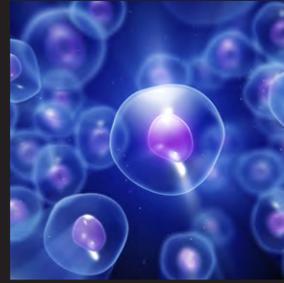




Town of Oro Valley

ANNUAL BUDGET | FY 2013-14





ORO VALLEY, *it's in our nature*

ANNUAL BUDGET **2013 – 2014**



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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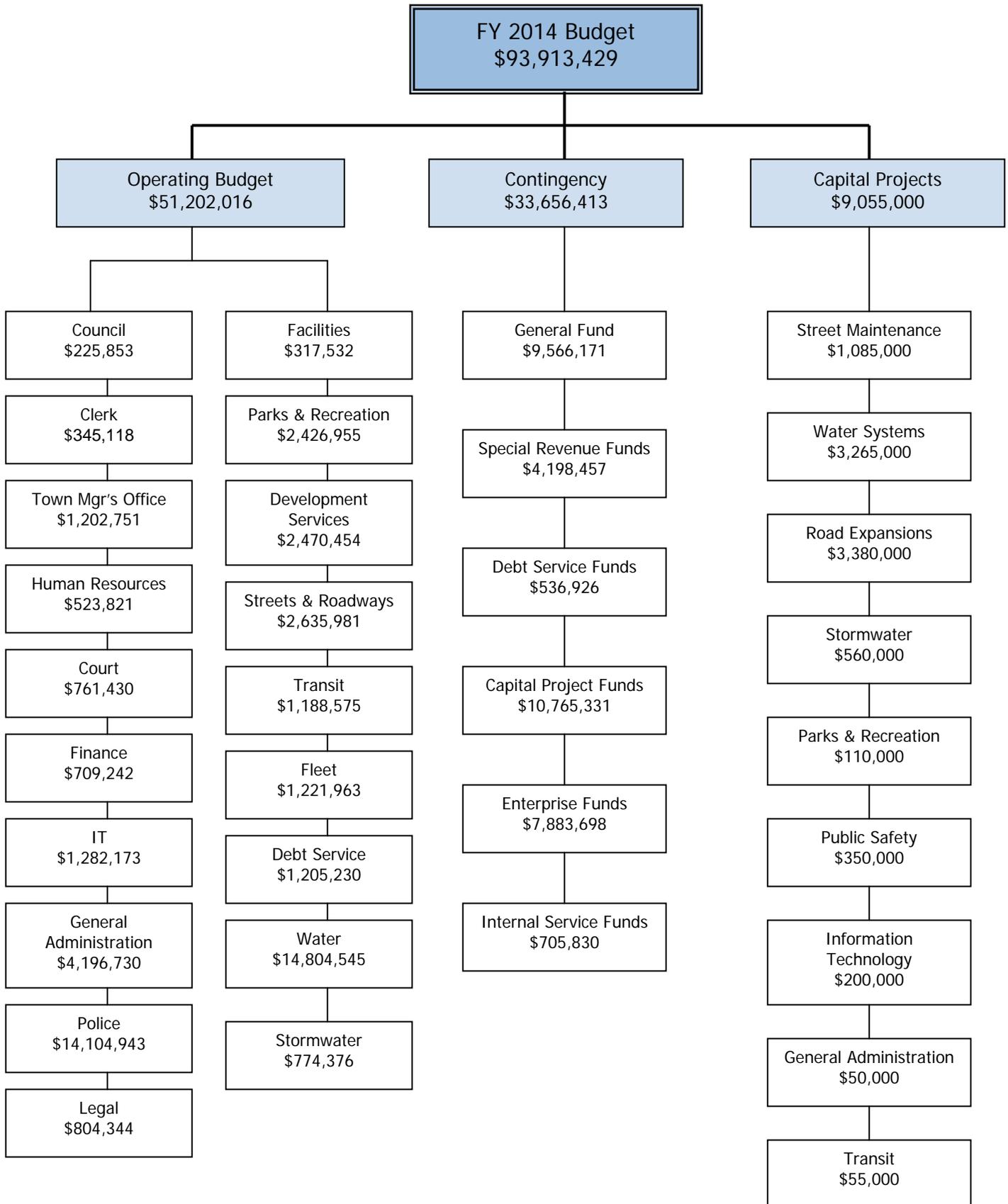
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Financial Organizational Chart



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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, 2012

Christopher P. Mouill

President

Jeffrey R. Emmer

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, 2012.

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
- Community Profile
- History of Oro Valley
- Budget Document Guide
- Mayor and Council
- Organizational Chart
- Strategic Plan
- General Plan
- Fund Structure
- Financial & Budgetary Policies
- Budget Process
- Budget Calendar





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 2013/2014.

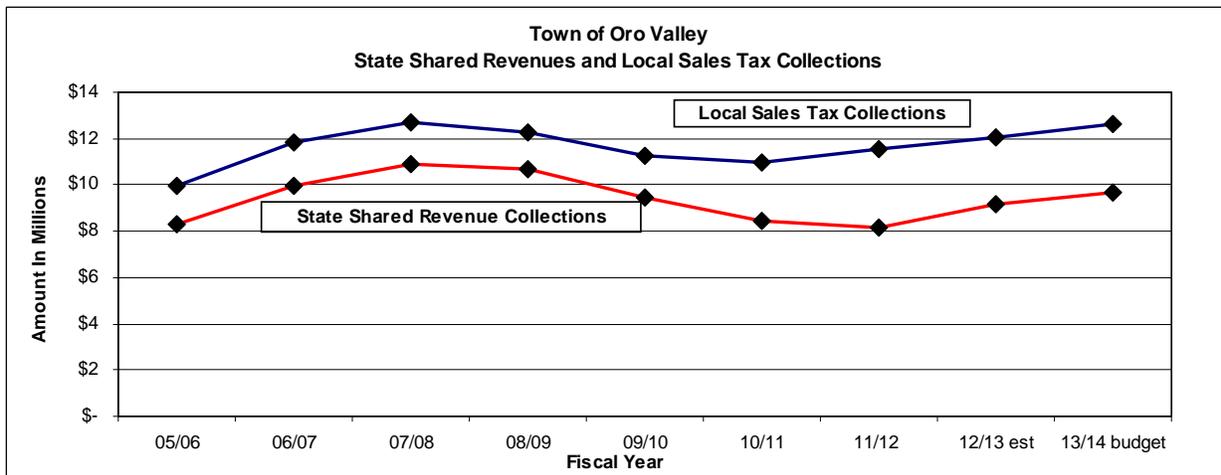
The FY 2013/14 adopted budget totals \$93.9 million, which represents a \$1.5 million, or 1.6%, decrease from the prior year adopted budget of \$95.4 million. This budget is the culmination of a major effort by numerous members of Town staff, Town Council and the citizens of Oro Valley whose input has been used to develop policy and spending priorities.

The Town Council has made financial decisions the last three years that have put the Town on a sustainable financial path. These decisions range from increasing revenues and efficiencies to utilizing valuable intergovernmental partnerships to enhance and, in several instances, expand services while decreasing costs to the Town. The organization has reduced staff, and we continue to right-size operations to ensure that expenditures are aligned with revenues.

KEY BUDGET DEVELOPMENT FACTORS

This budget reflects the continued economic recovery that we are seeing both at the State level and locally through slight increases in State shared revenues and local sales taxes.

The Town relies heavily on State shared revenues to fund its operations. Over 1/3 of the Town's General Fund revenues, or approximately \$9.7 million, come from State shared sales, income taxes and vehicle license registration fees. For FY 2013/14, State shared revenues increased by 5%, or nearly \$500,000, over last fiscal year indicating signs of a slowly recovering State economy. Additionally, our local sales tax collections are improving over past years as indicated in the graph below:



Other factors and actions taken over the past several years that influenced the development of this year's budget are shown below:

Revenue Enhancements

- Increased annexation efforts in surrounding areas
- Increased Parks & Recreation facility usage fees and other fees for service (e.g. liquor license application fee)
- Increased utility tax from 2% to 4% effective August, 2011
- Partnered with Regional Transportation Authority (RTA) for expanded transit service, resulting in greater reimbursement of RTA funds and reduced Town subsidy of service
- Diversified Town investment portfolio to increase interest income
- Ensured proper reimbursement of General Fund services provided to utility enterprise funds
- Invested in expanded Aquatic Center to attract major special events and enhance tourism to our area
- Implemented an Economic Expansion Zone (EEZ) in Innovation Park to streamline development process resulting in businesses opening sooner
- Implemented OV Dollars program to encourage shopping locally
- Implemented automated meter replacement program in Water Utility to increase accuracy of measuring water usage

Expenditure Reductions

- Expanded partnership with Pima County Library District in moving to branch status and saving the Town approximately \$600,000 annually
- Realized approximately \$1.8 million in vacancy savings over last two fiscal years
- Paid off outstanding bond debt in 2010, resulting in significant debt service savings, approximately \$600,000 per year
- Refunded Water Utility debt to cut bond interest rates in half, resulting in net present value savings of \$3.4 million
- Consolidated Development & Infrastructure Services (DIS) Department and reduced staff
- Transitioned to self-funded methodology for employee medical insurance coverage, eliminating profit paid to medical provider and implemented enhanced wellness program
- Expanded volunteer program throughout Town of Oro Valley
- Partnered with Tucson Water for delivery of our CAP water through their system
- Implemented energy efficiency and solar power project at Town facilities

By achieving significant savings outlined above, along with a more positive revenue picture in FY 2013/14, the Town was able to invest in a number of areas where needs had been deferred for the last four fiscal years during the Great Recession.

As a result, the budget focus was developed along the following six core themes:

1. Investment in Town employees
2. Investment in infrastructure and Town assets
3. Investment in technology
4. Economic development as a key strategy to achieve a healthy financial environment

5. Support quality-of-life programs and services for the community
6. Revenue enhancement and expenditure reductions (discussed above)

The above themes focus on investing in several areas that will generate returns through economic development and programs that not only benefit our residents, but enhance our ability to attract and retain quality businesses.

It is important to note that all of these themes tie directly into the goals and objectives identified in the Town's 2013 Adopted Strategic Plan, which identifies four (4) main focus areas: Fiscal Responsibility; Communication; Economic Development and Community Services.

Investment in Town employees

The Town has reduced staff considerably over the past five years. In FY 2008/09, the adopted budget included 389 full-time equivalent (FTE) positions. The adopted FY 2013/14 budget includes a total of 331 authorized FTE positions. The Town has also reduced full-time, benefitted positions from 332 in FY 2008/09 to 288 in the FY 2013/14 adopted budget, an overall reduction of 44 full-time positions over the past five years.

Employee Compensation

The Town has many dedicated and competent employees who have taken on additional responsibilities. In an effort to recognize the efforts of our employees, last year we introduced a modest 2.5% cost-of-living adjustment (COLA) for all employees effective July 1, 2012 - the first COLA since FY 2008/09. This year we are fulfilling the commitment to step and merit pay increases for employees. The adopted budget includes \$567,000 to implement these increases for all eligible employees in FY 2013/14.

Employee compensation is a critical component of the Town's budget. Two items are included in the adopted budget to ensure appropriate allocation of resources in this area. The first is a small amount of funding (approximately \$50,000) to compensate employees who have been working beyond their job description. Because of the significant reduction in staff, many have taken on responsibilities above and beyond their pay classification. We completed a comprehensive reclassification process starting in late fall of 2012 and are recommending minor adjustments to some positions.

The second addition to the adopted budget is funding to conduct a salary market survey. As the economy slowly recovers, the job market will continue to improve, and Town employees will be presented with opportunities. In order to stay current with the recovering job market, we are budgeting a \$30,000 salary market survey for the coming year. This will ensure that our positions are properly placed in the market. The last time a comprehensive salary study was conducted by the Town was FY 2005/06.

Self-Funded Medical Insurance

Employee medical insurance is another critical component of the Town's budget. Last year, in cooperation with the Town's insurance broker, staff reviewed the Town's medical claim history. Based on our exceptionally low claims history, we switched to self-funded insurance. The Town

has accepted additional risk in this new funding methodology; however, given the Town's excellent claim history, we believe there are considerable financial benefits to be gained in future years.

The Town's annual expenditure for medical insurance is approximately \$2.2 million, and although it is too early to determine recognized savings, we believe the medical benefit can be maintained with less likelihood of potential increases and no further reduction to the quality of the plan. Since the Town has more to benefit from a culture supportive of health and wellness, we have also added funding (\$20,000) to the health and wellness program.

We feel that investing in Town employees is of the highest priority in fulfilling the Community Services element of our Strategic Plan with the goal of attracting, engaging and retaining highly qualified employees.

Investment in infrastructure and Town assets

The Town is well known for having quality infrastructure. The adopted budget includes \$1 million for the pavement preservation program in the Highway Fund, which maintains the current condition of our streets and roads and prevents deterioration of roadway infrastructure.

Fleet Replacement Program

During the economic downturn, the Town went without a regular fleet replacement program. As a result, it will take years to fully return to a sustainable fleet replacement program. This is the second year of our effort to return to a regular replacement schedule. The adopted budget includes the replacement of eight (8) police vehicles, one (1) general administration vehicle, one (1) truck for Development and Infrastructure Services (DIS) operations, one (1) utility vehicle for Parks and Recreation, and matching funds for one (1) grant-funded Transit vehicle for a total budgeted cost \$483,000. The Water Utility will replace two (2) vehicles totaling \$44,000.

In addition, the adopted budget includes \$108,000 set aside as a reserve for future replacement of the new vehicles purchased during FY 2012/13. As the Town continues to replace its fleet, funds for the future replacement of those vehicles will continue to be added to this reserve, ensuring that funding will be available at the end of their useful lives.

The emphasis on fleet management and pavement preservation falls under the Fiscal Responsibility element of the Strategic Plan with the goal of ensuring that funding is available to maintain and replace key assets and avoid infrastructure deterioration.

Water Meter Replacement Program

The Water Utility plans to continue progress on the installation of Automated Metering Infrastructure (AMI) communications equipment and the replacement of approximately 3,700 aging meters with new electronic meters. This project is budgeted in the Water Utility Fund for \$1.3 million and is proposed to be financed with a loan from the Water Infrastructure Finance Authority (WIFA).

Naranja Park Improvements

Naranja Park saw considerable improvements during FY 2012/13. With the help of a grant, community support and in-kind assistance by Town resources, more than \$100,000 was invested in the development of the Naranja Park archery range. To maintain this momentum, two projects are planned for FY 2013/14. First, grants will be pursued for further improvements to the archery range, and the adopted budget includes \$20,000 to assist with matching funds. Second, \$40,000 has been allocated to update the Naranja Park Master Plan. It is anticipated that the update will span two fiscal years, with the total project cost estimated at \$80,000.

Police Evidence Facility

The Police Department has identified a growing need for an expanded property and evidence storage facility to remediate a lack of proper storage space and to provide a safer working environment for staff assigned to this area. An amount of \$350,000 has been allocated in the adopted budget to construct such a facility during FY 2013/14.

Investment in technology

Technology needs have been a focus over the last year, and this budget includes additional resources to meet the growing demand. The following items are included in the adopted budget:

- Permitting system replacement - \$200,000 (first of two years)
- Phone system replacement - \$150,000 (first of two years)
- Online module for business license applications and renewals - \$11,000
- Microsoft Office update – Ongoing operational expense of \$45,000/yr. for 3 years
- Mobile application implementation - \$10,000

Additional staff resources in the Town Manager's Office have allowed us to refocus and strengthen our communications strategy via the website. The website continues to be the first stop for information for residents, businesses, and guests to the community. As such, the website needs to represent the Town in the most professional manner possible.

Regular replacement of computers and other technology is critical to maintaining operational efficiency. The adopted budget includes computer replacement for aging equipment at a budgeted cost of \$186,000. This includes several servers, desktop computers and mobile data terminals (MDTs) for the Police Department and building inspectors.

Economic development as a key strategy to achieve a healthy financial environment

Even with minimal resources dedicated to economic development, a key element in the Strategic Plan, the Town has been very successful in primary job development. Given the increasingly competitive nature of business attraction, additional focus has been added to this area. Resource allocation to the Economic Development division was enhanced during the last budget process to ensure the fiscal stability of the Town. This type of allocation will have a significant return on investment that contributes to effective service delivery throughout the organization.

Prior to the economic downturn, the Town was directly involved in business recruitment through staff attendance at targeted recruiting events; however, this involvement was reduced when staff vacancies occurred during the recession. Through the additional resources added to the Economic Development division last fiscal year, these recruiting efforts will be restored in FY 2013/14. Revenues generated from business activity continue to be the major driver of Town funding; therefore, continued efforts toward business retention and recruitment will remain a high priority.

The Town is considering the development of a business incubator/bioscience accelerator in order to further promote Innovation Park and strengthen the Town's foothold in the bioscience and high-tech industry. An amount of \$30,000 has been budgeted for an Economic Feasibility Study of this concept. This study would build on the strategy recently developed in partnership with Tucson Regional Economic Opportunities (TREO).

Special events continue to be an important element of our economic recovery. Next year, the Town will celebrate its 40th anniversary, so a small amount of funding (\$10,000) has been allocated to recognize this important milestone. Additionally, to extend the Town's rebranding effort, \$10,000 has been allocated for banners to hang from light poles along the town's main corridors.

To further promote arts and culture in Oro Valley, the Town will continue its partnership with the Southern Arizona Arts & Cultural Alliance (SAACA) to provide programs such as the concert series and other related events.

Support quality-of-life programs and services for community members

All Town functions contribute to the overall quality of life for residents. From our recognized public safety services to our first-class Water Utility and everything in between, these services contribute to what makes Oro Valley a special place for residents to call home.

Enhanced Aquatic Center

This will be the first full year of operations at the expanded Oro Valley Aquatic Center. The Town will continue to aggressively recruit large-scale events, which will generate increased tourism and economic activity. Additionally, the new Aquatic Center will appeal to a broader audience of potential local users. This recreational gem will be a highly-utilized facility and will become a regional attraction. Indirect revenues from events at the Aquatic Center are not included in this budget. We will closely monitor revenues generated from upcoming events and make future adjustments as appropriate.

Steam Pump Ranch

Last year, the historic Steam Pump Ranch property saw improvements needed to open the facility to the public. The restroom facility and enlarged parking area now allow the hosting of events. There have been discussions with the operators of the Heirloom Farmer's Market about moving to Steam Pump Ranch in the fall of 2013. In order to accommodate this move, an amount of \$70,000 has been included in the adopted budget to build a ramada structure on this property that will be equipped with electricity and provide shade for a broad range of functions. This investment will also serve well for hosting a variety of other events.

Community Survey

One of the goals in the newly-adopted Strategic Plan is to conduct print and/or electronic surveys to solicit community feedback. An amount of \$30,000 has been included in the adopted budget to conduct a formal community survey. The last time the Town conducted a community survey was in 2008.

General Plan Update

As the Town prepares to update its General Plan for approval by voters in 2016, the adopted budget includes \$206,500 to be allocated primarily for outside consultant assistance and public outreach efforts in this area.

