



FY 2019/20

Town Manager's Recommended Budget

April 17, 2019

Town of Oro Valley

Overview

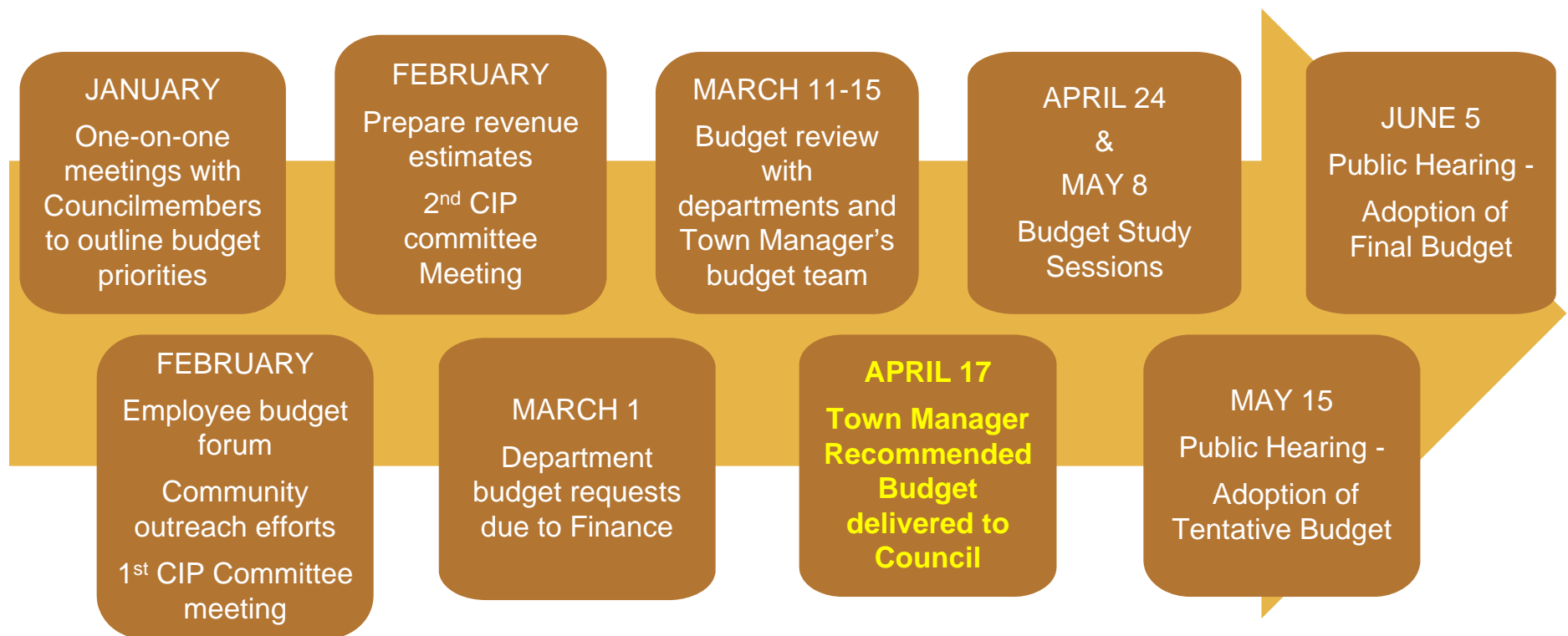
- ▶ Budget timeline
- ▶ Budget snapshot
- ▶ Strategic Leadership Plan focus areas
- ▶ Budget highlights





