



Annual Budget **FY 2016-17** Town of Oro Valley



ORO VALLEY, *it's in our nature*

ANNUAL BUDGET **2016 – 2017**



Community Vision

Oro Valley is a community defined by the highest standards of environmental integrity, education, infrastructure, services and public safety. It is a community of people working together to create the Town's future with a government that is responsive to residents and ensures the long-term financial stability of the Town.

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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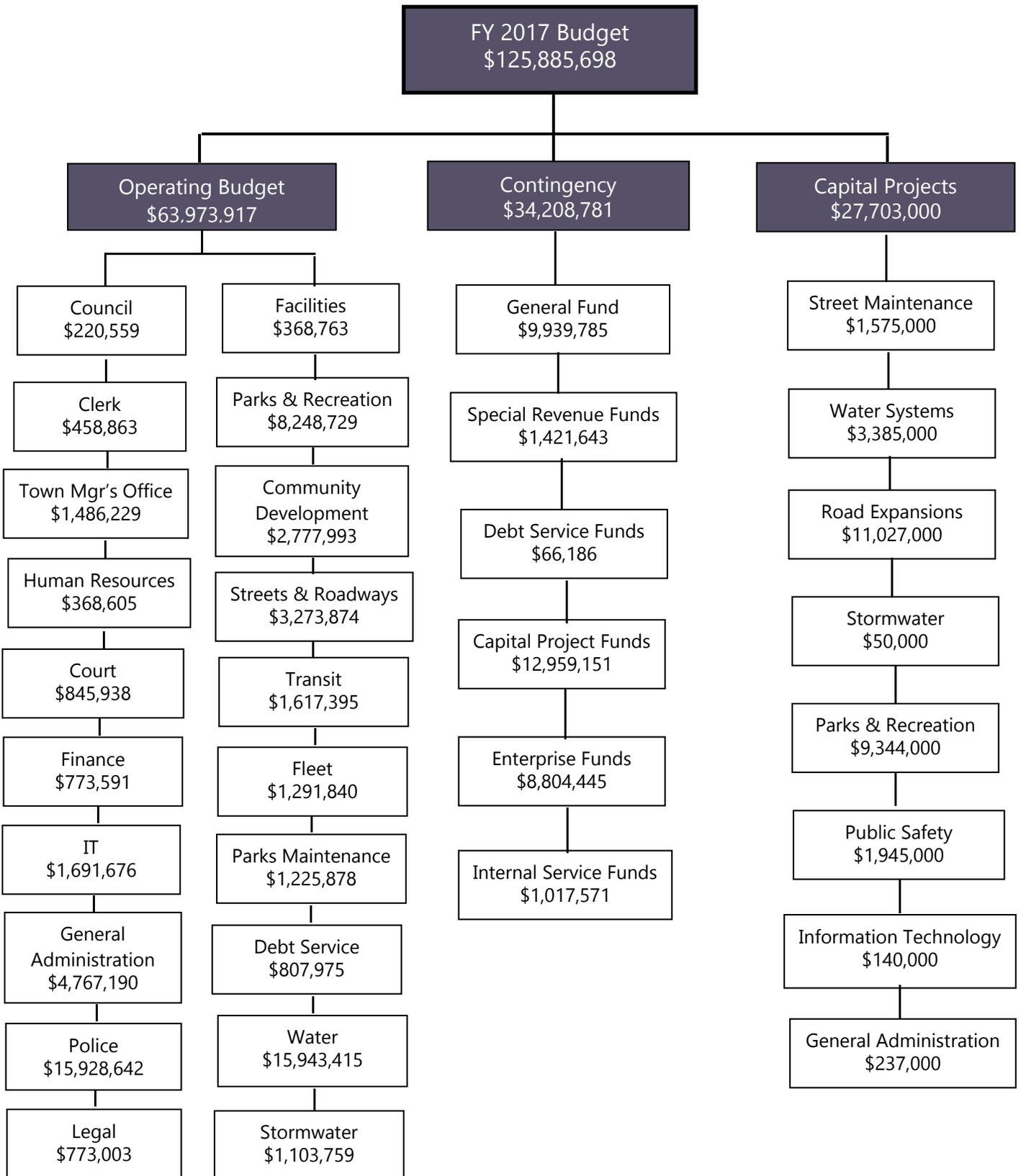
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Financial Organizational Chart



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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, 2015

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, 2015.

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
Strategic Plan
General Plan
Fund Structure
Financial & Budgetary Policies
Budget Process



Budget Message

Greg Caton, Town Manager



To All Oro Valley Residents and the Honorable Mayor and Town Councilmembers:

It is my privilege to present the Town of Oro Valley balanced budget for fiscal year 2016/2017. The FY 2016/17 adopted budget totals \$125.9 million, a \$6.2 million, or 5.2%, increase from the adopted FY 2015/16 budget totaling \$119.7 million.

The budget represents the allocation of resources to achieve the goals identified in the Town's adopted Strategic Plan and the voter-approved General Plan.

During FY 2014/15, Town Council updated its two-year Strategic Plan, and the guiding principles in this document were used to develop the FY 2016/17 budget. The 2015 Strategic Plan is organized around the framework of five (5) focus areas. These focus areas, if addressed collectively, assist the Town in achieving its mission:

- Fiscal Responsibility
- Communication
- Economic Development
- Parks, Recreation, and Cultural Development
- Community Infrastructure and Services

Fiscal Responsibility

Fiscal responsibility is paramount to the operations at the Town of Oro Valley. We have been fiscally prudent for years and have taken operational savings and reinvested in technology and capital improvements to improve service to the community. We continue to use one-time revenues only for one-time expenses. This allows us to quickly adapt to a changing environment without impacts to service delivery that the community has grown accustomed to expect. We continue to "live within our means" on an operational basis and only using ongoing revenues to support ongoing expenses.

Growth Projections

Critical to our success in this area is the preparation of realistic growth assumptions that help guide our revenue projections. We continue to see modest economic growth in Oro Valley and the region. The projected residential development is considerable over the next five-year period; however, it will be spread out more than originally projected as we saw the production of homes going vertical at a slower pace than projected in the last few years. Currently, there is an inventory of nearly 1,400 residential lots available in residential developments under construction town-wide. In FY 2015/16, we estimated that 200 single family residential (SFR) building permits would be issued. The FY 2016/17 budget includes the assumption that 230 SFRs will be issued during the year as many developments have made their way through the planning and approval process and are now ready to build.

The budget reflects continued modest growth in commercial activity with some new construction and tenant improvements of previously-vacant space. Two significant development projects in this category have been included in the revenue estimates for FY 2016/17: the new Amphi K-5 STEM school in Rancho Vistoso, and the All Seasons Memory Care facility in the Innovation Corporate Center.

Based on these growth assumptions, the FY 2016/17 budget includes the transfer of one-time revenues totaling \$1.5 million from the General Fund to the General Government CIP Fund for capital projects.

Staffing and Compensation

With the adjustments to employee compensation through the last several budgets, the organization is less likely to see employees leave strictly for compensation reasons. As a result, scarce funding is not spent on training new employees. Employee turnover can be very costly for an organization. The FY 2016/17 budget continues the commitment to recognize the efforts of our Town employees with capacity included of approximately \$445,000 for public safety employee step increases and up to a 4% performance merit increase for non-public safety employees.

In addition, as part of the renewal of the public safety memorandum of understanding for another two-year period beginning July 1, 2016 through June 30, 2018, the amount paid for on-call pay will increase from \$1 to \$1.25 per hour. This increase will apply to all departments in our organization who utilize on-call pay. Additionally, the amount paid for shift differential pay, which is utilized by just the Police Department, will increase from \$1 to \$1.50 per hour. The estimated cost impact of both of these changes is approximately \$60,000.

The organization reduced staffing over the last recessionary period. The staff reduction was accomplished, for the most part, without major modifications to our service or program delivery. We continue to make significant investments in public safety, transportation and pavement preservation, parks and recreation, and water delivery. We provide these services with a very streamlined, efficient and well-trained work force.

One of the biggest challenges for the organization is that services and program expectations are outpacing our ability to increase staffing levels. Our staff has been "doing more with less" for several years now, and this is not sustainable in the long term. In the short term, staff is committed to providing the highest level of service with the current staffing levels. We are seeing increases in a variety of workload indicators. We have the ability to provide the current level of services and programs to the community with the resources we have; however, community expectations do not remain stagnant. This is where the challenge for management is created.

The Town of Oro Valley provides services and programs that are required by law and expected by the community members. The delivery of high-quality services and programs are a direct result of strong leadership and the Town's expert staff members.

During the last recession, the Town reduced staff considerably. At its peak in FY 2008/09, the adopted budget included 389 full-time equivalent (FTE) positions. The FY 2016/17 adopted budget includes a total of 377 authorized FTE positions. The Town has also reduced full-time, benefited positions from 332 in FY 2008/09, to 308 in the FY 2016/17 budget.

The following paragraphs highlight new positions in the FY 2016/17 budget:

- In the CDPW Department, the following positions have been added:
 - Three full-time positions in the Stormwater Utility (a project manager, a drainage designer, and an analyst) to address state and federal regulatory compliance and assist with planning and infrastructure management. These positions, which cost approximately \$209,000, will be funded with a Stormwater Utility Fee increase that was approved May 4, 2016.
 - Three temporary, full-time heavy equipment operators tied to two projects: 1) the construction of additional fields at Naranja Park, and 2) cart path improvements for the golf course at the Oro Valley Community Center. These three positions are directly connected to these two projects and will be eliminated when the projects are complete. The cost of these positions, approximately \$172,000, is allocated between the General Government CIP Fund and the Community Center Fund. We have utilized this approach for capital projects before and found it very effective both from a cost and production perspective.
 - Three temporary, full-time, fully-reimbursed positions (two construction inspectors and a construction clerk) in the PAG/RTA Fund to assist with the large volume of Pima Association of Governments (PAG) and Regional Transportation Authority (RTA)-funded Town roadway construction projects on the horizon. These positions cost approximately \$158,000, and will be fully funded by project proceeds from PAG and the RTA. These positions will terminate when the projects are completed.
 - Two full-time positions in Parks Maintenance (a crew leader and a maintenance worker). In FY 2015/16, we eliminated two vacant, full-time park maintenance positions. The funding for these two positions was allocated to an outsourced maintenance company in a pilot program. The pilot program of outsourcing some park maintenance functions proved unsuccessful. The contracted market rate was higher than the rate paid to Town employees; therefore, we saw less production of work from this outsourcing. In the 2016/17 budget, we have returned the two positions to our park maintenance operations.
- In the Water Utility, an engineering division manager position has been eliminated, and two operational positions have been added, resulting in a slight overall cost savings to the Water Utility Fund of approximately \$17,000.
- In Parks and Recreation, positions have been added in the Community Center Fund, including facility attendants, facility supervisors, lifeguards and custodians. The attendants will address current facility needs, while the supervisors and lifeguards are attributable to the Town assuming pool operations that were previously under contract management. The custodians will replace previously outsourced services.

After years of trending low in our health claims costs, we have seen a spike in these costs during the last few years. The FY 2016/17 budget includes a 5% health insurance premium increase for both the employee and town contributions. It is expected that annual, incremental increases will continue over the next few years in order to adequately prepare for possible future large claims.

Another change in the FY 2016/17 budget impacts the employee-only cost share for health insurance. Historically, the employee-only coverage has been covered 100% by the Town. This year, we have implemented a cost share of 85% Town-paid and 15% employee-paid. This cost share change impacts all categories of coverage because the employee-only coverage is used as the foundation for all dependent

coverage categories. By reducing the Town-paid premiums for employees from 100% to 85%, the Town would have saved an estimated \$151,000 annually assuming premiums remained flat. With the proposed 5% premium increase factored in, the net savings to the Town is approximately \$54,000. In the FY 2016/17 budget, this \$54,000 savings has been budgeted to cover the potential of higher claims in the Benefit Self-Insurance Fund. Should the Town's claims not reach the high levels seen during the past two years, those savings will add to the contingency reserve balance of the Benefit Self-Insurance Fund at year-end. Had this premium cost share of 85%/15% not been implemented, the Town would have had to allocate new dollars to balance the Benefit Self-Insurance Fund to meet the forecasted expenditures.

Over the last few years, the Town has implemented proactive approaches to managing employee health care, including the on-site health clinic and wellness programs. Additionally, the employees have become very engaged in their health and are becoming wise consumers. This trend will serve the Town and the employees well into the future.

Vehicle and Computer Replacement

Fiscal responsibility also requires the discipline to develop and fund a vehicle replacement program, which we began back in FY 2012/13 in order to reduce one-time expense shocks to the budget. More specifically, when we purchase a vehicle, the following year we begin to set aside funding to replace that vehicle when it completes its lifecycle. The FY 2016/17 budget includes \$285,000 set aside in the Fleet Fund for the future replacement of vehicles.

The budget also includes the replacement of seven (7) marked police vehicles; three (3) unmarked police vehicles; three (3) vehicles for CDPW operations; and matching funds for five (5) grant-funded Transit vehicles at a total budgeted cost of \$636,600. The Water Utility will replace five (5) vehicles at a budgeted cost of \$164,000.

The budget also includes \$125,500 for the replacement of desktop computers, servers and mobile data computers to ensure that Town employees have the appropriate tools to do their jobs.

Communication

Communication is critical to educating and informing the community about the activities of the Town. We continue to support the mailing of the *Oro Valley Vista*, the Town's newsletter. In recent years, we revamped the *Vista* to a bi-monthly publication and budgeted for the dissemination via the Town's water bill, which has been widely recognized as an improved method of communicating with residents. The FY 2016/17 budget includes \$12,500 to continue production on a bi-monthly basis.

To further promote community awareness of the activities and membership opportunities at the Oro Valley Community Center through ads and print media, the Community Center Fund includes \$27,000 for marketing and advertising efforts for FY 2016/17, a \$12,000 increase from the amount allocated in FY 2015/16.

The Communications Division, in partnership with the IT Department, is developing a new employee intranet - *Inside OV* – to improve internal communications and efficiencies. Additionally, beginning FY 2016/17, Communications staff will develop a new public website to replace www.elconquistadorcc.com, which is the current portal to booking golf tee times, tennis reservations and Overlook restaurant

reservations. The new website will provide these same critical functions while bearing the Town of Oro Valley's name and brand. Both websites will be developed and managed entirely by in-house staff.

The Communications Division, Parks and Recreation and the Police Department continue to utilize social media in an effort to promote events, activities and community engagement. The Town continues to invest in the Town's website, which has seen significant increased traffic since the redesign. These improvements are all accomplished through internal resources.

Face-to-face interaction with residents continues to be a critical component to communication. In the Police Department, programs such as Coffee with a Cop, Adopt-A-Business program, and the Citizens Police Academy continue to keep the Police Department engaged with the community and the community engaged with the Police Department. The Town also invests considerable resources into communicating via neighborhood meetings and homeowner association meetings. This investment has proven beneficial to maintaining two-way dialogue with residents. In partnership with the Greater Oro Valley Chamber of Commerce, a Coffee with the Mayor and Manager was introduced in FY 2015/16 and will continue in FY 2016/17.

The Town continues the process of updating the General Plan, which is expected to go before voters in November 2016. The public outreach efforts on this project have won awards for the extensive, comprehensive approach that has been underway for the past two years. We continue our development of this important document and have had overwhelming community involvement. The FY 2016/17 budget includes \$77,000 to support these update efforts.

Economic Development

Economic development is the effort towards investing in our business sector, which will help create a vibrant community. The Town has a successful track record of recruiting and retaining primary employers. Additionally, the Town has built an excellent reputation as a community where bioscience and high-technology companies want to locate. We continue to work with the Arizona Commerce Authority and Sun Corridor Inc. (formerly known as Tucson Regional Economic Opportunities) to assist us in our efforts.

Another important component to economic development is business attraction and retention. The Town has made great progress in becoming a place to locate a business. In many cases, successful businesses in the metropolitan area are looking for additional locations to expand, and Oro Valley is their destination.

We have seen some recent retention efforts pay off and will continue to invest resources in this area. The Town also values its partnership with the Greater Oro Valley Chamber of Commerce, and the FY 2016/17 budget includes \$30,000 from the Bed Tax Fund to support this partnership.

Tourism continues to be an important part of the Town's brand and our revenue stream. We have budgeted capacity to increase the funding of Visit Tucson to \$250,000 in FY 2016/17, up from \$215,000 in the 2015/16 budget year. This increase was approved by Town Council in the spring of 2015 as part of a three year agreement with Visit Tucson, who serves as the regional visitor's bureau that markets the entire area. Visit Tucson has been a great partner with the Town as we look to meet our strategic goal of developing and attracting youth and amateur sporting events. They continue to create opportunities for events at the Aquatic Center and will certainly play a role in scheduling events at the Community Center.

Parks, Recreation, and Cultural Development

Parks, recreation, and cultural development is an area of significant increased investment over recent years. Since the authorization of \$5 million for the Aquatic Center expansion in 2011/12, we have continued to add facilities, programs and events under the management of the Parks and Recreation Department.

Last year, the largest addition to this function was the Oro Valley Community Center. A new division within the Parks and Recreation Department was created to account for these operations in a separate fund, the Community Center Fund. This year's budget for the Community Center includes \$6.9 million in operational and capital expenses and accompanying revenues of over \$6.6 million, including the 0.5% dedicated sales tax revenues, which are projected to be \$2.1 million for FY 2016/17. The second of three annual payments (\$350,000) toward the \$1 million acquisition cost is included in the General Government CIP Fund in the FY 2016/17 budget. Several significant capital projects are planned for FY 2016/17 totaling \$3,496,000. Of this amount, \$3,000,000 is for an energy efficiency project, which will include the replacement of aged HVAC units, evaporative coolers, lighting retrofits within the buildings and on the tennis courts, water heater replacements, pool heater and pump replacements, and an irrigation system replacement. Also being evaluated is the installation of solar photovoltaic panels in the facility parking lot. This is proposed as a budget neutral project with no need for upfront funding from the Town, whereby the improvements will be financed over a set period of time, and the energy savings from the project will be used to pay the financing costs of the project. This is similar in concept to an energy efficiency and solar project completed by the Town in 2010 for the Town Hall campus facilities.

The budget includes funding to continue several successful public-non-profit partnerships in this area. In FY 2014/15, the Town funded a \$200,000 one-time startup capital contribution to Children's Museum Oro Valley, and \$37,500 in operational contribution. For 2016/17, we have planned for the continued annual contribution of \$75,000 for the museum. To further promote arts and culture in Oro Valley, our partnership with the Southern Arizona Arts & Cultural Alliance (SAACA) will continue with funding of \$32,550 included in the budget. This funding will continue to support the concert events at Oro Valley Marketplace, the Oro Valley Community Center and Steam Pump Ranch, as well as the Just for Kids concert series. Additional programming next year by SAACA includes the Oro Valley Festival of the Arts and the Cruise, BBQ and Blues Classic Car Show.

Other FY 2016/17 budgeted investments in our parks and recreation facilities include the following:

- Two new unlit multi-use (soccer) fields at Naranja Park (\$350,000) - (1st year cost of 2-year project)
- Community Center ADA improvements (\$331,000)
- Community Center family/teen area (\$65,000)
- Tennis court improvements (\$50,000)
- Golf cart path improvements (\$50,000)
- Aquatic Center pool heaters (\$148,000)

Community Infrastructure and Services

All Town functions contribute to the overall quality of life for residents. From our recognized Police Department to the top-notch Water Utility, and everything in between, these services contribute to what

makes Oro Valley a special place for residents to call home. The Town performed well during the last recession because of its commitment to maintaining service levels in the Town's four primary service areas: public safety, transportation, water, and parks and recreation. Because we held true to these four primary service areas, these areas are now recognized for their exceptional service and programs provided to the community. The Town's strength in the delivery of community services has led to sustained activity in building development and economic development. The refocus, and streamlining, of the development process has placed Oro Valley on the map for the development community. The development community continues to see Oro Valley as a place to invest and do business.

The Town's departments on the front lines of programming and service delivery plan to continue the high quality the community has grown to expect. The operational departments are supported by internal service departments, such as Human Resources, Information Technology, Finance, Legal Services, and Town Clerk. These internal service departments are the backbone of the organization and have seen significant reductions in staffing. They continue to support the organization as we continue to push ourselves to outperform our previous service levels.

The Town has earned a great reputation for our excellent roadway system. Several major road improvements will impact our community over the coming years with funds included in the FY 2016/17 budget from PAG and the RTA. These include the following:

- Widening of La Cholla Blvd., from Overton Rd. to Tangerine Rd. (\$1.5M)
- Widening of Tangerine Rd., from La Cañada Dr. to Shannon Rd. (\$2.7M)
- Widening of Lambert Lane, from La Cañada Dr. to Rancho Sonora Dr. (\$6.5M)

The 2016/17 budget also includes \$1.15 million in the Highway Fund for the Pavement Preservation Program.

The Town continues its successful partnership with the Pima County Library District for the operation of the Oro Valley Public Library. With the expanded hours and increased patronship at the library, having ample parking capacity to meet the needs has become challenging. The Town retained responsibility for maintaining the library parking lot in the intergovernmental agreement with the Library District; therefore, the FY 2016/17 budget includes funding of \$187,000 to expand the parking areas around the library to be paid with Town library impact fees (\$37,000) and donated funds from the Friends of the Oro Valley Public Library (\$150,000).

Other significant community infrastructure projects funded in the FY 2016/17 budget include the following:

- Police Evidence and Substation Facility (\$1,945,000)
- Community Center Facility Improvements (\$3,496,000)
- 680 Calle Concordia Facility Improvements (\$50,000)

New Initiatives

In recent years, we heard interest from the soccer community to oversee our parks during the winter season. In 2014/15, we implemented a pilot program of overseeding the grass at Riverfront Park in the winter months. This was very well received by the user groups, so we continued the overseeding at

Riverfront Park and expanded the program to Naranja Park in 2015/16. The overseeding of these two parks is now standard operation for the Town, which requires additional labor to maintain the winter turf and increased water costs for irrigation. As a result, the budget includes \$50,000 for overseeding at both parks.

We have changed the name of Development and Infrastructure Services (DIS) Department to Community Development and Public Works (CDPW). The DIS Department has two distinct functions: 1) Infrastructure Services – which is typically called Public Works in most municipal agencies, and 2) Development Services – which is typically called Community Development. We have found that DIS is confusing to the Town's users (residents, businesses, vendors, the development community, etc.). We believe these traditional names will serve our customers well. The Town used these traditional department names for years, and they were well understood. There are no additional changes associated with this name change, as it is merely a name change, and it remains one department.

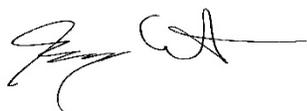
Funding of \$15,000 is also included in the budget for video conferencing equipment to establish an "alternative to jail" program in partnership with Tucson City Court. This program includes establishing a video link to a Tucson City Court judge who will review arrest warrants to determine whether the defendants should be booked into jail or released with a new court date. This is intended to reduce both incarceration costs to the Town, as well as police transport time to and from the Pima County Jail.

Conclusion

The FY 2016/17 budget continues to further the goals and initiatives of the Town's Strategic Plan and allocates resources to the broad spectrum of community services so highly valued in Oro Valley. This budget continues to maintain the Town's fiscal health while investing in its future. The budget takes a measured approach to carefully plan where each new dollar generated from growth is allocated, ensuring that this and future budgets continue to be structurally balanced.

I appreciate the Town Council for providing the long-term vision and support that are crucial for the Town to achieve its goals. I would also like to recognize the contributions of the Town staff for continuing to deliver community services efficiently and effectively and within budgeted resources. The Town of Oro Valley is well-positioned to maintain an excellent quality of life for our residents and a strong economic base for local businesses.

Sincerely,



Greg Caton
Town Manager

KNOW YOUR TOWN'S BUDGET



TOWN OF ORO VALLEY | FY 2016-17 BUDGET

Fiscal Year 2016/17 budget is in the amount of \$125.9 million; a \$6.2 million, or 5.2% increase from the adopted FY 2015/16 budget totaling \$119.7 million. The 5.2% increase is attributable to capacity for bond projects, including an energy efficiency project at the Town's Community Center, as well as the possible issuance of bonds to fund additional park infrastructure.

GENERAL FUND HIGHLIGHTS

- General Fund budget totals **\$33.1 million** (excluding contingency reserves of \$9.9 million).
- Estimated year-end contingency reserve balance in the General Fund for FY 2016/17 is **\$9.9 million**; 30% of the expenditure budget.
- General Fund is balanced, with surplus of **\$35,249**.



KEY REVENUE PROVISIONS

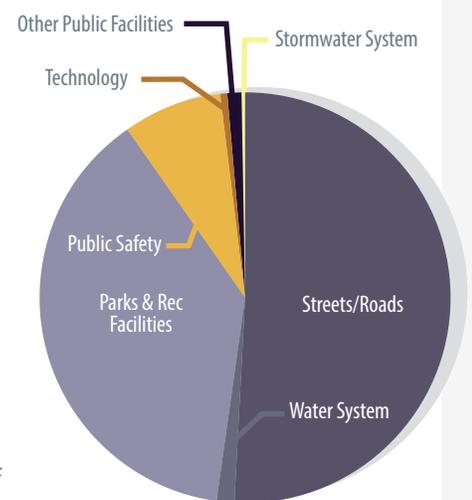
(Reflects all funds, except for first bulletpoint)

- Total FY 2016/17 General Fund revenues are **\$979,000**, or 3.0%, higher than FY 2015/16 budgeted General Fund revenues.
- Total FY 2016/17 local sales taxes are **\$548,000**, or 3.0%, higher than FY 2015/16 budget amounts.
- Charges for Services revenues are **\$291,000**, or 2.3%, lower than FY 2015/16 budget amounts due to reduced revenues budgeted from the Town's Community Center operations.
- Grant revenues are **\$852,000**, or 6.8%, lower than FY 2015/16 budget amounts, which corresponds to reimbursements projected for roadway widening projects occurring in town.
- There is an overall increase of 3.1%, or approximately **\$411,000**, in state-shared revenues (includes Highway User Revenue Funds).

KEY EXPENDITURE PROVISIONS

FY 2016/17 Capital Improvement Projects (CIP) in the amount of **\$27,703,000** include:

Streets/Roads	\$12,602,000
Water System	\$3,385,000
Parks & Rec Facilities	\$9,344,000
Public Safety	\$1,945,000
Technology	\$140,000
Other Public Facilities	\$237,000
Stormwater System	\$50,000



- Includes funding for merit and step increases for eligible employees at an estimated cost of **\$445,000** (all funds).
- Department operations and maintenance budgets in the General Fund are slightly higher by 1.2%, or **\$91,000**, than adopted FY 2015/16 levels.

The Town Budget: What's in it for residents?

The budget process—and the document itself—can be overwhelming. Sometimes residents just want a snapshot of what it means for them. How will budget decisions impact their quality of life?



Oro Valley Community Center

The Town acquired the El Conquistador Country Club on May 1, 2015 for the purpose of fulfilling a long-time request by the community for a Community Center. This facility serves as a community gathering place and focal point for programs for community members. This year's budget includes significant capital funding for continued facility improvements totaling \$496,000 in the golf, tennis, restaurant and fitness facilities. The budget also includes funding of \$3 million for an energy efficiency project to replace aging HVAC units, lighting, water heaters and an irrigation system, and install solar panels in the facility parking lot. The operations of the Community Center are accounted for in its own fund within the budget, separate from the General Fund, the Town's main operating fund.

Parks and Recreation

In an effort to continue meeting the community's needs for parks and recreational amenities, this year's budget includes funding of \$350,000 to begin the construction of two new unlit multi-purpose fields at Naranja Park. Funding of \$380,000 to complete the field construction is programmed in FY 2017/18. Also budgeted are improvements to the Aquatic Center pool heating system totaling \$148,000, expanded opportunities for kids' summer recreation camps, and \$50,000 in funding to oversee the grass fields at Naranja Park and CDO Riverfront Park.

Public safety programs

The Oro Valley Police Department (OVPD) implements several community-based programs to enhance public safety, including School Resource Officers, Dispose-A-Med, Adopt-A-Business, Rape Aggression Defense (RAD) Training, Coffee with a Cop and Citizen Volunteer Assistants Program (CVAP). These, and many more community-based programs and services, receive funding from the Town because they play a valuable role in keeping our residents actively engaged in public safety.

Pavement preservation

The Town of Oro Valley is well known for having quality infrastructure. The budget includes \$1.15 million for the Pavement Preservation Program in the Highway Fund, which maintains the current condition of our roads. Oro Valley is known for having the best roads in the region, and the amount of maintenance expected to be delivered remains at a level which will not allow the infrastructure to deteriorate.

Reliable, quality water

The Oro Valley Water Utility takes very seriously its responsibility to ensure the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards. Great care is taken to manage this valuable resource, through use of reclaimed water, distribution of Central Arizona Project (CAP) water and advanced meter reading infrastructure.

Special events

The Town's budget ensures funding for special events that bring the community together in celebration, such as the annual July 4th Celebration, Holiday Tree Lighting Celebration, and seasonal festivals at Steam Pump Ranch. The Town also partners with community members and organizations to fund four concert series programs (34 concert performances), as well as the Oro Valley Festival of the Arts and the Cruise, BBQ and Blues Classic Car Show.

Transportation

Through its partnership with the Regional Transportation Authority, the Town of Oro Valley has begun its fifth year of funding Sun Shuttle Dial-A-Ride. This transit service, for which everyone is eligible, works in tandem with the Sun Tran system for the general public, and provides direct service for seniors and disabled community members. In addition, several major road improvements are planned for FY 2016/17 with \$9.2 million included in the budget from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA) to fund the widening of La Cholla Boulevard, Tangerine Road and West Lambert Lane.

WHAT KIND 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 \$28 million every year in primary property taxes to Pima County.

Town residents pay approximately **\$465 per year, per household** in taxes to Oro Valley.

- 4% utility tax (\$3 million/year)
- 2.5% retail tax and 2.5% restaurant/bar tax (\$5.6 million/year)
- Total = \$8.6 million divided by 18,500 households = \$465 per household/year.

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

The FY 2016/17 Manager's Recommended Budget of \$125.9 is comprised of 25 separate funds, each with their own balanced budgets. Each fund contains its own "savings" account, otherwise known as its fund balance. When budgeted revenues are more than budgeted expenditures, the Town adds to its fund balance. When budgeted revenues are less than budgeted expenditures, the Town draws from its fund balance. For FY 2016/17, the Town plans to draw down, or spend, approximately \$6.3 million from its overall beginning fund balance total of nearly \$41 million, leaving approximately \$34 million on hand in the overall fund balance at year-end. These are planned uses of funds that have been building up over a period of time and are being used primarily to cash-fund capital projects in order to avoid going into debt to complete these projects. It is important to note that the Town's main operating fund, the General Fund, is planning to add to its fund balance in FY 2016/17 with a projected surplus of \$35,249.



Town of Oro Valley

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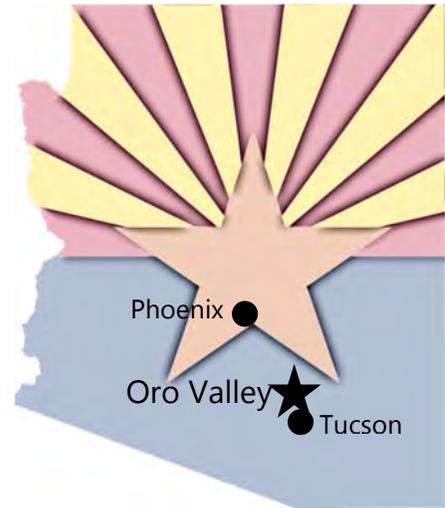
Community Profile

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

- One of America’s 10 Safest Suburbs – Movoto Real Estate, 2014
- Best Place in Arizona to Raise Kids – Bloomberg Businessweek, 2013
- A Playful City USA Community, 2011-2016
- 10 Best Towns for Families – Family Circle Magazine, August 2008
- 100 Best Places in America to Live and Launch a Small Business – Fortune Small Business Magazine, April 2008



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

<u>Population</u>	1990	2000	2014 (est.)
Oro Valley	7,015	29,700	42,190
Pima County	668,500	843,746	1,007,162
Arizona	3,680,800	5,130,632	6,667,241

Source: US Census Bureau and Arizona Department of Commerce

<u>Labor Force</u>	1990	2000	2014
Civilian Labor Force	3,201	15,073	17,962
Unemployed	102	389	988
Unemployment Rate	3.2%	2.6%	5.5%

Source: US Census Bureau and Arizona Department of Commerce

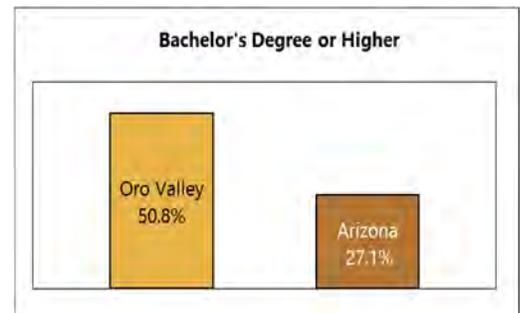
Age & Gender Composition

Male	47.3%
Female	52.7%
Median Age	49.9

Under 5 years	4.2%
5 to 9 years	6.0%
10 to 14 years	4.5%
15 to 19 years	6.3%
20 to 34 years	12.2%
35 to 44 years	9.5%
45 to 54 years	14.0%
55 to 64 years	15.4%
65 + years	27.9%

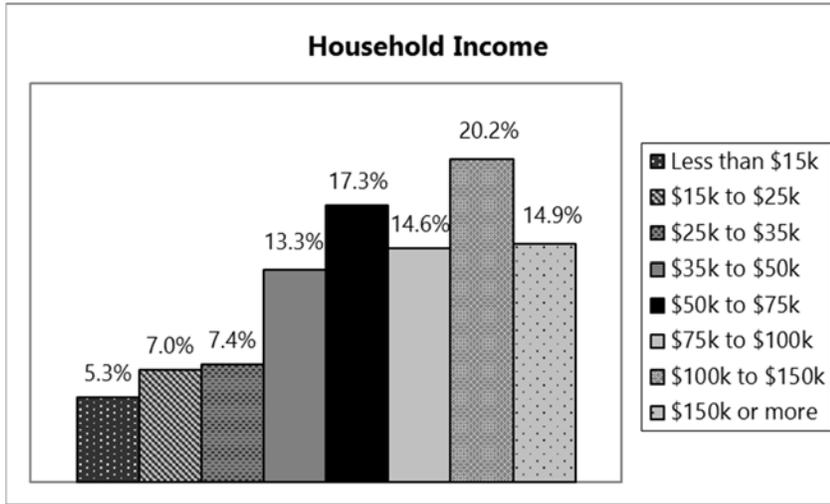
Source: US Census Bureau, 2014 American Community Survey

Education Attainment



Source: US Census Bureau, 2014 American Community Survey

Community Profile



Source: US Census Bureau, 2014 American Community Survey

Home Values

Less than \$50k	2.7%
\$50k to \$99k	1.4%
\$100k to \$199k	17.1%
\$200k to \$299k	36.5%
\$300k to \$499k	30.7%
\$500k to \$999k	10.2%
\$1M or more	1.4%

Source: US Census Bureau, 2014 American Community Survey

Taxes

Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.72
Countywide	\$7.93
Fire District	\$2.20
Town of Oro Valley	\$0.00
Total	\$15.85

Source: Pima County Treasurer's Office, 2015

Sales Tax

City/Town	2.5%
County	0.5%
State	5.6%

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

Major Employers

Ventana Medical Systems, a member of the Roche Group

Oro Valley Hospital

Amphitheater School District

Hilton El Conquistador Golf & Tennis Resort

Town of Oro Valley

Walmart

Fry's Food & Drug Store

Meggitt Securaplane

Splendido at Rancho Vistoso

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.

Educational Institutions	Public	Private
Elementary	Y	Y
High School	Y	Y

Financial

Number of banks: 10

Government

Fire Departments:

Golder Ranch Fire District, Mountain Vista Fire District

Law Enforcement: Oro Valley Police Department

Medical

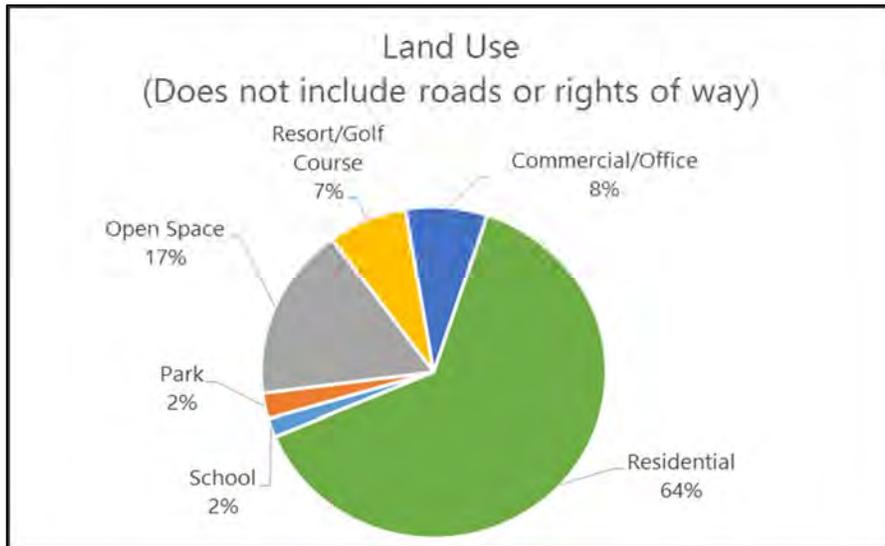
Oro Valley Hospital, Rancho Vistoso Urgent Care, Southern Arizona Urgent Care

Hotel & Lodging

Number of Rooms: 585

Source: AZ Dept of Commerce and Oro Valley Business Navigator

Community Profile



Disclaimer: Non-surveyed data – for planning purposes only

Service Statistics



Police:

Sworn Personnel: 100.00
 Non-Sworn Personnel: 33.13
 Total Police Personnel: 133.13
 Avg. Emergency Response Time:
 Priority 1 calls 3.42 minutes
 Priority 2 calls 5.13 minutes



Water:

Customer Base: 19,264
 Conservation Audits: 74
 Billing Collection Rate: 99.9%



Parks & Recreation;

Park Maintenance:

Number of Parks: 7
 Park Acres Maintained: 772
 Miles of Trails & Paths: 76
 Recreation Programs Offered: 33



Street Maintenance:

Total Town Lane Miles: 421
 FY 15/16 Lane Miles Resurfaced: 120



Transit:

FY 15/16 New registered riders: 446
 FY 15/16 Avg. Daily Ridership: 123

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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 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.

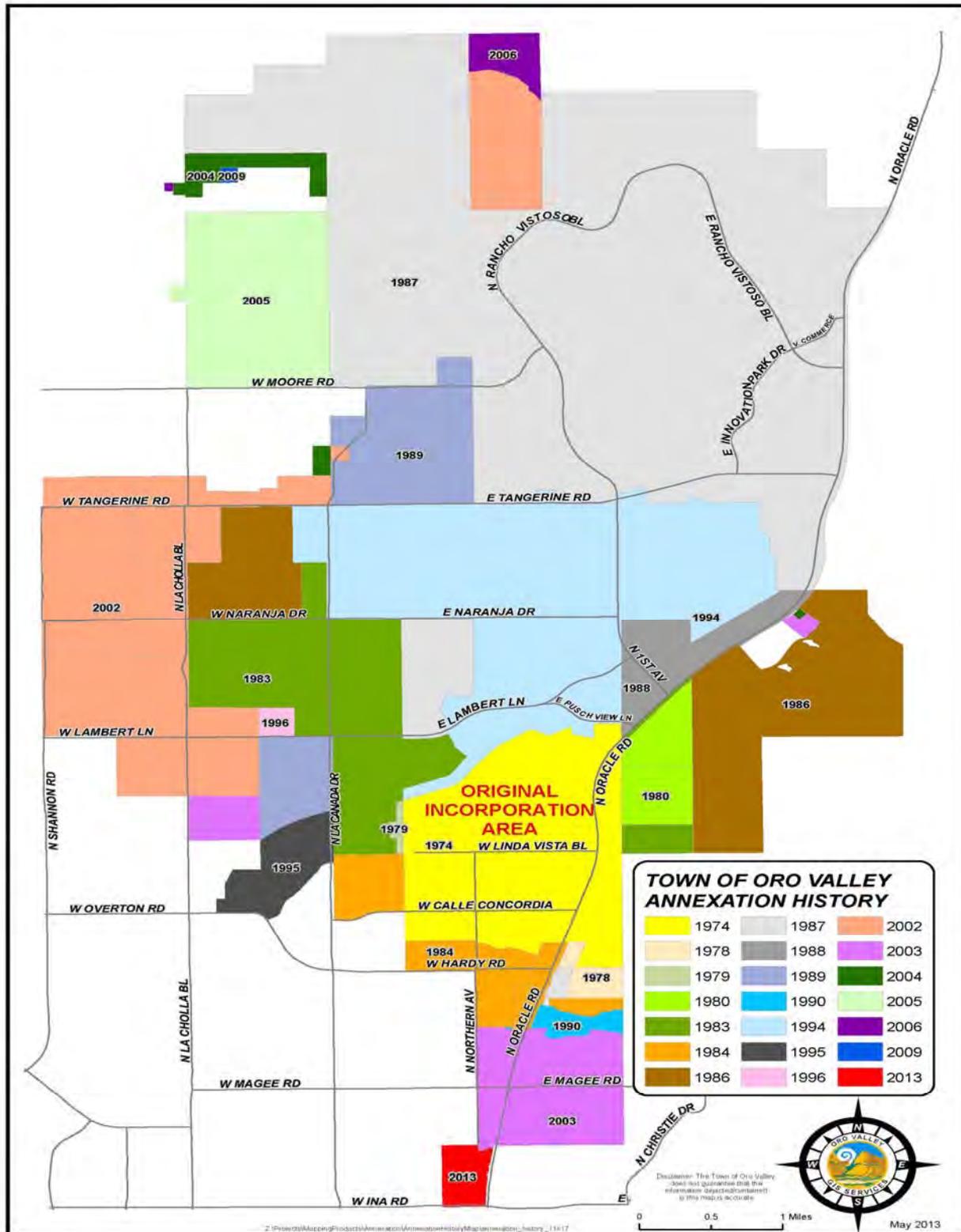
History of Oro Valley

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 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 Strategic Plan and General 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, Highway Fund, Bed Tax Fund and Community Center 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.
- Objectives: Tie to the Town's Strategic Plan and lists what the departments plan to accomplish this budget year.
- Strategic Plan Program Performance: Performance measures that provide an assessment of strategic plan progress.
- Departmental Budgets: Each departmental budget is divided into program areas. The program areas give a brief description of each program and the service provided. It includes 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 fifteen-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.



Town of Oro Valley

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Mayor and Council



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.

Dr. Satish I. Hiremath, DDS
 Mayor
 Term Expires: November 2018



Lou Waters
 Vice Mayor
 Term Expires:
 November 2018



Mike Zinkin
 Councilmember
 Term Expires:
 November 2016



William Garner
 Councilmember
 Term Expires:
 November 2016



Mary Snider
 Councilmember
 Term Expires:
 November 2018



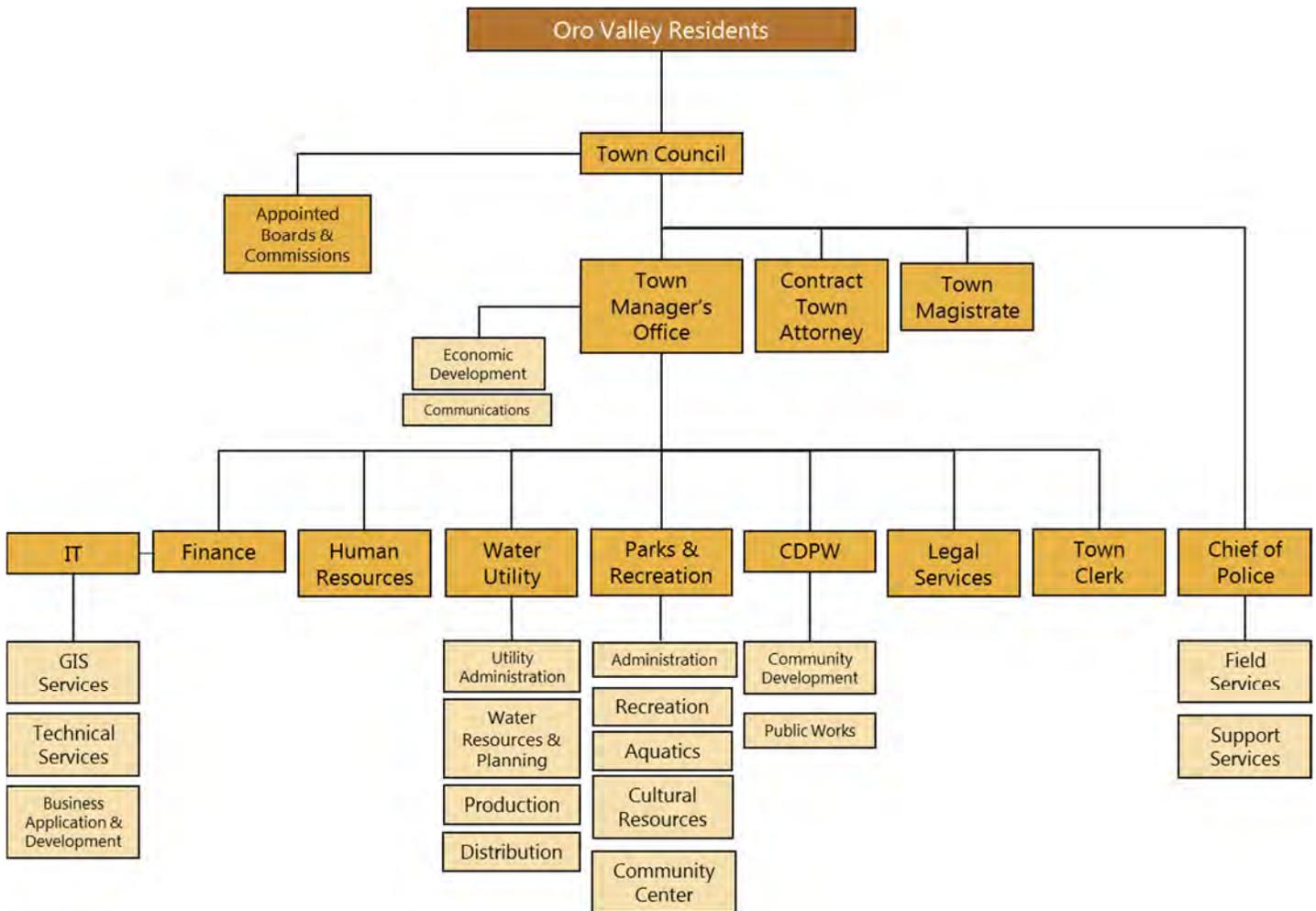
Joe Hornat
 Councilmember
 Term Expires:
 November 2018



Brendan Burns
 Councilmember
 Term Expires:
 November 2016

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Organizational Chart



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Strategic Plan

Introduction

The Town of Oro Valley updates its Strategic Plan every two years. The Strategic Plan 2015 was adopted by Council on February 18, 2015. In October 2014, Town Council held a work session to develop a framework for the revised plan. Staff then developed Strategies and Actions to support the Goals and Focus areas developed by Council.

The Strategic Plan represents the shared vision and priorities of Town Council. This document will provide strategic direction to the organization over the course of the next two years. While the Strategic Plan guides short-term decision-making, the General Plan provides a long-term (up to 20 years) direction regarding the growth, development and redevelopment of the community.

Vision for Our Future

Oro Valley is committed to taking strategic action toward implementing a community vision and managing town resources. The Strategic Plan 2015 is organized around a framework of five focus areas. Each focus area is deemed to be important and not intended to be listed in any priority order. The following focus areas, if addressed collectively, assist the town in achieving its mission.

- **Fiscal Responsibility**
- **Communication**
- **Economic Development**
- **Parks, Recreation, and Cultural Development**
- **Community Infrastructure and Services**

These focus areas provide the policy direction for the Town. Within each of the five focus areas is a "goal" and "strategy" that provide strategic direction. The goals and strategies provide the foundation for strategy development over the next two to five year period. Within each strategy are bullet points or actions to achieve the overall goals.

Focus Areas indicate where Oro Valley must direct effort to address community needs and desires.

Goals describe a fundamental achievement desired or broad priority direction.

Strategy identifies the action that will be taken to move the town toward achieving its goals.

The overall purpose of the Strategic Plan is to direct decision-making and budgeting by the Town of Oro Valley and provide guidance to staff. The Strategic Plan also communicates to the residents or stakeholders the Town's priorities.

FOCUS AREA: FISCAL RESPONSIBILITY

GOAL: Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives.

STRATEGY: Evaluate opportunities to diversify the Town's revenue sources.

Strategic Plan

- Review and update Town-wide fees and charges for services, as necessary, to ensure appropriate cost recovery.
- Review current revenue enhancement options, as well as research future options.
- Continue pursuit of grant funding.
- Research annexation opportunities.
- Explore the possibility of a special taxing district for a cultural/historical center or downtown area.

STRATEGY: Prioritize investments in capital infrastructure.

- Determine return on investment, cost avoidance, applicability to general plan, and identify core services in determining capital infrastructure priorities, including town facilities.

FOCUS AREA: COMMUNICATION

GOAL: Ensure citizens are educated about and highly engaged in Oro Valley activities and moving future initiatives forward.

STRATEGY: Provide opportunities for residents to become engaged in and knowledgeable about the role of local government.

- Expand opportunities to engage youth and build on the success of the Youth Advisory Council, Police Explores, School Resource Officer programs, and Your Voice, Our Future student outreach efforts.
- Partner with other organizations and events to share information about Town services, programs, departments, and events.

STRATEGY: Continue expanding the Town's use of technology to improve communication.

- Develop new intranet to build and streamline internal communications for employees.
- Continue customizing the Town's website to meet the ever-changing communications needs of residents and employees.
- Explore the possibility of adding more information kiosks on Town property.
- Expand the use of social media and video to reach a variety of audiences.

FOCUS AREA: ECONOMIC DEVELOPMENT

GOAL: Establish Oro Valley as the home for globally-competitive high technology and biosciences businesses and employees while maximizing the Town's visitor destination opportunities.

Strategic Plan

STRATEGY: Support the creation of jobs and promote partnerships to enhance our community.

- Partner with existing high-tech and biosciences businesses to determine expansion and supplier needs.
- Establish a public/private partnership to create an Oro Valley Business Accelerator at Innovation Park.
- Explore the possibility of recruiting a satellite campus for a major university or other educational institution.
- Maintain regional partnerships with the Greater Oro Valley Chamber of Commerce, Pima County One Stop, Tucson Regional Economic Opportunities, Inc., and Visit Tucson.
- Continue marketing Innovation Park as Oro Valley's bioscience corridor locally, regionally, nationally, and internationally.
- Pursue annexation opportunities that will deliver long-term benefits to the Town.
- Support public safety efforts to maintain a low crime rate, which will appeal to bioscience business and other business expansion opportunities.

STRATEGY: Support cultural, entertainment, and sporting venues.

- Maintain park systems, multi-use paths, and the development of family-oriented recreation centers.
- Continue developing Steam Pump Ranch as a cultural and historical destination.
- Evaluate the development of an entertainment district that includes music, sports, museums, and private/nonprofit galleries.
- Partner with a local event coordinator and develop one or more Oro Valley endurance events.
- Provide a safe environment for family-friendly events.

FOCUS AREA: PARKS, RECREATION, AND CULTURAL DEVELOPMENT

GOAL: Develop exceptional recreation and cultural facilities and programs that attract visitors and events that enhance residents' quality of life and strengthens the economy.

STRATEGY: Provide infrastructure and support for events.

- Explore and implement appropriate public/private partnerships for enhanced cultural, parks, and recreational development.
- Upgrade and maintain existing facilities such as baseball fields, archery, restrooms, lighting, etc.
- Strategically invest in multi-purpose, sport-specific, and cultural facilities.
- Embrace emerging sports such as lacrosse and mountain biking.
- Recruit, retain, and/or develop events such as triathlons, marathons, archery, golf, tennis competitions, or other recurring/seasonal events.

Strategic Plan

- Develop infrastructure in and around venues/parks, including telecommunications where appropriate.
- Support public safety to protect town assets and provide a safe environment for recreational activities.
- Host cultural and culinary events, such as Oro Valley Meet Yourself.

FOCUS AREA: COMMUNITY INFRASTRUCTURE AND SERVICES

GOAL: Serve as the model for innovative partnerships, services, and performance in providing basic town services.

STRATEGY: Improve transportation infrastructure.

- Invest in Oro Valley transportation infrastructure such as bike routes, transit, and multi-use paths, as well as loop connections to Pima County.
- Monitor, determine, and develop action strategies to address transportation and infrastructure needs as issues arise, including right-of-way and safety issues.
- Promote and support public safety programs like Traffic Incident Management and High Visibility Enforcement to reduce primary and secondary traffic collisions.
- Continue to work with Arizona Department of Transportation (ADOT) to improve traffic flow on Oracle Road, including the request for ADOT to evaluate the synchronization of traffic lights.
- Continue and improve the pavement preservation program and provide timely notifications regarding schedule and traffic restrictions.

STRATEGY: Improve Town resources and processes.

- Manage assets through inventory such as sites, infrastructure, systems, etc.
- Promote Town of Oro Valley assets by utilizing various channels, such as organizations like Visit Tucson.
- Improve processes to allow appropriate flexibility to regulations (e.g. sign code), streamline processes, determine new practices, encourage innovation, and implement new ideas.
- Invest in technology, automated processes, and build applications that tie into website, MUNIS, and/or intranet.
- Communicate and network with other jurisdictions, developers, and consultants on processes and uniform regulations.

STRATEGY: Continue our commitment to environmental stewardship.

- Promote water conservation through partnerships, education, and monitoring.
- Implement the Energy Efficiency Project for the wells and pumps in the water system.

Strategic Plan

STRATEGY: Deliver a safe and reliable water system to all Water Utility customers.

- Meet and comply with all water quality standards and regulatory requirements.
- Complete the Advanced Metering Infrastructure Project for the Oro Valley Water Service Area.
- Partner with Tucson Water to amend the Reclaimed Water Intergovernmental Agreement.
- Plan for the delivery of additional Central Arizona Project water for new growth.