FUTURE SUSTAINABILITY

As we balance the adopted budget for FY 2013/14, we view the economic future with a cautious optimism as we recover from the Great Recession. While this budget follows through with delivering outcomes discussed in last year's budget message, we still find ourselves with unfunded needs in some areas. One of the main areas where needs outpace available resources is in our pavement preservation program funded from the Highway Fund. The Highway Fund's two main sources of revenue, local construction sales taxes and State shared highway user revenue funds (HURF), are inadequate to fund the ongoing needs for town-wide roadway maintenance. These revenue sources are impacted by shifts in the economy, as well as actions by the State legislature to sweep the HURF funds for other purposes in the State budget. The short-term solution has been to draw down on the fund balance reserves in the Highway Fund that were built up when the Town saw a spike in construction activity approximately seven years ago. The longer term solution is to continue to right-size the operations in the Highway Fund, as has been done in the General Fund, and seek to diversify the sources of revenue in this fund.

In the meantime, we continue to seek opportunities to reduce our long term costs, including the reduction of our outstanding debt. For example, the Town recently completed a refinancing of outstanding water refunding bonds paying an average interest rate of 4.1% with new bonds that were issued at an average interest rate of 1.45%.

We also continue to maintain strong investment-grade ratings on our outstanding excise tax revenue bonds, rated "AA-" by both Standard and Poor's and Fitch Ratings. This is largely achieved by the Council's goal of continuing to diversify the Town's revenue base and maintaining strong fund balance reserves in the General Fund, currently at \$9.6 million, or 33% of FY 2013/14 adopted expenditures. This well exceeds the Council-adopted policy threshold of 25% of adopted expenditures.

CONCLUSION

The FY 2013/14 budget continues to provide a high level of service to the citizens of Oro Valley as exemplified by maintaining public safety services, improving parks and aquatics facilities, delivering quality water service and maintaining our streets and roadways to the highest standards in the region. The Town adopted its 2013 Strategic Plan, outlining further ways of improving the quality of life for all residents of Oro Valley. Further, the Town will continue to maintain best practices in the management of its finances and include long-term planning tools

in its forecasting to ensure that decisions made today will also provide positive impact to the Town in the future.

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 not only reducing their operations spending, but for doing it in such a way as to minimize the impact to our community. 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,

A handwritten signature in black ink, appearing to read "Greg Caton", with a long horizontal flourish extending to the right.

Greg Caton, ICMA-CM
Town Manager



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 34.75 miles.

ACCOLADES

- Best Place in Arizona to Raise Kids – Bloomberg Businessweek, 2013
- Among the Best Places to live in Arizona – Yahoo, January 2011
- Playful City Community USA, 2011, 2012 and 2013
- 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
County: Pima	Tucson: 3 miles
Legislative District: 26	
Congressional District: 8	
Form of Government: Council – Manager	

<u>Population</u>	1990	2000	2010
Oro Valley	6,670	29,700	41,011
Pima County	666,880	843,746	980,263
Arizona	3,665,228	5,130,632	6,392,017

Source: Arizona Department of Commerce and US Census Bureau

<u>Labor Force</u>	1990	2000	2010
Civilian Labor Force	3,201	13,741	17,546
Unemployed	102	353	1,331
Unemployment Rate	3.2%	2.6%	7.6%

Source: Arizona Department of Commerce and US Census Bureau, 2007-2011 American Community Survey

Marital Status

Single	19.0%
Married	63.2%
Separated	1.4%
Widowed	7.5%
Divorced	9.1%

Source: US Census Bureau, 2007-2011 American Community Survey



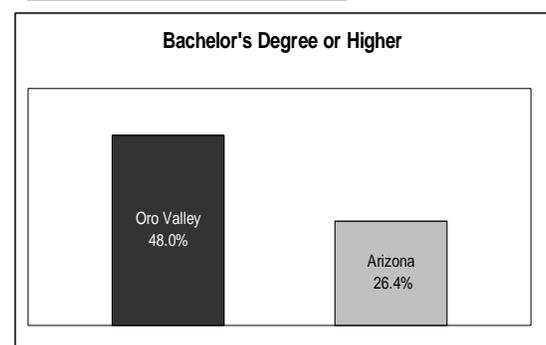
Age & Gender Composition

Male	47.6%
Female	52.4%
Median Age	49.8

Under 5 years	3.9%
5 to 9 years	5.0%
10 to 14 years	6.2%
15 to 19 years	6.4%
20 to 34 years	10.7%
35 to 44 years	10.6%
45 to 54 years	15.3%
55 to 64 years	15.7%
65 + years	26.1%

Source: US Census Bureau, 2010 Census

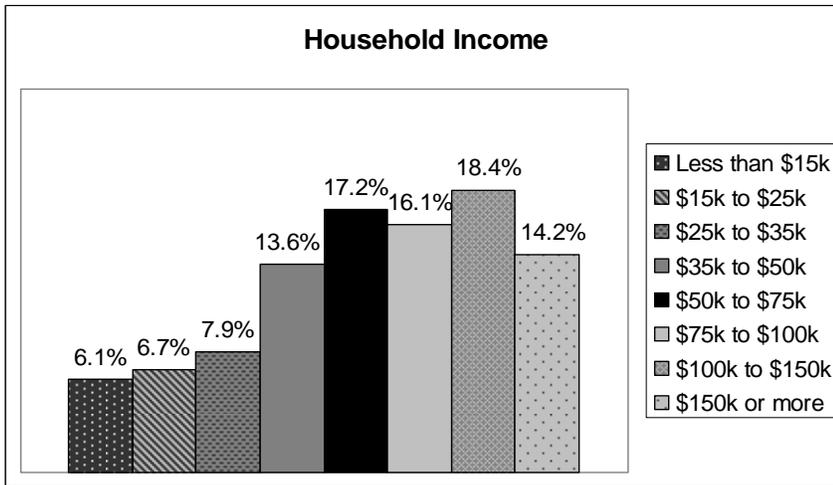
Education Attainment



Source: US Census Bureau, 2007-2011 American Community Survey



Community Profile



Source: US Census Bureau, 2007-2011 American Community Survey

Home Values

Less than \$50k	1.0%
\$50k to \$99k	0.9%
\$100k to \$199k	15.0%
\$200k to \$299k	30.8%
\$300k to \$499k	37.2%
\$500k to \$999k	14.1%
\$1M or more	1.0%

Source: US Census Bureau, 2007-2011 American Community Survey

Taxes

Property Tax Rate (per \$100 assessed valuation)

Elementary/High Schools	\$5.55
Countywide	\$6.45
Fire District	\$1.76
Town of Oro Valley	\$0.00
Total	\$13.76

Source: Pima County Treasurer's Office, 2012

Sales Tax

City/Town	2.0%
County	0.5%
State	5.6%

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

Principal Employers

Ventana Medical Systems, a member of the Roche Group

Amphitheater School District

Oro Valley Hospital

Hilton El Conquistador Golf & Tennis Resort

Town of Oro Valley

Walmart

Fry's Food & Drug Store

Splendido at Rancho Vistoso

Target

Kohls

Community Facilities

Oro Valley offers a broad range of community and cultural facilities including a park with a recently expanded aquatic facility, as well as racquetball courts and Little League fields. Oro Valley has two country clubs, four 18-hole golf courses and one 9-hole course. Tennis and swimming as well as other recreation activities are available at the country clubs.

<u>Educational Institutions</u>	<u>Public</u>	<u>Private</u>
Elementary	Y	Y
High School	Y	Y

Financial

Number of banks: 9

Government

Fire Departments:

Golder Ranch Fire District, Mountain Vista Fire District

Law Enforcement: Oro Valley Police Department

Medical

Oro Valley Hospital, Northwest Urgent Care

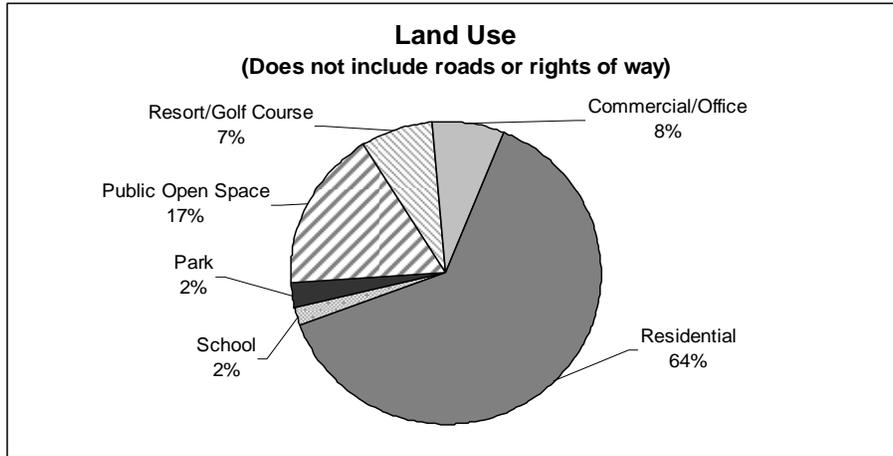
Hotel & Lodging

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:	101.00
Non-Sworn Personnel:	<u>33.13</u>
Total Police Personnel	134.13
Avg. Emergency Response Time:	
Priority 1 calls	3.39 minutes
Priority 2 calls	4.43 minutes



Water:

Customer Base:	18,716
Conservation Audits:	144
Meter Reads:	222,304
Billing Collection Rate:	99.99%



Parks and Recreation:

Number of Parks:	6
Park Acres Maintained:	440
Miles of Trails & Paths:	78
Recreation Programs Offered:	21



Transit:

Registered riders:	1,755
Average Daily Ridership:	125



Street Maintenance:

Total Town Lane Miles:	683.8
FY 2012/13 Lane Miles Resurfaced:	35.69

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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.

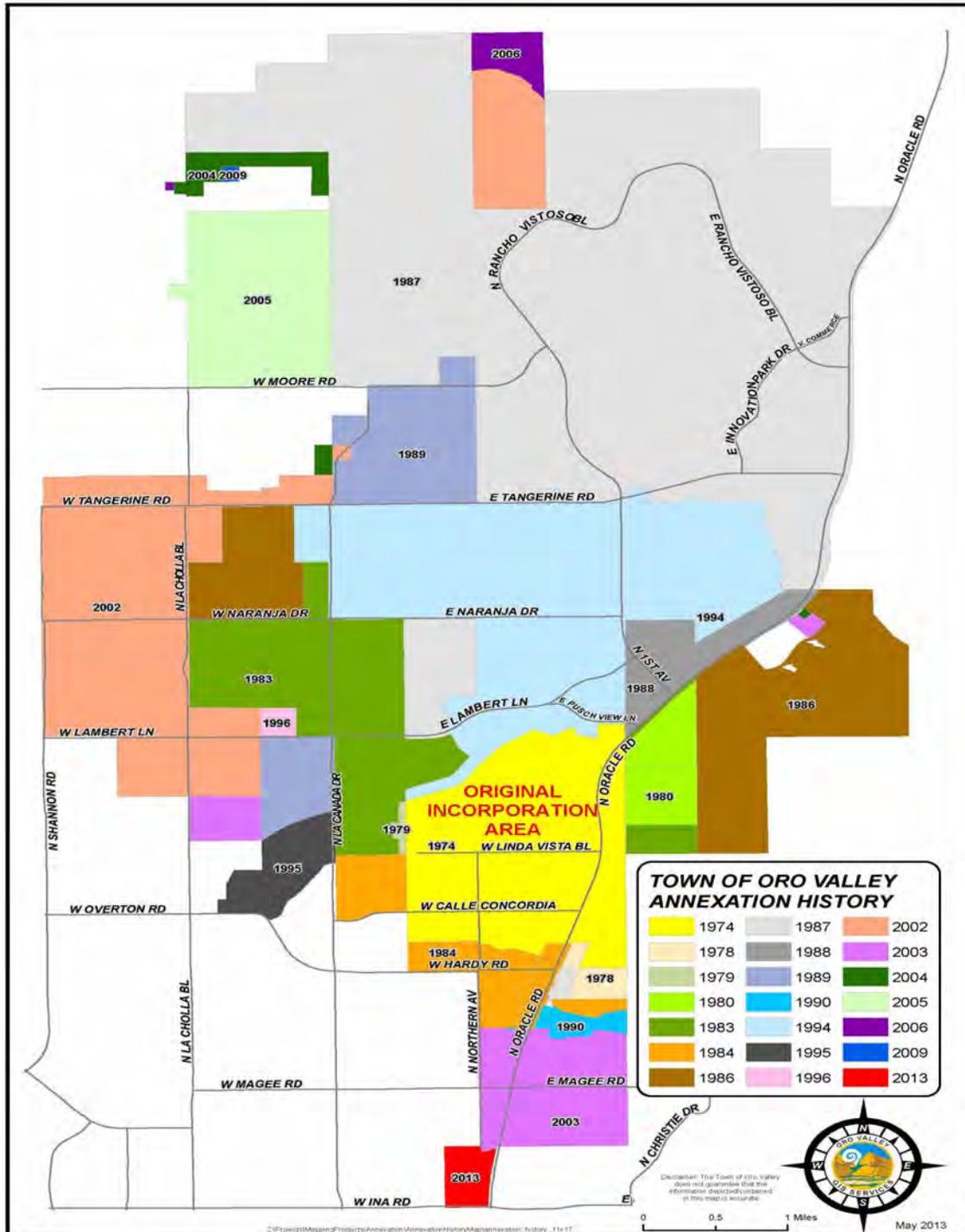
Founding of the Town

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.



History of Oro Valley

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 below depicts Oro Valley's growth since its inception.





Town of Oro Valley

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Budget Document Guide

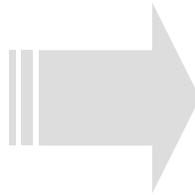
The budget document seeks to implement the Town of Oro Valley's adopted General Plan and Strategic Plan within the boundaries of its available financial resources. The budget is a policy document, financial plan, operations guide and communication device.

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 along with information on the town, the Town's Strategic Plan, General Plan, financial policies, fund structure and the budget process.

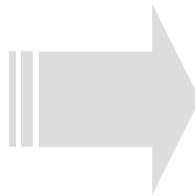


The Manager's budget message provides an introduction to the budget. The message outlines the assumptions used in the development of the budget, goals for the upcoming fiscal year, any new program enhancements or changes in service levels, and any challenges for the upcoming year.

Also included are interesting facts about the town and its history, as well as information on the Town's elected officials, an organization chart, elements of the Town's Strategic Plan and General Plan, and 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, starting and ending fund balances, and explanations of any major 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 by function, employee benefit matching rates, FTEs per capita and consolidated personnel schedules.

The debt section provides an overview on the types of debt used 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 three main tax-based funds, which are the General Fund, the Highway Fund and the Bed Tax Fund.



Budget Document Guide

Program Budgets

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

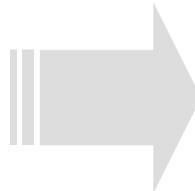


Each program budget begins with a department overview and a summary of expenditures. It also contains the following information -

- **Highlights:** Lists accomplishments achieved by the departments in the previous fiscal year.
- **Goals & Objectives:** Tie to the Town's Strategic Plan and lists what the departments plan to accomplish this budget year.
- **Measures and Indicators:** Performance measures and workload indicators provide an assessment of department outcomes and outputs.
- **Organizational Chart:** Outlines the separate programs within the department. Organizational charts are provided for departments that have more than one program area.
- **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.

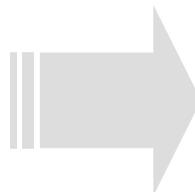


The capital improvement section describes the process and timeline for compiling the CIP budget, a summary of revenue sources to support the program, and a fifteen-year CIP plan.

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



Dr. Satish I. Hiremath, DDS
Mayor
Term Expires: November 2014

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.



Lou Waters
Vice-Mayor
Term Expires: November 2014



Mike Zinkin
Councilmember
Term Expires: November 2016



William Garner
Councilmember
Term Expires: November 2016



Mary Snider
Councilmember
Term Expires: November 2014



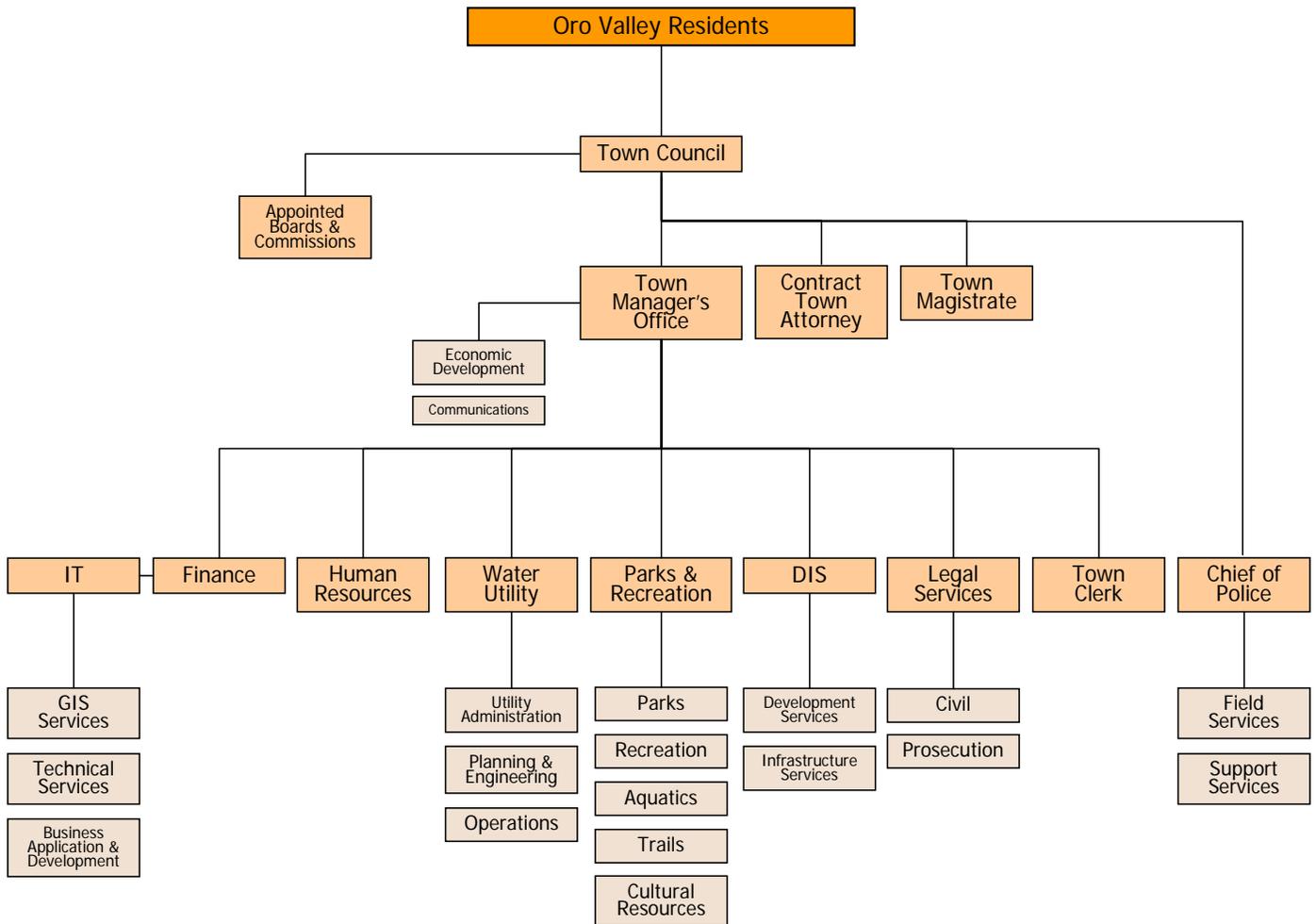
Joe Hornat
Councilmember
Term Expires: November 2014