Town of Oro Valley

FY 19/20 Budget Timeline



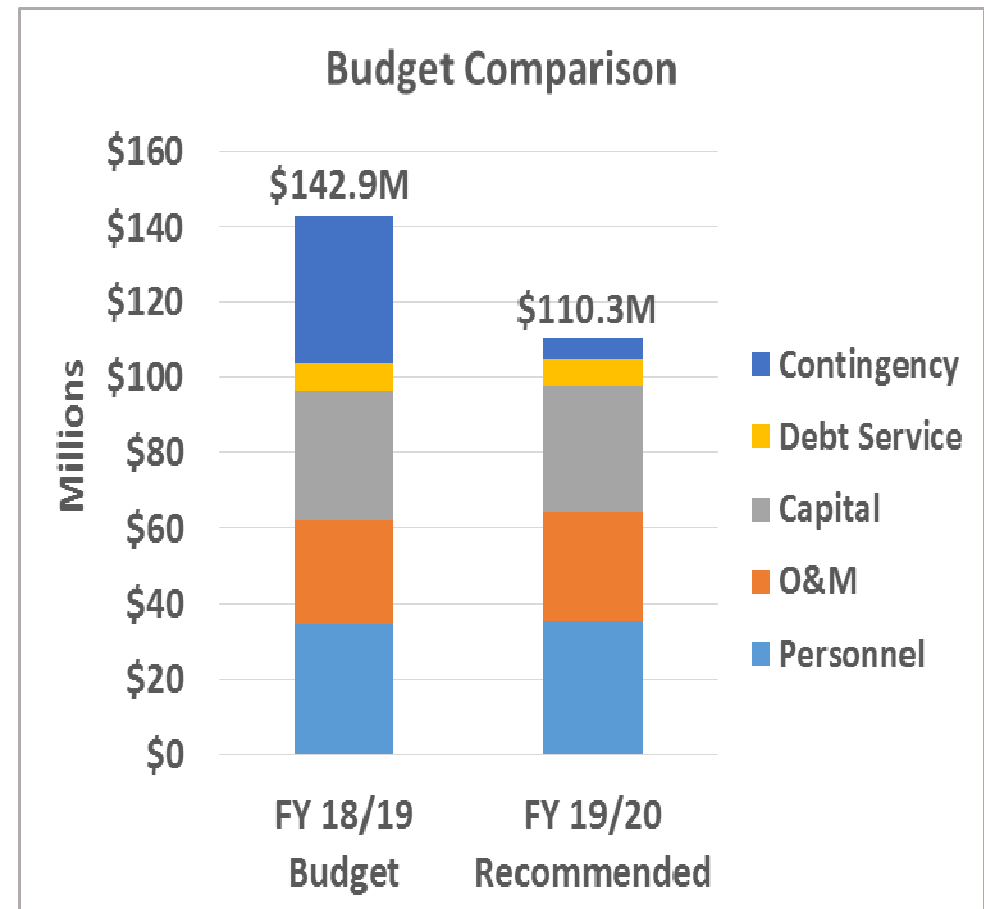


Town of Oro Valley

FY 2019/20 Town Manager's Recommended Budget

Budget Snapshot

- ▶ Recommended Budget total = \$110,329,185
- ▶ \$32.6 million, or 23%, decrease from FY 18/19
- ▶ Budgeting only a portion of Town's spendable reserves
- ▶ Operating budget \$107.5 million (\$1 million decrease from FY 18/19)
- ▶ General Fund \$1.8 million planned use of excess reserves for one-time expenditures; ending fund balance \$13.6 million (28% of expenditures; policy is 25%)



Strategic Leadership Plan Budget Focus Areas



Town Council's Strategic Leadership Plan focus areas guided the development of the FY 2019/20 Recommended Budget

- ▶ Economic Vitality
- ▶ Recreation and Culture
- ▶ Public Safety
- ▶ Roads, Water and Town Assets
- ▶ Land Use
- ▶ Efficient and Effective Government
- ▶ Town Finances

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Key Budget Factors

▶ Growth projections

- ▶ 300 single family residential (SFR) permits forecasted
- ▶ Decrease in commercial development activity
- ▶ Sales tax revenues roughly flat
- ▶ Decrease of 7% for license & permit revenues in the General Fund
- ▶ Increase of 7% for State shared revenues in the General Fund

▶ Capital Funding

- ▶ Transfer of \$1.35 million from General Fund to the Capital Fund
 - ▶ \$1.1 million for FY 2019/20 projects
 - ▶ \$250,000 for future projects
- ▶ \$12 million for La Cholla widening (\$10.3 million RTA funds, \$1.7 million roadway impact fees)
- ▶ \$3 million bond capacity for Community Center and golf course improvements (total \$6 million over two fiscal years)
- ▶ \$2.3 million bond capacity in Water Utility for various capital projects
- ▶ \$2.1 million grant capacity in Stormwater Utility for Catalina Ridge wash repair