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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 last General Plan was adopted and ratified in 2005 and consisted of the following 11 main elements:

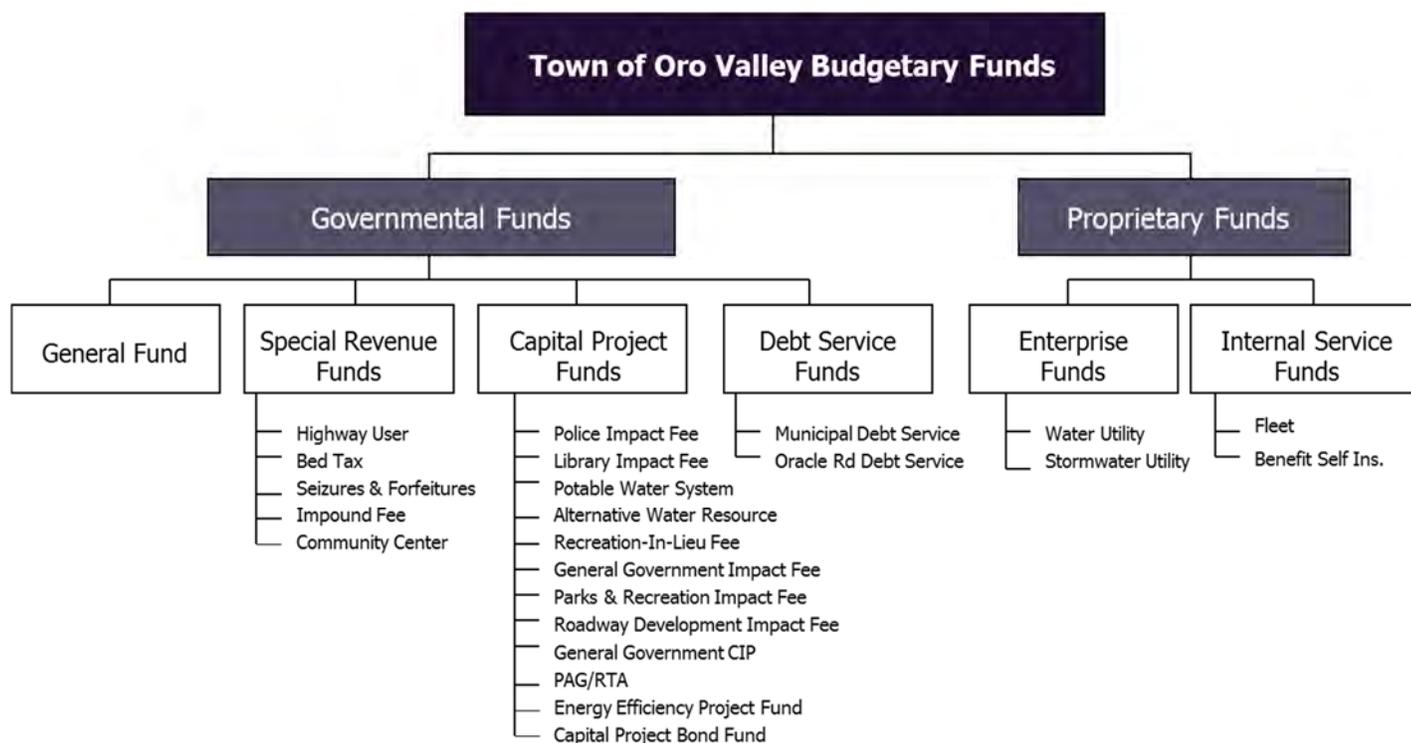
Land Use	Orderly growth that focuses primarily on low-density development is especially important to the community, as is development that is sensitive to and compatible with the Sonoran Desert environment.
Community Design	The Town should integrate the manmade elements into the natural environment with great sensitivity and with minimal disruption to existing topographic forms and ecosystems.
Economic Development	Diversification in the local revenue base is desirable; however, any new development must be consistent with the community's vision for the future and values.
Cost of Development	This Cost of Development element articulates the Town's interest in ensuring that new development does its fair share to perpetuate the high standards that the Town has established since its incorporation.
Transportation/Circulation	Oro Valley's transportation system must provide residents and visitors with safe, convenient and efficient mobility.
Public Facilities, Services and Safety	This element is to provide the Town with development oversight strategies that ensure orderly, rational development of infrastructure to support projected growth and address safety needs of residents.
Housing	Efforts should continue to be made to provide a mix of housing at various densities and price ranges to allow people of all ages to enjoy the splendor of Oro Valley.
Parks and Recreation	This element is intended to protect and enhance the resort/residential image the Town wishes to maintain.
Arts and Culture	To enhance the quality of life by promoting and sustaining arts and culture in our community.
Archaeological and Historic Resources	To preserve the unique archaeological, cultural, and historic resources within Oro Valley to the degree not already regulated by the state of Arizona.
Open Space and Natural Resources Conservation	This element is intended to identify and address the Town's environmental resources in a comprehensive manner. The protection, restoration, and maintenance of environmental resources require an integrated approach.

The ten-year update to the Town's General Plan, named the *Your Voice, Our Future* project, is currently underway. Town Council approved a 90% Draft Plan in November 2015. The final version will be presented for Council approval in September 2016 and voter ratification in November 2016.

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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.



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 Bed Tax Fund accounts for the collection of the 6% bed tax revenues, which fund economic development and tourism initiatives. The Impound Fee Fund accounts for the collection of administrative fees for processing vehicles impounded by the police department. The Seizure & Forfeiture Funds account for state and federal police seizures and forfeitures received by the Town. The Community Center Fund accounts for the operations of the Town's Community Center, contract-managed golf and tennis facilities.

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. Most of the Town's Capital Project Funds consist of impact fee funds.

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 nonmajor 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 Fleet Fund accounts for replacement, preventative maintenance and repair of the Town's fleet of vehicles and heavy equipment. The Benefit Self Insurance Fund is used to manage costs related to the Town's self-funding of health and dental 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



Town of Oro Valley

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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 re-adoption of the policies occurred on June 17, 2015 per Resolution (R)15-50.

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 5-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 five-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.

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.

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

* Town transitioned to a 15-year program beginning FY 13/14

Financial and Budgetary Policies

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:

- D. **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.
- E. **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.

- A. **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.
- B. **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.
- C. **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 "undesigned" 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

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

Financial and Budgetary Policies

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 Certification 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.

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Budget Process

The following diagram illustrates the calendar timeline and step-by-step progression of the FY 2016-2017 budget process:



Initial Processes and Guidelines

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

- Fiscal Responsibility
- Communication
- Economic Development
- Parks, Recreation and Cultural Development
- Community Infrastructure and Services

The FY 2016-2017 budget process began in January 2016 with one-on-one meetings with Councilmembers to outline budget priorities for the coming year.

Also in January, the Town began soliciting community feedback on the budget through the use of a brief, online questionnaire. Participants were given the opportunity to rank potential capital improvement project categories, indicate priority levels on Town programs and services and rate general statements about the Town. An informational budget forum was held with Town employees.

In February, a Capital Improvement Program (CIP) Committee meeting was held to prioritize projects for the coming fiscal year. The CIP process was condensed for FY 16/17, due to one-time revenues (that fund some of the Town's CIP projects) trending below budget in FY 15/16. Projects were limited to those with highest Council priority, as well as rollover projects or those with dedicated or outside funding.

Each department within the Town develops their budget at the line-item level. The departments project year-end estimates and formulate next year's requests. This information is compiled on a program level and an overall department level.

Budget Process

Because the Town relies heavily on volatile revenue sources, continued importance and emphasis are placed on the need to control costs and obtain greater operating efficiencies both in operations and maintenance and personnel costs. In preparing their budgets, departments were instructed to maintain flat operational costs whenever feasible. This “hold the line” approach emphasizes cost containment with continued current service level provisions to town residents.

Budget Review

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, the Town Manager and the Town Manager’s budget team to ensure that departmental initiatives are aligned with the budget priorities outlined by Town Council. Any gaps existing between revenues and expenditures are discussed among the budget team and Town management with a recommendation for closure.

The Town Manager ultimately recommends a budget for Council consideration. The Town Manager’s recommended balanced budget and a 15-year Capital Improvement Program are delivered to the Council. Council members, during budget work sessions, 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.

Budget Adoption

The proposed budget was delivered and presented to Council for tentative adoption on May 19, 2016. Simultaneously, a financial sustainability plan was updated and presented to Council that includes various assumption factors, projected revenue and departmental costs to complete a five-year financial picture.

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 public hearings, the final budget was adopted on June 1, 2016.

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 2014. 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 2016-2017 expenditure limit for Oro Valley is \$125,885,698.

Budget Process

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

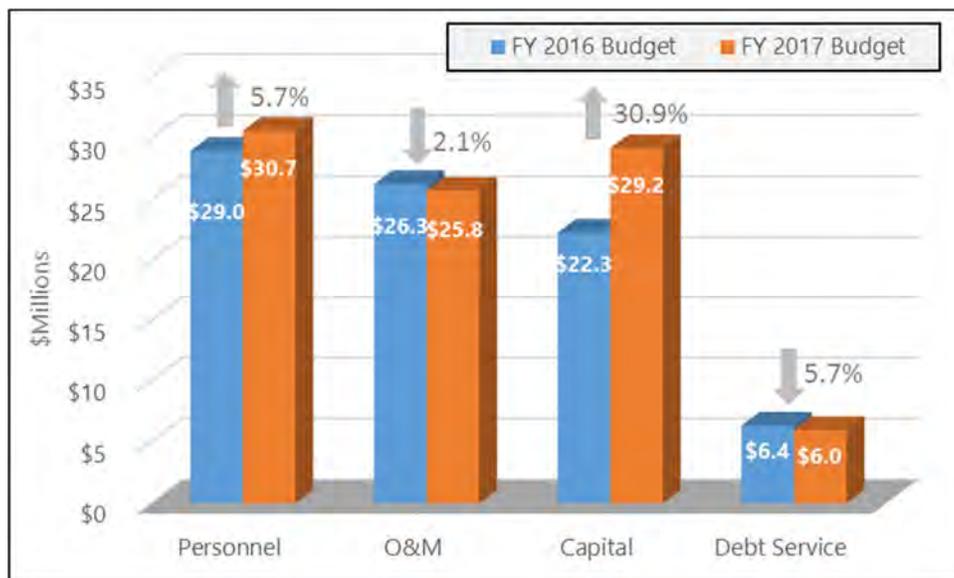
- Budget Overview
 - Fund Balances
- Historical Fund Balances
- Budget Summary
- Revenue Summary
- Revenue Schedule by Fund
- Revenue Sources
- Expenditure Summary
- Expenditure Schedule by Fund
- Expenditures by Program
- Personnel Summary
- Personnel Summary by Fund
- Personnel Schedule
- Debt Service
- Debt Service Schedules
- Long Term Forecast



Budget Overview

The budget for FY 2016/2017 totals \$125.9 million, which includes a \$64.0 million operating budget and \$27.7 million for capital projects, and represents a \$6.2 million, or 5.2% increase over the previous fiscal year budget of \$119.7 million. The increase over the previous fiscal year is attributable to capacity for bond projects, including an energy efficiency project at the Town's Community Center, as well as the possible issuance of bonds to fund additional park infrastructure. Budgeted capital for FY 16/17 is significant at \$29.2 million; a \$6.9 million, or 30.9% increase over the previous fiscal year. This increase, as referenced above, is due to capacity for bond-funded projects. The capital budget also includes fleet and technology replacements, roadway improvements, water system improvements, as well as improvements to the Community Center, the Aquatic Center and public safety facilities. Refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects. The FY 16/17 personnel budget provides funding for merit and step increases, as well as pension increases. The operations & maintenance (O&M) budget is decreasing by nearly \$541,000, or 2.1%, due primarily to reduced contract management expenditures at the Community Center. Further discussion of O&M needs and initiatives are discussed in the budget message and expenditure summary section of this budget. 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

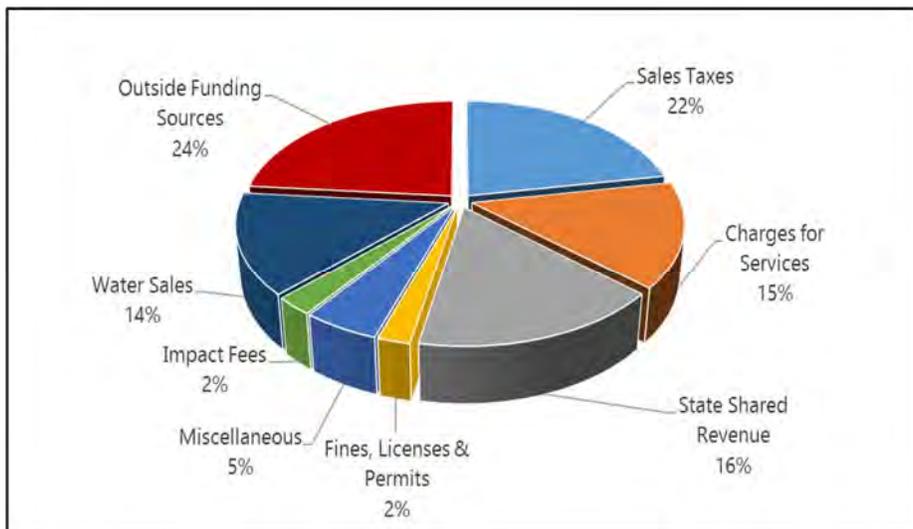


Revenues

Budgeted revenue for FY 16/17 totals \$85.3 million and represents a \$5.5 million, or 6.9% increase from FY 15/16. This increase is due to budgeted bond proceeds for the aforementioned potential bond-funded projects. The 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.

Budget Overview

In FY 16/17, the Town has budgeted revenue from Sales Taxes, which is a major funding source (22% of the total), State Shared Revenues (16% of total), and Water Sales (14% of total). Revenue from Outside Funding Sources (24% of total) includes \$8 million in bond proceeds and \$11.7 million in state and federal grant proceeds.



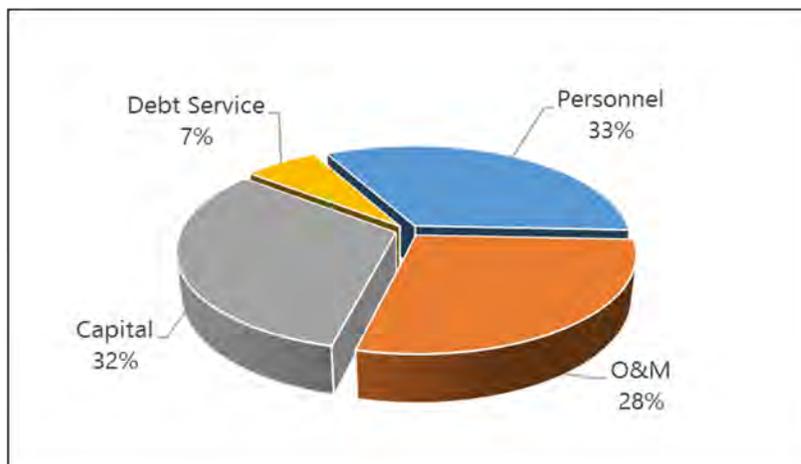
Revenue Sources

	FY 2015	FY 2015/16		FY 2016/17	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	16,714,223	18,295,654	17,662,655	18,843,968	548,314	3.0%
Charges for Services	7,757,289	12,770,200	11,255,712	12,479,678	(290,522)	-2.3%
State Shared Revenue	13,326,244	13,413,995	13,559,739	13,824,605	410,610	3.1%
Fines, Licenses & Permits	1,731,180	1,935,000	1,657,062	1,798,000	(137,000)	-7.1%
Miscellaneous	3,578,259	3,718,432	3,728,749	4,208,794	490,362	13.2%
Impact Fees	2,202,852	2,657,179	2,139,502	2,105,994	(551,185)	-20.7%
Water Sales	11,280,574	12,160,500	11,660,941	11,961,395	(199,105)	-1.6%
Outside Funding Sources	6,914,612	14,904,083	6,886,508	20,111,763	5,207,680	34.9%
Total Revenue	\$ 63,505,232	\$ 79,855,043	\$ 68,550,868	\$ 85,334,197	\$ 5,479,154	6.9%

Does not include interfund transfers or carry-forward fund balances

Expenditures

Budgeted expenditures for FY 16/17 total \$91.7 million and represent a 9.1% increase over FY 15/16. The budget includes \$64.0 million to support daily operations and services and \$27.7 million in capital projects to fund roadway expansions and improvements, technology improvements, Aquatic Center, Community Center and public safety facilities improvements, as well as water and



Budget Overview

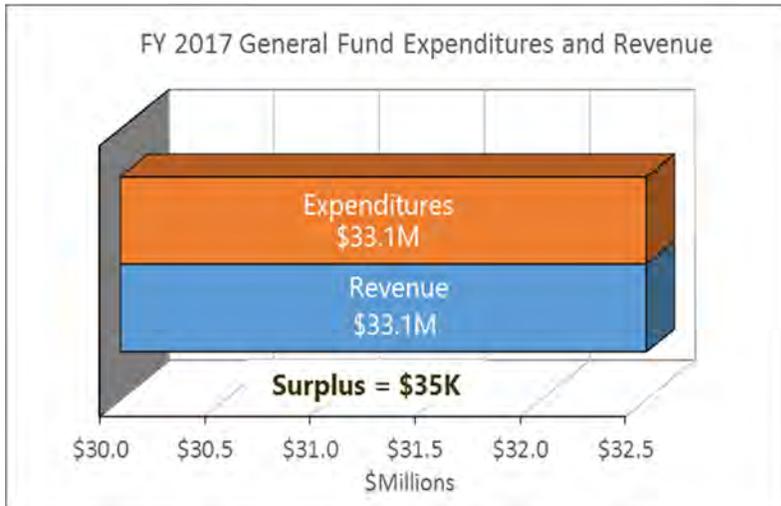
stormwater infrastructure improvements and potential additional park infrastructure. Further detail on uses of expenditures and types can be found in the Financial Overview section of the budget document.

Budgeted Uses						
	FY 2015	FY 2015/16		FY 2016/17	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	26,866,813	29,003,278	28,700,906	30,668,783	1,665,505	5.7%
O&M	19,587,269	26,324,672	25,115,036	25,783,796	(540,876)	-2.1%
Capital	12,886,872	22,324,563	11,040,159	29,228,162	6,903,599	30.9%
Debt Service	6,219,707	6,357,130	6,314,363	5,996,176	(360,954)	-5.7%
Total Expenditures	\$ 65,560,661	\$ 84,009,643	\$ 71,170,464	\$ 91,676,917	\$ 7,667,274	9.1%

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

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.”

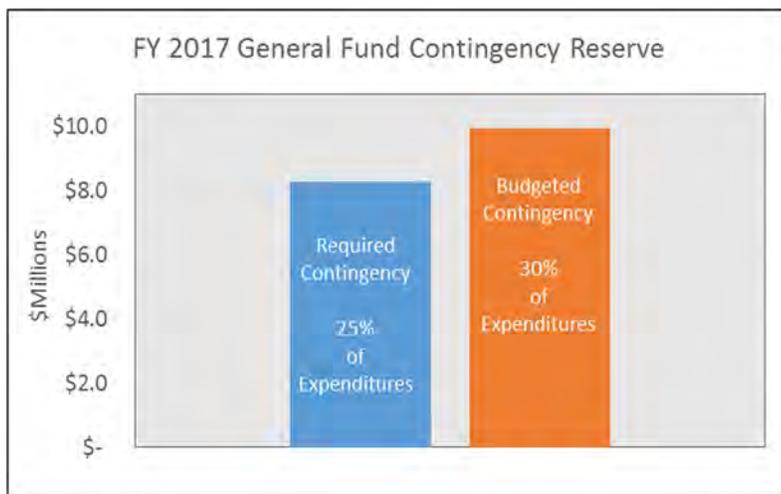


Revenues	\$ 33,141,753
Expenditures	<u>33,106,504</u>
Surplus/(Deficit)	\$ 35,249

All recurring expenditures are expected to be covered with budgeted revenues and a projected surplus of approximately \$35,000. This surplus will go towards increasing the General Fund contingency reserve balance.

Budget Overview

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 recurring expenditures must be set aside as a required contingency in the General Fund.



Expenditures	\$33,106,504
Contingency Requirement	<u>25%</u>
Required Contingency	\$ 8,276,626

The General Fund budgeted contingency reserve for FY 16/17 is \$9,939,785, which equals 30% of budgeted expenditures. Of this amount, \$8.4 million is unassigned, while \$1.6 million is assigned for employee compensated absences (i.e. for accrued vacation, sick and compensatory time leave) and for unemployment compensation claims.



Town of Oro Valley

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Fund Balances

	General (1) Fund	Special (2) Revenue Funds	Enterprise Funds (3) Water Utility Fund	Non-Major Enterprise Fund	Capital (4) Projects Funds	Internal (5) Service Funds	(6) Debt Service Funds	2016-2017 Total
Revenues and Other Sources								
Taxes	\$ 15,653,000	\$ 3,190,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,843,968
Licenses and Permits	1,615,500	52,500	-	-	-	-	-	1,668,000
Fines	130,000	-	-	-	-	-	-	130,000
Water Sales	-	-	11,961,395	-	-	-	-	11,961,395
Charges for Services	2,128,601	4,684,075	3,043,800	1,303,500	22,500	1,297,202	-	12,479,678
State Shared Revenue	10,824,605	3,000,000	-	-	-	-	-	13,824,605
Intergovernmental	115,000	-	-	-	-	-	-	115,000
Grants	2,140,847	195,000	-	-	9,330,971	-	54,945	11,721,763
Seizures & Forfeitures	-	275,000	-	-	-	-	-	275,000
Impact Fees	-	-	-	-	2,105,994	-	-	2,105,994
Interest Income	89,200	34,800	72,000	500	58,200	-	178,558	433,258
Miscellaneous	140,000	80,000	-	-	150,000	3,315,536	90,000	3,775,536
Other Financing Sources	305,000	100,000	-	-	9,867,000	-	474,472	10,746,472
Total	\$ 33,141,753	\$ 11,612,343	\$ 15,077,195	\$ 1,304,000	\$ 21,534,665	\$ 4,612,738	\$ 797,975	\$ 88,080,669
Expenditures and Other Uses								
General Government								
<i>Clerk</i>	\$ 458,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,863
<i>Council</i>	220,559	-	-	-	-	-	-	220,559
<i>Finance</i>	773,591	-	-	-	-	-	-	773,591
<i>General Administration</i>	1,736,450	-	-	-	-	3,030,740	13,000	4,780,190
<i>Human Resources</i>	368,605	-	-	-	-	-	-	368,605
<i>Information Technology</i>	1,691,676	-	-	-	-	-	-	1,691,676
<i>Legal</i>	773,003	-	-	-	-	-	-	773,003
<i>Magistrate Court</i>	845,938	-	-	-	-	-	-	845,938
<i>Town Manager's Office</i>	801,540	684,689	-	-	-	-	-	1,486,229
<i>Debt Service</i>								
Principal	-	-	-	-	-	-	479,940	479,940
Interest	-	-	-	-	-	-	315,035	315,035
<i>Capital Projects</i>	-	-	-	-	2,835,000	-	-	2,835,000
Police	15,643,620	285,022	-	-	285,000	-	-	16,213,642
Comm. Dev. & Public Works	5,990,029	4,675,903	-	1,153,759	-	1,291,840	-	13,111,531
Parks and Recreation	1,977,326	6,767,403	-	-	8,000,000	-	-	16,744,729
Water Utility								
<i>Personnel</i>	-	-	3,161,854	-	-	-	-	3,161,854
<i>Operations & Maintenance</i>	-	-	7,112,994	-	138,601	-	-	7,251,595
<i>Capital Outlay</i>	-	-	3,613,765	-	100,000	-	-	3,713,765
<i>Debt Service</i>								
Principal	-	-	3,500,676	-	247,510	-	-	3,748,186
Interest	-	-	1,370,609	-	82,406	-	-	1,453,015
Roadway Improvements	-	-	-	-	11,249,971	-	-	11,249,971
Other Financing Uses	1,825,304	668,226	2,942	-	250,000	-	-	2,746,472
Total	\$ 33,106,504	\$ 13,081,243	\$ 18,762,840	\$ 1,153,759	\$ 23,188,488	\$ 4,322,580	\$ 807,975	\$ 94,423,389
Increase/(Decrease)	35,249	(1,468,900)	(3,685,645)	150,241	(1,653,823)	290,158	(10,000)	(6,342,720)
Beginning Fund Balance	\$ 9,904,536	\$ 2,890,543	\$ 12,122,311	\$ 217,538	\$ 14,612,974	\$ 727,413	\$ 76,186	\$ 40,551,501
Ending Fund Balance	\$ 9,939,785	\$ 1,421,643	\$ 8,436,666	\$ 367,779	\$ 12,959,151	\$ 1,017,571	\$ 66,186	\$ 34,208,781

Fund Balances

The fund balances table depicts the estimated beginning fund balance at July 1, 2016, the budgeted revenues and expenditures for FY 16/17 and the projected ending fund balance at June 30, 2017.

- 1) The fund balance in the General Fund is increasing \$35,249, which will go towards increasing the contingency reserve balance.
- 2) Fund balances in the Special Revenue Funds are decreasing \$1,468,900, which will be used to fund capital projects consisting of roadway improvements and Community Center improvements. These are planned uses of funds that have been accumulated for this purpose.
- 3) The fund balance in the Water Utility Enterprise Fund is decreasing \$3,685,645, which will be used to fund capital projects. This is a planned use of funds that have been accumulated for this purpose. The fund balance in the Stormwater Utility Enterprise Fund is increasing \$150,241, which will go towards increasing the fund balance for future Stormwater capital projects.
- 4) Fund balances in the Capital Project Funds are decreasing \$1,653,823, which will be used to fund capital projects. These are planned uses of funds that have been accumulated for this purpose.
- 5) Fund balances in the Internal Service Funds are increasing \$290,158. This increase is in the Fleet Fund and is being accumulated for future vehicle replacements.
- 6) Fund balances in the Debt Service Funds are decreasing \$10,000, which will be used to fund debt service payments and associated costs. This is a planned use of remaining bond proceeds, which must be spent for this purpose.



Town of Oro Valley

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Historical Fund Balances

	General Fund			Other Non-Major Governmental Funds		
	2015 Actual	2016 Estimate	2017 Budget	2015 Actual	2016 Estimate	2017 Budget
(A)						
Revenues and Other Sources						
Taxes	\$ 15,219,064	\$ 14,717,655	\$ 15,653,000	\$ 1,495,159	\$ 2,945,000	\$ 3,190,968
Licenses and Permits	1,528,483	1,469,062	1,615,500	54,648	48,000	52,500
Fines	148,050	140,000	130,000			
Water Sales						
Charges for Services	1,991,810	1,969,976	2,128,601	720,174	4,231,633	4,706,575
State Shared Revenue	10,413,464	10,574,275	10,824,605	2,912,780	2,985,464	3,000,000
Intergovernmental	25,580	115,000	115,000			
Grants	2,017,411	1,959,804	2,140,847	2,345,757	3,403,808	9,580,916
Seizures & Forfeitures				172,021	72,896	275,000
Impact Fees				2,202,852	2,139,502	2,105,994
Interest Income	168,723	94,400	89,200	279,821	247,378	271,558
Miscellaneous	226,646	139,882	140,000	119,116	128,932	320,000
Other Financing Sources	185,000	305,000	305,000	4,141,627	1,777,927	10,441,472
Total	\$ 31,924,231	\$ 31,485,054	\$ 33,141,753	\$ 14,443,955	\$ 17,980,540	\$ 33,944,983
Expenditures and Other Uses						
General Government						
<i>Clerk</i>	\$ 388,110	\$ 372,900	\$ 458,863			
<i>Council</i>	201,929	211,995	220,559			
<i>Finance</i>	721,997	735,141	773,591			
<i>General Administration</i>	1,818,350	1,788,427	1,736,450	17,046	60,721	13,000
<i>Human Resources</i>	359,270	358,775	368,605			
<i>Information Technology</i>	1,364,592	1,571,326	1,691,676			
<i>Legal</i>	726,595	722,103	773,003			
<i>Magistrate Court</i>	758,561	803,829	845,938			
<i>Town Manager's Office</i>	720,111	769,521	801,540	602,474	667,104	684,689
<i>Debt Service</i>						
Principal				609,440	665,920	479,940
Interest				413,911	348,098	315,035
<i>Capital Projects</i>				2,708,407	1,892,408	2,835,000
Police	14,728,554	15,155,469	15,643,620	848,570	268,607	570,022
Comm. Dev. & Public Works	4,278,594	4,536,574	5,990,029	4,073,929	4,462,777	4,675,903
Parks and Recreation	2,914,717	3,070,212	1,977,326	1,939,026	6,493,849	14,767,403
Water Utility						
<i>Personnel</i>						
<i>Operations & Maintenance</i>				58,690	127,131	138,601
<i>Capital Outlay</i>				130,826	8,929	100,000
<i>Debt Service</i>						
Principal				230,898	244,188	247,510
Interest				96,526	87,290	82,406
Roadway Improvements				2,651,038	2,962,465	11,249,971
Use of Contingency	354,034	319,131				
Other Financing Uses	3,970,965	1,316,987	1,825,304	352,543	762,910	918,226
Total	\$ 33,306,379	\$ 31,732,390	\$ 33,106,504	\$ 14,733,324	\$ 19,052,397	\$ 37,077,706
Increase/(Decrease)	(1,382,148)	(247,336)	35,249	(289,369)	(1,071,857)	(3,132,723)
Beginning Fund Balance	\$ 11,534,020	\$ 10,151,872	\$ 9,904,536	\$ 18,940,928	\$ 18,651,559	\$ 17,579,703
Ending Fund Balance	\$ 10,151,872	\$ 9,904,536	\$ 9,939,785	\$ 18,651,559	\$ 17,579,703	\$ 14,446,980

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

Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2015 Actual	2016 Estimate	2017 Budget	2015 Actual	2016 Estimate	2017 Budget
Revenues and Other Sources						
Taxes						
Licenses and Permits						
Fines						
Water Sales	11,280,574	11,660,941	11,961,395			
Charges for Services	2,990,866	2,988,800	3,043,800	771,578	787,000	1,303,500
State Shared Revenue						
Intergovernmental Grants					35,000	
Seizures & Forfeitures						
Impact Fees						
Interest Income	70,275	59,520	72,000	294	300	500
Miscellaneous	54,024	13,608		16		
Other Financing Sources	2,353,843	1,300,000				
Total	\$ 16,749,582	\$ 16,022,869	\$ 15,077,195	\$ 771,888	\$ 822,300	\$ 1,304,000
Expenditures and Other Uses						
General Government						
<i>Clerk</i>						
<i>Council</i>						
<i>Finance</i>						
<i>General Administration</i>						
<i>Human Resources</i>						
<i>Information Technology</i>						
<i>Legal</i>						
<i>Magistrate Court</i>						
<i>Town Manager's Office</i>						
<i>Debt Service</i>						
Principal						
Interest						
<i>Capital Projects</i>						
Police						
Comm. Dev. & Public Works				969,182	884,115	1,153,759
Parks and Recreation						
Water Utility						
<i>Personnel</i>	2,767,138	2,974,748	3,161,854			
<i>Operations & Maintenance</i>	6,010,148	6,854,855	7,112,994			
<i>Capital Outlay</i>	3,475,152	2,963,417	3,613,765			
<i>Debt Service</i>						
Principal	3,396,489	3,493,349	3,500,676			
Interest	1,472,443	1,475,518	1,370,609			
Roadway Improvements						
Use of Contingency						
Other Financing Uses	3,119	3,030	2,942			
Total	\$ 17,124,489	\$ 17,764,917	\$ 18,762,840	\$ 969,182	\$ 884,115	\$ 1,153,759
Increase/(Decrease)	(374,907)	(1,742,048)	(3,685,645)	(197,294)	(61,815)	150,241
Beginning Fund Balance	\$ 14,239,266	\$ 13,864,359	\$ 12,122,311	\$ 476,647	\$ 279,353	\$ 217,538
Ending Fund Balance	\$ 13,864,359	\$ 12,122,311	\$ 8,436,666	\$ 279,353	\$ 217,538	\$ 367,779

Note: Does not include depreciation or amortization

Historical Fund Balances

	Internal Service Funds			Total All Funds		
	2015 Actual	2016 Estimate	2017 Budget	2015 Actual	2016 Estimate	2017 Budget
Revenues and Other Sources						
Taxes				\$ 16,714,223	\$ 17,662,655	\$ 18,843,968
Licenses and Permits				1,583,131	1,517,062	1,668,000
Fines				148,050	140,000	130,000
Water Sales				11,280,574	11,660,941	11,961,395
Charges for Services	1,282,861	1,278,303	1,297,202	7,757,289	11,255,712	12,479,678
State Shared Revenue				13,326,244	13,559,739	13,824,605
Intergovernmental				25,580	115,000	115,000
Grants				4,363,168	5,398,612	11,721,763
Seizures & Forfeitures				172,021	72,896	275,000
Impact Fees				2,202,852	2,139,502	2,105,994
Interest Income				519,113	401,598	433,258
Miscellaneous	2,659,344	3,044,729	3,315,536	3,059,146	3,327,151	3,775,536
Other Financing Sources				6,680,470	3,382,927	10,746,472
Total	\$ 3,942,205	\$ 4,323,032	\$ 4,612,738	\$ 67,831,861	\$ 70,633,795	\$ 88,080,669
Expenditures and Other Uses						
General Government						
<i>Clerk</i>				\$ 388,110	\$ 372,900	\$ 458,863
<i>Council</i>				201,929	211,995	220,559
<i>Finance</i>				721,997	735,141	773,591
<i>General Administration</i>	2,826,443	2,860,400	3,030,740	4,661,839	4,709,548	4,780,190
<i>Human Resources</i>				359,270	358,775	368,605
<i>Information Technology</i>				1,364,592	1,571,326	1,691,676
<i>Legal</i>				726,595	722,103	773,003
<i>Magistrate Court</i>				758,561	803,829	845,938
<i>Town Manager's Office</i>				1,322,585	1,436,625	1,486,229
<i>Debt Service</i>						
Principal				609,440	665,920	479,940
Interest				413,911	348,098	315,035
<i>Capital Projects</i>				2,708,407	1,892,408	2,835,000
Police				15,577,124	15,424,076	16,213,642
Comm. Dev. & Public Works	1,281,507	1,278,303	1,291,840	10,603,212	11,161,769	13,111,531
Parks and Recreation				4,853,743	9,564,061	16,744,729
Water Utility						
<i>Personnel</i>				2,767,138	2,974,748	3,161,854
<i>Operations & Maintenance</i>				6,068,838	6,981,986	7,251,595
<i>Capital Outlay</i>				3,605,978	2,972,346	3,713,765
<i>Debt Service</i>						
Principal				3,627,387	3,737,537	3,748,186
Interest				1,568,969	1,562,808	1,453,015
Roadway Improvements				2,651,038	2,962,465	11,249,971
Use of Contingency				354,034	319,131	
Other Financing Uses				4,326,627	2,082,927	2,746,472
Total	\$ 4,107,950	\$ 4,138,703	\$ 4,322,580	\$ 70,241,324	\$ 73,572,522	\$ 94,423,389
Increase/(Decrease)	(165,745)	184,329	290,158	(2,409,463)	(2,938,727)	(6,342,720)
Beginning Fund Balance	\$ 708,829	\$ 543,084	\$ 727,413	\$ 45,899,690	\$ 43,490,227	\$ 40,551,501
Ending Fund Balance	\$ 543,084	\$ 727,413	\$ 1,017,571	\$ 43,490,227	\$ 40,551,501	\$ 34,208,781

Note: Does not include depreciation or amortization

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Budget Summary

	FY 2014	FY 2015	FY 2016		FY 2017
	Actual		Budget	Projected	Budget
Personnel					
General Fund	268.17	269.54	270.54	270.15	272.40
Special Revenue Funds	29.08	29.98	43.34	49.80	50.90
Capital Project Funds	-	-	1.00	1.00	6.40
Enterprise Funds	41.10	41.33	42.33	41.33	46.33
Internal Service Funds	1.15	1.15	1.15	1.15	1.15
TOTAL PERSONNEL	339.50	342.00	358.36	363.43	377.18
Expenditures by Fund ¹⁾					
General Fund	26,969,765	28,981,380	30,365,933	30,096,272	31,281,200
Special Revenue Funds	4,592,335	6,726,943	13,610,956	11,892,337	12,413,017
Debt Service Funds	2,294,716	1,040,396	1,069,785	1,074,739	807,975
Capital Project Funds	5,694,107	6,613,441	14,997,093	5,322,411	22,938,488
Enterprise Funds	15,070,299	18,090,552	19,716,255	18,646,002	19,913,657
Internal Service Funds	3,441,080	4,107,950	4,249,621	4,138,703	4,322,580
TOTAL EXPENDITURES	58,062,302	65,560,661	84,009,643	71,170,464	91,676,917
Expenditures by Category ¹⁾					
Personnel	24,821,952	26,866,813	29,003,278	28,700,906	30,668,783
Operations & Maintenance	16,607,333	19,587,269	26,324,672	25,115,036	25,783,796
Capital Outlay	9,135,142	12,886,872	22,324,563	11,040,159	29,228,162
Debt Service	7,497,875	6,219,707	6,357,130	6,314,363	5,996,176
TOTAL EXPENDITURES	58,062,302	65,560,661	84,009,643	71,170,464	91,676,917
Operating Results					
Total Revenues ²⁾	63,528,198	63,505,232	79,855,043	68,550,868	85,334,197
Total Expenditures ¹⁾	58,062,302	65,560,661	84,009,643	71,170,464	91,676,917
NET OPERATING RESULTS ³⁾	5,465,896	(2,055,429)	(4,154,600)	(2,619,596)	(6,342,720)

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 outlay for capital projects and any associated debt service

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Revenue Summary

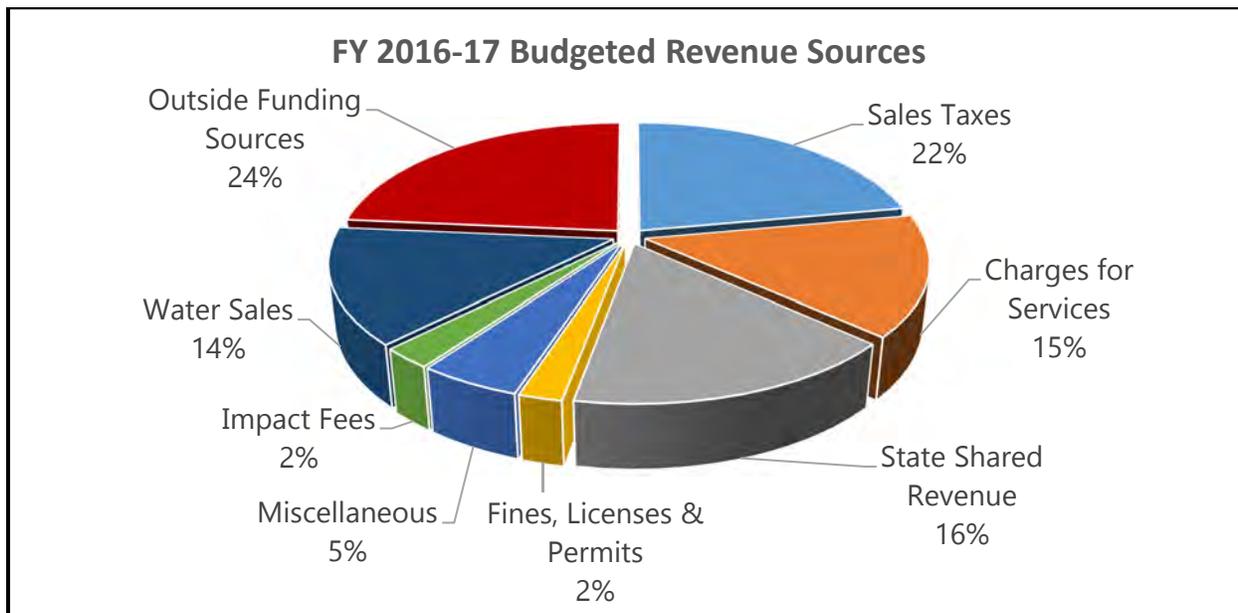
Revenue for FY 16-17 is estimated to total \$85,334,197. In comparison to the FY 15-16 budget, revenue is projected to increase 6.9%. This increase is attributable to \$8.0 million budgeted for bond proceeds - specifically \$3 million for an energy efficiency project at the Town's Community Center, and \$5 million for the possible issuance of bonds to fund additional park infrastructure.

Revenue growth remains slow, but cautiously steady, at both the local and state level. Revenues are being impacted not only by an economy that continues to struggle, but also by state legislative action that is negatively affecting revenues for all Arizona cities and towns. The Town's General Fund local sales tax collections are projected at just 2% growth over the FY 15-16 budget. The Town's General Fund state shared revenue collections are expected to increase by just 2% over FY 15-16 estimates. The number of annual single family residential (SFR) permits issued within the town is projected at 230 for FY 16-17, an increase of 30 permits over the FY 15-16 budget. Commercial development consists of small infill projects and two larger-size projects deemed one-time in nature – a new K-5 elementary school and a memory care facility. The Town relies heavily on economically sensitive revenue sources, with sales taxes and state shared revenues making up roughly 38% of the projected FY 16-17 revenues.

Local sales tax represents 22% of the Town's FY 16-17 projected revenues. In this category, taxes related to retail trade are the biggest contributor, with growth projected at 2.5% over FY 15-16 estimates. Restaurant tax collections are a bright spot, with 5% growth anticipated in FY 16-17, as are hotel/bed tax collections, which are expected to increase 15% in FY 16-17. Construction sales tax collections are expected to increase 2% over the FY 15-16 budget, with a sizeable portion of these revenues associated with two significant one-time commercial development projects on the horizon, as referenced above. Single family residential construction and permitting revenues were projected assuming 230 SFR permits will be issued, as referenced above. In collaboration with Economic Development and Community Development & Public Works, a list was compiled of all development projects in the pipeline and their likelihood of completion in the next budget year. The FY 16-17 budget is forecasted to see an addition of nearly 350,000 square feet of commercial building in the form of a memory care facility and a school, as well as office, church and restaurant space.

Compiling revenue estimates in a sensitive fiscal climate is a difficult task. Depending on the particular revenue source, estimates are based on susceptibility to economic factors, current performance, economic drivers and indicators, and information received from state reports and other sources. The Town receives a variety of other funding sources to finance operations. Refer to the Revenue Schedule by Fund for detailed changes in revenue from budget year to budget year.

Revenue Summary



	FY 2015	FY 2015/16		FY 2016/17	Variance to Budget	%
	Actual	Budget	Projected	Budget		
Sales Taxes	16,714,223	18,295,654	17,662,655	18,843,968	548,314	3.0%
Charges for Services	7,757,289	12,770,200	11,255,712	12,479,678	(290,522)	-2.3%
State Shared Revenue	13,326,244	13,413,995	13,559,739	13,824,605	410,610	3.1%
Fines, Licenses & Permits	1,731,180	1,935,000	1,657,062	1,798,000	(137,000)	-7.1%
Miscellaneous	3,578,259	3,718,432	3,728,749	4,208,794	490,362	13.2%
Impact Fees	2,202,852	2,657,179	2,139,502	2,105,994	(551,185)	-20.7%
Water Sales	11,280,574	12,160,500	11,660,941	11,961,395	(199,105)	-1.6%
Outside Funding Sources	6,914,612	14,904,083	6,886,508	20,111,763	5,207,680	34.9%
Total Revenue	\$ 63,505,232	\$ 79,855,043	\$ 68,550,868	\$ 85,334,197	\$ 5,479,154	6.9%

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 +\$548K	<ul style="list-style-type: none"> \$318K increase in retail and restaurant/bar sales tax \$200K increase in bed tax and hotel retail sales tax
Charges for Services -\$291K	<ul style="list-style-type: none"> \$997K decrease in contract-managed golf and tennis revenues at the Community Center \$80K increase in fitness member revenues at the Community Center \$517K increase in Stormwater Utility Fee revenues due to an approved fee increase \$141K increase in Aquatic Center revenue

Revenue Summary

State Shared Revenue +\$411K	<ul style="list-style-type: none"> • \$247K increase (5%) in state income tax • \$148K increase (4%) in state sales tax • \$15K increase (0.5%) in highway user (gasoline tax) revenues
Fines, Licenses & Permits -\$137K	<ul style="list-style-type: none"> • \$100K decrease in commercial building permit revenues based on observed and anticipated building activity • \$36K decrease in other development inspection and permit fees based on observed activity
Miscellaneous +\$490K	<ul style="list-style-type: none"> • \$170K increase in Benefit Self Insurance Fund for medical and dental premium increases • \$100K increase in Fleet Fund for vehicle reserves • \$120K increase in Library Impact Fee Fund for donation to supplement Library parking lot capital project • \$70K increase in Highway Fund for private contribution on budgeted capital project • \$35K increase in interest income
Impact Fees -\$551K	<ul style="list-style-type: none"> • Based on anticipated commercial and residential building activity
Water Sales -\$199K	<ul style="list-style-type: none"> • Due primarily to decreased irrigation water sales
Outside Funding Sources +\$5.2M	<ul style="list-style-type: none"> • \$8M in bond proceeds budgeted for potential bond-funded capital projects • \$1.8M decrease in loan proceeds from the Water Infrastructure Finance Authority of Arizona due to project completion • \$1.2M decrease in state grants for roadway project funding • \$72K budgeted from the Arizona Department of Transportation for grant-funded transit equipment • \$108K increase in state grants for the Police Department

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Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
General Fund						
Local Sales Tax:						
Local Sales Tax	13,036,536	14,633,600	14,775,654	14,133,655	15,069,000	2.0%
Sales Tax Audit Recoveries	8,454	3,400	5,000	4,000	4,000	-20.0%
Cable Franchise Fees	571,731	582,064	570,000	580,000	580,000	1.8%
Total Local Sales Tax	13,616,721	15,219,064	15,350,654	14,717,655	15,653,000	2.0%
License & Permit Fees:						
Business Licenses & Permits	197,323	202,993	192,000	195,000	196,000	2.1%
Residential Building Permits	1,409,442	973,190	1,135,000	967,000	1,118,000	-1.5%
Commercial Building Permits	351,907	226,561	350,000	254,462	250,000	-28.6%
Sign Permits	31,026	31,342	31,000	600	500	-98.4%
Special Inspection Fees	4,400	4,760	5,000	1,000	1,000	-80.0%
Grading Permit Fees	75,344	89,636	51,000	51,000	50,000	-2.0%
Total License & Permit Fees	2,069,443	1,528,483	1,764,000	1,469,062	1,615,500	-8.4%
Federal Grants:						
CNA	136,473	153,237	130,500	65,900	10,000	-92.3%
DEA OT Reimbursement	28,344	18,382	22,000	22,000	22,000	0.0%
Miscellaneous Federal Grants	11,322	8,474	7,800	7,464	7,500	-3.8%
HIDTA	147,293	137,870	131,000	190,000	185,000	41.2%
HIDTA-DEA	108,756	112,147	92,000	110,000	104,000	13.0%
GOHS	118,148	159,026	81,000	35,179	55,200	-31.9%
Homeland Security	57,077	66,196	70,000	70,000	77,000	10.0%
Joint Terrorism Task Force	16,570	18,593	17,245	17,245	17,584	2.0%
Total Federal Grants	623,982	673,925	551,545	517,788	478,284	-13.3%
State Grants:						
Safe Schools Grant	-	84,514	65,000	92,016	173,063	166.3%
Misc State Grants	76,146	68,177	127,300	108,000	223,100	75.3%
RTA Reimbursements	1,175,299	1,190,795	1,242,000	1,242,000	1,266,400	2.0%
Total State Grants	1,251,445	1,343,486	1,434,300	1,442,016	1,662,563	15.9%
State/County Shared:						
State Income	4,571,196	4,964,635	4,937,719	4,937,719	5,184,605	5.0%
State Sales	3,569,711	3,747,944	3,772,164	3,917,908	3,920,000	3.9%
Vehicle License Tax	1,495,999	1,700,885	1,718,648	1,718,648	1,720,000	0.1%
Total State/County Shared	9,636,906	10,413,464	10,428,531	10,574,275	10,824,605	3.8%
Other Intergovernmental:						
PCLD Reimbursements	31,957	25,580	15,000	25,000	25,000	66.7%
Animal Control Revenues	-	-	90,000	90,000	90,000	0.0%
Total Other Intergovernmental	31,957	25,580	105,000	115,000	115,000	9.5%
Charges for Services:						
Court Costs	172,878	138,270	120,000	140,000	130,000	8.3%
Public Defender Fees	2,385	1,697	2,000	850	1,000	-50.0%
Zoning & Subdivision Fees	183,897	223,880	178,000	165,000	170,000	-4.5%
User Fees - Swimming Pool	404,526	490,048	426,000	525,740	567,400	33.2%
User Fees - Fields & Courts	30,828	98,202	123,000	107,560	112,000	-8.9%
User Fees - Miscellaneous	191,016	228,140	151,300	157,700	157,875	4.3%
Copy Services	1,535	2,207	2,000	2,000	2,000	0.0%
Town Hall Usage Fees	4,692	4,369	5,000	200	-	-100.0%
General Government Other	6,897	3,778	2,000	2,000	2,000	0.0%
Police Report Copying	5,710	5,573	5,200	5,200	5,200	0.0%
Police Other	6,233	2,914	2,200	5,000	2,200	0.0%
Building Inspection Copying	8	15	-	-	-	0.0%
Engineer Plan Review Fees	33,748	74,180	43,000	43,000	40,000	-7.0%
Grading Review Fees	23,255	11,950	14,000	-	-	-100.0%
Grading Inspection Fees	7,851	2,240	4,000	-	-	-100.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Fare Box	71,078	72,783	65,000	70,000	70,000	7.7%
Administrative Services	321,000	321,000	421,000	421,000	551,000	30.9%
Financial Services	136,632	168,744	176,220	176,220	179,735	2.0%
Real Property Rental Income	80,979	82,490	81,514	94,166	86,191	5.7%
Maps	217	200	-	1,840	-	0.0%
Pawn Slips	2,430	375	700	300	300	-57.1%
Police Fingerprinting	20,490	20,545	20,200	20,200	20,200	0.0%
Concession Sales	32,895	34,099	30,000	30,500	30,000	0.0%
Probation Monitoring Fee	3,535	50	-	-	-	0.0%
Public Record Request Fees	1,828	2,262	1,500	1,500	1,500	0.0%
Comm Facilities Appraisal Fees	-	1,800	-	-	-	0.0%
Total Charges for Services	1,746,541	1,991,810	1,873,834	1,969,976	2,128,601	13.6%
Fines:						
Fines	172,232	148,050	120,000	140,000	130,000	8.3%
Total Fines	172,232	148,050	120,000	140,000	130,000	8.3%
Interest Income:						
Interest - Investments	197,757	168,723	94,400	94,400	89,200	-5.5%
Total Interest Income	197,757	168,723	94,400	94,400	89,200	-5.5%
Miscellaneous:						
Miscellaneous	15,038	12,359	5,000	7,610	10,000	100.0%
Special Events	4,800	5,150	5,000	5,000	5,000	0.0%
Insurance Recoveries	20,748	11,000	5,000	5,000	5,000	0.0%
In-Lieu Income	119,166	197,735	120,000	120,000	120,000	0.0%
Sale of Assets	5,366	402	-	2,272	-	0.0%
Total Miscellaneous	165,119	226,646	135,000	139,882	140,000	3.7%
TOTAL GENERAL FUND	29,512,102	31,739,230	31,857,264	31,180,054	32,836,753	3.1%
Highway Fund						
Local Sales Tax:						
Construction Sales Tax	1,227,468	-	-	-	-	0.0%
Total Local Sales Tax	1,227,468	-	-	-	-	0.0%
License & Permit Fees:						
Road Permits	43,557	52,058	48,000	45,000	50,000	4.2%
Floodplain Use Permits	3,700	2,590	3,000	3,000	2,500	-16.7%
Total License & Permit Fees	47,257	54,648	51,000	48,000	52,500	2.9%
Charges for Services:						
Administrative Services	129,492	129,492	134,000	134,000	134,000	0.0%
Total Charges for Services	129,492	129,492	134,000	134,000	134,000	0.0%
State Grants:						
PAG Reimbursements	-	46,200	-	146,487	195,000	0.0%
RTA Reimbursements	35,000	-	-	26,854	-	0.0%
Total State Grants	35,000	46,200	-	173,341	195,000	0.0%
State/County Shared:						
Highway User	2,679,257	2,912,780	2,985,464	2,985,464	3,000,000	0.5%
Total State/County Shared	2,679,257	2,912,780	2,985,464	2,985,464	3,000,000	0.5%
Interest Income:						
Interest - Investments	38,666	34,597	22,400	22,400	28,600	27.7%
Total Interest Income	38,666	34,597	22,400	22,400	28,600	27.7%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Miscellaneous:						
Miscellaneous	9,415	12,134	10,000	10,000	80,000	700.0%
Insurance Recoveries	10,930	-	-	28,582	-	0.0%
Total Miscellaneous	20,345	12,134	10,000	38,582	80,000	700.0%
TOTAL HIGHWAY FUND	4,177,486	3,189,851	3,202,864	3,401,787	3,490,100	9.0%
Bed Tax Fund						
Local Sales Tax:						
Local Sales Tax	1,013,543	988,449	945,000	945,000	1,085,805	14.9%
Total Local Sales Tax	1,013,543	988,449	945,000	945,000	1,085,805	14.9%
Interest Income:						
Interest - Investments	7,198	6,095	4,800	4,800	6,200	29.2%
Total Interest Income	7,198	6,095	4,800	4,800	6,200	29.2%
Miscellaneous:						
Miscellaneous	5,000	-	-	-	-	0.0%
Total Miscellaneous	5,000	-	-	-	-	0.0%
TOTAL BED TAX FUND	1,025,741	994,544	949,800	949,800	1,092,005	15.0%
Seizures & Forfeitures Funds						
Interest Income:						
Interest - Investments	7,450	3,766	-	1,300	-	0.0%
Total Interest Income	7,450	3,766	-	1,300	-	0.0%
Miscellaneous:						
Forfeitures	443,452	172,021	425,000	72,896	275,000	-35.3%
Insurance Recoveries	-	5,499	-	-	-	0.0%
Total Miscellaneous	443,452	177,520	425,000	72,896	275,000	-35.3%
TOTAL SEIZURES & FORFEITURES FUNDS	450,902	181,286	425,000	74,196	275,000	-35.3%
Impound Fee Fund						
Charges for Services:						
Impound Fees	31,800	47,700	34,000	40,000	40,000	17.6%
Total Charges for Services	31,800	47,700	34,000	40,000	40,000	17.6%
TOTAL IMPOUND FEE FUND	31,800	47,700	34,000	40,000	40,000	17.6%
Community Center Fund						
Local Sales Tax:						
Local Sales Tax	-	506,710	2,000,000	2,000,000	2,105,163	5.3%
Total Local Sales Tax	-	506,710	2,000,000	2,000,000	2,105,163	5.3%
Charges for Services:						
User Fees - Daily Drop-In	-	2,329	27,550	23,000	25,000	-9.3%
User Fees - Member Dues	-	17,995	526,480	577,111	606,000	15.1%
User Fees - Recreation Programs	-	-	84,000	76,000	101,500	20.8%
Rental Income	-	-	20,400	36,301	31,561	54.7%
Concession Sales	-	-	-	1,000	1,000	0.0%
Management Contract Revenues	-	500,158	4,742,333	3,299,993	3,745,014	-21.0%
Total Charges for Services	-	520,482	5,400,763	4,013,405	4,510,075	-16.5%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Miscellaneous:						
Miscellaneous	-	-	-	350	-	0.0%
Total Miscellaneous	-	-	-	350	-	0.0%
TOTAL COMMUNITY CENTER FUND	-	1,027,192	7,400,763	6,013,755	6,615,238	-10.6%
Municipal Debt Service Fund						
Interest Income:						
Interest	39	60	-	40	-	0.0%
Total Interest Income	39	60	-	40	-	0.0%
Federal Grants:						
Miscellaneous Grants	68,988	64,258	58,238	58,238	54,945	-5.7%
Total Federal Grants	68,988	64,258	58,238	58,238	54,945	-5.7%
Miscellaneous:						
Miscellaneous	92,375	100,908	90,000	90,000	90,000	0.0%
Total Miscellaneous	92,375	100,908	90,000	90,000	90,000	0.0%
TOTAL MUNICIPAL DEBT SERVICE FUND	161,402	165,227	148,238	148,278	144,945	-2.2%
Oracle Road Debt Service Fund						
Interest Income:						
Special Assessments	81,572	46,263	40,153	40,153	33,558	-16.4%
Penalties	37	-	-	-	-	0.0%
Total Interest Income	81,609	46,263	40,153	40,153	33,558	-16.4%
Principal Repayments:						
Principal Repayments	1,380,697	131,815	135,000	135,000	145,000	7.4%
Total Principal Repayments	1,380,697	131,815	135,000	135,000	145,000	7.4%
TOTAL ORACLE RD DEBT SERVICE FUND	1,462,307	178,078	175,153	175,153	178,558	1.9%
Townwide Roadway Development Impact Fee Fund						
Federal Grants:						
Miscellaneous Grants	500,000	-	-	-	-	0.0%
Total Federal Grants	500,000	-	-	-	-	0.0%
State Grants:						
Misc State Grants	-	2,460	-	-	-	0.0%
PAG Reimbursements	1,755,154	1,761,137	-	-	-	0.0%
RTA Reimbursements	149,942	471,702	-	-	-	0.0%
Total State Grants	1,905,096	2,235,299	-	-	-	0.0%
Impact Fees:						
Residential Impact Fees	259,022	199,186	398,000	215,000	308,450	-22.5%
Commercial Impact Fees	67,300	77,559	26,532	125,000	31,717	19.5%
Total Impact Fees	326,322	276,745	424,532	340,000	340,167	-19.9%
Interest Income:						
Interest - Investments	3,381	2,605	2,000	3,500	3,000	50.0%
Total Interest Income	3,381	2,605	2,000	3,500	3,000	50.0%
Miscellaneous:						
Miscellaneous	150	575	-	-	-	0.0%
Total Miscellaneous	150	575	-	-	-	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Charges for Services:						
Real Property Rental Income	22,500	22,500	-	-	-	0.0%
Total Charges for Services	22,500	22,500	-	-	-	0.0%
TOTAL ROADWAY IMPACT FEE FUND	2,757,450	2,537,724	426,532	343,500	343,167	-19.5%
PAG/RTA Fund						
State Grants:						
PAG Reimbursements	-	-	6,050,000	2,495,385	5,974,971	-1.2%
RTA Reimbursements	-	-	4,364,000	676,844	3,275,000	-25.0%
Total State Grants	-	-	10,414,000	3,172,229	9,249,971	-11.2%
Interest Income:						
Interest - Investments	-	-	500	-	-	-100.0%
Total Interest Income	-	-	500	-	-	-100.0%
Charges for Services:						
Real Property Rental Income	-	-	22,500	22,500	22,500	0.0%
Total Charges for Services	-	-	22,500	22,500	22,500	0.0%
TOTAL PAG/RTA FUND	-	-	10,437,000	3,194,729	9,272,471	-11.2%
General Government Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	-	-	-	-	-	0.0%
Commercial Impact Fees	2,206	-	-	-	-	0.0%
Total Impact Fees	2,206	-	-	-	-	0.0%
Interest Income:						
Interest - Investments	8	3	-	5	-	0.0%
Total Interest Income	8	3	-	5	-	0.0%
TOTAL GEN. GOV. IMPACT FEE FUND	2,214	3	-	5	-	0.0%
Library Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	-	-	-	-	-	0.0%
Total Impact Fees	-	-	-	-	-	0.0%
Interest Income:						
Interest - Investments	-	-	-	-	-	0.0%
Total Interest Income	-	-	-	-	-	0.0%
Miscellaneous						
Donations	-	-	30,000	-	150,000	400.0%
Total Miscellaneous	-	-	30,000	-	150,000	400.0%
TOTAL LIBRARY IMPACT FEE FUND	-	-	30,000	-	150,000	400.0%
Parks & Recreation Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	122,754	114,469	171,200	105,000	132,680	-22.5%
Total Impact Fees	122,754	114,469	171,200	105,000	132,680	-22.5%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Interest Income:						
Interest - Investments	669	79	-	200	-	0.0%
Total Interest Income	669	79	-	200	-	0.0%
TOTAL PARKS IMPACT FEE FUND	123,423	114,548	171,200	105,200	132,680	-22.5%
Police Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	43,888	42,880	62,000	35,000	71,300	15.0%
Commercial Impact Fees	74,168	5,543	4,917	12,000	2,700	-45.1%
Total Impact Fees	118,056	48,423	66,917	47,000	74,000	10.6%
Interest Income:						
Interest - Investments	361	218	-	300	-	0.0%
Total Interest Income	361	218	-	300	-	0.0%
TOTAL POLICE IMPACT FEE FUND	118,418	48,641	66,917	47,300	74,000	10.6%
Naranja Park Fund						
Miscellaneous:						
Miscellaneous	175	-	-	-	-	0.0%
Total Miscellaneous	175	-	-	-	-	0.0%
TOTAL NARANJA PARK FUND	175	-	-	-	-	0.0%
Energy Efficiency Project Fund						
Other Financing Sources:						
Bond Proceeds	-	-	-	-	3,000,000	0.0%
Total Other Financing Sources	-	-	-	-	3,000,000	0.0%
TOTAL ENERGY EFF. PROJECT FUND	-	-	-	-	3,000,000	0.0%
Capital Project Bond Fund						
Other Financing Sources:						
Bond Proceeds	-	-	-	-	5,000,000	0.0%
Total Other Financing Sources	-	-	-	-	5,000,000	0.0%
TOTAL CAPITAL PROJECT BOND FUND	-	-	-	-	5,000,000	0.0%
General Government CIP Fund						
State Grants						
Misc State Grants	-	-	81,000	-	81,000	0.0%
Total State Grants	-	-	81,000	-	81,000	0.0%
TOTAL GEN GOVT CIP FUND	-	-	81,000	-	81,000	0.0%
Fleet Fund						
Miscellaneous:						
Insurance Recoveries	-	13,668	-	-	-	0.0%
Vehicle Reserves	-	126,313	184,329	184,329	284,796	54.5%
Sale of Assets	61,001	33,267	10,000	-	-	-100.0%
Total Miscellaneous	61,001	173,248	194,329	184,329	284,796	46.6%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Charges for Services:						
Fleet Services	1,268,842	1,282,861	1,333,903	1,278,303	1,297,202	-2.8%
Total Charges for Services	1,268,842	1,282,861	1,333,903	1,278,303	1,297,202	-2.8%
TOTAL FLEET FUND	1,329,843	1,456,109	1,528,232	1,462,632	1,581,998	3.5%
Benefit Self Insurance Fund						
Miscellaneous:						
Self Insurance Premiums - Employer	1,841,451	2,134,847	2,364,000	2,364,000	2,365,700	0.1%
Self Insurance Premiums - Employee	246,565	318,872	321,400	321,400	496,350	54.4%
COBRA Premiums	18,865	10,465	25,000	25,000	25,000	0.0%
Retiree Premiums	10,435	1,911	8,000	8,000	10,500	31.3%
UHC Wellness Program	20,000	20,000	20,000	20,000	20,000	0.0%
Miscellaneous	75,978	-	122,000	122,000	113,190	-7.2%
Total Miscellaneous	2,213,294	2,486,096	2,860,400	2,860,400	3,030,740	6.0%
TOTAL BENEFIT SELF INSURANCE FUND	2,213,294	2,486,096	2,860,400	2,860,400	3,030,740	6.0%
Water Utility Fund						
Water Sales:						
Residential Water Sales	7,881,436	7,649,136	8,038,000	7,880,590	8,116,483	1.0%
Commercial Water Sales	886,712	779,877	810,000	816,295	828,238	2.3%
Irrigation Water Sales	1,356,689	1,196,394	1,431,000	1,130,172	1,149,577	-19.7%
Turf Related Water Sales	1,760,090	1,383,047	1,631,000	1,627,606	1,655,323	1.5%
Construction Water Sales	283,632	271,815	250,000	206,097	211,274	-15.5%
Other	816	305	500	181	500	0.0%
Total Water Sales	12,169,375	11,280,574	12,160,500	11,660,941	11,961,395	-1.6%
Charges for Services:						
Engineer Plan Review Fees	15,654	17,020	20,000	20,000	20,000	0.0%
Construction Inspection Fees	30,463	33,267	24,000	48,000	48,000	100.0%
Misc Service Revenue	17,842	9,642	6,000	9,000	6,000	0.0%
Backflow-Install Permit Fee	8,380	2,860	5,000	3,600	3,600	-28.0%
Sewer Fees	201,886	203,025	207,000	205,500	206,000	-0.5%
Late Fees	99,585	93,056	100,000	92,000	92,000	-8.0%
NSF Fees	3,553	3,430	3,500	3,500	3,500	0.0%
Rain Sensors	8	15	-	-	-	0.0%
Meter Income	94,377	50,930	90,700	60,200	90,700	0.0%
New Service Establish Fees	94,468	91,104	80,000	80,000	80,000	0.0%
Reconnect Fees	41,945	47,538	40,000	40,000	40,000	0.0%
Groundwater Preservation Fee	2,599,718	2,330,231	2,500,000	2,319,000	2,346,000	-6.2%
Other	107,981	108,749	108,000	108,000	108,000	0.0%
Total Charges for Services	3,315,859	2,990,866	3,184,200	2,988,800	3,043,800	-4.4%
Interest Income:						
Interest - Investments	61,338	70,275	59,520	59,520	72,000	21.0%
Total Interest Income	61,338	70,275	59,520	59,520	72,000	21.0%
Miscellaneous:						
Miscellaneous	1,257	43,133	-	11,608	-	0.0%
Insurance Recoveries	2,913	7,962	-	-	-	0.0%
Sale of Assets	7,661	2,929	-	2,000	-	0.0%
Total Miscellaneous	11,831	54,024	-	13,608	-	0.0%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Other Financing Sources:						
WIFA Loan Proceeds	-	2,353,843	1,800,000	1,300,000	-	-100.0%
Total Other Financing Sources	-	2,353,843	1,800,000	1,300,000	-	-100.0%
TOTAL WATER UTILITY FUND	15,558,403	16,749,582	17,204,220	16,022,869	15,077,195	-12.4%
Alternative Water Resources Development Impact Fee Fund						
Impact Fees:						
Residential Impact Fees	1,362,186	737,457	809,000	742,096	930,350	15.0%
Commercial Impact Fees	1,014,496	434,713	522,323	374,926	109,739	-79.0%
Total Impact Fees	2,376,682	1,172,170	1,331,323	1,117,022	1,040,089	-21.9%
Interest Income:						
Interest - Investments	22,208	26,148	19,840	19,840	26,400	33.1%
Total Interest Income	22,208	26,148	19,840	19,840	26,400	33.1%
TOTAL AWRDIF FUND	2,398,890	1,198,318	1,351,163	1,136,862	1,066,489	-21.1%
Potable Water System Development Impact Fee Fund						
Impact Fees:						
Single Family Connections	367,078	311,306	403,000	364,670	463,450	15.0%
Multi-Family Connections	536,750	60,600	175,994	-	-	-100.0%
Commercial Connections	319,510	186,501	73,335	73,336	39,288	-46.4%
Irrigation Connections	128,620	32,638	10,878	92,474	16,320	50.0%
Fire-Flow Connections	61,089	-	-	-	-	0.0%
Total Impact Fees	1,413,047	591,045	663,207	530,480	519,058	-21.7%
Interest Income:						
Interest - Investments	30,673	28,172	19,840	19,840	28,800	45.2%
Total Interest Income	30,673	28,172	19,840	19,840	28,800	45.2%
TOTAL PWSDIF FUND	1,443,720	619,217	683,047	550,320	547,858	-19.8%
Stormwater Utility Fund						
State Grants:						
Miscellaneous State Grants	-	-	35,000	35,000	-	-100.0%
Total State Grants	-	-	35,000	35,000	-	-100.0%
Charges for Services:						
Late Fees	2,399	2,450	3,000	3,000	3,000	0.0%
Stormwater Utility Fee	757,006	769,128	784,000	784,000	1,300,500	65.9%
Total Charges for Services	759,405	771,578	787,000	787,000	1,303,500	65.6%
Interest Income:						
Interest - Investments	1,201	294	250	300	500	100.0%
Total Interest Income	1,201	294	250	300	500	100.0%
Miscellaneous:						
Miscellaneous	23	16	-	-	-	0.0%
Total Miscellaneous	23	16	-	-	-	0.0%
TOTAL STORMWATER UTILITY FUND	760,629	771,888	822,250	822,300	1,304,000	58.6%