Brendan Burns
Councilmember
Term Expires: November 2016



Organizational Chart





Town of Oro Valley

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Introduction

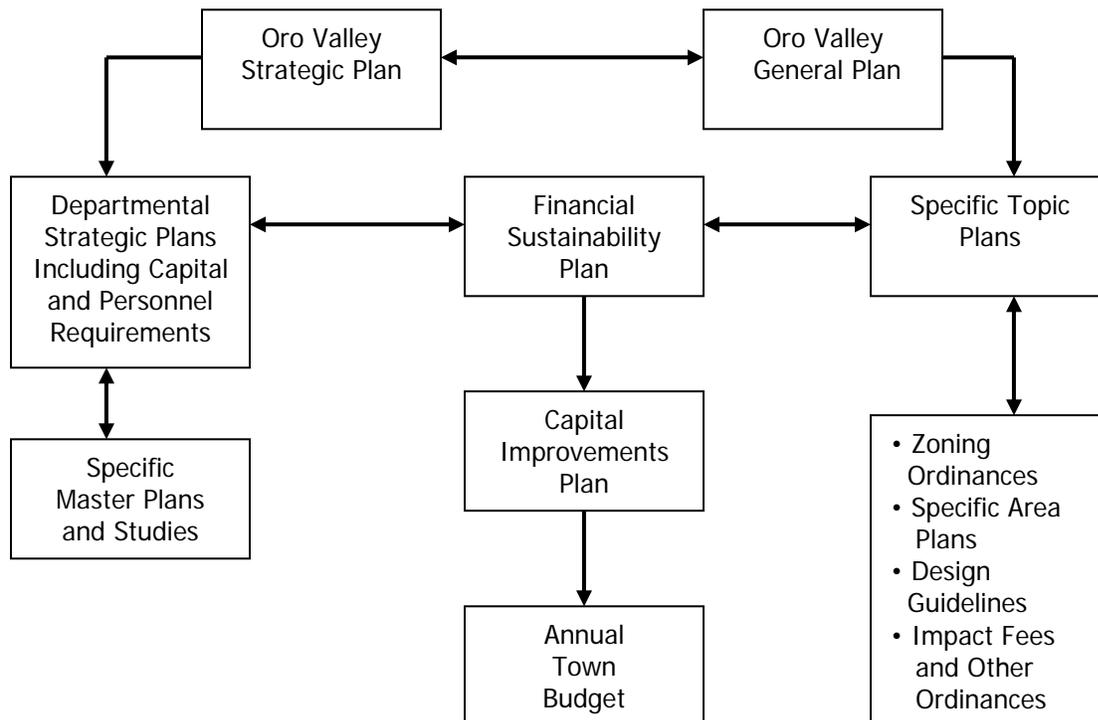
The Town of Oro Valley's Strategic Plan guides Town decision-making and resource management in pursuit of organizational goals. It is "strategic" in the sense that it provides guidance over a 2 to 5 year timeframe. The Strategic Plan will be reviewed and updated periodically by the Town Council and management to ensure that the goals, strategies and actions outlined herein remain relevant. Oro Valley will continue to have success because the organization is flexible enough to respond to local, national and global change.

The Strategic Plan is grounded in the "vision" expressed in the Council-adopted and voter-ratified Oro Valley General Plan. 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 the Future

Oro Valley is a community defined by the highest standard 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.

The following diagram presents the relationship between the Oro Valley Strategic Plan, the General Plan, and other Town documents.





Focus Areas

Four focus areas provide the framework for the Strategic Plan and indicate where the organization must direct resources in order to address the needs and desires of the community. The four focus areas are:

- Fiscal Responsibility
- Communication
- Economic Development
- Community Services

There are one or more Goals under each Focus Area, along with specific Strategies and Actions to be taken by the organization in order to achieve these goals.

FISCAL RESPONSIBILITY

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

STRATEGY Ensure funding is available to maintain and replace key assets and avoid infrastructure deterioration

ACTIONS

- Evaluate opportunities to diversify the Town's revenue sources
- Enhance revenue by taking steps to ensure collection of established taxes, fees, rates and fines
- Expand capital improvement plan (CIP) to a 15-year program, identifying potential funding sources, operating cost impacts and cash flow requirements
- Consider voter approval of franchise agreements with utility providers
- Conduct a cost of service study for the Water Utility
- Establish a fleet management task force to develop alternatives for long-term fleet maintenance and repair
- Develop an Infrastructure Improvement Plan; evaluate the use of impact fees in accordance with state statute
- Expand and develop initiatives to support public safety services that enhance community safety

STRATEGY Pursue annexation and acquisition opportunities that will deliver long-term benefits to the Town

ACTIONS

- Initiate annexations that establish a southern corporate boundary along Ina Road
- Partner with the Arizona State Land Department regarding annexation of the Arroyo Grande area and state trust land between Oro Valley and Marana
- Consider acquisition of properties within annexation areas or adjacent to significant roadway improvement projects that are candidates for redevelopment or other beneficial use



COMMUNICATION

GOAL *Ensure residents are educated about and engaged in moving community initiatives forward*

STRATEGY Improve access to accurate, timely and relevant Town information

ACTIONS

- Launch a new Town website with a focus on information design, making it easier for the end-user to find the information they need, and directing web traffic to important events and initiatives
- Use the email notification system to expand our reach into the community and improve the quality of those communiqués
- Use emerging media technologies such as mobile computing and social media to expand the ways in which information can be accessed
- Expand public access to Geographic Information Systems (GIS) mapping tools
- Enhance the Oro Valley VISTA, the quarterly community e-newsletter and, as the budget allows, increase printed quantities
- Use the internal Communications Roundtable to engage representatives from each department in communications planning for internal news and community-wide events

STRATEGY Increase internal and external awareness of the Town's successes, assets, values and initiatives

ACTIONS

- Launch new marketing and branding efforts to better define the Town's identity and promote our successes, assets, values and initiatives
- Promote consistency in messaging across multiple platforms, including website, intranet, Council talking points, press releases, VISTA newsletter and other internal and external publications
- Enhance presence of Parks & Recreation programs, amenities and event information in Town publications and electronic media
- Enhance presence of Police Department crime prevention programs and event information in Town publications and electronic media

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

ACTIONS

- Conduct Council on Your Corner events, where elected officials speak at community gatherings throughout the year
- Support relationships with volunteers and members of boards and commissions through the annual Volunteer of the Year Awards program and reception
- Expand the Citizens' Police Academy to include an Alumni Association
- Enhance the Community Academy program based on participant feedback



STRATEGY Improve the customer service experience for residents who contact the Town for information or assistance

ACTIONS

- Initiate a Town-wide customer service training module for all employees
- Explore opportunities for expanded service hours to enable customers to conduct business with the Town outside of traditional business hours
- Use the Constituent Service Coordinator, and department-level representatives as necessary, to respond to community questions, concerns or ideas
- Develop information resources to help employees more efficiently identify solutions to residents' questions
- Conduct print and/or electronic surveys to solicit community feedback and suggestions
- Expand the online payment system to include Business Licenses and Building Permits

ECONOMIC DEVELOPMENT

GOAL *Attract and retain globally-competitive high technology and bioscience employers*

STRATEGY Support the creation of primary jobs

ACTIONS

- Hold regular meetings with existing companies at Innovation Park and Foothills Business Park, including the University of Arizona Bio5 Institute
- Explore the possibility of a public-private partnership to build speculative space to attract high technology and bioscience employers
- Evaluate technology and communication infrastructure
- Promote the Economic Expansion Zone (EEZ) overlay district as a business attraction tool
- Support regional efforts to attract and retain major employers
- Develop a strategic partnership with the Arizona Commerce Authority
- Establish a Central Business District (CBD) along Oracle Road

STRATEGY Promote partnerships to enhance public safety, education and workforce development

ACTIONS

- Promote public safety, educational opportunities and state and national school rankings in Town marketing materials and online
- Hold regular meetings with University of Arizona and Pima Community College to support educational needs
- Hold regular meetings with public and private K-12 educational organizations and provide support through the School Resource Officer program



Strategic Plan

GOAL *Develop recreation and cultural opportunities to promote tourism and support employee attraction and retention*

STRATEGY Support cultural events and opportunities

ACTIONS

- Partner with the Southern Arizona Arts and Cultural Alliance (SAACA) and the Hilton El Conquistador Golf & Tennis Resort on the 4th of July Celebration
- Partner with Tohono Chul Park, SAACA and other organizations on marketing efforts and arts & cultural events
- Promote the Public Art collection throughout Oro Valley
- Develop plans for the Town's 40th Anniversary Celebration in 2014

STRATEGY Support local, national and international sporting events

ACTIONS

- Enhance the reputation of Oro Valley as a destination for winter training activities, specifically swimming, running and cycling
- Partner with the Metropolitan Tucson Convention and Visitors Bureau (MTCVB) to attract local, national and international sporting events
- Promote Naranja Park as a venue for local archers and regional competitions

STRATEGY Promote Oro Valley as a bicycle-friendly community

ACTIONS

- Complete construction of the Cañada del Oro Linear Park from First Avenue to Oracle Road, including access to the Steam Pump Ranch trailhead and restroom facilities
- Seek funding to complete the shared use path between Steam Pump Ranch and Catalina State Park, and between Magee Road and La Cañada Drive
- Establish a Complete Streets policy stating our intent to plan, design, and maintain streets so they are safe for all users of all ages and abilities
- Explore public private partnership to reinstate bicycle safety classes
- Support regional funding for completion of The Loop shared use facility
- Support regional efforts to develop a velodrome and cyclist training facility
- Consider stand-alone application for Bicycle Friendly Community certification by the League of American Bicyclists

COMMUNITY SERVICES

GOAL *Provide services to enhance residents' quality of life*

STRATEGY Enhance community policing through support of programs, activities and personnel assignments that prevent crime and promote safety



ACTIONS

- Use the current Police Department strategic planning program and related documents to assist in acquisition and deployment of resources
- Evaluate expansion of the reserve police officer program to support, supplement and expand public safety services in the Town
- Evaluate expansion of the Citizen Volunteer Assistants Program (CVAP) and recruit additional volunteers
- Conduct internal and regional training in contemporary traffic incident management protocols for first responder and support service providers to maximize community safety (police, fire, EMS, transportation, towing etc.)
- Ensure resources are available to evaluate and respond to legislative, judicial and technological mandates

STRATEGY Reinforce the Oro Valley brand through excellence in infrastructure design and maintenance

ACTIONS

- Consider the replacement of conventional signalized intersections with roundabouts
- Expand the pavement management program to plan for needed improvements within the proposed annexation areas
- Consider adjusting the Stormwater Utility fee to provide a funding mechanism for drainage infrastructure projects
- Complete the sign inventory and develop a plan for sign replacement and removal of unnecessary signage

STRATEGY Deliver a safe and reliable water supply to all Water Utility customers

ACTIONS

- Renew the Town's Assured Water Supply (AWS) designation
- Initiate the Advanced Metering Infrastructure Project for the Oro Valley Water Service Area to accurately measure water usage and increase customer service efficiency
- Partner with Tucson Water to amend the Reclaimed Water Intergovernmental Agreement
- Develop a plan for acquisition and delivery of Central Arizona Project water
- Promote water conservation through customer education and the provision of water audits
- Conduct an Energy Efficiency Study to determine improvements needed to increase efficiency of wells and booster pumps, reduce electric power consumption and enhance the reliability of the water system



STRATEGY Continue restoration, preservation and rehabilitation of facilities at Steam Pump Ranch

ACTIONS

- Explore options for use of the Proctor/Lieber House as outlined in the Master Plan
- Explore hosting a Farmer's Market on the property
- Establish an agreement with the State Historic Preservation Office regarding treatment of original Pump House
- Establish funding for implementation of the Steam Pump Ranch Master Plan

STRATEGY Seek to make continuous improvements to Town parks and other facilities

ACTIONS

- Initiate an update of the Naranja Park Master Plan and Programming & Concept Design documents
- Establish a funding and phased development plan for implementation of the Naranja Park Master Plan
- Initiate development of a comprehensive Parks and Recreation Master Plan
- Initiate application to the Commission for Accreditation of Park and Recreation Agencies
- Complete a renovation of the Town Hall stage area, adjacent landscape areas, and directional signage
- Evaluate organizational space needs and develop a plan for implementation

STRATEGY Update the General Plan to reflect community values and future needs.

ACTIONS

- Develop a Public Participation Plan to guide resident involvement in decision-making
- Promote broad community participation in the development of the General Plan
- Develop and implement a marketing plan to ensure voter ratification of the General Plan in 2015

STRATEGY Provide Town staff with the best possible collaboration tools to increase efficiency of information delivery

ACTIONS

- Evaluate replacement of the phone system
- Evaluate replacement of the Permits Plus software system
- Evaluate operational areas that will realize the greatest value from mobile applications
- Evaluate methods of converting paper forms to electronic forms
- Conduct a feasibility assessment of an organization-wide document management system



- Develop IT policies and security measures regarding the use of personal mobile devices for business functions
- Enhance the Information Technology architecture to facilitate mobile access to Town information and enterprise applications

STRATEGY Attract, engage, and retain highly qualified employees

ACTIONS

- Enhance the current employee recognition program as recommended by employees
- Conduct supervisory training as it relates to employee engagement, development and performance management
- Expand the number of on-site training opportunities to enhance employee professional development
- Evaluate the benefits package offered to employees
- Conduct stay interviews with all new employees after 30 days of employment
- Conduct exit interviews to assess the reasons for separation and report separations on a monthly basis
- Conduct a market study of the Town's benchmark classifications and make necessary pay grade adjustments as needed and based on fiscal resources
- Evaluate methods for determining employee engagement



General Plan

The citizens of the Town of Oro Valley established and ordained this General Plan for the development and support of the Town. The purpose of the General Plan is to provide basic direction and guidance to all elected and appointed officials, employees, and residents of the Town in their decision making process. The General Plan consists of eleven (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 to address the safety needs of its 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 the 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.

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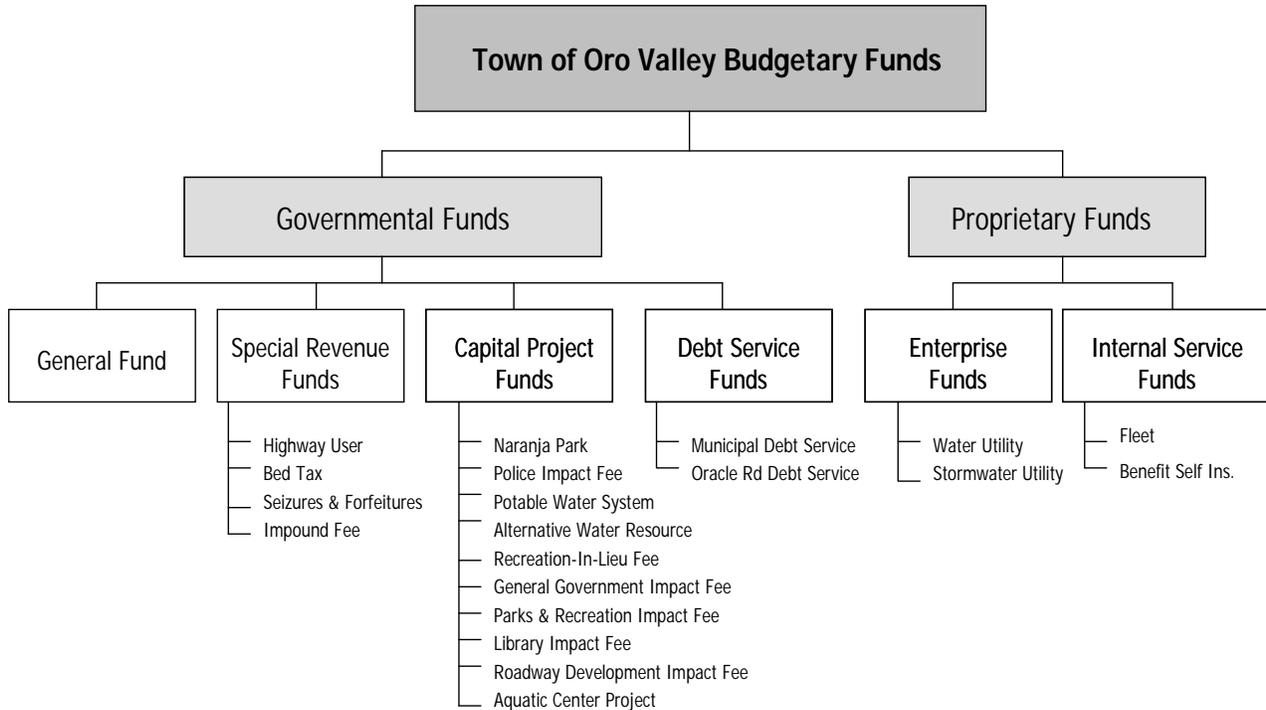
Town of Oro Valley

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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 State Seizures & Forfeitures Fund accounts for state police seizures and forfeitures received by the Town, while the Federal Seizures & Forfeitures Fund accounts for federal police seizures and forfeitures received by the Town.

Capital Project Funds are used to account for revenue received and expenditures related to infrastructure improvements such as streets, water, buildings and park facilities. Revenue is received from impact fees, the issuance of bonds, outside funding and special assessments. Most of the Town's Capital Project Funds consist of impact fee funds.

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 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, the Government Finance Officers Association (GFOA), as well as the National Advisory Council on State and Local Budgeting (NACSLB) recommends formal adoption of financial policies by the jurisdiction's governing board. The policies were adopted by Mayor and Council on May 18, 2011 per Resolution (R)11-30.

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.

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).



Financial and Budgetary Policies

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.

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.



Financial and Budgetary Policies

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 & 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.

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.



Financial and Budgetary Policies

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 Plan Policies

The purpose of the Capital Improvement Plan (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 Plan 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 Plan 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 Plan will become the capital budget.

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

C.3 Fund Balance Reserve Policies

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

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

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



Financial and Budgetary Policies

than nonspendable items) that are either (a) externally imposed by creditors, such as debt covenants, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. This category was traditionally reported as a “reserved” fund balance under the old standard.

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

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

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.

Contingency reserves will be maintained at 5% of the operating budget expenditures for the Water Enterprise Fund.

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 and maintenance,



Financial and Budgetary Policies

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 Plan 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.

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.