Town of Oro Valley

Town Operations – General Fund

- ▶ Collapse of Community Center Fund into General Fund
 - ▶ Community Center and golf course divisions reflected in same manner as other Parks and Recreation divisions
- ▶ Shift of certain Highway Fund expenditures to the General Fund to streamline the tracking of HURF (gas tax) revenues
- ▶ Continue to meet General Fund's 25% reserve policy requirement with these expansions
- ▶ \$500,000 payment towards the Town's Public Safety Pension Retirement System unfunded liability
 - ▶ \$750,000 savings from expiration of sales tax agreement with Oro Valley Marketplace; remaining \$250,000 allocated to Capital Fund



Town of Oro Valley

Major Capital Investments

▶ General Fund

- ▶ Naranja Park playground and infrastructure - \$1.35 million (\$400K parks and recreation impact fees)
- ▶ JDK Park restroom and ramada - \$200,000 (\$100,000 grant funds)
- ▶ Other recreation improvements - \$140,000 (Steam Pump Ranch landscaping, tennis court improvements)
- ▶ Police facility improvements - \$311,000
- ▶ PW/CED front desk enhancements - \$375,000
- ▶ Technology improvements - \$211,000

▶ Non-General Fund

- ▶ La Cholla widening - \$12 million
- ▶ La Cañada and Moore roundabout - \$1 million
- ▶ Completion of Police evidence facility - \$650,000 (rollover)
- ▶ Community Center and golf course improvements - \$3 million (\$6 million total over two fiscal years)
- ▶ Water Utility improvements - \$7.6 million
- ▶ Stormwater Utility Catalina Ridge wash repair - \$2.1 million
- ▶ Pavement preservation \$1,450,000