Revenue Schedule by Fund

Major Revenue Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Recreation In Lieu Fee Fund						
Charges for Services:						
Recreation In Lieu Fees	-	-	-	21,728	-	0.0%
Total Charges for Services	-	-	-	21,728	-	0.0%
TOTAL REC IN LIEU FEE FUND	-	-	-	21,728	-	0.0%
TOTAL REVENUE - ALL FUNDS	\$63,528,198	\$63,505,232	\$79,855,043	\$68,550,868	\$85,334,197	6.9%

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

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Revenue Sources

Local Sales Tax

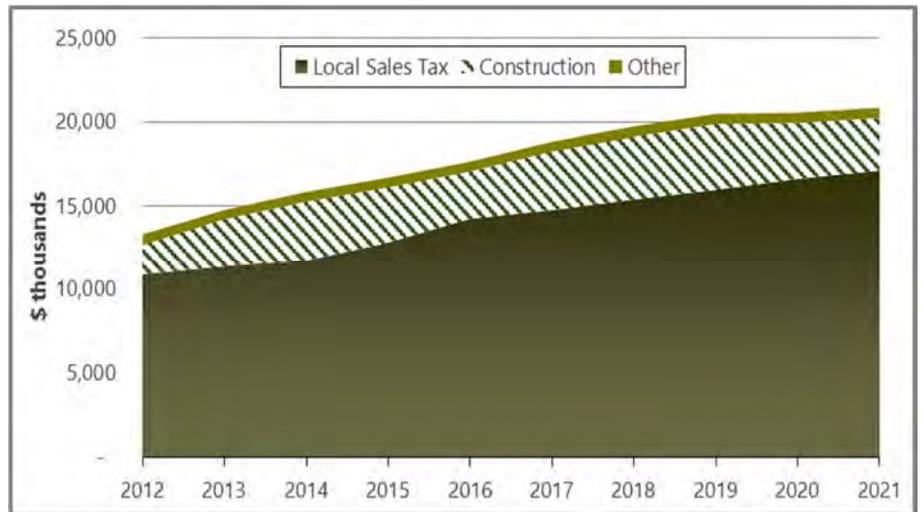
Description

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% utility sales tax, are used for various general governmental purposes. The additional 0.5% local sales tax was implemented in March of 2015 and is dedicated to funding the Town's Community Center operations. The 6% tax on lodging is used to support economic development and tourism efforts. Recurring construction sales taxes are used to fund maintenance on town

roadways, while remaining one-time amounts are dedicated to one-time capital projects. Other local sales tax revenues go towards various governmental purposes.



Projections

Local construction sales tax has decreased significantly from its peak in 2008. This is due to slow economic growth and the town approaching build-out, and more recently due to 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 increase over the next few years, due to several one-time larger-scale projects on the horizon. Although retail sales tax collections continue to increase, the rate of growth has slowed over the last few years. The following assumptions were used in compiling the projections:

- retail and utility sales tax projected to grow at a rate of 2-4% per year with population growth and inflation
- bed tax collections increase 15% in FY 2017 and 8% in FY 2018 following a major hotel renovation, then increase 3% per year thereafter with tourism and economic growth
- construction sales tax increases 25% in FY 2017 and 5% in FY 2018 and FY 2019, attributable to anticipated one-time commercial and single family residential building activity, then declines each year thereafter as the pace of building activity slows

Revenue Sources

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	2011	9,714,530	1,765,739	610,223
	2012	10,866,793	1,815,826	642,486
	2013	11,356,974	2,874,357	549,211
	2014	11,753,525	3,523,966	580,185
	2015	12,802,606	3,326,153	585,464
PROJECTION	2016	14,265,675 *	2,812,980	584,000
	2017	14,745,425	3,514,543	584,000
	2018	15,438,336	3,686,000	604,000
	2019	16,000,733	3,872,500	604,000
	2020	16,637,626	3,292,500	614,000
	2021	17,164,742	3,065,000	614,000

* Includes first full fiscal year of new half-cent sales tax dedicated to Community Center Fund operations

Fines, Licenses and Permits

Description

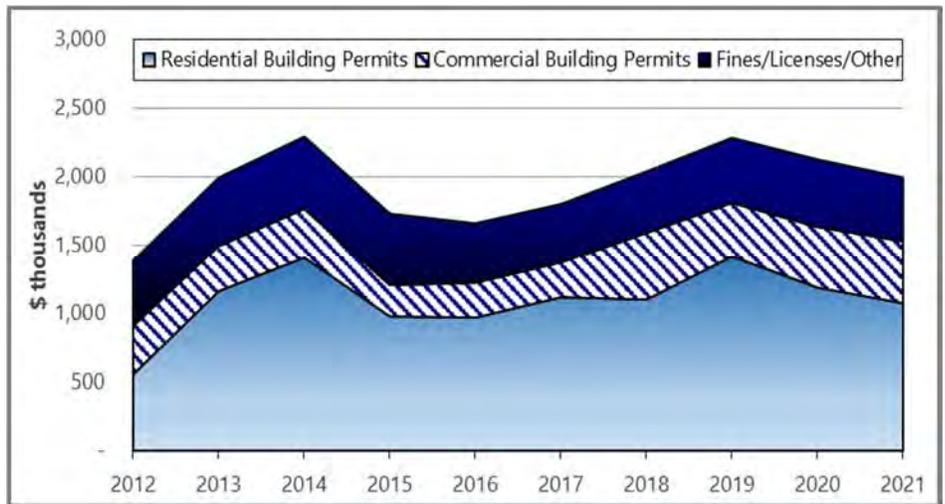
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits,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

Revenues received from fines, business licenses and other permits are projected to grow gradually over the next five years. The growth in building permit revenue is due to an anticipated increase in single family residential permits and potential one-time commercial activity. As the Town continues to approach build-out, residential and commercial activity will decrease. The following assumptions were used in compiling the projections:



- single family residential permits are budgeted at 230 for FY 2017, projected at 250 for FY 2018 and 275 for FY 2019, then expected to gradually decline back to 200 by FY 2021
- forecast for commercial building activity includes potential one-time projects subject to fluctuation

Revenue Sources

- an average of 50K square feet of miscellaneous commercial development will be added each year for the next five years
- revenue from business licenses, fines and other permits grows gradually with population and the addition of new businesses within town

		Residential Building Permits	Commercial Building Permits	Business Licenses, Fines & Other
ACTUAL	2011	426,876	360,645	467,780
	2012	554,042	352,796	479,696
	2013	1,163,764	329,859	501,199
	2014	1,409,442	351,907	527,582
	2015	973,190	226,561	531,429
PROJECTION	2016	967,000	254,462	435,600
	2017	1,118,000	250,000	430,000
	2018	1,097,500	493,000	447,300
	2019	1,412,500	400,000	473,474
	2020	1,187,500	450,000	483,033
	2021	1,075,000	450,000	467,847

State Shared Revenue

Description

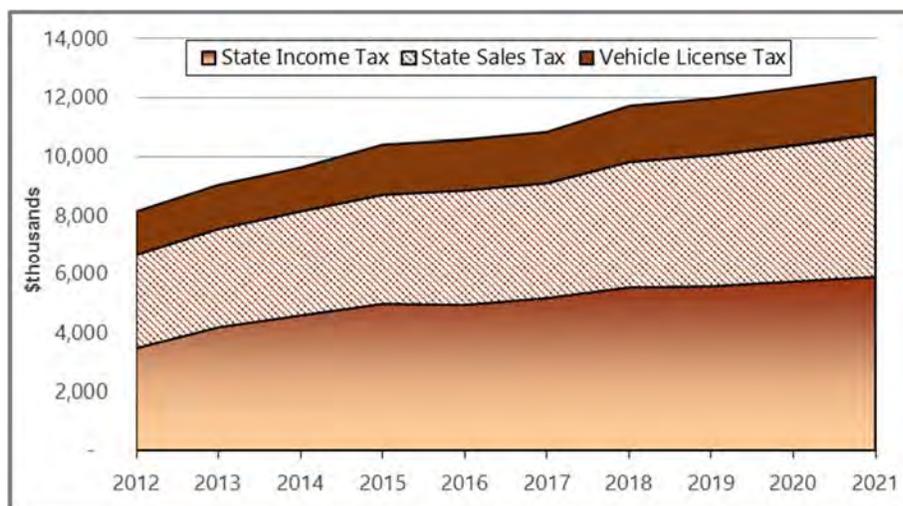
Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, income tax, and vehicle license tax. Oro Valley receives its share of the state sales and income tax based on the relation of its population to the total population 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.

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 nearly one-third of General Fund budgeted revenue for FY 2017. Revenues are budgeted to increase by 2% in FY 2017.



Revenue Sources

Economic sluggishness, as well as budget and legislative tax law changes made at the state level, are the cause of the anemic growth. Annual growth of about 2-4% is anticipated thereafter. The following assumptions were used in compiling the projections:

- 2% increase projected for FY 2017, due to sluggish economy and state legislative impacts
- 2-4% increases per year are projected for FY 2018 through FY 2021

		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	2011	3,834,911	3,024,857	1,549,821
	2012	3,461,359	3,204,612	1,479,094
	2013	4,189,185	3,356,826	1,502,355
	2014	4,571,196	3,569,711	1,495,999
	2015	4,964,635	3,747,944	1,700,885
PROJECTION	2016	4,937,719	3,917,908	1,718,648
	2017	5,184,605	3,920,000	1,720,000
	2018	5,513,209	4,312,314	1,886,494
	2019	5,567,591	4,486,043	1,905,359
	2020	5,732,369	4,662,485	1,924,413
	2021	5,902,090	4,845,985	1,943,657

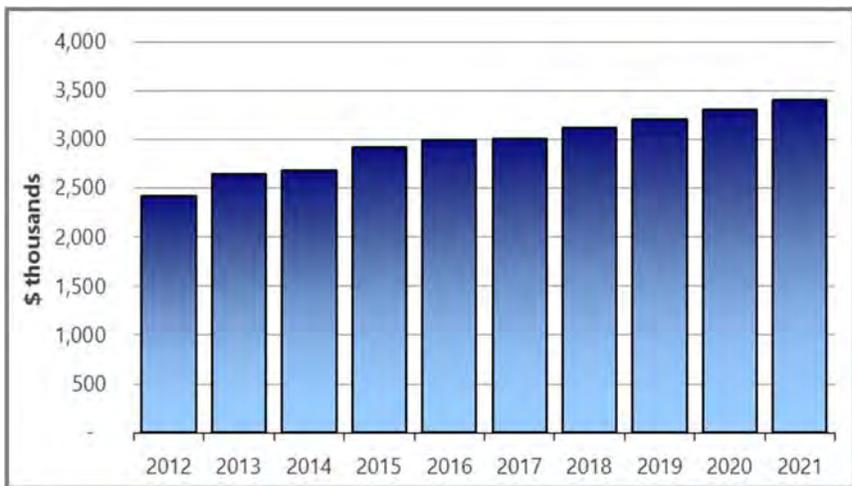
Highway User Revenue (HURF)

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.



Revenue Sources

Projections

HURF revenue collections are a major source of funding for roadway improvements and account for nearly 84% of Highway Fund budgeted revenue for FY 2017. This revenue source is impacted by economic downturns, as well as actions taken by the state legislature to sweep these funds for state Department of Public Safety or other purposes. The following assumptions were used in compiling the projections:

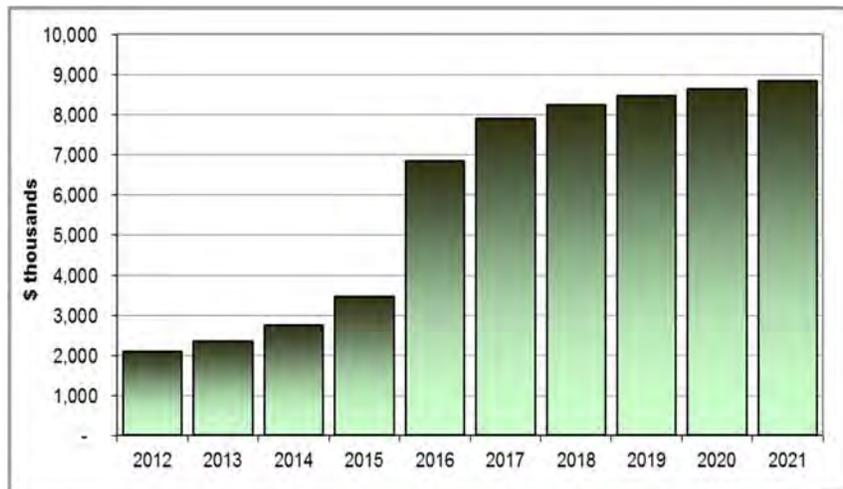
- increases in FY 2015 and FY 2016 due in large part to a bill passed by the Arizona Legislature that allocates additional highway user funds to counties, cities and towns
- revenue is roughly flat in FY 2017, then projected to increase 3-4% per year thereafter

		HURF Revenue
ACTUAL	2011	2,693,145
	2012	2,418,605
	2013	2,648,329
	2014	2,679,257
	2015	2,912,780
PROJECTION	2016	2,985,464
	2017	3,000,000
	2018	3,114,303
	2019	3,207,733
	2020	3,303,964
	2021	3,403,083

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, to name a few. With the exception of development services fees and certain general services fees, the anticipated revenue



generated from charges for services is generally tied to population and can be expected to increase or decrease as the population changes. Revenues declined slightly during the last economic recession. Fees for development services are tied to development activity and will increase/decrease accordingly based on development growth within the town.

Revenue Sources

Projections

The significant increases in recreation fee revenue for FY 2015 and FY 2016 are attributable to the addition of the Community Center Fund operations. The Town is also experiencing healthy growth in Aquatic Center revenues and other parks and recreation program revenues. The significant increase in Stormwater revenue for FY 2017 is attributable to a Council-approved fee increase. Total revenue from the charges for service category is projected to grow 2-4% over the next few years. The following assumptions were used in compiling the projections:

- revenue generated from development activity is tied to anticipated single family residential and commercial building permits
- recreation fee revenue grows at a healthy pace following continued investment in capital improvements at the Town’s parks, the Community Center and the Aquatic Center
- general services, transit farebox and stormwater utility fee revenues increase slightly each year, as town population increases

		General Services	Development Services	Recreation Fees *	Transit	Water	Stormwater **
ACTUAL	2011	284,347	114,821	364,834	50,254	530,186	751,341
	2012	277,359	140,293	317,285	49,977	557,223	752,212
	2013	306,883	179,093	399,608	66,558	635,624	750,460
	2014	298,292	248,976	659,265	71,078	716,142	759,405
	2015	269,130	312,482	1,370,971	72,783	660,636	771,578
PROJECTION	2016	268,316	209,840	4,834,905	70,000	669,800	787,000
	2017	247,491	210,000	5,377,350	70,000	697,800	1,303,500
	2018	296,984	235,000	5,601,871	85,000	678,500	1,328,867
	2019	303,379	245,700	5,799,810	88,400	676,500	1,345,006
	2020	309,949	215,000	6,004,809	91,052	663,500	1,356,832
	2021	314,905	190,000	6,221,555	93,784	646,500	1,368,678

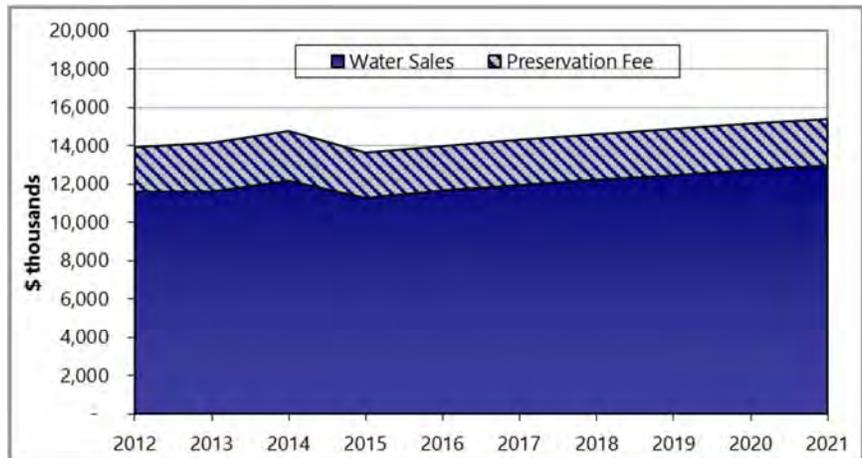
* Increases in FY 2015 and FY 2016 are attributable to the addition of Community Center Fund operations

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

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.



Revenue Sources

Uses

The revenue collected from water sales is used for personnel, operations and maintenance, 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 200-300 new connections annually through FY 2021
- modest water rate increases over the next five years
- no groundwater preservation fee increases over the next five years
- average single family residential monthly water use remains at roughly 7,200 gallons

		Water Sales	Groundwater Preservation Fee
ACTUAL	2011	12,038,482	2,096,093
	2012	11,578,980	2,315,277
	2013	11,585,180	2,527,524
	2014	12,169,374	2,599,718
	2015	11,280,574	2,330,231
PROJECTION	2016	11,660,941	2,319,000
	2017	11,961,395	2,346,000
	2018	12,202,500	2,375,000
	2019	12,473,500	2,399,000
	2020	12,719,500	2,420,000
	2021	12,960,500	2,445,000

Note: Projections and assumptions used were for financial modeling purposes as related to proposed changes in water rates and fees to be reviewed and studied by Council at a future date. The actual rates and fees adopted and implemented may differ from budgeted projections.

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. Recent 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.

Revenue Sources

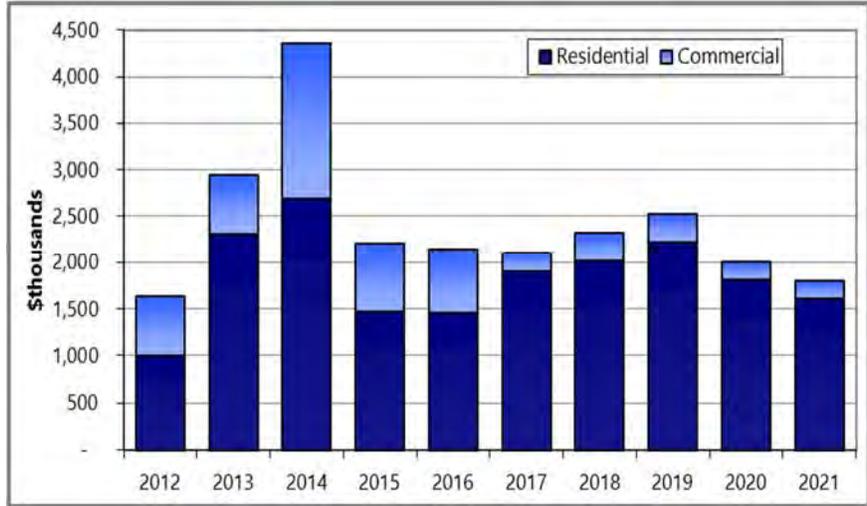
Uses

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

Projections

Increases in FY 2013 and FY 2014 were due in part to three new apartment complexes and an increase in single family residential permits. 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:



- 230 single family residential permits will be issued in FY 2017, increasing to 250 for FY 2018 and 275 for FY 2019, then declining back to 200 by FY 2021
- commercial fees tie to anticipated development activity within the town

		Residential Fees	Commercial Fees
ACTUAL	2011	717,965	409,018
	2012	992,996	646,632
	2013	2,305,333	642,223
	2014	2,691,678	1,665,183
	2015	1,465,898	736,954
PROJECTION	2016	1,461,766	677,736
	2017	1,906,230	199,764
	2018	2,019,400	305,000
	2019	2,221,340	300,000
	2020	1,817,460	190,000
	2021	1,615,520	190,000



Town of Oro Valley

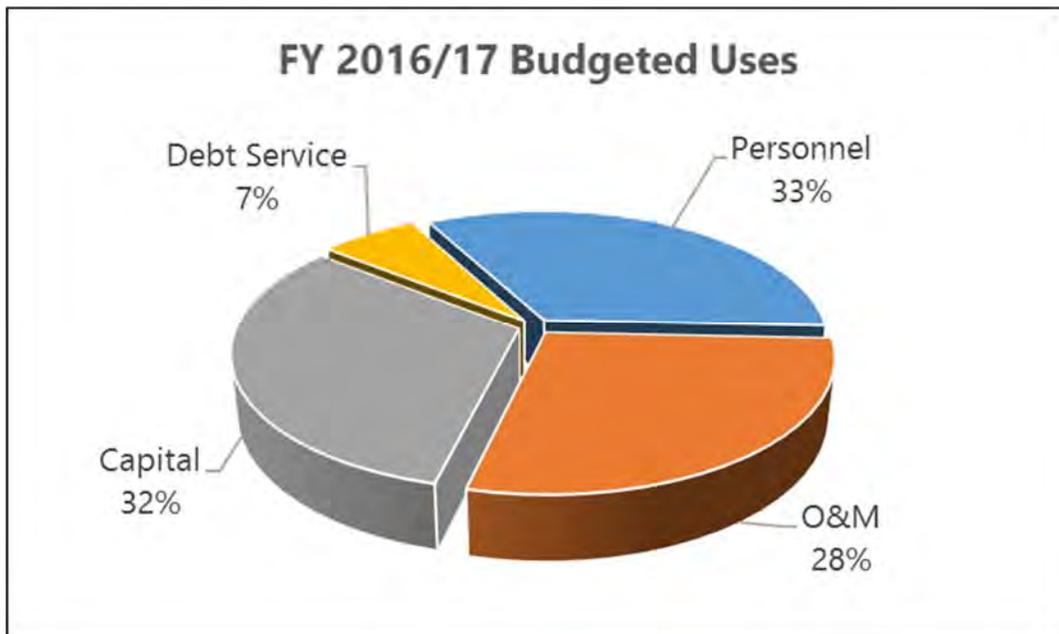
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Expenditure Summary

The expenditure budget for FY 2016/17 totals \$91,676,917 and represents a \$7.7 million, or 9.1% increase over the prior fiscal year budgeted expenditures. The budget includes \$64.0 million to support daily operations and services and \$27.7 million in capital projects. The increase over the prior fiscal year is due to capacity for bond projects, including an energy efficiency project at the Town's Community Center, as well as the possible issuance of bonds to fund additional park infrastructure.

At the onset of the budget preparation phase, all departments were instructed to maintain flat operational costs whenever feasible. This "hold the line" approach emphasizes cost containment with continued current service level provisions to town residents. 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 16/17 is significant and addresses several areas of critical need, including roadway and street improvements, water system improvements, public safety facility improvements, as well as improvements to parks, the Aquatic Center and the Community Center. Please reference the Capital Improvement Program (CIP) section of the budget document for further details on capital improvement projects.



Expenditure Summary

Budgeted Uses						
	FY 2015	FY 2015/16		FY 2016/17	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	26,866,813	29,003,278	28,700,906	30,668,783	1,665,505	5.7%
O&M	19,587,269	26,324,672	25,115,036	25,783,796	(540,876)	-2.1%
Capital	12,886,872	22,324,563	11,040,159	29,228,162	6,903,599	30.9%
Debt Service	6,219,707	6,357,130	6,314,363	5,996,176	(360,954)	-5.7%
Total Expenditures	\$ 65,560,661	\$ 84,009,643	\$ 71,170,464	\$ 91,676,917	\$ 7,667,274	9.1%

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 +\$1.7M	<ul style="list-style-type: none"> • \$445K increase for step and merit increases • \$539K increase for new positions (Stormwater Utility and temporary, capital-project related) • \$163K increase due to insurance premium increases • \$243K increase due to increased pension costs • \$89K increase in workers compensation costs • \$60K increase in other benefit costs
O&M -\$541K	<ul style="list-style-type: none"> • Community Center Fund O&M decreased \$981K (16%) due to reduced management contract expenditures • Fleet Fund O&M decreased \$152K (21%) due to fuel and vehicle repair & maintenance savings • Benefit Self Insurance Fund O&M increased \$170K (6%) due to insurance premium increases and outside professional services • Highway Fund O&M increased \$164K (19%) due to vehicle replacement and equipment repair & maintenance costs • Water Utility O&M increased \$149K (2%) due to outside professional services, water purchased for resale and Central Arizona Project water delivery charges • General Fund O&M increased \$91K (1%) due to outside professional services, utilities, equipment repair & maintenance and insurance costs
Capital +\$6.9M	<ul style="list-style-type: none"> • Increase of \$8M for potential bond-funded capital projects • \$619K decrease for Community Center capital projects • \$387K decrease for roadway capital projects funded with grants and impact fees
Debt Service -\$361K	<ul style="list-style-type: none"> • Due to savings from refinancing of existing debt at lower interest rate

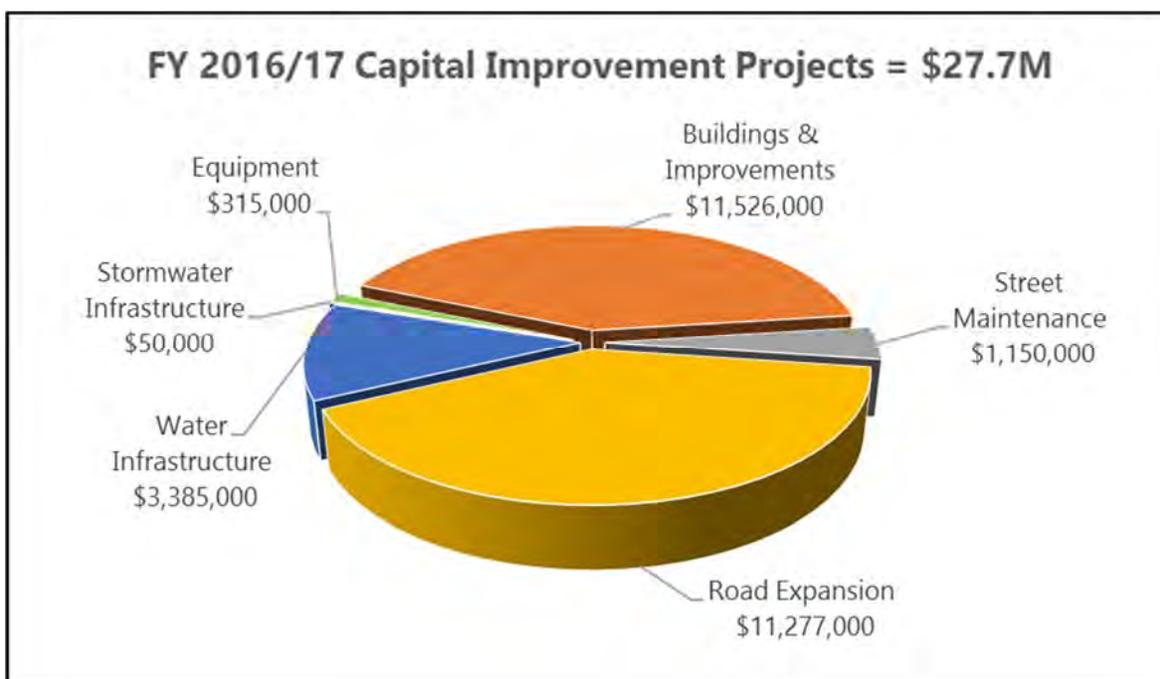
Expenditure Summary

Capital Improvement Program

The Capital Improvement Program (CIP) is a comprehensive, fifteen-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 implement the Town’s General Plan. It allocates funds to programs specified in the General Plan, uses implementation of the General Plan in the project evaluation criteria, and its evaluation criteria are based on the goals established in the General Plan.

The FY 2016/17 adopted budget includes \$27.7 million in capital improvement projects, funded with a variety of sources. Projects to be completed include public safety, parks and recreation improvements, street and roadway improvements, water utility system expansions and improvements, as well as technology improvements.

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



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Expenditure Schedule by Fund

Major Expenditure Accounts	FY 2014	FY 2015	FY 2016		FY 2017	% to budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	331,362	388,110	407,900	372,900	458,863	12.5%
Community Development & Public Works	3,982,785	4,278,594	4,596,216	4,536,574	5,990,029	30.3%
Council	204,087	201,929	211,995	211,995	220,559	4.0%
Finance	643,557	721,997	779,760	735,141	773,591	-0.8%
General Administration	1,724,760	1,818,350	1,804,970	1,788,427	1,736,450	-3.8%
Human Resources	447,365	359,270	366,775	358,775	368,605	0.5%
Information Technology	1,368,989	1,364,592	1,571,326	1,571,326	1,691,676	7.7%
Legal	643,058	726,595	764,837	722,103	773,003	1.1%
Magistrate Court	724,143	758,561	837,629	803,829	845,938	1.0%
Town Manager's Office	659,982	720,111	769,521	769,521	801,540	4.2%
Parks and Recreation	2,563,708	2,914,717	3,004,988	3,070,212	1,977,326	-34.2%
Police	13,675,969	14,728,554	15,250,016	15,155,469	15,643,620	2.6%
TOTAL GENERAL FUND	26,969,765	28,981,380	30,365,933	30,096,272	31,281,200	3.0%
Special Revenue Funds						
Highway User Revenue Fund	3,520,089	4,073,929	4,630,312	4,462,777	4,675,903	1.0%
Bed Tax Fund	459,025	602,474	672,732	667,104	684,689	1.8%
Community Center Fund	-	1,201,970	8,063,333	6,493,849	6,767,403	-16.1%
Impound Fee Fund	24,454	26,611	27,621	27,621	57,468	108.1%
Seizures & Forfeitures Funds	588,767	821,959	216,958	240,986	227,554	4.9%
TOTAL SPECIAL REVENUE FUNDS	4,592,335	6,726,943	13,610,956	11,892,337	12,413,017	-8.8%
Debt Service Funds						
Municipal Debt Service Fund	832,541	861,984	891,632	896,586	626,417	-29.7%
Oracle Road Improvement District Fund	1,462,175	178,412	178,153	178,153	181,558	1.9%
TOTAL DEBT SERVICE FUNDS	2,294,716	1,040,396	1,069,785	1,074,739	807,975	-24.5%
Capital Project Funds						
Naranja Park Fund	1,271,940	737,056	-	-	-	0.0%
Recreation-In-Lieu Fee Fund	-	-	-	-	-	0.0%
Aquatic Center Project Fund	6,063	-	-	-	-	0.0%
Parks and Recreation Impact Fee Fund	283,978	-	-	-	-	0.0%
Police Impact Fee Fund	11,959	-	-	-	285,000	0.0%
General Government Impact Fee Fund	-	-	-	-	-	0.0%
Library Impact Fee Fund	-	20,000	113,000	51,638	187,000	65.5%
Energy Efficiency Project Fund	-	-	-	-	3,000,000	0.0%
Capital Project Bond Fund	-	-	-	-	5,000,000	0.0%
General Government CIP Fund	-	2,688,407	3,005,000	1,840,770	2,648,000	-11.9%
Alternative Water Resource Dev. Impact Fee	2,209,425	189,516	30,820	136,060	236,101	666.1%
Potable Water System Dev. Impact Fee	483,021	327,424	331,478	331,478	332,416	0.3%
PAG/RTA Fund	-	-	10,478,795	2,915,034	9,249,971	-11.7%
Townwide Roadway Dev. Impact Fee	1,427,721	2,651,038	1,038,000	47,431	2,000,000	92.7%
TOTAL CAPITAL PROJECT FUNDS	5,694,107	6,613,441	14,997,093	5,322,411	22,938,488	53.0%
Enterprise Funds						
Water Utility	14,288,934	17,121,370	18,787,140	17,761,887	18,759,898	-0.1%
Stormwater Utility	781,365	969,182	929,115	884,115	1,153,759	24.2%
TOTAL ENTERPRISE FUNDS	15,070,299	18,090,552	19,716,255	18,646,002	19,913,657	1.0%
Internal Service Funds						
Fleet Fund	1,244,893	1,281,507	1,389,221	1,278,303	1,291,840	-7.0%
Benefit Self Insurance	2,196,187	2,826,443	2,860,400	2,860,400	3,030,740	6.0%
TOTAL INTERNAL SERVICE FUNDS	3,441,080	4,107,950	4,249,621	4,138,703	4,322,580	1.7%
TOTAL EXPENDITURES - ALL FUNDS	\$ 58,062,302	\$ 65,560,661	\$ 84,009,643	\$ 71,170,464	\$ 91,676,917	9.1%

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

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Expenditures by Program

This table represents a summary of the adopted FY 2016 - 2017 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
Clerk	4.56	458,863						458,863
	4.56	458,863	-	-	-	-	-	458,863
Community Development & Public Works								
Administration	3.73	331,440	793,156 (A)					1,124,596
Planning	9.26	772,588						772,588
Permitting	9.96	896,248						896,248
Inspection and Compliance	9.00	777,717						777,717
Transportation Engineering	5.68		584,522 (A)					584,522
Traffic Engineering	4.60		814,412 (A)					814,412
Pavement Management	1.20		1,278,095 (A)					1,278,095
Street Maintenance	9.75		1,205,718 (A)					1,205,718
Facilities Maintenance	2.00	368,763						368,763
Parks Maintenance	9.88	1,225,878						1,225,878
Fleet	1.15						1,291,840 (B)	1,291,840
Stormwater Utility	6.85					1,153,759 (C)		1,153,759
Public Transportation	23.05	1,617,395						1,617,395
	96.11	5,990,029	4,675,903	-	-	1,153,759	1,291,840	13,111,531
Council	7.00	220,559						220,559
	7.00	220,559	-	-	-	-	-	220,559
Finance	7.00	773,591						773,591
	7.00	773,591	-	-	-	-	-	773,591
General Administration	2.40	1,736,450			11,120,000 (D)		3,030,740 (E)	15,887,190
	2.40	1,736,450	-	-	11,120,000	-	3,030,740	15,887,190
Human Resources	3.50	368,605						368,605
	3.50	368,605	-	-	-	-	-	368,605
Information Technology								
Administration	1.00	739,555						739,555
GIS Services	2.00	197,957						197,957
Technical Services	2.00	355,883						355,883
Business Application & Development	2.00	190,451						190,451
Telecommunications		207,830						207,830
	7.00	1,691,676	-	-	-	-	-	1,691,676
Legal	6.00	773,003						773,003
	6.00	773,003	-	-	-	-	-	773,003
Magistrate Court	8.00	845,938						845,938
	8.00	845,938	-	-	-	-	-	845,938
Town Manager's Office								
Administration	3.88	456,686						456,686
Communications & Constituent Svcs.	3.50	344,854						344,854
Economic Development	3.00		684,689 (F)					684,689
	10.38	801,540	684,689	-	-	-	-	1,486,229

Expenditures by Program

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Parks and Recreation								
Administration	4.00	405,700						405,700
Recreation	5.35	335,903						335,903
Aquatics	18.65	1,172,322						1,172,322
Cultural Resources	0.20	63,401						63,401
Community Center	20.42		6,767,403 (G)					6,767,403
	48.62	1,977,326	6,767,403	-	-	-	-	8,744,729
Police								
Administration	4.00	1,216,370						1,216,370
Support Services	57.21	6,811,524	57,468 (H)					6,868,992
Field Services	69.44	7,294,430	227,554 (I)					7,521,984
Professional Development & Training	1.48	177,913						177,913
Professional Standards	1.00	143,383						143,383
	133.13	15,643,620	285,022	-	-	-	-	15,928,642
Water Utility								
Administration	15.48					10,928,027 (J)		10,928,027
Water Resources & Planning	6.00					4,112,075 (J)		4,112,075
Production	8.00					2,609,998 (J)		2,609,998
Distribution	10.00					1,109,798 (J)		1,109,798
Alternative Water Resources					236,101 (K)			236,101
Potable Water System					332,416 (L)			332,416
	39.48	-	-	-	568,517	18,759,898	-	19,328,415
Debt Service								
	-	-	-	807,975 (M)				807,975
	-	-	-	807,975	-	-	-	807,975
Roadway Improvements								
	4.00				11,249,971 (N)			11,249,971
	4.00	-	-	-	11,249,971	-	-	11,249,971
FY 2016/17 Adopted Budget	377.18	31,281,200	12,413,017	807,975	22,938,488	19,913,657	4,322,580	91,676,917

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

- (A) Highway Fund
- (B) Fleet Fund
- (C) Stormwater Utility Fund
- (D) General Government CIP Fund, Library Impact Fee Fund, Police Impact Fee Fund, Energy Efficiency Project Fund and Capital Project Bond Fund
- (E) Benefit Self Insurance Fund
- (F) Bed Tax Fund
- (G) Community Center Fund
- (H) Impound Fee Fund
- (I) Seizure Funds
- (J) Water Utility Fund
- (K) Alternative Water Resources Dev Impact Fee Fund
- (L) Potable Water System Dev Impact Fee Fund
- (M) Municipal Debt Service Fund and Oracle Road Imp District Fund
- (N) Roadway Dev Impact Fee Fund and PAG/RTA Fund



Town of Oro Valley

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Personnel Summary

Personnel and Employee Compensation

Personnel service represents 48% of the total operating budget. As it is a significant portion of the budget, employee compensation is heavily scrutinized. During the last economic recession, the Town reduced staff considerably. Every position that becomes vacant is evaluated to determine whether the position is mission-critical and whether it needs to be refilled. Positions may continue to be left unfilled, filled on a part-time basis, or eliminated as vacancies occur. Town employees have taken on more responsibilities as the workforce decreased.

As with the previous fiscal year, the FY 16/17 budget includes capacity for funding of employee merit and step increases. Benefit costs rose due to a 5% increase in medical and dental insurance premiums and increased pension rates. Based on the financial scenario laid out for the next five years, it is anticipated that the Town's recurring revenues will provide for continued pay increases. The revenues will be re-analyzed each year to determine the affordable and feasible level of pay increase.

Staffing Level Changes

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

	FY 2015/16 Budget	FY 2016/17 Budget	+/-
Police	133.13	133.13	-
Community Development and Public Works	83.75	103.11	19.36
Parks and Recreation	49.56	48.02	(1.54)
Water Utility	38.48	39.48	1.00
Magistrate Court	8.00	8.00	-
Administration	45.44	45.44	-
Total Positions	358.36	377.18	18.82

The FTE increase in Community Development and Public Works (CDPW) is attributable to the following:

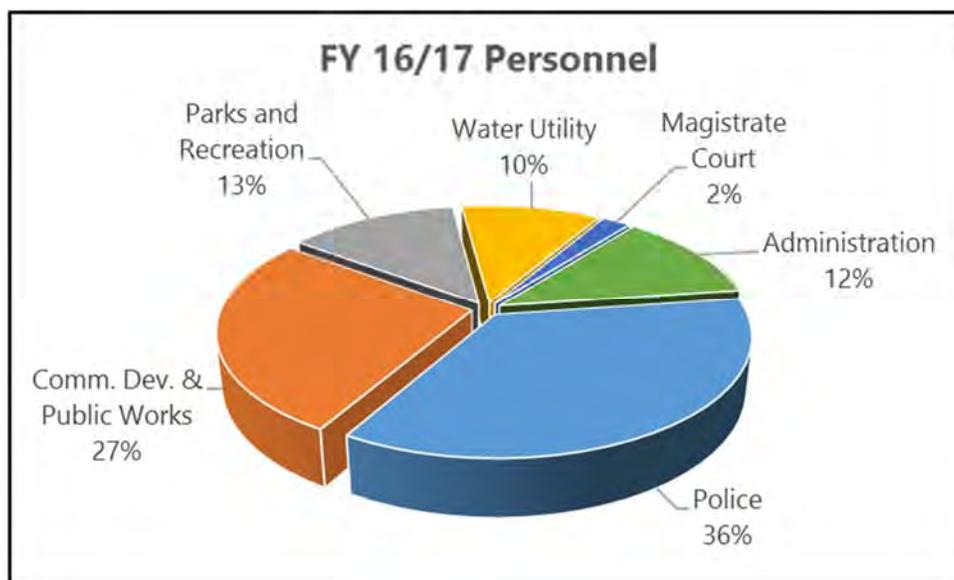
- Three new FTEs in the Stormwater Utility to address state and federal regulatory compliance and assist with planning and infrastructure management
- Three new, temporary FTEs to perform golf course cart path improvements at the Community Center and construct two new multi-use fields at Naranja Park
- Three new, temporary, fully-reimbursed FTEs to perform construction inspection for Pima Association of Governments (PAG) and Regional Transportation Authority (RTA)-funded town roadway construction projects on the horizon
- Reorganization of parks maintenance personnel from Parks and Recreation to CDPW

In the Water Utility, an engineering division manager position has been eliminated, and two operational positions have been added.

In Parks and Recreation, all parks maintenance positions have been transferred to CDPW, as referenced above. Positions have been added in the Community Center Fund, including facility attendants, facility supervisors, lifeguards and custodians. The attendants will address current facility needs, while the supervisors and lifeguards are attributable to the Town assuming pool operations that were previously under contract management. The custodians will replace previously outsourced services.

Personnel Summary

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



Benefit Rates and Costs

Medical and dental premiums for FY 16/17 are increasing 5%. In addition, the Town is implementing an 85/15 cost share model for single (employee-only) medical premiums, where the Town will pay 85 percent of the premium while the employee will pay 15 percent. The Town previously paid 100% of the employee-only premium. The contribution rate for the Arizona State Retirement System will stay roughly flat, while the rates for the Public Safety Personnel Retirement System and the Correction Officers Retirement Plan are increasing 2% and 11%, respectively. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Arizona State Retirement System (ASRS)	11.54%	11.60%	11.47%	11.48%
Public Safety Personnel Retirement System (PSPRS)	20.33%	20.60%	21.5%	23.66%
Correction Officers Retirement Plan (CORP)	16.29%	17.98%	22.05%	33.27%
Medical Premiums (per year)*	\$3,849	\$3,493	\$3,842	\$3,429
Dental Premiums (per year)**	\$257	\$257	\$257	\$267

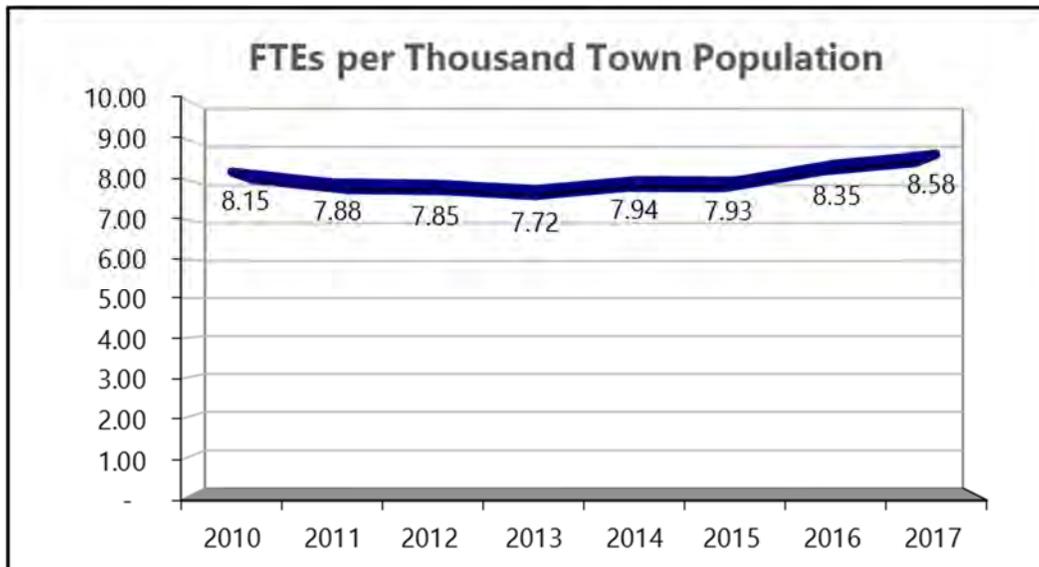
* single (employee-only) HMO coverage

** single (employee-only) base plan coverage

Personnel Summary

Employees per Capita

Looking at an employee per capita trend, full-time equivalent positions (FTEs) per capita declined following the last economic recession, and have increased slightly over the last two years. The increases are due largely to the addition of the Community Center and temporary positions tied to capital projects. FTEs per capita are expected to increase slightly with the town's population growth.



