public Works



OVERVIEW

The Public Works Department is organized into five functional areas: Administration, Highway Fund, Fleet and Facility Management, Stormwater, and Transit. Administration manages all the department's activities, non-fund specific capital projects and capital project management/support to other departments as needed. Highway Fund, which includes Transportation Engineering and Street Maintenance divisions, are responsible for road related construction projects as well as routine maintenance. Fleet and Facility Management is responsible for Town facility maintenance, including repairs and minor renovations, and fleet maintenance for vehicles and equipment. Stormwater is responsible for management and operation of the Town's Stormwater Utility. Transit is responsible for management and operation of the Sun Shuttle Dial-a-Ride public transit service under contract with the Regional Transportation Authority (RTA).

Public Works

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
70.89	70.89	70.89	71.37

	Expenditures by Fund **				Variance to Budget
	FY 2020 Actual	FY 2021		FY 2022 Budget	
		Budget	Projected		
General/Capital Fund	\$ 3,099,252	\$ 4,898,891	\$ 4,324,871	\$ 5,579,237	13.9%
Highway Fund	4,110,990	3,861,101	3,667,996	4,090,525	5.9%
Stormwater Utility Fund	1,280,531	1,439,750	1,394,757	2,160,407	50.1%
	\$ 8,490,773	\$ 10,199,742	\$ 9,387,624	\$ 11,830,169	16.0%

Divisions/programs supported by the General Fund include Fleet Maintenance, Facilities Maintenance, Transit and Administration. Capital Fund supports capacity for two temporary CIP Project Manager positions.

*** Does not include the PAG/RTA Fund or the Roadway Impact Fee Fund*

	Revenues by Fund **				Variance to Budget
	FY 2020 Actual	FY 2021		FY 2022 Budget	
		Budget	Projected		
General Fund	\$ 1,260,543	\$ 1,521,500	\$ 725,660	\$ 1,238,910	-18.6%
Highway Fund	4,063,743	3,700,929	3,599,050	3,647,922	-1.4%
Stormwater Utility Fund	1,466,764	1,439,000	1,450,219	1,741,600	21.0%
	\$ 6,791,050	\$ 6,661,429	\$ 5,774,929	\$ 6,628,432	-0.5%

*** Does not include the PAG/RTA Fund or the Roadway Impact Fee Fund*

Public Works – Administration

OVERVIEW

Administration is responsible for department management and oversight, funding and program implementation, contract management, and obtaining reimbursement of outside funding for projects from Pima Association of Governments, the Arizona Department of Transportation and the Federal Emergency Management Agency. Administrative staff responsibilities include clerical duties, maintaining the Public Works Department website, records management and logistical support. In addition, streets maintenance operations staff are located within Administration and funded by the General Fund to provide working flexibility for involvement with non-highway related projects, such as the Naranja Park playground construction.

2020-2021 MAJOR ACCOMPLISHMENTS


- Provided oversight, project management and administration to over 151 projects and program development plans. This includes project management of physical building projects such as the renovation of the Council Chambers, as well as supported other departments and stakeholders through the following:
 - Managed projects to aid other departments, including the design and bidding of the golf irrigation system replacements and the Steam Pump Ranch Garage renovation.
 - Provided support to other departments with the physical construction of projects like the Naranja Park Playground.
 - Worked with regional and local partners including the Pima County Library Department and Friends of the Oro Valley Library with the management and construction of the Library patio project.
 - Aided the RTA with settling on an acceptable solution with Oro Valley residents by brokering and helping design the new wildlife barriers for Oracle Road.
 - Partnered with Arizona Department of Transportation (ADOT) in the launching the Oracle Road rehabilitation project.
- Met with the RTA Citizens Advisory Committee to introduce and present the Town of Oro Valley's needs for inclusion in the RTA Next plan development.
- Developed and implemented a fluid staffing plan for essential and work-from-home employees to ensure Public Works continuance of service throughout the COVID pandemic.

Public Works – Administration

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Identify internal efficiency opportunities for continuous improvement to affect a high performing organization and culture

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Effective and Efficient Government	<ul style="list-style-type: none"> Expand use of process improvement tools through the Town’s internal OV Peak Performance initiative 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Develop at least two standard operating procedures looking for opportunities to improve processes	N/A	Complete at least two	3 Completed		Complete at least two

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Public Works – Administration

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
PW Director & Town Engineer	1.00	1.00	1.00	1.00	-
Assistant Public Works Director	0.75	0.75	0.75	0.75	-
Operations Division Manager	-	-	-	-	-
Fleet & Facilities Manager	1.00	1.00	1.00	1.00	-
Streets Maint Superintendent	1.00	-	-	-	-
Streets & Drainage Op. Super.	-	1.00	1.00	1.00	-
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	-
CIP Project Manager	-	-	-	2.00	2.00
Heavy Equipment Operator II	5.00	5.00	5.00	5.00	-
Administrative Coordinator	1.00	1.00	1.00	1.00	-
Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	12.75	12.75	12.75	14.75	2.00

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 1,121,494	\$ 1,147,889	\$ 1,147,889	\$ 1,431,879	24.7%
Operations & Maintenance	178,539	132,025	125,424	185,456	40.5%
Total Expenditures	\$ 1,300,033	\$ 1,279,914	\$ 1,273,313	\$ 1,617,335	26.4%

Expenditure and Staffing Changes

Personnel:

Personnel budget increased 25% due to the addition of two temporary CIP Project Manager positions

Operations & Maintenance:

O&M budget increased 41% due to insurance and utility increases

Public Works – Fleet & Facility Management

OVERVIEW

Fleet & Facility Maintenance are programs within the Fleet & Facilities Management Division of the Public Works Department. Facility Maintenance is responsible for building maintenance repairs, energy management, heating, ventilation and air conditioning services, minor renovations, project management, and contract administration for all the Town's buildings and facilities.

Fleet Maintenance is responsible for preventative maintenance and repair of the Town's fleet of vehicles and heavy equipment. This is accomplished through the combination of service contracts and staff. Fleet costs for the Town's Water Utility and Stormwater Utility are budgeted in the Enterprise Funds.

2020-2021 MAJOR ACCOMPLISHMENTS

Fleet and Facilities completed over 4,100 tasks and projects by the end of the fiscal year.

Notable tasks completed include:

- 680 W. Calle Concordia
 - Design and construction of the administration building restrooms
 - HVAC unit replacement
 - Administration building roof replacement
 - Facility maintenance shop roof replacement
 - Maintenance yard and fuel island backup power generator design
- Community Center
 - Code and ADA compliance repair of staircases
 - ADA compliance repair of access ramp
 - Employee breakroom kitchenette install
 - Aerobics room floor refinishing
 - Replaced urinal and toilet fixtures
- COVID-19 Pandemic
 - Retrofit of facility restrooms and kitchenettes to touchless operations
 - Deployment and support of respiratory hygiene stations in Town facilities
 - Centralized procurement and distribution of hygiene supplies amid supply shortages
 - Disinfection of Town facilities
 - Distributed for use in Town facilities
 - 14 gallons of hand sanitizer
 - 8,550 disposable masks
 - 149 gallons of disinfectant spray
- Municipal Operations Center
 - Repair, seal and paint entry awnings on both buildings
 - Install security lighting on impound yard perimeter wall
- Oro Valley Aquatic Center
 - Facility painting
- Oro Valley Police Main Station
 - Security enhancements

Public Works – Fleet & Facility Management








- Window security screen covers
 - Installed concrete masonry block perimeter wall
 - Metal cladding added to vehicular gates
- Male and female locker room refresh
- Soffit repair
- Entryway stucco repair and paint
- Tangerine Police Substation, Emergency Operations Center
 - Back-up power generator installation
- Town Hall
 - New wayfinding signage installation
 - Administration building backup power generator design
 - Basement sump cleanout and repair

Public Works – Fleet & Facility Management

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Implement and support initiatives and strategies to maintain and enhance the durability, safety and appearance of the Town's fleet and facility assets.

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	<ul style="list-style-type: none"> Develop a comprehensive, organization-wide facility space plan concept that maximizes efficiencies and reflects the best use of Town properties for the future Cost effectively maintain, repair and improve aging Town facilities. Complete necessary routine maintenance tasks to town equipment and vehicles 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Complete scheduled routine preventative maintenance tasks	N/A	Develop Program	Completed		100%
Operations & maintenance expenditures per square foot of buildings maintained	\$4.86	\$4.99	\$4.76		\$6.96
Number of facility tasks completed	1493	1750	2355		2300
Number of fleet tasks completed	2059	2000	1858		2000
Total cost per mile for vehicle repair and maintenance	\$0.33	\$0.50	\$0.24		\$0.68
Maintain fleet availability rate at 95%	100%	90%	100%		95%
Cost per mile to maintain transit vehicles (repair & fuel only)	\$0.24	\$0.50	\$0.48		\$0.50



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Public Works – Fleet & Facility Management

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Facilities Maintenance Super.	1.00	1.00	1.00	1.00	-
Facilities Maint Crew Leader	1.00	1.00	-		(1.00)
Facilities Maint Technician	3.00	3.00	3.00	3.00	-
Fleet Maint Supervisor	-	-	1.00	1.00	1.00
Fleet Maint Mechanic III	1.00	1.00	1.00	1.00	-
Fleet Control Specialist	1.00	1.00	1.00	1.00	-
Fleet Attendant	-	-	-	1.00	1.00
Total FTEs	7.00	7.00	7.00	8.00	1.00

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 502,767	\$ 514,299	\$ 422,814	\$ 626,397	21.8%
Operations & Maintenance	1,463,451	1,885,750	1,760,059	2,048,750	8.6%
Capital Outlay	13,359	-	-	-	0.0%
Total Expenditures	\$1,979,577	\$ 2,400,049	\$2,182,873	\$2,675,147	11.5%

Expenditure and Staffing Changes

Personnel:

Personnel increased 22% due to the addition of a new Fleet Attendant position for FY21/22

Public Works – Highway Fund

OVERVIEW

Within the Highway Fund, Public Works is responsible for managing the design and construction of roadway projects, issuing right-of-way permits, developing annual and long term schedules for surface treatments on town streets, as well as maintaining and operating the Town’s traffic signs, striping, intersection signals and lights.

In addition, Public Works is responsible for street maintenance, including landscape maintenance, pavement repair, storm readiness and clean-up. The personnel for this work responsibility is located within Administration, however all materials, equipment and consumables are located within this fund/area.

2020-2021 MAJOR ACCOMPLISHMENTS

Between transportation and streets maintenance, over 2,370 tasks were completed, including:

- The La Cholla Boulevard roadway widening project.
- The La Cañada Drive Lemay safety improvements.
- Applied a surface sealer treatment on the recently completed Tangerine Road RTA project.
- Started Lambert Lane Paved Shoulders project.
- Oro Valley Market Place multi-use path reconstruction.
- Over 144 sidewalk and curb repairs.
- Annual crack sealing of over 18.71 lane miles.
- Annual main line striping.
- Achieved a pavement overall condition index (OCI) of 78.75.
- Annual neighborhood and arterial sweeping.
- Maintained essential service levels for street repair through the COVID-19 pandemic with loss of two Arizona Department of Corrections crews, equivalent to 8 full-time employees.
- Addressed all non-ADA compliant parking signs within the Town’s parking lots.






2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community

COUNCIL FOCUS AREA	OBJECTIVE(S)
Roads, Water and Town Assets	<ul style="list-style-type: none"> • Maintain an Overall Condition Index (OCI) rating of 76 for all paved streets • Participate in and support the Regional Transportation Authority’s (RTA) effort to facilitate voter reauthorization of RTA Next by ensuring Oro Valley’s long-term transportation needs are fairly represented.

Public Works – Highway Fund

PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Overall Condition Index rating for all paved streets	70	76	79.05		76
Crack seal 20% of pavement annually throughout town	12%	18%	9.43%*		20%
Road rehabilitation expenditures per paved lane mile	\$18,181	\$29,000	\$28,836		>\$18,000
Restripe of crosswalks, legends and symbols throughout town	90%	100%	30%*		50%**
Restripe of roads throughout town	90%	100%	49%*		50%**

* Not achieved due to project priorities and COVID-19.

** Revised as striping lasts two years



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Public Works – Highway Fund

FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
27.75	15.00	15.00	12.00

Expenditures by Program					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Transportation Engineering	3,864,642	3,512,881	3,319,776	3,766,525	7.2%
Street Maintenance	246,348	348,220	348,220	324,000	-7.0%
	\$ 4,110,990	\$ 3,861,101	\$ 3,667,996	\$ 4,090,525	5.9%

Revenue Sources					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
HURF Gas Taxes	\$ 3,694,044	\$ 3,458,929	\$ 3,560,200	\$ 3,614,922	4.5%
Licenses and Permits	50	25,000	28,050	25,000	0.0%
State Grants	259,121	210,000	-	-	-100.0%
Interest Income	23,560	5,000	8,800	6,000	20.0%
Miscellaneous	86,968	2,000	2,000	2,000	0.0%
	\$ 4,063,743	\$ 3,700,929	\$ 3,599,050	\$ 3,647,922	-1.4%

Public Works – Transportation Engineering

OVERVIEW

Transportation Engineering is responsible for managing the design and construction of roadway projects. While most large projects are designed by consultants, Public Works has a small, in-house design team for smaller projects. Transportation Engineering also issues permits for all activity within the Town's right-of-way, develops annual and long-term schedules for surface treatments on Town streets, and maintains and operates the Town's traffic signals, roadway signs and pavement markings.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Engineering Division Manager	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	1.00	1.00	1.00	1.00	-
Senior Civil Engineer Tech	3.00	3.00	3.00	3.00	-
Civil Engineer/Project Manager	1.00	1.00	1.00	1.00	-
Civil Engineer Designer	1.00	1.00	1.00	1.00	-
Senior Traffic Technician	1.00	1.00	1.00	1.00	-
Traffic Technician	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Crew Leader	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-
Construction Inspector	3.00	3.00	3.00	-	(3.00)
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	15.00	15.00	15.00	12.00	(3.00)

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 1,389,143	\$ 1,387,651	\$ 1,238,755	\$ 1,208,870	-12.9%
Operations & Maintenance	270,608	294,730	250,521	292,655	-0.7%
Capital Outlay	2,204,891	1,830,500	1,830,500	2,265,000	23.7%
Total Expenditures	\$ 3,864,642	\$ 3,512,881	\$ 3,319,776	\$ 3,766,525	7.2%

Expenditure and Staffing Changes

Personnel:

Personnel costs decreased by 13% due to the elimination of three temporary positions associated with the La Cholla widening CIP project which is now complete

Capital Outlay:

Capital costs increased 24% due to an increased pavement preservation program for FY21/22

Public Works – Street Maintenance

OVERVIEW

Street Maintenance is responsible for maintaining the Town's streets and drainage ways. *Beginning FY 19/20, personnel associated with this division have shifted to Administration.*

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	244,251	348,220	348,220	324,000	-7.0%
Capital Outlay	2,097	-	-	-	0.0%
Total Expenditures	\$ 246,348	\$ 348,220	\$ 348,220	\$ 324,000	-7.0%

Public Works – Transit Services

OVERVIEW

Transit Services facilitates partnerships and coordinates transportation services among public and private agencies, serving Oro Valley to improve mobility for community residents. Transit Services has developed a long-term partnership with the Regional Transportation Authority (RTA) to improve the transportation network and maximize transportation options available to the community at the lowest possible cost. Transit Services is proud to operate the regional Sun Shuttle Dial-a-Ride service under contract with the RTA and is committed to providing high quality transit alternatives and planning for the future.