Town of Oro Valley

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Budget Process

Overview

The FY 2013 - 2014 budget process began in early January 2013 with individual meetings with Councilmembers to outline their budget priorities for the upcoming fiscal year. The budget was developed using six major themes derived from those meetings. Those six core themes are:

- Investment in Town employees
- Investment in infrastructure and Town assets
- Investment in technology
- Economic development as a key strategy to achieve a healthy financial environment
- Support quality-of-life programs and services for the community
- Revenue enhancement and expenditure reductions

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

Although the local and national economies continue to improve, the Town still relies heavily on volatile revenue sources. As a result, 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 "hold the line" wherever possible while continuing 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. Any gaps existing between revenue and expenditures are discussed among Finance and Town management with a recommendation for closure.

Simultaneously, a financial sustainability plan is updated with various assumption factors, and projected revenue and departmental costs to complete a five-year financial picture.

The Town Manager meets with each department director to discuss and review their budget and 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 along with an overview of the Town's five-year financial condition. 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 1, 2013. The adoption of the tentative budget sets the expenditure limitation for the fiscal year. The budget is then available to the general public via newspaper and public hearings. After completion of public hearings, the final budget was adopted on May 15, 2013.



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 2010. 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 2013/2014 expenditure limit for Oro Valley is \$93,913,429.

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 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 Plan 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.



Budget Calendar

January						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

2013 Budget Calendar

January

- 7-11** Individual Councilmember meetings with Budget Team to outline priorities
- 17** Community Budget Forum
Employee Budget Forum

February

- 1** Departments begin compiling requested budget for operations & maintenance and capital expenditures
- 11** Capital Improvement Program (CIP) requests due to Finance
- 18** CIP Committee meeting to rank CIP projects
- 22** Finance finalizes FY 13/14 revenue estimates
- 22** Departments submit operations & maintenance and capital expenditure requests to Finance

March

- 1** Finance compiles, reviews and analyzes department budget requests
- 4-8** Town Manager meets with department directors and Finance to review the proposed budget
- 11-22** Finance prepares Town Manager Recommended Budget

April

- 3** Town Manager Recommended Budget and 15-year CIP delivered to Council
- 10** Council Budget Work Session
- 24** Council Budget Work Session

May

- 1** Adoption of Tentative Budget and CIP
- 15** Adoption of Final Budget and CIP

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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

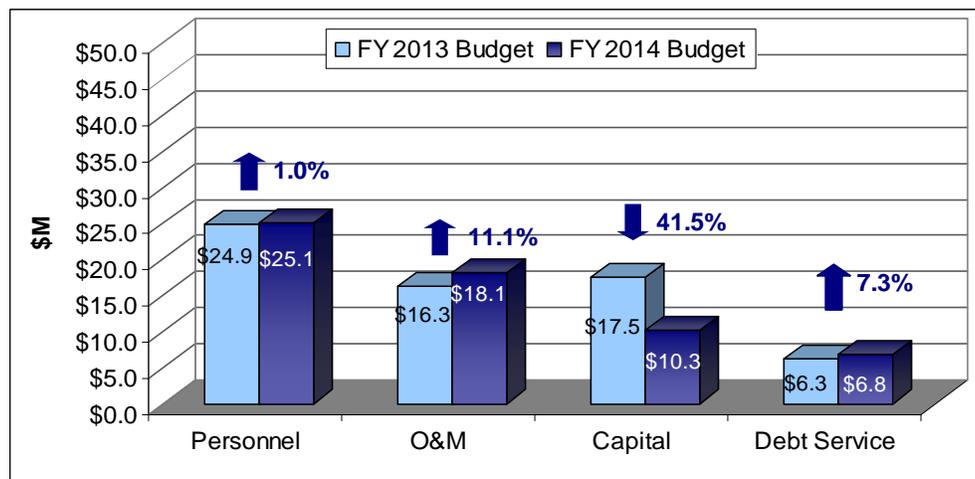




Budget Overview

The budget for FY 2013/2014 totals \$93.9 million, which includes a \$51.2 million operating budget and \$9.1 million for capital projects, and represents a 1.6% decrease over the previous fiscal year budget of \$95.4 million. Several steps have been taken over the last few years to put the Town on a sustainable financial path. These steps include increasing revenues and efficiencies, streamlining operations and reducing staff through vacancies and attrition. The FY 13/14 budget addresses several areas of critical need that were put on hold during the economic downturn. Budgeted capital includes fleet and technology replacements, as well as improvements to parks and public safety facilities. The reduction in overall budgeted capital is due to completion of the expanded aquatic center and widening of Lambert Lane. Refer to the Capital Improvement Program (CIP) for additional detail on budgeted projects. The FY 13/14 budget also provides for merit and step increases for all Town employees, the first of such an increase in five years. The O&M budget is increasing 11.1% to address several needs and initiatives, of which are further 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.

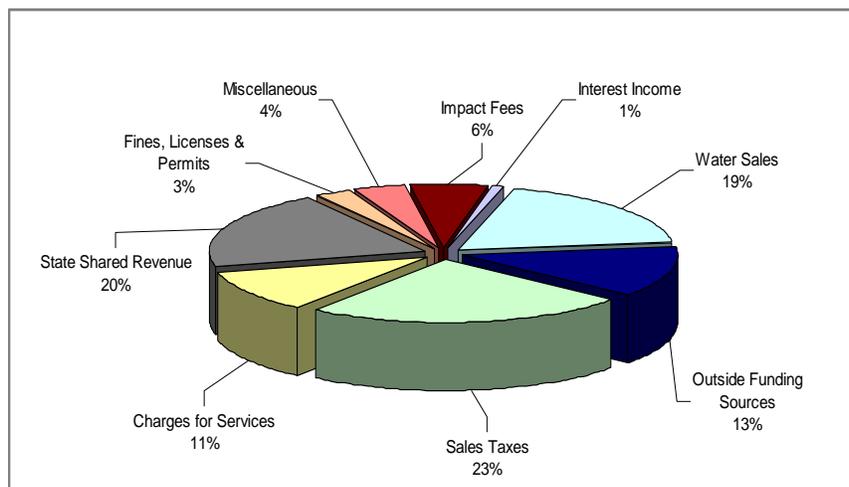
Comprehensive Budget Overview



Revenues

Budgeted revenue for FY 13/14 totals \$62.2 million and represents a 7.4% increase from FY 12/13. The Town receives a variety of funding sources to finance operations which will be discussed in further detail in the Financial Overview section of the budget document.

In FY 13/14, the Town has budgeted revenue from Sales Taxes, which is a major funding source (23% of the total), State Shared Revenues (20% of total), and Water Sales (19% of total). Revenue from Outside Funding Sources (13% of total) includes \$6.3 million in state and federal grant proceeds.





Budget Overview

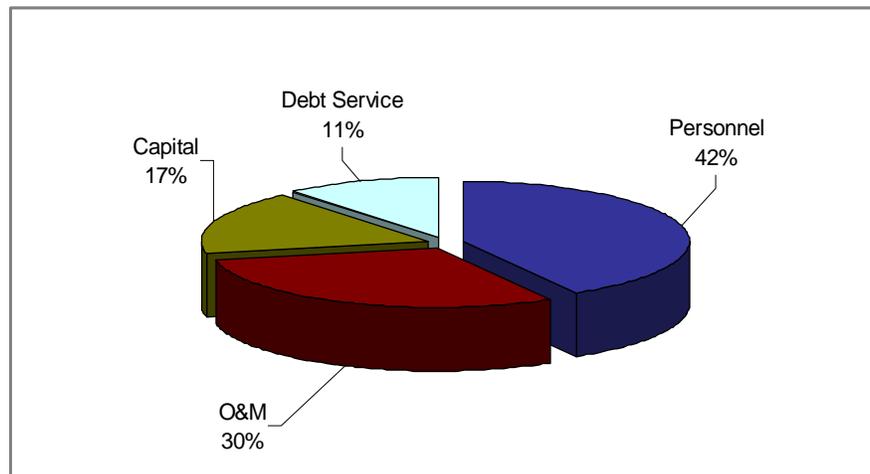
Revenue Sources

	FY 2012	FY 2012/13		FY 2013/14	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	13,325,105	13,427,168	13,775,472	14,989,579	1,562,411	11.6%
Charges for Services	5,383,924	5,844,039	6,095,337	6,839,823	995,784	17.0%
State Shared Revenue	10,563,670	11,655,122	11,655,122	12,159,167	504,045	4.3%
Fines, Licenses & Permits	1,386,534	1,169,469	1,561,706	1,731,455	561,986	48.1%
Miscellaneous	625,530	2,746,664	2,427,946	2,466,000	(280,664)	-10.2%
Impact Fees	1,639,628	926,875	2,269,417	3,704,483	2,777,608	299.7%
Interest Income	681,416	551,678	540,960	510,368	(41,310)	-7.5%
Water Sales	11,578,980	11,707,800	11,693,000	11,748,000	40,200	0.3%
Outside Funding Sources	12,462,836	9,876,039	7,202,422	8,046,867	(1,829,172)	-18.5%
Total Revenue	\$ 57,647,623	\$ 57,904,854	\$ 57,221,382	\$ 62,195,742	\$ 4,290,888	7.4%

Does not include interfund transfers or carry-forward fund balances

Expenditures

Budgeted expenditures for FY 13/14 total \$60.3 million and represent a 7.3% decrease over FY 12/13. The budget includes \$51.2 million to support daily operations and services and \$9.1 million in capital projects to fund technology, parks and public safety facilities improvements, roadway expansions and improvements, as well as water and stormwater infrastructure improvements. Further detail on uses of expenditures and types can be found in the Financial Overview section of the budget document.



Budgeted Uses

	FY 2012	FY 2012/13		FY 2013/14	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	23,863,037	24,855,460	24,479,784	25,099,764	244,304	1.0%
O&M	11,119,323	16,339,099	15,365,748	18,148,045	1,808,946	11.1%
Capital	11,718,954	17,523,613	14,814,607	10,258,790	(7,264,823)	-41.5%
Debt Service	8,716,009	6,288,559	6,596,828	6,750,417	461,858	7.3%
Total Expenditures	\$ 55,417,323	\$ 65,006,731	\$ 61,256,967	\$ 60,257,016	\$ (4,749,715)	-7.3%

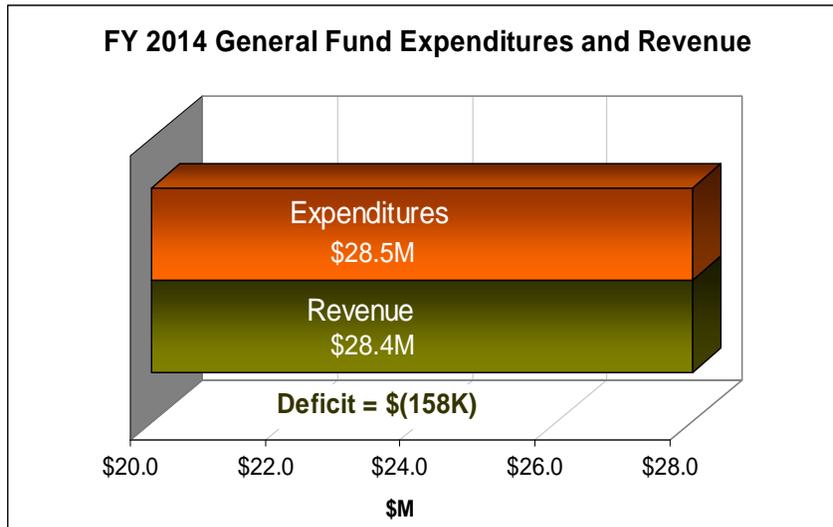
Does not include depreciation, amortization, interfund transfers or contingency amounts



Budget Overview

Budget Policy

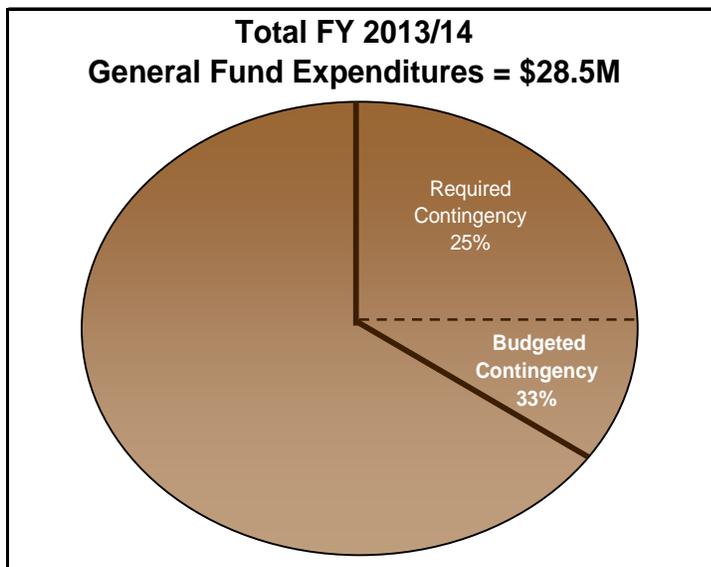
In accordance with the Town's adopted Financial and Budgetary Policies, A.1 – Balanced Budgeting and Fiscal Planning Policies, "The Town shall develop an annual budget whereby recurring Town revenues shall be sufficient to support recurring operating expenditures with no use of General Fund contingency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



Revenues	\$ 28,386,906
Expenditures	<u>28,545,242</u>
Surplus/(Deficit)	\$ (158,336)

The negative difference of \$158,336 between revenues and total expenditures in the General Fund for FY 13/14 is attributed to one-time capital expenditures. All recurring expenditures are expected to be covered with budgeted revenues.

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	\$28,545,242
Contingency Requirement	<u>25%</u>
Required Contingency	\$ 7,136,311

The budgeted contingency reserve for FY 2013/14 is \$9,566,171 in the General Fund and is equal to 33% of expenditures. Of this amount, \$8.0 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.

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Fund Balances

	(1)	(2)	(3)		(4)	(5)		(6)	2013-2014
	General	Special	Water Utility	Non-Major	Capital	Internal	Debt Service		Total
	Fund	Revenue	Fund	Enterprise	Projects	Service	Funds		
		Funds		Fund	Funds	Funds	Funds		
Revenues and Other Sources									
Taxes	\$ 13,123,382	\$ 1,866,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,989,579
Licenses and Permits	1,493,455	48,000	-	-	-	-	-	-	1,541,455
Fines	190,000	-	-	-	-	-	-	-	190,000
Water Sales	-	-	11,748,000	-	-	-	-	-	11,748,000
Charges for Services	1,443,437	176,993	597,100	771,500	2,568,000	1,282,793	-	-	6,839,823
State Shared Revenue	9,659,167	2,500,000	-	-	-	-	-	-	12,159,167
Intergovernmental	30,000	-	-	-	-	-	-	-	30,000
Grants	2,086,190	35,000	-	450,000	3,650,000	-	70,677	-	6,291,867
Seizures & Forfeitures	-	425,000	-	-	-	-	-	-	425,000
Impact Fees	-	-	-	-	3,704,483	-	-	-	3,704,483
Interest Income	62,275	10,975	66,250	500	4,500	-	365,868	-	510,368
Miscellaneous	114,000	10,000	-	-	30,000	2,229,000	83,000	-	2,466,000
Other Financing Sources	185,000	-	1,400,000	-	-	-	371,576	-	1,956,576
Total	\$ 28,386,906	\$ 5,072,165	\$ 13,811,350	\$ 1,222,000	\$ 9,956,983	\$ 3,511,793	\$ 891,121		\$ 62,852,318
Expenditures and Other Uses									
General Government									
<i>Clerk</i>	\$ 345,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,118
<i>Council</i>	225,853	-	-	-	-	-	-	-	225,853
<i>Finance</i>	709,242	-	-	-	-	-	-	-	709,242
<i>General Administration</i>	2,037,730	-	-	-	-	2,209,000	12,720	-	4,259,450
<i>Human Resources</i>	523,821	-	-	-	-	-	-	-	523,821
<i>Information Technology</i>	1,482,173	-	-	-	-	-	-	-	1,482,173
<i>Legal</i>	804,344	-	-	-	-	-	-	-	804,344
<i>Magistrate Court</i>	761,430	-	-	-	-	-	-	-	761,430
<i>Town Manager's Office</i>	700,989	501,762	-	-	-	-	-	-	1,202,751
Debt Service									
Principal	-	-	-	-	-	-	704,000	-	704,000
Interest	-	-	-	-	-	-	488,510	-	488,510
Police	14,223,297	231,646	-	-	-	-	-	-	14,454,943
Dev. & Infrastructure Svcs.	4,031,561	3,720,981	-	1,334,376	-	1,221,963	-	-	10,308,881
Parks and Recreation	2,536,955	-	-	-	-	-	-	-	2,536,955
Water Utility									
<i>Personnel</i>	-	-	2,688,464	-	-	-	-	-	2,688,464
<i>Operations & Maintenance</i>	-	-	6,084,961	-	293,463	-	-	-	6,378,424
<i>Capital Outlay</i>	-	-	2,654,750	-	790,000	-	-	-	3,444,750
Debt Service									
Principal	-	-	2,033,797	-	1,220,330	-	-	-	3,254,127
Interest	-	-	1,357,899	-	945,881	-	-	-	2,303,780
Roadway Improvements	-	-	-	-	3,380,000	-	-	-	3,380,000
Other Financing Uses	162,729	390,669	3,178	-	100,000	-	-	-	656,576
Total	\$ 28,545,242	\$ 4,845,058	\$ 14,823,049	\$ 1,334,376	\$ 6,729,674	\$ 3,430,963	\$ 1,205,230		\$ 60,913,592
Increase/(Decrease)	(158,336)	227,107	(1,011,699)	(112,376)	3,227,309	80,830	(314,109)		1,938,726
Beginning Fund Balance	\$ 9,724,507	\$ 3,971,350	\$ 8,678,569	\$ 329,204	\$ 7,538,022	\$ 625,000	\$ 851,035		\$ 31,717,687
Ending Fund Balance	\$ 9,566,171	\$ 4,198,457	\$ 7,666,870	\$ 216,828	\$ 10,765,331	\$ 705,830	\$ 536,926		\$ 33,656,413

This table depicts the estimated beginning fund balance at July 1, 2013, the budgeted revenues and expenditures for FY 2013/14 and the projected ending fund balance at June 30, 2014.

- (1) The General Fund is decreasing by \$158,336, which will be used to fund capital projects.
- (2) Special Revenue Funds are increasing by \$227,107.
- (3) Enterprise Funds are decreasing by \$1,124,075 which will be used to fund capital projects.
- (4) Capital Projects Funds are increasing by \$3,227,309 due to collection of impact fees expected from increased development activity.
- (5) Internal Service Funds are increasing by \$80,830.
- (6) Debt Service Funds are decreasing by \$314,109 which will be used to fund debt service payments.