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Personnel Summary by Fund

	FY 2014	FY 2015	FY 2016		FY 2017	+/- to Budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	4.56	4.56	4.56	4.56	4.56	-
Community Dev. & Public Works	53.42	54.27	54.27	54.38	64.63	10.36
Council	7.00	7.00	7.00	7.00	7.00	-
Finance	7.00	7.00	7.00	7.00	7.00	-
Human Resources	3.50	3.50	3.50	3.50	3.50	-
Information Technology	6.50	7.00	7.00	7.00	7.00	-
Legal	6.00	6.00	6.00	6.00	6.00	-
Magistrate Court	8.00	8.00	8.00	8.00	8.00	-
Town Manager's Office	7.38	7.38	7.38	7.38	7.38	-
Parks and Recreation	35.18	35.20	36.20	35.70	28.20	(8.00)
Police	129.63	129.63	129.63	129.63	129.13	(0.50)
General Fund Personnel	268.17	269.54	270.54	270.15	272.40	1.86
Special Revenue Funds						
Highway Fund	22.58	22.48	23.48	23.48	23.48	-
Bed Tax Fund	3.00	3.00	3.00	3.00	3.00	-
Community Center Fund	-	1.00	13.36	19.82	20.42	7.06
Impound Fee Fund	0.50	0.50	0.50	0.50	1.00	0.50
Seizure Funds	3.00	3.00	3.00	3.00	3.00	-
Special Revenue Funds Personnel	29.08	29.98	43.34	49.80	50.90	7.56
Capital Projects Funds						
PAG/RTA Fund	-	-	1.00	1.00	4.00	3.00
General Government CIP Fund	-	-	-	-	2.40	2.40
Capital Projects Funds Personnel	-	-	1.00	1.00	6.40	5.40
Enterprise Funds						
Water Utility	37.00	37.48	38.48	37.48	39.48	1.00
Stormwater Utility	4.10	3.85	3.85	3.85	6.85	3.00
Enterprise Funds Personnel	41.10	41.33	42.33	41.33	46.33	4.00
Internal Service Funds						
Fleet Fund	1.15	1.15	1.15	1.15	1.15	-
Internal Service Funds Personnel	1.15	1.15	1.15	1.15	1.15	-
Total Town Personnel	339.50	342.00	358.36	363.43	377.18	18.82

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Personnel Schedule

	FY 2014	FY 2015	FY 2016		FY 2017	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
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 Specialist	0.50	0.50	0.50	0.50	0.50	-
Office Assistant	0.96	0.96	0.96	0.96	0.96	-
Communications Intern	0.10	0.10	0.10	0.10	0.10	-
Total Clerk	4.56	4.56	4.56	4.56	4.56	-
				Full-time employees:	3	
				Part-time employees:	3	
Community Development & Public Works (CDPW)						
Director, CDPW	1.00	1.00	1.00	1.00	1.00	-
Assistant CDPW 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	-
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	-
Conservation & Sustainability Administratc	1.00	-	-	-	-	-
Senior Civil Engineer	2.00	2.00	2.00	2.00	2.00	-
Principal Planner	1.00	2.00	2.00	2.00	2.00	-
Stormwater Civil Engineer	-	-	-	-	1.00	1.00
Civil Engineer	2.00	2.00	2.00	2.00	1.00	(1.00)
Stormwater Utility Division Manager	-	-	-	-	1.00	1.00
Stormwater Engineer	1.00	1.00	1.00	1.00	-	(1.00)
Stormwater Utility Project Manager	-	-	-	-	1.00	1.00
Transit Services Crew Leader	2.00	2.00	2.00	2.00	2.00	-
Senior Planner	3.00	3.00	3.00	2.00	2.00	(1.00)
Planner	1.00	1.00	1.00	2.00	2.00	1.00
Senior Planning Technician	1.00	1.00	1.00	1.00	1.00	-
GIS Analyst	0.50	-	-	-	-	-
Civil Engineering Designer	1.00	1.00	1.00	1.00	1.00	-
Stormwater Utility Drainage Designer	-	-	-	-	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	-
Plans Examiner I	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineering Tech	3.00	3.00	3.00	3.00	3.00	-
Parks Maintenance Superintendent	-	-	-	-	1.00	1.00
Parks Maintenance Coordinator	-	-	-	-	1.00	1.00
Parks Maintenance Crew Leader	-	-	-	-	1.00	1.00
Parks Maintenance Worker II	-	-	-	-	1.00	1.00
Parks Maintenance Worker I	-	-	-	-	4.92	4.92
Park Monitor/Janitor	-	-	-	-	0.96	0.96
Streets Maintenance Superintendent	-	-	-	1.00	1.00	1.00
Streets & Drainage Senior Crew Leader	1.00	1.00	1.00	-	-	(1.00)
Senior Traffic Technician	1.00	1.00	1.00	1.00	1.00	-
Code Compliance Specialist	1.00	1.00	1.00	1.00	1.00	-
Construction Inspector	-	-	1.00	1.00	3.00	2.00
Construction Clerk	-	-	-	-	1.00	1.00
Administrative Coordinator	1.00	1.00	1.00	1.00	1.00	-

Personnel Schedule

	FY 2014	FY 2015	FY 2016		FY 2017	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Stormwater Utility Analyst	-	-	-	-	1.00	1.00
Stormwater Inspector Technician	-	-	-	-	1.00	1.00
Civil Engineering Technician	1.00	1.00	1.00	1.00	-	(1.00)
Facilities Maintenance Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic III	1.00	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Crew Leader	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	-
Zoning Technician	1.00	1.00	1.00	1.00	1.00	-
Facilities Maintenance Technician	1.00	1.00	1.00	1.00	1.00	-
Heavy Equipment Operator III	2.00	2.00	3.00	3.00	3.00	-
Heavy Equipment Operator II	3.00	3.00	3.00	3.00	3.00	-
Heavy Equipment Operator II (capital projects)	-	-	-	-	3.00	3.00
Building Permit Technician	2.00	2.00	2.00	2.00	2.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Specialist	1.96	1.96	1.96	1.96	1.96	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	1.00	-
Transit Specialist	-	-	-	1.11	1.11	1.11
Lead Transit Driver	1.00	1.00	1.00	-	-	(1.00)
Transit Dispatcher	2.11	2.11	2.11	2.11	2.11	-
Senior Office Assistant	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	2.40	2.40	2.40	2.88	2.88	0.48
Transit Driver	16.98	16.98	16.98	16.50	16.87	(0.11)
Intern	0.30	0.30	0.30	0.30	0.30	-
Total CDPW	81.25	81.75	83.75	83.86	103.11	19.36
					Full-time employees: 80	
					Part-time employees: 51	
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						
Finance Director	1.00	1.00	1.00	1.00	1.00	-
Procurement Administrator	1.00	1.00	1.00	1.00	1.00	-
Finance Manager	-	1.00	1.00	1.00	1.00	-
Accounting Supervisor	1.00	-	-	-	-	-
Senior Budget Analyst	-	1.00	1.00	1.00	1.00	-
Management & Budget Analyst	1.00	-	-	-	-	-
Senior Accountant	1.00	1.00	1.00	1.00	1.00	-
Accounting Specialist	-	-	-	-	1.00	1.00
Payroll Specialist	1.00	1.00	1.00	1.00	-	(1.00)
Accounting Clerk	1.00	-	-	-	-	-
Office Specialist	-	1.00	1.00	1.00	1.00	-
Total Finance	7.00	7.00	7.00	7.00	7.00	-
					Full-time employees: 7	
					Part-time employees: -	

Personnel Schedule

	FY 2014	FY 2015	FY 2016		FY 2017	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Human Resources						
Human Resource Director	1.00	1.00	1.00	1.00	1.00	-
Human Resource Analyst	-	2.00	2.00	2.00	2.00	-
Human Resource Specialist	2.00	-	-	-	-	-
Office Specialist	0.50	0.50	0.50	0.50	0.50	-
Total Human Resources	3.50	3.50	3.50	3.50	3.50	-
				Full-time employees:	4	
				Part-time employees:	-	
Information Technology						
IT Director	1.00	1.00	1.00	1.00	1.00	-
Network Administrator	1.00	1.00	1.00	1.00	1.00	-
Systems Analyst	1.00	1.00	1.00	1.00	1.00	-
Data Base Analyst	1.00	1.00	1.00	1.00	1.00	-
Senior GIS Specialist	-	1.00	1.00	1.00	1.00	-
GIS Analyst	1.50	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	1.00	-
Total Information Technology	6.50	7.00	7.00	7.00	7.00	-
				Full-time employees:	7	
				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	-
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	1.00	1.00	1.00	1.00	-
Bailiff	1.00	1.00	1.00	1.00	1.00	-
Total Magistrate Court	8.00	8.00	8.00	8.00	8.00	-
				Full-time employees:	8	
				Part-time employees:	-	
Town Manager's Office						
Town Manager	1.00	1.00	1.00	1.00	1.00	-
Assistant to the 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	1.00	-
Management Intern	0.38	0.38	0.38	0.38	0.38	-
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	-
Economic Development Specialist	1.00	1.00	1.00	1.00	1.00	-

Personnel Schedule

	FY 2014	FY 2015	FY 2016		FY 2017	+/- to Budget
	Actual	Actual	Budget	Projected	Budget	
Reserve Officer	2.88	2.88	2.88	2.88	2.88	-
Police Communications Manager	-	1.00	1.00	1.00	1.00	-
Communications Supervisor	1.00	-	-	-	-	-
Lead Dispatcher	3.00	3.00	3.00	3.00	3.00	-
Dispatcher	9.00	9.00	9.00	9.00	9.00	-
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	-
Lead IT Forensics Technician	1.00	-	-	-	-	-
Crime Scene Technician	-	2.00	2.00	2.00	2.00	-
Property Forensics Technician	2.00	-	-	-	-	-
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	-
Emergency Response Planner	1.00	-	-	-	-	-
Fleet Control Specialist	-	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic II	1.00	-	-	-	-	-
Senior Office Specialist	2.00	2.00	2.00	2.00	2.00	-
Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.25	1.25	1.25	1.25	1.25	-
Total Police	133.13	133.13	133.13	133.13	133.13	-
					Full-time employees: 129	
					Part-time employees: 8	
Water Utility						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Water Resources & Planning Manager	-	-	1.00	1.00	1.00	-
Engineering Division Manager	1.00	1.00	1.00	-	-	(1.00)
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water Production Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Distribution Superintendent	1.00	1.00	1.00	1.00	1.00	-
Water Engineer Project Manager	1.00	1.00	1.00	1.00	1.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	4.00	4.00	4.00	4.00	4.00	-
Construction Inspector	2.00	2.00	2.00	2.00	2.00	-
Electric and Control Technician	1.00	1.00	1.00	1.00	1.00	-
Civil Engineer Tech	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator III	7.00	6.00	7.00	7.00	7.00	-
Water Utility Operator II	2.00	3.00	2.00	2.00	4.00	2.00
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Customer Service Supervisor	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator I	5.00	5.00	5.00	5.00	5.00	-
Customer Service Specialist	-	-	4.00	4.00	4.00	-
Customer Service Representative	4.00	4.48	0.48	0.48	0.48	-
Total Water Utility	37.00	37.48	38.48	37.48	39.48	1.00
					Full-time employees: 39	
					Part-time employees: 1	
Total Personnel	339.50	342.00	358.36	363.43	377.18	18.82
					Full-time employees: 308	
					Part-time employees: 106	

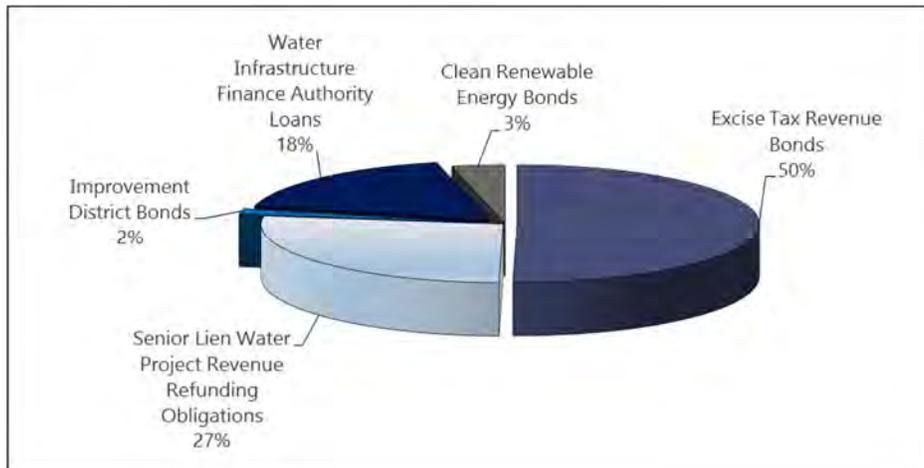
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Debt Service

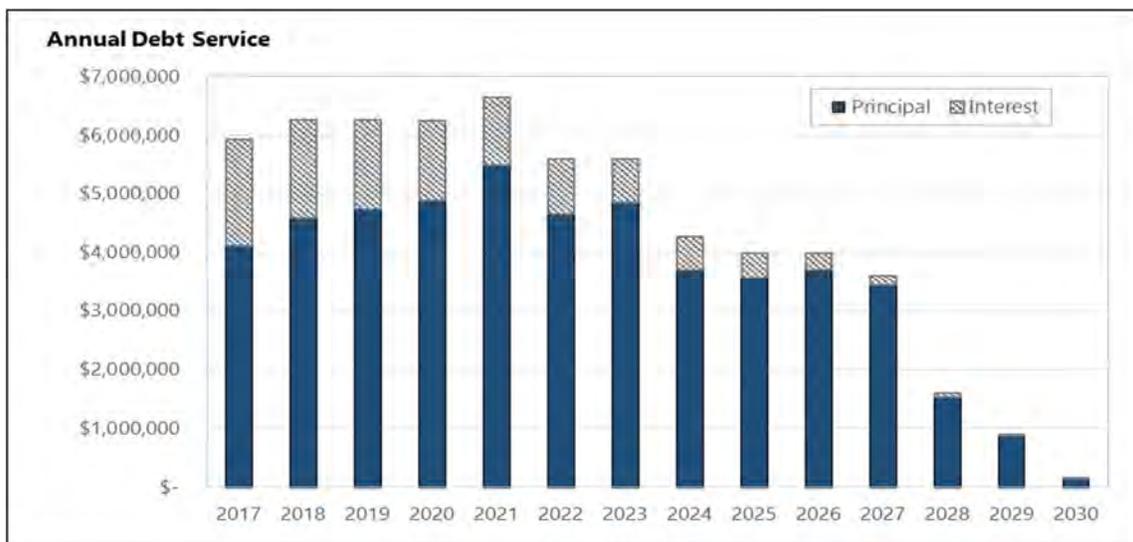
The Town of Oro Valley occasionally issues debt to provide funding for the construction of capital projects. The Town has adopted financial policies on debt capacity that set guidelines for issuing debt and provide guidance in the timing and structuring of long-term debt commitments. The general policy 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, 2016.

Outstanding Principal = \$50,309,907



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

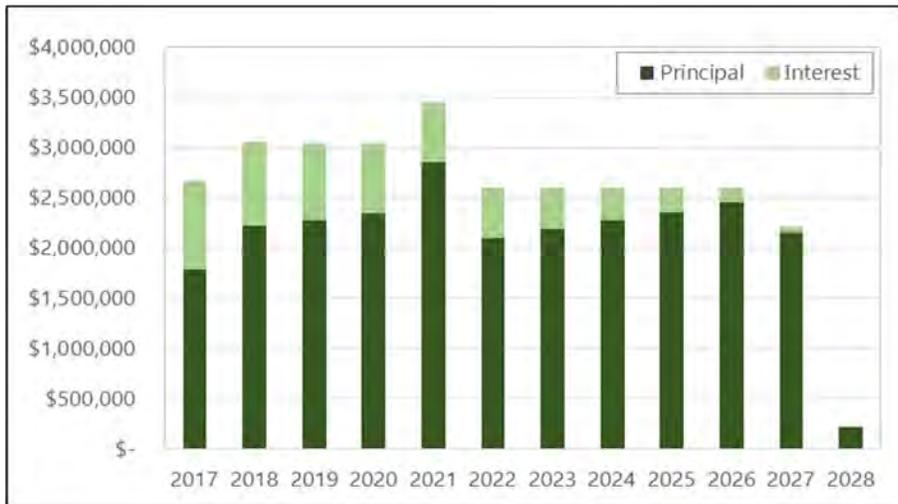


Debt Service

Financing Sources

Excise Tax Revenue Bonds

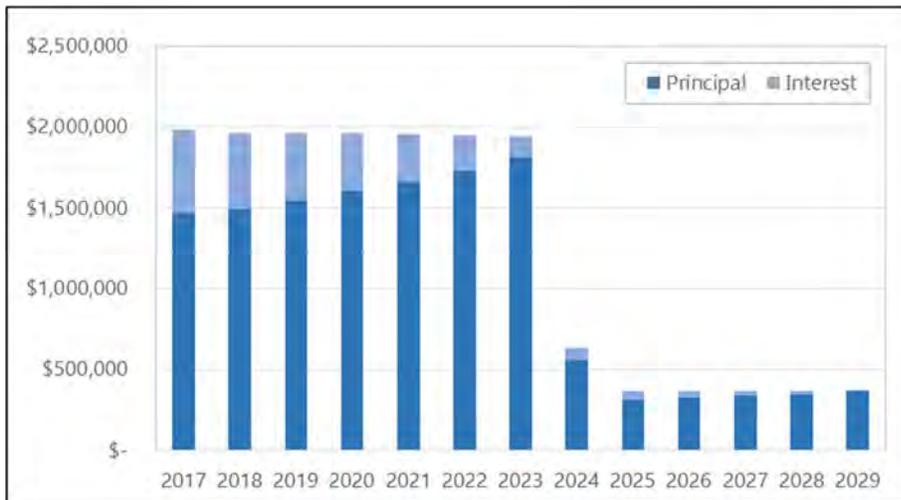
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities, and the acquisition of land and construction of buildings to support Town services. 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

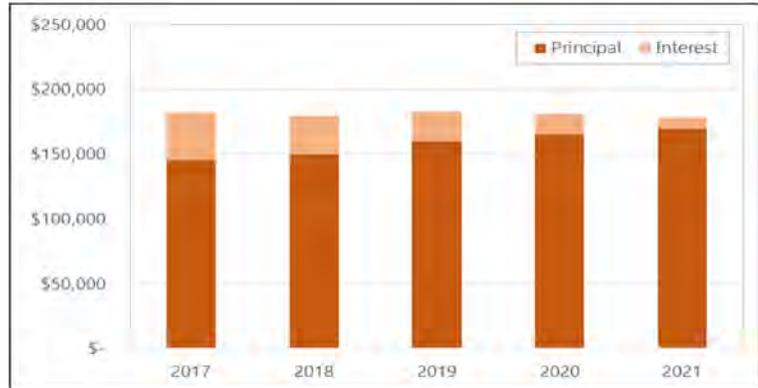
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds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



Debt Service

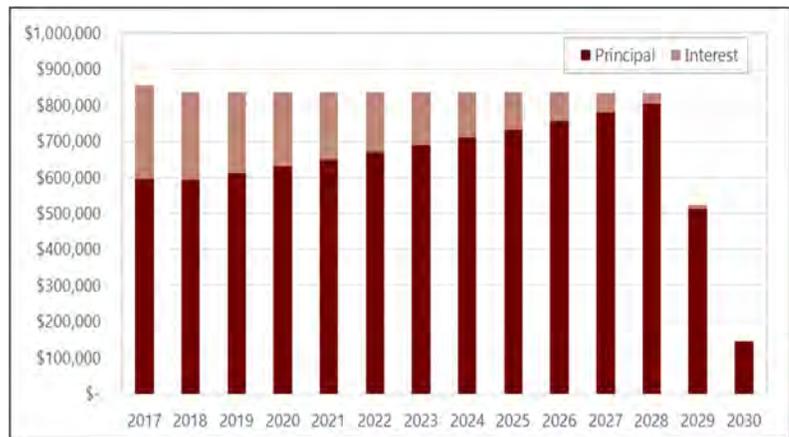
Improvement District Bonds

Improvement District Bonds are issued to finance projects in a designated area within a town or city. The majority of property owners in this district must approve the formation of the district and the amount of indebtedness. The bonds are then repaid by the assessments levied on the property in the district. The Town issued Improvement District Bonds in 2005 in the amount of \$3,945,000 to finance the widening of Oracle Road along the Rooney Ranch development. (Note that in 2013, a large property owner within the district paid off their debt assessment).



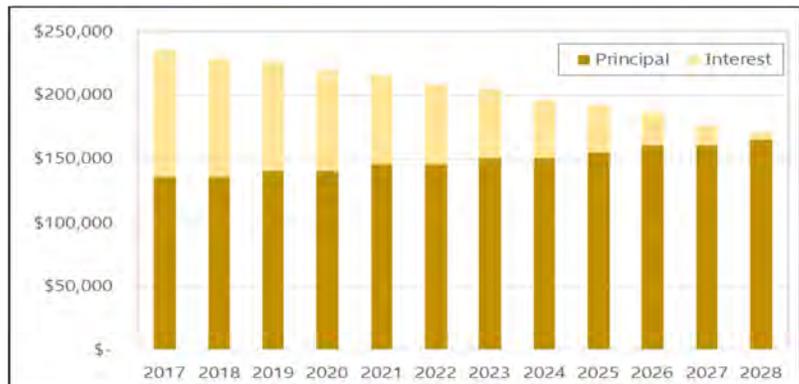
Water Infrastructure Finance Authority Loans (WIFA)

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. 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	Improvement District Bonds	WIFA Loans	CREBs	Total
2017	2,667,444	1,980,781	182,183	855,939	234,900	5,921,247
2018	3,055,624	1,963,731	179,933	837,384	228,460	6,265,132
2019	3,046,796	1,965,481	183,108	837,101	226,507	6,258,992
2020	3,048,600	1,962,481	180,748	836,810	219,108	6,247,746
2021	3,459,554	1,957,081	178,075	836,509	216,354	6,647,573
2022	2,601,678	1,945,531	-	836,198	208,249	5,591,657
2023	2,604,687	1,941,906	-	835,878	204,706	5,587,178
2024	2,605,124	630,331	-	835,548	195,721	4,266,724
2025	2,599,691	362,931	-	835,207	191,318	3,989,147
2026	2,605,160	365,231	-	834,855	186,370	3,991,616
2027	2,218,584	368,631	-	834,493	176,066	3,597,774
2028	224,125	362,925	-	834,118	170,437	1,591,605
2029	-	371,159	-	524,499	-	895,659
2030	-	-	-	146,758	-	146,758
	30,737,068	16,178,203	904,045	10,721,298	2,458,193	60,998,808

Debt Service Schedules

\$3,945,000

Roadway Improvement Assessment Bonds, Series 2005

- Date:** January 20, 2005
- Interest:** Payable semiannually commencing on July 1, 2005, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** The bonds were issued for the improvement of Oracle Road along the Rooney Ranch development.
- Security:** The bonds are payable from and secured by special assessment proceeds.

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	145,000	37,183	182,183
2018	150,000	29,933	179,933
2019	160,000	23,108	183,108
2020-2021	335,000	23,823	358,823
Total	<u>\$790,000</u>	<u>\$114,045</u>	<u>\$904,045</u>

Note: In 2013, a large property owner within the improvement district paid off their debt assessment

\$17,810,000

Excise Tax Revenue Refunding Bonds, Series 2007

- Date:** April 19, 2007
- Interest:** Payable semiannually commencing on July 1, 2007, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** The bonds were issued for the purpose of providing 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>
2017	670,000	680,763	1,350,763
2018	700,000	649,025	1,349,025
2019-2020	1,500,000	1,189,050	2,689,050
2021-2023	5,380,000	1,246,650	6,626,650
2024-2027	7,130,000	626,663	7,756,663
Total	<u>\$15,380,000</u>	<u>\$4,392,150</u>	<u>\$19,772,150</u>

Debt Service Schedules

\$4,584,652

Water Infrastructure Finance Authority Loan

- Date:** August 17, 2007
- Interest:** Payable semiannually commencing on July 1, 2008, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** This loan was secured to finance the construction of infrastructure to expand the reclaimed water system in the Town.
- Security:** Water Revenues

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	207,461	103,670	311,130
2018	214,797	96,204	311,001
2019-2020	452,647	168,947	621,594
2021-2024	1,005,370	236,048	1,241,418
2025-2028	1,155,292	83,476	1,238,768
Total	<u>\$3,035,566</u>	<u>\$688,345</u>	<u>\$3,723,911</u>

\$2,343,981

Water Infrastructure Finance Authority Loan

- Date:** October 22, 2009
- Interest:** Payable semiannually commencing on July 1, 2010, and semiannually 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>
2017	97,457	51,818	149,275
2018	100,547	48,678	149,226
2019-2020	210,761	87,537	298,298
2021-2023	341,872	105,167	447,039
2024-2026	375,437	71,070	446,507
2027-2030	556,764	35,917	592,681
Total	<u>\$1,682,838</u>	<u>\$400,187</u>	<u>\$2,083,025</u>

Debt Service Schedules

\$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>
2017	135,000	99,900	234,900
2018	135,000	93,460	228,460
2019	140,000	86,507	226,507
2020-2021	285,000	150,462	435,462
2022-2024	445,000	163,676	608,676
2025-2028	640,000	84,189	724,189
Total	\$1,780,000	\$678,193	\$2,458,193

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

\$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 Oro Valley aquatic facility.

Security: Excise Taxes

Debt Service:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	145,000	80,194	225,194
2018	150,000	75,019	225,019
2019	160,000	68,819	228,819
2020-2022	510,000	166,656	676,656
2023-2025	575,000	102,256	677,256
2026-2028	640,000	35,903	675,903
Total	\$2,180,000	\$528,847	\$2,708,847

Debt Service Schedules

\$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>
2017	1,470,000	510,781	1,980,781
2018	1,490,000	473,731	1,963,731
2019-2021	4,815,000	1,070,044	5,885,044
2022-2024	4,105,000	412,769	4,517,769
2025-2029	1,685,000	145,878	1,830,878
Total	<u>\$13,565,000</u>	<u>\$2,613,203</u>	<u>\$16,178,203</u>

\$6,355,000

Excise Tax Revenue Refunding Obligations, Series 2013

- Date:** June 26, 2013
- Interest:** Payable semiannually commencing on January 1, 2014, 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>
2017	965,000	50,424	1,015,424
2018	990,000	36,250	1,026,250
2019	995,000	21,859	1,016,859
2020	1,010,000	7,323	1,017,323
Total	<u>\$3,960,000</u>	<u>\$115,855</u>	<u>\$4,075,855</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>
2017	290,582	104,952	395,534
2018	278,190	98,968	377,158
2019	285,567	91,493	377,060
2020-2022	902,950	227,616	1,130,566
2023-2025	976,710	152,878	1,129,588
2026-2029	1,427,504	76,953	1,504,457
Total	<u>\$4,161,502</u>	<u>\$752,860</u>	<u>\$4,914,362</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>
2017	4,000	72,064	76,064
2018	387,000	68,330	455,330
2019	397,000	60,843	457,843
2020-2022	1,231,000	136,116	1,367,116
2023-2026	1,756,000	67,862	1,823,862
Total	<u>\$3,775,000</u>	<u>\$405,215</u>	<u>\$4,180,215</u>

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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 Strategic Plan to our long range forecast, which in turn, drives our budget. A long term forecast allows the Town to determine how current spending plans will impact future budgets.



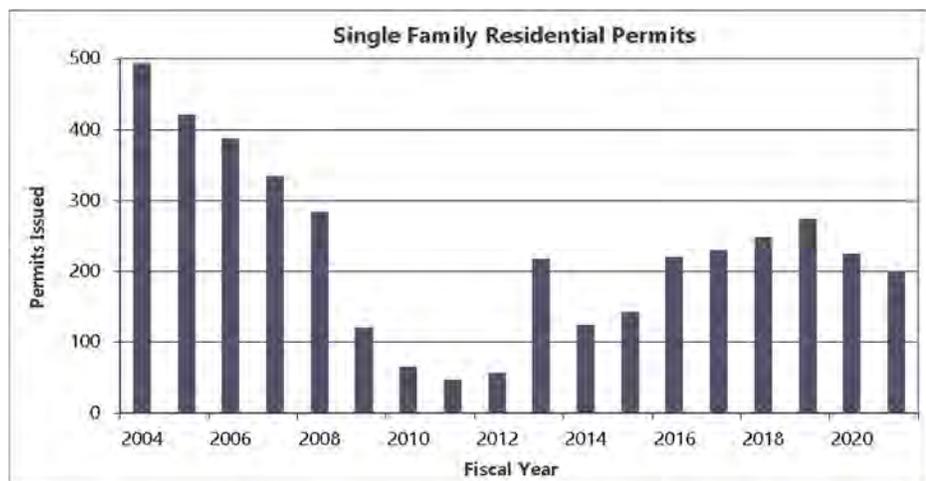
The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact of new commercial and residential development, future construction projects and economic conditions to develop a long term forecast. New development is crucial to the forecast not only due to the additional tax revenue and service fees, but also the cost of providing services to support the new development.

Finance staff works in tandem with Community Development and Economic Development when compiling projections for long range planning to ensure compatibility among all planning processes. When compiling the long range forecast, the focus is on the main tax-based funds of the Town, including the General Fund, the Highway Fund, the Bed Tax Fund and the Community Center Fund.

Economic 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, other revenues sources are needed to continue the viability of the Town.

In early 2000, the Town of 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. This graph depicts historical SFR permit totals, as well as projected totals through FY 2021.

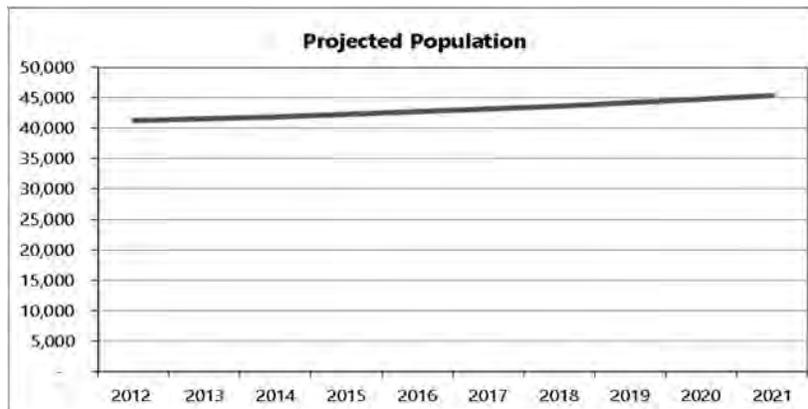


Long Term Forecast

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, the state legislature has made many attempts to impact local tax collection efforts and state shared revenues, and it is likely that those attempts will continue.

Nevertheless, the Town continues to see gradual economic growth, both at the local and state levels. The Town's retail sales tax collections continue to increase, and residential and commercial building activity is steady. All indications suggest continued slow, stable growth. Projections in development activity include growth in the near term and a gradual decline in the outer years of the forecast period. Projections in state shared revenues, as well as retail and utility sales tax revenues, reflect growth ranging from 2-4%. Construction sales tax revenue projections are tied to anticipated development activity. Low inflation is anticipated over the forecast period.

Population growth 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.



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, particularly in the outer years of the forecast period, will 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 Strategic Plan, 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

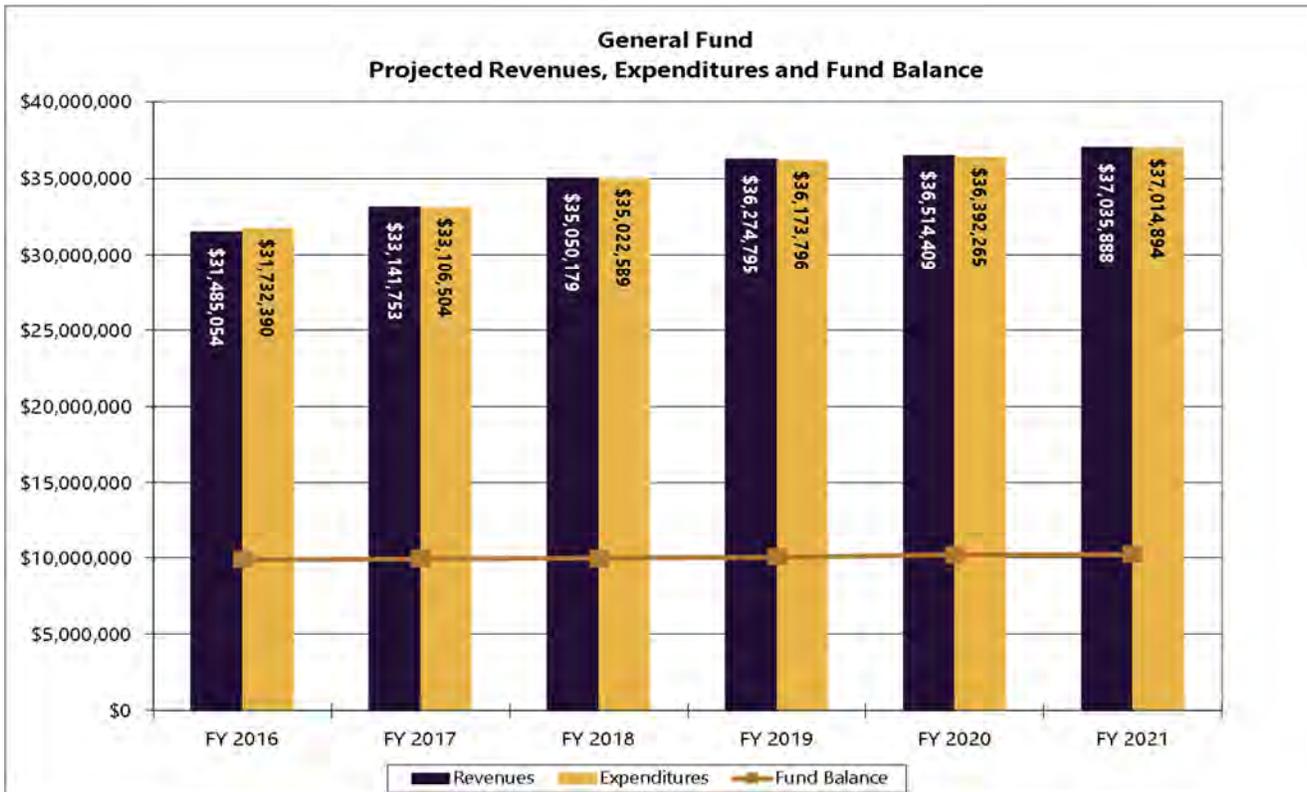
Fund Forecasts

General Fund

The General Fund remains stable over the five-year horizon, with moderate revenue growth and an emphasis on fiscally conservative spending. Revenues in the General Fund reflect 2% - 4% growth in recurring revenue sources, such as state shared revenues and local retail sales tax. One-time revenues generated from construction sales taxes and building permit revenues are slightly more volatile, with fluctuation in forecasted commercial activity and the number of SFR permits issued per year.

General Fund expenditure projections reflect the continued commitment to providing fair employee compensation, maintaining adequate funding of the Town’s rising pension and health insurance costs, minimizing O&M budget increases, and allocating remaining available resources to asset replacement (computers, vehicles) and capital infrastructure needs. Capacity for capital infrastructure needs are expected to fluctuate, based on available funding sources.

The fund balance in the General Fund is maintained at healthy levels over the five-year period above the Town’s adopted policy requirement of 25% of adopted expenditures each year.



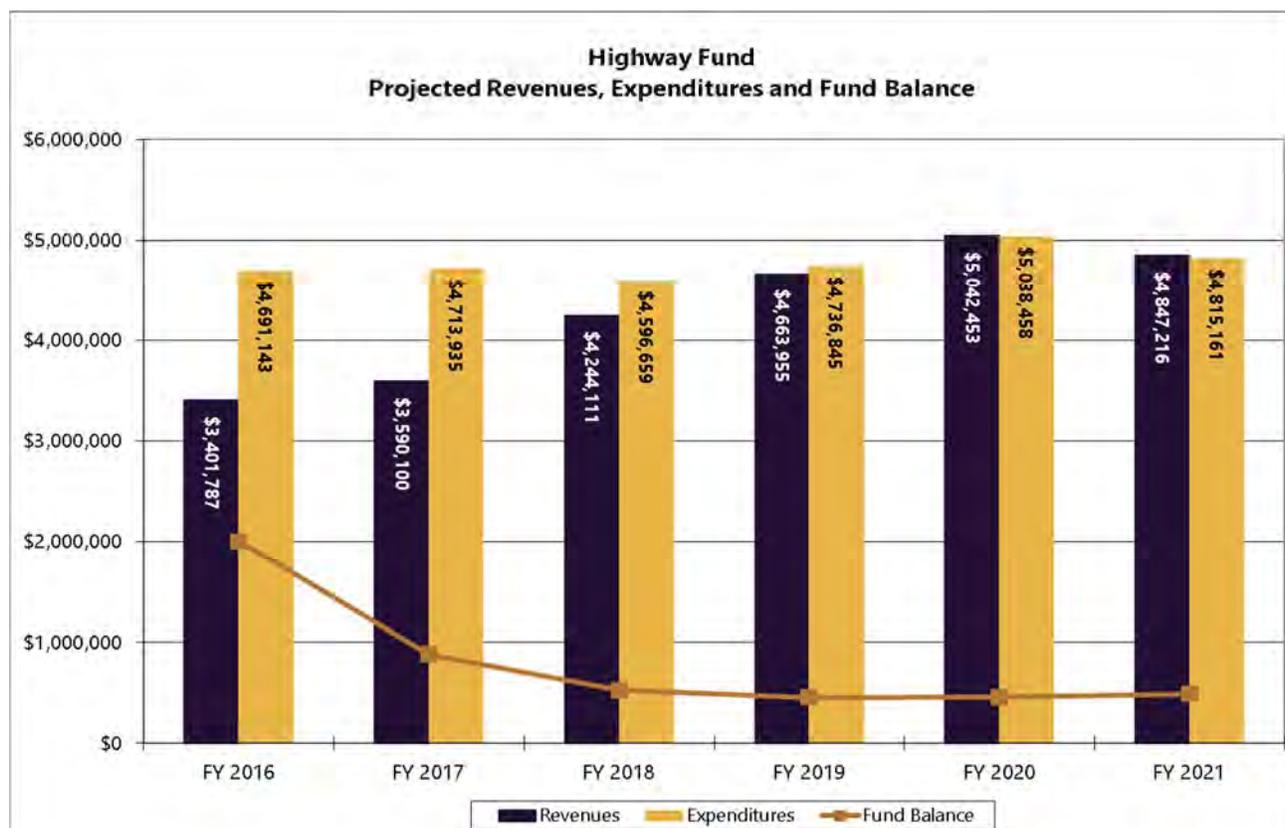
Long Term Forecast

Highway Fund

Highway Fund revenues are comprised primarily of state shared highway user (gas tax) revenues and local construction sales taxes (transferred from the General Fund beginning in FY 16/17). The state shared highway user revenue projections of 3.5% growth per year are provided by the Arizona Department of Transportation. The construction sales tax revenues transferred from the General Fund will maintain the overall fund balance in the Highway Fund at roughly \$500,000 each year.

Highway Fund expenditures reflect similar assumptions as those included in the General Fund forecast for personnel and O&M costs. Funding for the Town’s pavement preservation program is included in the forecast at \$1,250,000 each year. As with the General Fund, capacity for capital needs in the Highway Fund are expected to fluctuate, based on available funding sources.

The fund balance in the Highway Fund is projected to decrease to approximately \$500,000 by FY 17/18 and will be maintained at about that same level through FY 20/21.



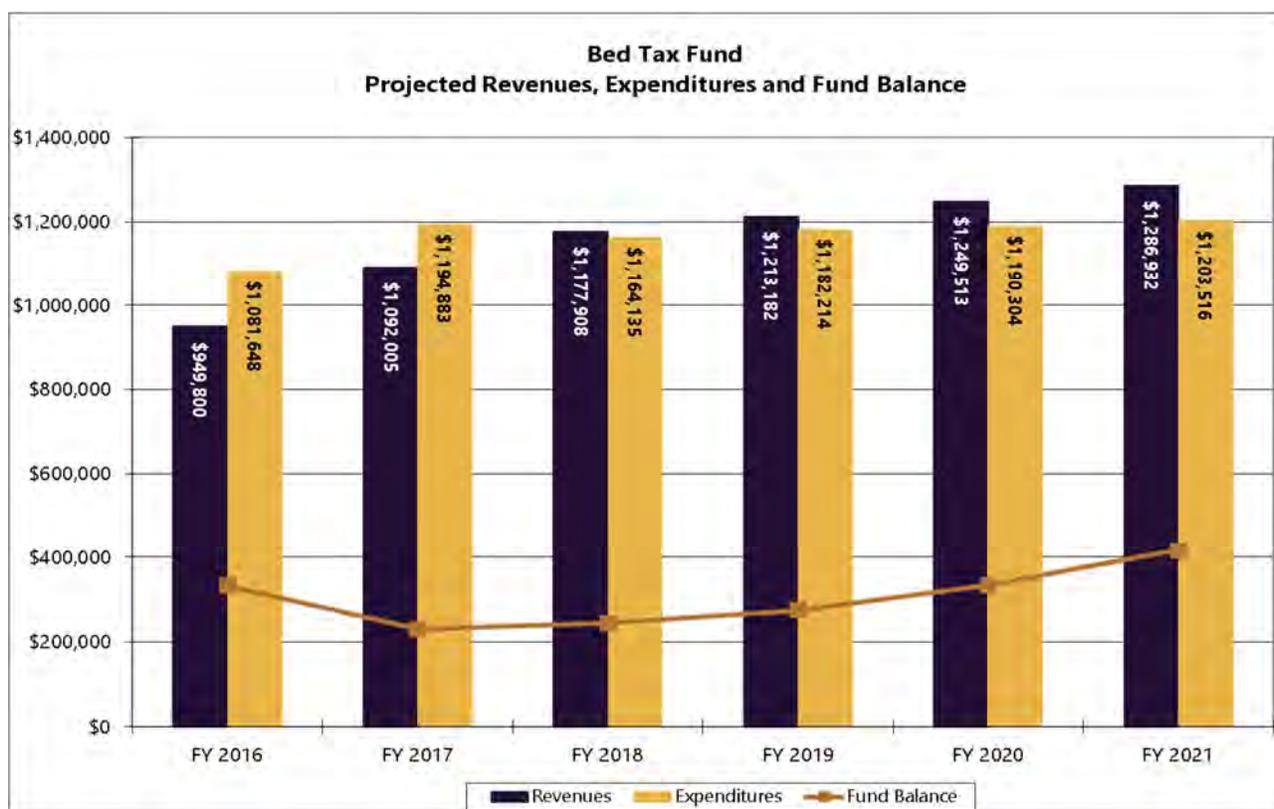
Long Term Forecast

Bed Tax Fund

The Bed Tax Fund captures revenues from the Town's 6% lodging tax on hotels/motels. State law requires that two-thirds of the Town's bed tax collections be allocated to tourism promotion purposes and economic development. Revenues are expected to grow at a healthy level following planned renovations at a major hotel in town, as well as continued economic recovery projected in the tourism industry.

Bed Tax Fund expenditures reflect existing contract amounts with several tourism and economic development agencies, as well as continued funding for arts and cultural programs and special events. This fund also covers debt service payments on bonds that were issued for the expansion and renovation of the Town's aquatic facility, as well as increased operating costs as a result of the expansion.

The FY 20/21 ending balance in the Bed Tax Fund is projected at roughly \$400,000.



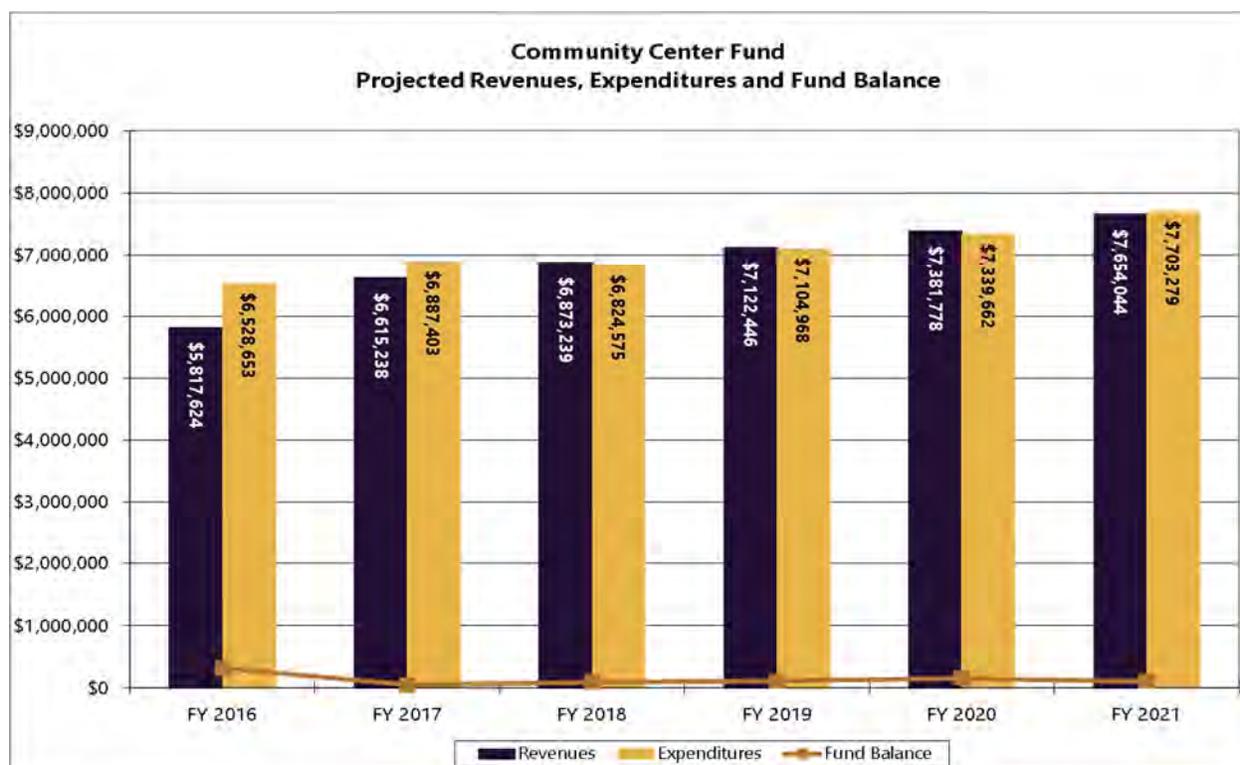
Long Term Forecast

Community Center Fund

The Community Center Fund captures Town and contracted operating revenues generated from the Town's Community Center, as well as a dedicated half-cent sales tax that subsidizes operations and provides funding for capital investment. Sales tax collections are expected to grow 3% - 4% per year. Contracted operating revenues are expected to grow at a healthy, but conservative level of 3.5% per year, following planned capital investments and continued marketing of the facility. Town operating revenues are expected to grow 4% - 4.5% over the forecast period from growth in member dues and recreation program revenues.

Assumptions for contracted operating expenditures include increases of 2% - 3% per year. The expenditure forecast for Town operations reflects similar assumptions as those included in the General and Highway Fund forecasts for personnel, while O&M is anticipated to increase 1% - 6% per year. As with the General and Highway Funds, capacity for capital needs can be expected to fluctuate.

The FY 20/21 ending balance in the Community Center Fund is projected at roughly \$100,000.



Conclusion

The 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 Strategic Plan, in the areas of economic development and fiscal responsibility, were developed with the intent to mitigate the reliance on economically sensitive revenue sources, grow the Town's revenue base and prepare the Town for long-term financial stability.



Town of Oro Valley

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PROGRAM BUDGETS

Clerk
Community Development & Public Works
Council
Finance
General Administration
Human Resources
Information Technology
Legal
Magistrate Court
Town Manager's Office
Bed Tax Fund
Parks and Recreation
Community Center Fund
Parks and Recreation Impact Fee Fund
Police
Police Impact Fee Fund
Water Utility
Alternative Water Resources Development Impact Fee Fund
Potable Water System Development Impact Fee Fund
Municipal Debt Service Fund
Oracle Road Improvement District
Library Impact Fee Fund
General Government CIP Fund
Energy Efficiency Project Fund
Capital Project Bond Fund
Benefit Self Insurance Fund



Clerk

OVERVIEW

The Clerk's Office is the centralized information distribution point for our citizens, Town Council and staff. The Clerk's Office is responsible for 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.

2015-2016 ACCOMPLISHMENTS

- Scanned and made all Town Council minutes, ordinances, resolutions, deeds and easements available to the public through the Town's new electronic document management software
- Conducted the November 3, 2015 special recall election with a voter turnout of 54% and a total cost of approximately \$24,200
- All Town board and commission applications were received, processed and retained electronically, allowing for easier submission by applicants and reduced processing time for staff

2016-2017 OBJECTIVES

- Continue to focus on increasing access to public records online through the Town's electronic document management software
- Successfully conduct the fall 2016 elections which will include filling three Council seats at the primary as well as approving the updated General Plan *Your Voice, Our Future* at the general election
- Coordinate with the Arizona Department of Liquor Licensing and Control to receive, process and transmit liquor license applications electronically, further reducing staff processing time

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure and Services	Improve Town resources and processes	Initiate 100% of public records requests within 24 hours of receipt	100%	100%	100%
		Issue 100% of new business license requests within 3-5 days of application	100%	99%	99%
		Issue 100% of business license renewals within 30 days	100%	100%	100%
		Post campaign finance reports online within 3 business days of receipt	100%	100%	100%

Clerk

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
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 Specialist	0.50	0.50	0.50	0.50	-
Office Assistant	0.96	0.96	0.96	0.96	-
Communications Intern	0.10	0.10	0.10	0.10	-
Total FTEs	4.56	4.56	4.56	4.56	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 325,421	\$ 339,100	\$ 339,100	\$ 353,213	4.2%
Operations & Maintenance	62,689	33,800	33,800	105,650	212.6%
Capital Outlay	-	35,000	-	-	-100.0%
Total Expenditures	\$388,110	\$407,900	\$372,900	\$458,863	12.5%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Business Licenses & Permits	\$ 202,993	\$ 192,000	\$ 195,000	\$ 196,000	2.1%
Public Record Request Fees	2,262	1,500	1,500	1,500	0.0%
Copy Services	2,207	2,000	2,000	2,000	0.0%
Total Revenues	\$207,462	\$195,500	\$198,500	\$199,500	2.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.2% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 212.6% due to election costs, which are incurred biennially.

Capital

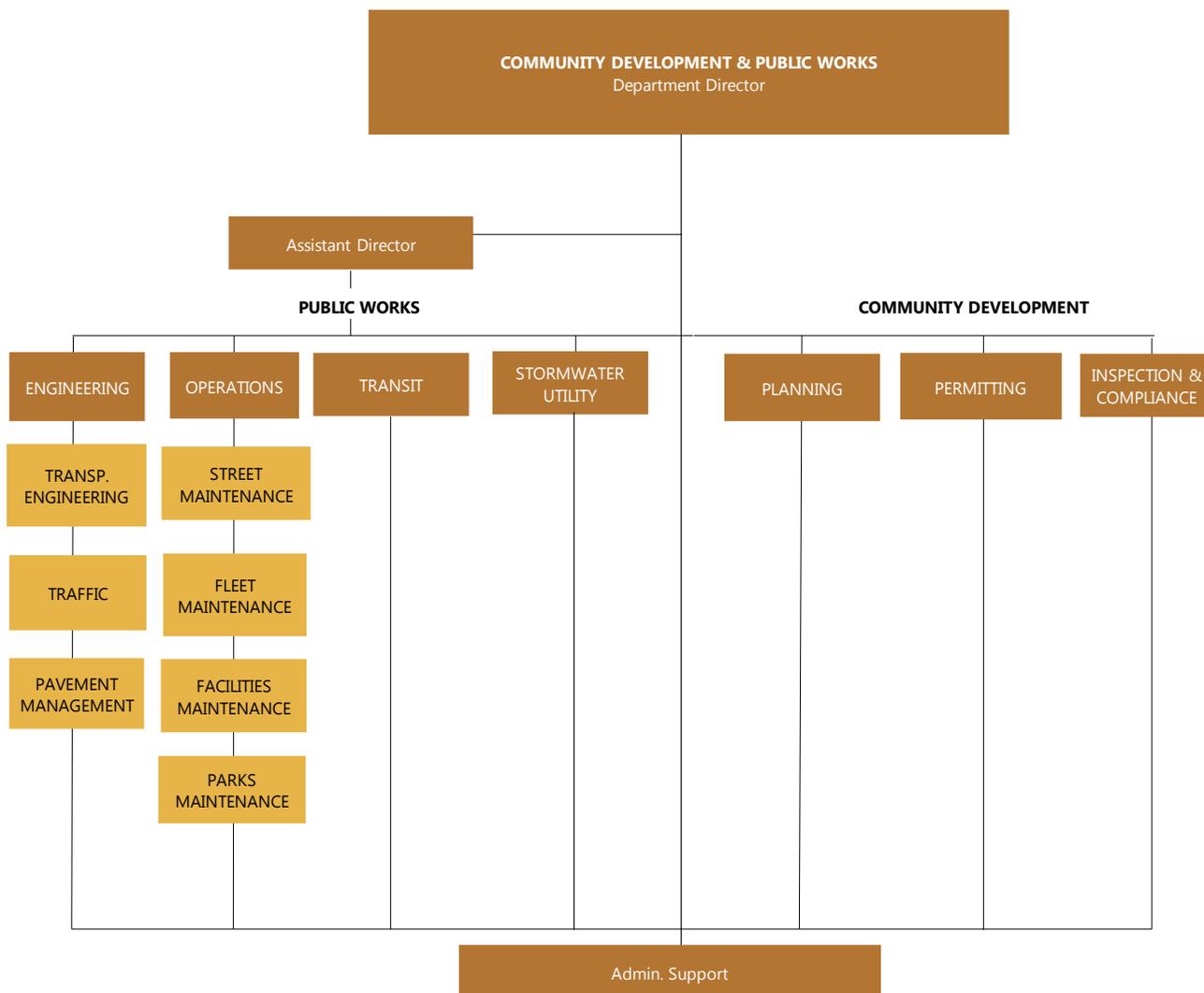
Budgeted capital in FY 2016 was for a front desk administration remodel at Town Hall. The project scope is being revised and the project will be revisited at a later date.



Town of Oro Valley

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Community Development & Public Works (CDPW)



OVERVIEW

The Community Development & Public Works (CDPW) Department is comprised of the following divisions: Planning, Permitting, Inspection & Compliance, Engineering, Operations Stormwater Utility and Transit. The department is responsible for ensuring harmonious growth as well as the health, safety and welfare of the public in the built environment. All facets of planning, zoning, permitting, inspection, compliance, transportation planning and engineering, traffic engineering, street maintenance, and pavement management are provided by this department for all horizontal and vertical construction and infrastructure elements within the Town. In addition, the department is responsible for the Town’s stormwater management and flood control, facilities, fleet and parks maintenance, as well as providing transit services to the community.

Community Development & Public Works (CDPW)

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
81.75	83.75	83.86	100.11 **

** FY 2017 does not include three new heavy equipment operator II positions dedicated to capital projects. These positions will be under the management of the CDPW Department, but are budgeted in the Community Center Fund and the General Government CIP Fund.

	Expenditures by Fund				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 4,278,594	\$ 4,596,216	\$ 4,536,574	\$ 5,990,029	30.3%
Highway Fund	4,073,929	4,858,678	4,691,144	4,713,935	-3.0%
Stormwater Utility Fund	969,182	929,115	884,115	1,153,759	24.2%
Fleet Fund	1,281,507	1,389,221	1,278,303	1,291,840	-7.0%
PAG/RTA Fund	-	10,478,795	2,915,034	9,249,971	-11.7%
Roadway Dev Impact Fee Fund	2,651,038	1,498,696	47,431	2,000,000	33.4%
	\$ 13,254,250	\$ 23,750,721	\$ 14,352,601	\$ 24,399,534	2.7%

Divisions/programs supported by the General Fund include Planning, Permitting, Inspection & Compliance, Facilities Maintenance, Parks Maintenance and Transit

	Revenues by Fund				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
General Fund	\$ 2,926,897	\$ 3,133,000	\$ 2,819,062	\$ 3,116,000	-0.5%
Highway Fund	3,189,851	3,202,864	3,401,787	3,590,100	12.1%
Stormwater Utility Fund	771,888	822,250	822,300	1,304,000	58.6%
Fleet Fund	1,456,109	1,528,232	1,462,632	1,581,998	3.5%
PAG/RTA Fund	-	10,897,696	3,194,729	9,272,471	-14.9%
Roadway Dev Impact Fee Fund	2,537,724	426,532	343,500	343,167	-19.5%
	\$ 10,882,469	\$ 20,010,574	\$ 12,044,010	\$ 19,207,736	-4.0%

CDPW – Community Development

OVERVIEW

The Community Development section of the CDPW Department is organized into three functional divisions: Permitting, Planning and Inspection & Compliance. Permitting coordinates all facets of plan review and permitting to assess compliance with codes and ordinances adopted by the Town. Planning administers the General Plan and Zoning Code for the harmonious development of the town. Inspection and Compliance is responsible for inspecting all new and altered commercial and residential construction within the town to assess compliance with codes and ordinances adopted by the Town as well as enforcement of the regulatory provisions of the code.