2020-2021 MAJOR ACCOMPLISHMENTS



- Partner with the RTA in evaluating long-term transportation needs for future RTA continuation, ensuring Oro Valley's needs are fairly represented.
- Successfully maintained transit services through the COVID-19 pandemic to reduce and increase services based on utilization. Employee's acceptance of reduced hours of work in 2020 due to the pandemic was critical for the system to stay whole.
- Developed and implemented a transition plan to increase operators and transit services as ridership bounces back to pre-pandemic levels.
- Successfully awarded state grant ADOT 5310 program funds to reimburse COVID-19 cleaning and safety improvement protocols and procedures.
- With the support of the Innovation & Technology Department, improved functionality of in-vehicle tablets with upgrades that improved:
 - The on-line/on-tablet accident reporting process.
 - The on-line/on-tablet pre-trip and post-trip inspection process. This includes retention of reports, which saves hours of work managing the Federal Transportation Authority mandated retention of inspection reports.
- With the support of the Facilities Management Division, increased safety by improving bus yard lighting.
- With support from the Procurement Division, implemented a new vehicle maintenance contract.
- Ensured that our transportation remained safe with proper PPE, social distancing and regular vehicle disinfection.

Public Works – Transit Services

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Support investments and strategies that maintain and enhance a quality, integrated and connected transportation network for the community

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	Partner with the Regional Transportation Authority (RTA) in evaluating long-term transportation needs for future RTA continuation, ensuring Oro Valley's needs are fairly represented				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Develop plan to update and renew three-year Intergovernmental Agreement (IGA) with RTA for continued support of the Sun Shuttle Dial-a-Ride	N/A	By June 30, 2020	By Dec 30, 2019 New IGA		N/A
Meet service levels of the community by fulfilling 100% of requested reservations	100%	100%	100%		80%



Target Met



Target Not Met



Informational Only





N/A N/A - New/Previous Measure

Public Works – Transit Services

STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town’s financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	<ul style="list-style-type: none"> Explore opportunities to broaden revenue diversity to improve the Town’s long-term financial stability Continue to align the annual budget and associated work plans with conservatively forecasted revenues 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Total cost per passenger trip	\$28.07	<\$30.00	\$35.00*		<\$35.00
Maintain a farebox recovery rate of no less than 6.5%	10.3%	>6.5%	1.4%*		>1.5%

*COVID-19 ridership drop and impact. RTA stopped the collection of fares.

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Public Works – Transit Services

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel					
Senior Transit Crew Leader	1.00	1.00	1.00	1.00	-
Transit Crew Leader	1.00	1.00	1.00	1.00	-
Transit Specialist	1.11	1.11	1.11	1.11	-
Dispatcher	2.11	2.11	2.11	2.11	-
Driver	19.71	19.71	19.71	19.71	-
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	25.89	25.89	25.89	25.89	-

	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Expenditures					
Personnel	\$ 1,051,033	\$ 1,150,182	\$ 828,131	\$ 1,184,386	3.0%
Operations & Maintenance	59,411	51,946	35,112	75,569	45.5%
Capital Outlay	9,231	16,800	5,442	26,800	59.5%
Total Expenditures	\$ 1,119,675	\$ 1,218,928	\$ 868,685	\$ 1,286,755	5.6%

	Revenue Sources				Variance to Budget
	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	
RTA Reimbursement	\$ 1,150,233	\$ 1,380,000	\$ 725,000	\$ 1,166,500	-15.5%
Farebox	110,310	121,500	660	72,410	-40.4%
Total Revenues	\$ 1,260,543	\$ 1,501,500	\$ 725,660	\$ 1,238,910	-17.5%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 46% due to anticipated insurance premium increases

Capital Outlay:

Capital increased 60% for a potential Park n' Ride facility funded by the RTA

Public Works - Stormwater Utility

OVERVIEW

The Stormwater Utility enterprise is a division within the Public Works Department. The Stormwater Utility is responsible for federally mandated compliance with the Clean Water Act, meeting all surface water flow quality and quantity issues, including the Town's stormwater management plan, floodplain and erosion hazard management and support of all other Town programs that are impacted by storm events. The Stormwater Utility also coordinates with federal, state and local government agencies with regard to floodplain issues and storm preparedness of this community.



2020-2021 MAJOR ACCOMPLISHMENTS

- Updated the ten-year old Drainage Criteria Manual, including developed regional consistency for drainage modeling and design.
- Improved floodplain information request process by developing:
 - A virtual GIS data and map layout lookup portal.
 - An online Laserfiche form and public access request process for floodplain status requests.
- Participated in Big Horn Fire regional agency coordination and assisted with citizen outreach and education.
- Enhanced the automated stormwater billing process and public outreach messaging and access.
- Undertook regional watercourse modeling and mapping in partnership with:
 - Pima County Regional Flood Control District on the following projects:
 - North Ranch Wash Watershed
 - Carmack Wash Watershed
 - Highlands Wash Watershed
 - Big Horn Fire impacted watersheds
 - FEMA on the following projects:
 - La Cholla Wash Watershed
 - Mutterer/Pusch/Rooney Wash Watersheds
- Secured Department of Emergency and Military Affairs funding to deliver Lambert Phase 2 drainage improvement.
- Submitted FEMA Building Resilient Infrastructure and Communities (BRIC) Grant application for Highlands Wash.

Public Works - Stormwater Utility



STRATEGIC LEADERSHIP PLAN GOAL

Ensure quality development with integrated architecture and natural open space while maintaining and enhancing the character of the community

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	<ul style="list-style-type: none"> High-quality and well-maintained Town assets, including streets, infrastructure, and facilities Identify and implement strategies to reduce downstream watershed pollution emanating from Town washes. 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Percentage of Stormwater assets inspected annually (20% required by law)	20%	20%	24.7%		20%
Design and build drainage repair as outlined in CIP & Operating Budget	100%	100%	100%		100%

STRATEGIC LEADERSHIP PLAN GOAL

Ensure the Town's financial future remains stable

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Town Finances	Continue to align the annual budget and associated work plans with conservatively forecasted revenues				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Maintain cash reserves in the Stormwater Utility Fund of at least 15% of the collected annual stormwater fees *	50.6%	At least 15%	56.8%		At least 15%
Conduct annual rate review by October 30	Oct. 25, 2019	Oct. 30, 2020	Sept. 18, 2020		Oct. 30, 2021

*Calculations do not include cash reserves balance dedicated to future vehicle equipment replacement.



Target Met



Target Not Met



Informational Only



N/A - New/Previous Measure

Public Works - Stormwater Utility

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Assistant Public Works Director	0.25	0.25	0.25	0.25	-
Stormwater Utility Division Mgr	1.00	1.00	1.00	1.00	-
Senior Stormwater Engineer	1.00	1.00	1.00	1.00	-
Streets & Drainage Op. Supervisor	-	1.00	1.00	1.00	-
Stormwater Field Superintendent	1.00	-	-	-	-
Stormwater Utility Project Manager	1.00	1.00	1.00	1.00	-
Stormwater Inspector Designer	1.00	1.00	1.00	1.00	-
Stormwater Utility Analyst	1.00	1.00	1.00	1.00	-
Heavy Equipment Operator II	3.00	3.00	3.00	3.00	-
Office Specialist	-	1.00	1.00	1.00	-
Office Assistant	1.00	-	-	-	-
Stormwater Intern	-	-	-	0.48	0.48
Total FTEs	10.25	10.25	10.25	10.73	0.48

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 763,646	\$ 830,507	\$ 830,507	\$ 862,098	3.8%
Operations & Maintenance	505,852	440,243	420,250	440,935	0.2%
Capital Outlay	11,033	169,000	144,000	857,374	407.3%
Total Expenditures	\$ 1,280,531	\$ 1,439,750	\$ 1,394,757	\$ 2,160,407	50.1%

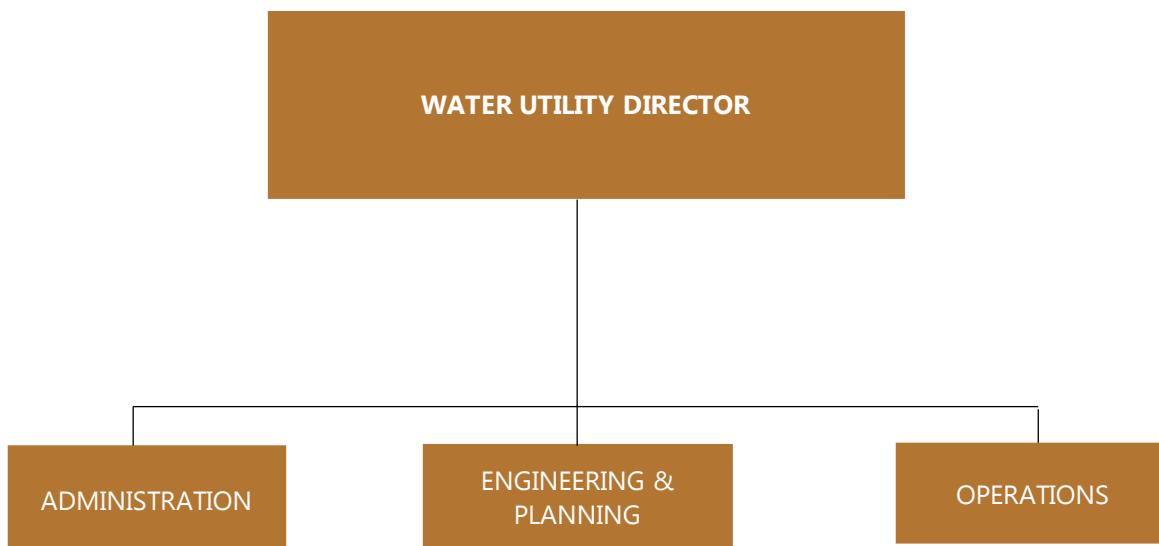
	Revenue Sources				
	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Charges for Services	\$ 1,443,576	\$ 1,438,000	\$ 1,443,000	\$ 1,440,100	0.1%
State Grants	-	-	-	300,000	0.0%
Miscellaneous	40	-	29	-	0.0%
Interest Income	23,148	1,000	7,190	1,500	50.0%
Total Revenues	\$ 1,466,764	\$ 1,439,000	\$ 1,450,219	\$ 1,741,600	21.0%

Expenditure and Staffing Changes

Capital Outlay:

Capital increased 407% due to planned CIP projects for FY21/22

Water Utility



OVERVIEW

The primary function of the Water Utility is the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards. Responsibilities include: regulatory compliance, customer service, promoting water conservation, generating customer billings, collection of utility revenues, efficient use of available water resources, planning for future water resource requirements, and coordination with the development community.

2020-2021 MAJOR ACCOMPLISHMENTS






- Delivered a combined total of 3.15 billion gallons of water to customers.
- 46% of the total deliveries were water supplies other than groundwater, including:
 - 820 million gallons of CAP water
 - 639 million gallons of reclaimed water
 - 1.70 billion gallons of groundwater
- Utilized full allocation of 10,305 acre feet of CAP water for potable use and recharge.
- Took 3,462 water quality samples with all results meeting regulatory requirements.
- 400 new metered connections for an estimated total customer base of 20,861 connections.
- Developed new *Water Utility Welcome Guide* for new customers.
- Developed and delivered the first issue of a quarterly newsletter titled *Behind the Meter*.
- Began implementation of a Potable Water Advanced Metering Infrastructure Data Analytics Evaluation Model.
- The WaterSmart customer portal has 6,300 registered users and has provided over 8,000 leak alerts directly to our customers.
- Constructed a new 500,000 gallon potable water reservoir.
- Began implementation of a new Customer Information System.

Water Utility

2021-2022 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

STRATEGIC LEADERSHIP PLAN GOAL

Provide a high quality, safe and reliable water supply that meets the long-term needs of the community while considering the natural environment

COUNCIL FOCUS AREA	OBJECTIVE(S)				
Roads, Water and Town Assets	<ul style="list-style-type: none"> Reduce groundwater pumping to further preserve groundwater supplies by maximizing Central Arizona Project (CAP) water deliveries and existing infrastructure Expand education and outreach programs to communicate with residents and businesses about incorporating effective water conservation strategies at home and at work Align the Town of Oro Valley’s water code with regional and state drought contingency plans and other best management practices and present to the Town Council for adoption 				
PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Groundwater pumped	5,213 AF	≤ 5,000 AF	5,176 AF		≤ 5,500 AF
CAP water delivered	2,098 AF	≥ 2,500 AF	2,616 AF		≥ 2,500 AF
Water Conservation Plan	N/A	N/A	N/A		Development of formal plan in effort to reduce gallons used per capita per day
Increase customer contacts in WaterSmart portal	5,000	6,000	6,300		7,000
Water Code Revisions	N/A	Commission Approval	Commission Approved		Adoption of code revisions

 **Target Met**
  **Target Not Met**
  **Informational Only**
  **N/A - New/Previous Measure**

Water Utility

STRATEGIC LEADERSHIP PLAN GOAL

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PERFORMANCE MEASURES	FY 2020 ACTUALS	FY 2021 TARGET	FY 2021 RESULT	FY 2021 STATUS	FY 2022 TARGET
Years’ worth of Long Term Storage Credit Reserves (At 100% utilization)	2.60	2.80	2.85		3.10
Compliance with all Arizona Department of Environmental Quality and Arizona Department of Water Resources regulations	Yes	Yes	Yes		Yes
Cash reserves in the Water Utility operating fund as % of combined budget for personnel, O&M and debt service	71.7%	70%	75.8%		58.0%
Debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds of at least 1.3	2.60%	1.30%	3.87%		2.92%

Target Met
 Target Not Met
 Informational Only
 N/A - New/Previous Measure

Water Utility

Total FTEs			
FY 2020 Actual	FY 2021		FY 2022 Budget
	Budget	Projected	
39.48	40.48	40.48	40.48