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Historical Fund Balances

	General Fund			Other Non-Major Governmental Funds (A)		
	2012 Actual	2013 Estimate	2014 Budget	2012 Actual	2013 Estimate	2014 Budget
Revenues and Other Sources						
Taxes	\$ 12,182,009	\$ 12,523,845	\$ 13,123,382	\$ 1,143,096	\$ 1,251,627	\$ 1,866,197
Licenses and Permits	1,138,348	1,330,596	1,493,455	47,514	51,110	48,000
Fines	200,672	180,000	190,000			
Water Sales						
Charges for Services	1,252,066	1,284,554	1,443,437	2,386,152	2,836,996	2,744,993
State Shared Revenue	8,145,065	9,175,117	9,659,167	2,418,605	2,480,005	2,500,000
Intergovernmental	574,589	442,339	30,000			
Grants	1,218,792	1,736,432	2,086,190	7,289,438	4,930,784	3,755,677
Seizures & Forfeitures				645,858	85,000	425,000
Impact Fees				1,639,628	2,269,417	3,704,483
Interest Income	159,184	62,275	62,275	395,999	407,635	381,343
Miscellaneous	215,047	157,623	114,000	267,207	147,683	123,000
Other Financing Sources	318,426	126,966	185,000	3,379,075	1,665,487	371,576
Total	\$ 25,404,198	\$ 27,019,747	\$ 28,386,906	\$ 19,612,572	\$ 16,125,744	\$ 15,920,269
Expenditures and Other Uses						
General Government						
Clerk	\$ 408,628	\$ 321,989	\$ 345,118			
Council	198,857	224,618	225,853			
Finance	708,721	726,233	709,242			
General Administration	1,716,537	1,831,394	2,037,730	7,449	135,963	12,720
Human Resources	466,611	464,107	523,821			
Information Technology	1,182,391	1,213,633	1,482,173			
Legal	767,988	768,813	804,344			
Magistrate Court	691,870	726,527	761,430			
Town Manager's Office	693,924	638,569	700,989	201,616	386,710	501,762
Debt Service						
Principal				539,820	571,910	704,000
Interest				444,401	489,529	488,510
Police	11,980,950	12,599,309	14,223,297	255,215	664,493	231,646
Dev. & Infrastructure Svcs.	2,934,686	3,349,021	4,031,561	3,757,844	3,630,438	3,720,981
Parks and Recreation	3,006,722	2,387,353	2,536,955	417,198	4,829,795	
Water Utility						
Personnel						
Operations & Maintenance				163,133	352,600	293,463
Capital Outlay				1,053,866	46,000	790,000
Debt Service						
Principal				1,424,608	1,476,493	1,220,330
Interest				966,314	1,160,092	945,881
Roadway Improvements				7,501,852	4,760,000	3,380,000
Use of Contingency	66,708	2,100,000		19,013		
Other Financing Uses	185,240	1,345,324	162,729	918,426	776,966	490,669
Total	\$ 25,009,833	\$ 28,696,890	\$ 28,545,242	\$ 17,670,755	\$ 19,280,989	\$ 12,779,962
Increase/(Decrease)	394,365	(1,677,143)	(158,336)	1,941,817	(3,155,245)	3,140,307
Beginning Fund Balance	\$ 11,007,285	\$ 11,401,650	\$ 9,724,507	\$ 13,573,835	\$ 15,515,652	\$ 12,360,407
Ending Fund Balance	\$ 11,401,650	\$ 9,724,507	\$ 9,566,171	\$ 15,515,652	\$ 12,360,407	\$ 15,500,714

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



Historical Fund Balances

	Enterprise Funds					
	Water Utility Fund			Non-Major Enterprise Fund		
	2012 Actual	2013 Estimate	2014 Budget	2012 Actual	2013 Estimate	2014 Budget
Revenues and Other Sources						
Taxes						
Licenses and Permits						
Fines						
Water Sales	11,578,980	11,693,000	11,748,000			
Charges for Services	557,223	572,400	597,100	752,212	762,600	771,500
State Shared Revenue						
Intergovernmental						
Grants				40,324	7,867	450,000
Seizures & Forfeitures						
Impact Fees						
Interest Income	125,912	66,250	66,250	321	4,800	500
Miscellaneous	143,145	20,000		131	20,140	
Other Financing Sources	100,000	100,000	1,400,000			
Total	\$ 12,505,260	\$ 12,451,650	\$ 13,811,350	\$ 792,988	\$ 795,407	\$ 1,222,000
Expenditures and Other Uses						
General Government						
Clerk						
Council						
Finance						
General Administration						
Human Resources						
Information Technology						
Legal						
Magistrate Court						
Town Manager's Office						
Debt Service						
Principal						
Interest						
Police						
Dev. & Infrastructure Svcs.				655,365	941,151	1,334,376
Parks and Recreation						
Water Utility						
Personnel	2,497,865	2,524,231	2,688,464			
Operations & Maintenance	4,010,407	5,660,204	6,084,961			
Capital Outlay	3,600,815	3,080,700	2,654,750			
Debt Service						
Principal	1,310,654	1,458,286	2,033,797			
Interest	1,414,745	1,440,518	1,357,899			
Roadway Improvements						
Use of Contingency	6,900			600		
Other Financing Uses		2,319	3,178			
Total	\$ 12,841,386	\$ 14,166,258	\$ 14,823,049	\$ 655,965	\$ 941,151	\$ 1,334,376
Increase/(Decrease)	(336,126)	(1,714,608)	(1,011,699)	137,023	(145,744)	(112,376)
Beginning Fund Balance	\$ 10,729,303	\$ 10,393,177	\$ 8,678,569	\$ 337,925	\$ 474,948	\$ 329,204
Ending Fund Balance	\$ 10,393,177	\$ 8,678,569	\$ 7,666,870	\$ 474,948	\$ 329,204	\$ 216,828

Note: Does not include depreciation or amortization



Historical Fund Balances

	Internal Service Funds			Total All Funds		
	2012 Actual	2013 Estimate	2014 Budget	2012 Actual	2013 Estimate	2014 Budget
Revenues and Other Sources						
Taxes				\$ 13,325,105	\$ 13,775,472	\$ 14,989,579
Licenses and Permits				1,185,862	1,381,706	1,541,455
Fines				200,672	180,000	190,000
Water Sales				11,578,980	11,693,000	11,748,000
Charges for Services	436,271	638,787	1,282,793	5,383,924	6,095,337	6,839,823
State Shared Revenue				10,563,670	11,655,122	12,159,167
Intergovernmental				574,589	442,339	30,000
Grants				8,548,554	6,675,083	6,291,867
Seizures & Forfeitures				645,858	85,000	425,000
Impact Fees				1,639,628	2,269,417	3,704,483
Interest Income				681,416	540,960	510,368
Miscellaneous		2,082,500	2,229,000	625,530	2,427,946	2,466,000
Other Financing Sources		300,000		3,797,501	2,192,453	1,956,576
Total	\$ 436,271	\$ 3,021,287	\$ 3,511,793	\$ 58,751,289	\$ 59,413,835	\$ 62,852,318
Expenditures and Other Uses						
General Government						
Clerk				\$ 408,628	\$ 321,989	\$ 345,118
Council				198,857	224,618	225,853
Finance				708,721	726,233	709,242
General Administration		1,757,500	2,209,000	1,723,986	3,724,857	4,259,450
Human Resources				466,611	464,107	523,821
Information Technology				1,182,391	1,213,633	1,482,173
Legal				767,988	768,813	804,344
Magistrate Court				691,870	726,527	761,430
Town Manager's Office				895,540	1,025,279	1,202,751
Debt Service						
Principal				539,820	571,910	704,000
Interest				444,401	489,529	488,510
Police				12,236,165	13,263,802	14,454,943
Dev. & Infrastructure Svcs.	436,271	638,787	1,221,963	7,784,166	8,559,397	10,308,881
Parks and Recreation				3,423,920	7,217,148	2,536,955
Water Utility						
Personnel				2,497,865	2,524,231	2,688,464
Operations & Maintenance				4,173,540	6,012,804	6,378,424
Capital Outlay				4,654,681	3,126,700	3,444,750
Debt Service						
Principal				2,735,262	2,934,779	3,254,127
Interest				2,381,059	2,600,610	2,303,780
Roadway Improvements				7,501,852	4,760,000	3,380,000
Use of Contingency				93,221	2,100,000	
Other Financing Uses				1,103,666	2,124,609	656,576
Total	\$ 436,271	\$ 2,396,287	\$ 3,430,963	\$ 56,614,210	\$ 65,481,575	\$ 60,913,592
Increase/(Decrease)	-	625,000	80,830	2,137,079	(6,067,740)	1,938,726
Beginning Fund Balance	\$ -	\$ -	\$ 625,000	\$ 35,648,348	\$ 37,785,427	\$ 31,717,687
Ending Fund Balance	\$ -	\$ 625,000	\$ 705,830	\$ 37,785,427	\$ 31,717,687	\$ 33,656,413

Note: Does not include depreciation or amortization

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Budget Summary

	FY 2011	FY 2012	FY 2013		FY 2014
	Actual		Budget	Projected	Budget
Personnel					
General Fund	252.12	263.01	269.50	254.23	258.86
Special Revenue Funds	39.31	27.24	33.04	32.08	29.58
Capital Project Funds	-	-	-	-	-
Enterprise Funds	37.50	39.50	40.10	40.10	41.10
Internal Service Funds	2.35	1.35	1.15	1.15	1.15
TOTAL PERSONNEL	331.28	331.10	343.79	327.56	330.69
Expenditures by Fund ¹⁾					
General Fund	24,723,096	24,757,885	26,264,992	25,251,566	28,382,513
Special Revenue Funds	4,576,434	4,214,675	4,381,610	4,598,995	4,454,389
Debt Service Funds	871,851	991,670	1,024,378	1,074,159	1,205,230
Capital Project Funds	12,401,783	11,526,971	14,340,629	12,830,869	6,629,674
Enterprise Funds	12,042,746	13,489,851	16,173,671	15,105,091	16,154,247
Internal Service Funds	874,968	436,271	2,821,451	2,396,287	3,430,963
TOTAL EXPENDITURES	55,490,878	55,417,323	65,006,731	61,256,967	60,257,016
Expenditures by Category ¹⁾					
Personnel	24,464,800	23,863,037	24,855,460	24,479,784	25,099,764
Operations & Maintenance	11,093,553	11,119,323	16,339,099	15,365,748	18,148,045
Capital Outlay	13,571,409	11,718,954	17,523,613	14,814,607	10,258,790
Debt Service	6,361,116	8,716,009	6,288,559	6,596,828	6,750,417
TOTAL EXPENDITURES	55,490,878	55,417,323	65,006,731	61,256,967	60,257,016
Operating Results					
Total Revenues ²⁾	53,894,212	57,647,623	57,904,854	57,221,382	62,195,742
Total Expenditures ¹⁾	55,490,878	55,417,323	65,006,731	61,256,967	60,257,016
NET OPERATING RESULTS ³⁾	(1,596,666)	2,230,300	(7,101,877)	(4,035,585)	1,938,726

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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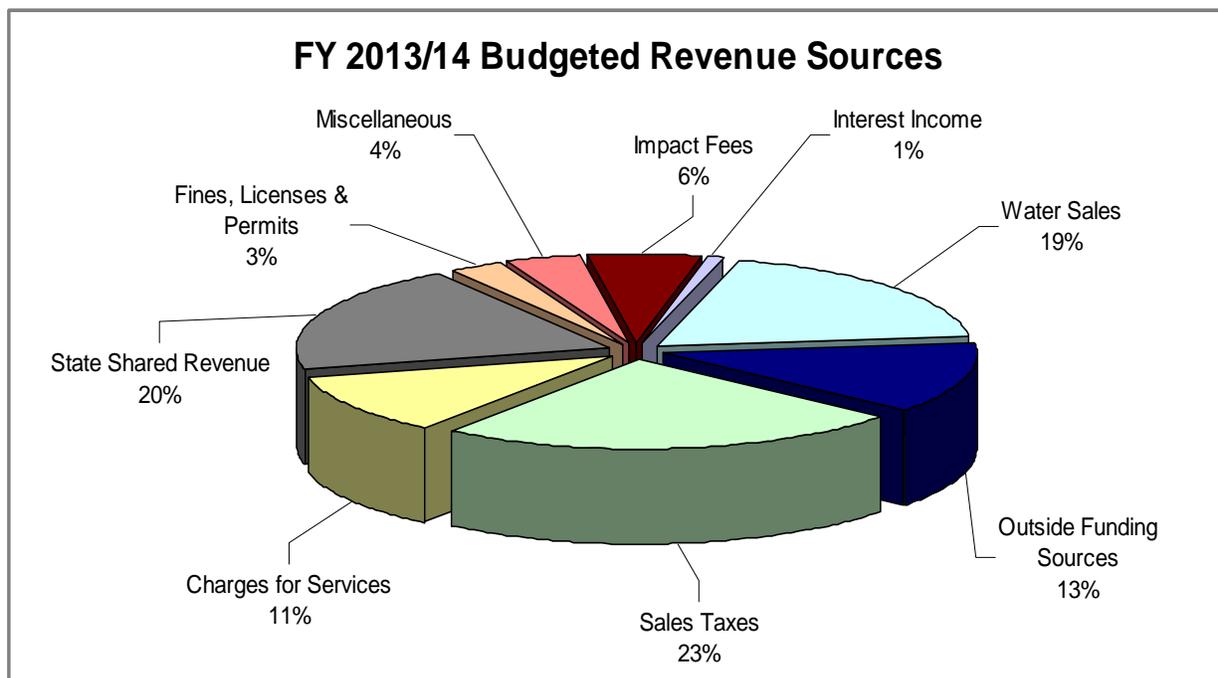


Revenue Summary

Revenue for FY 2013-14 is estimated to total \$62,195,742. In comparison to the FY 2012-13 budget, revenue is projected to increase 7.4%. Economic recovery appears steady at the state and local level. The Town's state shared revenue collections will increase for the second consecutive year. The number of single family residential permits issued within the Town has increased dramatically over the previous year and several new apartments are in either development or construction phases. Year-over-year growth in local construction sales taxes is roughly 50%. The Town does continue to rely heavily on these economically sensitive revenue sources, however, with sales taxes and state shared revenues making up 43% of the projected FY 2013-14 revenues.

Local sales tax represents 23% of the Town's FY 2013-14 projected revenues. In this category, taxes related to retail trade are the biggest contributor. In previous years, taxes related to construction activity were the greatest component. For FY 2013-14, residential construction revenue was projected assuming development and activity patterns similar to what is currently being observed. The Town expects to issue approximately 218 single family residential (SFR) permits in FY 2012-13. Residential permit revenues for FY 2013-14 are based on the assumption that 180 SFR permits will be issued next year. Increases in the commercial sector are of lower scale, perhaps a factor of economic conditions and of the Town approaching buildout within its incorporated boundaries. In collaboration with Economic Development and Development Services, the Finance department compiled a list of all projects in the pipeline and their likelihood of completion in the next budget year. The FY 2013-14 budget is forecasted to see an addition of nearly 175,000 square feet of commercial building in the form of industrial and office space, retail, recreation, and completion of a retirement center.

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

Revenue Sources						
	FY 2012	FY 2012/13		FY 2013/14	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Sales Taxes	13,325,105	13,427,168	13,775,472	14,989,579	1,562,411	11.6%
Charges for Services	5,383,924	5,844,039	6,095,337	6,839,823	995,784	17.0%
State Shared Revenue	10,563,670	11,655,122	11,655,122	12,159,167	504,045	4.3%
Fines, Licenses & Permits	1,386,534	1,169,469	1,561,706	1,731,455	561,986	48.1%
Miscellaneous	625,530	2,746,664	2,427,946	2,466,000	(280,664)	-10.2%
Impact Fees	1,639,628	926,875	2,269,417	3,704,483	2,777,608	299.7%
Interest Income	681,416	551,678	540,960	510,368	(41,310)	-7.5%
Water Sales	11,578,980	11,707,800	11,693,000	11,748,000	40,200	0.3%
Outside Funding Sources	12,462,836	9,876,039	7,202,422	8,046,867	(1,829,172)	-18.5%
Total Revenue	\$ 57,647,623	\$ 57,904,854	\$ 57,221,382	\$ 62,195,742	\$ 4,290,888	7.4%

Does not include interfund transfers or carry-forward fund balances

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

Sales Taxes \$1.6M	<ul style="list-style-type: none"> \$1.0M increase (51%) in construction taxes based on observed and anticipated residential building activity Increases in utility and retail collections due to improving economic conditions
Charges for Services \$1.0M	<ul style="list-style-type: none"> \$644K increase in Fleet Fund for vehicle reserves and replacements \$140K increase in aquatics revenue due to facility expansion \$122K increase in Water Utility Fund revenue \$100K increase in Groundwater Preservation Fee revenue
State Shared Revenue \$500K	<ul style="list-style-type: none"> \$387K increase (9%) in State Income Tax \$114K increase (3%) in State Sales Tax
Fines, Licenses & Permits \$562K	<ul style="list-style-type: none"> \$435K increase in residential building permit revenues (anticipated multi-family residential building activity) \$117K increase in commercial building permit revenues based on observed and anticipated building activity \$5K increase in business license revenue \$5K increase in road permit revenue
Miscellaneous \$(281K)	<ul style="list-style-type: none"> \$270K decrease in donations for aquatics facility expansion \$20K decrease in sale of assets and insurance recoveries \$17K decrease in electricity rebates from Tucson Electric Power for generation of solar energy \$26K increase for self-funded employee and employer health insurance premiums
Impact Fees \$2.8M	<ul style="list-style-type: none"> Due to observed and anticipated residential and commercial building activity
Interest Income \$(41K)	<ul style="list-style-type: none"> Due to observed earnings rates
Outside Funding Sources \$(1.8M)	<ul style="list-style-type: none"> \$2.5M decrease in grants for roadway project funding (due to project completions or postponements) \$300K decrease in federal transit vehicle grants \$580K decrease in Pima County Library District reimbursement due to transfer of library operations to the County \$1.3M increase in loan proceeds from Water Infrastructure Finance Authority \$243K increase in reimbursement from Regional Transportation Authority (RTA) due to continued expansion of the Sun Shuttle transit service