2015-2016 ACCOMPLISHMENTS

PERMITTING

- Completed implementation of the MUNIS permitting system, which is more stable than the previous system and provides better service opportunities for customers
- Implemented the Thursday morning over the counter review program
- Issued a total of 1,990 permits, including 1,168 miscellaneous building permits, 367 residential building permits, 60 commercial building permits, 150 sign permits, 105 pool permits, 46 grading permits and 21 model home plan permits
- Issued 220 single family residential permits, which is 78 more than FY 14/15 and the most issued in a single fiscal year since FY 07/08
- Collected over \$1.5 million in plan review and permit fees for issued permits, representing nearly \$118 million in work valuation for new private construction
- Initialized 116 new applications for development-related projects such as site and landscape plans, rezonings, general plan amendments, final plats, etc.

PLANNING

- Completed the *Your Voice, Our Future* General Plan update in preparation for the public vote in November 2016
- Held 15 neighborhood public outreach and awareness meetings for planning amendments, including two for major General Plan amendments

INSPECTION & COMPLIANCE

- Provided inspections and on site assistance from initial infrastructure through final approvals for a wide range of residential and commercial development projects, including four new residential subdivisions, commercial projects such as the Stone Canyon Clubhouse, a 45,000 square foot expansion at Splendido, MOD Pizza, Smashburger, Gaslight Music Hall, a large modular expansion at Ventana Medical Systems, and projects currently under construction, which include Pima Federal Credit Union, Kneader's Restaurant and the Apartments at El Corredor
- Provided approximately 19,000 building and zoning inspections
- Responded to just under 200 complaints regarding zoning violations and provided approximately 20 weekend and late night compliance inspections
- Opened approximately 500 zoning/property maintenance violations

CDPW – Community Development

2016-2017 OBJECTIVES

ADMINISTRATION

- Prepare scope of service and complete the Americans with Disability Act (ADA) self-evaluation and transition plan

PERMITTING

- Provide a weekly business day with expanded front counter service hours for greater service opportunities for customers
- Participate in implementing a developer's roundtable to provide opportunities for the development community to provide feedback
- Work with the IT Department to identify and implement processes, procedures and associated hardware/software to allow for implementation of digital plan submittal and associated plan review for customers
- Continue using the Town's webpage to provide up-to-date information and resources for customers, such as links to applications, checklists, plan review status and important announcements

PLANNING

- Begin planning process for the creation of a central "district" or main street concept within town
- Develop and implement a marketing plan to ensure voter ratification of the *Your Voice, Our Future* General Plan update
- Adopt and implement action work plan for *Your Voice, Our Future* General Plan
- Complete Nakoma Sky development and Capella rezoning on La Cholla Boulevard, both major developments for FY 16/17
- Provide a major support role for additional annexation efforts with the state
- Continue to promote the streamlined development Economic Expansion Zone in Innovation Park

INSPECTION & COMPLIANCE

- Provide timely inspections and support with emphasis on partner projects, such as the Amphi STEM School, as well as for businesses that provide economic benefit to the Town
- Expand regional partnerships with neighboring jurisdictions and trade organizations to increase opportunity for local consistency and to express continuity through community outreach

CDPW – Community Development

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Communication	Provide opportunities for residents to become engaged in and knowledgeable about the role of local government	Provide timely and complete Board & Commission packets, delivery at least 7 days prior to meeting date (goal 95%)	100%	100%	100%
		Provide education and training to Board & Commission members and interested citizens; achieve minimal level of attendance and training of all board members (goal 90% of Board members receive 8 hrs. of training)	100%	100%	100%
Community Infrastructure & Services	Improve Town resources and processes	Substantial progress in completion of adopted Work Plan (goal 50% per year of total estimated Work Plan effort)	33%	40%	40%
		% of civil, zoning and building plan reviews completed within established timeframes (goal 90%)	92%	90%	92%
		Average calendar days from first civil, zoning and building plan submittal to first review comments sent to applicants (goal 20 or less)	16	18	18
		Average number of consultant submittals from initial application to approval (goal 3 or less)	2.5	2.5	2.5
		% of inspections completed on next business day for requests received by 3:30 pm from previous business day (goal 95%)	97%	96%	97%

CDPW – Community Development

STRATEGIC PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Investigate first zoning violation complaints within 2 calendar days (goal 90%)	95%	97%	97%
		Average calendar days from zoning case inspection to voluntary compliance (goal 15 or less)	12	10	10
		Average calendar days from zoning case inspection to forced compliance (goal 60 or less)	45	40	35

CDPW – Community Development

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
29.22	29.22	29.70	29.70

	Expenditures by Division				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 361,054	\$ 273,676	\$ 269,476	\$ 331,440	21.1%
Permitting	786,434	859,933	855,377	896,248	4.2%
Planning	737,282	856,391	853,405	772,588	-9.8%
Inspection and Compliance	682,224	751,274	751,274	777,717	3.5%
	\$ 2,566,994	\$ 2,741,274	\$ 2,729,532	\$ 2,777,993	1.3%

	Revenue Sources				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Residential Building Permits	\$ 973,190	\$ 1,135,000	\$ 967,000	\$ 1,118,000	-1.5%
Commercial Building Permits	226,561	350,000	254,462	250,000	-28.6%
Special Inspection Fees	4,760	5,000	1,000	1,000	-80.0%
Zoning and Subdivision Fees	223,880	178,000	165,000	170,000	-4.5%
Sign Permits	31,342	31,000	600	500	-98.4%
Grading Permit Fees	89,636	51,000	51,000	50,000	-2.0%
Engineer Plan Review Fees	74,180	43,000	43,000	40,000	-7.0%
Grading Review Fees	11,950	14,000	-	-	-100.0%
Grading Inspection Fees	2,240	4,000	-	-	-100.0%
	\$ 1,637,739	\$ 1,811,000	\$ 1,482,062	\$ 1,629,500	-10.0%

Community Development – Administration

OVERVIEW

The primary function of the Community Development & Public Works Director is to ensure harmonious growth as well as the health, safety, and welfare of the public in the built environment. The director, who additionally functions as the Town Engineer, 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.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Director, CDPW	1.00	1.00	1.00	1.00	-
Office Assistant	-	-	0.48	0.48	0.48
Total FTEs	1.00	1.00	1.48	1.48	0.48

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 157,007	\$ 163,499	\$ 170,446	\$ 184,113	12.6%
Operations & Maintenance	204,047	110,177	99,030	147,327	33.7%
Total Expenditures	\$361,054	\$273,676	\$269,476	\$331,440	21.1%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 12.6% due to a new, part-time office assistant added in FY 2016 when parks maintenance functions were reorganized from the Parks & Recreation Department to the Community Development & Public Works Department.

Operations & Maintenance

Operations & Maintenance increased 33.7% due to capacity for a Town-wide ADA self-evaluation and transition plan study in FY 2017.

Community Development – Permitting

OVERVIEW

The Permitting division coordinates all facets of plan review and permitting for development plans, preliminary and final plats, improvement and grading plans, building plans, walls, pools and spas, signs, miscellaneous structures and equipment for all new or altered residential and commercial construction within the town to assess their compliance with the codes and ordinances adopted by the Town.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	-
Office Assistant	0.48	0.48	0.48	0.48	-
Total FTEs	9.96	9.96	9.96	9.96	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 777,622	\$ 827,903	\$ 823,347	\$ 849,108	2.6%
Operations & Maintenance	8,812	32,030	32,030	47,140	47.2%
Total Expenditures	\$786,434	\$859,933	\$855,377	\$896,248	4.2%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.6% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 47.2% due to capacity in outside professional services for credit card processing fees.

Community Development – 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, Conceptual Design Review Board, 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	3.00	3.00	2.00	2.00	(1.00)
Planner	1.00	1.00	2.00	2.00	1.00
Intern	0.30	0.30	0.30	0.30	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	9.26	9.26	9.26	9.26	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 638,778	\$ 744,954	\$ 741,968	\$ 680,888	-8.6%
Operations & Maintenance	98,504	111,437	111,437	91,700	-17.7%
Total Expenditures	\$737,282	\$856,391	\$853,405	\$772,588	-9.8%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 8.6% due to temporary positions that will terminate during FY 2017, following completion of the Town's General Plan update.

Operations & Maintenance

Operations & Maintenance decreased 17.7% due to costs associated with the Town's General Plan update, which will be completed during FY 2017.

Comm. Dev. – 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 667,680	\$ 727,604	\$ 727,604	\$ 756,677	4.0%
Operations & Maintenance	14,544	23,670	23,670	21,040	-11.1%
Total Expenditures	\$ 682,224	\$ 751,274	\$ 751,274	\$ 777,717	3.5%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.0% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 11.1% due to savings in several areas, including rentals, printing & binding and non-capitalized equipment.

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CDPW – Public Works – Highway Fund

OVERVIEW

The Public Works Section of CDPW is organized into four functional divisions: Engineering, Operations, Stormwater and Transit. Public Works programs supported by the Highway Fund include Administration, Transportation Engineering, Pavement Management, Street Maintenance, and Traffic Engineering.

Within the Highway Fund, the Engineering Division is responsible for managing the design and construction of roadway projects, issuing right-of-way permits for all activities within the Town's right-of-way, developing annual and long term schedules for surface treatments on town streets, as well as maintaining and operating the town's traffic intersection signals and lights. The Operations Division is responsible for street maintenance, including landscape maintenance, pavement repair, storm readiness and clean-up.

2015-2016 ACCOMPLISHMENTS

- 607 man hours spent on installing polymer crack seal on the town's multi-use paths and streets
- Removed and replaced over 200 tons of asphalt for roadway repair throughout town
- Expended over 10,000 hours of vegetation, landscaping and weed management to keep Oro Valley roadways beautiful and safe
- Provided support to other departments on construction-related projects
- Completed the Town's annual pavement preservation program
- Implemented the Town's annual main line striping, with 14 miles striped throughout town
- Constructed a right turn lane at Sawtooth Road and Naranja Drive
- Replaced regulatory signs that had poor reflectivity while developing an inspection process to maintain Town signs and improve safety
- Maintained multi-use paths and parking lot pavement conditions
- Installed LED illuminated street signs at the intersections of La Cañada Drive/Naranja Drive and First Avenue/Tangerine Road

2016-2017 OBJECTIVES

- Continue to complete normal maintenance of town paved road system to ensure that roads meet the community standards and targeted Overall Condition Index
- Continue use of polymer crack seal and normal crack seal material to seal larger and normal cracks in paved road surfaces
- Implement the Town's annual pavement preservation program
- Implement the Town's annual main line striping
- Install sidewalk along Magee Road from Oracle Road to First Avenue

CDPW – Public Works – Highway Fund

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Fiscal Responsibility	Prioritize investments in capital infrastructure	Road rehabilitation expenditures per paved lane mile	\$10,856	\$13,541	\$14,285
Community Infrastructure & Services	Improve transportation infrastructure	% of paved lane miles rehabilitated throughout town	28%	33%	20%
		Maintain Overall Condition Index rating of 76 for all paved streets	77	78	78
		Restripe 100% of crosswalks, legends and symbols throughout town	50%	100%	100%
		Restripe 100% of roads throughout town	100%	100%	100%
		Maintain reflectivity of all street regulatory signs	70%	80%	90%
		Lane miles crack-sealed Polymer crack seal hours *	27 326	40 330	50 350

* In addition to normal crack sealing, street crews began using a polymer material for cracks larger than one-inch in the multi-use paths. Polymer material progress is measured by required man hours to apply.

CDPW – Public Works – Highway Fund

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
22.48	23.48	23.48	23.48

	Expenditures by Program				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
Administration	\$ 645,562	\$ 880,396	\$ 860,496	\$ 831,188	-5.6%
Transportation Engineering	523,487	561,772	561,772	584,522	4.0%
Pavement Management	1,146,889	1,473,581	1,538,581	1,278,095	-13.3%
Street Maintenance	1,050,296	1,159,510	1,145,256	1,205,718	4.0%
Traffic Engineering	707,695	783,419	585,039	814,412	4.0%
	\$ 4,073,929	\$ 4,858,678	\$ 4,691,144	\$ 4,713,935	-3.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
HURF Gas Taxes	\$ 2,912,780	\$ 2,985,464	\$ 2,985,464	\$ 3,000,000	0.5%
Licenses and Permits	54,648	51,000	48,000	52,500	2.9%
State Grants	46,200	-	173,341	195,000	0.0%
Charges for Services	129,492	134,000	134,000	134,000	0.0%
Interest Income	34,597	22,400	22,400	28,600	27.7%
Miscellaneous	12,134	10,000	38,582	80,000	700.0%
Other Financing Sources	-	-	-	100,000	0.0%
	\$ 3,189,851	\$ 3,202,864	\$ 3,401,787	\$ 3,590,100	12.1%

Highway Fund – Administration

OVERVIEW

Administration is responsible for funding and program implementation, contract management, and obtaining reimbursement of outside funding for projects from Pima Association of Governments (PAG), the Arizona Department of Transportation (ADOT), and the Federal Emergency Management Agency (FEMA). Administrative staff responsibilities include clerical duties, maintaining the Community Development & Public Works website, records management and logistical support.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Assistant CDPW Director	1.00	1.00	1.00	1.00	-
Administrative Coordinator	1.00	1.00	1.00	1.00	-
Office Specialist	0.25	0.25	0.25	0.25	-
Total FTEs	2.25	2.25	2.25	2.25	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 220,928	\$ 230,871	\$ 230,871	\$ 236,847	2.6%
Operations & Maintenance	316,204	361,159	341,259	506,309	40.2%
Capital Outlay	108,430	60,000	60,000	50,000	-16.7%
Other Financing Uses	-	228,366	228,366	38,032	-83.3%
Total Expenditures	\$ 645,562	\$ 880,396	\$ 860,496	\$ 831,188	-5.6%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.6% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 40.2% due to vehicle replacement charges and equipment repair & maintenance costs.

Other Financing Uses

Other Financing Uses decreased 83.3% due to a refinancing of debt obligations, which reduced the payment for FY 2017.

Highway Fund – Transportation Engineering

OVERVIEW

Transportation Engineering is responsible for managing the design and construction of roadway projects. While most large projects are designed by consultants, CDPW has a small in-house design team for smaller projects. Transportation Engineering provides construction management for all public roadway projects, large and small, as well as issuing permits for all activity within the Town's right-of-way.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Engineering Division Manager	0.70	0.70	0.70	0.70	-
Senior Civil Engineer	0.50	0.50	0.50	0.50	-
Senior Civil Engineer Tech	2.00	2.00	2.00	2.00	-
Civil Engineer/Project Manager	1.00	1.00	1.00	1.00	-
Civil Engineer Designer	1.00	1.00	1.00	1.00	-
Office Specialist	0.48	0.48	0.48	0.48	-
Total FTEs	5.68	5.68	5.68	5.68	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 513,281	\$ 540,522	\$ 540,522	\$ 550,522	1.9%
Operations & Maintenance	10,206	21,250	18,884	34,000	60.0%
Capital Outlay	-	-	2,366	-	0.0%
Total Expenditures	\$ 523,487	\$ 561,772	\$ 561,772	\$ 584,522	4.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.9% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 60.0% due to street improvements.

Highway Fund – Pavement Management

OVERVIEW

Pavement Management is responsible for operating the pavement management system and developing annual and long term schedules for surface treatments on town roadways.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Engineering Division Manager	0.20	0.20	0.20	0.20	-
Senior Civil Engineering Tech	1.00	1.00	1.00	1.00	-
Total FTEs	1.20	1.20	1.20	1.20	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 115,349	\$ 120,081	\$ 120,081	\$ 124,595	3.8%
Operations & Maintenance	2,168	3,500	3,500	3,500	0.0%
Capital Outlay	1,029,372	1,350,000	1,415,000	1,150,000	-14.8%
Total Expenditures	\$1,146,889	\$1,473,581	\$1,538,581	\$1,278,095	-13.3%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to merit increases.

Capital

Budgeted capital is for the Town's pavement preservation program (street and roadway surface treatments).

Highway Fund – Street Maintenance

OVERVIEW

Street Maintenance is responsible for maintaining the town's streets and drainage ways.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Operations Division Manager	0.75	0.75	0.75	0.75	-
Streets Maint Superintendent	-	-	1.00	1.00	1.00
Streets & Drainage Sr Crew Lead	1.00	1.00	-	-	(1.00)
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	-
Heavy Equipment Operator III	2.00	3.00	3.00	3.00	-
Heavy Equipment Operator II	3.00	3.00	3.00	3.00	-
Total FTEs	8.75	9.75	9.75	9.75	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 607,846	\$ 700,410	\$ 686,156	\$ 719,618	2.7%
Operations & Maintenance	297,177	269,100	269,100	261,100	-3.0%
Capital Outlay	145,273	190,000	190,000	225,000	18.4%
Total Expenditures	\$1,050,296	\$1,159,510	\$1,145,256	\$1,205,718	4.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.7% due to merit increases.

Capital

Capital increased 18.4% for equipment purchases planned in FY 2017.

Highway Fund – Traffic Engineering

OVERVIEW

Traffic Engineering is responsible for maintaining and operating the town's traffic intersection signals and lights, pavement markings, traffic signage, and conducting and reviewing traffic studies.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Engineering Division Manager	0.10	0.10	0.10	0.10	-
Senior Civil Engineer	0.50	0.50	0.50	0.50	-
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 Lead	1.00	1.00	1.00	1.00	-
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-
Total FTEs	4.60	4.60	4.60	4.60	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 346,127	\$ 345,269	\$ 345,269	\$ 352,592	2.1%
Operations & Maintenance	173,030	193,900	193,900	208,070	7.3%
Capital Outlay	188,538	244,250	45,870	253,750	3.9%
Total Expenditures	\$ 707,695	\$ 783,419	\$ 585,039	\$ 814,412	4.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.1% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 7.3% due to outside professional services and traffic signal electricity costs.

CDPW - Public Works - Facility Maintenance

OVERVIEW

Facility Maintenance, a program within the Operations Division of the CDPW Department, provides building maintenance repairs, minor renovations, project management, contract administration, energy management and heating, ventilation and air conditioning services for all of the Town's buildings and facilities.

2015-2016 ACCOMPLISHMENTS

- Completed in-house remodel of the Overlook restaurant and bar area of the new Community Center
- Stayed within budget allocation while adding an additional 5,160 square feet for the employee onsite health clinic and Naranja Park facilities
- Applied roof membrane treatments to the CDPW building, 680 Calle Concordia front office building and the Police Department building
- Constructed an interior wall for the new Police Department substation and future evidence building located at 500 W. Magee Road

2016-2017 OBJECTIVES

- Manage the Facility Maintenance program within approved expenditure limits
- Install roof membrane treatment above the Council chambers and a meeting room in the Town's administration building
- Continue to ensure that all cleaning chemicals are environmentally friendly
- Maintain a clean, safe environment for the public and staff in all Town buildings
- Begin developing a facility maintenance management plan to address the aging Town Hall facilities

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Complete 100% of work order requests within 5 business days	91%	95%	95%
		Operations & maintenance expenditures per square foot of buildings maintained	\$2.53	\$3.14	\$3.09

CDPW - Public Works - Facility Maintenance

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Facilities Maint Crew Leader	1.00	1.00	1.00	1.00	-
Facilities Maint Technician	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 144,051	\$ 150,995	\$ 150,995	\$ 155,663	3.1%
Operations & Maintenance	162,905	209,400	209,400	206,100	-1.6%
Capital Outlay	-	15,000	15,000	7,000	-53.3%
Total Expenditures	\$ 306,956	\$ 375,395	\$ 375,395	\$ 368,763	-1.8%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Other Intergovernmental Revenue	\$ 25,580	\$ 15,000	\$ 25,000	\$ 25,000	66.7%
Total Revenues	\$ 25,580	\$ 15,000	\$ 25,000	\$ 25,000	66.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.1% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 1.6% due to savings in building repair & maintenance costs.

Capital

Capital decreased 53.3% due to building improvements completed in FY 2016.

CDPW – Public Works - Fleet Fund

OVERVIEW

Fleet is set up as an internal service fund under the Operations Division of the CDPW Department. Each Town department that maintains a fleet of vehicles and/or heavy equipment contributes to this fund based on their respective fleet size and related costs. Fleet is responsible for replacement, 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. (To note, the Police Department's ongoing fleet maintenance costs are budgeted directly in the Police Department).

2015-2016 ACCOMPLISHMENTS

- Assisted the Finance Department in developing the FY 2017 capital replacement schedule for all non-police vehicles and heavy equipment
- Developed quality assurance monitoring program for vendors utilized to ensure scheduled preventative maintenance was completed timely and correctly at the lowest cost to the Town
- Continued utilizing the Arizona Department of Corrections inmates to perform preventative maintenance and minor repairs on small fleet equipment, non-police and other equipment at a significant cost savings to the Town

2016-2017 OBJECTIVES

- Manage the Fleet Maintenance program within approved expenditure limits
- Reduce fleet maintenance costs of non-police vehicles and heavy equipment by completing more repair work and preventative maintenance in-house with existing staff
- Maintain Town vehicles and heavy equipment in excellent condition by scheduling preventative maintenance and repairs

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Total cost/mile to operate and maintain light vehicles, not including Police vehicles (repair & fuel only)	\$0.46	\$0.37	\$0.36
		Total cost/mile to operate and maintain heavy vehicles (repair & fuel only)	\$12.59	\$13.66	\$12.91
		Total cost/mile to operate and maintain transit vans (repair & fuel only)	\$0.56	\$0.42	\$0.47

CDPW – Public Works – Fleet Fund

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Fleet Maint Mechanic III	1.00	1.00	1.00	1.00	-
Office Specialist	0.15	0.15	0.15	0.15	-
Total FTEs	1.15	1.15	1.15	1.15	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 77,544	\$ 84,318	\$ 84,318	\$ 85,813	1.8%
Operations & Maintenance	631,265	713,600	602,682	562,025	-21.2%
Capital Outlay	572,698	591,303	591,303	644,002	8.9%
Total Expenditures	\$ 1,281,507	\$ 1,389,221	\$ 1,278,303	\$ 1,291,840	-7.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Charges for Services	\$ 1,282,861	\$ 1,333,903	\$ 1,278,303	\$ 1,297,202	-2.8%
Miscellaneous	173,248	194,329	184,329	284,796	46.6%
Total Revenues	\$ 1,456,109	\$ 1,528,232	\$ 1,462,632	\$ 1,581,998	3.5%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.8% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 21.2% due to fuel savings, as well as vehicle repair & maintenance savings.

Capital

Capital outlay increased 8.9% due to vehicle purchases planned in FY 2017.

CDPW - Public Works - Parks Maintenance

OVERVIEW

Parks Maintenance, a program within the Operations Division of the CDPW Department, is responsible for janitorial services for all restrooms located within Town Parks, 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 Town Hall, including the Police Department. Parks Maintenance oversees all parks construction projects, including new construction, renovations and repairs. **Please note that this division was budgeted in the Parks & Recreation Department prior to FY 16/17.**

2015-2016 ACCOMPLISHMENTS – also see the Parks & Recreation Department

- Total parks area acres maintained = 487 acres
- Total grass area that is maintained in summer months = 25 acres
- Total grass area that is overseeded during winter months = 14.5 acres
- Removed mistletoe from trees in James D. Kriegh Park and at Steam Pump Ranch

2016-2017 OBJECTIVES

- Maintain all Town parks in an environmentally safe condition for the public and staff
- Manage the Parks Maintenance program within approved expenditure limits
- Oversee the soccer fields at Naranja Park, ball fields at Riverfront Park and the grass yard located at Steam Pump Ranch
- Place new decomposed granite rock in and around Town Hall and at Riverfront Park

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Parks, Recreation & Cultural Development	Develop exceptional recreation and cultural facilities and programs that attract visitors and events that enhance residents' quality of life and strengthen the economy	Maintain park acres for active and passive recreational use	See Parks & Recreation Department	See Parks & Recreation Department	487 total park acres maintained

CDPW - Public Works - Parks Maintenance

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Parks Maint Superintendent	-	-	-	1.00	1.00
Parks Maintenance Coordinator	-	-	-	1.00	1.00
Parks Maintenance Crew Leader	-	-	-	1.00	1.00
Parks Maintenance Worker II	-	-	-	1.00	1.00
Parks Maintenance Worker I	-	-	-	4.92	4.92
Park Monitor/Janitor	-	-	-	0.96	0.96
Total FTEs	-	-	-	9.88	9.88

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ -	\$ -	\$ -	\$ 509,298	0.0%
Operations & Maintenance	-	-	-	570,800	0.0%
Capital Outlay	-	-	-	145,780	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 1,225,878	0.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
State Grants	\$ -	\$ -	\$ -	\$ 53,500	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$ 53,500	0.0%

FY 2016/2017 Expenditure and Staffing Changes

See Parks & Recreation Department (Parks Division) for prior fiscal year amounts

Personnel

Two new positions were added in FY 2017 – a crew leader and a worker I – to replace contracted capacity in Operations & Maintenance. Personnel costs increased 29.6% due to these two new positions, as well as merit increases.

Operations & Maintenance

Operations & Maintenance increased 1.4% due to water & sewage, grounds repair & maintenance and fuel costs.

Capital

Capital decreased 14.7% due to projects and improvements completed in FY 2016.

CDPW - Public Works - Stormwater Utility

OVERVIEW

The Stormwater Utility enterprise is managed through the CDPW Operations Division. The Stormwater Utility is responsible for meeting all quality and quantity issues including the Town's stormwater management plan, floodplain and erosion hazard management, and supporting 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.

2015-2016 ACCOMPLISHMENTS

- Stormwater Utility Fee increase approved by Council
- Two employees achieved Certified Stormwater Inspector status
- Redrafted Chapter 17 of the Town Code (Floodplain and Erosion Hazard Management)
- Completed a comprehensive mapping of watersheds and washes with ownership designation

2016-2017 OBJECTIVES

- Develop new maps to analyze flows and sediment transport throughout town
- Draft and submit a five-year capital project listing to Pima County for funding potential along with 30% plans of projects considered high priority
- Continue planning and development of local projects within the Capital Improvement Program
- Complete annual monsoon cleanup and preparation projects and develop annual work plan

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Continue our commitment to environmental stewardship	Perform annual inspections of all Stormwater outfall basin structures	50% of 600	100% of 600	100% of 600
		Conducted ___ public education sessions to increase awareness of need to reduce stormwater pollution	20	32	40
		Perform annual evaluations of all commercial first flush devices within town	100% of 50	100% of 70	100% of 70
Fiscal Responsibility	Prioritize investments in capital infrastructure	Perform annual inspections of all known Stormwater assets to preserve infrastructure through maintenance efforts	50%	100%	100%
	Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives	Maintain cash reserves in the Stormwater Utility Fund of at least 15% of the collected annual stormwater fees	36%	16%	18%

CDPW - Public Works - Stormwater Utility

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Stormwater Utility Division Mgr	-	-	-	1.00	1.00
Stormwater Engineer	1.00	1.00	1.00	-	(1.00)
Operations Division Manager	0.25	0.25	0.25	0.25	-
Stormwater Civil Engineer	-	-	-	1.00	1.00
Civil Engineer	1.00	1.00	1.00	-	(1.00)
Stormwater Project Manager	-	-	-	1.00	1.00
Stormwater Drainage Designer	-	-	-	1.00	1.00
Stormwater Inspector Tech	-	-	-	1.00	1.00
Civil Engineering Technician	1.00	1.00	1.00	-	(1.00)
Stormwater Utility Analyst	-	-	-	1.00	1.00
Office Specialist	0.60	0.60	0.60	0.60	-
Total FTEs	3.85	3.85	3.85	6.85	3.00

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 310,236	\$ 346,620	\$ 346,620	\$ 559,234	61.3%
Operations & Maintenance	389,295	491,995	484,995	505,525	2.8%
Capital Outlay	269,651	90,500	52,500	89,000	-1.7%
Total Expenditures	\$ 969,182	\$ 929,115	\$ 884,115	\$1,153,759	24.2%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Charges for Services	\$ 771,578	\$ 787,000	\$ 787,000	\$ 1,303,500	65.6%
State Grants	-	35,000	35,000	-	-100.0%
Miscellaneous	16	-	-	-	0.0%
Interest Income	294	250	300	500	100.0%
Total Revenues	\$ 771,888	\$ 822,250	\$ 822,300	\$1,304,000	58.6%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Three new positions were added in FY 2017 – a project manager, a drainage designer and an analyst – funded through a stormwater utility fee rate increase approved in FY 2016.

CDPW – 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 committed to providing high quality transit alternatives and planning for the future.

2015-2016 ACCOMPLISHMENTS

- Delivered record ridership of 45,202 - 6,100 additional riders and a 16% increase over the prior fiscal year
- Improved accident safety record by reducing accidents per mile by nearly 24%
- Reduced cost per mile from improving efficiency by nearly 10%
- Reduced cost per hour by 9% - from \$45.67 to \$41.46
- Decreased average age of fleet by nearly three years – from 5.3 in FY 14/15 to 2.5 in FY 15/16, improving fleet reliability
- Acquired ten new vehicles, five at no cost, from the Regional Transportation Authority and the Arizona Department of Transportation 5310 grant program

2016-2017 OBJECTIVES

- To successfully implement new scheduling software to improve service delivery for the community and provide on-line customer portal
- Continue to improve on-line registration to encourage and promote ridership growth
- Continue with safety program to improve overall accident safety record
- Continue to manage the intergovernmental agreement with the RTA to provide funding for transit-related projects and programs

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Fiscal Responsibility	Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives	% of transit expenditures funded with RTA reimbursement and farebox revenues	90.0%	91.6%	82.6%
		Total cost per passenger trip	\$34.08	\$32.43	\$32.43
Community Infrastructure & Services	Improve transportation infrastructure/improve Town resources & processes	Fulfill 100% of requested reservations	100%	100%	100%

CDPW – Public Works – Transit Services

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Transit Services Crew Leader	2.00	2.00	2.00	2.00	-
Transit Specialist	-	-	1.11	1.11	1.11
Dispatcher	2.11	2.11	2.11	2.11	-
Lead Transit Driver	1.00	1.00	-	-	(1.00)
Driver	16.98	16.98	16.50	16.87	(0.11)
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	23.05	23.05	22.68	23.05	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 948,207	\$ 939,597	\$ 939,597	\$ 1,063,045	13.1%
Operations & Maintenance	445,499	493,950	446,050	422,950	-14.4%
Capital Outlay	10,938	46,000	46,000	131,400	185.7%
Total Expenditures	\$1,404,644	\$1,479,547	\$1,431,647	\$1,617,395	9.3%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
RTA Reimbursement	\$ 1,190,795	\$ 1,242,000	\$ 1,242,000	\$ 1,266,400	2.0%
State Grants	-	-	-	71,600	0.0%
Farebox	72,783	65,000	70,000	70,000	7.7%
Total Revenues	\$1,263,578	\$1,307,000	\$1,312,000	\$1,408,000	7.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 13.1% for transit driver capacity to reflect increased customer demand.

Operations & Maintenance

Operations & Maintenance decreased 14.4% due to savings in fuel and vehicle repair & maintenance costs.

Capital

Capital outlay increased 185.7% due to grant-funded equipment budgeted in FY 2017.

CDPW - Roadway Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to roadway purposes. Roadway impact fees are assessed on both residential and commercial development within the town. This fund is managed by Community Development & Public Works (CDPW) staff. *This fund previously also included the collection and expenditure of roadway grant funds from the Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA). These funds were moved to a new PAG/RTA Fund in FY 15-16.*

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Capital Outlay	2,651,038	1,038,000	47,431	2,000,000	92.7%
Other Financing Uses	-	460,696	-	-	-100.0%
Total Expenditures	\$2,651,038	\$1,498,696	\$ 47,431	\$2,000,000	33.4%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
State Grants	\$ 2,235,299	\$ -	\$ -	\$ -	0.0%
Development Impact Fees	276,745	424,532	340,000	340,167	-19.9%
Interest Income	2,605	2,000	3,500	3,000	50.0%
Charges for Services	22,500	-	-	-	0.0%
Miscellaneous	575	-	-	-	0.0%
Total Revenues	\$2,537,724	\$ 426,532	\$ 343,500	\$ 343,167	-19.5%

FY 2016/2017 Expenditure Changes

Capital

Budgeted capital in FY 2017 is for the Lambert Lane and Tangerine Road widening and improvement projects.

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CDPW – PAG/RTA Fund

OVERVIEW

This fund is used to manage the collection and expenditure of roadway grant funds from Pima Association of Governments (PAG) and the Regional Transportation Authority (RTA). This fund is managed by Community Development & Public Works (CDPW) staff. *This was a new fund in FY 15-16. These monies were previously accounted for in the Roadway Impact Fee Fund.*

2015-2016 ACCOMPLISHMENTS

- Completed the Naranja Road safety project
- Completed the design and bid specification for the Lambert Lane phase II project
- Completed the Rancho Vistoso/Highland Drive and sidewalk project
- Began partnership with the Town of Marana to assist with the Tangerine Road project
- Began the design for the La Cholla widening project from Overton Road to Tangerine Road

2016-2017 OBJECTIVES

- Complete Lambert Lane phase II construction
- Prepare costing estimates for the La Cholla widening project and coordinate design to substantial completion
- Continue to provide support for the Tangerine Road project
- Scope out and complete the La Cañada and Moore intersection safety study
- Partner with the RTA to develop an intergovernmental agreement for funding a traffic signal light on La Cañada at the Community Center

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services/Fiscal Responsibility	Improve transportation infrastructure	Number of Capital Improvement Program (CIP) roadway projects funded from conception at the planning stage through design and construction completion, all managed by CDPW staff	6	5	5

CDPW – PAG/RTA Fund

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Construction Inspector	-	1.00	1.00	3.00	2.00
Construction Clerk	-	-	-	1.00	1.00
Total FTEs	-	1.00	1.00	4.00	3.00

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ -	\$ 64,795	\$ 44,370	\$ 222,971	244.1%
Capital Outlay	-	10,414,000	2,870,664	9,027,000	-13.3%
Total Expenditures	\$ -	\$10,478,795	\$2,915,034	\$ 9,249,971	-11.7%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
State Grants	\$ -	\$ 10,414,000	\$ 3,172,229	\$ 9,249,971	-11.2%
Charges for Services	-	22,500	22,500	22,500	0.0%
Interest Income	-	500	-	-	-100.0%
Other Financing Sources	-	460,696	-	-	-100.0%
Total Revenues	\$ -	\$10,897,696	\$3,194,729	\$ 9,272,471	-14.9%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Two new construction inspectors and a construction clerk will be hired in FY 2017 to manage the large volume of roadway projects currently in planning, design and/or construction phases within town. These temporary positions are funded entirely by grant proceeds and will terminate when the projects are completed.

Capital

Budgeted capital reflects all PAG and RTA-funded roadway projects planned for FY 2017.



Town of Oro Valley

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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, responsible governance.

2015-2016 ACCOMPLISHMENTS

- Approved funding for capital improvement projects benefiting the community, including improvements to the water system, several major streets and roads as well as additional improvements to the Aquatic Center, archery range, Naranja Park and Riverfront Park
- Approved funding of special events in the community, including the annual July 4th celebration, holiday tree lighting celebration, seasonal festivals at Steam Pump Ranch, Oro Valley Festival of the Arts, and several music concert series programs
- Continued funding for community-based public safety programs, including school resource officers, dispose-a-med, adopt-a-business, rape aggression defense training, coffee with a cop, and citizen volunteer assistants program
- Continued funding of Sun Shuttle dial-a-ride, providing direct transit service for seniors and the disabled as well as for all community members
- Approved a balanced budget for FY 16/17, with a projected General Fund surplus of \$35,000

2016-2017 OBJECTIVES

- Develop and adopt the Strategic Plan 2017
- Fiscal Responsibility - maintain long-term financial health through diversified revenue sources while investing in community initiatives
- Communication - ensure citizens are educated about and highly engaged in Oro Valley activities and moving future initiatives forward
- Economic Development - establish Oro Valley as the home for globally-competitive high technology and biosciences businesses and employees while maximizing the Town's visitor destination opportunities
- Parks, Recreation, and Cultural Development - develop exceptional recreation and cultural facilities and programs that attract visitors and events that enhance residents' quality of life and strengthens the economy
- Community Infrastructure and Services - serve as the model for innovative partnerships, services, and performance in providing basic town services

Council

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 78,876	\$ 78,820	\$ 78,820	\$ 78,839	0.0%
Operations & Maintenance	123,053	133,175	133,175	141,720	6.4%
Total Expenditures	\$ 201,929	\$ 211,995	\$ 211,995	\$ 220,559	4.0%

FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 6.4% due to training costs.



Town of Oro Valley

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Finance

OVERVIEW

The Finance Department 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. The department also coordinates the development of the Town's Capital Improvement Program and provides procurement administration for the Town. In addition, the Finance Director provides management oversight over the Information Technology Department.

2015-2016 ACCOMPLISHMENTS

- Transitioned the collection of surplus property auction revenues from Town staff to Public Surplus at no cost to the Town, freeing up staff time for other duties
- Increased the number of average monthly surplus property auctions from two to ten, facilitating revenue generation for the Town and eliminating items that are no longer needed and are occupying space within Town facilities
- Received the Achievement of Excellence in Procurement award for the 9th consecutive year
- Received Certificate of Achievement for Financial Reporting Excellence, Distinguished Budget Presentation Award and Popular Annual Financial Reporting Award from Government Finance Officers Association (GFOA)
- Successfully completed refunding of Series 2005 Excise Tax Revenue Obligations resulting in overall net interest savings of nearly \$340,000
- Received reaffirmed bond ratings of 'AA' from Standard and Poor's and 'AA-' from Fitch Ratings
- Successfully completed Arizona State Retirement System payroll audit resulting in no findings
- Successfully achieved full compliance with the new IRS reporting requirements under the Affordable Care Act

2016-2017 OBJECTIVES

- Assist in training efforts and expanded use of upgrade in Town's enterprise resource planning (ERP) software, MUNIS
- Prepare timely and accurate financial and budgetary performance reports
- Ensure smooth transition to managed print services for cost savings and consolidation
- Prepare annual 5-year forecast of revenues and expenditures
- Prepare award-winning Popular Annual Financial Report (PAFR), Annual Budget and Comprehensive Annual Financial Report (CAFR)
- Partner with Community Development and Public Works and Parks and Recreation to complete planned improvements at the Oro Valley Community Center
- Partner with Police Department to commence construction of Police Evidence and Substation Facility

Finance

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Fiscal Responsibility	Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives	Maintain bond ratings of AA for Standard & Poor's (S&P) and AA- for Fitch	Yes	Yes	Yes
		Maintain minimum General Fund reserve balance of 25% of General Fund expenditures	30.5%	31.2%	30.0%
		Maintain less than 5% variance between mid-year revenue forecast and actual fiscal year-end revenue for all tax-based funds	1.1%	.7%	<5%
		Receive the Distinguished Budget Presentation award from the Government Finance Officers Association (GFOA)	7 th consecutive year	8 th consecutive year	9 th consecutive year
		Receive the Certificate of Achievement for Financial Reporting Excellence from GFOA	22 nd consecutive year	23 rd consecutive year	24 th consecutive year
		Receive the Popular Annual Financial Reporting (PAFR) award from GFOA	4 th consecutive year	5 th consecutive year	6 th consecutive year
		Receive an unmodified "clean" audit opinion for annual financial statements	Yes	Yes	Yes

Finance

STRATEGIC PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Complete posting, balancing and closing of each month's financial transactions by 10 th working day of following month (goal 12 months)	12 months	12 months	12 months
		Increase average monthly revenues from surplus property auction program by at least 10%	\$5,830 monthly avg.	\$6,705 monthly avg.	\$7,376 monthly avg.
		% of internal customers rating procurement quality as excellent or good (goal 100%)	100%	N/A **	90%
		% of internal customers rating procurement timeliness as excellent or good (goal 100%)	90%	N/A **	90%

** Survey was not conducted in FY 2016 due to staff transition, but will be resumed in FY 2017

Finance

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Finance Director	1.00	1.00	1.00	1.00	-
Procurement Administrator	1.00	1.00	1.00	1.00	-
Finance Manager	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	1.00	-
Accounting Specialist	-	-	-	1.00	1.00
Payroll Specialist	1.00	1.00	1.00	-	(1.00)
Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 665,554	\$ 712,200	\$ 667,581	\$ 700,831	-1.6%
Operations & Maintenance	56,443	67,560	67,560	72,760	7.7%
Total Expenditures	\$721,997	\$779,760	\$735,141	\$773,591	-0.8%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 1.6% due to the refilling of a position at a lower salary.

Operations & Maintenance

Operations & Maintenance increased 7.7% due to outside professional services.



Town of Oro Valley

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General Administration

OVERVIEW

The General Administration budget accounts for certain overhead costs such as utility expenses and general liability insurance. It also allocates monetary transfers to subsidize various funds, i.e. debt service and capital projects.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Operations & Maintenance	\$ 1,803,536	\$ 1,774,970	\$ 1,758,427	\$ 1,716,450	-3.3%
Capital Outlay	14,814	30,000	30,000	20,000	-33.3%
Use of Contingency	354,036	-	319,131	-	0.0%
Other Financing Uses	3,970,965	1,706,810	1,316,987	1,825,304	6.9%
Total Expenditures	\$6,143,351	\$3,511,780	\$3,424,545	\$3,561,754	1.4%

FY 2016/2017 Expenditure Changes

Operations & Maintenance

Operations & Maintenance decreased 3.3% due to a retail sales tax rebate that ended in FY 2016.

Capital

Capital decreased 33.3% based on a reduction in needed capacity for FY 2017.

Other Financing Uses

Other Financing Uses increased 6.9% due primarily to a budgeted transfer to the Highway Fund in FY 2017.

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Human Resources

OVERVIEW

The Human Resources Department provides services and support in the following areas: policy and procedure administration and compliance, compensation and benefits, training and education, performance management, and employee and labor relations.

2015-2016 ACCOMPLISHMENTS

- Fully compliant with new IRS reporting requirements under the Affordable Care Act for January 2016
- Conducted an in-depth analysis of recruiting and retention strategies and identified opportunities for improvement, including the effective use of social media and expanded technological tools and capabilities of the Town's NEOGOV human resources software to increase market exposure
- Developed and delivered supervisory training classes to the Town's supervisors, which covered an array of employment law topics with the intent of informing and updating supervisors on areas that pose potential liability for wrongful employment practices
- Completed updates to several personnel policies and administrative directives in order to ensure compliance with changes driven by new practices, changes to employment law and the adoption of a new memorandum of understanding with the public safety employee group
- Use of the employee onsite health clinic has increased to where nearly all available daily appointments are filled. Entered into an intergovernmental agreement with Golder Ranch Fire District, which resulted in a savings to the Town and added a nurse practitioner day to the clinic schedule. More than 30 additional employees participated in the Town's annual biometric screening.

2016-2017 OBJECTIVES

- Update personnel policies and administrative directives as required
- Expand use of the MUNIS employee self service module with the upgrade to version 11.2
- Support the Mayor and Town Council in the appointment of a new Town manager
- Develop and deliver recurring HR training and new employee orientation for employees
- Conduct a review of all job descriptions in preparation for the FY 17-18 market analysis
- Research and develop an improved, web-based performance evaluation tool
- Begin migration to electronic personnel files

Human Resources

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure and Services	Improve Town resources and processes	Update personnel policies and administrative directives as required	N/A	N/A	All Personnel Policies and Administrative Directives will be reviewed and updated as required
		Expand the use of MUNIS employee self-service with the upgrade to version 11.2	N/A	N/A	All employees will be trained on the expanded version of MUNIS Employee Self Service
		Support the Mayor and Town Council in the appointment of a new Town manager	N/A	N/A	A Town Manager will be appointed on schedule
		Develop and deliver recurring HR training and new employee orientation for employees	N/A	N/A	Recurring HR training will be developed and delivered to all employees. New employee orientation will be delivered to new hires within 90 days of appointment.

Human Resources

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Human Resource Director	1.00	1.00	1.00	1.00	-
Human Resource Analyst	2.00	2.00	2.00	2.00	-
Office Specialist	0.50	0.50	0.50	0.50	-
Total FTEs	3.50	3.50	3.50	3.50	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 243,771	\$ 289,393	\$ 289,393	\$ 296,366	2.4%
Operations & Maintenance	115,499	77,382	69,382	72,239	-6.6%
Total Expenditures	\$ 359,270	\$ 366,775	\$ 358,775	\$ 368,605	0.5%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

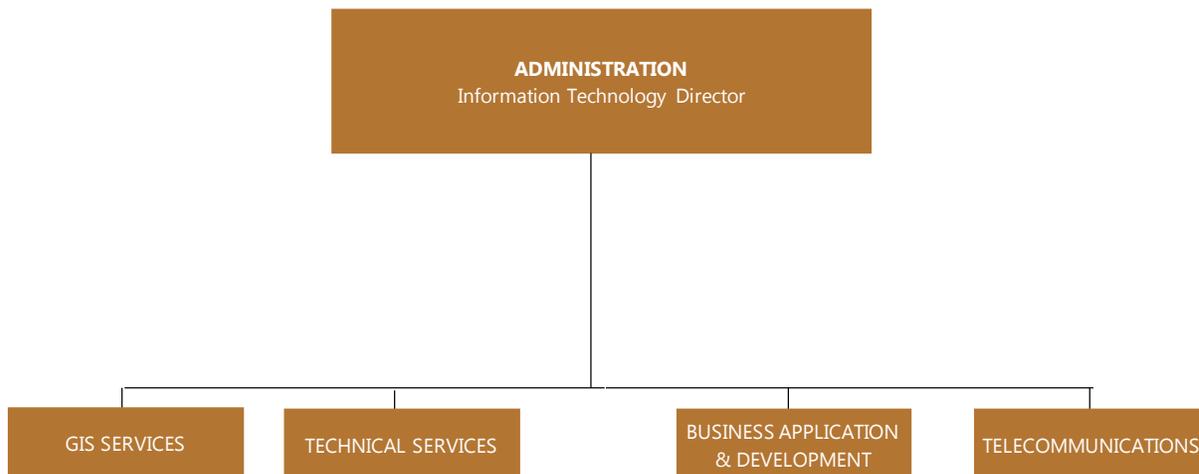
Personnel costs increased 2.4% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 6.6% due to savings in several areas, including outside professional services, travel & training, and recruitment & advertising.

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Information Technology



OVERVIEW

The Information Technology (IT) Department identifies, implements and supports technology needs throughout all Town departments to support their business needs.

2015-2016 ACCOMPLISHMENTS

- Completed the migration of Town e-mail to government cloud services
- Improved Town’s virtual server environment for system redundancy, reliability and efficiency
- Implemented a Town-wide cyber security training program
- Upgraded the Town’s community alerting (reverse 911) system

2016-2017 OBJECTIVES

- Implement IT disaster recovery plan
- Implement managed print services for cost savings and consolidation
- Upgrade the Town’s recreation management software
- Upgrade the Town’s enterprise resource planning software

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/ Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Maintain 100% system uptime for available IT services (not including scheduled maint.)	99.8%	98%	98%
		Meet Arizona DPS, FBI/CJIS and PCI security compliance standards for 100% of eligible server, system and device configurations	90%	95%	100%
		Resolve 100% of IT helpdesk requests w/in 30 days	80%	95%	95%
		% of IT help desk requests resolved at time of call	50%	60%	70%

Information Technology

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
7.00	7.00	7.00	7.00

	Expenditures by Program				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 477,079	\$ 645,333	\$ 645,333	\$ 739,555	14.6%
GIS Services	181,688	193,820	193,820	197,957	2.1%
Technical Services	346,081	335,831	335,831	355,883	6.0%
Business Appl. & Dev.	151,011	200,592	200,592	190,451	-5.1%
Telecommunications	208,733	195,750	195,750	207,830	6.2%
	\$ 1,364,592	\$ 1,571,326	\$ 1,571,326	\$ 1,691,676	7.7%

	Revenue Sources				
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 111,745	\$ 119,220	\$ 119,220	\$ 122,735	2.9%
	\$ 111,745	\$ 119,220	\$ 119,220	\$ 122,735	2.9%

Information Technology - Administration

OVERVIEW

The Administration program manages all of Information Technology's logistics including procurements, budget information and operations, and management and oversight.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
IT Director	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 138,755	\$ 144,693	\$ 144,693	\$ 156,622	8.2%
Operations & Maintenance	338,324	500,640	500,640	582,933	16.4%
Total Expenditures	\$ 477,079	\$ 645,333	\$ 645,333	\$ 739,555	14.6%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 8.2% due to merit increases and an employee change in insurance coverage.

Operations & Maintenance

Operations & Maintenance increased 16.4% due to software maintenance & licensing costs and travel & training.

Information Technology – GIS Services

OVERVIEW

The GIS Services program is responsible for providing complete, accurate and current Geographic Information System (GIS) maps, analysis, proposals, and presentations to support the operations used by each department.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Senior GIS Specialist	1.00	1.00	1.00	1.00	-
GIS Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 172,591	\$ 182,320	\$ 182,320	\$ 186,457	2.3%
Operations & Maintenance	9,097	11,500	11,500	11,500	0.0%
Total Expenditures	\$ 181,688	\$ 193,820	\$ 193,820	\$ 197,957	2.1%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.3% due to merit increases.

Information Technology – Technical Services

OVERVIEW

The Technical Services program provides management and security of the Town's computer networks, desktop and network technology acquisition, support, and training.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Network Administrator	1.00	1.00	1.00	1.00	-
IT Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 140,930	\$ 167,821	\$ 167,821	\$ 166,038	-1.1%
Operations & Maintenance	71,521	28,300	28,300	59,800	111.3%
Capital Outlay	133,630	139,710	139,710	130,045	-6.9%
Total Expenditures	\$ 346,081	\$ 335,831	\$ 335,831	\$ 355,883	6.0%

FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 111.3% due to equipment repair & maintenance and software maintenance & licensing.

Capital

Capital outlay decreased 6.9% due to server replacements that occurred in FY 2016.

Information Technology – Business Application & Development

OVERVIEW

The Business Application & Development program is responsible for application development and support, database management, project management, website support, and development of Electronic Government (E-Gov) and future E-commerce applications.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Systems Analyst	1.00	1.00	1.00	1.00	-
Database Analyst	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 144,876	\$ 190,592	\$ 148,364	\$ 180,451	-5.3%
Operations & Maintenance	6,135	10,000	52,228	10,000	0.0%
Total Expenditures	\$ 151,011	\$ 200,592	\$ 200,592	\$ 190,451	-5.1%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 5.3% due to refilling of positions at lower salaries.

Information Technology – Telecommunications

OVERVIEW

The Telecommunications program is responsible for the management of all voice and data systems including the Town's PBX (private branch exchange) phone system, voice mail, long distance, internet access, wireless and point-to-point communication.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Operations & Maintenance	\$ 208,733	\$ 195,750	\$ 195,750	\$ 207,830	6.2%
Total Expenditures	\$ 208,733	\$ 195,750	\$ 195,750	\$ 207,830	6.2%

FY 2016/2017 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 6.2% due to increased telecommunications costs, as well as equipment repair & maintenance.

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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.

2015-2016 ACCOMPLISHMENTS

- Staff named as instructors at Prosecutor's and Governor's Office of Highway Safety seminars
- Director named Chair of Prosecutors Association Best Practices Committee
- Legal staff prosecuted many successful appeals
- Successfully defended Town staff in a lawsuit

2016-2017 OBJECTIVES

- Ensure a safer community and the fair, impartial and expeditious pursuit of justice
- Expedite Town Council decisions and policies
- Defend the Town's interests in court when necessary

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure and Services	Improve Town resources and processes	Fulfill 100% of requests from Town Council and staff for legal opinions, ordinances, resolutions and other civil matters within 14 days	95%	95%	95%
		Per capita department expenditures	\$17.19	\$16.92	\$17.92
		Lawyers meet or exceed 15 credit hours (including 3 ethics) of continuing legal education per year	100%	100%	100%

Legal

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 600,146	\$ 620,387	\$ 620,387	\$ 646,303	4.2%
Operations & Maintenance	126,449	139,450	101,716	121,700	-12.7%
Capital Outlay	-	5,000	-	5,000	0.0%
Total Expenditures	\$ 726,595	\$ 764,837	\$ 722,103	\$ 773,003	1.1%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
State Grants	\$ -	\$ 5,000	\$ -	\$ 5,000	0.0%
Total Revenues	\$ -	\$ 5,000	\$ -	\$ 5,000	0.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.2% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 12.7% due to savings in several areas, including outside legal services costs, equipment repair & maintenance, memberships & subscriptions and office supplies.



Town of Oro Valley

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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, including misdemeanor criminal and traffic cases, civil traffic cases and Town Code violations; 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.

2015-2016 ACCOMPLISHMENTS

- Conducted a court security assessment with the assistance of Pima County Superior Court
- Based on the security assessment, incorporated additional new safety protocols to provide a safer environment for visitors and employees
- Assisted by the new e-payment vendor, collected \$58,000 in additional court owed fines and fees
- Selected a provider and established a marijuana diversion program for possession cases and included more serious drug use into the serious/chronic offender program
- Established a formal mental health diversion program to identify and help defendants with serious mental health issues and help keep those individuals from re-offending
- Implemented a new case management system and retired the outdated 15 year-old system
- Continued the court warrant program, resulting in a reduction of the number of outstanding warrants by approximately 5.5% and the enforcing of court orders

2016-2017 OBJECTIVES

- Implement Alternative to Jail video court program
- Improve assisted listening devices in courtroom for people with hearing difficulties
- Hire additional contract pro tem judges for broader courtroom coverage
- Make jury questionnaire available online for ease and access
- Implement an auto-dialer program to remind defendants of court and payment dates

Magistrate Court

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure and Services	Improve Town resources and processes	Close a number of cases every year that is at least 90% of the number of cases opened that year	Yes	Yes	Yes
		Maintain compliance with the Administrative Office of the Court (AOC) Minimum Accounting Standards	Yes	Yes	Yes
		Continue the warrant program for outstanding warrants that establishes accountability for defendants and enforces compliance with court orders	48 warrants	48 warrants	55 warrants

Magistrate Court

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Magistrate Judge	1.00	1.00	1.00	1.00	-
Court Administrator	1.00	1.00	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	1.00	1.00	1.00	1.00	-
Bailiff	1.00	1.00	1.00	1.00	-
Total FTEs	8.00	8.00	8.00	8.00	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 655,789	\$ 698,239	\$ 698,239	\$ 712,458	2.0%
Operations & Maintenance	100,707	124,390	105,590	118,480	-4.8%
Capital Outlay	2,065	15,000	-	15,000	0.0%
Total Expenditures	\$ 758,561	\$ 837,629	\$ 803,829	\$ 845,938	1.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Court Costs	\$ 138,270	\$ 120,000	\$ 140,000	\$ 130,000	8.3%
Probation Monitoring Fees	50	-	-	-	0.0%
Public Defender Fees	1,697	2,000	850	1,000	-50.0%
Fines	148,050	120,000	140,000	130,000	8.3%
Total Revenues	\$ 288,067	\$ 242,000	\$ 280,850	\$ 261,000	7.9%

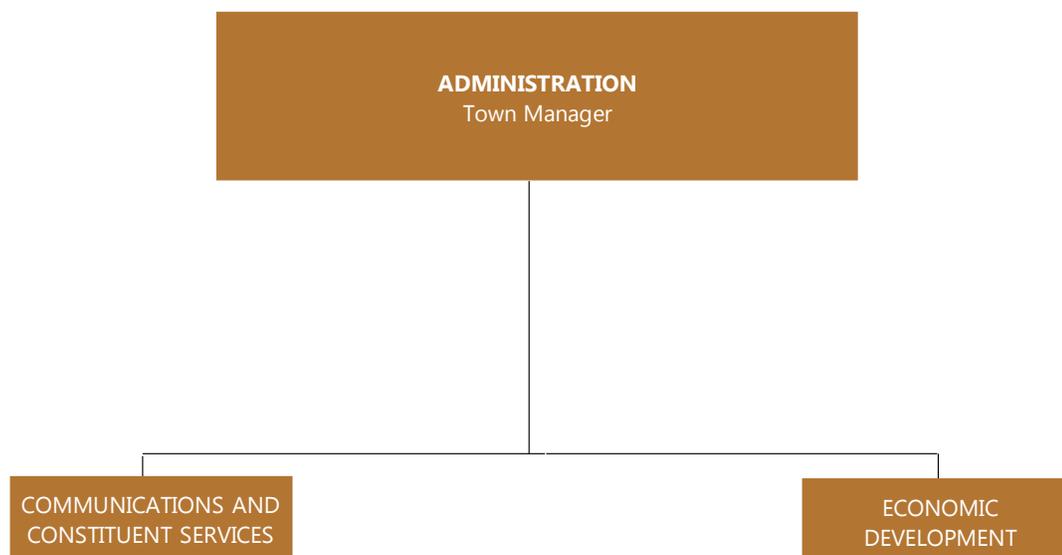
FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 4.8% due to capacity for an accounting audit that was completed in FY 2016.