Expenditures by Division					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 14,439,016	\$ 13,562,571	\$ 12,954,832	\$ 13,696,679	1.0%
Engineering and Planning	853,343	3,472,841	3,462,256	1,874,737	-46.0%
Operations	5,201,841	4,693,383	4,693,383	5,185,624	10.5%
	\$ 20,494,200	\$ 21,728,795	\$ 21,110,471	\$ 20,757,040	-4.5%

Revenue Sources					
	FY 2020 Actual	FY 2021		FY 2022 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 3,224,065	\$ 3,086,500	\$ 3,081,000	\$ 3,255,000	5.5%
Interest Income	378,089	75,000	80,000	100,000	33.3%
Miscellaneous	5,068	-	15,000	-	0.0%
Bond Proceeds	-	2,942,995	2,542,995	-	-100.0%
Water Sales	13,764,702	13,078,000	14,175,000	13,974,000	6.9%
	\$ 17,371,924	\$ 19,182,495	\$ 19,893,995	\$ 17,329,000	-9.7%

Water Utility – Administration

OVERVIEW

The Administration Division is responsible for the overall management of the Utility, including customer service, water utility billings, collection of water revenues, administration of the department's budget, implementation of water rates, fees and charges, water conservation, water resource planning and strategic planning.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Water Utility Director	1.00	1.00	1.00	1.00	-
Water Utility Administrator	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Water Utility Analyst	1.00	1.00	1.00	1.00	-
Customer Service Specialist	4.00	4.00	4.00	4.00	-
Customer Service Representative	0.48	0.48	0.48	0.48	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	9.48	9.48	9.48	9.48	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 938,559	\$ 827,256	\$ 827,256	\$ 866,369	4.7%
Operations & Maintenance	7,766,109	5,604,539	5,600,000	5,984,999	6.8%
Capital Outlay	1,323	150,000	150,000	150,000	0.0%
Debt Service	5,730,553	4,775,055	4,775,055	4,932,909	3.3%
Other Financing Uses	2,472	2,205,721	1,602,521	1,762,402	-20.1%
Total Expenditures	\$ 14,439,016	\$ 13,562,571	\$ 12,954,832	\$ 13,696,679	1.0%

Expenditure and Staffing Changes

Other Financing Uses:

Other Financing Uses decreased 20% due to budgeted transfers between the Water and Water Impact Fee funds

Water Utility – Engineering and Planning

OVERVIEW

The Engineering and Planning Division is responsible for providing engineering support for the Operations Division as well as managing the capital improvement program. Additional responsibilities include new development plan review, construction inspection and regulatory compliance, and the maintenance and updating of GIS.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Engineering & Planning Manager	1.00	1.00	1.00	1.00	-
Project Manager	1.00	-	-	-	-
Senior Engineering Associate	-	2.00	2.00	2.00	-
Engineering Design Reviewer	1.00	-	-	-	-
Construction Inspector	2.00	2.00	2.00	2.00	-
Civil Engineering Technician	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 505,906	\$ 591,256	\$ 591,256	\$ 615,286	4.1%
Operations & Maintenance	156,228	210,585	200,000	209,451	-0.5%
Capital Outlay	191,209	2,671,000	2,671,000	1,050,000	-60.7%
Total Expenditures	\$ 853,343	\$ 3,472,841	\$ 3,462,256	\$ 1,874,737	-46.0%

Expenditure and Staffing Changes

Capital Outlay:

Capital decreased 61% due to planned CIP projects for FY21/22

Water Utility - Operations

OVERVIEW

The Operations Division oversees the operation and maintenance of all potable and reclaimed water production and distribution facilities, to include wells, boosters, reservoirs, metering stations, water mains, fire hydrants and valves. Additional responsibilities include meter installations, commercial meter testing, water quality testing, backflow prevention, construction of minor water main projects and oversight of the Advanced Metering Infrastructure system, disinfection systems and security systems.

Personnel	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Water Operations Manager	1.00	1.00	1.00	1.00	-
Water Distribution Superintendent	1.00	1.00	1.00	1.00	-
Water Control Systems Super.	-	-	1.00	1.00	1.00
Prod. & Meter Ops. Superint.	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	3.00	3.00	3.00	3.00	-
Instrumentation & Control Tech.	-	1.00	1.00	1.00	-
Electric & Control Technician	1.00	1.00	-	-	(1.00)
Meter Operations Supervisor	1.00	1.00	1.00	1.00	-
Water Utility Operator III	8.00	8.00	7.00	7.00	(1.00)
Water Utility Operator II	4.00	4.00	5.00	5.00	1.00
Water Utility Operator I	4.00	4.00	4.00	4.00	-
Total FTEs	24.00	25.00	25.00	25.00	-

Expenditures	FY 2020 Actual	FY 2021 Budget	FY 2021 Projected	FY 2022 Budget	Variance to Budget
Personnel	\$ 1,979,544	\$ 2,076,843	\$ 2,076,843	\$ 2,180,562	5.0%
Operations & Maintenance	2,824,137	2,228,918	2,228,918	2,453,412	10.1%
Capital Outlay	398,160	387,622	387,622	551,650	42.3%
Total Expenditures	\$ 5,201,841	\$ 4,693,383	\$ 4,693,383	\$ 5,185,624	10.5%

Expenditure and Staffing Changes

Operations & Maintenance:

O&M increased 10% due to increased water testing and equipment repair and maintenance

Capital Outlay:

Capital increased 42% due to the purchase of a valve truck as well as increased meter purchases

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CAPITAL IMPROVEMENT PROGRAM

Program Overview
Projects by Fund
Project Descriptions



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Capital Improvement Program (CIP)

Overview

Providing infrastructure is a primary function of a local government. Maintaining public safety, town services, parks and recreation facilities, adequate transportation systems, and the community's quality of life are all heavily dependent on how the Town plans for future infrastructure needs.

The Capital Improvement Program (CIP) is a comprehensive, ten-year plan of capital projects that will support the continued growth and development of the town. The CIP is used in implementing the General Plan and supporting the Town's adopted Strategic Leadership Plan by developing a prioritized schedule of short-range and long-range community capital needs, evaluating projects, and analyzing the community's ability and willingness to pay for them in the most cost-effective way. The Town uses the CIP as its method in determining future infrastructure requirements and planning the financing of facilities and equipment to maintain the service levels provided to town citizens.

The Town identifies capital projects as those which:

- Cost \$50,000 or more;
- Have an expected useful life of five or more years; and
- Becomes, or preserves, an asset of the Town

Although fleet replacements do not meet the definition of a capital project, they are a significant expense for the Town, and thus are included in the CIP for planning purposes.

The Town uses the CIP as an avenue of communication to the public. Through the CIP document, residents and businesses are provided with an accurate and concise view of the Town's long term direction for capital investment and the Town's need for stable revenue sources to fund large multi-year capital projects.

CIP Process and Timeline

The CIP process began in December. Project requests were submitted, reviewed and analyzed by Finance staff and the Town Manager's Office. An internal, cross-departmental review and prioritizing of all project requests was completed in order to prepare the proposed ten-year CIP. Meetings convened in February for project presentation and evaluation. The ten-year recommendation was submitted to Council for approval and adoption with the Town's budget in June. A summary of the process and timeline is provided below:

December:	CIP request forms provided to department directors
February:	Department requests due Forms reviewed, cost analysis performed CIP packets distributed Meeting scheduled to present and evaluate project requests
February:	Meeting scheduled to prioritize projects CIP recommendations finalized
May:	Budget study sessions to present budget and CIP to Mayor and Council

Capital Improvement Program

June: Adoption of Tentative Budget and CIP

June: Adoption of Final Budget and CIP

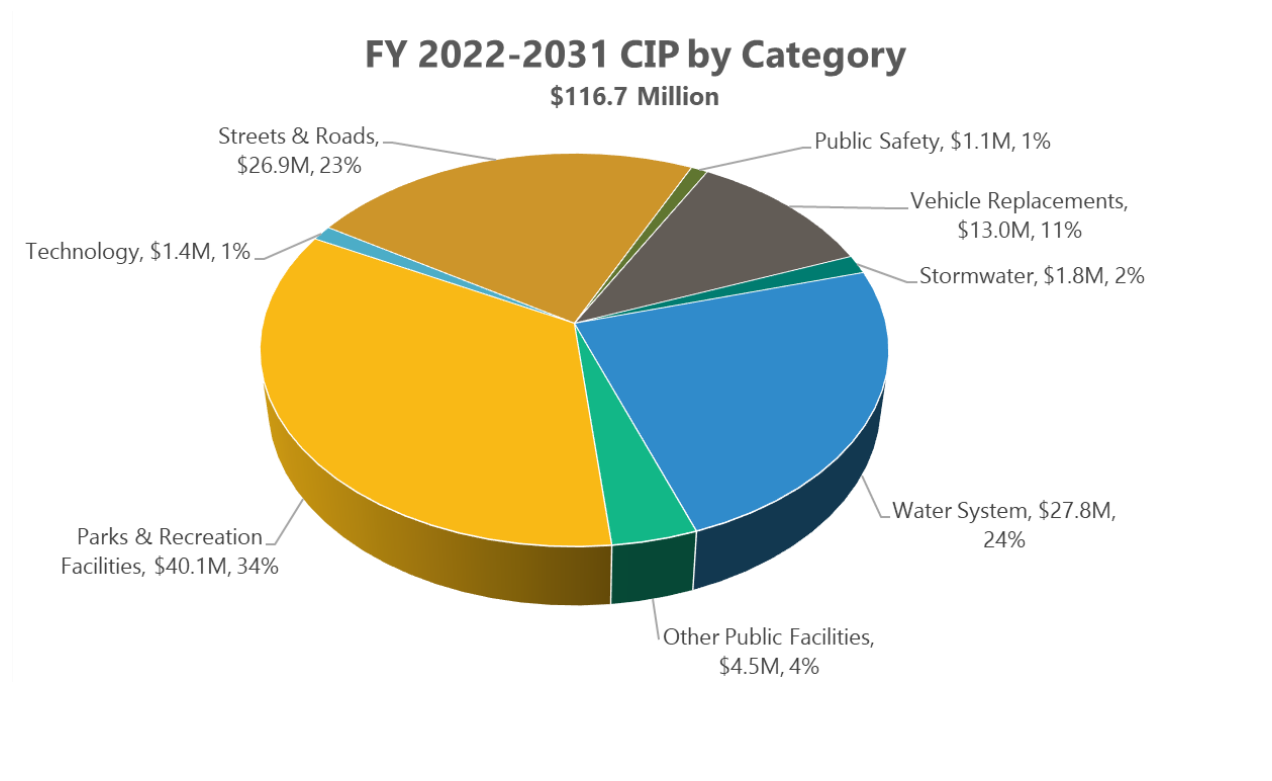
Project Evaluation Criteria

Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and selection of the projects to be funded. The evaluation criteria areas are as follows:

- Public Health, Safety and Welfare – improves or addresses pressing public health, safety, or welfare need
- Supports Stated Community Goals – implements or furthers the policies, goals and objectives of the Town’s General Plan, Strategic Leadership Plan, or other adopted plan
- Fiscal Impact – economic development impact, efficiency improvement, outside or dedicated funding sources, ongoing operating impact
- Service Level Impact – improves service levels or brings the Town up to a desired service level
- Legal Ramifications – exposure to liability actions, applicable regulations
- Relationship to Other Projects – coordination with and/or impacts on other ongoing or prospective projects

Capital Improvement Program Summary

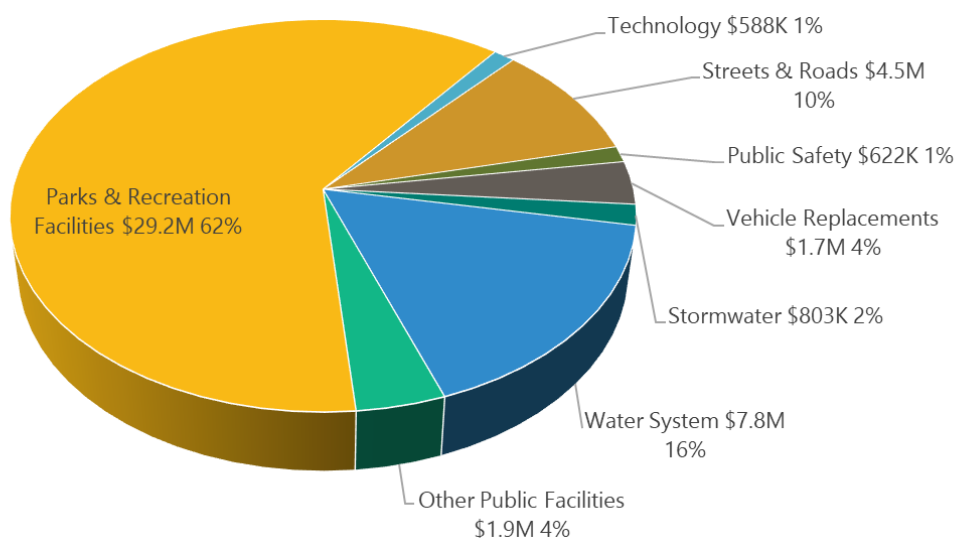
The cumulative ten-year CIP for the Town of Oro Valley totals \$116,671,278 for fiscal years 2021-22 through 2030-31. The graph below shows the allocations by category for the given years:



Capital Improvement Program

The amount allocated for CIP projects in the FY 21/22 budget is \$47,107,504. The graph below shows the allocations by category. The projects included in the FY 21/22 CIP reflect the needs of the Town based on goals established in both the General Plan and Strategic Leadership Plan. The projects represent a significant investment in the infrastructure of the Town and attempt to meet the needs of the community.