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011 Actual	FY 2012 Actual	FY 2013		FY 2014 Budget	%
			Budget	Projected		to Budget
General Fund						
Local Sales Tax:						
Local Sales Tax	10,965,452	11,539,523	11,727,995	12,015,845	12,623,382	7.6%
Sales Tax Audit Recoveries	95,409	117,059	100,000	8,000	-	-100.0%
Cable Franchise Fees	514,814	525,427	500,000	500,000	500,000	0.0%
Total Local Sales Tax	11,575,674	12,182,009	12,327,995	12,523,845	13,123,382	6.5%
License & Permit Fees:						
Business Licenses & Permits	173,396	176,853	171,140	174,900	176,700	3.2%
Residential Building Permits	426,876	554,042	632,435	887,360	1,067,255	68.8%
Commercial Building Permits	360,645	352,796	83,394	220,936	200,000	139.8%
Sign Permits	37,445	36,397	38,000	39,000	40,000	5.3%
Special Inspection Fees	4,644	3,110	4,500	3,400	4,000	-11.1%
Grading Permit Fees	10,386	15,150	7,000	5,000	5,500	-21.4%
Total License & Permit Fees	1,013,392	1,138,348	936,469	1,330,596	1,493,455	59.5%
Federal Grants:						
CNA	120,466	119,801	122,500	127,965	127,500	4.1%
DEA OT Reimbursement	26,489	31,601	30,000	25,000	25,000	-16.7%
Miscellaneous Federal Grants	172,384	9,405	431,000	25,000	9,405	-97.8%
HIDTA	112,905	137,934	130,700	161,000	156,763	19.9%
HIDTA-DEA	85,851	62,155	70,000	90,700	90,700	29.6%
GOHS	68,302	39,442	90,000	170,140	76,000	-15.6%
Homeland Security	-	80,538	99,800	87,527	73,920	-25.9%
Joint Terrorism Task Force	9,976	3,470	9,000	16,900	17,202	91.1%
Total Federal Grants	596,374	484,346	983,000	704,232	576,490	-41.4%
State Grants:						
Safe Schools Grant	60,000	60,000	-	60,000	134,000	0.0%
Misc State Grants	272,826	236,988	220,000	114,200	343,700	56.2%
The 100 Club of Arizona	-	-	5,000	-	-	-100.0%
RTA Reimbursements	-	437,458	789,042	858,000	1,032,000	30.8%
Total State Grants	332,826	734,446	1,014,042	1,032,200	1,509,700	48.9%
State/County Shared:						
State Income	3,834,911	3,461,359	4,188,806	4,188,806	4,575,389	9.2%
State Sales	3,024,857	3,204,612	3,429,349	3,429,349	3,543,661	3.3%
Vehicle License Tax	1,549,821	1,479,094	1,556,962	1,556,962	1,540,117	-1.1%
Total State/County Shared	8,409,589	8,145,065	9,175,117	9,175,117	9,659,167	5.3%
Other Intergovernmental:						
PCLD Reimbursements	592,075	574,589	613,413	442,339	30,000	-95.1%
Total Other Intergovernmental	592,075	574,589	613,413	442,339	30,000	-95.1%
Charges for Services:						
Court Costs	171,523	173,438	200,000	180,000	200,000	0.0%
Public Defender Fees	4,687	3,269	4,000	4,000	4,000	0.0%
Recording Fees	64	-	-	-	-	0.0%
Zoning & Subdivision Fees	77,752	91,197	70,000	74,000	75,000	7.1%
User Fees - Swimming Pool	156,290	112,832	160,000	130,000	271,500	69.7%
User Fees - Electricity	55,201	32,549	55,000	40,000	40,000	-27.3%
User Fees - Miscellaneous	153,343	171,904	80,000	165,000	165,000	106.3%
Copy Services	3,772	2,430	2,500	2,500	2,500	0.0%
Town Hall Usage Fees	3,172	5,904	3,000	3,000	3,000	0.0%
General Government Other	2,074	970	1,000	1,000	1,000	0.0%
Police Report Copying	27,820	16,921	2,900	5,600	5,500	89.7%
Police Other	6,156	3,939	3,000	14,200	2,200	-26.7%
Building Inspection Copying	6	10	-	5	-	0.0%
Engineer Plan Review Fees	34,875	46,890	35,000	40,000	40,000	14.3%
Grading Review Fees	904	296	1,000	1,000	1,200	20.0%
Grading Inspection Fees	960	1,400	700	700	800	14.3%
Fare Box	-	49,977	34,765	58,000	54,000	55.3%
Administrative Services	-	321,000	321,000	321,000	321,000	0.0%
Financial Services	135,538	135,588	135,591	135,591	136,637	0.8%
Real Property Rental Income	69,500	65,604	83,600	83,600	83,600	0.0%
Maps	172	85	-	58	-	0.0%
Code Book Sales	152	415	-	-	-	0.0%
Pawn Slips	1,920	3,198	2,500	2,800	2,500	0.0%
Police Fingerprinting	-	12,250	22,000	22,500	22,000	0.0%
Concession Sales	-	-	-	-	12,000	0.0%
Total Charges for Services	905,881	1,252,066	1,217,556	1,284,554	1,443,437	18.6%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	%
						to Budget
Fines:						
Fines	195,993	200,672	190,000	180,000	190,000	0.0%
Total Fines	195,993	200,672	190,000	180,000	190,000	0.0%
Interest Income:						
Interest - Investments	29,305	159,184	89,000	62,275	62,275	-30.0%
Total Interest Income	29,305	159,184	89,000	62,275	62,275	-30.0%
Miscellaneous:						
Donations	15,000	995	-	-	-	0.0%
Miscellaneous	34,394	4,093	4,000	24,217	4,000	0.0%
Special Events	2,275	3,350	-	3,495	-	0.0%
Insurance Recoveries	67,146	62,278	20,000	2,042	10,000	-50.0%
In-Lieu Income	109,897	127,437	100,000	100,000	100,000	0.0%
Sale of Assets	41,893	16,894	10,000	27,869	-	-100.0%
Total Miscellaneous	270,605	215,047	134,000	157,623	114,000	-14.9%
TOTAL GENERAL FUND	23,921,715	25,085,772	26,680,592	26,892,781	28,201,906	5.7%
Highway Fund						
Local Sales Tax:						
Construction Sales Tax	291,349	348,378	316,890	469,344	1,077,197	239.9%
Total Local Sales Tax	291,349	348,378	316,890	469,344	1,077,197	239.9%
License & Permit Fees:						
Road Permits	44,807	45,935	42,000	50,000	47,000	11.9%
Floodplain Use Permits	1,110	1,579	1,000	1,110	1,000	0.0%
Total License & Permit Fees	45,917	47,514	43,000	51,110	48,000	11.6%
Charges for Services:						
Administrative Services	-	15,000	229,493	229,493	129,493	-43.6%
Total Charges for Services	-	15,000	229,493	229,493	129,493	-43.6%
State Grants:						
PAG Reimbursements	125,966	231,995	260,000	125,000	35,000	-86.5%
RTA Reimbursements	7,551	28,479	-	-	-	0.0%
Total State Grants	133,517	260,474	260,000	125,000	35,000	-86.5%
State/County Shared:						
Highway User	2,693,145	2,418,605	2,480,005	2,480,005	2,500,000	0.8%
Total State/County Shared	2,693,145	2,418,605	2,480,005	2,480,005	2,500,000	0.8%
Interest Income:						
Interest - Investments	8,834	10,810	7,000	7,000	7,000	0.0%
Total Interest Income	8,834	10,810	7,000	7,000	7,000	0.0%
Miscellaneous:						
Miscellaneous	14,685	8,716	10,000	15,014	10,000	0.0%
Insurance Recoveries	7,828	16,458	-	2,669	-	0.0%
Total Miscellaneous	22,513	25,174	10,000	17,683	10,000	0.0%
TOTAL HIGHWAY FUND	3,195,274	3,125,955	3,346,388	3,379,635	3,806,690	13.8%
Seizures & Forfeitures Funds						
Interest Income:						
Interest - Investments	5,496	4,307	-	3,730	-	0.0%
Total Interest Income	5,496	4,307	-	3,730	-	0.0%
Miscellaneous:						
Forfeitures	323,688	645,858	425,000	85,000	425,000	0.0%
Total Miscellaneous	323,688	645,858	425,000	85,000	425,000	0.0%
TOTAL SEIZURES & FORFEITURES FUNDS	329,184	650,165	425,000	88,730	425,000	0.0%
Bed Tax Fund						
Local Sales Tax:						
Local Sales Tax	219,939	794,718	782,283	782,283	789,000	0.9%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011 Actual	FY 2012 Actual	FY 2013		FY 2014 Budget	%
			Budget	Projected		to Budget
Total Local Sales Tax	219,939	794,718	782,283	782,283	789,000	0.9%
Interest Income:						
Interest - Investments	2,228	7,550	5,700	3,975	3,975	-30.3%
Total Interest Income	2,228	7,550	5,700	3,975	3,975	-30.3%
TOTAL BED TAX FUND	222,168	802,268	787,983	786,258	792,975	0.6%
Regional Transportation Authority (RTA) Fund						
State Grants:						
RTA Reimbursements	1,256	-	-	-	-	0.0%
Total State Grants	1,256	-	-	-	-	0.0%
TOTAL RTA FUND	1,256	-	-	-	-	0.0%
Public Transportation Fund						
Federal Grants:						
Miscellaneous Grants	-	-	-	-	-	0.0%
Total Federal Grants	-	-	-	-	-	0.0%
State Grants:						
PAG Reimbursements	34,944	-	-	-	-	0.0%
RTA Reimbursements	67,647	-	-	-	-	0.0%
Total State Grants	102,591	-	-	-	-	0.0%
State/County Shared:						
LTAF	-	-	-	-	-	0.0%
Total State/County Shared	-	-	-	-	-	0.0%
Charges for Services:						
Fare Box	50,254	-	-	-	-	0.0%
Total Charges for Services	50,254	-	-	-	-	0.0%
Interest Income:						
Interest - Investments	147	-	-	-	-	0.0%
Total Interest Income	147	-	-	-	-	0.0%
Miscellaneous:						
Miscellaneous	991	-	-	-	-	0.0%
Sale of Assets	-	-	-	-	-	0.0%
Total Miscellaneous	991	-	-	-	-	0.0%
TOTAL PUBLIC TRANSPORTATION FUND	153,983	-	-	-	-	0.0%
Fleet Fund						
Miscellaneous:						
Insurance Recoveries	-	-	-	-	-	0.0%
Sale of Assets	-	-	-	-	20,000	0.0%
Total Miscellaneous	-	-	-	-	20,000	0.0%
Charges for Services:						
Fleet Services	-	436,271	638,787	638,787	1,282,793	100.8%
Total Charges for Services	-	436,271	638,787	638,787	1,282,793	100.8%
TOTAL FLEET FUND	-	436,271	638,787	638,787	1,302,793	103.9%
Benefit Self Insurance Fund						
Miscellaneous:						
Self Insurance Premiums - Employer	-	-	1,824,194	1,749,071	1,900,000	4.2%
Self Insurance Premiums - Employee	-	-	358,470	333,429	260,000	-27.5%
COBRA Premiums	-	-	-	-	13,000	0.0%
Retiree Premiums	-	-	-	-	15,000	0.0%
UHC Wellness Program	-	-	-	-	20,000	0.0%
Miscellaneous	-	-	-	-	1,000	0.0%
Total Miscellaneous	-	-	2,182,664	2,082,500	2,209,000	1.2%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011	FY 2012	FY 2013		FY 2014	%
	Actual	Actual	Budget	Projected	Budget	
TOTAL BENEFIT SELF INSURANCE FUND	-	-	2,182,664	2,082,500	2,209,000	1.2%
Impound Fee Fund						
Charges for Services:						
Impound Fees	41,260	37,040	47,503	47,503	47,500	0.0%
Total Charges for Services	41,260	37,040	47,503	47,503	47,500	0.0%
TOTAL IMPOUND FEE FUND	41,260	37,040	47,503	47,503	47,500	0.0%
Municipal Debt Service Fund						
Interest Income:						
Interest	347	82	-	20	-	0.0%
Total Interest Income	347	82	-	20	-	0.0%
Federal Grants:						
Miscellaneous Grants	81,811	84,527	83,784	83,784	70,677	-15.6%
Total Federal Grants	81,811	84,527	83,784	83,784	70,677	-15.6%
Miscellaneous:						
Miscellaneous	-	203,287	100,000	100,000	83,000	-17.0%
Total Miscellaneous	-	203,287	100,000	100,000	83,000	-17.0%
TOTAL MUNICIPAL DEBT SERVICE FUND	82,157	287,896	183,784	183,804	153,677	-16.4%
Oracle Road Debt Service Fund						
Interest Income:						
Special Assessments	141,543	128,661	117,578	117,578	105,868	-10.0%
Penalties	-	1,598	-	-	-	0.0%
Total Interest Income	141,543	130,259	117,578	117,578	105,868	-10.0%
Principal Repayments:						
Principal Repayments	224,267	235,768	250,000	250,000	260,000	4.0%
Total Principal Repayments	224,267	235,768	250,000	250,000	260,000	4.0%
TOTAL ORACLE RD DEBT SERVICE FUND	365,811	366,027	367,578	367,578	365,868	-0.5%
Townwide Roadway Development Impact Fee Fund						
Federal Grants:						
Miscellaneous Grants	-	-	699,000	-	500,000	-28.5%
Total Federal Grants	-	-	699,000	-	500,000	-28.5%
State Grants:						
PAG Reimbursements	4,457,079	6,394,443	4,657,000	4,657,000	1,700,000	-63.5%
RTA Reimbursements	331,568	549,994	623,000	65,000	1,450,000	132.7%
Total State Grants	4,788,647	6,944,437	5,280,000	4,722,000	3,150,000	-40.3%
Impact Fees:						
Residential Development Impact Fees	83,509	114,043	355,151	347,940	749,606	111.1%
Commercial Development Impact Fee	179,793	124,690	58,967	325,000	41,769	-29.2%
Total Impact Fees	263,302	238,733	414,118	672,940	791,375	91.1%
Interest Income:						
Interest - Investments	3,182	1,534	1,600	19,500	1,500	-6.3%
Total Interest Income	3,182	1,534	1,600	19,500	1,500	-6.3%
Miscellaneous:						
Miscellaneous	35,687	31,598	-	-	-	0.0%
Total Miscellaneous	35,687	31,598	-	-	-	0.0%
Charges for Services:						
Real Property Rental Income	18,000	18,000	18,000	18,000	18,000	0.0%
Total Charges for Services	18,000	18,000	18,000	18,000	18,000	0.0%
TOTAL DEVELOPMENT IMPACT FEE FUND	5,108,819	7,234,302	6,412,718	5,432,440	4,460,875	-30.4%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011	FY 2012	FY 2013		FY 2014	% to Budget
	Actual	Actual	Budget	Projected	Budget	
Parks & Recreation Development Impact Fee Fund						
Impact Fees:						
Residential Development Impact Fees	117,584	99,542	92,001	110,000	201,297	118.8%
Total Impact Fees	117,584	99,542	92,001	110,000	201,297	118.8%
Interest Income:						
Interest - Investments	316	317	-	1,150	-	0.0%
Total Interest Income	316	317	-	1,150	-	0.0%
TOTAL PARKS DEV. IMPACT FEE FUND	117,901	99,859	92,001	111,150	201,297	118.8%
Library Development Impact Fee Fund						
Impact Fees:						
Residential Development Impact Fees	30,152	28,640	37,461	4,574	-	-100.0%
Total Impact Fees	30,152	28,640	37,461	4,574	-	-100.0%
Interest Income:						
Interest - Investments	81	89	-	32	-	0.0%
Total Interest Income	81	89	-	32	-	0.0%
TOTAL LIBRARY DEV. IMPACT FEE FUND	30,233	28,729	37,461	4,606	-	-100.0%
Police Development Impact Fee Fund						
Impact Fees:						
Residential Development Impact Fees	22,271	26,195	48,376	48,376	106,393	119.9%
Commercial Development Impact Fee	5,790	4,423	1,464	13,000	999	-31.8%
Total Impact Fees	28,061	30,618	49,840	61,376	107,392	115.5%
Interest Income:						
Interest - Investments	69	80	-	700	-	0.0%
Total Interest Income	69	80	-	700	-	0.0%
TOTAL POLICE DEV. IMPACT FEE FUND	28,130	30,698	49,840	62,076	107,392	115.5%
General Government Development Impact Fee Fund						
Impact Fees:						
Residential Development Impact Fees	16,529	11,395	-	(3,115)	-	0.0%
Commercial Development Impact Fee	25,991	7,980	-	5,315	-	0.0%
Total Impact Fees	42,520	19,375	-	2,200	-	0.0%
Interest Income:						
Interest - Investments	92	105	-	1,050	-	0.0%
Total Interest Income	92	105	-	1,050	-	0.0%
TOTAL GEN. GOVT. IMPACT FEE FUND	42,612	19,480	-	3,250	-	0.0%
Steam Pump Ranch Acquisition Fund						
Federal Grants:						
Miscellaneous Federal Grants	-	-	-	-	-	0.0%
Total Federal Grants	-	-	-	-	-	0.0%
Other Intergovernmental:						
Pima County Bond Proceeds	243,100	-	-	-	-	0.0%
Total Other Intergovernmental	243,100	-	-	-	-	0.0%
TOTAL STEAM PUMP RANCH FUND	243,100	-	-	-	-	0.0%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	% to Budget
Water Utility Fund						
Water Sales:						
Residential Water Sales	8,043,658	7,761,639	7,917,000	7,802,000	7,836,000	-1.0%
Commercial Water Sales	921,825	954,472	947,000	954,000	960,000	1.4%
Irrigation Water Sales	1,180,178	1,064,068	1,122,300	1,092,000	1,099,000	-2.1%
Turf Related Water Sales	1,799,749	1,677,318	1,624,500	1,692,000	1,692,000	4.2%
Construction Water Sales	92,257	120,830	96,000	152,000	160,000	66.7%
Other	814	653	1,000	1,000	1,000	0.0%
Total Water Sales	12,038,482	11,578,980	11,707,800	11,693,000	11,748,000	0.3%
Charges for Services:						
Engineer Plan Review Fees	2,465	6,450	3,000	10,000	10,000	233.3%
Construction Inspection Fees	6,963	2,712	1,500	7,000	7,000	366.7%
Misc Service Revenue	13,749	17,318	10,000	10,000	10,000	0.0%
Backflow-Install Permit Fee	3,900	2,795	2,600	1,500	2,000	-23.1%
Served by Tucson	12,866	11,633	11,000	2,700	-	-100.0%
Served by Metro	9,190	7,820	7,000	2,100	-	-100.0%
Sewer Fees	169,676	170,185	170,000	190,000	205,000	20.6%
Late Fees	86,785	85,897	85,000	85,000	85,000	0.0%
NSF Fees	4,445	4,781	5,000	5,000	5,000	0.0%
Rain Sensors	38	233	100	100	100	0.0%
Meter Income	19,677	35,456	20,000	50,000	50,000	150.0%
New Service Establish Fees	71,432	85,720	40,000	80,000	80,000	100.0%
Reconnect Fees	46,783	37,685	30,000	39,000	35,000	16.7%
Other	82,217	88,538	90,000	90,000	108,000	20.0%
Total Charges for Services	530,186	557,223	475,200	572,400	597,100	25.7%
Interest Income:						
Interest - Investments	22,389	125,912	75,000	66,250	66,250	-11.7%
Total Interest Income	22,389	125,912	75,000	66,250	66,250	-11.7%
Miscellaneous:						
Miscellaneous	5,728	934	-	-	-	0.0%
Insurance Recoveries	5,386	142,211	-	-	-	0.0%
Sale of Assets	-	-	-	20,000	-	0.0%
Total Miscellaneous	11,113	143,145	-	20,000	-	0.0%
Other Financing Sources:						
WIFA Loan Proceeds	-	-	-	-	1,300,000	0.0%
Total Other Financing Sources	-	-	-	-	1,300,000	0.0%
TOTAL WATER UTILITY FUND	12,602,170	12,405,260	12,258,000	12,351,650	13,711,350	11.9%
Alternative Water Resources Development Impact Fee Fund						
Charges for Services:						
Groundwater Preservation Fee	2,096,093	2,315,277	2,456,000	2,542,000	2,550,000	3.8%
Total Charges for Services	2,096,093	2,315,277	2,456,000	2,542,000	2,550,000	3.8%
Impact Fees:						
Residential Impact Fees	293,894	475,726	174,370	896,760	896,760	414.3%
Commercial Impact Fees	107,094	284,232	44,830	8,000	781,562	0.0%
Total Impact Fees	400,988	759,958	219,200	904,760	1,678,322	665.7%
Interest Income:						
Interest - Investments	2,320	1,229	800	900	1,000	25.0%
Total Interest Income	2,320	1,229	800	900	1,000	25.0%
TOTAL AWRDIF FUND	2,499,401	3,076,464	2,676,000	3,447,660	4,229,322	58.0%
Potable Water System Development Impact Fee Fund						
Impact Fees:						
Single Family Connections	154,026	237,455	89,845	462,060	462,060	414.3%
Multi-Family Connections	-	-	-	2,567	340,710	0.0%
Commercial Connections	69,880	156,200	10,280	20,550	43,160	319.8%
Irrigation Connections	10,780	34,880	10,900	25,160	58,860	440.0%
Fire-Flow Connections	9,690	34,227	3,230	3,230	21,307	559.7%
Total Impact Fees	244,376	462,762	114,255	513,567	926,097	710.6%