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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 the promotion of economic development (funded by the Bed Tax Fund), 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; Human Resources; Finance; Legal Services; Police; Water Utility; Community Development and Public Works; Parks and Recreation; Information Technology, and Magistrate Court.

2015-2016 ACCOMPLISHMENTS

- Developed 2015 BizTucson Oro Valley Special Report to market at local, regional, state, national and international trade shows
- Partnered with Southern Arizona Arts and Cultural Alliance to create an Oro Valley Community Center concert series
- Awarded U.S. Masters synchronized swimming championship, which will be held in October 2017
- Youth Advisory Council began fundraising for the music & memory program to help provide personalized music iPods for the residents at Catalina Springs Memory Care
- Youth Advisory Council implemented a technology training program for the senior community
- Improved the Town's constituent services portal usability
- Developed and launched InsideOV, a new employee intranet to improve internal communication and productivity, and begin tracking performance measures to include in next year's budget
- Updated and revised Administrative Directive 25: Media Relations, and Administrative Directive 32: Social Media, to reflect best practices and ensure consistent application

Town Manager's Office

- Implemented the use of social media archiving software across all Town social media platforms to improve content management and ensure compliance with records retention laws
- Implemented the use of Facebook advertising to boost community awareness and engagement

2016-2017 OBJECTIVES

- Develop a new website (to replace www.elconquistadorcc.com) to better promote the Town's golf, tennis and restaurant amenities
- Increase external communication and community engagement by expanding the use of Facebook advertising and partnering with the Oro Valley Voice newspaper for staff-submitted articles and advertisements
- Develop 2016 BizTucson Oro Valley Special Report to market at local, regional, state, national and international trade shows
- Continue the development and expansion of the Youth Advisory Council's programs to the community

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Improve Town resources and processes	Fulfill all constituent requests within 5 calendar days	3.6	4.2	4.4
Communication	Continue expanding the Town's use of technology to improve communication	Increase the average monthly unique visitors to the Town's Economic Development webpage by 10%	8,633	9,500	10,450
		Unique visitors to the Town's website	238,052	240,000	241,000
		"Likes" or "followers" of the Town's Facebook page	2,944	4,404	6,000
		Average monthly engagement (people viewing, liking or commenting on posted information) on the Town's Facebook page	4,406	5,725	7,400

Town Manager's Office

STRATEGIC PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Communication	Continue expanding the Town's use of technology to improve communication	Average monthly posts by the Town on its Facebook page	47	50	55
Economic Development	Support the creation of jobs and promote partnerships to enhance our community	Maintain business retention and expansion program by meeting with at least six businesses per month	16	18	20
		Partner with Sun Shuttle Dial-A-Ride and offer free monthly public art tours and special public art tours upon request	22	24	26

Town Manager's Office

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
10.38	10.38	10.38	10.38

Expenditures by Program - General Fund					
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 396,291	\$ 432,003	\$ 432,003	\$ 456,686	5.7%
Comm. & Constituent Svcs.	323,820	337,518	337,518	344,854	2.2%
	\$ 720,111	\$ 769,521	\$ 769,521	\$ 801,540	4.2%

Expenditures by Program - Bed Tax Fund					
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Economic Development	\$ 602,474	\$ 672,732	\$ 667,104	\$ 684,689	1.8%
	\$ 602,474	\$ 672,732	\$ 667,104	\$ 684,689	1.8%

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, 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Town Manager	1.00	1.00	1.00	1.00	-
Assistant to the Town Manager	1.00	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	0.50	-
Management Intern	0.38	0.38	0.38	0.38	-
Total FTEs	3.88	3.88	3.88	3.88	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 379,109	\$ 409,903	\$ 409,903	\$ 432,816	5.6%
Operations & Maintenance	14,652	22,100	22,100	23,870	8.0%
Capital Outlay	2,530	-	-	-	0.0%
Total Expenditures	\$ 396,291	\$ 432,003	\$ 432,003	\$ 456,686	5.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.6% due to merit increases and employee changes in insurance coverage.

Operations & Maintenance

Operations & Maintenance increased 8.0% due to travel & training costs.

Town Manager's Office – Communications & Constituent Services

OVERVIEW

The Communications Division manages and facilitates all media relations on behalf of the organization. The Communications Administrator is responsible for the oversight of communication, branding, marketing-related programs, activities and project management. In addition, the division 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. Town staff also provides administrative support to the Town leadership through the Constituent Services Office where concerns, complaints, inquiries, referrals and information requests are addressed with excellent customer service and a common sense approach. The Constituent Services Coordinator facilitates public education efforts, coordinates departmental responses, and ensures that constituent voices and perspectives are consistently captured and transmitted to Town leadership. Constituent issues are tracked to monitor changing community needs and desires, allowing the Town leadership to adjust policies and budget options in order to better serve town residents.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	1.00	1.00	1.00	-
Senior Office Specialist	0.50	0.50	0.50	0.50	-
Total FTEs	3.50	3.50	3.50	3.50	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 299,939	\$ 304,853	\$ 304,853	\$ 312,974	2.7%
Operations & Maintenance	23,881	32,665	32,665	31,880	-2.4%
Total Expenditures	\$ 323,820	\$ 337,518	\$ 337,518	\$ 344,854	2.2%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.7% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 26.1% due to savings in special event costs.

Bed Tax Fund

OVERVIEW

The Bed Tax Fund covers the Economic Development Division and all other related costs and activities. The Economic Development Division manages business recruitment, retention and expansion and shop Oro Valley campaigns. The Economic Development manager oversees annexations, arts and culture programs and large-scale special events and serves as liaison to regional tourism and economic development organizations. Examples of other costs budgeted in the Bed Tax Fund include funding for the Greater Oro Valley Chamber of Commerce, the Southern Arizona Arts and Cultural Alliance (SAACA) and Visit Tucson. This fund also covers increased operational costs and debt service associated with the completed Aquatic Center expansion.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Economic Development Mgr.	1.00	1.00	1.00	1.00	-
Economic Development Spec.	1.00	1.00	1.00	1.00	-
Marketing & Comm. Spec.	1.00	1.00	1.00	1.00	-
Total FTEs	3.00	3.00	3.00	3.00	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 237,097	\$ 250,201	\$ 244,573	\$ 259,409	3.7%
Operations & Maintenance	365,377	422,531	422,531	425,280	0.7%
Other Financing Uses	352,543	414,544	414,544	510,194	23.1%
Total Expenditures	\$ 955,017	\$ 1,087,276	\$ 1,081,648	\$ 1,194,883	9.9%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Bed Taxes	\$ 988,449	\$ 945,000	\$ 945,000	\$ 1,085,805	14.9%
Interest Income	6,095	4,800	4,800	6,200	29.2%
Total Revenues	\$ 994,544	\$ 949,800	\$ 949,800	\$ 1,092,005	15.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

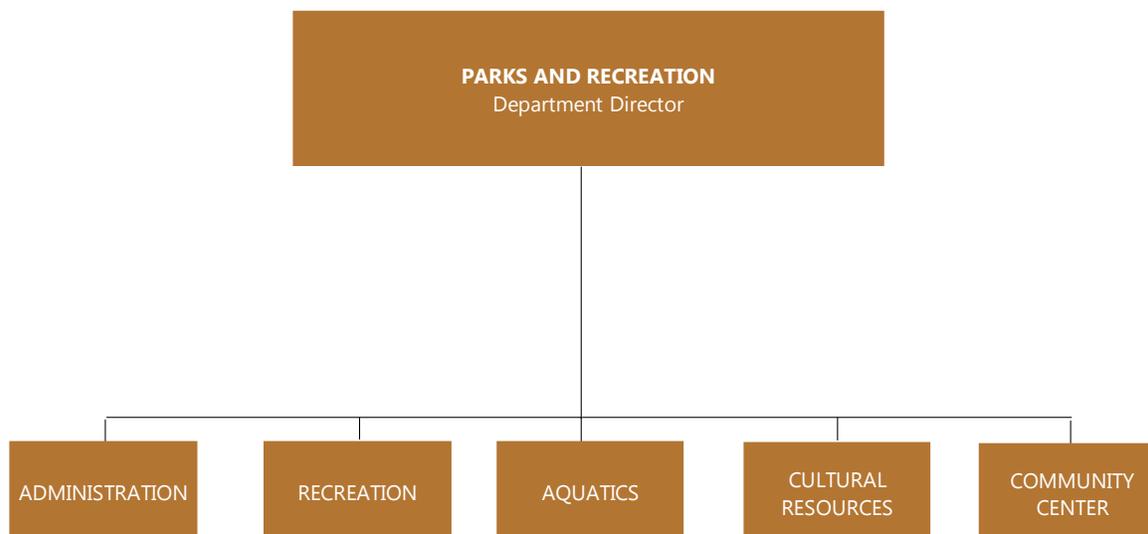
Personnel costs increased 3.7% due to health insurance premiums and merit increases.

Other Financing Uses

The increase in Other Financing Uses is due to a \$100,000 transfer to the General Government CIP Fund to provide funding for construction of two new multi-use fields at Naranja Park.

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Parks and Recreation



OVERVIEW

The Parks and Recreation Department is comprised of the following divisions: Administration, Aquatics, Cultural Resources, and Community Center. The department is further responsible for providing staff support to the Parks and Recreation Advisory Board and the Historic Preservation Commission. ***Note that Parks Maintenance operations have been assumed by the Community Development & Public Works Department beginning FY 16-17.***

2015-2016 ACCOMPLISHMENTS

ADMINISTRATION

- Received sixth consecutive playful city USA community designation
- Increased participation in the second annual Cocoa 5K Run
- Increased donations to Round Up for Youth recreation scholarship program
- Obtained funding for a new ramada at the archery range
- Obtained funding for trail maintenance work at Honey Bee Canyon Park

PARKS

- Overseeded Naranja and Riverfront Parks
- Replaced irrigation controllers and installed central control link at Riverfront Park and James D. Kriegh Park
- Completed the Naranja Park restrooms and offices project
- Installed a new ramada at Naranja Park

Parks and Recreation

RECREATION

- Added two new contracted summer youth programs to add to our summer offerings at a reduced cost to the Town:
 - Fun, Fins and Fantastic games at the Oro Valley Aquatic Center - program has a maximum of 25 children weekly and is at or over capacity every week
 - Art + Science at the Ranch and BASIS Oro Valley – a full day program in partnership with BASIS Oro Valley, the 6th ranked school in the nation
- Added several archery programs, to include intermediate, advanced and an adult level program
- Added a first Saturday Ultimate Frisbee league as well as other children and adult sporting opportunities
- Had a successful year of special events, including 4th of July 2015 with approximately 5,000 people in attendance

AQUATICS

- Increased outside club/group use of facility
- Hosted additional swim meets
- Increased long term facility usage and cooperation with Visit Tucson, both of which will have a positive economic impact to the Town
- Increased participation in existing aquatics programs
- Pursued and developed additional programming opportunities

CULTURAL RESOURCES

- Worked with the State Historic Preservation Office to host the 2017 Statewide Historic Preservation Partners Conference
- Completed the stabilization projects at Steam Pump Ranch to include: planting grass, building treatments to minimize or stop decay of adobe, rodent removal, and a protective cover over the pumphouse
- Held a number of successful special events, including the harvest heritage festival, bike swap sell, Cocoa 5K Run, ongoing 2nd Saturdays at Steam Pump Ranch, art shows in the Pusch house, dedication of the pumphouse cover, great classics of the silver screen and partner events such as the Arizona wine growers "Off the Vine" wine festival
- Removal of the road on the east side of the Steam Pump Ranch property
- Approval of a planting and vegetation plan at Steam Pump Ranch with the Oro Valley Historic Preservation Commission

COMMUNITY CENTER

- Exceeded expectations for fitness memberships
- Updated the flooring in both the restaurant and Sunset Room
- Established programs and classes for the community and youth

Parks and Recreation

- Continued improving golf facilities and growing golf memberships
- Maintained top notch tennis facilities and programs associated with tennis

2016-2017 OBJECTIVES

ADMINISTRATION

- Apply for re-designation of the Town as a bicycle friendly business
- Begin the evaluation and application process for the bicycle friendly community application
- Begin drafting in-house work for the Parks & Recreation Master Plan
- Update class participation, registration and cancellation policies
- Update RecTrac to web-based system

PARKS – see *Parks Maintenance in the Community Development & Public Works Department*

RECREATION

- Complete new event, "Round Up at the Ranch 5K"
- Provide the public with exceptional recreational programs, activities, classes, hikes, and special events for all ages
- Provide ball field management and contracts to field users, including private users and major organizations
- Provide contracted programs at parks, schools, the Aquatic Center and other public spaces

AQUATICS

- Stabilize pump room operations to ensure a consistent, safe environment for users
- Maintain, and potentially increase, the number of programs held at the Aquatic Center
- Thrive within established budget

CULTURAL RESOURCES

- Provide administrative oversight for the Historic Preservation Commission
- Handle all public and professional inquiries about the Town's historic properties
- Continue as a liaison to the Oro Valley Historical Society, as well as Archaeology Southwest

COMMUNITY CENTER

- Continue facility improvements, which will result in membership gains
- Add programming and classes each quarter that are available to the community
- Develop tournaments and expand play for tennis and golf
- Expand community involvement through special events and outreach
- Continue to focus on increased membership

Parks and Recreation

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Fiscal Responsibility	Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives	Maintain 48% cost recovery for Aquatics division	46.1%	50.9%	49.7%
		Maintain 65% cost recovery for recreation programs	63%	64%	65%
		Number of additional Community Center memberships (goal is net gain of 50 members per quarter)	N/A	363 addl	200 addl
Parks, Recreation & Cultural Development	Develop exceptional recreation and cultural facilities and programs that attract visitors and events that enhance residents' quality of life and strengthen the economy	Increase Aquatic Center "community games" participation by 10% per year	100	500	600
		Grow the number of special event offerings in parks and/or at Steam Pump Ranch	23	35	37
		Maintain park acres for active and passive recreational use (FY 2016 includes golf course at 324 acres)	448 acres	772 acres	See Parks Maint. (CDPW Dept)
		Grow the number of program offerings at the Community Center by ten new programs each season (3x/yr)	N/A	15	15

Parks and Recreation

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
36.20	49.56	55.52	48.62 **

** FY 2017 includes .60 FTE for a heavy equipment operator II to perform golf course cart path capital improvements. The position is budgeted in the Community Center Fund, but will be under the management of the Community Development & Public Works (CDPW) Department.

	Expenditures by Fund				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
General Fund	\$ 2,914,717	\$ 3,004,988	\$ 3,070,212	\$ 1,977,326	-34.2%
Community Center Fund	1,201,970	8,183,333	6,613,849	6,887,403	-15.8%
Parks & Rec Impact Fee Fund	-	-	-	250,000	0.0%
	\$4,116,687	\$ 11,188,321	\$ 9,684,061	\$ 9,114,729	-18.5%

	Revenues by Fund				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
General Fund	\$ 855,555	\$ 790,300	\$ 866,500	\$ 897,275	13.5%
Community Center Fund	2,227,192	7,400,763	6,013,755	6,615,238	-10.6%
Parks & Rec Impact Fee Fund	112,248	171,200	105,200	132,680	-22.5%
	\$ 3,194,995	\$ 8,362,263	\$ 6,985,455	\$ 7,645,193	-8.6%

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Parks and Recreation – General Fund

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
35.20	36.20	35.70	28.20

	Expenditures by Division				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
Administration	\$ 398,845	\$ 468,690	\$ 451,316	\$ 405,700	-13.4%
Parks	948,205	1,127,043	1,107,093	-	-100.0%
Recreation	286,267	343,603	301,368	335,903	-2.2%
Trails	83,039	-	-	-	0.0%
Aquatics	1,136,776	987,892	1,155,050	1,172,322	18.7%
Cultural Resources	61,585	77,760	55,385	63,401	-18.5%
	\$2,914,717	\$3,004,988	\$3,070,212	\$1,977,326	-34.2%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016		FY 2017 Budget	
		Budget	Projected		
Aquatics User Fees	\$ 490,048	\$ 426,000	\$ 525,740	\$ 567,400	33.2%
Concession Sales	34,099	30,000	30,500	30,000	0.0%
Fields & Courts User Fees	98,202	123,000	107,560	112,000	-8.9%
Miscellaneous User Fees	228,140	151,300	157,700	157,875	4.3%
State Grants	5,066	60,000	45,000	30,000	-50.0%
	\$ 855,555	\$ 790,300	\$ 866,500	\$ 897,275	13.5%

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, 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Parks & Recreation Director	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Multimodal Planner	-	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	1.00	1.00	-
Total FTEs	3.00	4.00	4.00	4.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 228,544	\$ 320,855	\$ 320,855	\$ 328,320	2.3%
Operations & Maintenance	170,301	147,835	130,461	77,380	-47.7%
Total Expenditures	\$ 398,845	\$ 468,690	\$ 451,316	\$ 405,700	-13.4%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.3% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 47.7% due to vehicle costs (such as repair, maintenance and gasoline) associated with parks maintenance functions, which have been moved to the Community Development & Public Works Department in FY 2017.

Parks and Recreation – General Fund

Parks

OVERVIEW

The Parks Division is responsible for building maintenance, janitorial services, turf management, landscape maintenance and property upkeep for all parks, natural trails, and bicycle/pedestrian oasis facilities. Parks is also responsible for the landscape maintenance at Town Hall, including the Police Department. Parks oversees all parks construction projects, including new construction, renovations and repairs. **Beginning FY 2017, this division has been moved to the Community Development & Public Works (CDPW) Department.**

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Parks Maint Superintendent	-	-	1.00	-	-
Parks Maintenance Supervisor	1.00	1.00	-	-	(1.00)
Parks Maintenance Coordinator	1.00	1.00	1.00	-	(1.00)
Parks Maintenance Worker II	1.00	1.00	1.00	-	(1.00)
Parks Maintenance Worker I	3.92	3.92	3.92	-	(3.92)
Park Monitor	0.96	0.96	0.96	-	(0.96)
Total FTEs	7.88	7.88	7.88	-	(7.88)

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 433,054	\$ 393,043	\$ 393,043	\$ -	-100.0%
Operations & Maintenance	474,535	563,000	573,700	-	-100.0%
Capital Outlay	40,616	171,000	140,350	-	-100.0%
Total Expenditures	\$ 948,205	\$ 1,127,043	\$ 1,107,093	\$ -	-100.0%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Beginning FY 2017, this budget has been moved to Parks Maintenance within the Community Development & Public Works Department.

Operations & Maintenance

Beginning FY 2017, this budget has been moved to Parks Maintenance within the Community Development & Public Works Department.

Capital

Beginning FY 2017, this budget has been moved to Parks Maintenance within the Community Development & Public Works Department.

Parks and Recreation – General Fund

Recreation

OVERVIEW

The Recreation Division is responsible for providing recreational programs, activities, classes, hikes, and special events for all ages, as well as ball field management and contracts.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Recreation & Cultural Svcs. Mgr.	0.80	0.80	0.80	0.80	-
Assistant Recreation Manager	1.00	1.00	1.00	1.00	-
Recreation Leader	0.80	1.80	0.80	1.80	-
Recreation Aide	1.75	1.75	1.75	1.75	-
Total FTEs	4.35	5.35	4.35	5.35	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 205,844	\$ 236,203	\$ 209,349	\$ 228,203	-3.4%
Operations & Maintenance	80,423	107,400	92,019	107,700	0.3%
Total Expenditures	\$ 286,267	\$ 343,603	\$ 301,368	\$ 335,903	-2.2%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 3.4% due to refilling of positions at lower salaries.

Parks and Recreation – General Fund

Trails

OVERVIEW

The Trails Division is responsible for insuring that the Town's Trails Plan, as well as the Pedestrian & Bicycle Plan, are implemented and followed. This section handles grant writing for the department, addresses trail issues, manages the Adopt-a-Trail program, and provides public information, safety and instructional programs. Additionally, Trails performs development review to insure that all "bike, pedestrian & trails" issues are properly addressed when development occurs. **Beginning FY 15/16, all personnel and O&M were moved to the Administration Division.**

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Multimodal Planner	1.00	-	-	-	-
Total FTEs	1.00	-	-	-	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 79,180	\$ -	\$ -	\$ -	0.0%
Operations & Maintenance	3,859	-	-	-	0.0%
Total Expenditures	\$ 83,039	\$ -	\$ -	\$ -	0.0%

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 was expanded in FY 2013 and 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	-
Office Assistant	0.75	0.75	0.75	1.00	0.25
Facility Supervisor	1.36	1.36	1.36	1.50	0.14
Shift Leader	3.40	3.40	3.40	2.39	(1.01)
Facility Attendant	5.76	5.76	5.76	5.76	-
Lifeguard/Swim Instructor	5.50	5.50	6.00	6.00	0.50
Total FTEs	18.77	18.77	19.27	18.65	(0.12)

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 622,947	\$ 604,202	\$ 634,936	\$ 629,332	4.2%
Operations & Maintenance	513,829	383,690	520,114	516,390	34.6%
Capital Outlay	-	-	-	26,600	0.0%
Total Expenditures	\$ 1,136,776	\$ 987,892	\$ 1,155,050	\$ 1,172,322	18.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.2% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 34.6% due to contract personnel services for aquatics programs and utilities costs.

Capital

Budgeted capital in FY 2017 is for various pieces of equipment at the Aquatic Center, including a booster pump, valves, lights and a filter.

Parks and Recreation – General Fund

Cultural Resources

OVERVIEW

The Cultural Resources Division is responsible for the 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 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Recreation & Cultural Svcs. Mgr.	0.20	0.20	0.20	0.20	-
Total FTEs	0.20	0.20	0.20	0.20	-

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 14,635	\$ 15,260	\$ 15,260	\$ 15,401	0.9%
Operations & Maintenance	38,320	37,500	30,125	18,000	-52.0%
Capital Outlay	8,630	25,000	10,000	30,000	20.0%
Total Expenditures	\$ 61,585	\$ 77,760	\$ 55,385	\$ 63,401	-18.5%

FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 52.0% due primarily to utilities and grounds maintenance & repair costs, which have been moved to the Parks Maintenance budget in the Community Development & Public Works (CDPW) Department.

Capital

Budgeted capital is capacity for potential grant funding.

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Community Center Fund

OVERVIEW

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

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Recreation Facility Manager	1.00	1.00	1.00	1.00	-
Assistant Recreation Manager	-	1.00	1.00	1.00	-
Senior Office Specialist	-	1.00	1.00	1.00	-
Facilities Maint. Technician	-	2.00	2.00	2.00	-
Custodian	-	0.96	1.92	1.92	0.96
Facility Attendant	-	2.94	5.00	5.00	2.06
Aquatics Facility Supervisor	-	-	1.44	1.44	1.44
Lifeguard	-	-	2.00	2.00	2.00
Recreation Leader	-	0.96	0.96	0.96	-
Recreation Aide	-	2.00	2.00	2.00	-
Fitness Instructor	-	1.50	1.50	1.50	-
Heavy Equipment Operator II	-	-	-	0.60	0.60
Total FTEs	1.00	13.36	19.82	20.42	7.06

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 7,426	\$ 462,517	\$ 576,587	\$ 736,944	59.3%
Operations & Maintenance	1,156,671	6,485,816	5,467,262	5,503,259	-15.1%
Capital Outlay	37,873	1,115,000	450,000	527,200	-52.7%
Other Financing Uses	-	120,000	120,000	120,000	0.0%
Total Expenditures	\$ 1,201,970	\$ 8,183,333	\$ 6,613,849	\$ 6,887,403	-15.8%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Local Sales Taxes	\$ 506,710	\$ 2,000,000	\$ 2,000,000	\$ 2,105,163	5.3%
Charges for Services	520,482	5,400,763	4,013,655	4,510,075	-16.5%
Other Financing Sources	1,200,000	-	-	-	0.0%
Miscellaneous	-	-	100	-	0.0%
Total Revenues	\$ 2,227,192	\$ 7,400,763	\$ 6,013,755	\$ 6,615,238	-10.6%

FY 2016/2017 Expenditure Changes

Personnel

Personnel costs increased 59.3% for pool staff, which were previously managed by an outside contractor, as well as custodial services that were brought in house, additional front desk facility attendants, and capacity for temporary heavy equipment operators to perform golf course cart path maintenance.

Operations & Maintenance

Operations & Maintenance decreased 15.1% due to operational cost-saving measures implemented at the facility during FY 2016, including reduced hours and reduced contracted staffing.

Capital

Capital outlay decreased 52.7% per available funding for FY 2017.

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Parks & Recreation Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to parks and recreation purposes. Parks & Recreation impact fees are assessed on residential development within the town.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	-	-	-	-	0.0%
Other Financing Uses	-	-	-	250,000	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 250,000	0.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Impact Fees	\$ 112,169	\$ 171,200	\$ 105,000	\$ 132,680	-22.5%
Interest Income	79	-	200	-	0.0%
Total Revenues	\$ 112,248	\$ 171,200	\$ 105,200	\$ 132,680	-22.5%

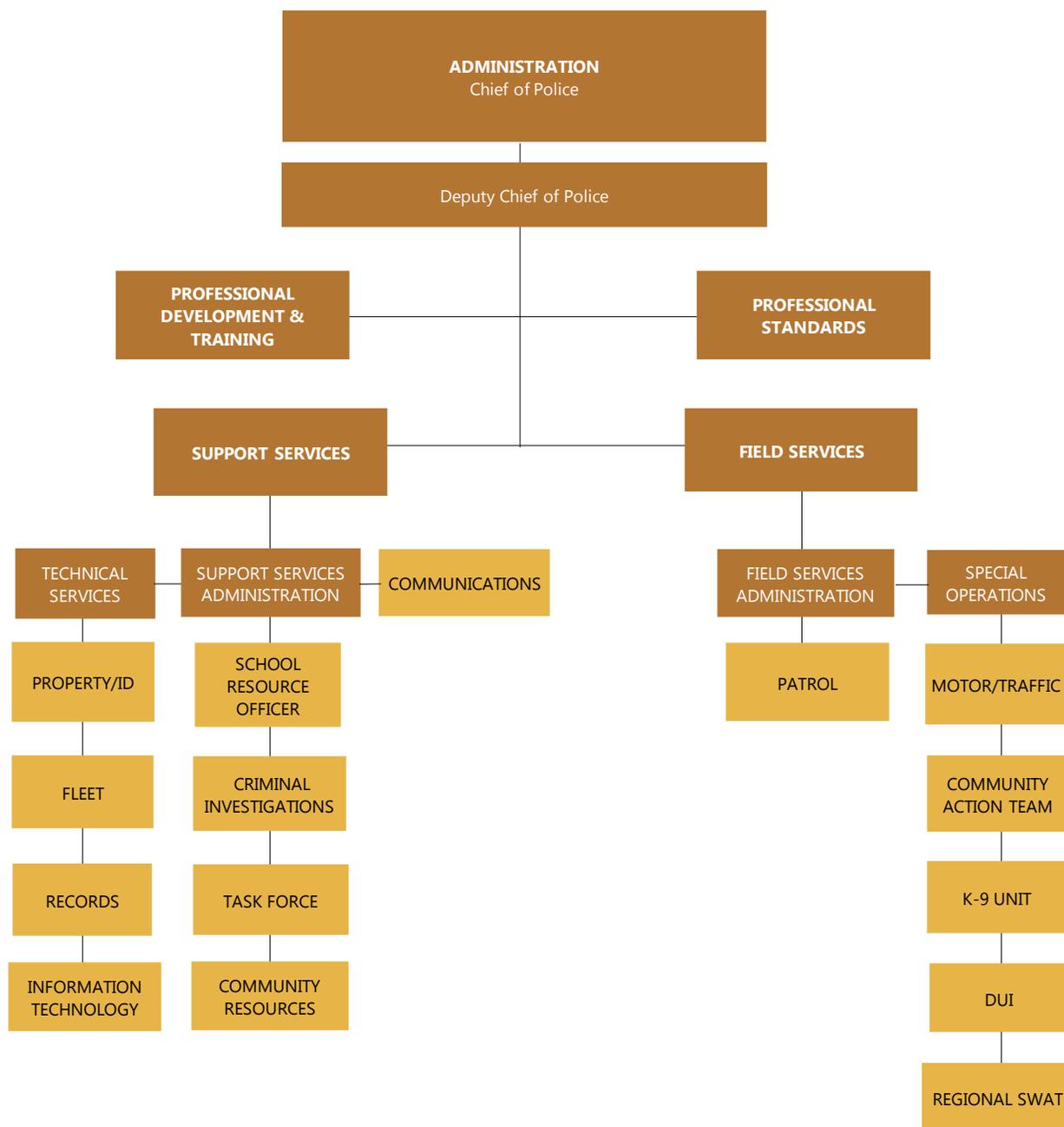
FY 2016/2017 Expenditure Changes

Other Financing Uses

Other Financing Uses for FY 2017 is a transfer to the General Government CIP Fund for two new multi-use fields that will be constructed at Naranja Park.

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Police



OVERVIEW

The Oro Valley Police Department (OVPD) is committed to providing public safety services to ensure a safe environment. This is accomplished through collaborative partnerships between our organization, our citizens, business owners/managers, schools, community organizations, media, and other government partners. OVPD members seek the highest amount of professional development with one S.E.R.V.I.C.E. vision in mind:

Seek Excellence Remain Vigilant Involve Community Enforcement

Police

2015-2016 ACCOMPLISHMENTS

- Completed three-year crash reduction initiative called "HiVE" (High Visibility Enforcement), resulting in an overall crash reduction of 27.2% in the targeted intersections
- Provided 40 'active shooter' training sessions
- Conducted a two week Explorer academy, hosting two Explorer posts from outside jurisdictions
- Continued training and emphasis to implement and utilize all philosophies of the 'Below 100' initiative, a beneficial program as described at www.Below100.com
- Continued collaborating with the Town's Information Technology Department to enhance the Town's capabilities and develop redundancy to ensure safety for the Town's resources
- Received Governor's Office of Highway Safety funding for six DUI breath detection devices, four speed detection radars and \$27,500 reimbursement for DUI enforcement overtime and employee related expenses
- Provided support during the acquisition of the Town's Community Center and related safety and hazard preparedness
- 151 businesses participating in the adopt-a-business program
- Citizen Volunteer Assistants Program members contributed nearly 14,933 volunteer hours
- Continue to support back to school and 'Shop With a Cop' programs
- Utilized seizure funds to backfill three police positions, provide training, purchase equipment, and provide community program support for the annual 5th grader drug awareness day event
- Continued hosting coffee with a cop program and expanded the event to include the Mayor, Town Manager and the Golder Ranch Fire District
- Continued to acquire and deploy Axon body cameras as funding became available, with a current total of 19
- School resource officers collaborated with other agencies to initiate monthly training
- Explorers successfully competed in the national Explorer competition and the City of Chandler competition

2016-2017 OBJECTIVES

- Maximize use of non-Town funding sources by participating in task force operations
- Secure outside grant funding from federal, state and local sources
- Continue construction and expansion of new police evidence facility and substation
- Participate in annexation efforts
- Provide effective citizen outreach, communication and education through citizen academy, teen academy, neighborhood meetings, public meetings, Town website, HOA forums, special events, programs and social media
- Complete and publish the department's annual report
- Ensure continuing development of all staff, especially as related to succession planning
- Maintain strong regional collaborative relationships
- Update the department's continuity plan

Police

- Continue to implement use of body cameras
- Continue to partner with Parks and Recreation and Economic Development to attract and retain sports tourism
- Train all local fire districts on traffic incident management principles
- Adopt new businesses as they open and cultivate relationships to create a business friendly environment
- Continue conducting dispose-a-med program
- Continue conducting popular rape aggression defense system training
- Continue to provide active shooter education to private groups, businesses and civic events
- Continue to educate the public of the evolving threats related to cyber security and personal online usage, including introducing the new, very popular 'scam school'
- Evaluate and implement evolving technology in furtherance of investigating, mitigating and solving crimes

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	CY 2015 Actual	CY 2016 Estimate	CY 2017 Projected
Community Infrastructure & Services	Serve as the model for services and performance in providing basic town services	Respond to 100% of Priority I calls in less than five minutes	79%	76%	75%
		Respond to 100% of Priority II calls in less than eight minutes	84%	82%	82%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the day as reasonably safe or above	92%	90%	90%
		Achieve 100% resident rating on OVPD citizen satisfaction survey for neighborhood walking safety during the night as reasonably safe or above	79%	80%	83%
		Achieve 100% resident rating on OVPD resident satisfaction survey for above average police services (rating of a 7 or above on a scale of 1-10) *	99%	98%	100%

* of those who indicated they had contact with the Police Department during the last 12 months

Police

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
133.13	133.13	133.13	133.13

Expenditures by Division					
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 1,150,628	\$ 1,127,753	\$ 1,127,753	\$ 1,216,370	7.9%
Support Services	6,472,027	6,803,569	6,700,199	6,868,992	1.0%
Field Services	6,976,327	7,193,484	7,198,455	7,521,984	4.6%
Professional Dev. & Training	214,779	233,401	233,401	177,913	-23.8%
Professional Standards	131,800	136,388	136,388	143,383	5.1%
	\$ 14,945,561	\$ 15,494,595	\$ 15,396,196	\$ 15,928,642	2.8%

Revenue Sources					
	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Federal Grants	\$ 673,925	\$ 551,545	\$ 517,788	\$ 478,284	-13.3%
State Grants	147,625	127,300	155,016	236,063	85.4%
Seizures & Forfeitures	144,944	216,958	213,106	227,554	4.9%
Fingerprinting	20,545	20,200	20,200	20,200	0.0%
Report Copying	5,573	5,200	5,200	5,200	0.0%
Impound Processing	47,700	34,000	40,000	40,000	17.6%
Other	19,125	18,814	21,611	18,891	0.4%
	\$ 1,059,437	\$ 974,017	\$ 972,921	\$ 1,026,192	5.4%

Police - Administration

OVERVIEW

The Oro Valley Police Department (OVPD) is a true community policing organization and understands community policing is a "way of life" for an organization. In Oro Valley, community policing is considered a core value that underlies all programs and initiatives. The Police Department Administration embodies this philosophy and guides all staff towards embracing this philosophy throughout the entire organization.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	-
Administrative Services Manager	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	4.00	4.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 586,978	\$ 607,643	\$ 607,643	\$ 633,585	4.3%
Operations & Maintenance	563,650	520,110	520,110	582,785	12.1%
Total Expenditures	\$1,150,628	\$1,127,753	\$1,127,753	\$1,216,370	7.9%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.3% due to merit increases.

Operations & Maintenance

Operations & Maintenance increased 12.1% due to increases in several areas, including travel & training, gas & electricity, water & sewage and insurance costs.

Police – Support Services

OVERVIEW

The Support Services Division (SSD) provides the necessary support and enhancement to the Field Services Division and Administration. SSD personnel are specially trained in law enforcement functions specific to the organization and community, which enhance our ability to provide service. SSD must consistently evaluate the service efforts of the department and make changes based upon these efforts. This is accomplished through technology, expertise, resource allocation, intelligence gathering and education.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Emerg. Mgmt. & Safety Coord.	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	5.00	5.00	5.00	5.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 578,222	\$ 602,009	\$ 602,009	\$ 629,719	4.6%
Operations & Maintenance	270	500	500	500	0.0%
Total Expenditures	\$ 578,492	\$ 602,509	\$ 602,509	\$ 630,219	4.6%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.6% due to merit increases.

Police – School Resource Officer

OVERVIEW

The School Resource Officer (SRO) program is designed upon the "basic triad concept" of being a law enforcement officer, teacher, and counselor to the school community. This "community" includes the school administration, faculty and staff, parents, students, and the schools surrounding the Oro Valley community. An SRO provides this service in many ways while always taking a personal interest in students' lives, activities and problems. Officers are assigned to: Canyon del Oro High School, Ironwood Ridge High School, Copper Creek Elementary, Painted Sky Elementary, Wilson K-8 and most recently, Pusch Ridge Christian Academy.

Within the SRO Unit is the Explorers Program, which consists of young men and women, ages 14 to 21, who are interested in a career in law enforcement. Police officers are the Explorer advisors and assist in weekly instruction and training. Explorers dedicate themselves to community service and assist the department during special events.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
School Resource Officer	7.00	7.00	8.00	8.00	1.00
Total FTEs	8.00	8.00	9.00	9.00	1.00

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 906,627	\$ 877,450	\$ 904,466	\$ 1,013,559	15.5%
Operations & Maintenance	7,880	14,500	14,500	15,500	6.9%
Total Expenditures	\$ 914,507	\$ 891,950	\$ 918,966	\$1,029,059	15.4%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 15.5%, primarily due to a new SRO assigned to Pusch Ridge Christian Academy, funded through an agreement with the school. The year-over-year increase is also attributable to step and pension rate increases.

Operations & Maintenance

Operations & Maintenance increased 6.9% due to uniform costs for the Explorers program.

Police - Communications

OVERVIEW

The Communications Center is the primary answering point for all 9-1-1 emergency calls in Oro Valley. The center operates 24 hours a day, 7 days a week. Public Safety Communications is skilled emergency service work that involves receiving emergency and non-emergency requests for police assistance, determining the nature and the urgency of calls, initiating police or other emergency service personnel action and maintaining close contact with field units to monitor response and needed support requirements.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Police Communications Mgr.	1.00	1.00	1.00	1.00	-
Lead Dispatcher	3.00	3.00	3.00	3.00	-
Dispatcher	9.00	9.00	9.00	9.00	-
Total FTEs	13.00	13.00	13.00	13.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 873,194	\$ 988,951	\$ 946,046	\$ 956,555	-3.3%
Operations & Maintenance	2,784	3,300	3,300	2,800	-15.2%
Total Expenditures	\$ 875,978	\$ 992,251	\$ 949,346	\$ 959,355	-3.3%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 3.3% due to refilling of positions at lower salaries.

Operations & Maintenance

Operations & Maintenance decreased 15.2% due to savings in memberships & subscriptions.

Police – Records

OVERVIEW

The Records Unit is responsible for processing, distributing, and maintaining all public law enforcement records generated by OVPD. The Records Unit adheres to the release policy mandated by state law. The Unit is also responsible for the handling of impound releases of vehicles, verifying the required documentation through the Motor Vehicle Division, preparing the proper paperwork, and collecting the necessary fees.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
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	-
Total FTEs	7.25	7.25	7.25	7.25	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 397,449	\$ 416,028	\$ 416,028	\$ 429,271	3.2%
Operations & Maintenance	2,968	3,250	3,250	2,750	-15.4%
Total Expenditures	\$ 400,417	\$ 419,278	\$ 419,278	\$ 432,021	3.0%

FY 2016/2017 Expenditure Changes

Personnel

Personnel costs increased 3.2% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 15.4% due to non-capitalized equipment costs.

Police – Criminal Investigations

OVERVIEW

The Criminal Investigations Unit (CIU) is the primary investigative arm of the OVPD and is responsible for investigating all major crimes that occur in Oro Valley. These crimes include crimes against person(s) - homicide, sexual assault, aggravated assault, etc., and crimes against property - burglary, larceny, auto theft, etc.

Detectives are cross-trained to investigate the various types of crimes committed in Oro Valley and many of them network with task force groups outside Oro Valley to enhance service within our community.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Detective	6.00	6.00	6.00	6.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 815,167	\$ 833,440	\$ 833,440	\$ 877,891	5.3%
Operations & Maintenance	5,695	7,800	7,800	11,255	44.3%
Total Expenditures	\$ 820,862	\$ 841,240	\$ 841,240	\$ 889,146	5.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.3% due to step increases and pension rate increases.

Operations & Maintenance

Operations & Maintenance increased due to outside professional services.

Police – Information Technology

OVERVIEW

The Information Technology Unit (ITU) provides support service to the department and is responsible for planning, acquiring, implementing and developing information technology solutions to facilitate the department's mission. The ITU also evaluates and acquires emerging technologies, information systems and networks that have law enforcement applications.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Detective/IT Manager	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 116,962	\$ 116,988	\$ 116,988	\$ 128,784	10.1%
Operations & Maintenance	153,295	189,140	189,140	177,022	-6.4%
Capital Outlay	68,813	14,000	14,000	7,120	-49.1%
Total Expenditures	\$ 339,070	\$ 320,128	\$ 320,128	\$ 312,926	-2.2%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 10.1% due to merit increases, pension rate increases and an employee change in insurance coverage.

Operations & Maintenance

Operations & Maintenance decreased 6.4% due to savings in software maintenance & licensing costs.

Capital

Capital decreased 49.1% due to savings in server costs.

Police – Fleet

OVERVIEW

Fleet Maintenance assists with the procurement, outfitting, assigning and maintenance of all vehicles in the OVPD fleet. Fleet Maintenance ensures that all warranty work is performed and the fleet is maintained to manufacturer specifications at the most competitive rates available. It is further tasked with preventative safety equipment maintenance.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Fleet Control Specialist	1.00	1.00	1.00	1.00	-
Reserve Officer	0.48	0.48	0.48	0.48	-
Total FTEs	1.48	1.48	1.48	1.48	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 102,117	\$ 102,534	\$ 102,534	\$ 103,614	1.1%
Operations & Maintenance	910,169	1,015,389	1,015,389	995,255	-2.0%
Total Expenditures	\$1,012,286	\$1,117,923	\$1,117,923	\$1,098,869	-1.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.1% due to merit and step increases, which were offset by savings in workers compensation costs.

Operations & Maintenance

Operations & Maintenance decreased 2% due to gasoline savings.

Police – Community Resources

OVERVIEW

The Community Resource Unit (CRU) is dedicated to preventing crime through public education and offers a wide range of presentations and programs.

Neighborhood Watch Program - Consists of a cohesive body of concerned citizens addressing issues that affect their neighborhood. OVPD has two officers who organize, train, and provide valuable information to these neighborhoods in order to reduce and prevent crime. Neighborhood Watch provides communities a direct liaison with the OVPD and quarterly newsletters are distributed.

Crime Free Multi-Housing Program - This program is similar to Neighborhood Watch but for apartment complexes. It encourages neighbors to interact with one another but also holds apartment managers to strict criteria when signing new tenants.

Citizen Volunteer Assistants Program (C.V.A.P.) - This program provides the opportunity for citizens to serve their community by assisting the Police department. The volunteers become an extra set of eyes and ears and assist in many different areas. Volunteers patrol residential neighborhoods, business complexes, shopping centers and assist with scene security at accidents or crime scenes.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Officer/Special Events Coord.	1.00	1.00	1.00	1.00	-
Officer	1.00	1.00	1.00	1.00	-
Total FTEs	3.00	3.00	3.00	3.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 289,118	\$ 334,415	\$ 334,415	\$ 344,875	3.1%
Operations & Maintenance	39,077	32,040	32,040	48,140	50.2%
Total Expenditures	\$ 328,195	\$ 366,455	\$ 366,455	\$ 393,015	7.2%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.1% due to employee changes in insurance coverage and pension rate increases.

Operations & Maintenance

Operations & Maintenance increased 50.2% due to office lease costs.

Police – Task Force Operations

OVERVIEW

The OVPD is actively involved in multi-jurisdictional joint task forces across southern Arizona.

Counter Narcotics Alliance is a multi-jurisdictional drug task force consisting of 18 participating agencies to include local law enforcement, prosecuting agencies, the Arizona High Intensity Drug Trafficking Area, and the Davis-Monthan Air Force Base operating in the Pima County metro area. Each agency compliments the task force with staffing and administrative processes.

Drug Enforcement Agency has numerous multi-jurisdictional task force groups that include federal agents, prosecuting agencies, and state and local law enforcement agencies. Each task force takes on a different segment of trafficking, production and use crimes to combat this national epidemic.

Joint Terrorism Task Force are small cells of highly trained, locally based investigators, analysts, linguists, SWAT experts, and other specialists from dozens of U.S. law enforcement and intelligence agencies. It is a multi-agency effort led by the Justice Department and FBI designed to combine the resources of federal, state, and local law enforcement.

The **Gang and Immigration Intelligence Team Enforcement Mission (GIITEM)** is a multi-jurisdictional task force that focuses on street gang crime as well as U.S. border and immigration crimes. GIITEM strives to accomplish its mission through a task force concept involving personnel from tribal, federal, state, county, and municipal law enforcement agencies.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	-	-	(1.00)
Officer	7.00	7.00	7.00	7.00	-
Total FTEs	8.00	8.00	7.00	7.00	(1.00)

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ 803,743	\$ 867,860	\$ 784,479	\$ 788,617	-9.1%
Operations & Maintenance	49,500	19,500	19,500	-	-100.0%
Capital Outlay	56,903	30,000	25,900	35,900	19.7%
Total Expenditures	\$ 910,146	\$ 917,360	\$ 829,879	\$ 824,517	-10.1%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 9.1% due to the reassignment of a sergeant to Patrol.

Operations & Maintenance

Operations & Maintenance decreased 100% due to grant-funded travel & training completed in FY 2016.

Capital

Budgeted capital is for grant-funded equipment and/or vehicles.

Police – Property and ID

OVERVIEW

The Property and ID Unit is staffed with skilled technicians that locate, collect, secure and preserve a variety of critical, physical and sometimes fragile evidence at crime scenes. Technicians must write accurate narratives, follow up on collected evidence for scientific analysis, liaison with other agencies to complete related casework, and prepare testimony for court proceedings.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Crime Scene Tech Supervisor	1.00	1.00	1.00	1.00	-
Crime Scene Technician	2.00	2.00	2.00	2.00	-
Reserve Officer	0.48	0.48	0.48	0.48	-
Total FTEs	3.48	3.48	3.48	3.48	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 248,755	\$ 264,875	\$ 264,875	\$ 246,065	-7.1%
Operations & Maintenance	43,319	69,600	69,600	53,800	-22.7%
Total Expenditures	\$ 292,074	\$ 334,475	\$ 334,475	\$ 299,865	-10.3%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 7.1% due to refilling of positions at lower salaries.

Operations & Maintenance

Operations & Maintenance decreased 22.7% due to savings in field supplies.

Police – Field Services

OVERVIEW

The Field Services Division (FSD) is the largest division of the Police Department and is comprised of officers and supervisors who provide the "front line" service to the community. FSD must continually monitor crime trends, deployment methods, beat structure, business and neighborhood issues and response times to ensure that the department is providing the most efficient and effective services.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Crime Analyst	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	-
Office Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	6.00	6.00	6.00	6.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 640,720	\$ 673,715	\$ 673,715	\$ 698,790	3.7%
Operations & Maintenance	436	1,500	1,500	1,500	0.0%
Total Expenditures	\$ 641,156	\$ 675,215	\$ 675,215	\$ 700,290	3.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.7% due to merit increases.

Police – Patrol

OVERVIEW

The Patrol Division consists of six squads and one motorcycle squad, providing 24/7 police service to town citizens, schools, business owners, employees and visitors. OVPD divides the town into four separate geographical patrol areas. Patrol deployment methods are based on a variety of factors, including response times, call loads, crime statistics and neighborhood issues. The Patrol Division focuses on high visibility patrol and strict enforcement to deter crime from our community. Programs like adopt-a-business allow patrol officers to work cooperatively and proactively with businesses to solve issues before they become problems. K-9 and DUI officers are incorporated within the Patrol Division, providing service seven days a week.

K-9 - Three K-9 teams (handler/canine) are deployed throughout the week. Two teams are "dual purpose" and are trained in patrol/handler protection and narcotics detection. The remaining team is trained to detect explosives and an accelerant component used to make explosive devices, and is a member of the Pima Regional Bomb Squad. Two separate canine breeds are used: german shepherd and belgium malinois.

DUI - The DUI Unit is comprised of two officers whose primary function is to actively seek impaired drivers. Patrol officers with special skills in the area of drug recognition and phlebotomy supplement them in their task. DUI officers assume the lead investigative role in impairment investigations initiated by patrol officers and are well versed in the field of impaired driver investigations. OVPD is a participant in the Southern Arizona DUI Task Force and participates in task force deployments annually.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	7.00	6.00	6.00	6.00	-
Lead Officer	7.00	7.00	7.00	7.00	-
K-9 Officer	2.00	2.00	2.00	2.00	-
DUI Officer	1.00	2.00	2.00	2.00	-
Officer	33.00	30.00	31.00	31.00	1.00
Reserve Officer	1.92	1.44	1.44	1.44	-
Total FTEs	51.92	48.44	49.44	49.44	1.00

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 5,001,764	\$ 4,815,383	\$ 4,913,164	\$ 5,138,005	6.7%
Operations & Maintenance	12,653	13,600	13,600	15,600	14.7%
Capital Outlay	-	12,000	12,000	12,000	0.0%
Total Expenditures	\$5,014,417	\$4,840,983	\$4,938,764	\$5,165,605	6.7%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.7% due primarily to the reassignment of an officer from Motor/Traffic, as well as step increases and pension rate increases.

Operations & Maintenance

Operations & Maintenance increased 14.7% due to SWAT uniforms.

Police – Motor/Traffic

OVERVIEW

The goals of the Oro Valley Motor Unit are: to respond to citizens traffic concerns; be highly visible to the public and; enforce traffic laws. By staying proactive and achieving these goals, the Motor Unit is able to deter criminal behavior from residing in or targeting Oro Valley. The three measures deploying the Motor Unit are: highest collision intersections, special events, and citizen traffic concerns.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Lead Officer	1.00	1.00	1.00	1.00	-
Motorcycle Officer	6.00	7.00	6.00	6.00	(1.00)
Total FTEs	8.00	9.00	8.00	8.00	(1.00)

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 894,732	\$ 987,093	\$ 894,283	\$ 925,362	-6.3%
Operations & Maintenance	10,880	14,700	14,700	12,700	-13.6%
Total Expenditures	\$ 905,612	\$1,001,793	\$ 908,983	\$ 938,062	-6.4%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 6.3% due to the reassignment of an officer to Patrol.

Operations & Maintenance

Operations & Maintenance decreased 13.6% due to savings in field supplies and uniform costs.

Police – C.A.T. Squad

OVERVIEW

The Community Action Team (C.A.T.) serves as one of OVPD's most proactive and successful community policing initiatives. The primary premise of C.A.T. is to focus on the root-causes of problems and identify which crimes lead to secondary crimes and how they are associated. C.A.T. members spend a great deal of time gathering information on specific issues through various connections with other law enforcement organizations and the public. These partnerships foster trust between the community and our organization and has been paramount in our ability to combat crime.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	-	1.00	1.00	1.00	-
Lead Officer	1.00	1.00	1.00	1.00	-
Officer	3.00	4.00	4.00	4.00	-
Total FTEs	4.00	6.00	6.00	6.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 414,314	\$ 675,493	\$ 675,493	\$ 718,027	6.3%
Operations & Maintenance	828	-	-	-	0.0%
Total Expenditures	\$ 415,142	\$ 675,493	\$ 675,493	\$ 718,027	6.3%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.3% due to pension rate increases, step increases and employee changes in insurance coverage.

Police – Professional Development & Training

OVERVIEW

Professional Development & Training is tasked to ensure that members provide the most efficient and effective public safety service to the community in support of a community policing philosophy. Personnel are trained to deliver a high level of service that not only meets community expectations but also allows our staff to maintain professional certifications. Professional Development & Training focuses on developing the skills, abilities, knowledge, and talents of the OVPD to maintain professional and expert service. This program is also responsible for new-hire recruit officer orientation. This orientation is provided to prepare new officers for the stresses of attending a police academy along with orienting them to Oro Valley.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Training Officer	1.00	1.00	1.00	1.00	-
Reserve Officer	-	0.48	0.48	0.48	-
Total FTEs	1.00	1.48	1.48	1.48	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 108,328	\$ 131,601	\$ 131,601	\$ 131,113	-0.4%
Operations & Maintenance	106,451	101,800	101,800	46,800	-54.0%
Total Expenditures	\$ 214,779	\$ 233,401	\$ 233,401	\$ 177,913	-23.8%

FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance decreased 54.0% due to savings in office lease costs, as these personnel have been relocated to the Town's newly acquired substation building.

Police – Professional Standards

OVERVIEW

It is the policy of the OVPD to thoroughly investigate all complaints against its employees in order to preserve public confidence in our willingness to oversee and control the actions of our employees. The Office of Professional Standards (O.P.S.) is managed by a sergeant who oversees and investigates citizen complaints and internally ordered inspections. O.P.S. also maintains records of use of force incidences, vehicle pursuits and policy revisions. Finally, O.P.S. conducts the hiring process and background investigations for interested Police Department applicants.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Sergeant	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 122,342	\$ 126,738	\$ 126,738	\$ 133,733	5.5%
Operations & Maintenance	9,458	9,650	9,650	9,650	0.0%
Total Expenditures	\$ 131,800	\$ 136,388	\$ 136,388	\$ 143,383	5.1%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.5% due to step increases, pension rate increases and on call pay.

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Police Impact Fee Fund

OVERVIEW

This fund is used to manage the collection and expenditure of development impact fees dedicated to public safety purposes. Police impact fees are assessed on both residential and commercial development within the town.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	-	-	-	285,000	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 285,000	0.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Impact Fees	\$ 48,423	\$ 66,917	\$ 47,000	\$ 74,000	10.6%
Interest Income	218	-	300	-	0.0%
Total Revenues	\$ 48,641	\$ 66,917	\$ 47,300	\$ 74,000	10.6%

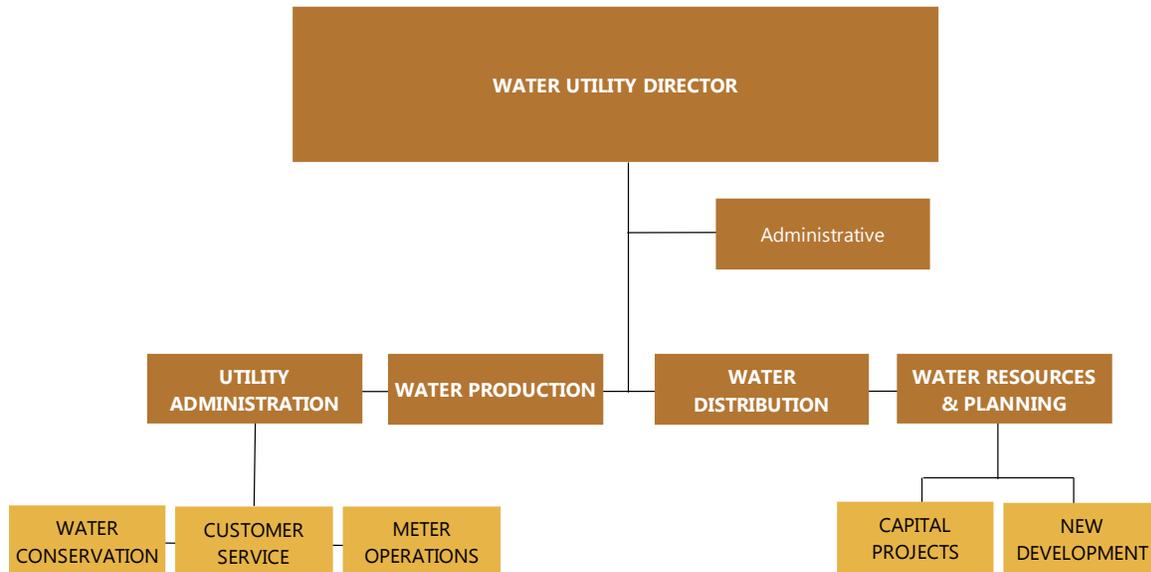
FY 2016/2017 Expenditure Changes

Capital Outlay

Capital outlay budgeted in FY 2017 is for the Police property/ID and southern substation CIP project.