Town of Oro Valley

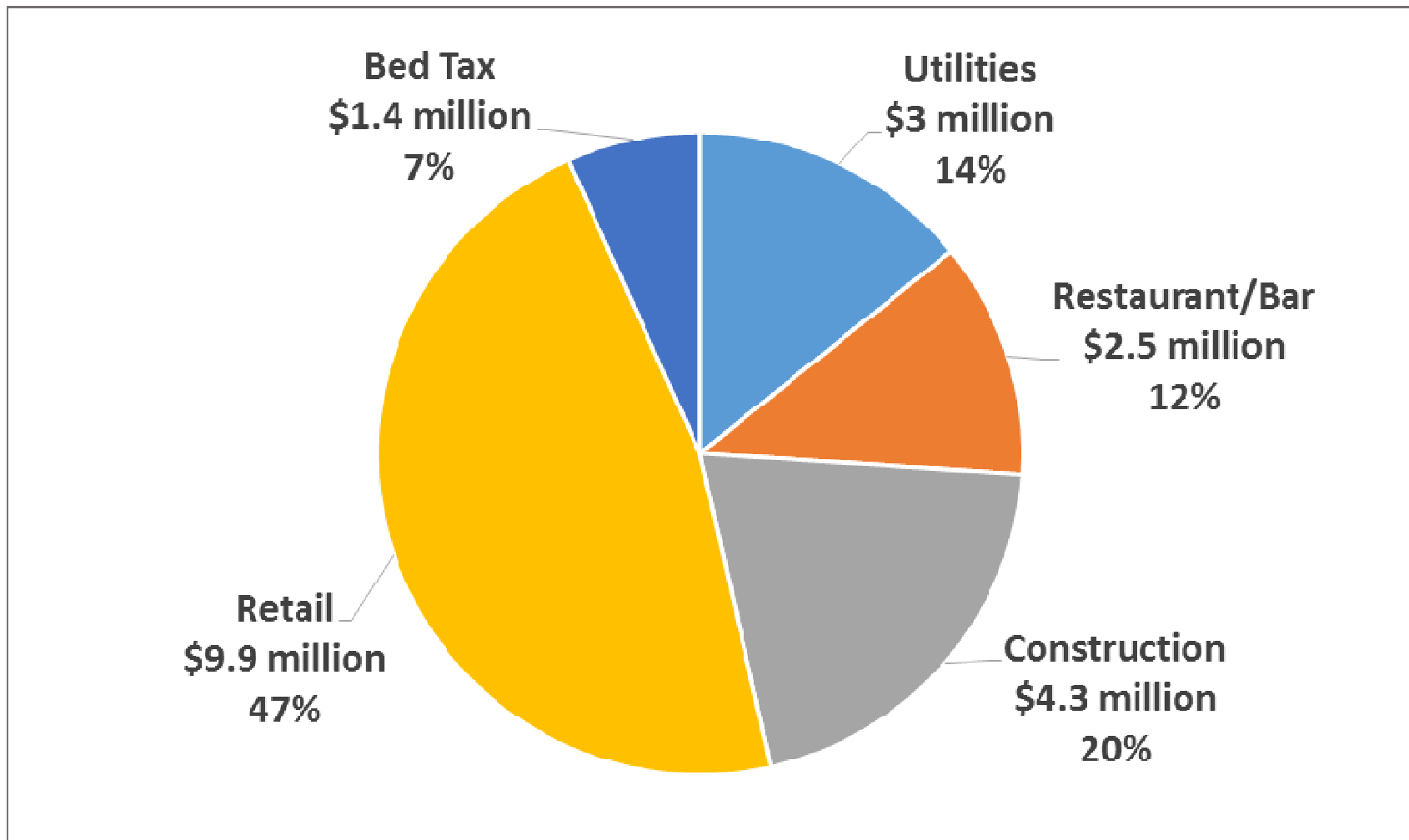
Compensation and Benefits

- ▶ Town salary ranges adjusted 4% based on analysis of comparable communities
- ▶ Step increases and 2.5% - 3% merits (25% reduction from FY 18/19)
- ▶ 5% medical insurance premium increase (Town and employees)
- ▶ 30% dental insurance premium increase (Town and employees)
- ▶ Start of three-year transition towards increased employee coverage of dependent costs for medical and dental (from 20%/80% to 25%/75%)
- ▶ One new full time position – Town Attorney
- ▶ Two new cost neutral, part-time positions
 - ▶ 19-hour Court clerk funded with a dedicated court fee
 - ▶ 30-hour facility attendant at the Community Center, offset with reduction in 19-hour staffing