Revenue Schedule by Fund

Major Revenue Accounts	FY 2011 Actual	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	% to Budget
Interest Income:						
Interest - Investments	13,737	5,467	4,500	2,000	2,000	-55.6%
Total Interest Income	13,737	5,467	4,500	2,000	2,000	-55.6%
TOTAL PWSDF FUND	258,113	468,229	118,755	515,567	928,097	681.5%
Stormwater Utility Fund						
Federal Grants:						
Miscellaneous Federal Grants	1,086,932	1,993	67,800	7,867	-	-100.0%
Total Federal Grants	1,086,932	1,993	67,800	7,867	-	-100.0%
State Grants:						
Miscellaneous State Grants	366,203	38,331	450,000	-	450,000	0.0%
Total State Grants	366,203	38,331	450,000	-	450,000	0.0%
Charges for Services:						
Late Fees	1,895	2,095	1,500	2,600	1,500	0.0%
Stormwater Utility Fee	749,446	750,117	760,000	760,000	770,000	1.3%
Total Charges for Services	751,341	752,212	761,500	762,600	771,500	1.3%
Interest Income:						
Interest - Investments	376	321	500	4,800	500	0.0%
Total Interest Income	376	321	500	4,800	500	0.0%
Miscellaneous:						
Miscellaneous	925	131	20,000	20,140	-	-100.0%
Total Miscellaneous	925	131	20,000	20,140	-	-100.0%
TOTAL STORMWATER UTILITY FUND	2,205,776	792,988	1,299,800	795,407	1,222,000	-6.0%
Solar Photovoltaic Fund						
Other Financing Sources:						
Bond Proceeds	2,445,000	-	-	-	-	0.0%
Total Other Financing Sources	2,445,000	-	-	-	-	0.0%
Interest Income:						
Interest - Investments	152	-	-	-	-	0.0%
Total Interest Income	152	-	-	-	-	0.0%
TOTAL SOLAR PHOTOVOLTAIC FUND	2,445,152	-	-	-	-	0.0%
Aquatics Center Project Fund						
Other Financing Sources:						
Bond Proceeds	-	2,693,835	-	-	-	0.0%
Total Other Financing Sources	-	2,693,835	-	-	-	0.0%
Miscellaneous:						
Donations	-	5,550	300,000	30,000	30,000	-90.0%
Total Miscellaneous	-	5,550	300,000	30,000	30,000	-90.0%
TOTAL AQUATICS CENTER PROJECT FUND	-	2,699,385	300,000	30,000	30,000	-90.0%
Recreation In Lieu Fee Fund						
Charges for Services:						
Recreation In Lieu Fees	-	835	-	-	-	0.0%
Total Charges for Services	-	835	-	-	-	0.0%
TOTAL REC IN LIEU FEE FUND	-	835	-	-	-	0.0%
TOTAL REVENUE - ALL FUNDS	\$ 53,894,212	\$ 57,647,623	\$ 57,904,854	\$ 57,221,382	\$ 62,195,742	7.4%

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

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Revenue Sources

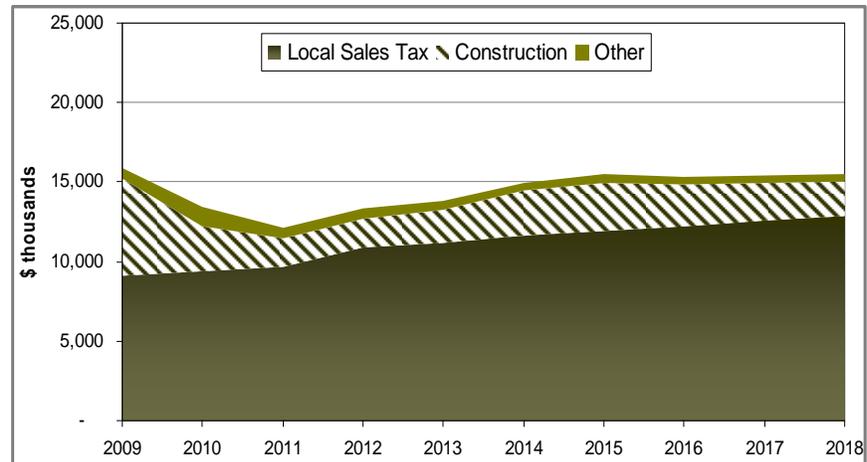
Local Sales Tax

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, has been increasing in importance. The Town of Oro Valley levies a 2% 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

The 2% local sales tax and 4% utility sales tax are used for various general governmental purposes. The 6% tax on lodging is used to support economic development and tourism efforts, and 1.5% of the 4% tax on construction activity is used to fund maintenance on Town-wide roads. The remaining portion goes to various governmental purposes.



Projections

Local construction sales tax has decreased significantly from its peak in 2008. This is due to the recent economic recession and as the town approaches build-out. Commercial activity on the horizon consists mostly of infill projects. Considerable increases in residential activity, however, are expected in the near future, with several new apartment complexes currently under construction or in development. Single family residential building activity is also growing. With the opening of several new commercial centers a few years ago, the Town's retail revenues have grown. In addition, the Town's utility sales tax was increased from 2% to 4%, effective August, 2011. The following assumptions were used in compiling the projections:

- retail and utility sales tax projected to grow at a rate of 3% per year with population growth and inflation
- bed tax collections increase 2-3% per year with population growth and annexation of additional hotel
- construction sales tax increases 40% in FY 2014, 6% in FY 2015, then begins to decline as the pace of residential building activity slows

		Local Sales Tax	Construction Sales Tax	Other
ACTUAL	2008	8,983,504	7,619,524	1,082,621
	2009	9,142,532	6,055,863	684,699
	2010	9,409,890	2,772,542	1,297,719
	2011	9,714,530	1,765,739	610,223
	2012	10,866,793	1,815,826	642,486
PROJECTION	2013	11,217,472	2,050,000	508,000
	2014	11,617,055	2,872,525	500,000
	2015	11,920,593	3,050,000	500,000
	2016	12,222,294	2,600,000	500,000
	2017	12,552,946	2,380,000	500,000
	2018	12,882,503	2,150,000	500,000



Revenue Sources

Fines, Licenses and Permits

Description

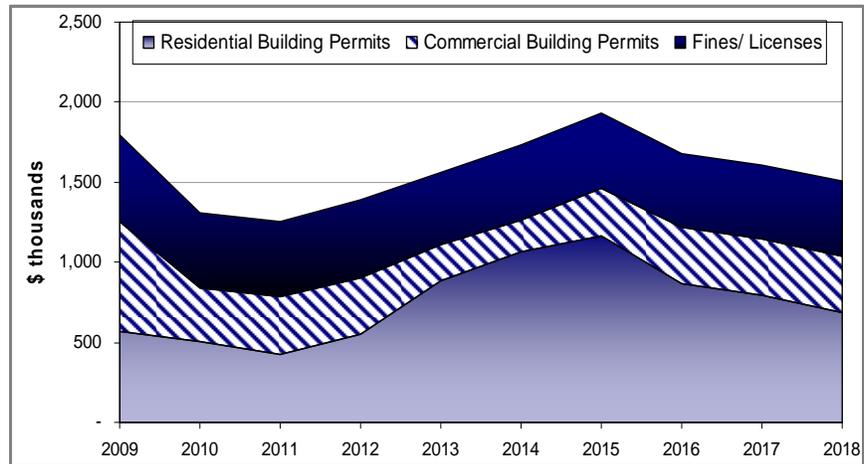
Revenue from court fines comes from traffic violations and other fines paid for the violation of municipal ordinances. License revenue includes fees charged for obtaining a business license to operate a business within town boundaries. Permit fee revenue includes fees collected from building permits,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

Uses

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

Projections

Revenues received from fines and licenses are projected to remain relatively flat over the next 5 years. The growth over the last year in residential building permit revenue is expected to continue with the development and construction of several new apartment complexes. As the apartment construction is completed, and as the Town continues to approach build-out, residential activity will decrease. The following assumptions were used in compiling the projections:



- 150 to 200 single family residential permits issued per year through FY 2018
- permits issued in FY 2014 and FY 2015 for new apartment complexes
- an average of 50K square feet of miscellaneous commercial development will be added each year for the next 5 years
- revenue from business licenses and fines remains relatively flat

		Residential Building Permits	Commercial Building Permits	Business Licenses, Fines & Other
ACTUAL	2008	1,250,093	1,272,320	520,212
	2009	566,583	684,269	542,705
	2010	505,226	331,510	473,818
	2011	426,876	360,645	467,780
	2012	554,042	352,796	479,696
PROJECTION	2013	887,360	220,936	453,410
	2014	1,067,255	200,000	464,200
	2015	1,164,000	300,000	463,019
	2016	864,000	350,000	464,856
	2017	792,240	350,000	466,712
	2018	685,200	350,000	468,587



Revenue Sources

State Shared Revenue

Description

Cities and towns in the state receive a portion of the revenues collected by the state of Arizona. These sources consist of the state sales tax, 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.

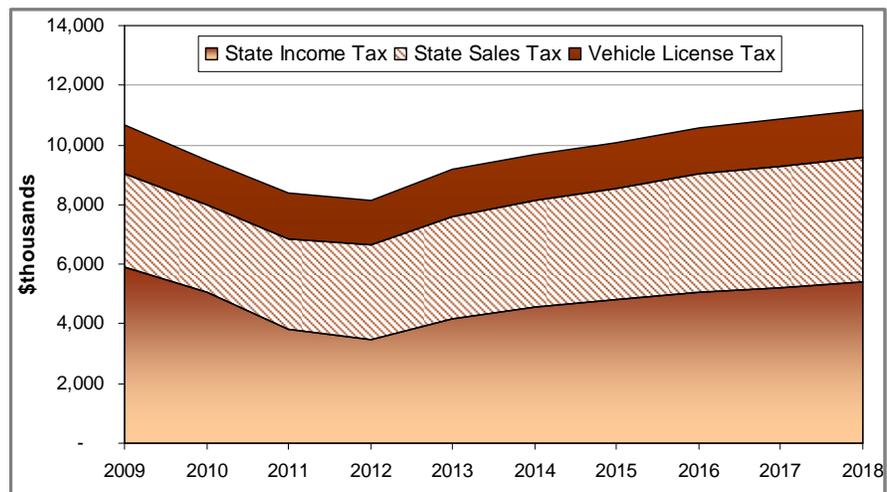
Projections

State Shared Revenue is a significant source of funding and represents 34% of General Fund budgeted revenue for FY 2014.

Revenues are expected to increase in FY 2014 for the second consecutive year, after experiencing several years of considerable declines during the recent economic recession.

Continued, steady recovery is anticipated over the next few years. The following assumptions were used in compiling the projections:

- 5% increases per year are projected for FY 2014 through FY 2016
- 3% increases per year are projected for FY 2017 and FY 2018



		State Income Tax	State Sales Tax	Vehicle License Tax
ACTUAL	2008	5,544,763	3,621,016	1,738,874
	2009	5,886,132	3,134,789	1,655,875
	2010	5,086,954	2,891,386	1,484,125
	2011	3,834,911	3,024,857	1,549,821
	2012	3,461,359	3,204,612	1,479,094
PROJECTION	2013	4,188,806	3,429,349	1,556,962
	2014	4,575,389	3,543,661	1,540,117
	2015	4,799,583	3,742,106	1,555,518
	2016	5,077,959	3,936,696	1,571,073
	2017	5,230,298	4,054,796	1,586,784
	2018	5,387,207	4,176,440	1,602,652



Revenue Sources

Highway User Revenue (HURF)

Description

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

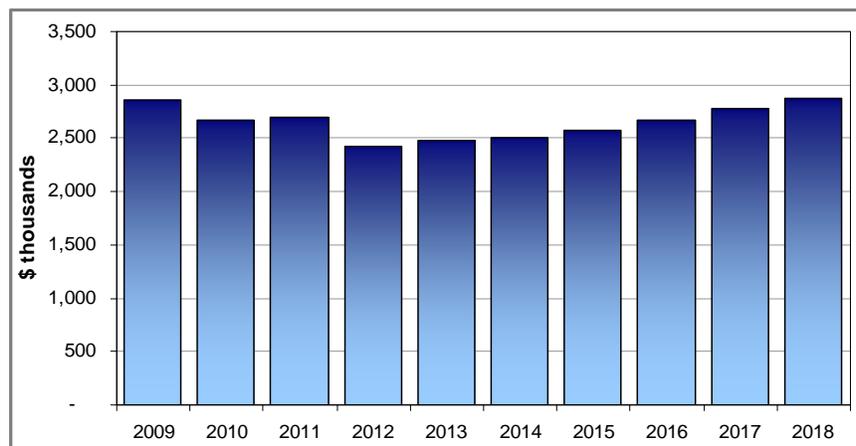
Uses

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

Projections

HURF revenue collections are a major source of funding for roadway improvements and account for 66% of Highway Fund budgeted revenue for FY 2014. 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 (DPS) purposes. The following assumptions were used in compiling the projections:

- revenue is projected to increase 1% in FY 2014
- revenue is projected to increase 3% in FY 2015
- 3-4% growth is projected each year for FY 2016 through FY 2018



		HURF Revenue
ACTUAL	2008	3,002,828
	2009	2,855,668
	2010	2,667,797
	2011	2,693,145
	2012	2,418,605
PROJECTION	2013	2,480,005
	2014	2,500,000
	2015	2,580,000
	2016	2,675,460
	2017	2,771,777
	2018	2,877,104



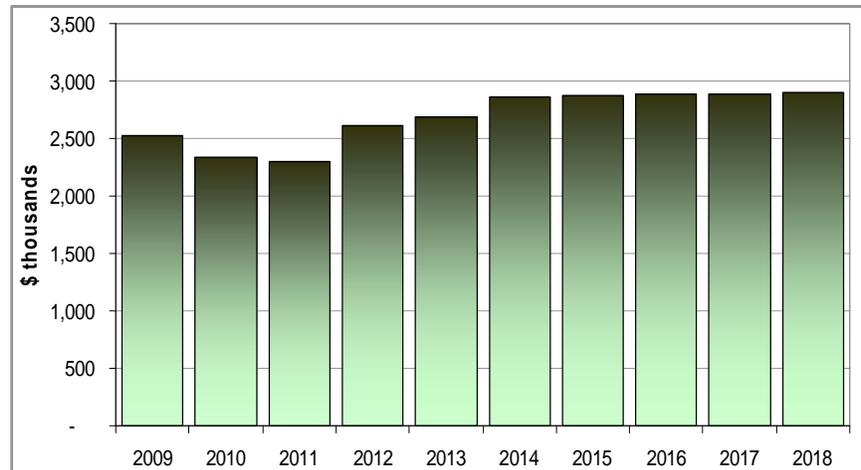
Revenue Sources

Charges for Services

Description

Charges for Services are fees charged for specific services provided by the Town. They include recreation user fees, development services fees, fees collected for stormwater collection, 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 tied to population and could be expected to increase or decrease

as the population changes. Over the past few years, these revenues have experienced slight declines due to the recent economic recession. Fees for development services are tied to development activity and will increase/decrease accordingly based on development growth within the town.



Projections

The increase in FY 2012 is due to the implementation of administrative services charges, which are collected from the Town's Enterprise Funds to support General Fund operations.

Total revenue from the charges for service category is projected overall to remain essentially flat through FY 2018. The following assumptions were used in compiling the projections:

- revenue generated from commercial activity remains relatively flat through FY 2018
- recreation fee revenue increases 42% in FY 2014, due to program revenues and a full year's collections of revenues from the newly expanded aquatics facility, then remains relatively flat thereafter
- 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	2008	503,675	197,862	371,153	57,600	620,169	357,602
	2009	556,435	175,637	382,920	55,194	617,857	734,599
	2010	478,473	161,975	376,400	51,817	525,227	744,944
	2011	485,485	114,821	364,834	50,254	530,186	751,341
	2012	799,551	140,293	317,285	49,977	557,223	752,212
PROJECTION	2013	841,294	115,763	335,000	58,000	572,400	762,600
	2014	849,437	117,000	476,500	54,000	597,100	771,500
	2015	849,437	117,000	476,500	55,080	597,100	778,700
	2016	849,437	117,000	476,500	56,182	597,100	786,477
	2017	849,437	117,000	476,500	57,305	597,100	794,332
	2018	849,437	117,000	476,500	58,451	597,100	802,265



Revenue Sources

Water Revenue

Description

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

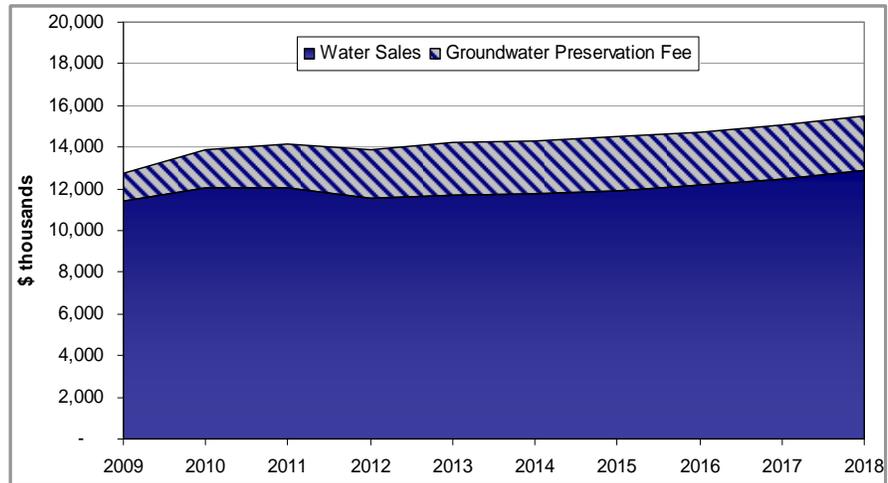
Uses

The revenue collected from water sales is used for personnel, operations and maintenance, 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 new connections annually through FY 2018
- modest water rate increases over the next five years
- no groundwater preservation fee increases over the next five years
- average monthly water use remains at 8,000 gallons



		Water Sales	Groundwater Preservation Fee
ACTUAL	2008	11,686,598	1,092,778
	2009	11,434,786	1,323,549
	2010	12,071,030	1,769,142
	2011	12,038,482	2,096,093
	2012	11,578,980	2,315,277
PROJECTION	2013	11,693,000	2,542,000
	2014	11,748,000	2,550,000
	2015	11,903,000	2,576,934
	2016	12,173,000	2,580,095
	2017	12,493,000	2,583,260
	2018	12,893,000	2,585,840

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.



