KNOW YOUR TOWN'S BUDGET

TOWN OF ORO VALLEY | FY 2026/27 BUDGET

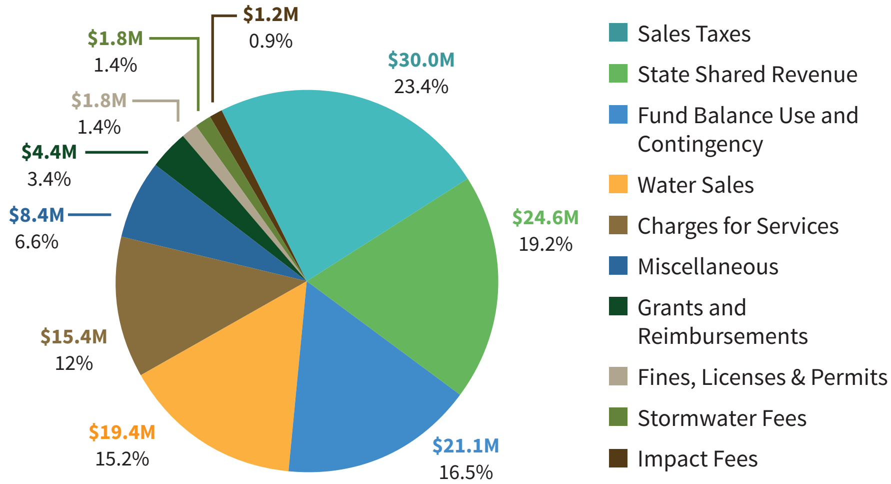
The Fiscal Year 2026/27 budget is in the amount of $127.99 million; a 15.5% decrease from the adopted FY 2025/26 budget totaling $151.5 million.

TOTAL SOURCES

TOWN-WIDE BY CATEGORY

	FY27 Budget	
Sales Taxes	29,972,793	23.4%
State Shared Revenue	24,554,722	19.2%
Fund Balance Use and Contingency	21,100,193	16.5%
Water Sales	19,435,000	15.2%
Charges for Services	15,378,470	12.0%
Miscellaneous	8,434,190	6.6%
Grants and Reimbursements	4,357,956	3.4%
Fines, Licenses & Permits	1,840,661	1.4%
Stormwater Fees	1,758,800	1.4%
Impact Fees	1,152,940	0.9%
	127,985,725	