FY 21/22 Capital Improvement Projects
\$47.1 Million



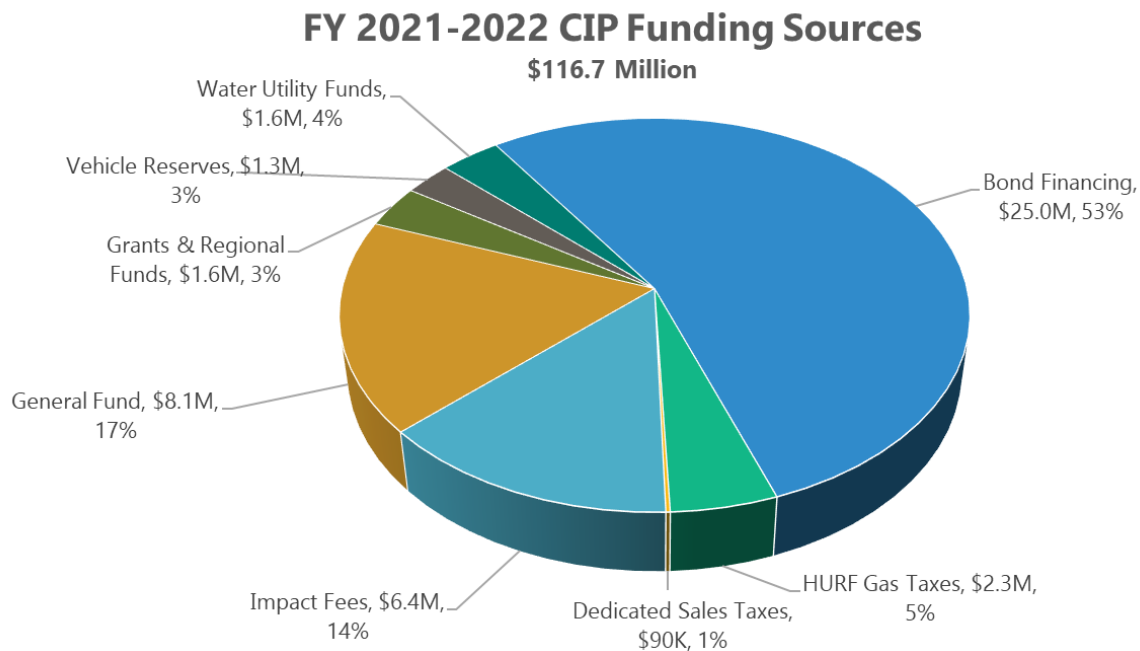
Financing the Capital Improvement Program

Over the years, the Town of Oro Valley has financed a substantial portion of capital improvements through operating revenue and use of cash reserves. The “pay-as-you-go” financing method has been the main method for funding CIP projects in the past. Revenues deemed one-time in nature, such as large commercial and residential permitting and associated construction sales taxes, are dedicated towards one-time capital projects. Given the current economic conditions and record low interest rates, bond financing has also recently been used to advance certain CIP projects. This process allows projects to be built sooner than traditional “pay-as-you-go”. The following options may be considered when analyzing potential funding sources for CIP projects:

- Pay-as-you-go financing
- Bonds
- Loans
- Certificates of participation
- Lease-purchase agreements
- Improvement districts
- Development impact fee ordinances
- Federal and state grants
- Donations and intergovernmental agreements
- User fees

Capital Improvement Program

Funding for the FY 21/22 CIP is derived from a variety of sources as depicted in the chart below:



The Town has relied heavily on growth-related income, including construction sales taxes and development fees, to fund capital projects. A continuing challenge for the Town is the development of funding sources to supplement this income as the town's growth slows.

Impact on the Operating Budget

The Town of Oro Valley's operating budget is directly affected by the CIP. When certain types of capital projects are developed and completed, they also have ongoing financial impacts on the Town's operating budgets. For example, if the Town were to construct a new park or ball field, the operating budget for the Parks and Recreation Department would increase to include capacity for any new staff, equipment, utilities, supplies, etc. that would be necessary to maintain and operate the new facility.

In the FY 2022-2031 CIP, the individual projects include an estimated future operating budget impact, if it is possible to identify the cost at this time in the project's lifecycle. These costs are estimates provided by the professionals in each department that are responsible for the completion of the project.

The Town carefully considers these operating costs when deciding which projects move forward in the CIP, as it is not sustainable for the Town to fund concurrently several large-scale projects that have significant operating budget impacts. Emphasis is placed on the desire for self-sustaining projects with neutral operating impacts.

Capital Improvement Program

The table below summarizes the projected annual impact of the FY 21/22 CIP on the Town's overall operating budget:

Project	Impact	Impact \$ Annually
Friends of Oro Valley Library – Patio & Landscaping	Landscape maintenance costs	\$500
Golf Course Irrigation	Water and utility savings	(\$25,000)
James D. Kreigh Park	Landscape maintenance costs	\$500
Naranja Park Improvements	Water and maintenance costs	\$1,500
Oro Valley Aquatic Center Water Sanitation	Chlorine and pool chemical savings	(\$12,000)
Steam Pump Ranch Garage	Increased annual operating costs	\$2,500
La Cholla Blvd. Phase II	Landscape maintenance costs	\$1,000
PAG TABY Grant	Landscape maintenance costs	\$500
Hydroneumatic Tank Replacements at Boosters	Annual maintenance cost savings	(\$500)
Hydroneumatic Tank Replacements at Wells	Annual maintenance cost savings	(\$500)
Total		(\$31,500)

Note: This list represents projects that were approved for funding in FY 21/22 that have a known and quantifiable impact on the Town's operating budget. For a complete list of funded projects, please see the Project Descriptions section of this document.

Capital Improvement Program Summary

Projects included in the FY 21/22 CIP reflect the combined efforts of all Town departments as well as the Town Council and Oro Valley residents. The plan recognizes the added benefits the projects will bring to the Town, while understanding the fiscal requirements and obligations each of these projects will entail. The CIP is updated annually, and new projects may be included should additional funding sources be identified.

The FY 21/22 CIP attempts to meet the priority needs of the community, at the same time maintaining financial sustainability in future years. The plan as submitted is financially feasible and many of the projects included can be expected to be complete before the end of the fiscal year. As Town priorities and policies change, it is imperative that the CIP remain fluid and undergo continual evaluation to ensure the projects and funding sources are in accordance with the Town Council priorities and policies.

The tables and documents provided on the following pages offer an in-depth view into the CIP budget and provide detailed information on the projects and the impact they have on the operating budget.

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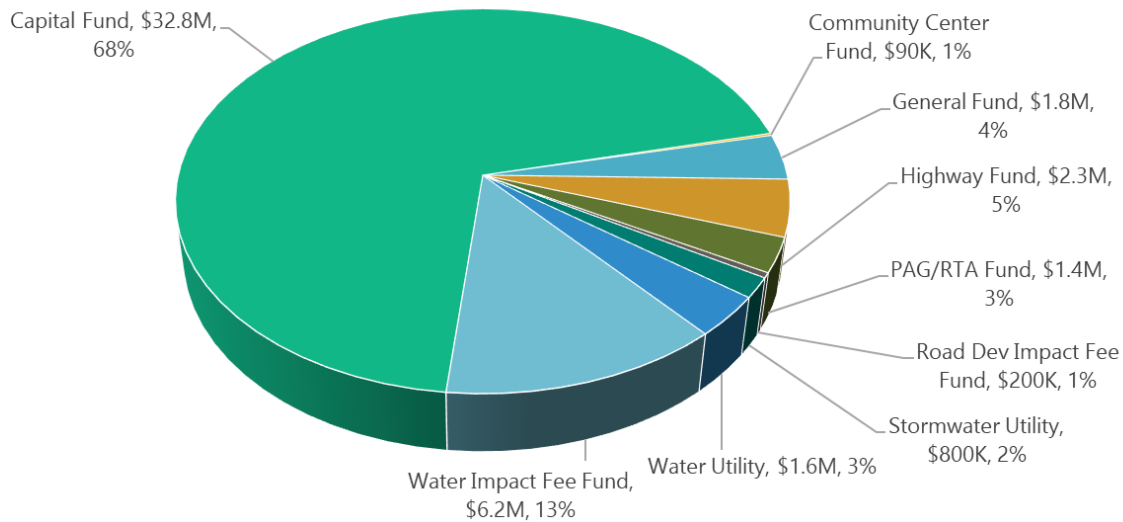
Capital Improvement Program

Table 1 below shows the ten-year CIP by fund while Table 2 identifies individual projects by fund.

Table 1

Fund	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27- FY30/31	Total
Capital Fund	\$ 32,814,456	\$ 5,319,000	\$ 2,223,000	\$ 1,789,000	\$ 1,989,250	\$ 6,170,750	\$ 50,305,456
Community Center Fund	90,000	170,000	490,000	2,490,000	2,095,000	-	5,335,000
General Fund	1,797,675	250,000	360,000	255,000	255,000	1,390,000	4,307,675
Highway Fund	2,251,000	3,613,724	2,672,500	2,279,280	2,055,266	10,611,811	23,483,581
PAG/RTA Fund	1,375,000	-	75,000	-	75,000	150,000	1,675,000
Road Dev Impact Fee Fund	200,000	900,000	-	-	-	-	1,100,000
Stormwater Utility	803,374	200,000	500,000	385,000	385,000	-	2,273,374
Water Utility	1,626,000	973,000	1,558,000	1,941,000	1,253,000	250,000	7,601,000
Water Impact Fee Fund	6,150,000	1,670,193	12,770,000	-	-	-	20,590,193
Grand Total	\$47,107,504	\$13,095,917	\$20,648,500	\$9,139,280	\$8,107,516	\$18,572,561	\$116,671,278

FY 2021-2022 CIP by Fund
\$47.1 Million



Capital Improvement Program

Table 2

Project Title	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	Total
Capital Fund	32,814,456	5,319,000	2,223,000	1,789,000	1,989,250	1,289,250	1,289,250	1,189,250	1,201,500	1,201,500	\$ 50,305,456
680 Admin Building Remodel	102,000										\$ 102,000
680 Maintenance Bay	150,000										\$ 150,000
Community Center Elevator	750,000										\$ 750,000
Computer Aided Dispatch (CAD) Replacement		450,000									\$ 450,000
Friends of Oro Valley Library - Patio & Landscaping	231,466										\$ 231,466
Golf Course Irrigation	2,700,000	1,705,000									\$ 4,405,000
James D Kreigh Park	416,000										\$ 416,000
Moore Road Asphalt Overlay - La Cholla Blvd to La Cañada Dr	527,000										\$ 527,000
Naranja Park Improvements	253,500										\$ 253,500
OVAC Pump Room Upgrades		247,000	247,000	247,000							\$ 741,000
OVAC Water Sanitization Project	115,000										\$ 115,000
Park & Recreation Project Related to Bond Financing	22,300,000										\$ 22,300,000
Park Master Plan Amenities	1,500,000	1,500,000									\$ 3,000,000
Pavement Preservation Program Non-Roads	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	\$ 970,000
Permitting Software Replacement	178,409										\$ 178,409
Police Command Post	275,000										\$ 275,000
Red Dot Systems for Duty Handgun Use	126,681										\$ 126,681
Replacement Phone System					300,000						\$ 300,000
Server OS Upgrade	60,000										\$ 60,000
Steam Pump Ranch BBQ and Bunk House Renovation	552,500										\$ 552,500
Steam Pump Ranch Garage	520,000										\$ 520,000
Steam Pump Ranch Improvements			500,000	500,000	500,000	100,000	100,000				\$ 1,700,000
Town Generator Replacements	220,000	75,000									\$ 295,000
Town Hall Campus Security Screen Window Coverings	110,000										\$ 110,000
Town Hall Data Center Migration	300,000										\$ 300,000
Town Hall Parking Lot			184,000								\$ 184,000
Townwide IT Security Enhancements	50,000	50,000	50,000								\$ 150,000
Traffic Camera Video Recording System		50,000									\$ 50,000
Transit software replacement		200,000									\$ 200,000
Upgrade Desktop Operating System			200,000								\$ 200,000
Vehicle Replacement Program	1,279,900	945,000	945,000	945,000	1,092,250	1,092,250	1,092,250	1,092,250	1,104,500	1,104,500	\$ 10,692,900
Community Center Fund	90,000	170,000	490,000	2,490,000	2,095,000						\$ 5,335,000
Community Center Improvements				2,000,000	2,000,000						\$ 4,000,000
Community Center Parking Lot			395,000	395,000							\$ 790,000
Pusch Tennis Roof Repair		75,000									\$ 75,000
Tennis Court Resurfacing	90,000	95,000	95,000	95,000	95,000						\$ 470,000
General Fund	1,797,675	250,000	360,000	255,000	255,000	275,000	275,000	275,000	280,000	285,000	\$ 4,307,675
Facility Maintenance Program	1,257,600	250,000	250,000	255,000	255,000	275,000	275,000	275,000	280,000	285,000	\$ 3,657,600
MOC Perimeter Fence			110,000								\$ 110,000
Westward Look Improvements	540,075										\$ 540,075

Capital Improvement Program

Table 2 cont.

Project Title	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	Total
Highway Fund	2,251,000	3,613,724	2,672,500	2,279,280	2,055,266	2,091,971	2,069,410	2,087,598	2,156,550	2,206,281	\$ 23,483,581
Illuminated Street Signs		55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	\$ 495,000
La Canada Bridge Deck Repair		425,000									\$ 425,000
Lambert Lane Pavement Overlay - La Cholla to West Town Limit		343,724									\$ 343,724
Lambert Lane Pavement Overlay to La Cholla	575,000										\$ 575,000
Pavement Preservation Program	1,600,000	1,680,000	1,764,000	1,799,280	1,835,266	1,871,971	1,909,410	1,947,598	1,986,550	2,026,281	\$ 18,420,357
Planned Heavy Equipment Replacement		410,000		425,000	165,000	165,000	105,000	85,000	115,000	125,000	\$ 1,595,000
Rancho Vistoso Blvd Bridge Deck Repair			528,500								\$ 528,500
Rancho Vistoso Blvd. Street Lights			325,000								\$ 325,000
Shannon Road - Lambert to Naranja Drive		700,000									\$ 700,000
Vehicle Replacement Program	76,000										\$ 76,000
PAG/RTA Fund	1,375,000		75,000		75,000		75,000			75,000	\$ 1,675,000
500 W Magee Resurfacing	50,000										\$ 50,000
First Avenue Bridge Deck Repair	425,000										\$ 425,000
PAG TABY Grant	75,000		75,000		75,000		75,000			75,000	\$ 375,000
Planned Heavy Equipment Replacement	325,000										\$ 325,000
RTA Wildlife Fencing	500,000										\$ 500,000
Road Dev Impact Fee Fund	200,000	900,000									\$ 1,100,000
La Cholla and Moore Intersection Improvement		900,000									\$ 900,000
La Cholla Blvd. Phase II	200,000										\$ 200,000
Stormwater Utility	803,374	200,000	500,000	385,000	385,000						\$ 2,273,374
Catalina Ridge Alt		200,000									\$ 200,000
Gravel Mine Wash - Channel Reconstruct	417,374										\$ 417,374
Mutterer's Construction			500,000								\$ 500,000
Sierra Wash at Naranja Drive Drainage Improvements	386,000			385,000	385,000						\$ 1,156,000

Capital Improvement Program

Table 2 cont.