Financial Overview

Sales Tax by Category

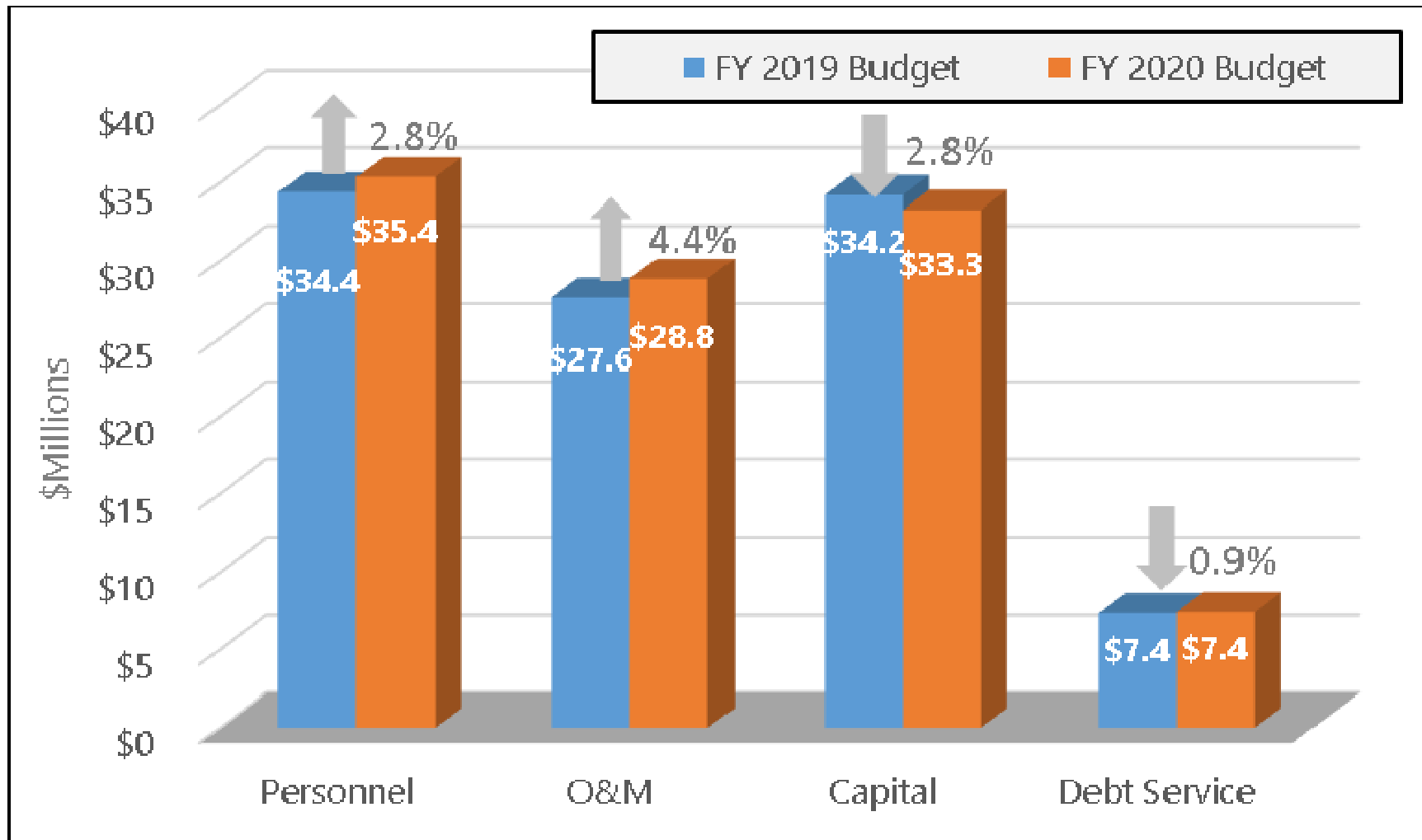




Town of Oro Valley

Financial Overview (Continued)

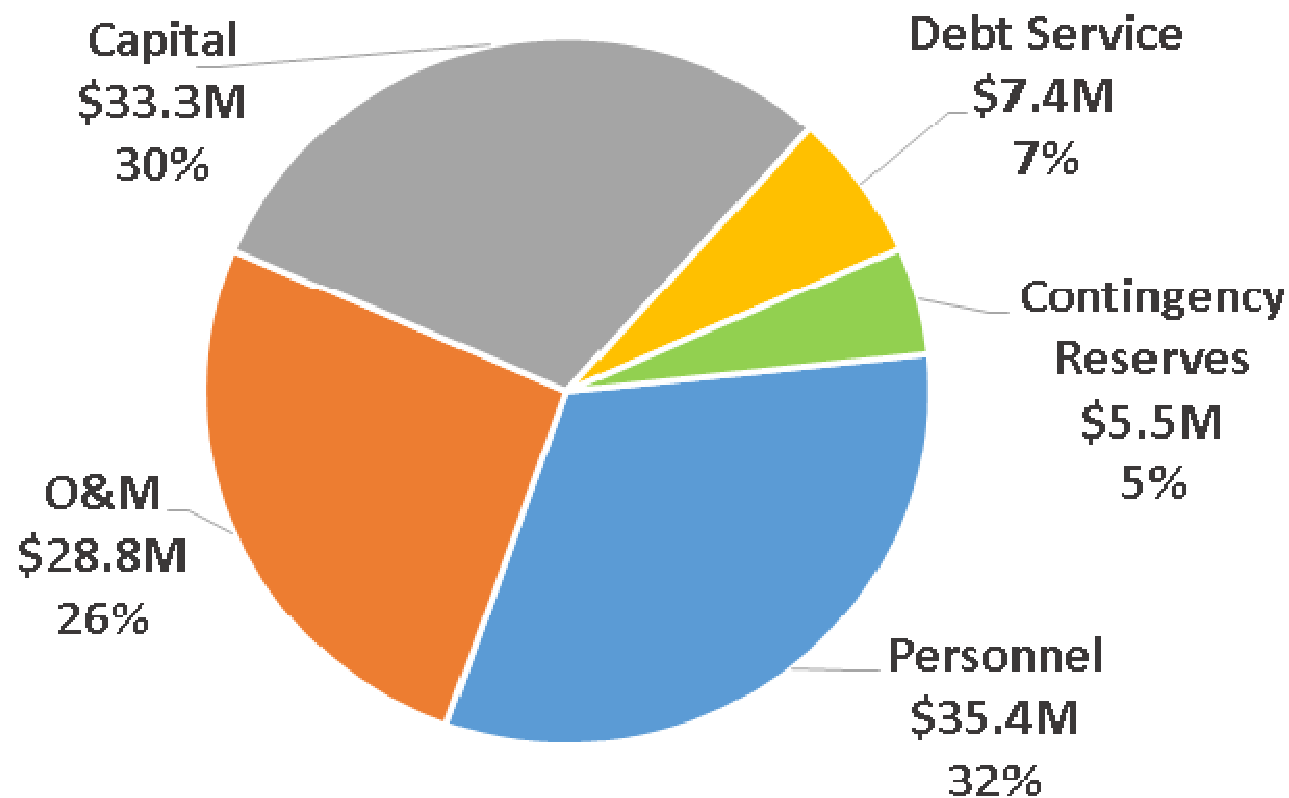
Year-over-Year Budget Comparison





Financial Overview (Continued)