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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 and in sufficient quantity to meet customer demands. 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.

2015-2016 ACCOMPLISHMENTS

- Acquired an additional 756 acre feet of groundwater extinguishments credits
- Delivered a combined total of 2.87 billion gallons of water to utility customers
- 47% of the total deliveries were renewable water supplies
 - 676 million gallons of Central Arizona Project (CAP) water
 - 688 million gallons of reclaimed water
- Utilized our full allocation of 10,305 acre feet of CAP water for potable use and recharge
- Pumped 1,360 acre feet less than the estimated sustainable groundwater production rate
- Took 2,282 water quality samples with all results meeting regulatory requirements
- 157 new metered connections for a total customer base of 19,264
- 424 elementary students participated in the youth conservation education program
- Performed 74 water conservation audits
- Completed the installation of all meters in the advanced metering infrastructure project
- Amended the reclaimed water intergovernmental agreement with Tucson Water

Water Utility

2016-2017 OBJECTIVES

- Acquire additional groundwater extinguishment credits
- Utilize full allocation of CAP water for direct use and recharge
- Conduct long-term planning for future CAP water delivery
- Explore partnering opportunities with other Northwest area water providers to expand future CAP water deliveries
- Partner with Tucson Water to amend the CAP water intergovernmental agreement
- Implement a consumer education program to promote the use of the AquaHawk customer portal for early leak detection and water conservation
- Conduct a water rates analysis to ensure appropriate cost recovery

STRATEGIC PLAN PROGRAM PERFORMANCE					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Community Infrastructure & Services	Continue our commitment to environmental stewardship	Number of voluntary water conservation audits	85	80	80
		Maintain a minimum of three years' worth of reserves in groundwater storage accounts	3.27	3.42	3.73
		Maintain compliance with Arizona Department of Water Resources assured water supply requirements for service area	Yes	Yes	Yes
	Deliver a safe and reliable water system to all Water Utility customers	Maintain compliance with all Arizona Department of Environmental Quality and Arizona Department of Water Resources regulations	Yes	Yes	Yes
		Replace 100% of broken valves within 45 days after identified as broken	100%	100%	100%
		Repair or replace 100% of broken fire hydrants within 7 days after identified as broken	100%	100%	100%

Water Utility

STRATEGIC PLAN PROGRAM PERFORMANCE (CONTINUED)					
Council Strategic Plan Focus Area	Goal/Strategy	Performance Measure	FY 2015 Actual	FY 2016 Estimate	FY 2017 Projected
Fiscal Responsibility	Maintain long-term financial health through diversified revenue sources while strategically investing in community initiatives	Maintain cash reserves in the Water Utility operating fund of at least 20% of the combined total budgeted amounts for personnel, O&M and debt service	83%	68%	40%
		Maintain debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds of at least 1.3	2.4	1.9	1.4

Water Utility

Total FTEs			
FY 2015 Actual	FY 2016		FY 2017 Budget
	Budget	Projected	
37.48	38.48	37.48	39.48

	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Administration	\$ 12,228,254	\$ 12,760,346	\$ 12,224,298	\$ 10,930,969	-14.3%
Water Resources & Planning	1,631,177	2,342,476	2,054,936	4,112,075	75.5%
Production	2,284,460	2,788,464	2,591,795	2,609,998	-6.4%
Distribution	980,598	928,884	893,888	1,109,798	19.5%
	\$ 17,124,489	\$ 18,820,170	\$ 17,764,917	\$ 18,762,840	-0.3%

	FY 2015 Actual	FY 2016		FY 2017 Budget	Variance to Budget
		Budget	Projected		
Charges for Services	\$ 2,990,866	\$ 3,184,200	\$ 2,988,800	\$ 3,043,800	-4.4%
Interest Income	70,275	59,520	59,520	72,000	21.0%
Miscellaneous	54,024	-	13,608	-	0.0%
WIFA Loan Proceeds	2,353,843	1,800,000	1,300,000	-	-100.0%
Water Sales	11,280,574	12,160,500	11,660,941	11,961,395	-1.6%
	\$ 16,749,582	\$ 17,204,220	\$ 16,022,869	\$ 15,077,195	-12.4%

Water Utility – Administration

OVERVIEW

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

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 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	-
Customer Service Supervisor	1.00	1.00	1.00	1.00	-
Meter Operations Supervisor	1.00	1.00	1.00	1.00	-
Water Utility Operator I	5.00	5.00	5.00	5.00	-
Customer Service Specialist	-	4.00	4.00	4.00	-
Customer Service Representative	4.48	0.48	0.48	0.48	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	15.48	15.48	15.48	15.48	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 1,062,682	\$ 1,211,924	\$ 1,211,924	\$ 1,202,455	-0.8%
Operations & Maintenance	3,980,929	4,627,725	4,584,376	4,726,672	2.1%
Capital Outlay	2,312,592	1,918,800	1,456,101	127,615	-93.3%
Debt Service	4,868,932	4,968,867	4,968,867	4,871,285	-2.0%
Other Financing Uses	3,119	33,030	3,030	2,942	-91.1%
Total Expenditures	\$ 12,228,254	\$ 12,760,346	\$ 12,224,298	\$ 10,930,969	-14.3%

FY 2016/2017 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 2.1% due to administrative services, insurance and CAP water purchase and delivery charges.

Capital

Capital decreased 93.3% due to projects completed in FY 2016.

Other Financing Uses

Other Financing Uses decreased 91.1% due to a transfer out to the General Government CIP Fund for potential water-related general Town projects that was budgeted in FY 2016.

Water Utility – Water Resources & Planning

OVERVIEW

The Water Resources and Planning Division is responsible for the planning of additional water resources, managing design and construction of the capital improvement program and new development, construction inspection and the geographic information mapping system.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Engineering Division Manager	1.00	1.00	-	-	(1.00)
Water Resources & Planning Mgr	-	1.00	1.00	1.00	-
Project Manager	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	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	7.00	6.00	6.00	(1.00)

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 531,380	\$ 718,041	\$ 535,561	\$ 569,620	-20.7%
Operations & Maintenance	194,712	204,435	219,575	194,455	-4.9%
Capital Outlay	905,085	1,420,000	1,299,800	3,348,000	135.8%
Total Expenditures	\$ 1,631,177	\$ 2,342,476	\$ 2,054,936	\$ 4,112,075	75.5%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 20.7% due to the elimination of the Engineering Division manager position, which was vacant. This position was replaced with two operator II positions in Distribution.

Operations & Maintenance

Operations & Maintenance decreased 4.9% due to savings in outside professional services.

Capital

Capital increased 135.8% due to additional projects planned for FY 2017, with a significant portion attributable to main relocation projects in coordination with planned roadway improvements.

Water Utility - Production

OVERVIEW

The Production Division oversees the operation and maintenance of all potable and reclaimed water production facilities to include wells, boosters, reservoirs and metering stations. Responsibilities include disinfection systems, security systems, preventative maintenance and on-call/24 hour Supervisory Control & Data Acquisition (SCADA) staffing.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Water Production Superintendent	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	1.00	1.00	1.00	1.00	-
Electric & Control Technician	1.00	1.00	1.00	1.00	-
Water Utility Operator III	5.00	5.00	5.00	5.00	-
Total FTEs	8.00	8.00	8.00	8.00	-

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 558,579	\$ 614,413	\$ 614,413	\$ 632,421	2.9%
Operations & Maintenance	1,689,365	2,001,851	1,816,411	1,965,977	-1.8%
Capital Outlay	36,516	172,200	160,971	11,600	-93.3%
Total Expenditures	\$ 2,284,460	\$ 2,788,464	\$ 2,591,795	\$ 2,609,998	-6.4%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.9% due to merit increases.

Operations & Maintenance

Operations & Maintenance decreased 1.8% due to savings in equipment repair & maintenance.

Capital

Capital decreased 93.3% due to vehicle purchases that were completed in FY 2016.

Water Utility - Distribution

OVERVIEW

The Distribution Division oversees the operation and maintenance of potable and reclaimed water distribution systems, to include, water mains, fire hydrants, air release valves and pressure reducing valves. Responsibilities include water quality, backflow prevention, preventative maintenance and construction of minor water main projects.

Personnel	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Water Distrib. Superintendent	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	3.00	3.00	3.00	3.00	-
Water Utility Operator III	1.00	2.00	2.00	2.00	-
Water Utility Operator II	3.00	2.00	2.00	4.00	2.00
Total FTEs	8.00	8.00	8.00	10.00	2.00

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel	\$ 614,497	\$ 628,644	\$ 612,850	\$ 757,358	20.5%
Operations & Maintenance	145,142	235,440	234,493	225,890	-4.1%
Capital Outlay	220,959	64,800	46,545	126,550	95.3%
Total Expenditures	\$ 980,598	\$ 928,884	\$ 893,888	\$ 1,109,798	19.5%

FY 2016/2017 Expenditure and Staffing Changes

Personnel

Personnel costs increased 20.5% due to two new operator II positions added in FY 2017, which replaced a vacant division manager position in Engineering & Planning.

Operations & Maintenance

Operations & Maintenance decreased 4.1% due to reduced water quality testing costs.

Capital

Capital increased 95.3% due to a dump truck and vehicle purchases budgeted for FY 2017.

Water Utility – Alternative Water Resource Development

OVERVIEW

The Alternative Water Resources Development Impact Fee Fund accounts for expenditures for alternative water resource capital costs and any related debt service. Revenues are received from impact fees. Specific activities include analysis, planning, design and construction of infrastructure required to deliver alternative water resources (Central Arizona Project (CAP) and reclaimed water) to the town.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 58,690	\$ 30,820	\$ 127,131	\$ 136,101	341.6%
Capital Outlay	130,826	-	8,929	100,000	0.0%
Total Expenditures	\$ 189,516	\$ 30,820	\$ 136,060	\$ 236,101	666.1%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Impact Fees	\$ 1,172,170	\$ 1,331,323	\$ 1,117,022	\$ 1,040,089	-21.9%
Interest Income	26,148	19,840	19,840	26,400	33.1%
Total Revenues	\$ 1,198,318	\$ 1,351,163	\$ 1,136,862	\$ 1,066,489	-21.1%

FY 2016/2017 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased approximately \$105,000 or 341.6% to accommodate a study for wheeling additional CAP water through the Tucson Water system, and to account for additional CAP water capital charges.

Capital Outlay

Budgeted capital is for installation of a pressure-sustaining valve and associated piping at the Town's Naranja reservoir, to assist with blending of groundwater with the Water Utility's CAP water.

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Water Utility – Potable Water System Development

OVERVIEW

The Potable Water System Development Impact Fee Fund accounts for expenditures for potable water capital improvements that are growth-related and debt service. Revenues are received from impact fees which are collected and used for repayment of bonds sold to finance the capital projects. Specific activities include design and construction of infrastructure required to deliver potable water to meet the needs of future customers.

Expenditures	FY 2015	FY 2016	FY 2016	FY 2017	Variance to Budget
	Actual	Budget	Projected	Budget	
Capital Outlay	\$ -	\$ -	\$ -	\$ 2,500	0.0%
Debt Service	327,424	331,478	331,478	329,916	-0.5%
Total Expenditures	\$ 327,424	\$ 331,478	\$ 331,478	\$ 332,416	0.3%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Impact Fees	\$ 591,045	\$ 663,207	\$ 530,480	\$ 519,058	-21.7%
Interest Income	28,172	19,840	19,840	28,800	45.2%
Total Revenues	\$ 619,217	\$ 683,047	\$ 550,320	\$ 547,858	-19.8%

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Municipal Debt Service Fund

OVERVIEW

The Municipal Debt Service Fund allocates money for principal and interest payments on the issuance of tax-exempt bonds. The Town has issued bonds for the acquisition of land and construction of buildings to support Town services. This fund also allocates money for principal and interest payments on the Town's Clean Renewable Energy Bonds (CREBs). Repayment of debt is pledged with excise sales tax, state shared revenue and other permit and fee revenues.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Operations & Maintenance	\$ 14,551	\$ 10,000	\$ 57,721	\$ 10,000	0.0%
Debt Service	847,433	881,632	838,865	616,417	-30.1%
Total Expenditures	\$ 861,984	\$ 891,632	\$ 896,586	\$ 626,417	-29.7%

	Revenue Sources				
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Other Financing Sources	\$ 329,627	\$ 655,750	\$ 655,750	\$ 471,472	-28.1%
Federal Grants	64,258	58,238	58,238	54,945	-5.7%
Miscellaneous	100,908	90,000	90,000	90,000	0.0%
Interest Income	60	-	40	-	0.0%
Total Revenues	\$ 494,853	\$ 803,988	\$ 804,028	\$ 616,417	-23.3%

FY 2016/2017 Expenditure Changes

Debt Service

Debt service decreased 30.1% due to refinancing of debt at a lower interest rate.

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Oracle Road Improvement District

OVERVIEW

The Oracle Road Improvement District Debt Service Fund allocates money for principal and interest payments on the issuance of Improvement District Bonds. The Town issued bonds in 2005 to finance the widening of Oracle Road along the Rooney Ranch development. The bonds are repaid by the assessments levied on the property owners in the improvement district.

Expenditures	FY 2015	FY 2016	FY 2016	FY 2017	Variance to Budget
	Actual	Budget	Projected	Budget	
Operations & Maintenance	\$ 2,495	\$ 3,000	\$ 3,000	\$ 3,000	0.0%
Debt Service	175,917	175,153	175,153	178,558	1.9%
Total Expenditures	\$ 178,412	\$ 178,153	\$ 178,153	\$ 181,558	1.9%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Interest Repayments	\$ 46,263	\$ 40,153	\$ 40,153	\$ 33,558	-16.4%
Principal Repayments	131,815	135,000	135,000	145,000	7.4%
Other Financing Sources	2,000	3,000	3,000	3,000	0.0%
Total Revenues	\$ 180,078	\$ 178,153	\$ 178,153	\$ 181,558	1.9%

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Library Impact Fee Fund

OVERVIEW

The Library Impact Fee Fund is used to manage the expenditure of development impact fees dedicated to the Oro Valley Public Library. Library operations were assumed by Pima County effective January 1, 2013; therefore, these fees are no longer collected.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital Outlay	20,000	113,000	51,638	187,000	65.5%
Total Expenditures	\$ 20,000	\$ 113,000	\$ 51,638	\$ 187,000	65.5%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Miscellaneous	\$ -	\$ 30,000	\$ -	\$ 150,000	400.0%
Total Revenues	\$ -	\$ 30,000	\$ -	\$ 150,000	400.0%

FY 2016/2017 Expenditure Changes

Capital Outlay

Budget capital in FY 2017 is for library parking lot improvements. The project will be funded with a \$150,000 donation and the remaining balance of library impact fees available in this fund.

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General Government CIP Fund

OVERVIEW

The General Government CIP Fund is used to account for Capital Improvement Program (CIP) projects that serve a general government or Town-wide purpose. These projects were previously budgeted among various General Fund departments. A separate fund established for this purpose allows for more efficient tracking of project costs and funding.

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Personnel					
Heavy Equipment Operator II	-	-	-	2.40	2.40
Total FTEs	-	-	-	2.40	2.40

	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Expenditures					
Personnel	\$ -	\$ -	\$ -	\$ 137,400	0.0%
Capital Outlay	2,688,407	3,005,000	1,840,770	2,510,600	-16.5%
Total Expenditures	\$2,688,407	\$3,005,000	\$1,840,770	\$2,648,000	-11.9%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Other Financing Sources	\$ 2,610,000	\$ 1,539,000	\$ 1,119,177	\$ 1,867,000	21.3%
State Grants	-	81,000	-	81,000	0.0%
Total Revenues	\$2,610,000	\$1,620,000	\$1,119,177	\$1,948,000	20.2%

FY 2016/2017 Expenditure Changes

Personnel

Personnel budgeted in FY 2017 will assist with the construction of two, new multi-use fields at Naranja Park.

Capital Outlay

Capital outlay decreased 16.5% based on available funding and due to projects completed in FY 2016.

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Energy Efficiency Project Fund

OVERVIEW

The Energy Efficiency Project Fund is a new fund for FY 2017 and will be used to account for the energy efficiency project at the Town's Community Center. The project consists of replacement of aged HVAC units, evaporative coolers, lighting retrofits, hot water heater, pool heater and pump replacements and an irrigation system replacement, as well as installation of solar photovoltaic panels in the facility parking lot. The project is budget neutral with no need for upfront funding from the Town, as improvements will be financed over a set period of time, and energy savings from the project will be used to pay the financing costs of the project.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Capital Outlay	\$ -	\$ -	\$ -	\$ 3,000,000	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$3,000,000	0.0%

	Revenue Sources				
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Other Financing Sources	\$ -	\$ -	\$ -	\$ 3,000,000	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$3,000,000	0.0%

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Capital Project Bond Fund

OVERVIEW

The Capital Project Bond Fund is a new fund for FY 2017 and will be used to account for the possible issuance of bonds to fund additional park capital infrastructure.

Expenditures	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	Variance to Budget
Capital Outlay	\$ -	\$ -	\$ -	\$ 5,000,000	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$5,000,000	0.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Other Financing Sources	\$ -	\$ -	\$ -	\$ 5,000,000	0.0%
Total Revenues	\$ -	\$ -	\$ -	\$5,000,000	0.0%

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Benefit Self Insurance Fund

OVERVIEW

The Benefit Self Insurance Fund is used to manage costs related to the Town's self-funding of health and dental insurance, the employee onsite health clinic and Affordable Care Act (ACA) compliance fees.

Expenditures	FY 2015	FY 2016	FY 2016	FY 2017	Variance to Budget
	Actual	Budget	Projected	Budget	
Operations & Maintenance	\$ 2,820,538	\$ 2,860,400	\$ 2,860,400	\$ 3,030,740	6.0%
Capital Outlay	5,905	-	-	-	0.0%
Total Expenditures	\$ 2,826,443	\$ 2,860,400	\$ 2,860,400	\$ 3,030,740	6.0%

	Revenue Sources				Variance to Budget
	FY 2015 Actual	FY 2016 Budget	FY 2016 Projected	FY 2017 Budget	
Self Insurance Premiums	\$ 2,466,096	\$ 2,718,400	\$ 2,718,400	\$ 2,897,550	6.6%
Miscellaneous	20,000	142,000	142,000	133,190	-6.2%
Total Revenues	\$ 2,486,096	\$ 2,860,400	\$ 2,860,400	\$ 3,030,740	6.0%

FY 2016/2017 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 6% due to premium increases.

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CAPITAL IMPROVEMENT PROGRAM

- Program Overview
- Projects by Fund
- Map of Projects
- Project Descriptions



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 handles infrastructure issues.

The Capital Improvement Program (CIP) is a comprehensive, fifteen-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 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

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.

Due to one-time permitting and construction revenues (that fund some of the Town's CIP projects) trending below budget in FY 15/16, the CIP process was condensed for FY 16/17. Projects were limited to those with highest Council priority, as well as rollover projects or those with dedicated or outside funding. The following information details the standard CIP process that is typically followed to solicit, rank and recommend new projects for inclusion into the CIP.

CIP Process and Timeline

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

December:	CIP request forms provided to department directors Department requests due Cost analysis performed, forms edited
January:	CIP packets and evaluation forms distributed Meeting scheduled to present and evaluate project requests
February:	Project rankings due Meeting scheduled to evaluate project rankings CIP recommendations finalized

Capital Improvement Program

April:	Budget study sessions to present Budget and CIP to Mayor and Council
May:	Adoption of Tentative Budget and CIP
June:	Adoption of Final Budget and CIP

Project Evaluation Criteria

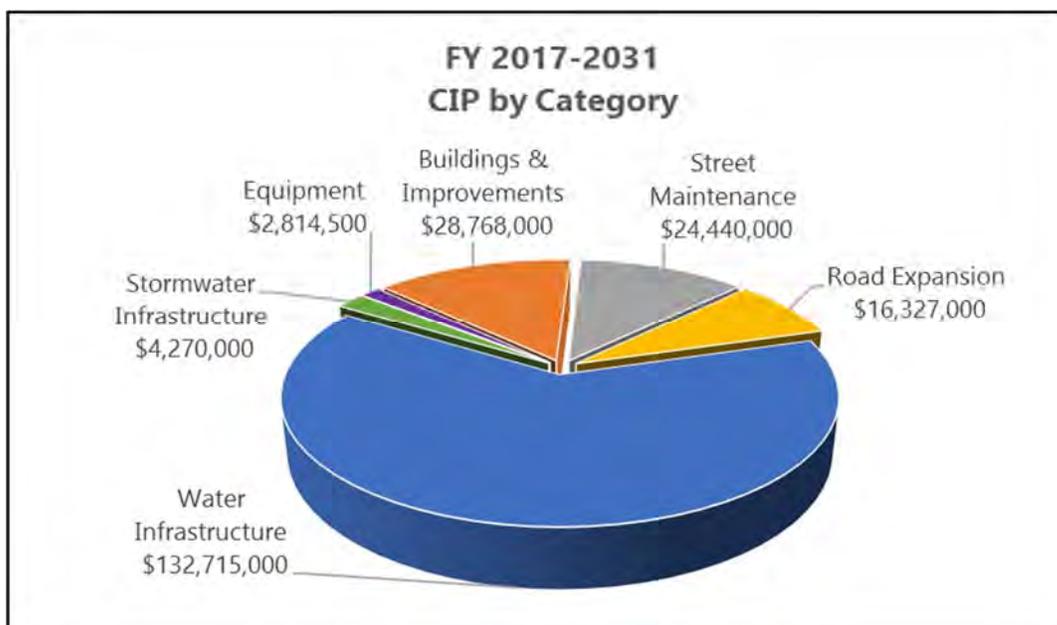
Critical to the selection of the CIP projects are the criteria by which projects are assessed and evaluated. The evaluation criteria guide the review and ranking committee in their selection of the projects to be funded. The evaluation criteria areas are as follows:

- Public Health, Safety and Welfare
- Supports Stated Community Goals
- Fiscal Impact
- Service Level Impact
- Legal Ramifications
- Relationship to Other Projects

Only projects budgeted in the General Government CIP Fund are subject to the evaluation criteria. These projects receive their funding from the General Fund. Projects funded from the remaining Town Funds, such as the Highway Fund, impact fee funds and the Water Utility Fund are deemed vital and necessary to the Town’s infrastructure. Furthermore, these funds are either self-sustaining, receive funding from outside sources, such as the Pima Association of Governments and other governmental agencies and jurisdictions, or have dedicated revenues that specify the use of the funds.

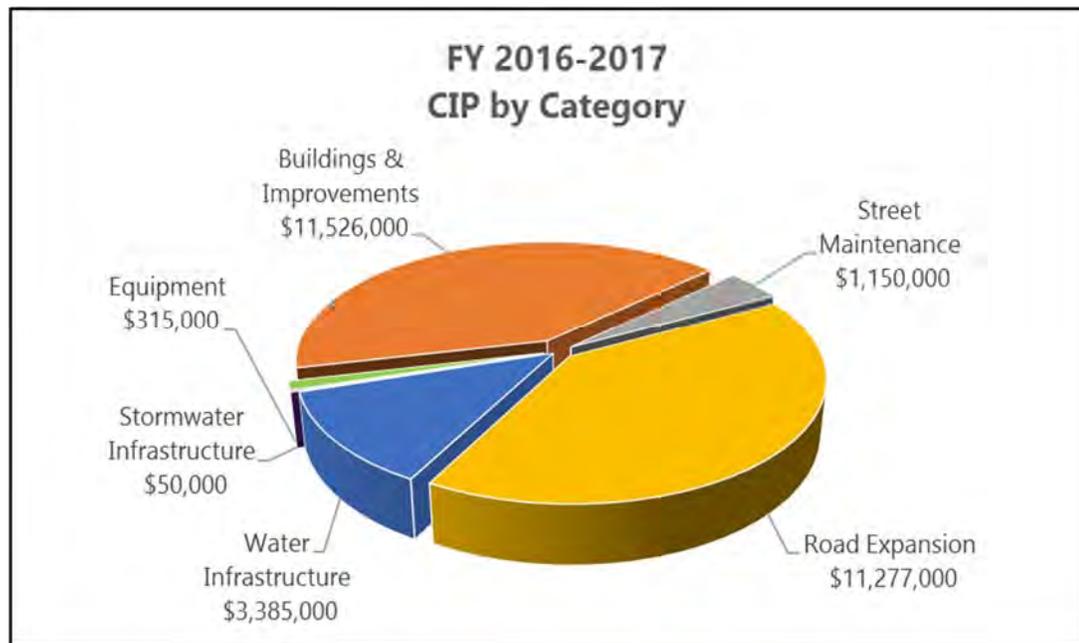
Capital Improvement Program Summary

The cumulative fifteen-year CIP for the Town of Oro Valley totals \$209,334,500 for fiscal years 2016-17 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 16/17 budget is \$27,703,000. The graph below shows the allocations by category. The projects included in the FY 16/17 CIP reflect the needs of the Town based on goals established in both the General and Strategic Plans. The projects represent a significant investment in the infrastructure of the Town and attempt to meet the needs of the community.



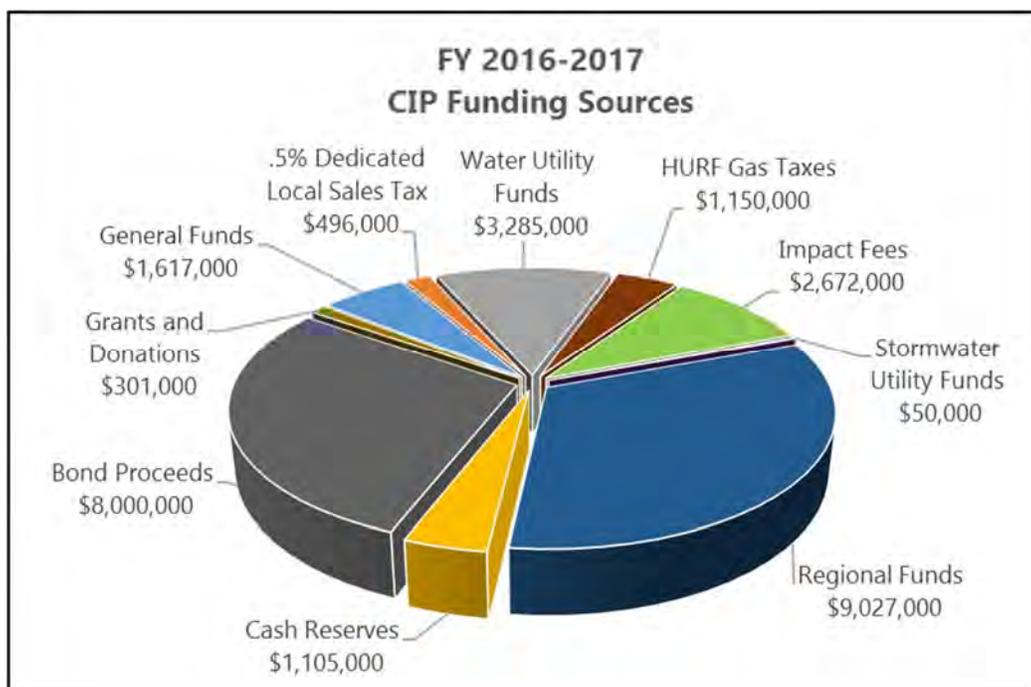
Financing the Capital Improvement Program

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 preferred 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. 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 16/17 CIP totals \$27,703,000 and 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 Community Development and Public Works 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 2017-2031 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. Current economic conditions place an even greater emphasis 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 16/17 CIP on the Town's operating budget:

Project	Impact	Impact \$ Annually
Improvements at 680 Calle Concordia	Maintenance and utilities costs	\$9,400
Transit Scheduling Software/Mobility Data System	Maintenance savings	(\$600)
Two New Multi-Use Fields at Naranja Park	Personnel, utilities and maintenance costs; net of field rental revenues	\$87,500
Two New Olympic Pool Heaters at Aquatic Center	Maintenance and repair savings	(\$7,500)
Police Property/ID & Southern Substation Building	Savings in lease costs; net of building maintenance costs	(\$18,800)
Side Cast Sweeper	Maintenance and repair savings	(\$1,200)
Infrastructure Asset Management Software	Software licensing, data entry personnel costs	\$37,500
Elevator and New Entryway at Community Center	Energy, maintenance and inspection costs	\$2,200
La Cañada Crosswalk Signals at Community Center	Maintenance and electricity costs	\$3,450
Library Parking Lot Enhancements	Maintenance and electricity costs	\$2,200
Well E2 Upgrade	Electricity savings	(\$1,500)
Hydropneumatic Tank Replacement	Maintenance savings	(\$1,000)
Replace Well Pumps	Electricity savings	(\$2,000)
Water Quality Control Program	Electricity costs	\$500
West Lambert Lane 12-Inch Main Relocation	Maintenance savings	(\$1,000)
Relocate Three Pressure-Reducing Valves	Servicing and maintenance savings	(\$1,000)
Main Valve Replacements	Maintenance savings	(\$500)
Dump Truck	Maintenance savings	(\$1,500)
Total		\$106,150

Note: This list represents projects that were approved for funding in FY 16/17 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.

Summary

Projects included in the FY 16/17 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.

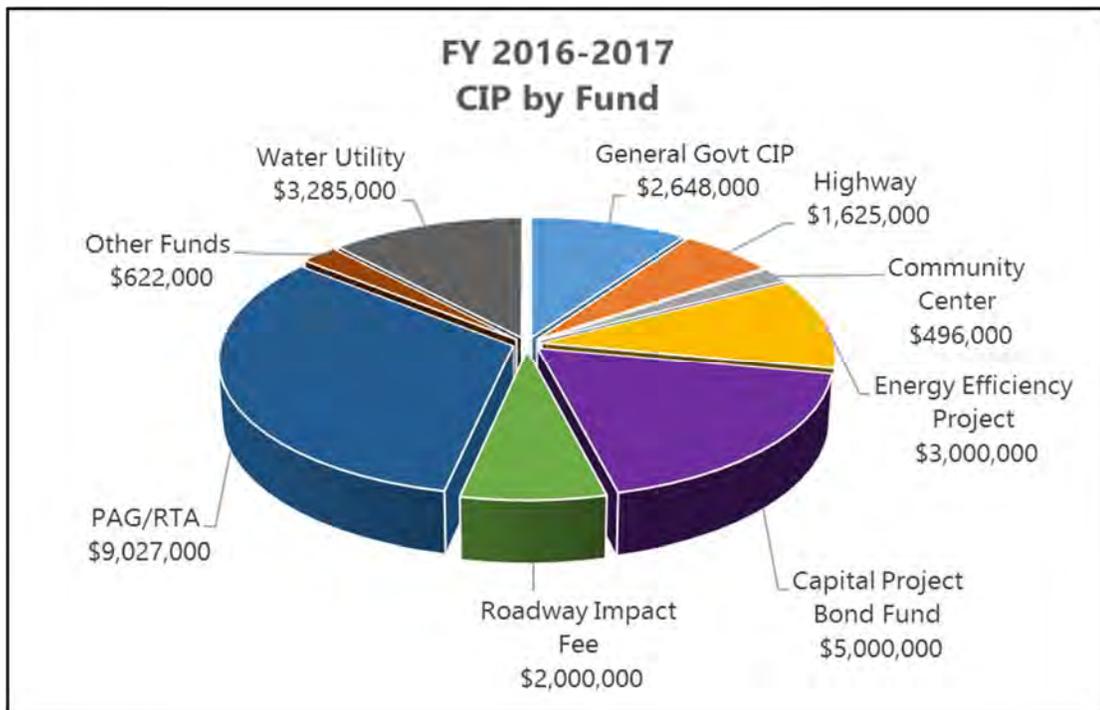
The FY 16/17 CIP attempts to meet the priority needs of the community, at the same time maintaining financial sustainability in future years. The plan as submitted is financially feasible and many of the projects included can be expected to be complete before the end of the fiscal year. As Town priorities 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.

Capital Improvement Program

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.

Table 1 below shows the fifteen-year CIP by fund:

Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
General Government CIP	\$ 2,648,000	\$ 1,905,000	\$ 1,375,000	\$ 6,270,000	\$ 1,005,000	\$ 3,691,500
Highway	1,625,000	1,350,000	1,405,000	6,905,000	7,200,000	5,955,000
Community Center	496,000	275,000	420,000	2,420,000	1,850,000	600,000
Energy Efficiency Project	3,000,000	-	-	-	-	-
Capital Project Bond Fund	5,000,000	-	-	-	-	-
Roadway Impact Fee	2,000,000	800,000	500,000	700,000	-	-
PAG/RTA	9,027,000	-	3,075,000	75,000	75,000	75,000
Police Impact Fee	285,000	-	-	-	-	-
Library Impact Fee	187,000	-	-	-	-	-
Fleet	-	-	100,000	55,000	-	-
Water Utility	3,285,000	1,170,000	670,000	6,260,000	5,260,000	3,290,000
Alternative Water Resource Impact Fee	100,000	-	400,000	12,530,000	27,800,000	49,000,000
Potable Water System Impact Fee	-	-	-	4,250,000	4,450,000	14,250,000
Stormwater Utility	50,000	1,010,000	385,000	1,060,000	925,000	840,000
Total All Funds	\$ 27,703,000	\$ 6,510,000	\$ 8,330,000	\$ 40,525,000	\$ 48,565,000	\$ 77,701,500



Capital Improvement Program

Table 2 below identifies the General Government CIP Fund projects for Fiscal Years 2017-2031:

General Government CIP Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Improvements at 680 Calle Concordia Facilities	\$ 50,000	\$ 125,000	\$ 75,000	\$ 130,000	\$ -	\$ -
Transit Scheduling Software and Mobility Data System	90,000	-	-	-	-	-
Two Additional Multi-Use Fields at Naranja Park	350,000	380,000	-	-	-	-
New Playground at Naranja Park	-	-	200,000	195,000	-	-
Playground Additions/Upgrades at Riverfront Park	-	-	-	200,000	-	-
Renovate Upper Soccer Field at Riverfront Park	-	-	-	200,000	-	-
Convert Lower Soccer Field to Softball at Riverfront Park	-	-	-	200,000	-	-
Playground Upgrade at JDK Park	-	-	-	200,000	-	-
New Ramadas at JDK Park	-	-	100,000	200,000	-	-
Expand and Upgrade Green Field at JDK Park	-	-	-	150,000	-	-
Honeybee Canyon Park Upgrades	-	-	-	150,000	-	-
Town Hall Parking Lot Landscaping	-	-	-	75,000	-	-
Replacement Phone System	-	-	-	-	300,000	-
Town Backups	-	-	-	200,000	-	-
Server Operating System Upgrade	-	-	-	50,000	60,000	70,000
Network Storage Upgrade	-	-	50,000	60,000	-	72,000
Database Licensing	-	-	-	80,000	85,000	93,500
Upgrade Desktop Operating System - Windows 10	-	150,000	-	-	200,000	220,000
Virtual Server Host System Replacement	-	-	-	60,000	60,000	66,000
Replace Network Infrastructure Hardware	-	-	-	50,000	200,000	-
Fiber-Optic Connection - Calle Concordia	-	50,000	-	-	-	-
IT Regulatory Compliance	-	-	-	50,000	100,000	-
Court Building Expansion and Bench Redesign	-	250,000	200,000	200,000	-	-
Replace Olympic Pool Heater at Aquatic Center	148,000	-	-	-	-	-
Improvements at Steam Pump Ranch	-	-	150,000	-	-	-
Mobile Stage	-	-	-	150,000	-	-
El Conquistador Country Club & Golf Course Acquisition	350,000	350,000	-	-	-	-
Property/ID and Southern Substation Building	1,660,000	600,000	600,000	-	-	-
New Substation and Training Facility at MOC	-	-	-	3,170,000	-	-
Substation and Training Facility (Arroyo Grande)	-	-	-	-	-	3,170,000
Replace Command Post	-	-	-	300,000	-	-
Expand Communications Infrastructure	-	-	-	200,000	-	-
Total	\$ 2,648,000	\$ 1,905,000	\$ 1,375,000	\$ 6,270,000	\$ 1,005,000	\$ 3,691,500

Capital Improvement Program

Table 3 below identifies the Highway Fund projects for Fiscal Years 2017-2031:

Highway Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Side Cast Sweeper	\$ 85,000	\$ -	\$ -	\$ -	\$ -	\$ -
Skidsteer with Attachments & Level Best	90,000	-	-	-	-	-
5-7 Cubic Yard Bobtail End Dump	-	-	-	-	90,000	-
3 - 3.5 Cubic Yard Loader	-	-	-	175,000	75,000	-
12+ Cubic Yard End Dump	-	-	-	145,000	-	145,000
Rubber Tire Small Skid Steer LDR	-	-	-	-	65,000	-
4000 Gallon Water Truck	-	-	-	110,000	-	-
9-Wheel Roller	-	-	-	80,000	-	-
3 Line Message Board	-	-	-	25,000	-	25,000
Steel Drum Roller	-	-	-	50,000	-	-
Gannon & Mower	-	-	-	80,000	-	-
Wood Chipper	-	-	-	-	65,000	-
Crack Seal Melter	-	-	-	-	190,000	-
Motorgrader/Blade	-	-	-	-	350,000	-
4X4 Extended Backhoe	-	-	-	-	90,000	100,000
Compressor	-	-	-	-	40,000	-
Walk Behind Roller	-	-	-	-	45,000	-
Polymer Crack sealer	-	-	-	-	-	5,000
Vacuum Excavator	-	-	-	-	-	80,000
Excavator	-	-	-	260,000	70,000	-
Dozer	-	-	-	260,000	70,000	-
Tracked Skid Steer with Attachments	-	-	-	-	100,000	-
10 Wheel Tractor w/Day Cab	-	-	-	-	115,000	-
Belly Dump	-	-	-	-	75,000	-
Rock End Dump	-	-	-	-	75,000	-
Low Boy Trailer	-	-	-	-	75,000	-
Pavement Preservation Program	1,150,000	1,250,000	1,250,000	5,000,000	5,000,000	5,000,000
Illuminated Street Signs (2 Intersections per Year)	-	-	55,000	220,000	110,000	-
Sidewalk Safety Program	-	-	-	200,000	500,000	600,000
Tangerine Access to Safeway (1st Ave) - Safety	250,000	-	-	-	-	-
Infrastructure Asset Management Software	50,000	-	-	-	-	-
Rancho Vistoso Boulevard Street Lights (cr 1 & 3)	-	100,000	100,000	300,000	-	-
Total	\$ 1,625,000	\$ 1,350,000	\$ 1,405,000	\$ 6,905,000	\$ 7,200,000	\$ 5,955,000

Capital Improvement Program

Table 4 below identifies the Community Center Fund projects for Fiscal Years 2017-2031:

Community Center Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Golf Course Cart Path Improvements	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Tennis Court Improvements	50,000	50,000	50,000	200,000	50,000	-
Elevator and New Entryway at Community Center	331,000	-	-	-	-	-
New Family/Teen Game Room at Community Center	65,000	-	-	-	-	-
Restrooms, Bleachers, ADA Upgrades - Pusch Tennis	-	75,000	-	-	-	-
Fitness Lobby Remodel at Community Center	-	-	-	300,000	-	-
Stone-Cladding - Restaurant Columns and Hearth	-	-	-	60,000	-	-
Pool Decking and Lifeguard/Tennis Office Upgrades	-	50,000	-	-	-	-
Disposition of Little Pool & Jacuzzi - Possible Splash Pad	-	-	80,000	-	-	-
Restroom/Locker/Changing Room Reconfiguration	-	-	-	200,000	-	-
Opening of Racquetball Court Walls-Main Fitness Area	-	-	-	400,000	-	-
Construct Mezzanine Layer for Six Racquetball Courts	-	-	-	260,000	-	-
Front Lobby Reconfiguration	-	-	90,000	-	-	-
Replace Tennis Court Asphalt With Concrete	-	-	-	-	1,200,000	-
Fitness Hallway Roof and Porte Cochere	-	-	-	50,000	-	-
Golf Maintenance Facility Improvements	-	-	-	150,000	-	-
Golf Course Irrigation Replacement	-	50,000	150,000	800,000	600,000	600,000
Total	\$ 496,000	\$ 275,000	\$ 420,000	\$ 2,420,000	\$ 1,850,000	\$ 600,000

Table 5 below identifies the Energy Efficiency Project Fund projects for Fiscal Years 2017-2031:

Energy Efficiency Project Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Energy Efficiency Project at Community Center	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

Table 6 below identifies the Capital Project Bond Fund projects for Fiscal Years 2017-2031:

Capital Project Bond Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Bond-Funded Park Infrastructure Budget Capacity	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -

Capital Improvement Program

Table 7 below identifies the Roadway Impact Fee Fund projects for Fiscal Years 2017-2031:

Table 7	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Roadway Impact Fee Fund						
Lambert Lane from La Cañada to Rancho Sonora	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
Tangerine Road from La Cañada to Shannon	1,000,000	-	-	-	-	-
La Cholla Blvd from Overton to Tangerine	-	800,000	-	-	-	-
Traffic Light at La Cañada and Moore	-	-	-	700,000	-	-
Naranja Drive Two-Way Left Turn (at Naranja Park)	-	-	500,000	-	-	-
Total	\$ 2,000,000	\$ 800,000	\$ 500,000	\$ 700,000	\$ -	\$ -

Table 8 below identifies the PAG/RTA Fund projects for Fiscal Years 2017-2031:

Table 8	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
PAG/RTA Fund						
Lambert Lane from La Cañada to Rancho Sonora	\$ 5,517,000	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Art by Youth Program	-	-	75,000	75,000	75,000	75,000
Tangerine Road from La Cañada to Shannon	1,710,000	-	3,000,000	-	-	-
La Cañada Moore Intersection Study	50,000	-	-	-	-	-
La Cañada Crosswalk Signals - Community Center	250,000	-	-	-	-	-
La Cholla Blvd from Overton to Tangerine	1,500,000	-	-	-	-	-
Total	\$ 9,027,000	\$ -	\$ 3,075,000	\$ 75,000	\$ 75,000	\$ 75,000

Table 9 below identifies the Police Impact Fee Fund projects for Fiscal Years 2017-2031:

Table 9	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Police Impact Fee Fund						
Property/ID and Southern Substation Building	\$ 285,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 285,000	\$ -	\$ -	\$ -	\$ -	\$ -

Table 10 below identifies the Library Impact Fee Fund projects for Fiscal Years 2017-2031:

Table 10	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Library Impact Fee Fund						
Library Parking Lot Enhancements	187,000	-	-	-	-	-
Total	\$ 187,000	\$ -	\$ -	\$ -	\$ -	\$ -

Table 11 below identifies the Fleet Fund projects for Fiscal Years 2017-2031:

Table 11	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Fleet Fund						
680 Calle Concordia Fueling Facility Upgrade	\$ -	\$ -	\$ -	\$ 55,000	\$ -	\$ -
Maintenance Service Truck	-	-	100,000	-	-	-
Total	\$ -	\$ -	\$ 100,000	\$ 55,000	\$ -	\$ -

Capital Improvement Program

Table 12 below identifies the Water Utility Fund projects for Fiscal Years 2017-2031:

Water Utility Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Steam Pump Drill and Construct	\$ -	\$ -	\$ -	\$ 1,600,000	\$ -	\$ -
Steam Pump - Solar 10,000 Watt System	-	-	-	50,000	-	-
Well Meter Replacement	-	-	-	200,000	-	50,000
Well E2 Upgrade	150,000	-	-	-	-	-
Well Production Modifications	-	50,000	50,000	100,000	-	-
Well Replacement Program	-	-	-	-	1,700,000	700,000
Hydropneumatic Tank Replacement (Wells)	60,000	60,000	60,000	-	-	-
Replace Well Pumps	75,000	-	75,000	200,000	200,000	200,000
El Con Storage - Operational Improvements	-	50,000	-	-	-	-
Water Quality Control Program	70,000	-	-	-	-	-
WP 4 Site Improvements	-	50,000	-	-	-	-
Glover Reservoir Coating & Lining	100,000	-	-	-	-	-
Big Wash Reservoir Coating	100,000	-	-	-	-	-
High Mesa E and F Zone Bstr. Enhancements	-	-	-	50,000	-	-
Replace Crimson Canyon Booster Station	-	-	-	250,000	-	-
Hydropneumatic (HP) Tank Replacement (Boosters)	-	60,000	60,000	60,000	-	-
Booster Station Modifications	-	50,000	50,000	100,000	-	-
Add Reclaimed Booster Pump Thornydale (Tucson Water)	200,000	-	-	-	-	-
West Lambert Lane 12-Inch Main Relocation	600,000	-	-	-	-	-
Relocate Three Pressure-Reducing Valves OV Area	100,000	-	-	-	-	-
System Connection Upgrades	50,000	-	-	-	-	-
Rancho Verde Hydrants	-	200,000	-	-	-	-
Main Valve Replacements	50,000	50,000	50,000	50,000	-	-
La Cholla - Lambert to Tangerine Main Relocation	70,000	500,000	-	-	-	-
24-Inch Reclaimed Main Relocation - Tangerine Road	1,500,000	-	-	-	-	-
Hilton Hotel & Casitas Main Replacement	-	-	100,000	2,000,000	-	-
Oro Valley Community Center Main Replacement	-	-	-	600,000	-	-
Linda Vista Citrus Tracts Main Replacement	-	-	-	750,000	-	-
Pusch Ridge Estates Main Replacement	-	-	-	-	1,000,000	-
Monte Del Oro Main Replacement	-	-	-	-	1,200,000	-
Rancho Verde Main Replacement	-	-	-	-	800,000	800,000
Rancho Felix Main Replacement	-	-	-	-	-	800,000
Wall Upgrades and Improvements	-	-	75,000	-	100,000	200,000
Production Facility Building Retrofit	80,000	100,000	-	-	-	-
SCADA Server and Monitors	-	-	50,000	-	50,000	50,000
SCADA Legacy Replacement	-	-	100,000	-	100,000	100,000
Instrumentation Replacement	-	-	-	250,000	-	250,000
Construction Equipment - Backhoe and Trailer	-	-	-	-	-	140,000
Dump Truck	80,000	-	-	-	110,000	-
Total	\$ 3,285,000	\$ 1,170,000	\$ 670,000	\$ 6,260,000	\$ 5,260,000	\$ 3,290,000

Capital Improvement Program

Table 13 below identifies the Alternative Water Resources Development Impact Fee Fund projects for Fiscal Years 2017-2031:

Alternative Water Resources Impact Fee Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Central Arizona Project (CAP) Water Improvements						
CAP La Cholla D-E Blending Booster Station	\$ -	\$ -	\$ -	\$ 700,000	\$ -	\$ -
CAP Wheeling Tucson Water Naranja 1000 AF/Yr	-	-	400,000	400,000	-	-
24-Inch Pipe Naranja/ La Cholla/Tangerine	-	-	-	2,800,000	-	-
Tucson Water Naranja Booster Station Upgrade	-	-	-	1,200,000	-	-
E-C Pressure-Sustain Valve Naranja Reservoir CAP Blending	100,000	-	-	-	-	-
Tucson Water Oasis Booster Station Upgrades	-	-	-	100,000	-	-
Tucson Water 12-Inch Pipe	-	-	-	880,000	-	-
Tucson Water 16-Inch Pipe Oasis Road	-	-	-	1,100,000	-	-
Wheeling Tucson Water Naranja 500 AF/Year	-	-	-	800,000	-	-
24-Inch Pipe La Cholla/Tangerine to La Cañada	-	-	-	2,500,000	-	-
Steam Pump C-D Booster Station	-	-	-	1,200,000	-	-
Big Wash D-E Booster Station	-	-	-	800,000	-	-
Inlet/Outlet Modification at Allied Signal Reservoir	-	-	-	50,000	-	-
5,000 AF/Year	-	-	-	-	500,000	-
16-Inch Pipe 1st Ave Tangerine	-	-	-	-	3,000,000	700,000
PRV Feed to E Zone Tangerine/La Cañada	-	-	-	-	50,000	-
PRV Feed to E Zone Tangerine/1st. Ave	-	-	-	-	50,000	-
E-F Booster Station La Cañada Reservoir	-	-	-	-	1,400,000	-
Lower Santa Cruz Recharge & Recovery (1,500 AFY)	-	-	-	-	900,000	-
3-Recovery Wells & Delivery to WTP	-	-	-	-	4,000,000	500,000
Water Treatment RR, Chlorination	-	-	-	-	1,400,000	1,000,000
Delivery, Storage, A-C Booster, C-E Booster	-	-	-	-	16,000,000	20,000,000
7 - Recovery Wells	-	-	-	-	500,000	5,500,000
Water Treatment and Reverse Osmosis	-	-	-	-	-	6,000,000
Concentrate Management	-	-	-	-	-	13,000,000
16-Inch Pipe Naranja/ La Cholla to Reservoir	-	-	-	-	-	2,300,000
Total	\$ 100,000	\$ -	\$ 400,000	\$ 12,530,000	\$ 27,800,000	\$ 49,000,000

Capital Improvement Program

Table 14 below identifies the Potable Water System Development Impact Fee Fund projects for Fiscal Years 2017-2031:

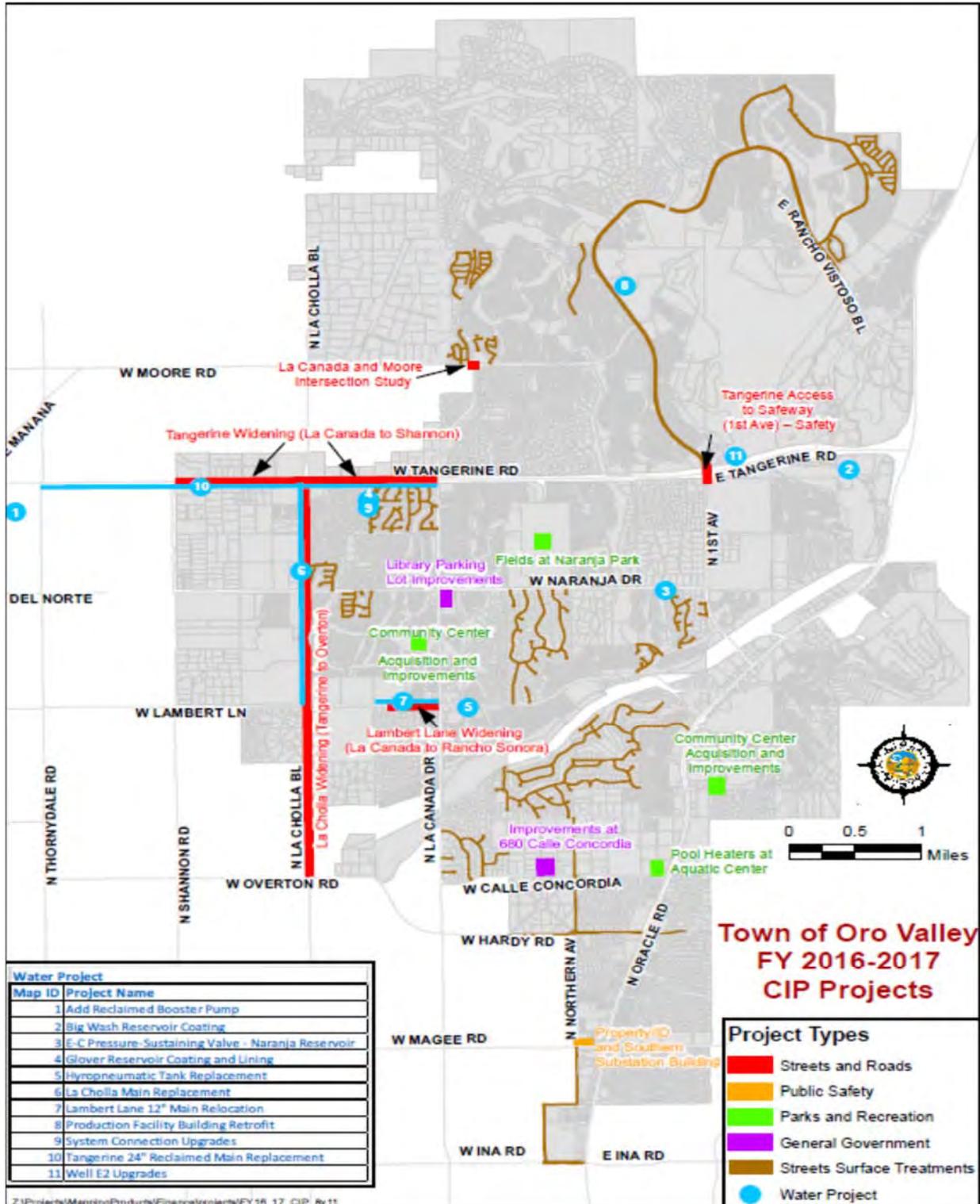
Potable Water System Impact Fee Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Expansion Related Improvements						
Property Acquisition C Zone Reservoir	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -
Booster Station C Zone	-	-	-	450,000	-	-
1.0 MG Reservoir C Zone	-	-	-	1,650,000	-	-
New 16-Inch Main C Zone Connection	-	-	-	1,650,000	-	-
Property Acquisition F Zone Reservoir (Oracle Rd)	-	-	-	-	250,000	-
New 16-Inch Main N. Oracle Rd. F Zone Connection	-	-	-	-	3,300,000	-
1.0 MG F Zone Reservoir - N. Oracle Rd.	-	-	-	-	250,000	2,500,000
N. Oracle Rd. H Zone Booster Station	-	-	-	-	150,000	600,000
New 12-Inch H Zone Main Sun City	-	-	-	-	150,000	1,500,000
New 16-Inch G Zone Main	-	-	-	-	-	2,200,000
Property Acquisition Tortolita G Zone Reservoir	-	-	-	-	250,000	-
Property Acquisition Chalk Creek H Zone Reservoir	-	-	-	-	-	200,000
2.0 MG Reservoir Tortolita G Zone	-	-	-	-	-	2,250,000
Booster Station G-H Zone Tortolita	-	-	-	-	-	550,000
0.5 MG Reservoir H Zone Chalk Creek	-	-	-	-	-	1,150,000
New 16-Inch H Zone Main	-	-	-	-	-	2,200,000
New 16-Inch Chalk Creek H Zone Main	-	-	-	-	100,000	1,100,000
Total	\$ -	\$ -	\$ -	\$ 4,250,000	\$ 4,450,000	\$ 14,250,000

Table 15 below identifies the Stormwater Utility Fund projects for Fiscal Years 2017-2031:

Stormwater Utility Fund	Fiscal Year					
	16/17	17/18	18/19	19/20 - 22/23	23/24 - 26/27	27/28 - 30/31
Side Cast Sweeper - Replacements	\$ -	\$ -	\$ 85,000	\$ -	\$ 85,000	\$ -
Street Sweeper - Broom Bear - Replacement (2)	-	240,000	-	240,000	240,000	-
4.5 Cubic Yard Wheel Loader - Lease Payment	50,000	50,000	-	-	-	-
10 Wheel End Dump Truck - Replacement	-	-	-	110,000	-	-
Neff Property Improvements - Wash Behind Fry's	-	80,000	-	-	-	-
<i>UNFUNDED - UNPROGRAMMED</i>						
Shadow Mountain Estate Wash Repair	-	200,000	-	-	-	-
Naranja Drainage Improvement (East of Shannon Rd)	-	340,000	-	-	-	-
Carmack Wash Drainage Improvements	-	-	200,000	-	-	-
Moore Road Drainage Improvements	-	-	-	160,000	-	-
Pistachio/Pomegrante Drainage Improvements	-	-	-	30,000	-	-
Peglar Wash Drainage Improvements	-	-	-	-	200,000	-
Lambert at Casas Entrance Drainage Improvements	-	-	-	120,000	-	-
Shannon Road Drainage Improvements	-	-	-	-	-	140,000
Drainage Improvement Project (Annexed Area)	-	-	-	-	-	300,000
Low Water Crossings	-	100,000	100,000	400,000	400,000	400,000
Total	\$ 50,000	\$ 1,010,000	\$ 385,000	\$ 1,060,000	\$ 925,000	\$ 840,000