Project Title	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	Total
Water Utility	1,626,000	973,000	1,558,000	1,941,000	1,253,000	50,000	50,000	50,000	50,000	50,000	\$ 7,601,000
Allied Signal Reservoir Replacement	175,000										\$ 175,000
Asset Survey Management Equipment		40,000									\$ 40,000
Booster Rehab (2-Boosters - Study/Design/Construct)	50,000	20,000	400,000	400,000							\$ 870,000
Countryside Generator Auto Transfer Switch	50,000										\$ 50,000
El Con/Cmo Diestro Main & Valve Replacement	200,000										\$ 200,000
Hilton Main Replacement (Design)					75,000						\$ 75,000
Hydropneumatic Tank Replacement (1-Tank at Booster)	150,000	150,000	150,000	150,000	150,000						\$ 750,000
Hydropneumatic Tank Replacement (1-Tank at Well)	100,000	100,000	100,000	150,000	150,000						\$ 600,000
Instrumentation and Control	200,000										\$ 200,000
Main Valve Replacements		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	\$ 450,000
Moore Rd F Zone Interconnect Design	60,000										\$ 60,000
Palisades C-Zone Storage Tank and Pipeline				500,000							\$ 500,000
Palisades Neighborhood Pipeline Redundancy		50,000	470,000								\$ 520,000
Pusch Ridge Estates Main Replacement (Design)					75,000						\$ 75,000
Reservoir Relining		175,000		175,000	175,000						\$ 525,000
SCADA Equipment		200,000	200,000	200,000	200,000						\$ 800,000
Utility Billing Software	150,000										\$ 150,000
Wall Upgrades	100,000										\$ 100,000
Water Utility Facility security	100,000										\$ 100,000
Water Utility Vehicle Replacement	141,000	38,000	38,000	76,000	38,000						\$ 331,000
Well D-8 Replacement Drill & Construct					100,000						\$ 100,000
Well Rehabilitation (2-Wells)	150,000	150,000	150,000	240,000	240,000						\$ 930,000
Water Impact Fee Fund	6,150,000	1,670,193	12,770,000								\$ 20,590,193
La Canada E-F & E-G Booster Design and Construct	600,000	600,000									\$ 1,200,000
Moore Road "F" Zone Interconnect			750,000								\$ 750,000
Nakoma Sky Replacement Well	600,000										\$ 600,000
NWRRDS - Independent	1,200,000	330,193	11,100,000								\$ 12,630,193
NWRRDS - Partnered	3,200,000	740,000	920,000								\$ 4,860,000
Steam Pump Well Drill and Construct	550,000										\$ 550,000
Total	47,107,504	13,095,917	20,648,500	9,139,280	8,107,516	3,706,221	3,758,660	3,601,848	3,688,050	3,817,781	\$ 116,671,278

Capital Improvement Program

The following are detailed descriptions of all projects budgeted for Fiscal Year 2021-2022:

Project Title: 680 Admin Building Remodel

Project Description: Remodel and update of the Town's administration offices for increased staff space usage

Project Justification: Project will be done in tandem with the addition of the 3rd maintenance bay and will allow for increased service levels for Fleet and Facility Maintenance



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	102,000	-	102,000
PROJECT TOTALS	-	102,000	-	102,000

Post Project Annual Operating Impact

No additional costs at this time

-

Project Title: 680 Maintenance Bay

Project Description: Reconfigure the 3rd maintenance bay from office spaces into a drive-through maintenance bay

Project Justification: Reconfiguring the maintenance bay will enable the Town to perform more preventive maintenance activities internally which will increase quality and potential to decrease costs



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	150,000	-	150,000
PROJECT TOTALS	-	150,000	-	150,000

Post Project Annual Operating Impact

Unknown at this time, with potential for savings

-

CIP – Project Descriptions

Project Title: Community Center Elevator

Project Description: Design and construction of an elevator at the Town's Community Center

Project Justification: Installation of an elevator at the Community Center to increase ADA accessibility to facility



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	750,000	-	750,000
PROJECT TOTALS	-	750,000	-	750,000

Post Project Annual Operating Impact

Unknown until final designs are complete -

Project Title: Friends Oro Valley Library - Patio & Landscaping

Project Description: Create a new outside patio on the North side of the library and update the existing landscaping around the entire building

Project Justification: This project request is being requested and fully funded by the Friends of the Oro Valley Library. Because this project is an improvement to Town owned public land/building, the Town must administer the construction



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Friends of Oro Valley Library - Donation	162,961	231,466	-	394,427
PROJECT TOTALS	162,961	231,466	-	394,427

Post Project Annual Operating Impact

Estimated yearly landscape maintenance costs: 500

CIP – Project Descriptions

Project Title: Golf Course Irrigation

Project Description: Irrigation system improvements to the 18-hole Conquistador golf course

Project Justification: Council direction to start golf course irrigation improvements in May 2022 on the Conquistador course. Work will span two fiscal years and utilize parks & rec bond financing



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Community Center Fund	72,240	-	-	72,240
Bond Financing	-	2,700,000	1,705,000	4,405,000
PROJECT TOTALS	72,240	2,700,000	1,705,000	4,477,240

Post Project Annual Operating Impact

Estimated yearly water and utility savings: (25,000)

Project Title: James D Kreigh Park

Project Description: Improves and updates existing an existing playground at the park, adds water fountains, and replaces benches and tables

Project Justification: Current structures are over 20 years old and new structures will improve safety and accessibility



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	416,000	-	416,000
PROJECT TOTALS	-	416,000	-	416,000

Post Project Annual Operating Impact

Increased maintenance costs 500

CIP – Project Descriptions

Project Title: Moore Rd. Asphalt Overlay

Project Description: Along Moore Road between La Cholla Blvd and La Canada Dr. Increase the roadway width by adding 4-foot wide paved shoulders and applying a 2-inch asphalt overlay

Project Justification: This section of roadway is in need of paved shoulders. Current pavement edges have fractured due to inadequate lateral support



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	527,000	-	527,000
PROJECT TOTALS	-	527,000	-	527,000

Post Project Annual Operating Impact

No additional pavement preservation costs associated -

Project Title: Naranja Park Improvements

Project Description: Improvements to slope area between two rectangle fields. Includes a 12'x600' asphalt path, 40,000 sq. ft. of turf, 20 shade trees, 15 benches, 5 picnic tables, irrigation and water fountains

Project Justification: Continued improvement to Naranja Park is a Town objective. Project will improve safety and reduce dust



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	253,500	-	253,500
PROJECT TOTALS	-	253,500	-	253,500

Post Project Annual Operating Impact

Estimated yearly water and maintenance costs 1,500

CIP – Project Descriptions

Project Title: Oro Valley Aquatic Center Water Sanitation

Project Description: Replace and upgrade current water filtration and softening equipment at Oro Valley Aquatic Center (OVAC)

Project Justification: Current equipment is near end of life. Replacement will provide a higher quality water for swimmers as well as reduce water chemical costs



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	115,000	-	115,000
PROJECT TOTALS	-	115,000	-	115,000

Post Project Annual Operating Impact

Estimated savings from chlorine and other pool chemicals (12,000)

Project Title: Park & Recreation Projects - Bond Financing

Project Description: Issuance of up to \$25 million in bond financing to improve various parks & rec facilities, with at least half dedicated towards Naranja Park.

Project Justification: Project deemed Town priority and bond financing will allow projects to be completed on much faster timeline compared to pay-as-you-go method



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Bond Financing	-	22,300,000	-	22,300,000
PROJECT TOTALS	-	22,300,000	-	22,300,000

Post Project Annual Operating Impact

Unknown at this time -

CIP – Project Descriptions

Project Title: Park Master Plan Amenities

Project Description: Provide capacity to begin community identified needs upon completion of the Parks & Recreation Master Plan

Project Justification: Upon the completion of the Parks & Recreation Master Plan, this will provide funding to begin completed needs identified by the community



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	1,500,000	-	1,500,000
PROJECT TOTALS	-	1,500,000	-	1,500,000

Post Project Annual Operating Impact

Unknown at this time

Project Title: Pavement Preservation Non-Roads

Project Description: Annual pavement preservation program for non-roads. This project consists of applying an asphalt pavement surface treatment to Town owned parking lots and multi-use paths

Project Justification: Necessary to preserve and extend the service life of the pavement areas in parking lots and multi use paths



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	97,000	-	97,000
PROJECT TOTALS	-	97,000	-	97,000

Post Project Annual Operating Impact

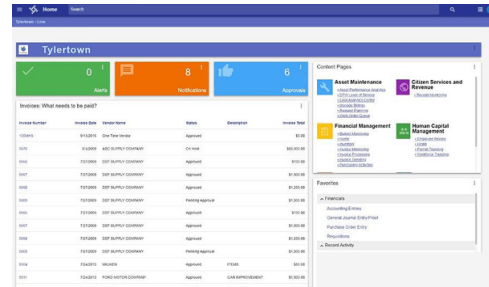
Program prevents future costly roadway reconstruction and repairs

CIP – Project Descriptions

Project Title: Permits System Replacement

Project Description: Replacement of the Town's permitting system

Project Justification: The current permit system has no planned future development and is in an "as is" state until end of life. Replacing the permitting and code enforcement software will allow growth with Oro Valley's technical needs



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	21,591	178,409	-	200,000
PROJECT TOTALS	21,591	178,409	-	200,000

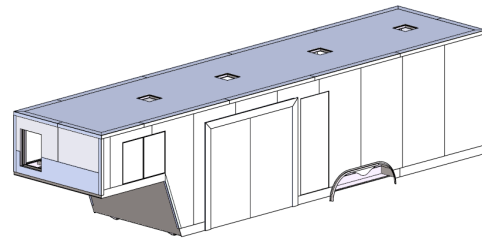
Post Project Annual Operating Impact

Unknown at this time

Project Title: Police Command Post

Project Description: Replacement of current mobile Police Command Post and necessary outfitting

Project Justification: Current mobile Police Command Post is over 20 years old and is not sufficient to respond to major instances



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	275,000	-	275,000
PROJECT TOTALS	-	275,000	-	275,000

Post Project Annual Operating Impact

Dependent on final outfitting of vehicle

CIP – Project Descriptions

Project Title: Red Dot Systems for Duty Handgun Use

Project Description: Project would entail trading in and replacing all department issued handguns with the same platform modified to accept miniaturized electronic sighting systems

Project Justification: Transitioning to an optical sighting system will increase officer proficiency, enhance officer confidence, and reduce the force liability to the Police department and town



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	126,681	-	126,681
PROJECT TOTALS	-	126,681	-	126,681

Post Project Annual Operating Impact

Minimal, if none -

Project Title: Server OS Upgrade

Project Description: Upgrade all Town server operating systems to a supportable Microsoft version

Project Justification: Microsoft Server 2012 will no longer be supported by Microsoft in 2023



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	60,000	-	60,000
PROJECT TOTALS	-	60,000	-	60,000

Post Project Annual Operating Impact

None anticipated -

CIP – Project Descriptions

Project Title: Steam Pump Ranch BBQ & Bunk House Renovation

Project Description: Preservation and restoration of BBQ and Bunk house building on Steam Pump Ranch property

Project Justification: Preserve and restore two buildings in need of repair



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	552,500	-	552,500
PROJECT TOTALS	-	552,500	-	552,500

Post Project Annual Operating Impact

Unknown, but potential for reduced costs as buildings are repaired -

Project Title: Steam Pump Ranch Garage

Project Description: Restoration of historically significant building (garage) at Steam Pump Ranch

Project Justification: Project will allow for the Recreation & Culture division to move to Steam Pump Ranch and allow the facility to be open six days a week. Project will add indoor recreation space



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2021 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	40,751	520,000	-	560,751
PROJECT TOTALS	40,751	520,000	-	560,751

Post Project Annual Operating Impact

Slight increase to annual operating costs 2,500

CIP – Project Descriptions

Project Title: Town Generator Replacements

Project Description: Replace aging backup generators

Project Justification: Current generators at Town Hall have questionable reliability in an event of prolonged power outages. Replacement will allow Town to maintain continuity of operations when power is interrupted



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	220,000	-	220,000
PROJECT TOTALS	-	220,000	-	220,000

Post Project Annual Operating Impact

None anticipated

Project Title: Town Campus Security Screen Window Coverings

Project Description: Install security screens on Town Hall facility exterior windows

Project Justification: Security screens will harden the Town Hall facilities against vandalism and forced entry



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	110,000	-	110,000
PROJECT TOTALS	-	110,000	-	110,000

Post Project Annual Operating Impact

None anticipated

CIP – Project Descriptions

Project Title: Town Hall Data Center Migration

Project Description: Migrate the Town data center and facilities to the Police facility building

Project Justification: Data center at the Police facility is more appropriate from a security and reliability perspective



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	300,000	-	300,000
PROJECT TOTALS	-	300,000	-	300,000

Post Project Annual Operating Impact

None anticipated

-

Project Title: Townwide IT Security Enhancements

Project Description: Various improvements to software and hardware to improve security

Project Justification: Improved IT security is needed to ensure safety and continuity of operations



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	50,000	-	50,000
PROJECT TOTALS	-	50,000	-	50,000

Post Project Annual Operating Impact

None anticipated

-

CIP – Project Descriptions

Project Title: Vehicle Replacement Program

Project Description: Annual replacement of vehicles across Town departments

Project Justification: Replacement of aging fleet helps control vehicle repair and maintenance costs. Vehicle reserves are set aside annually to fund replacements



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	1,279,900	-	1,279,900
Highway Fund	-	76,000	-	76,000
Water Utility	-	141,000	-	141,000
PROJECT TOTALS	-	1,496,900	-	1,496,900

Post Project Annual Operating Impact

Reduced maintenance costs as aging vehicles are replaced

-

Project Title: Tennis Court Resurfacing

Project Description: Crack repair, resurfacing and repainting of asphalt tennis courts at Oro Valley Community Center

Project Justification: Prevent further degradation, which creates tripping hazards and results in more costly repairs in the future



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Community Center Fund	-	90,000	-	90,000
PROJECT TOTALS	-	90,000	-	90,000

Post Project Annual Operating Impact

Avoidance of future costly reconstruction costs and potential liability

-

CIP – Project Descriptions

Project Title: Facility Maintenance Program

Project Description: Annual facility maintenance program to maintain town owned buildings and assets

Project Justification: Annual repair and maintenance of facilities preserves and extends the life of an asset



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	1,257,600	150,000	1,407,600
PROJECT TOTALS	-	1,257,600	150,000	1,407,600

Post Project Annual Operating Impact

Avoidance of future costly reconstruction costs -

Project Title: Westward Look Improvements

Project Description: Pavement replacement and landscape improvements along Westward Look Drive

Project Justification: Current asphalt does not meet Town standards and reconstruction is listed as part of annexation agreement with Westward Look Resort



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
General Fund	-	540,075	-	540,075
PROJECT TOTALS	-	540,075	-	540,075

Post Project Annual Operating Impact

None anticipated -

CIP – Project Descriptions

Project Title: Lambert Lane Pavement Overlay to La Cholla

Project Description: Construct 5 foot multi-use paved shoulders, apply a stress absorbing membrane and 1.5 inch asphalt overlay between Lambert Lane Park and La Cholla Boulevard

Project Justification: This section of Lambert Lane has several distressed pavement sections that need to be removed and replaced. Currently there are no paved shoulders