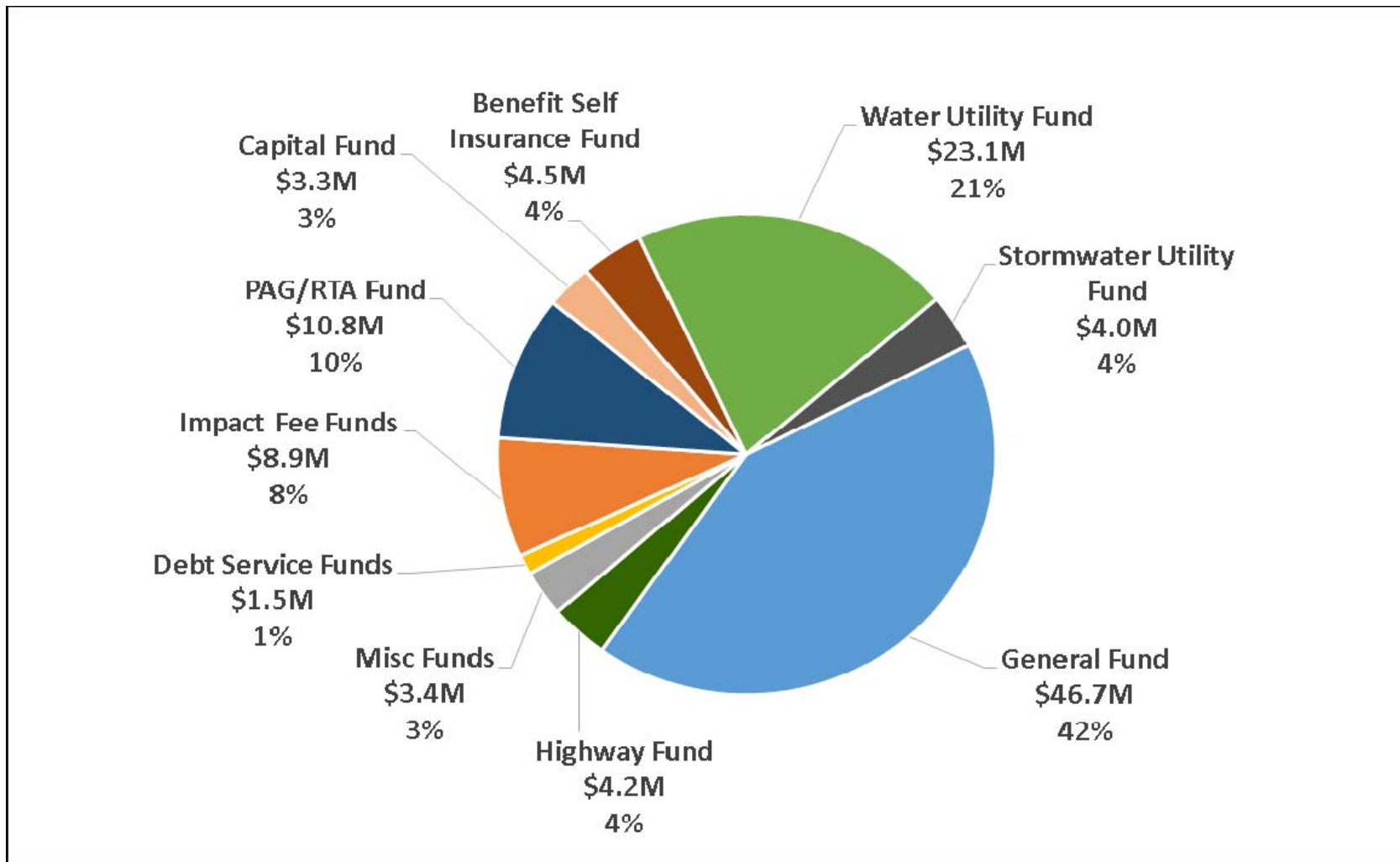
Budget by Category





Financial Overview (Continued)