Capital Improvement Program

The Town of Oro Valley map below identifies the location of some of the projects scheduled for FY 2017:



CIP – Project Descriptions

The following are detailed descriptions of all the projects budgeted for Fiscal Year 2016-2017:

PROJECT TITLE: Improvements at 680 Calle Concordia

PROJECT DESCRIPTION: Construct perimeter wall, add transit parking and security enclosure and add ADA-compliant restroom facilities at the Town's 680 Calle Concordia property

PROJECT JUSTIFICATION: Improvements will better integrate the property into the surrounding neighborhood, meet employee needs at the property, and provide needed, secure parking space for transit operations



SOURCES OF FUNDING:

		BUDGETED PROJECT COSTS:			
		Pre 2017	2017	Future	Total
		Expenditures	Projected	Expenditures	Budget
General Fund	\$ 380,000	Design		\$ 10,000	\$ 10,000
		Construction	50,000	320,000	370,000
Total	\$ -	Total Project Costs	\$ 50,000	\$ 330,000	\$ 380,000

Post Project Annual Operating Impact

Maintenance and utilities costs	\$ 9,400
Total Annual Operating Impact	\$ 9,400

PROJECT TITLE: Transit Scheduling Software and Mobility Data System

PROJECT DESCRIPTION: Upgrade scheduling software and purchase mobility data system to improve overall performance, customer service and efficiency of transit service delivery

PROJECT JUSTIFICATION: Supports the strategy of improving transportation infrastructure as outlined in the Strategic Plan



SOURCES OF FUNDING:

		BUDGETED PROJECT COSTS:			
		Pre 2017	2017	Future	Total
		Expenditures	Projected	Expenditures	Budget
ADOT Grant	\$ 81,000	Equipment	\$ 67,000		\$ 67,000
General Fund	9,000	Licensing & Implementation	23,000		23,000
Total	\$ 90,000	Total Project Costs	\$ 90,000	\$ -	\$ 90,000

Post Project Annual Operating Impact

Maintenance Savings	\$ (600)
Total Annual Operating Impact	\$ (600)

CIP – Project Descriptions

PROJECT TITLE: Two Additional Multi-Use Fields at Naranja Park

PROJECT DESCRIPTION: Construct two new unlit multi-use grass fields with irrigation, under-drainage system, fencing and conduit for future lighting

PROJECT JUSTIFICATION: Provides additional daytime field capacity at Naranja Park, provides layover space when primary lit fields are offline, provides event space at the park and meets key goals outlined in Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
General Fund	\$	380,000		\$ 212,600	\$ 317,400	\$ 530,000
Parks & Rec Impact Fees		250,000		137,400	62,600	200,000
Bed Taxes		100,000				
Total	\$	730,000	Total Project Costs	\$ -	\$ 350,000	\$ 380,000
						\$ 730,000

Post Project Annual Operating Impact

Personnel, Utilities and Maintenance Costs	\$	120,000
Field Rental Revenues		(32,500)
Total Annual Operating Impact	\$	87,500

PROJECT TITLE: Replace Olympic pool heater at Aquatic Center

PROJECT DESCRIPTION: Replace malfunctioning heater in the Olympic pool at the Aquatic Center with two new heaters

PROJECT JUSTIFICATION: Maintain consistent pool temperature year-round, improved patron retention, improved competition/event attraction, avoidance of costly service and repair needs, free up staff time to allow for more focus on pool safety duties



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
General Fund	\$	148,000		\$ 95,000		\$ 95,000
				53,000		53,000
Total	\$	148,000	Total Project Costs	\$ -	\$ 148,000	\$ -
						\$ 148,000

Post Project Annual Operating Impact

Maintenance and Repair Savings	\$	(7,500)
Total Annual Operating Impact	\$	(7,500)

CIP – Project Descriptions

PROJECT TITLE: El Conquistador Country Club & Golf Course Acquisition

PROJECT DESCRIPTION: Purchase of El Conquistador Country Club, golf course and tennis facilities for conversion to a Town community and recreation center (year 2 of 3-yr purchase plan)

PROJECT JUSTIFICATION: Addresses elements eight and nine of the 2005 adopted General Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
General Fund	\$ 1,000,000	Property Acquisition	\$ 300,000	\$ 350,000	\$ 350,000	\$ 1,000,000
Total	\$ 1,000,000	Total Project Costs	\$ 300,000	\$ 350,000	\$ 350,000	\$ 1,000,000

Post Project Annual Operating Impact

FY 2017 Community Center Fund Budgeted Expenditures	\$ 6,887,403
FY 2017 Community Center Fund Budgeted Revenues	\$ 6,615,238

PROJECT TITLE: Police Property/ID and Southern Substation Building

PROJECT DESCRIPTION: Continued expansion and construction on newly acquired building to serve as Police southern substation and evidence facility

PROJECT JUSTIFICATION: Evidence storage was not in compliance with state and federal occupational safety and health regulations; project mitigates liabilities due to staff safety hazards by providing a safe and secure evidence storage facility and needed space for public safety personnel



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
General Fund	\$ 3,380,000	Property Acquisition	\$ 312,029			\$ 312,029
Police Impact Fees	285,000	Planning & Design	188,506	73,567		262,073
		Construction		1,871,433	959,465	2,830,898
		Furnishings & Equipment	16,355		243,645	260,000
Total	\$ 3,665,000	Total Project Costs	\$ 516,890	\$ 1,945,000	\$ 1,203,110	\$ 3,665,000

Post Project Annual Operating Impact

Lease Savings	\$ (56,300)
Building Maintenance	37,500
Total Annual Operating Impact	\$ (18,800)

CIP – Project Descriptions

PROJECT TITLE: Side Cast Sweeper

PROJECT DESCRIPTION: Replace current 1999 sweeper that is past its useful life

PROJECT JUSTIFICATION: Provides public with routine street sweeping services to achieve aesthetic and safety goals by keeping town streets clean and clear of debris that could pose safety hazards



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget	
Highway Fund	\$	85,000	Equipment	\$	85,000	\$	85,000
Total	\$	85,000	Total Project Costs	\$	-	\$	85,000

Post Project Annual Operating Impact

Maintenance & Repair Savings	\$	(1,200)
Total Annual Operating Impact	\$	(1,200)

PROJECT TITLE: Skidsteer with Attachments and Level Best

PROJECT DESCRIPTION: Purchase new skidsteer to assist with various capital projects, including cart path work on Community Center golf courses, construction of new multi-use fields at Naranja Park, and general road and drainage work

PROJECT JUSTIFICATION: This equipment purchase allows staff to self-perform certain projects while avoiding rental costs, and will be used to maintain the Town's multi-use path system



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget	
Highway Fund	\$	90,000	Equipment	\$	90,000	\$	90,000
Total	\$	90,000	Total Project Costs	\$	-	\$	90,000

Post Project Annual Operating Impact

Savings in equipment rental costs expected to offset maintenance and fuel costs of new equipment

CIP – Project Descriptions

PROJECT TITLE: Pavement Preservation Program

PROJECT DESCRIPTION: Perform annual roadway surface treatments as per the Town's pavement preservation and management program

PROJECT JUSTIFICATION: Enhances and improves the roadway system, maintains current overall condition index (OCI) rating and avoids infrastructure deterioration as outlined in Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
HURF Gas Taxes	\$	1,150,000		\$ 1,150,000		\$ 1,150,000
Total	\$	1,150,000	Total Project Costs	\$ - \$ 1,150,000	\$ -	\$ 1,150,000

Post Project Annual Operating Impact

Maintaining adequate funding for this program prevents future costly roadway reconstruction and rehabilitation

PROJECT TITLE: Tangerine Access to Safeway (1st Ave) - Safety

PROJECT DESCRIPTION: Address traffic safety issue at intersection by constructing a new entrance to shopping center

PROJECT JUSTIFICATION: Mitigation of acute traffic safety issue based on completed intersection safety study



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Highway Fund	\$	216,439	Design	\$ 36,439		\$ 36,439
Donation		70,000	Construction		250,000	250,000
Total	\$	286,439	Total Project Costs	\$ 36,439 \$ 250,000	\$ -	\$ 286,439

Post Project Annual Operating Impact

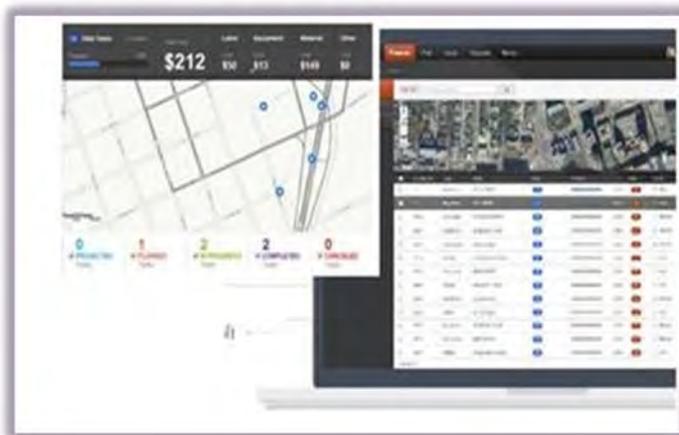
Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: Infrastructure Asset Management Software

PROJECT DESCRIPTION: Upgrade software to improve overall performance in tracking, federally mandated inspections, mapping, web interaction, workforce management and infrastructure inventory

PROJECT JUSTIFICATION: Supports the strategies of improving Town resources and processes and prioritizing investments in capital infrastructure as outlined in the Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Highway Fund	\$	106,968	Licensing & Implementation	\$ 56,968	\$ 50,000	\$ 106,968
Total	\$	106,968	Total Project Costs	\$ 56,968	\$ 50,000	\$ - \$ 106,968

Post Project Annual Operating Impact

Software Licensing Costs	\$	25,000
Data Entry Personnel Costs	\$	12,500
Total Annual Operating Impact	\$	37,500

PROJECT TITLE: Golf Course Cart Path Improvements

PROJECT DESCRIPTION: Remediation of El Conquistador course paths to consist of resurfacing up to and including removal and replacement in specific areas

PROJECT JUSTIFICATION: Prevent further degradation and more costly repairs in the future, avoid cart damage, removal of tripping hazards, increase membership and daily play by investing in the course condition



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
.5% Dedicated Sales Tax	\$	50,000	Materials	\$ 50,000		\$ 50,000
Total	\$	50,000	Total Project Costs	\$ - \$ 50,000	\$ -	\$ 50,000

Post Project Annual Operating Impact

Potential for increased revenues by investing in course conditions; less wear and tear on golf carts likely to result in decreased maintenance costs

CIP – Project Descriptions

PROJECT TITLE: Tennis Court Improvements

PROJECT DESCRIPTION: Repair surface cracking throughout asphalt tennis courts at Community Center

PROJECT JUSTIFICATION: Prevent further degradation, which creates tripping hazards and results in more costly repairs in the future



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
.5% Dedicated Sales Tax	\$ 50,000	Materials	\$ 50,000		\$ 50,000
Total	\$ 50,000	Total Project Costs	\$ - \$ 50,000	\$ -	\$ 50,000

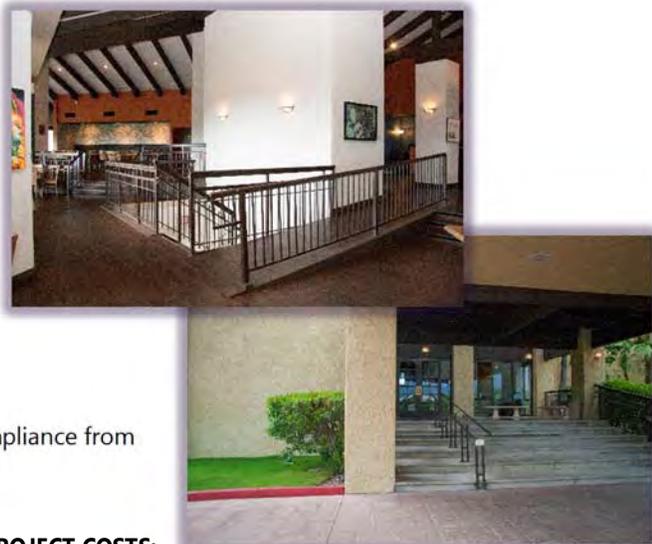
Post Project Annual Operating Impact

Avoidance of future costly removal and reconstruction costs; avoidance of liability for personal injury claims

PROJECT TITLE: Elevator and New Entryway at Community Center

PROJECT DESCRIPTION: Reconstruct south main entrance to Community Center to meet ADA compliance, to include removal of front stairs, rebuilding of the main entrance to align with parking lot and ground floor, addition of staircase for second floor access from main entrance, and construction of an elevator at the back of the facility

PROJECT JUSTIFICATION: Meet full ADA access compliance from ground floor/parking lot to facility's second floor



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
.5% Dedicated Sales Tax	\$ 331,000	Construction	\$ 331,000		\$ 331,000
Total	\$ 331,000	Total Project Costs	\$ - \$ 331,000	\$ -	\$ 331,000

Post Project Annual Operating Impact

Energy, Maintenance & Inspection Costs	\$ 2,200
Total Annual Operating Impact	\$ 2,200

CIP – Project Descriptions

PROJECT TITLE: New Family/Teen Game Room at Community Center

PROJECT DESCRIPTION: Convert a current racquetball court at Community Center to game and activity room, to include utility work, flooring, sound abatement, painting, accessible door entry, and addition of furnishings and games

PROJECT JUSTIFICATION: Project would provide badly needed space for 9-14 year-old age group, families could utilize the area for play, parties, etc.



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
.5% Dedicated Sales Tax	\$	65,000		\$ 50,000		\$ 50,000
				15,000		15,000
Total	\$	65,000	Total Project Costs	\$ -	\$ 65,000	\$ -
						\$ 65,000

Post Project Annual Operating Impact

Minimal utility and maintenance costs; equipment replacement with aging; potential for increased revenues through added family memberships

PROJECT TITLE: Energy Efficiency Project at Community Center

PROJECT DESCRIPTION: Replacement of aged HVAC units, evaporative coolers, lighting retrofits, hot water heater, pool heater and pump replacements and an irrigation system replacement at the Town's Community Center, as well as installation of solar photovoltaic panels in the facility parking lot

PROJECT JUSTIFICATION: Facility is roughly 30 years old with outdated systems; therefore, significant energy savings and efficiencies will cover the cost of this project over time. The project is budget neutral with no need for upfront funding from the Town, as improvements will be financed over a set period of time, and energy savings from the project will be used to pay the financing costs of the project.



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Bond Proceeds	\$	3,000,000		\$ 3,000,000		\$ 3,000,000
Total	\$	3,000,000	Total Project Costs	\$ -	\$ 3,000,000	\$ -
						\$ 3,000,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

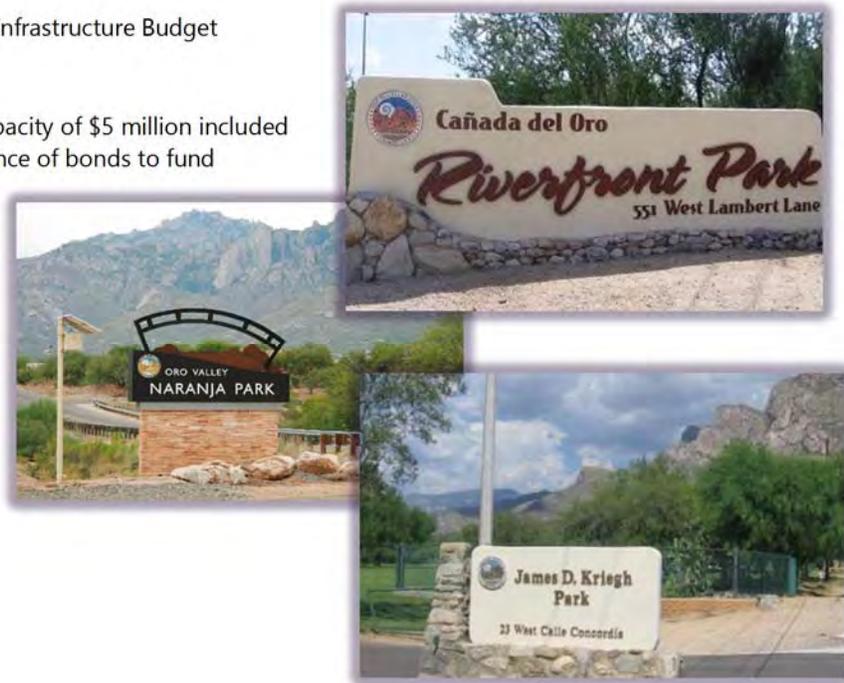
CIP – Project Descriptions

PROJECT TITLE: Bond-Funded Park Infrastructure Budget Capacity

PROJECT DESCRIPTION: Budget capacity of \$5 million included in FY 16/17 budget for possible issuance of bonds to fund additional park infrastructure

PROJECT JUSTIFICATION: Addresses Parks, Recreation and Cultural Development focus area of Town’s Strategic Plan

OPERATING IMPACT TO BE DETERMINED WITH PROJECT PROGRESSION



PROJECT TITLE: Lambert Lane from La Cañada to Rancho Sonora

PROJECT DESCRIPTION: Widening Lambert Lane to four lanes to include bicycle lanes

PROJECT JUSTIFICATION: This project is focused on improving the safety along Lambert Lane eastbound to the La Cañada intersection. The project will improve site visibility at the intersection and improve how the road operates along with added multi-modal enhancements. Project reinforces Oro Valley brand through excellence in infrastructure design and maintenance and promotes a bicycle-friendly community as per the Strategic Plan.



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

				Pre 2017	2017	Future	Total
				Expenditures	Projected	Expenditures	Budget
PAG Regional Funds	\$ 5,945,813	Design	\$ 428,813	\$ 309,021			\$ 737,834
Roadway Impact Fees	1,000,000	Construction		6,207,979			6,207,979
Total	\$ 6,945,813	Total Project Costs	\$ 428,813	\$ 6,517,000	\$ -		\$ 6,945,813

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: Tangerine Road from La Cañada to Shannon

PROJECT DESCRIPTION: Widen Tangerine Road to four lanes with landscaped medians, install turn lanes and signalization at key intersections and upgrade conditions to avoid closures due to flooding

PROJECT JUSTIFICATION: As per the adopted Regional Transportation Authority Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget	
RTA Regional Funds	\$ 4,710,500	Construction	\$ 877	\$ 2,710,000	\$ 3,000,000	\$ 5,710,877
Roadway Impact Fees	1,000,377					
Total	\$ 5,710,877	Total Project Costs	\$ 877	\$ 2,710,000	\$ 3,000,000	\$ 5,710,877

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

PROJECT TITLE: La Cañada and Moore Intersection Study

PROJECT DESCRIPTION: Safety study at the intersection of Moore Road and La Cañada Drive to evaluate existing intersection conditions, taking into account the area's high growth rate, and identify options for future traffic control improvements

PROJECT JUSTIFICATION: Address potential safety issues for the community



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget	
PAG Regional Funds	\$ 50,000	Study	\$ 50,000		\$ 50,000	
Total	\$ 50,000	Total Project Costs	\$ -	\$ 50,000	\$ -	\$ 50,000

Post Project Annual Operating Impact

Total Annual Operating Impact \$ -

CIP – Project Descriptions

PROJECT TITLE: La Cañada Crosswalk Signals at Community Center

PROJECT DESCRIPTION: Installation of High-intensity Activated crossWalk (HAWK) signals on La Cañada Drive at the Town's Community Center

PROJECT JUSTIFICATION: Installation of crosswalk signals are an added safety element to assist pedestrians in crossing the road



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
PAG Regional Funds	\$	250,000		\$ 50,000		\$ 50,000
			Design			
			Construction	200,000		200,000
Total	\$	250,000	Total Project Costs	\$ -	\$ 250,000	\$ -

Post Project Annual Operating Impact

Maintenance and Electricity Costs	\$	3,450
Total Annual Operating Impact	\$	3,450

PROJECT TITLE: La Cholla Boulevard from Tangerine to Overton

PROJECT DESCRIPTION: Widen La Cholla Blvd to four lanes, make drainage improvements and add multi-use lanes

PROJECT JUSTIFICATION: As per the adopted Regional Transportation Authority Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
RTA Regional Funds	\$	2,027,482	\$ 527,482	\$ 1,500,000	\$ 800,000	\$ 2,827,482
Roadway Impact Fees		800,000				
Total	\$	2,827,482	Total Project Costs	\$ 527,482	\$ 1,500,000	\$ 800,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Library Parking Lot Enhancements

PROJECT DESCRIPTION: Increase parking capacity and improve lighting at the Oro Valley Branch Library

PROJECT JUSTIFICATION: Facility was built in 2001 and is in need of additional parking and associated lighting to improve the community experience and access to the facility



SOURCES OF FUNDING:

Donation	\$	150,000
Library Impact Fees		60,490
Total	\$	210,490

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design	\$ 23,490			\$ 23,490
Construction		187,000		187,000
Total Project Costs	\$ 23,490	\$ 187,000	\$ -	\$ 210,490

Post Project Annual Operating Impact

Maintenance and Electricity Costs	\$ 2,200
Total Annual Operating Impact	\$ 2,200

PROJECT TITLE: Well E2 Upgrade

PROJECT DESCRIPTION: Remove existing pumping unit, rehabilitate the well and re-equip with new pumping unit

PROJECT JUSTIFICATION: Rehabilitate an important water production facility, introduce operational efficiencies and meet desired pumping capacity at the facility



SOURCES OF FUNDING:

Water Utility Revenues	\$	150,000
Total	\$	150,000

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design		\$ 36,700		\$ 36,700
Construction		113,300		113,300
Total Project Costs	\$ -	\$ 150,000	\$ -	\$ 150,000

Post Project Annual Operating Impact

Electricity Savings	\$ (1,500)
Total Annual Operating Impact	\$ (1,500)

CIP – Project Descriptions

PROJECT TITLE: Hydropneumatic Tank Replacement (Wells)

PROJECT DESCRIPTION: Inspect tanks for recertification and repair or replace to protect system integrity

PROJECT JUSTIFICATION: Supports the strategy of delivering a safe and reliable water supply to all water utility customers as per the Strategic Plan



SOURCES OF FUNDING:

Water Utility Revenues	\$	228,042
Total	\$	228,042

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design	\$ 9,244	\$ -	\$ 10,000	\$ 19,244
Construction	38,798	60,000	110,000	208,798
Total	\$ 48,042	\$ 60,000	\$ 120,000	\$ 228,042

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

PROJECT TITLE: Replace Well Pumps

PROJECT DESCRIPTION: Evaluate and identify production facilities requiring pump replacement, and complete a rehabilitation and re-equipping of the pump as necessary

PROJECT JUSTIFICATION: Improves operating efficiency, system reliability and water quality



SOURCES OF FUNDING:

Water Utility Revenues	\$	750,000
Total	\$	750,000

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design		\$ -	\$ 100,000	\$ 100,000
Installation		75,000	575,000	650,000
Total	\$ -	\$ 75,000	\$ 675,000	\$ 750,000

Post Project Annual Operating Impact

Electricity Savings	\$	(2,000)
Total Annual Operating Impact	\$	(2,000)

CIP – Project Descriptions

PROJECT TITLE: Reservoir Water Quality Control Program

PROJECT DESCRIPTION: Purchase and installation of reservoir mixing devices which maintain chlorine residual, reduce trihalomethanes, prevent water stagnation/stratification and assist with blending of Central Arizona Project water

PROJECT JUSTIFICATION: Supports the strategy of delivering a safe and reliable water supply to all water utility customers as per the Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	120,598	Materials and Equipment	\$ 50,598	\$ 70,000	\$ 120,598
Total	\$	120,598	Total Project Costs	\$ 50,598	\$ 70,000	\$ - \$ 120,598

Post Project Annual Operating Impact

Electricity Costs	\$	500
Total Annual Operating Impact	\$	500

PROJECT TITLE: Glover Reservoir Coating and Lining

PROJECT DESCRIPTION: Sandblast, reline and recoat 20+ year-old reservoir on Glover Road with industry coating standards

PROJECT JUSTIFICATION: Required maintenance for reservoir that is over 20 years old to ensure long-term service to the Water Utility, improve system reliability and improve water quality



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	100,000	Labor and Materials	\$ 100,000		\$ 100,000
Total	\$	100,000	Total Project Costs	\$ - \$ 100,000	\$ -	\$ 100,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$	-
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CIP – Project Descriptions

PROJECT TITLE: Big Wash Reservoir Coating

PROJECT DESCRIPTION: Preparation and recoating of the exterior surface of two tanks at the Big Wash reservoir facility that are more than 15 years old

PROJECT JUSTIFICATION: Recoating protects the tanks from corrosion and ensures many additional years of trouble-free service



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	100,000		\$ 100,000		\$ 100,000
Total	\$	100,000	Total Project Costs	\$ - \$ 100,000	\$ -	\$ 100,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Add Reclaimed Booster Pump – Thornydale (Tucson Water)

PROJECT DESCRIPTION: Equip one of two spare pump cans at Thornydale reclaimed booster station with an additional vertical turbine pump to serve as backup in case of booster pump failure

PROJECT JUSTIFICATION: Improves operating efficiency, system reliability and service to public



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	200,000		\$ 5,000		\$ 5,000
				195,000		195,000
Total	\$	200,000	Total Project Costs	\$ - \$ 200,000	\$ -	\$ 200,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: West Lambert Lane 12-Inch Main Relocation

PROJECT DESCRIPTION: Relocate and install approximately 2,800 feet of a new 12-inch water main and add one pressure-reducing valve station on Lambert Lane from La Cañada to Rancho Sonora

PROJECT JUSTIFICATION: Work is being completed in coordination with planned Lambert Lane roadway project - current main is 8-inch; new 12-inch main will provide for anticipated growth in future



SOURCES OF FUNDING:

Water Utility Revenues	\$	719,663
Total	\$	719,663

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design	\$	119,663	\$	119,663		\$ 122,451
Construction				597,212		597,212
Total	\$	719,663	\$	119,663	\$	719,663

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

PROJECT TITLE: Relocate Three Pressure-Reducing Valves (PRVs) in Oro Valley area

PROJECT DESCRIPTION: Relocate three currently buried pressure-reducing valves on Desert Sky road, Golf View Drive and Calle Loma Linda to above ground, to include pavement-cutting, excavation, piping modifications, backfilling and metal fabrication

PROJECT JUSTIFICATION: Buried vaults create confined, unsafe work environments for maintenance and repair - this project would relocate these PRVs above ground



SOURCES OF FUNDING:

Water Utility Revenues	\$	100,000
Total	\$	100,000

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design	\$			29,778		\$ 29,778
Construction				70,222		70,222
Total	\$	100,000	\$	100,000	\$	100,000

Post Project Annual Operating Impact

Maintenance Savings	\$	(1,000)
Total Annual Operating Impact	\$	(1,000)

CIP – Project Descriptions

PROJECT TITLE: System Connection Upgrades

PROJECT DESCRIPTION: Distribution piping modifications at Glover Road; installation of a pressure-sustaining valve

PROJECT JUSTIFICATION: Project will improve the capability and efficiency of Central Arizona Project (CAP) blending within the Oro Valley water system



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	173,160	Design \$ 52,890			\$ 52,890
			Construction 70,270	50,000		120,270
Total	\$	173,160	Total Project Costs \$ 123,160	\$ 50,000	\$ -	\$ 173,160

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Main Valve Replacements

PROJECT DESCRIPTION: Identify and replace non-working valves, including main valves, air release valves and drain valve assemblies

PROJECT JUSTIFICATION: Supports the strategy of delivering a safe and reliable water supply to all water utility customers as per the Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$	405,579	Construction \$ 205,579	\$ 50,000	\$ 150,000	\$ 405,579
Total	\$	405,579	Total Project Costs \$ 205,579	\$ 50,000	\$ 150,000	\$ 405,579

Post Project Annual Operating Impact

Maintenance Savings	\$ (500)
Total Annual Operating Impact	\$ (500)

CIP – Project Descriptions

PROJECT TITLE: La Cholla – Lambert to Tangerine Main Relocation

PROJECT DESCRIPTION: Relocate existing potable mains on La Cholla Boulevard from Lambert Lane to Tangerine Road, add water main extension across La Cholla for future growth and loop existing "D" zone mains to improve system reliability

PROJECT JUSTIFICATION: Work is being completed in coordination with planned La Cholla roadway project



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017	2017	Future	Total
		Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$ 571,700	Design \$ 1,700	\$ 70,000	\$ 63,916	\$ 135,616
		Construction		436,084	436,084
Total	\$ 571,700	Total Project Costs	\$ 1,700	\$ 500,000	\$ 571,700

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: 24-Inch Reclaimed Main Relocation – Tangerine Road

PROJECT DESCRIPTION: Relocate 24-inch reclaimed main on Tangerine Road in coordination with Regional Transportation Authority project

PROJECT JUSTIFICATION: Supports the strategy of delivering a safe and reliable water supply to all water utility customers as per the Strategic Plan



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

		Pre 2017	2017	Future	Total
		Expenditures	Projected	Expenditures	Budget
Water Utility Revenues	\$ 2,091,561	Design \$ 158,343	\$ 6,118		\$ 164,461
		Construction	433,218	1,493,882	1,927,100
Total	\$ 2,091,561	Total Project Costs	\$ 591,561	\$ 1,500,000	\$ 2,091,561

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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CIP – Project Descriptions

PROJECT TITLE: Production Facility Building Retrofit

PROJECT DESCRIPTION: Relocate hardware in Water Utility’s existing chemical room to the chlorine building and remodel chemical room as office space for supervisory staff and system operator

PROJECT JUSTIFICATION: Supervisory staff and system operator are currently working out of the electrical room, which is not an appropriate space for supervision and system operation to take place



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$ 180,000	Design		\$ 7,776		\$ 7,776
		Construction		72,224	100,000	172,224
Total	\$ 180,000	Total Project Costs	\$ -	\$ 80,000	\$ 100,000	\$ 180,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: Dump Truck

PROJECT DESCRIPTION: Purchase of new dump truck to replace older piece of equipment used for Water Utility construction work

PROJECT JUSTIFICATION: The purchase of this equipment allows Town staff to continue to perform certain construction work in-house, as opposed to contracting out



SOURCES OF FUNDING:

BUDGETED PROJECT COSTS:

			Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Water Utility Revenues	\$ 80,000	Equipment		\$ 80,000		\$ 80,000
Total	\$ 80,000	Total Project Costs	\$ -	\$ 80,000	\$ -	\$ 80,000

Post Project Annual Operating Impact

Maintenance Savings	\$ (1,500)
Total Annual Operating Impact	\$ (1,500)

CIP – Project Descriptions

PROJECT TITLE: E-C Pressure-Sustaining Valve – Naranja Reservoir – CAP Blending

PROJECT DESCRIPTION: Install a pressure-sustaining valve and associated piping at Naranja reservoir for Central Arizona Project (CAP) blending

PROJECT JUSTIFICATION: Project will enhance CAP blending of "E" zone water into "C" zone and proper blending of the Water Utility's CAP water with groundwater allows for uniform distribution of renewable resources



SOURCES OF FUNDING:

Water Utility Revenues	\$	100,000
Total	\$	100,000

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Design		\$ 18,400		\$ 18,400
Construction		81,600		81,600
Total	\$ -	\$ 100,000	\$ -	\$ 100,000

Post Project Annual Operating Impact

Total Annual Operating Impact	\$ -
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PROJECT TITLE: 4.5 Cubic Yard Wheel Loader Lease Payment

PROJECT DESCRIPTION: Lease payment for loader, which provides capacity needed for monsoon storm clean-up and emergencies

PROJECT JUSTIFICATION: Loader provides for monsoon storm preparation and clean-up, ensuring drainageways and streets are maintained for safe public use



SOURCES OF FUNDING:

Stormwater Revenues	\$	50,000
Total	\$	50,000

BUDGETED PROJECT COSTS:

	Pre 2017 Expenditures	2017 Projected	Future Expenditures	Total Budget
Equipment	\$ 170,527	\$ 50,000	\$ 50,000	\$ 270,527
Total	\$ 170,527	\$ 50,000	\$ 50,000	\$ 270,527

Post Project Annual Operating Impact

Potential for savings from ability to perform work in house



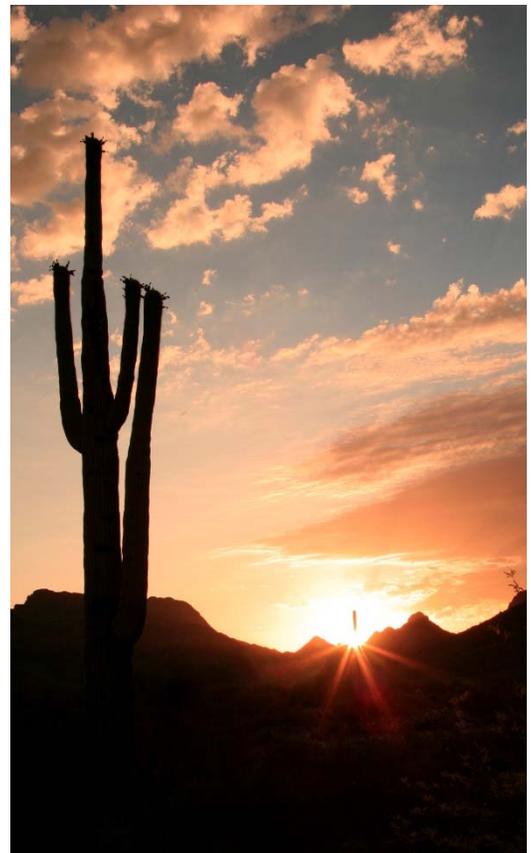
Town of Oro Valley

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APPENDIX

Resolution Adoption
Auditor General Statements
Glossary



RESOLUTION NO. (R)16-25

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 2016-2017

WHEREAS, on May 19, 2016, 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 1, 2016 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 2016-2017; 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

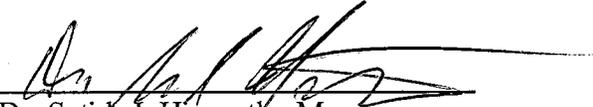
WHEREAS, it is in the best interest of the Town of Oro Valley to approve the estimates and expenditures/expenses shown on the accompanying schedules for the Fiscal Year 2016-2017.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Oro Valley, Arizona, that 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 2016-2017 in the amount of \$125,885,698.

BE IT FURTHER RESOLVED 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 2016-2017.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 1st day of June, 2016.

TOWN OF ORO VALLEY, ARIZONA


Dr. Satish I. Hiremath, Mayor

ATTEST:


Julie K. Bower, Town Clerk

Date: 6/3/16

APPROVED AS TO FORM:


Tobin Sidles, Legal Services Director

Date: 6/3/16



Town of Oro Valley

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TOWN OF ORO VALLEY
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2017

Fiscal Year	S c h	FUNDS								
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Total All Funds	
2016	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	40,312,070	15,854,769	1,139,600	28,622,362	0	28,887,484	4,871,424	119,687,709
2016	Actual Expenditures/Expenses**	E	30,415,403	11,892,337	1,074,739	5,322,411	0	18,646,002	4,138,703	71,489,595
2017	Fund Balance/Net Position at July 1***		9,904,536	2,890,543	76,186	14,612,974	0	12,339,849	727,413	40,551,501
2017	Primary Property Tax Levy	B	0							0
2017	Secondary Property Tax Levy	B								0
2017	Estimated Revenues Other than Property Taxes	C	32,836,753	11,512,343	323,503	11,667,665	0	16,381,195	4,612,738	77,334,197
2017	Other Financing Sources	D	0	0	0	8,000,000	0	0	0	8,000,000
2017	Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2017	Interfund Transfers In	D	305,000	100,000	474,472	1,867,000	0	0	0	2,746,472
2017	Interfund Transfers (Out)	D	1,825,304	668,226	0	250,000	0	2,942	0	2,746,472
2017	Reduction for Amounts Not Available:									
	LESS: Amounts for Future Debt Retirement:									0
										0
										0
										0
2017	Total Financial Resources Available		41,220,985	13,834,660	874,161	35,897,639	0	28,718,102	5,340,151	125,885,698
2017	Budgeted Expenditures/Expenses	E	41,220,985	13,834,660	874,161	35,897,639	0	28,718,102	5,340,151	125,885,698

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2016	2017
1. Budgeted expenditures/expenses	\$ 119,687,709	\$ 125,885,698
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	119,687,709	125,885,698
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 119,687,709	\$ 125,885,698
6. EEC expenditure limitation	\$ 119,687,709	\$ 125,885,698

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).

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 14,780,654	\$ 14,137,655	\$ 15,073,000
Cable Franchise Tax	570,000	580,000	580,000
Licenses and permits			
Licenses	192,000	195,000	196,000
Permits	1,516,000	1,222,062	1,368,500
Fees	56,000	52,000	51,000
Intergovernmental			
State/County Shared	10,428,531	10,574,275	10,824,605
State Grants	1,434,300	1,442,016	1,662,563
Federal Grants	551,545	517,788	478,284
Other	105,000	115,000	115,000
Charges for services			
Reimbursements	122,000	140,850	131,000
Fees	1,043,100	1,119,892	1,150,675
Other	708,734	709,234	846,926
Fines and forfeits			
Fines	120,000	140,000	130,000
Interest on investments			
Interest Income	94,400	94,400	89,200
Miscellaneous			
Miscellaneous	135,000	139,882	140,000
Total General Fund	\$ 31,857,264	\$ 31,180,054	\$ 32,836,753

* 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.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway User Fuel Tax	\$ 2,985,464	\$ 2,985,464	\$ 3,000,000
Permits	51,000	48,000	52,500
Interest Income	22,400	22,400	28,600
Charges for Services	134,000	134,000	134,000
State Grants	173,341	173,341	195,000
Other	10,000	38,582	80,000
	<u>\$ 3,202,864</u>	<u>\$ 3,401,787</u>	<u>\$ 3,490,100</u>
Bed Tax Fund			
Local Sales Tax	\$ 945,000	\$ 945,000	\$ 1,085,805
Interest Income	4,800	4,800	6,200
	<u>\$ 949,800</u>	<u>\$ 949,800</u>	<u>\$ 1,092,005</u>
Seizures & Forfeitures - State Fund			
Seizures and Forfeitures	\$ 175,000	\$ 63,488	\$ 275,000
Interest Income	1,000	1,000	1,000
	<u>\$ 175,000</u>	<u>\$ 64,488</u>	<u>\$ 275,000</u>
Seizures & Forfeitures - Federal Fund			
Seizures and Forfeitures	\$ 250,000	\$ 9,408	\$ 9,408
Interest Income	300	300	300
	<u>\$ 250,000</u>	<u>\$ 9,708</u>	<u>\$ 9,708</u>
Impound Fee Fund			
Fees	\$ 34,000	\$ 40,000	\$ 40,000
	<u>\$ 34,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>
Community Center Fund			
Local Sales Tax	\$ 2,000,000	\$ 2,000,000	\$ 2,105,163
Charges for Services	5,400,763	3,985,544	4,482,214
Other	28,211	28,211	27,861
	<u>\$ 7,400,763</u>	<u>\$ 6,013,755</u>	<u>\$ 6,615,238</u>
Total Special Revenue Funds	<u>\$ 12,012,427</u>	<u>\$ 10,479,538</u>	<u>\$ 11,512,343</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.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
DEBT SERVICE FUNDS			
Municipal Debt Service Fund			
Federal Grants	\$ 58,238	\$ 58,238	\$ 54,945
Interest Income		40	
Miscellaneous	90,000	90,000	90,000
	\$ 148,238	\$ 148,278	\$ 144,945
Oracle Road Improvement District			
Special Assessments	\$ 175,153	\$ 175,153	\$ 178,558
	\$ 175,153	\$ 175,153	\$ 178,558
Total Debt Service Funds	\$ 323,391	\$ 323,431	\$ 323,503
CAPITAL PROJECTS FUNDS			
Alternative Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 1,331,323	\$ 1,117,022	\$ 1,040,089
Interest Income	19,840	19,840	26,400
	\$ 1,351,163	\$ 1,136,862	\$ 1,066,489
Potable Water System Development Impact Fee Fund			
Development Impact Fees	\$ 663,207	\$ 530,480	\$ 519,058
Interest Income	19,840	19,840	28,800
	\$ 683,047	\$ 550,320	\$ 547,858
Townwide Roadway Development Impact Fee Fund			
Development Impact Fees	\$ 424,532	\$ 340,000	\$ 340,167
Interest Income	2,000	3,500	3,000
	\$ 426,532	\$ 343,500	\$ 343,167
Parks & Recreation Impact Fee Fund			
Development Impact Fees	\$ 171,200	\$ 105,000	\$ 132,680
Interest Income		200	
	\$ 171,200	\$ 105,200	\$ 132,680
Police Impact Fee Fund			
Development Impact Fees	\$ 66,917	\$ 47,000	\$ 74,000
Interest Income		300	
	\$ 66,917	\$ 47,300	\$ 74,000
General Government Impact Fee Fund			
Interest Income	\$	\$ 5	\$
	\$	\$ 5	\$
General Government CIP Fund			
State Grants	\$ 81,000	\$	\$ 81,000
	\$ 81,000	\$	\$ 81,000
PAG/RTA Fund			
State Grants	\$ 10,414,000	\$ 3,172,229	\$ 9,249,971
Other	22,500	22,500	22,500
Interest Income	500		
	\$ 10,437,000	\$ 3,194,729	\$ 9,272,471
Library Impact Fee Fund			
Donations	\$ 30,000	\$	\$ 150,000
	\$ 30,000	\$	\$ 150,000
Recreation In Lieu Fee Fund			
Fees	\$	\$ 21,728	\$
	\$	\$ 21,728	\$
Total Capital Projects Funds	\$ 13,246,859	\$ 5,399,644	\$ 11,667,665

* 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.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
ENTERPRISE FUNDS			
Oro Valley Water Utility Fund			
Water Sales	\$ 12,160,500	\$ 11,660,941	\$ 11,961,395
Charges for Services	3,184,200	2,988,800	3,043,800
Interest Income	59,520	59,520	72,000
Miscellaneous		13,608	
	\$ 15,404,220	\$ 14,722,869	\$ 15,077,195
Stormwater Utility Fund			
State Grants	\$ 35,000	\$ 35,000	\$
Charges for Services	787,000	787,000	1,303,500
Interest Income	250	300	500
	\$ 822,250	\$ 822,300	\$ 1,304,000
Total Enterprise Funds	\$ 16,226,470	\$ 15,545,169	\$ 16,381,195

* 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.

TOWN OF ORO VALLEY
Revenues Other Than Property Taxes
Fiscal Year 2017

SOURCE OF REVENUES	ESTIMATED REVENUES 2016	ACTUAL REVENUES* 2016	ESTIMATED REVENUES 2017
INTERNAL SERVICE FUNDS			
Fleet Fund			
Fleet Services	\$ 1,333,903	\$ 1,278,303	\$ 1,297,202
Miscellaneous	194,329	184,329	284,796
	\$ 1,528,232	\$ 1,462,632	\$ 1,581,998
Benefit Self Insurance Fund			
Miscellaneous	\$ 2,860,400	\$ 2,860,400	\$ 3,030,740
	\$ 2,860,400	\$ 2,860,400	\$ 3,030,740
Total Internal Service Funds	\$ 4,388,632	\$ 4,323,032	\$ 4,612,738
TOTAL ALL FUNDS	\$ 78,055,043	\$ 67,250,868	\$ 77,334,197

* 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.

TOWN OF ORO VALLEY
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2017

FUND	OTHER FINANCING 2017		INTERFUND TRANSFERS 2017	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Transfer from Bed Tax Fund	\$	\$	\$ 185,000	\$
Transfer from Community Center Fund			120,000	
Transfer to Highway Fund				100,000
Transfer to Municipal Debt Service Fund				205,304
Transfer to Oracle Rd Improvement District Fund				3,000
Transfer to General Government CIP Fund				1,517,000
Total General Fund	\$	\$	\$ 305,000	\$ 1,825,304
SPECIAL REVENUE FUNDS				
Highway Fund	\$	\$	\$ 100,000	\$ 38,032
Bed Tax Fund				510,194
Community Center Fund				120,000
Total Special Revenue Funds	\$	\$	\$ 100,000	\$ 668,226
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$	\$	\$ 471,472	\$
Oracle Road Improvement District Fund			3,000	
Total Debt Service Funds	\$	\$	\$ 474,472	\$
CAPITAL PROJECTS FUNDS				
General Government CIP Fund	\$	\$	\$ 1,867,000	\$
Parks and Recreation Impact Fee Fund				250,000
Energy Efficiency Project Fund		3,000,000		
Capital Project Bond Fund		5,000,000		
Total Capital Projects Funds	\$	\$ 8,000,000	\$ 1,867,000	\$ 250,000
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$	\$	\$	\$ 2,942
Total Enterprise Funds	\$	\$	\$	\$ 2,942
TOTAL ALL FUNDS	\$	\$ 8,000,000	\$ 2,746,472	\$ 2,746,472

TOWN OF ORO VALLEY
Expenditures/Expenses by Fund
Fiscal Year 2017

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
GENERAL FUND				
Clerk	\$ 407,900	\$	\$ 372,900	\$ 458,863
Council	211,995		211,995	220,559
Community Development & Public Works	4,596,216		4,536,574	5,990,029
Finance	779,760		735,141	773,591
General Administration	1,804,970		1,788,427	1,736,450
Human Resources	366,775		358,775	368,605
Information Technology	1,571,326		1,571,326	1,691,676
Legal	764,837		722,103	773,003
Magistrate Court	837,629		803,829	845,938
Town Manager's Office	769,521		769,521	801,540
Parks and Recreation	3,004,988		3,070,212	1,977,326
Police	15,250,016		15,155,469	15,643,620
Contingency Reserve	10,371,137	(425,000)	319,131	9,939,785
Total General Fund	\$ 40,737,070	\$ (425,000)	\$ 30,415,403	\$ 41,220,985
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 5,901,151	\$	\$ 4,462,777	\$ 5,553,795
Seizures & Forfeitures - State Fund	387,846		221,180	342,328
Seizures & Forfeitures - Federal Fund	287,609		19,806	22,768
Bed Tax Fund	950,226		667,104	914,589
Impound Fee Fund	50,736		27,621	80,814
Community Center Fund	8,277,201		6,493,849	6,920,366
Total Special Revenue Funds	\$ 15,854,769	\$	\$ 11,892,337	\$ 13,834,660
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ 961,216	\$	\$ 896,586	\$ 690,657
Oracle Road Improvement District Fund	178,384		178,153	183,504
Total Debt Service Funds	\$ 1,139,600	\$	\$ 1,074,739	\$ 874,161
CAPITAL PROJECTS FUNDS				
Townwide Roadway Dev Impact Fee Fund	\$ 3,143,049	\$	\$ 47,431	\$ 3,317,088
Naranja Park Fund	137,056			
Alternative Water Rscs Dev Impact Fee Fund	5,321,796		136,060	6,089,084
Potable Water System Dev Impact Fee Fund	5,324,333		331,478	5,566,853
Parks & Recreation Impact Fee Fund	308,369			123,983
Library Impact Fee fund	124,798		51,638	193,160
Police Impact Fee Fund	320,571			375,877
General Government Impact Fee Fund	3,504			3,510
Recreation In Lieu Fee Fund	6,190			27,918
General Government CIP Fund	2,610,000	425,000	1,840,770	2,648,000
PAG/RTA Fund	10,897,696		2,915,034	9,552,166
Energy Efficiency Project Fund				3,000,000
Capital Project Bond Fund				5,000,000
Total Capital Projects Funds	\$ 28,197,362	\$ 425,000	\$ 5,322,411	\$ 35,897,639
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$ 27,784,061	\$	\$ 17,761,887	\$ 27,196,564
Stormwater Utility Fund	1,103,423		884,115	1,521,538
Total Enterprise Funds	\$ 28,887,484	\$	\$ 18,646,002	\$ 28,718,102
INTERNAL SERVICE FUNDS				
Fleet Fund	\$ 1,789,162	\$	\$ 1,278,303	\$ 2,065,249
Benefit Self Insurance Fund	3,082,262		2,860,400	3,274,902
Total Internal Service Funds	\$ 4,871,424	\$	\$ 4,138,703	\$ 5,340,151
TOTAL ALL FUNDS	\$ 119,687,709	\$	\$ 71,489,595	\$ 125,885,698

* 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.

TOWN OF ORO VALLEY
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Clerk:				
General Fund	\$ 407,900	\$	\$ 372,900	\$ 458,863
Department Total	\$ 407,900	\$	\$ 372,900	\$ 458,863
Council:				
General Fund	\$ 211,995	\$	\$ 211,995	\$ 220,559
Department Total	\$ 211,995	\$	\$ 211,995	\$ 220,559
Community Development & Public Works:				
General Fund	\$ 4,596,216	\$	\$ 4,536,574	\$ 5,990,029
Highway Fund	5,901,151		4,462,777	5,553,795
Townwide Roadway Dev Impact Fee Fund	3,143,049		47,431	3,317,088
Stormwater Utility Fund	1,103,423		884,115	1,521,538
Fleet Fund	1,789,162		1,278,303	2,065,249
PAG/RTA Fund	10,897,696		2,915,034	9,552,166
Department Total	\$ 27,430,697	\$	\$ 14,124,234	\$ 27,999,865
Finance:				
General Fund	\$ 779,760	\$	\$ 735,141	\$ 773,591
Department Total	\$ 779,760	\$	\$ 735,141	\$ 773,591
General Administration:				
General Fund	\$ 1,804,970	\$	\$ 1,788,427	\$ 1,736,450
General Fund - Contingency Reserve	10,371,137	(425,000)	319,131	9,939,785
Municipal Debt Service Fund	961,216		896,586	690,657
Oracle Road Improvement District Fund	178,384		178,153	183,504
Benefit Self Insurance Fund	3,082,262		2,860,400	3,274,902
General Government Impact Fee Fund	3,504			3,510
General Government CIP Fund	2,610,000	425,000	1,840,770	2,648,000
Library Impact Fee Fund	124,798		51,638	193,160
Energy Efficiency Project Fund				3,000,000
Capital Project Bond Fund				5,000,000
Department Total	\$ 19,136,271	\$	\$ 7,935,105	\$ 26,669,968
Human Resources:				
General Fund	\$ 366,775	\$	\$ 358,775	\$ 368,605
Department Total	\$ 366,775	\$	\$ 358,775	\$ 368,605
Information Technology:				
General Fund	\$ 1,571,326	\$	\$ 1,571,326	\$ 1,691,676
Department Total	\$ 1,571,326	\$	\$ 1,571,326	\$ 1,691,676
Legal:				
General Fund	\$ 764,837	\$	\$ 722,103	\$ 773,003
Department Total	\$ 764,837	\$	\$ 722,103	\$ 773,003
Magistrate Court:				
General Fund	\$ 837,629	\$	\$ 803,829	\$ 845,938
Department Total	\$ 837,629	\$	\$ 803,829	\$ 845,938
Town Manager's Office:				
General Fund	\$ 769,521	\$	\$ 769,521	\$ 801,540
Bed Tax Fund	950,226		667,104	914,589
Department Total	\$ 1,719,747	\$	\$ 1,436,625	\$ 1,716,129
Parks and Recreation:				
General Fund	\$ 3,004,988	\$	\$ 3,070,212	\$ 1,977,326
Parks & Recreation Impact Fee Fund	308,369			123,983
Naranja Park Fund	137,056			
Recreation In Lieu Fee Fund	6,190			27,918
Community Center Fund	8,277,201		6,493,849	6,920,366
Department Total	\$ 11,733,804	\$	\$ 9,564,061	\$ 9,049,593

TOWN OF ORO VALLEY
Expenditures/Expenses by Department
Fiscal Year 2017

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2016	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2016	ACTUAL EXPENDITURES/ EXPENSES* 2016	BUDGETED EXPENDITURES/ EXPENSES 2017
Police:				
General Fund	\$ 15,250,016	\$	\$ 15,155,469	\$ 15,643,620
Seizures & Forfeitures - State Fund	387,846		221,180	342,328
Seizures & Forfeitures - Federal Fund	287,609		19,806	22,768
Police Impact Fee Fund	320,571			375,877
Impound Fee Fund	50,736		27,621	80,814
Department Total	\$ 16,296,778	\$	\$ 15,424,076	\$ 16,465,407
Water Utility:				
Oro Valley Water Utility Fund	\$ 27,784,061	\$	\$ 17,761,887	\$ 27,196,564
Alternative Water Rscs Dev Impact Fee Fund	5,321,796		136,060	6,089,084
Potable Water System Dev Impact Fee Fund	5,324,333		331,478	5,566,853
Department Total	\$ 38,430,190	\$	\$ 18,229,425	\$ 38,852,501

* 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.

TOWN OF ORO VALLEY
Full-Time Employees and Personnel Compensation
Fiscal Year 2017

FUND	Full-Time Equivalent (FTE) 2017	Employee Salaries and Hourly Costs 2017	Retirement Costs 2017	Healthcare Costs 2017	Other Benefit Costs 2017	Total Estimated Personnel Compensation 2017
GENERAL FUND	272.40	\$ 16,747,393	\$ 2,705,733	\$ 1,930,845	\$ 1,851,991	\$ 23,235,962
SPECIAL REVENUE FUNDS						
Highway Fund	23.48	\$ 1,452,796	\$ 164,623	\$ 191,646	\$ 175,109	\$ 1,984,174
Bed Tax Fund	3.00	199,451	22,897	20,935	16,126	259,409
Impound Fee Fund	1.00	47,369	5,438	816	3,845	57,468
Seizures & Forfeitures - State Fund	3.00	155,606	36,816	12,620	22,512	227,554
Community Center Fund	20.42	612,479	27,177	41,526	55,762	736,944
Total Special Revenue Funds	50.90	\$ 2,467,701	\$ 256,951	\$ 267,543	\$ 273,354	\$ 3,265,549
CAPITAL PROJECTS FUNDS						
PAG/RTA Fund	4.00	\$ 154,041	\$ 17,684	\$ 37,058	\$ 14,188	\$ 222,971
General Government CIP Fund	2.40	90,660	10,410	22,250	14,080	137,400
Total Capital Projects Funds	6.40	\$ 244,701	\$ 28,094	\$ 59,308	\$ 28,268	\$ 360,371
ENTERPRISE FUNDS						
Oro Valley Water Utility Fund	39.48	\$ 2,358,428	\$ 268,942	\$ 298,904	\$ 235,580	\$ 3,161,854
Stormwater Utility Fund	6.85	407,127	46,738	66,223	39,146	559,234
Total Enterprise Funds	46.33	\$ 2,765,555	\$ 315,680	\$ 365,127	\$ 274,726	\$ 3,721,088
INTERNAL SERVICE FUND						
Fleet Fund	1.15	\$ 64,731	\$ 7,431	\$ 7,700	\$ 5,951	\$ 85,813
Total Internal Service Fund	1.15	\$ 64,731	\$ 7,431	\$ 7,700	\$ 5,951	\$ 85,813
TOTAL ALL FUNDS	377.18	\$ 22,290,081	\$ 3,313,889	\$ 2,630,523	\$ 2,434,290	\$ 30,668,783

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Glossary

ADOPTED BUDGET: Formal action made by Town Council that sets the 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.

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 fifteen-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 2014.

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 BONDS: Bonds that are issued to finance projects in a designated area within a town or city. The majority of property owners in this district must approve the formation of the district and the amount of indebtedness. The bonds are then repaid by the assessments levied on the property in the district.

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.

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.

MUNICIPAL PROPERTY CORPORATION BONDS: Bonds that are issued by a non-profit corporation formed by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval.

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.

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.

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.

Glossary

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.