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Highway Fund	12,417	575,000	-	587,417
PROJECT TOTALS	12,417	575,000	-	587,417

Post Project Annual Operating Impact

Unknown at this time

Project Title: Pavement Preservation Program

Project Description: Perform annual roadway and multi-use path surface treatments per the Town's pavement preservation and management program

Project Justification: Enhances and improves the roadway system, maintains current overall condition index (OCI) rating, meeting key elements of the General and Strategic Plans



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Highway Fund	-	1,600,000	-	1,600,000
PROJECT TOTALS	-	1,600,000	-	1,600,000

Post Project Annual Operating Impact

Program prevents future costly roadway reconstruction and rehabilitation

CIP – Project Descriptions

Project Title: 500 West Magee Resurfacing

Project Description: Remove and replace asphalt pavement on alleyway of 500 W. Magee

Project Justification: Provides secondary access to the OVPD building. Pavement is beyond service life and needs to be replaced



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	50,000	-	50,000
PROJECT TOTALS	-	50,000	-	50,000

Post Project Annual Operating Impact

None anticipated -

Project Title: First Avenue Bridge Deck Repair

Project Description: Partial-depth bridge deck repair on the North Westbound First Avenue bridge over CDO wash

Project Justification: Work consists of removing the upper portion of the concrete deck and replacing it with high strength concrete



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	425,000	-	425,000
PROJECT TOTALS	-	425,000	-	425,000

Post Project Annual Operating Impact

None anticipated -

CIP – Project Descriptions

Project Title: PAG TABY Grant

Project Description: Design and construct public art in the Town's right-of-way by local youth

Project Justification: Program allows the Town to use outside funding to support public art program



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund	-	75,000	-	75,000
PROJECT TOTALS	-	75,000	-	75,000

Post Project Annual Operating Impact

Landscape maintenance costs 500

Project Title: Planned Heavy Equipment Replacement

Project Description: Replacement of aging wheel loader and vibratory roller

Project Justification: Current equipment is near end of life



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
PAG/RTA Fund Balance	-	325,000	-	325,000
PROJECT TOTALS	-	325,000	-	325,000

Post Project Annual Operating Impact

Decreased costs associated with equipment maintenance -

CIP – Project Descriptions

Project Title: RTA Wildlife Fencing

Project Description: Install wildlife fencing near the SR 77 right-of-way to funnel wildlife to the crossing previously built

Project Justification: Additional fencing is needed at strategic locations along the corridor to funnel wildlife to the crossing structures



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
RTA Wildlife Grant	-	500,000	-	500,000
PROJECT TOTALS	-	500,000	-	500,000

Post Project Annual Operating Impact

Unknown at this time

Project Title: La Cholla Blvd. Phase II

Project Description: Add final pavement seal and landscape establishment to La Cholla

Project Justification: A final seal after the pavement has had time to settle is needed to preserve useful life



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Roadway Impact Fees	1,647,354	200,000	-	1,847,354
PAG/RTA Fund	23,570,491	-	-	23,570,491
PROJECT TOTALS	25,217,845	200,000	-	25,417,845

Post Project Annual Operating Impact

Landscape maintenance costs

1,000

CIP – Project Descriptions

Project Title: Gravel Mine Wash - Channel Reconstruct

Project Description: Repair and reconstruct failing shotcrete lined channel downstream of Lambert Lane

Project Justification: Sizeable cracking of existing shotcrete. If not addressed, there is potential for complete bank failure



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Stormwater Fund	-	417,374	-	417,374
PROJECT TOTALS	-	417,374	-	417,374

Post Project Annual Operating Impact

None anticipated -

Project Title: Sierra Wash at Naranja Dr Drainage Improvements

Project Description: Reconstruction of riprap apron extension at the outlet of Naranja Drive conveying Sierra Wash

Project Justification: Current erosion at this location is placing the roadway and utilities at risk for failure



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Stormwater Fund	-	386,000	-	386,000
PROJECT TOTALS	-	386,000	-	386,000

Post Project Annual Operating Impact

None anticipated -

CIP – Project Descriptions

Project Title: Allied Signal Reservoir Replacement

Project Description: Replacement of Allied Signal reservoir to serve La Reserve service area

Project Justification: Inspections of the reservoir revealed structural issues that would eventually lead to reservoir failure. Reservoir rehab costs 80% of replacement and is the most economical solution over time



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	935,082	175,000	-	1,110,082
PROJECT TOTALS	935,082	175,000	-	1,110,082

Post Project Annual Operating Impact

None anticipated -

Project Title: Booster Rehab

Project Description: Design work of header and pump evaluation and construction

Project Justification: Reinvestment in capital for continued system reliability



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	50,000	820,000	870,000
PROJECT TOTALS	-	50,000	820,000	870,000

Post Project Annual Operating Impact

None anticipated -

CIP – Project Descriptions

Project Title: Countryside Generator Auto Transfer Switch

Project Description: Auto transfer switch for the Countryside Generator

Project Justification: Capital infrastructure investment for a more reliable and efficient distribution system



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	50,000	-	50,000
PROJECT TOTALS	-	50,000	-	50,000

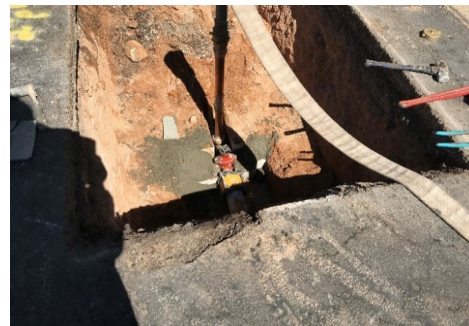
Post Project Annual Operating Impact

None anticipated

Project Title: El Con/Cmo Diestro Main & Valve Replacement

Project Description: Re-design a portion of the distribution system entering El Conquistador to create added redundancy and reliability to system

Project Justification: Capital infrastructure investment for a more reliable and efficient distribution system



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	25,672	200,000	-	225,672
PROJECT TOTALS	25,672	200,000	-	225,672

Post Project Annual Operating Impact

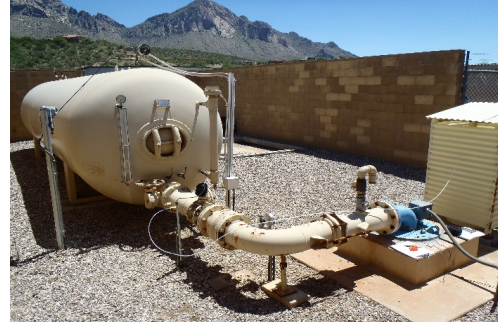
None anticipated

CIP – Project Descriptions

Project Title: Hydroneumatic Tank Replacements at Boosters

Project Description: Rehabilitation of Hydrotank coating, complete refabrication to comply with American Standard of Mechanical Engineers Certified Tank

Project Justification: The existing tank is not certified. Ultrasonic thickness gauge measurements indicate corrosion inside the tank. Capital reinvestment for system reliability



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	150,000	600,000	750,000
PROJECT TOTALS	-	150,000	600,000	750,000

Post Project Annual Operating Impact

Decrease in annual maintenance costs (500)

Project Title: Hydroneumatic Tank Replacements at Wells

Project Description: Rehabilitation of Hydrotank coating, complete refabrication to comply with American Standard of Mechanical Engineers Certified Tank

Project Justification: The existing tank is not certified. Ultrasonic thickness gauge measurements indicate corrosion inside the tank. Capital reinvestment for system reliability



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	100,000	500,000	600,000
PROJECT TOTALS	-	100,000	500,000	600,000

Post Project Annual Operating Impact

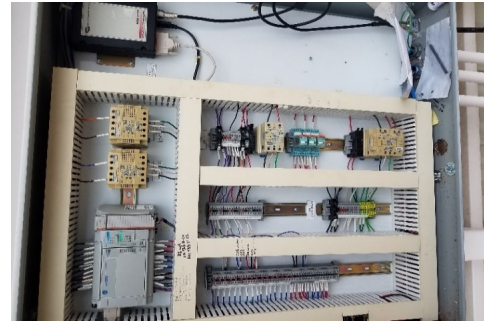
Decrease in annual maintenance costs (500)

CIP – Project Descriptions

Project Title: Instrumentation and Control

Project Description: Upgrade of HMI, RTU, PLC's SCADA system for added reliability and communications with water system

Project Justification: System reliability and redundancy to controls and operations



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	200,000	-	200,000
PROJECT TOTALS	-	200,000	-	200,000

Post Project Annual Operating Impact

None anticipated

Project Title: Moore Road F Zone Interconnect

Project Description: Design portion of interconnect along Moore Road

Project Justification: Capital infrastructure investment for a more reliable and efficient distribution system



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	60,000	-	60,000
PROJECT TOTALS	-	60,000	-	60,000

Post Project Annual Operating Impact

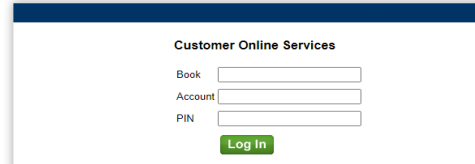
Unknown at this time

CIP – Project Descriptions

Project Title: Utility Billing Software

Project Description: Procurement and implementation of a new water utility billing software

Project Justification: Purchase and implementation of a new water utility billing software to expand business module and customer account information



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	141,895	150,000	-	291,895
PROJECT TOTALS	141,895	150,000	-	291,895

Post Project Annual Operating Impact

Unknown at this time

Project Title: Wall Upgrades

Project Description: Repair and replace a portion of wall and stucco at Water Plan 16 Booster Station

Project Justification: A portion of the wall's footing has settled and has compromised the wall's integrity



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	100,000	-	100,000
PROJECT TOTALS	-	100,000	-	100,000

Post Project Annual Operating Impact

None anticipated

CIP – Project Descriptions

Project Title: Water Utility Facility Security

Project Description: Improve access control and cameras at Water Utility facilities

Project Justification: Current security systems at water facilities are old and no longer supported. Project will establish centralized recording of events and Town access control



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	100,000	-	100,000
PROJECT TOTALS	-	100,000	-	100,000

Post Project Annual Operating Impact

None anticipated

-

Project Title: Well Rehabilitation

Project Description: Rehabilitation of Well D1/CS1 to increase useful life

Project Justification: Video log assessment, brush bail, pump efficiently evaluation/replacement to provide system reliability and efficiency



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	-	150,000	780,000	930,000
PROJECT TOTALS	-	150,000	780,000	930,000

Post Project Annual Operating Impact

None anticipated

-

CIP – Project Descriptions

Project Title: La Canada E-F & E-G Booster Design & Construct

Project Description: Increase system reliability to higher pressure zones and provide the ability to move water more efficiently from E zones to F & G zones

Project Justification: Capital infrastructure investment for a more reliable and efficient distribution system



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Impact Fee Fund	-	600,000	600,000	1,200,000
PROJECT TOTALS	-	600,000	600,000	1,200,000

Post Project Annual Operating Impact

Unknown at this time

Project Title: Nakoma Sky Replacement Well

Project Description: Complete the equipping of a new well at the Nakoma Sky development at First Avenue and Lambert Lane

Project Justification: Replace lost well capacity; maintain healthy groundwater capacity during periods of increased summer demand and in the event of CAP water outage as a redundant system



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	476,883	-	-	476,883
Water Impact Fee Fund	-	600,000	-	600,000
PROJECT TOTALS	476,883	600,000	-	1,076,883

Post Project Annual Operating Impact

Replacement well; none anticipated

CIP – Project Descriptions

Project Title: NW Recharge Recovery Delivery Sys - Independent

Project Description: Northwest Recharge & Recovery Delivery System (NWRDSD) - Pipeline, easement acquisition, forebay reservoir & booster station

Project Justification: Project supports providing an additional 4,000 Acre-ft. per year of CAP water to the Oro Valley Water Utility Service Area



PIPELINE ALIGNMENT 1
FIGURE 1
2017 CAP WATER PLANNING REPORT, PREPARED BY CAROLLO

SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	136,280	-	-	136,280
Water Impact Fee Fund	1,155,026	1,200,000	11,430,193	13,785,219
PROJECT TOTALS	1,291,306	1,200,000	11,430,193	13,921,499

Post Project Annual Operating Impact

Unknown at this time until construction is near completion

-

Project Title: NW Recharge Recovery Delivery Sys - Partnered

Project Description: Northwest Recharge & Recovery Delivery System (NWRDSD) - Consultant transmission main & reservoir design

Project Justification: Project supports providing an additional 4,000 Acre-ft. per year of CAP water to the Oro Valley Water Utility Service Area



PIPELINE ALIGNMENT 1
FIGURE 1
2017 CAP WATER PLANNING REPORT, PREPARED BY CAROLLO

SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	271,608	-	-	271,608
Water Impact Fee Fund	2,577,649	3,200,000	1,660,000	7,437,649
PROJECT TOTALS	2,849,257	3,200,000	1,660,000	7,709,257

Post Project Annual Operating Impact

Unknown at this time until construction is near completion

-

CIP – Project Descriptions

Project Title: Steam Pump Well Drill and Construction

Project Description: Drill and construct a new well at the Steam Pump location with a projected capacity of 800 gallons per minute

Project Justification: Addresses growth along Oracle Road; redundant backup supply for future growth



SOURCES OF FUNDING	PRE 2022 EXPENDITURES	2022 BUDGET	FUTURE EXPENDITURES	TOTAL
Water Utility Fund	8,822			8,822
Water Impact Fee Fund	765,041	550,000	-	1,315,041
PROJECT TOTALS	773,863	550,000	-	1,323,863

Post Project Annual Operating Impact

Replacement well; none anticipated

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APPENDIX

Resolution Adoption
Auditor General Statements
Glossary



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RESOLUTION NO. (R)21-26

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF ORO VALLEY, ARIZONA, APPROVING THE ADOPTION OF THE BUDGET OF THE TOWN OF ORO VALLEY FOR THE FISCAL YEAR 2021-2022; AND DIRECTING THE TOWN MANAGER, TOWN CLERK, TOWN LEGAL SERVICES DIRECTOR, OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION

WHEREAS, on June 2, 2021, in accordance with Arizona Revised Statutes §§ 42-17101 and 42-17102, the Town authorized an estimate of the different amounts required to meet the public expenditures for the ensuing year, an estimate of revenues from sources other than direct taxation and the amount to be raised by taxation upon real and personal property of the Town of Oro Valley; and

WHEREAS, after notice of a public hearing in accordance with Arizona Revised Statutes §§ 42-17103, 42-17104 and 42-17105, the Council met on June 2, 2021, at which time any taxpayer was entitled to appear and be heard in favor of or against any of the proposed expenditures or tax levies before the Council adopted the estimates of the proposed expenditures, constituting the budget of the Town of Oro Valley for the Fiscal Year 2021-2022; and

WHEREAS, the sums to be raised by taxation, as specified therein, do not in the aggregate amount exceed the primary property tax levy limits as calculated in accordance with Arizona Revised Statutes § 42-17051(A); and

WHEREAS, it is in the best interest of the Town of Oro Valley to approve the estimates and expenditures/expenses shown on the accompanying schedules for the Fiscal Year 2021-2022.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that:

SECTION 1. The said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced or changed, are hereby adopted and approved as the budget of the Town of Oro Valley for the Fiscal Year 2021-2022 in the amount of \$161,956,509.