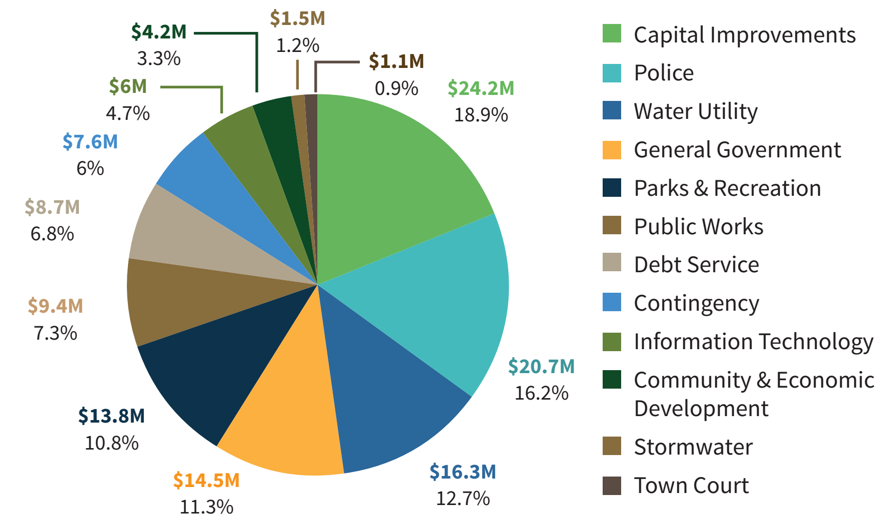
THE TOWN DOES NOT LEVY A PROPERTY TAX



TOTAL USES

TOWN-WIDE BY CATEGORY

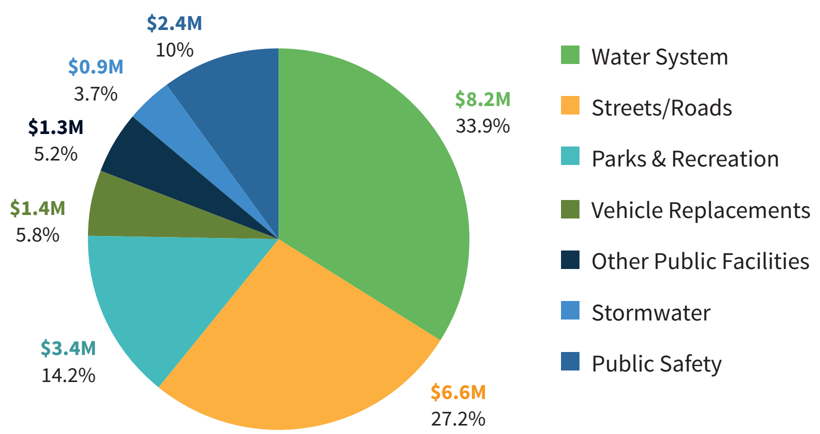
	FY27 Budget	
Capital Improvements	24,215,463	18.9%
Police	20,695,219	16.2%
Water Utility	16,254,023	12.7%
General Government	14,506,867	11.3%
Parks & Recreation	13,827,286	10.8%
Public Works	9,350,826	7.3%
Debt Service	8,709,486	6.8%
Contingency	7,617,576	6.0%
Information Technology	5,969,593	4.7%
Community & Economic Development	4,224,650	3.3%
Stormwater	1,488,458	1.2%
Town Court	1,126,278	0.9%
	127,985,725	



CAPITAL IMPROVEMENT PROGRAM (CIP)

FY27 CIP BUDGET BY CATEGORY

	FY27 Budget	
Water System	8,200,000	33.9%
Streets/Roads	6,593,471	27.2%
Parks & Recreation	3,429,995	14.2%
Vehicle Replacements	1,402,076	5.8%
Other Public Facilities	1,270,569	5.2%
Stormwater	886,016	3.7%
Public Safety	2,433,339	10.0%
FY2026/27 Total CIP	$24,215,466	



THE TOWN BUDGET: **PLANNING FOR THE FUTURE**

The budget reflects the careful allocation of available resources towards the services our residents, businesses and visitors value and deserve. The budget is also a 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.

FINANCIAL RESPONSIBILITY AND LONG-TERM STABILITY

In a challenging economic environment, the Town is focused on maintaining the high-quality services and infrastructure that residents rely on, while limiting increases to ongoing costs. The budget emphasizes smart stewardship and a steady approach to protecting what has already been built, ensuring dependable service and a strong foundation for the future.

CAPITAL INVESTMENTS

Major investments in the FY 2026/27 budget include completing construction of the Northwest Recharge, Recovery and Delivery System (NWRRDS) to strengthen long-term water sustainability, replacing aging vehicles, and sustaining funding for road maintenance. The budget also funds restoration of the pond at Vistoso Trails Nature Preserve, along with improvements to the surrounding path and irrigation system, parking lot improvements at James D. Kreigh Park, and new shade structures at Naranja Park. A significant multi-year Shannon Road widening project, funded by the RTA, will begin its design phase in FY27 and is expected to be completed in FY30. Separately, $7.0 million in federal funding has been secured for bridge repairs over the next two years.

PUBLIC SAFETY

The FY 2026/27 budget continues the Town's commitment to public safety, allocating $1.5 million over the next two years for the design and engineering of a new Police Headquarters facility. Additionally, the Drone as First Responder program will launch in FY27, funded by a grant.

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

The FY 2026/27 Adopted Budget of $127.99 million comprises 17 separate funds, each with its own balanced budget. Each fund contains its own "savings" account, otherwise known as its fund balance which the Town draws from when capital expenditures exceed revenues in a given year.

For FY 2026/27, the Town plans to use approximately $13.4 million from its total starting fund balance of $61 million. This will leave an estimated $47.8 million in reserves at the end of the fiscal year. These planned uses are primarily for one-time capital projects and initiatives, funded by reserves built up over time. The General Fund is projected to utilize about $1.1 million from its fund balance in FY 2026/27.

WHAT KINDS OF TAXES DO ORO VALLEY RESIDENTS PAY?

The Town of Oro Valley operates without a municipal property tax. Its primary revenue is generated from local sales taxes paid by anyone making a taxable purchase in Oro Valley, including visitors and non-residents. The utility tax, by contrast, is charged specifically to residents and businesses based on their water, electricity, and natural gas usage. Separately, Oro Valley property owners contribute over $31 million in property taxes each year to other government entities, such as Pima County and local school and fire districts.

2.5% tax on retail, restaurant/bar (~$15 million/year)

Example:

$100 taxable purchase is $2.50 to OV*

*Groceries are <u>not</u> taxable

4% utility tax (~$4 million/year)

Example:

$100/month avg. electric bill is $4/month or $48/year to OV