Budget by Fund



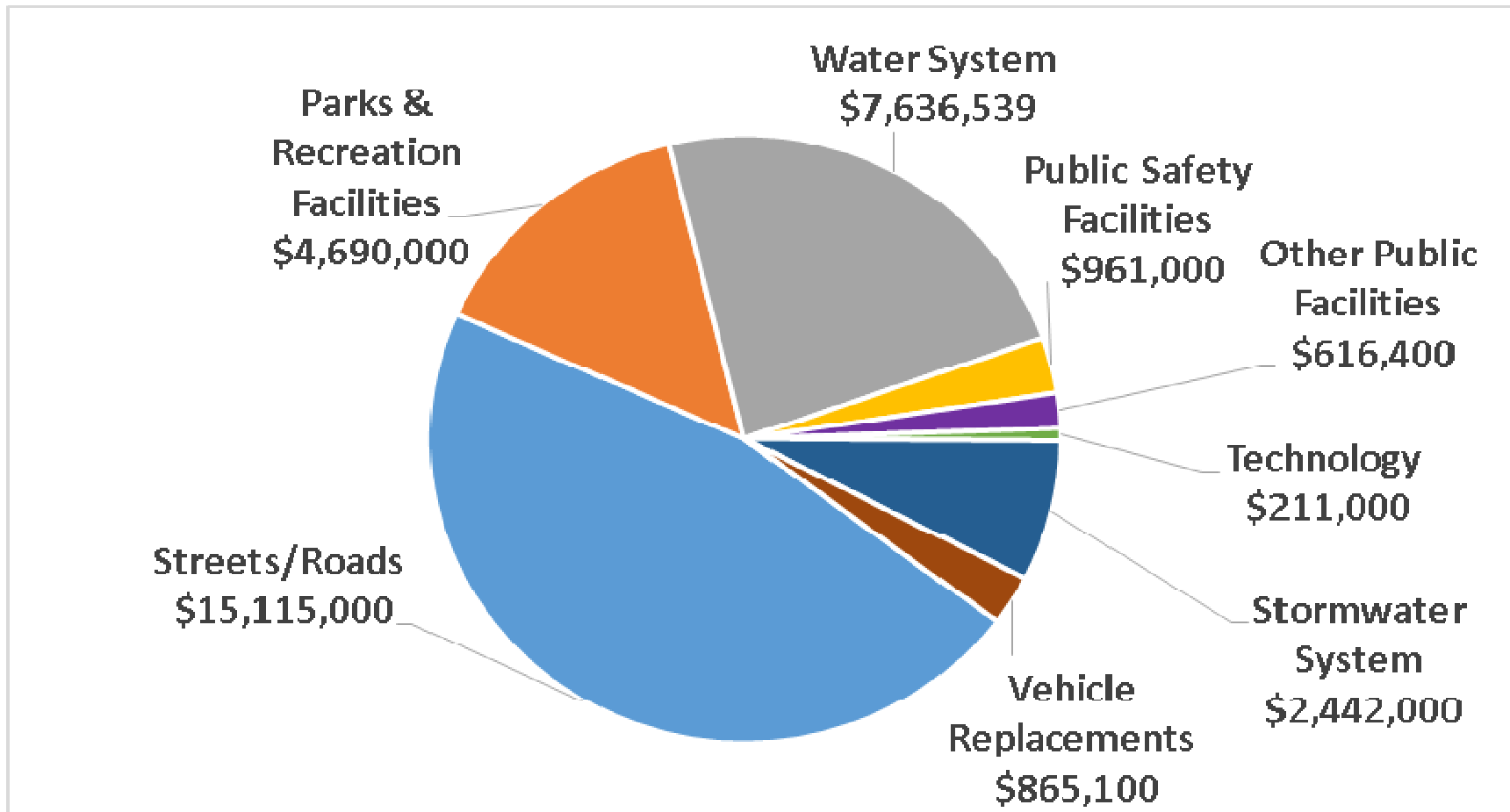


Town of Oro Valley

Financial Overview (Continued)

Capital Improvement Program (CIP)

Total CIP projects = \$32.5M Town-wide





Town of Oro Valley

Awards and Accolades

Government Finance Officers Association (GFOA)
Distinguished Budget Presentation Award – 11th
consecutive year



GFOA Certificate of Achievement for Excellence in
Financial Reporting – 25th consecutive year



GFOA Popular Annual Financial Reporting (PAFR)
Award – 6th consecutive year