SECTION 2. That the Mayor and Council of the Town of Oro Valley are hereby authorized to take such steps as are necessary to execute and implement the budget for the Fiscal Year 2021-2022.

SECTION 3. The Town Manager, Town Clerk, Town Legal Services Director, or their duly authorized officers and agents are hereby authorized and directed to take all steps necessary to carry out the purposes and intent of this resolution.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 16th day of June 2021.

TOWN OF ORO VALLEY, ARIZONA

E-SIGNED by Joseph Winfield
on 2021-06-17 16:46:06 GMT

Joseph C. Winfield, Mayor

ATTEST:

E-SIGNED by Mike Standish
on 2021-06-17 18:52:11 GMT

Michael Standish, Town Clerk

Date: _____

APPROVED AS TO FORM:

E-SIGNED by Tobin Sidles
on 2021-06-17 18:46:42 GMT

Tobin Sidles, Legal Services Director

Date: _____

Official Budget Forms
City/Town of Oro Valley
Fiscal Year 2022

City/Town of Oro Valley

Table of Contents

Fiscal year 2022

Resolution for the Adoption of the Budget

Schedule A—Summary Schedule of Estimated Revenues and Expenditures/Expenses

Schedule B—Tax Levy and Tax Rate Information

Schedule C—Revenues Other Than Property Taxes

Schedule D—Other Financing Sources/(Uses) and Interfund Transfers

Schedule E—Expenditures/Expenses by Fund

Schedule F—Expenditures/Expenses by Department (as applicable)

Schedule G—Full-Time Employees and Personnel Compensation

City/Town of Oro Valley
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2022

Fiscal year	S c h		Funds							Total All Funds
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	
2021	E	1	48,125,891	11,570,906	1,505,161	17,445,190	0	22,080,824	4,707,654	105,435,626
2021	E	2	40,793,798	8,860,010	1,225,445	11,252,426	0	20,895,707	3,680,536	86,707,922
2022		3	29,256,643	3,167,776	162,562	21,856,676	0	11,892,744	2,271,165	68,607,566
2022	B	4	0							0
2022	B	5								0
2022	C	6	47,073,196	13,327,437	139,787	4,479,588	0	19,070,600	3,994,317	88,084,925
2022	D	7	0	0	17,000,000	25,000,000	0	0	0	42,000,000
2022	D	8	0	0	0	0	0	0	0	0
2022	D	9	0	100,000	4,087,499	6,976,277	0	0	0	11,163,776
2022	D	10	7,408,264	1,868,519	6,841	117,750	0	1,762,402	0	11,163,776
2022			Line 11: Reduction for Fund Balance Reserved for Future Budget Year Expenditures							
					57,562					57,562
		11		412,766		15,679,053		7,295,897		23,387,716
			10,068,995	1,450,544						11,519,539
									1,771,165	1,771,165
										0
2022		12	58,852,580	12,863,384	21,325,445	42,515,738	0	21,905,045	4,494,317	161,956,509
2022	E	13	58,852,580	12,863,384	21,325,445	42,515,738	0	21,905,045	4,494,317	161,956,509

Expenditure Limitation Comparison

	2021	2022
1 Budgeted expenditures/expenses	\$ 105,435,626	\$ 161,956,509
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	105,435,626	161,956,509
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	\$ 105,435,626	\$ 161,956,509
6 EEC expenditure limitation	\$ 105,435,626	\$ 161,956,509

X The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**City/Town of Oro Valley
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
General Fund			
Local taxes			
Local Sales Tax	\$ 17,513,304	\$ 19,750,240	\$ 20,542,707
Cable Franchise Tax	615,000	615,000	615,000
Licenses and permits			
Licenses	202,500	202,500	202,500
Permits	1,246,500	2,438,781	1,489,000
Fees	143,500	126,332	157,500
Intergovernmental			
State/County Shared	13,194,438	13,595,332	13,729,923
State Grants	75,000	100,000	75,000
Federal Grants	5,790,969	11,297,198	5,990,290
Reimbursements	1,580,000	805,000	1,249,500
Other	92,000	90,000	95,000
Charges for services			
Reimbursements	157,400	151,500	157,400
Fees	1,061,150	796,710	854,285
Other	1,021,125	1,016,675	1,376,091
Fines and forfeits			
Fines	125,000	125,000	125,000
Interest on investments			
Interest Income	150,000	295,445	150,000
Miscellaneous			
Miscellaneous	262,500	224,700	264,000
Total General Fund	\$ 43,230,386	\$ 51,630,413	\$ 47,073,196

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**City/Town of Oro Valley
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
Special Revenue Funds			
Highway User Revenue Fund			
Highway User Fuel Tax	\$ 3,458,929	\$ 3,560,200	\$ 3,614,922
Permits	25,000	28,050	25,000
Interest Income	5,000	8,800	6,000
State Grants	210,000		
Other	2,000	2,352	2,000
	<u>\$ 3,700,929</u>	<u>\$ 3,599,402</u>	<u>\$ 3,647,922</u>
Grants & Contributions Fund			
Federal Grants	\$	\$	\$ 312,250
State Grants			142,000
Miscellaneous			1,500,000
	<u>\$</u>	<u>\$</u>	<u>\$ 1,954,250</u>
Seizures & Forfeitures			
Seizures & Forfeitures	\$ 325,000	\$ 50,516	\$ 325,000
Interest Income	2,000	2,018	2,000
	<u>\$ 327,000</u>	<u>\$ 52,534</u>	<u>\$ 327,000</u>
Community Center Fund			
Local Sales Tax	\$ 2,492,960	\$ 2,767,485	\$ 2,932,798
Charges for Services	4,479,650	3,925,182	4,339,467
Other	126,000	135,510	126,000
	<u>\$ 7,098,610</u>	<u>\$ 6,828,177</u>	<u>\$ 7,398,265</u>
Total Special Revenue Funds	<u>\$ 11,126,539</u>	<u>\$ 10,480,113</u>	<u>\$ 13,327,437</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**City/Town of Oro Valley
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
Debt Service Funds			
Municipal Debt Service Fund			
Federal Grants	\$ 39,245	\$ 39,245	\$ 34,787
Interest Income	5,000	1,000	5,000
Miscellaneous	100,000	95,000	100,000
	<u>\$ 144,245</u>	<u>\$ 135,245</u>	<u>\$ 139,787</u>
Oracle Road Improvement District			
Special Assessments	\$ 174,038	\$ 174,038	\$
	<u>\$ 174,038</u>	<u>\$ 174,038</u>	<u>\$</u>
Total Debt Service Funds	<u>\$ 318,283</u>	<u>\$ 309,283</u>	<u>\$ 139,787</u>
Capital Projects Funds			
Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 1,889,411	2,778,694	\$ 2,059,396
Interest Income	182,000	175,000	200,000
	<u>\$ 2,071,411</u>	<u>\$ 2,953,694</u>	<u>\$ 2,259,396</u>
Townwide Roadway Development Impact Fee Fund			
Development Impact Fees	\$ 314,320	\$ 553,182	\$ 327,190
Interest Income	30,000	29,956	30,000
	<u>\$ 344,320</u>	<u>\$ 583,138</u>	<u>\$ 357,190</u>
Parks and Recreation Impact Fee Fund			
Development Impact Fees	\$ 309,668	\$ 359,588	\$ 280,442
Interest Income	5,000	5,340	5,000
	<u>\$ 314,668</u>	<u>\$ 364,928</u>	<u>\$ 285,442</u>
Police Impact Fee Fund			
Development Impact Fees	\$ 95,911	\$ 110,788	\$ 82,925
Interest Income		700	500
	<u>\$ 95,911</u>	<u>\$ 111,488</u>	<u>\$ 83,425</u>
Capital Fund			
Miscellaneous	\$ 883,010	987,383	\$ 791,010
State Grants	117,000	119,868	
	<u>\$ 1,000,010</u>	<u>\$ 1,107,251</u>	<u>\$ 791,010</u>
PAG/RTA Fund			
State Grants	\$ 1,875,000	\$ 1,947,977	\$ 675,000
Other	28,125	28,125	28,125
Miscellaneous		2,576	
	<u>\$ 1,903,125</u>	<u>\$ 1,978,678</u>	<u>\$ 703,125</u>
Total Capital Projects Funds	<u>\$ 5,729,445</u>	<u>\$ 7,099,177</u>	<u>\$ 4,479,588</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**City/Town of Oro Valley
Revenues Other than Property Taxes
Fiscal Year 2022**

Source of revenues	Estimated revenues 2021	Actual revenues* 2021	Estimated revenues 2022
Enterprise Funds			
Water Utility Fund			
Water Sales	\$ 13,078,000	\$ 14,175,000	\$ 13,974,000
Charges for Services	3,086,500	3,081,000	3,255,000
Interest Income	75,000	80,000	100,000
Miscellaneous	16,239,500	17,351,000	17,329,000
Stormwater Utility Fund			
Charges for Services	\$ 1,438,000	\$ 1,443,000	\$ 1,440,100
Interest Income	1,000	7,190	1,500
State Grants			300,000
Miscellaneous	1,439,000	1,450,219	1,741,600
Total Enterprise Funds	\$ 17,678,500	\$ 18,801,219	\$ 19,070,600
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			
Internal Service Funds			
Benefit Self Insurance Fund			
Miscellaneous	\$ 4,207,654	\$ 3,862,878	\$ 3,994,317
	\$ 4,207,654	\$ 3,862,878	\$ 3,994,317
Total Internal Service Funds	\$ 4,207,654	\$ 3,862,878	\$ 3,994,317
Total all Funds	\$ 82,290,807	\$ 92,183,083	\$ 88,084,925
* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.			

City/Town of Oro Valley
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2022

Fund	Other financing 2022		Interfund transfers 2022	
	Sources	(Uses)	In	(Out)
General Fund				
Transfer to Capital Fund	\$	\$	\$	\$ 5,216,277
Transfer to Grants & Contributions Fund				100,000
Transfer to Debt Service Fund				2,091,987
Total General Fund	\$	\$	\$	\$ 7,408,264
Special Revenue Funds				
Grants & Contributions Fund	\$	\$	\$ 100,000	\$
Community Center Fund				1,868,519
Total Special Revenue Funds	\$	\$	\$ 100,000	\$ 1,868,519
Debt Service Funds				
Municipal Debt Service Fund	\$ 17,000,000	\$	\$ 4,087,499	\$
Oracle Road Improvement District Fund				6,841
Total Debt Service Funds	\$ 17,000,000	\$	\$ 4,087,499	\$ 6,841
Capital Projects Funds				
Water Resources Impact Fee Fund	\$	\$	\$ 1,760,000	\$
Police Impact Fee Fund				117,750
Capital Fund	25,000,000		5,216,277	
Total Capital Projects Funds	\$ 25,000,000	\$	\$ 6,976,277	\$ 117,750
Enterprise Funds				
Water Utility Fund	\$	\$	\$	\$ 1,762,402
Total Enterprise Funds	\$	\$	\$	\$ 1,762,402
Internal Service Funds				
	\$	\$	\$	\$
Total Internal Service Funds	\$	\$	\$	\$
Total all Funds	\$ 42,000,000	\$	\$ 11,163,776	\$ 11,163,776

**City/Town of Oro Valley
Expenditures/Expenses by Fund
Fiscal Year 2022**

Fund/Department	Adopted Budgeted Expenditures/ Expenses 2021	Expenditure/ Expense adjustments approved 2021	Actual Expenditures/ Expenses* 2021	Budgeted Expenditures/ Expenses 2022
General Fund				
Council	\$ 197,019	\$	\$ 197,019	\$ 188,720
Clerk	428,524		428,524	383,833
Town Manager's Office	1,028,734		981,874	1,115,224
Human Resources	457,347		447,153	535,390
Finance	832,888		832,888	979,655
Innovation & Technology	3,846,018		3,879,814	4,346,583
General Administration	5,251,466		5,078,967	14,459,559
Legal	870,592		842,259	902,754
Community & Economic Development	2,779,661		2,736,135	3,044,614
Parks & Recreation	3,478,517		3,357,584	3,446,361
Police	17,051,408		16,823,969	18,171,000
Magistrate Court	864,826		862,762	914,796
Public Works	4,898,891		4,324,850	5,364,091
Contingency Reserve	6,140,000			5,000,000
Total General Fund	\$ 48,125,891	\$	\$ 40,793,798	\$ 58,852,580
Special Revenue Funds				
Highway User Revenue Fund	\$ 4,066,213	\$	\$ 3,262,996	\$ 4,290,525
Grants and Contributions Fund				2,054,250
Seizures and Forfeitures	327,000		80,725	348,000
Community Center Fund	7,177,693		5,516,289	6,170,609
Total Special Revenue Funds	\$ 11,570,906	\$	\$ 8,860,010	\$ 12,863,384
Debt Service Funds				
Municipal Debt Service Fund	\$ 1,325,445	\$	\$ 1,225,445	\$ 21,325,445
Oracle Rd. Improvement District Fund	179,716			
Total Debt Service Funds	\$ 1,505,161	\$	\$ 1,225,445	\$ 21,325,445
Capital Projects Funds				
Water Resources Dev Impact Fee Fund	\$ 6,981,099	\$	\$ 4,373,099	\$ 6,909,369
Townwide Roadway Impact Fee Fund	2,110,000		1,648,354	450,000
Parks and Recreation Impact Fee Fund	995,000		849,932	285,442
Police Impact Fee Fund	101,035		100,000	50,000
Recreation In Lieu Fee Fund	16,004			16,325
Capital Fund	4,744,666		2,693,001	33,329,602
PAG/RTA Fund	2,497,386		1,588,040	1,475,000
Total Capital Projects Funds	\$ 17,445,190	\$	\$ 11,252,426	\$ 42,515,738
Enterprise Funds				
Water Utility Enterprise Fund	\$ 20,273,074	\$	\$ 19,507,950	\$ 19,494,638
Stormwater Utility Enterprise Fund	1,807,750		1,387,757	2,410,407
Total Enterprise Funds	\$ 22,080,824	\$	\$ 20,895,707	\$ 21,905,045
Internal Service Funds				
Benefit Self Insurance Fund	\$ 4,707,654	\$	\$ 3,680,536	\$ 4,494,317
Total Internal Service Funds	\$ 4,707,654	\$	\$ 3,680,536	\$ 4,494,317
Total all Funds	\$ 105,435,626	\$	\$ 86,707,922	\$ 161,956,509

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City/Town of Oro Valley
Expenditures/Expenses by Department
Fiscal Year 2022**

Department/Fund	Adopted Budgeted Expenditures/ Expenses	Expenditure/ Expense adjustments approved	Actual Expenditures/ Expenses*	Budgeted Expenditures/ Expenses
	2021	2021	2021	2022
Council:				
General Fund	\$ 197,019	\$	\$ 197,019	\$ 188,720
Department Total	\$ 197,019	\$	\$ 197,019	\$ 188,720
Clerk				
General Fund	\$ 428,524	\$	\$ 428,524	\$ 383,833
Department Total	\$ 428,524	\$	\$ 428,524	\$ 383,833
Town Manager				
General Fund	\$ 1,028,734	\$	\$ 981,874	\$ 1,115,224
Department Total	\$ 1,028,734	\$	\$ 981,874	\$ 1,115,224
Human Resources				
General Fund	\$ 457,347	\$	\$ 447,153	\$ 535,390
Department Total	\$ 457,347	\$	\$ 447,153	\$ 535,390
Finance				
General Fund	\$ 832,888	\$	\$ 832,888	\$ 979,655
Department Total	\$ 832,888	\$	\$ 832,888	\$ 979,655
Innovation & Technology				
General Fund	\$ 3,846,018	\$	\$ 3,879,814	\$ 4,346,583
Department Total	\$ 3,846,018	\$	\$ 3,879,814	\$ 4,346,583
General Administration				
General Fund	\$ 5,251,466	\$	\$ 5,078,967	\$ 14,459,559
General Fund - Contingency Reserve	6,140,000			5,000,000
Grants & Contributions Fund				1,600,000
Municipal Debt Service Fund	1,325,445		1,225,445	21,325,445
Oracle Rd. Improvement District Fund	179,716			
Benefit Self Insurance Fund	4,707,654		3,680,536	4,494,317
Capital Fund	4,744,666		2,693,001	33,114,456
Department Total	\$ 22,348,947	\$	\$ 12,677,949	\$ 79,993,777
Legal				
General Fund	\$ 870,592	\$	\$ 842,259	\$ 902,754
Department Total	\$ 870,592	\$	\$ 842,259	\$ 902,754
Community and Economic Development				
General Fund	\$ 2,779,661	\$	\$ 2,736,135	\$ 3,044,614
Department Total	\$ 2,779,661	\$	\$ 2,736,135	\$ 3,044,614

**City/Town of Oro Valley
Expenditures/Expenses by Department
Fiscal Year 2022**

Department/Fund	Adopted Budgeted Expenditures/ Expenses	Expenditure/ Expense adjustments approved	Actual Expenditures/ Expenses*	Budgeted Expenditures/ Expenses
	2021	2021	2021	2022
Parks and Recreation				
General Fund	\$ 3,478,517	\$	\$ 3,357,584	\$ 3,446,361
Parks & Recreation Impact Fee Fund	995,000		849,932	285,442
Recreation In Lieu Fee Fund	16,004			16,325
Community Center Fund	7,177,693		5,516,289	6,170,609
Department Total	\$ 11,667,214	\$	\$ 9,723,805	\$ 9,918,737
Police				
General Fund	\$ 17,051,408	\$	\$ 16,823,969	\$ 18,171,000
Grants & Contributions Fund				454,250
Seizures and Forfeitures	327,000		80,725	348,000
Police Impact Fee Fund	101,035		100,000	50,000
Department Total	\$ 17,479,443	\$	\$ 17,004,694	\$ 19,023,250
Magistrate Court				
General Fund	\$ 864,826	\$	\$ 862,762	\$ 914,796
Department Total	\$ 864,826	\$	\$ 862,762	\$ 914,796
Public Works				
General Fund	\$ 4,898,891	\$	\$ 4,324,850	\$ 5,364,091
Highway Fund	4,066,213		3,262,996	4,290,525
Stormwater Utility Fund	1,807,750		1,387,757	2,410,407
PAG/RTA Fund	2,497,386		1,588,040	1,475,000
Townwide Roadway Impact Fee Fund	2,110,000		1,648,354	450,000
Capital Fund				215,146
Department Total	\$ 15,380,240	\$	\$ 12,211,997	\$ 14,205,169
Water Utility				
Water Utility Fund	\$ 20,273,074	\$	\$ 19,507,950	\$ 19,494,638
Water Resources Dev Impact Fee Fund	6,981,099		4,373,099	6,909,369
Department Total	\$ 27,254,173	\$	\$ 23,881,049	\$ 26,404,007

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**City/Town of Oro Valley
Full-Time Employees and Personnel Compensation
Fiscal Year 2022**

Fund	Full-Time Equivalent (FTE) 2022	Employee Salaries and Hourly Costs 2022	Retirement Costs 2022	Healthcare Costs 2022	Other Benefit Costs 2022	Total Estimated Personnel Compensation 2022
General Fund	313.31	\$ 20,834,041	\$ 5,076,572	\$ 2,631,825	\$ 2,233,195	\$ 30,775,633
Special Revenue Funds						
Highway Fund	12.00	\$ 900,829	\$ 111,793	\$ 104,390	\$ 91,857	\$ 1,208,869
Community Center Fund	21.55	756,968	18,498	37,055	62,771	875,292
Total Special Revenue Funds	33.55	\$ 1,657,797	\$ 130,291	\$ 141,445	\$ 154,628	\$ 2,084,161
Capital Projects Funds						
Capital Fund	2.00	\$ 159,668	\$ 19,818	\$ 23,188	\$ 12,475	\$ 215,149
Total Capital Projects Funds	2.00	\$ 159,668	\$ 19,818	\$ 23,188	\$ 12,475	\$ 215,149
Enterprise Funds						
Water Utility Fund	40.48	\$ 2,628,704	\$ 324,094	\$ 455,830	\$ 253,588	\$ 3,662,216
Stormwater Utility Fund	10.73	647,402	78,474	69,485	66,738	862,099
Total Enterprise Funds	51.21	\$ 3,276,106	\$ 402,568	\$ 525,315	\$ 320,326	\$ 4,524,315
Total all Funds	400.07	\$ 25,927,612	\$ 5,629,249	\$ 3,321,773	\$ 2,720,624	\$ 37,599,258

Glossary

ACCRUAL: Accounting method that records revenues and expenses when they are incurred, regardless of when cash is exchanged.

ADOPTED BUDGET: Formal action made by Town Council that sets spending limits for the fiscal year.

ALLOCATION: Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

AMORTIZATION: The systematic and rational distribution of the cost of an intangible capital asset over its estimated useful life.

APPROPRIATION: a sum of money or total of assets devoted to a special purpose.

AUDIT: Objective examination and evaluation of the financial statements of an organization by an outside Certified Public Accountant firm to ensure that the financial records are a fair and accurate representation of the transactions.

BALANCED BUDGET: A budget in which recurring revenues equal recurring expenditures.

BOND: A municipality will issue this debt instrument and agree to repay the face amount of the bond on the designated maturity date. Bonds are primarily used to finance capital projects.

BUDGET: A financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

CAPITAL EXPENDITURE: Those items valued over \$1000 with a life expectancy of at least five years.

CAPITAL IMPROVEMENT PROGRAM (CIP): A comprehensive ten-year plan consisting of items costing \$50,000 or more which will support the continued growth and development of the Town.

CAPITAL PROJECT FUND: Fund used to account for financial resources used for acquisition or construction of major assets.

CARRYFORWARD: Year-end savings that may be re-appropriated in the following fiscal year to cover one-time expenditures.

CENTRAL ARIZONA PROJECT (CAP): The system of aqueducts, tunnels, pumping plants and pipelines responsible for bringing Colorado River water to Arizona's Pima, Pinal, and Maricopa counties.

CENTRAL ARIZONA WATER CONSERVATION DISTRICT (CAWCD): A state agency with the primary responsibility of managing the Central Arizona Project (CAP).

CLEAN RENEWABLE ENERGY BONDS (CREBs): Bonds issued to finance certain renewable energy or "clean coal" facilities. Projects funded with CREBs must generate electricity and must be created from clean and/or renewable sources.

CONTINGENCY: Monies set aside as carryover to the following fiscal year, but which can be used to finance unforeseen expenditures of the various operating funds.

DEBT SERVICE: Principal and interest payments on outstanding bonds.

DEBT SERVICE FUND: Fund used to account for accumulation of resources that will be used to pay general long-term debt.

DEPARTMENT: A major administrative division of the Town that indicates overall management responsibility for an operation or group of related operations within a functional area.

DEPRECIATION: The systematic and rational distribution of the cost of a tangible capital asset (less salvage value) over its estimated useful life.

DIVISION: A functional unit of a department.

ENTERPRISE FUND: Accounts for expenses of programs or services, which are intended to be self-sustaining. User fees primarily cover the cost of services.

Glossary

ESTIMATED REVENUE: The amount of projected revenue to be collected during the fiscal year.

EXPENDITURE: The use of government funds to acquire goods or services.

EXPENDITURE LIMITATION: The Arizona State Legislature imposed constitutional amendment that limits the annual expenditures of all municipalities. The Economic Estimates Commission sets the annual limit based on population growth and inflation. All municipalities have the option of (Home Rule Option) proposing an alternative expenditure limitation to its voters. Oro Valley citizens approved the Home Rule Option in 2018.

FISCAL YEAR: Any period of twelve consecutive months establishing the beginning and the ending of financial transactions. For the Town of Oro Valley, this period begins July 1 and ends June 30.

FULL ACCRUAL: Basis of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

FULL TIME EQUIVALENT (FTE): A position, permanent or temporary, based on 2,080 hours per year. Part-time positions are converted for budget purposes to a decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time employee working 20 hours per week would be equivalent to a 0.5 FTE.

FUND: A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources.

FUND BALANCE: The difference between assets and liabilities reported in a governmental fund.

GENERAL FUND: A fund used to account for all general purpose transactions of the Town that do not require a special type of fund.

GENERAL OBLIGATION BONDS: Bonds that are guaranteed by the full taxing power of a city or town. These bonds are usually retired from property tax funds.

GENERAL PLAN: A plan approved by Town Council and ratified by the voters that provides the fundamental policy direction and guidance on development decisions in the Town. The General Plan is the "constitution" for growth and development in the community.

GIS: Geographic Information System(s). A geographic information system is an integrated hardware, software and data system that allows for the capturing and analyzing of geographic information in forms such as maps and globes.

GOAL: A statement of broad direction, purpose or intent based on the needs of the community.

GOVERNMENTAL FUNDS: Funds generally used to account for tax-supported activities. Examples include the general fund, special revenue funds, debt service funds, and capital projects funds.

GRANT: A contribution by the state or federal government or other agency to support a particular function.

HIGHWAY USERS REVENUE FUND (HURF): This revenue source consists of the gasoline tax collected by the state and distributed to counties and cities based on the county of origin and population. These revenues are to be used for street and highway purposes.

HOME RULE OPTION: An alternative expenditure limitation that allows a municipality to expend what it anticipates in revenues each fiscal year. This limitation must be approved by the voters and is effective for four fiscal years.

IMPACT FEES: The fees charged to offset the cost of town improvements that are required due to growth-related development.

Glossary

IMPROVEMENT DISTRICT: A special taxing district as a means of financing the construction or improvement of local public infrastructure such as streets, water, and drainage ways.

INFRASTRUCTURE: Facilities that support the continuance and growth of a community.

INTERFUND TRANSFER: Movement of resources between two funds.

INTERNAL SERVICE FUND: Used to report any activity that provides goods or services to other funds, departments or agencies on a cost-reimbursement basis.

LONG TERM DEBT: Debt with a maturity of more than one year after date of issuance.

MAJOR FUND: As defined by the Government Finance Officers Association budget award criteria, a major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute more than 10% of the revenues or expenditures of the appropriated budget.

MODIFIED ACCRUAL: Basis of accounting that reports those transactions, events, and interfund activity that affect inflows and outflows of financial resources in the near future.

NON-MAJOR FUND: As defined by the Government Finance Officers Association budget award criteria, a non-major fund is any fund whose revenues or expenditures, excluding other financing sources and uses, constitute less than 10% of the revenues or expenditures of the appropriated budget.

NWRRDS: Partnership with the Town of Marana and Metro Water to build infrastructure allowing all three entities to increase their utilization of water allocation.

OBJECTIVE: A statement of specific measurable outcomes that contribute toward accomplishing the departmental goal.

OPERATING BUDGET: Appropriations for the day-to-day costs of delivering Town services.

PAG: Pima Association of Governments. Pima County's federally designated metropolitan planning organization that oversees long-range transportation planning and serves as the region's water quality, air quality and solid waste management and planning agency. PAG also manages the RTA of Pima County.

PER CAPITA: A unit of measure that indicates the amount of some quantity per person.

PERFORMANCE MEASURES: Indicators that measure how well an organization is performing on progress towards organizational objectives.

PERMANENT BASE ADJUSTMENT: An adjustment to the state imposed an expenditure limitation placed on all cities and towns based upon a 1979 formula to determine expenditure levels.

PROGRAM: A group of related functions or activities performed by a division where there is a desire to budget and identify expenditures independently of other activities within the division.

PROPRIETARY FUNDS: Funds that either (1) operate largely on fees and charges for services to external customers or (2) operate on a cost recovery basis with internal customers, such as other government departments, divisions or programs. Enterprise Funds and Internal Service Funds are the two types of proprietary funds.

RESERVES: To set aside a portion of a fund balance to protect against economic downturns or emergencies.

REVENUE: Amounts estimated to be received from taxes and other sources during the fiscal year.

RTA: Regional Transportation Authority. The government entity that manages the \$2.1 billion, 20-year regional transportation plan approved by Arizona's Pima County voters on May 16, 2006.

Glossary

SPECIAL REVENUE FUND: Fund used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government.

STATE SHARED REVENUE: Includes the Town's portion of state sales tax revenues, state income tax receipts, and motor vehicle taxes.

STRATEGIC PLAN: A plan updated and approved every two years by Town Council that provides short-term (2 to 5-year) policy direction and guidance for decision-making and budgeting by the Town and its staff.

USER FEES: Fees charged for the direct receipt of a public service to the party or parties who benefit from the service.

WATER INFRASTRUCTURE FINANCE AUTHORITY BONDS (WIFA): WIFA is a state agency that has specific programs that can improve a city or town's ability to use bonding as a revenue source. WIFA is charged to assist smaller to medium sized communities' pool their bond issues together to help lower the costs of issuing debt. They also have monies set aside to help secure the debt and allow the bonds to be issued at the lowest interest rate possible.

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