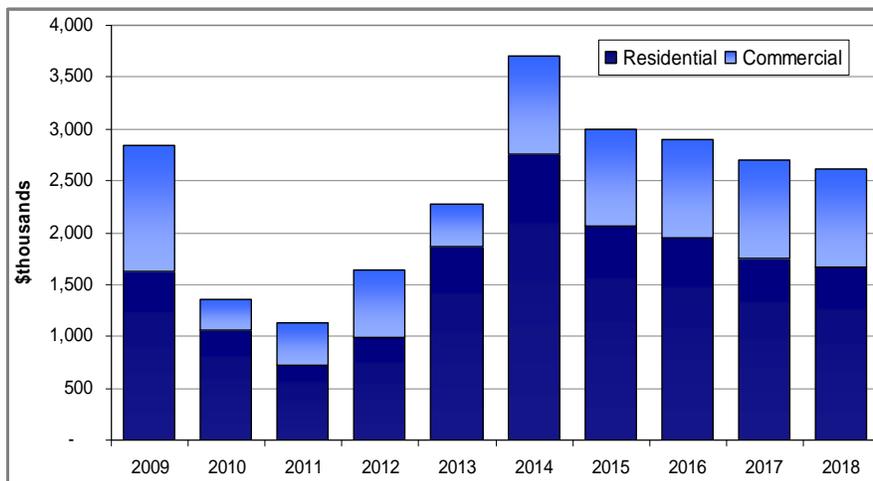
Revenue Sources

Development Impact Fees

Description

Development Impact Fees are fees assessed by the Town on new development for the purpose of financing infrastructure ultimately needed to support a growing community. 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.



Uses

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

Projections

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

- 150 to 200 single family residential (SFR) permits will be issued per year through FY 2018; FY 2014 include residential fees from new apartment complexes
- commercial fees tie to anticipated development activity within the town

		Residential Fees	Commercial Fees
ACTUAL	2008	2,633,328	715,612
	2009	1,619,926	1,221,918
	2010	1,055,038	298,656
	2011	717,965	409,018
	2012	992,996	646,632
PROJECTION	2013	1,869,162	400,255
	2014	2,756,826	947,657
	2015	2,056,800	946,097
	2016	1,956,800	946,097
	2017	1,751,120	946,097
	2018	1,667,600	946,097

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Town of Oro Valley

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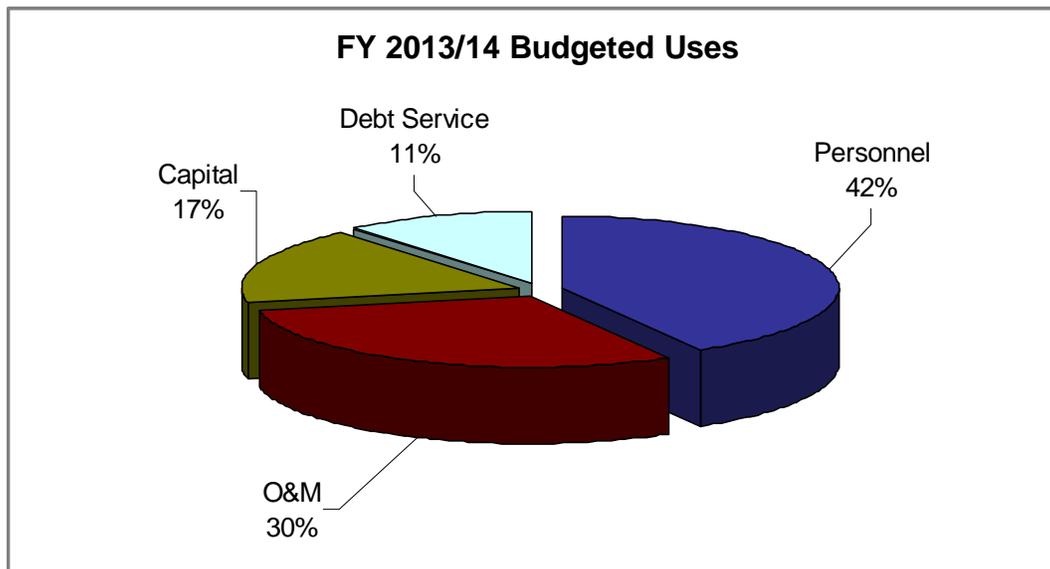


Expenditure Summary

The expenditure budget for FY 2013/14 totals \$60,257,016 and represents a 7.3% decrease over the prior fiscal year budgeted expenditures. The budget includes \$51.2 million to support daily operations and services and \$9.1 million in capital projects.

At the onset of the budget planning phase, all departments were instructed to hold operating costs flat wherever feasible while keeping service levels whole. Significant cost savings have been achieved over the past four fiscal years via measures such as: consolidating departments; completing an early payoff of debt; eliminating vacant positions; and transferring library operations to the Pima County Library District. As a result of these strategies and an improving local and state economy, the Town has been able to add capacity in both the personnel and operations and maintenance categories for FY 13/14. 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 FY 2013/14 capital budget addresses several areas of critical need that were put on hold during the recent economic recession. Budgeted capital includes fleet and technology replacements, improvements to parks and public safety facilities, roadway expansions and improvements, as well as stormwater and water infrastructure improvements. Please reference the Capital Improvement Plan (CIP) section of the budget document for further details on capital improvement projects.





Expenditure Summary

Budgeted Uses

	FY 2012	FY 2012/13		FY 2013/14	Variance	
	Actual	Budget	Projected	Budget	to Budget	%
Personnel	23,863,037	24,855,460	24,479,784	25,099,764	244,304	1.0%
O&M	11,119,323	16,339,099	15,365,748	18,148,045	1,808,946	11.1%
Capital	11,718,954	17,523,613	14,814,607	10,258,790	(7,264,823)	-41.5%
Debt Service	8,716,009	6,288,559	6,596,828	6,750,417	461,858	7.3%
Total Expenditures	\$ 55,417,323	\$ 65,006,731	\$ 61,256,967	\$ 60,257,016	\$ (4,749,715)	-7.3%

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

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

Personnel \$244K	<ul style="list-style-type: none"> • \$835K decrease due to position eliminations • \$567K increase for step and merit increases • \$249K increase due to new positions • \$166k increase due to increased pension costs • \$50K increase due to position reclasses • \$47K increase due to increased workers compensation costs
O&M \$1.8M	<ul style="list-style-type: none"> • General Fund O&M increased \$1.5M (28%) due to the following: <ul style="list-style-type: none"> ○ \$170K increase in contract personnel services for recreation programs and an update of the Town's General Plan ○ \$218K increase in outside professional services for contract attorney services (in place of staffed position), various surveys and studies and an update of the Town's General Plan ○ \$499K increase for vehicle reserve and replacement charges from the Fleet Fund ○ \$49K increase in retail sales tax rebates due to growth in retail sales ○ \$74K increase in travel and training ○ \$170K increase to address information technology and software maintenance needs ○ \$60K increase in insurance costs ○ \$105K increase in ongoing fleet maintenance charges from the Fleet Fund • Highway Fund O&M increased \$100K (15%) due to the following: <ul style="list-style-type: none"> ○ \$45K increase for vehicle replacement charges from the Fleet Fund ○ \$50K increase for contracted roadway personnel and outside professional services costs • Fleet Fund O&M increased \$100K (17%) due to vehicle repair and maintenance costs • Water Utility Fund O&M increased \$78K (1%) due primarily to an increase in Central Arizona Project (CAP) water delivery charges
Capital \$(7.3M)	<ul style="list-style-type: none"> • \$2.8M decrease in roadway design & construction, due to completion of a large project • \$5.2M decrease due to completion of the expanded aquatics facility • \$530K decrease in Water Utility existing system improvements • \$130K decrease in projects funded with recreation in lieu fees • \$400K decrease in vehicles funded with grants and impact fees • \$110K decrease in Stormwater Utility capital outlay • \$690K increase in Water Utility reclaimed and CAP projects • \$483K budgeted for vehicle replacement • \$350K budgeted for police evidence facility • \$350K budgeted for replacement of development permitting and phone systems
Debt Service \$462K	<ul style="list-style-type: none"> • \$183K increase in principal and interest payments on outstanding excise tax and Clean Renewable Energy Bonds • \$279K increase in principal and interest payments on Water Utility bonds

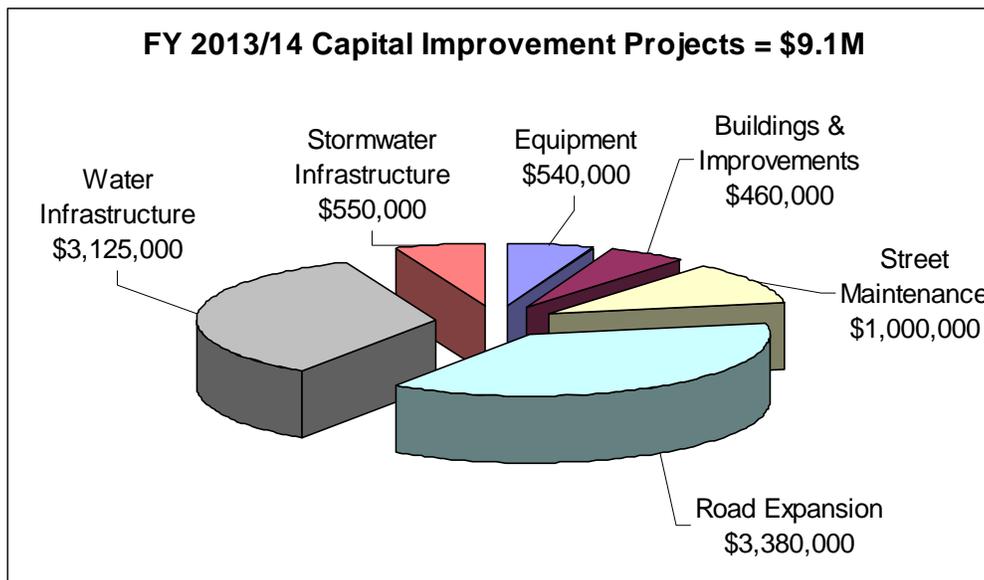


Expenditure Summary

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 2013/14 adopted budget includes \$9.1 million in capital improvement projects, funded with a variety of sources. Projects to be completed include technology, public safety and parks improvements, roadway improvements, stormwater drainage projects and water utility system expansions and improvements. Further information 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 2011	FY 2012	FY 2013		FY 2014	% to budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	375,742	408,628	322,779	321,989	345,118	6.9%
Council	194,897	198,857	224,618	224,618	225,853	0.5%
Development & Infrastructure Services	2,748,774	2,934,686	3,803,751	3,349,021	4,031,561	6.0%
Finance	722,897	708,721	744,111	726,233	709,242	-4.7%
General Administration	2,292,534	1,716,537	1,859,094	1,831,394	2,037,730	9.6%
Human Resources	470,174	466,611	496,156	464,107	523,821	5.6%
Information Technology	1,073,741	1,182,391	1,213,633	1,213,633	1,482,173	22.1%
Legal	738,969	767,988	816,559	768,813	804,344	-1.5%
Magistrate Court	733,544	691,870	757,629	726,527	761,430	0.5%
Town Manager's Office	906,583	693,924	728,646	638,569	700,989	-3.8%
Parks and Recreation	3,017,942	3,006,722	2,630,112	2,387,353	2,536,955	-3.5%
Police	11,447,300	11,980,950	12,667,903	12,599,309	14,223,297	12.3%
TOTAL GENERAL FUND	24,723,096	24,757,885	26,264,992	25,251,566	28,382,513	8.1%
Special Revenue Funds						
Highway User Revenue Fund	3,598,066	3,757,844	3,669,829	3,630,438	3,720,981	1.4%
Public Transportation Fund	390,833	-	-	-	-	0.0%
Bed Tax Fund	371,007	201,616	471,662	386,710	501,762	6.4%
Impound Fee Fund	41,260	37,040	47,503	47,503	24,414	-48.6%
Seizures & Forfeitures Funds	175,268	218,175	192,616	534,344	207,232	7.6%
TOTAL SPECIAL REVENUE FUNDS	4,576,434	4,214,675	4,381,610	4,598,995	4,454,389	1.7%
Debt Service Funds						
Municipal Debt Service Fund	499,304	624,247	654,080	703,861	836,642	27.9%
Oracle Road Improvement District Fund	372,548	367,423	370,298	370,298	368,588	-0.5%
TOTAL DEBT SERVICE FUNDS	871,851	991,670	1,024,378	1,074,159	1,205,230	17.7%
Capital Project Funds						
Steam Pump Ranch	402,953	-	-	-	-	0.0%
Regional Transportation Authority Fund	1,256	-	-	-	-	0.0%
Solar Photovoltaic Fund	2,443,635	-	-	-	-	0.0%
Recreation-In-Lieu Fee Fund	-	30,245	130,188	139,477	-	-100.0%
Aquatics Center Project Fund	-	77,052	4,810,000	4,600,218	-	-100.0%
Parks Impact Fee Fund	-	309,901	400,000	90,100	-	-100.0%
Police Impact Fee Fund	-	-	89,066	82,646	-	-100.0%
General Government Impact Fee	-	-	25,000	123,243	-	-100.0%
Capital Asset Replacement Fund	321,583	-	-	-	-	0.0%
Alternative Water Resource Dev. Impact Fee	1,165,807	2,472,130	2,099,631	2,312,919	2,506,098	19.4%
Potable Water Systems Dev. Impact Fee	3,181,919	1,135,791	632,744	722,266	743,576	17.5%
Townwide Roadway Dev. Impact Fees	4,884,630	7,501,852	6,154,000	4,760,000	3,380,000	-45.1%
TOTAL CAPITAL PROJECT FUNDS	12,401,783	11,526,971	14,340,629	12,830,869	6,629,674	-53.8%
Enterprise Funds						
Water Utility	10,224,005	12,834,486	14,608,222	14,163,940	14,819,871	1.4%
Stormwater Utility	1,818,740	655,365	1,565,449	941,151	1,334,376	-14.8%
TOTAL ENTERPRISE FUNDS	12,042,746	13,489,851	16,173,671	15,105,091	16,154,247	-0.1%
Internal Service Funds						
Fleet Fund	874,968	436,271	638,787	638,787	1,221,963	91.3%
Benefit Self Insurance	-	-	2,182,664	1,757,500	2,209,000	1.2%
TOTAL INTERNAL SERVICE FUNDS	874,968	436,271	2,821,451	2,396,287	3,430,963	21.6%
TOTAL EXPENDITURES - ALL FUNDS	\$ 55,490,878	\$ 55,417,323	\$ 65,006,731	\$ 61,256,967	\$ 60,257,016	-7.3%

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 2013 - 2014 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 (FTE) 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	4.54	345,118						345,118
	4.54	345,118	-	-	-	-	-	345,118
Council	7.00	225,853						225,853
	7.00	225,853	-	-	-	-	-	225,853
Development & Infrastructure Svcs.								
Administration	3.75	216,241	657,860 (A)					874,101
Planning	7.30	966,811						966,811
Permitting	8.96	679,433						679,433
Inspection and Compliance	8.00	607,969						607,969
Transportation Engineering	5.68		1,547,739 (A)					1,547,739
Traffic Engineering	4.65		516,327 (A)					516,327
Pavement Management	1.20		111,022 (A)					111,022
Street Maintenance	8.80		888,033 (A)					888,033
Facilities Maintenance	2.15	317,532						317,532
Fleet	1.15						1,221,963 (B)	1,221,963
Stormwater Utility	4.10					1,334,376 (C)		1,334,376
Public Transportation	19.96	1,243,575						1,243,575
	75.70	4,031,561	3,720,981	-	-	1,334,376	1,221,963	10,308,881
Finance	7.00	709,242						709,242
	7.00	709,242	-	-	-	-	-	709,242
General Administration		2,037,730					2,209,000 (D)	4,246,730
	-	2,037,730	-	-	-	-	2,209,000	4,246,730
Human Resources	5.00	523,821						523,821
	5.00	523,821	-	-	-	-	-	523,821
Information Technology								
Administration	1.00	600,184						600,184
GIS Services	1.50	132,091						132,091
Technical Services	2.00	330,354						330,354
Business Application & Development	2.00	180,594						180,594
Telecommunications		238,950						238,950
	6.50	1,482,173	-	-	-	-	-	1,482,173
Legal								
Civil	2.00	372,398						372,398
Prosecution	4.00	431,946						431,946
	6.00	804,344	-	-	-	-	-	804,344
Magistrate Court	8.00	761,430						761,430
	8.00	761,430	-	-	-	-	-	761,430
Town Manager's Office								
Town Management	3.88	397,353						397,353
Communications & Constituent Svcs.	3.50	303,636						303,636
Economic Development	3.00		501,762 (E)					501,762
	10.38	700,989	501,762	-	-	-	-	1,202,751
Parks and Recreation								
Administration	3.00	324,058						324,058
Parks	8.58	1,025,172						1,025,172
Recreation	3.70	267,419						267,419
Trails	1.00	77,892						77,892
Aquatics	12.96	697,441						697,441
Cultural Resources	0.20	144,973						144,973
	29.44	2,536,955	-	-	-	-	-	2,536,955
Police								
Administration	4.00	1,101,278						1,101,278
Support Services	61.21	6,584,108	24,414 (F)					6,608,522
Field Services	66.92	6,232,928	207,232 (G)					6,440,160
Professional Development & Training	1.00	190,750						190,750
Professional Standards	1.00	114,233						114,233
	134.13	14,223,297	231,646	-	-	-	-	14,454,943



Expenditures by Program

Department/Program	FTE	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total
Water Utility								
Administration	15.00					9,411,681 (H)		9,411,681
Engineering & Planning	6.00					1,694,275 (H)		1,694,275
Production	8.00					2,874,406 (H)		2,874,406
Distribution	8.00					839,509 (H)		839,509
Alternative Water Resources					2,506,098 (I)			2,506,098
Potable Water Systems					743,576 (J)			743,576
	37.00	-	-	-	3,249,674	14,819,871	-	18,069,545
Debt Service				1,205,230 (K)				1,205,230
	-	-	-	1,205,230	-	-	-	1,205,230
Roadway Improvements					3,380,000 (L)			3,380,000
	-	-	-	-	3,380,000	-	-	3,380,000
FY 2013/14 Adopted Budget	330.69	28,382,513	4,454,389	1,205,230	6,629,674	16,154,247	3,430,963	60,257,016

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

- (A) Highway Fund
- (B) Fleet Fund
- (C) Stormwater Utility Fund
- (D) Benefit Self Insurance Fund
- (E) Bed Tax Fund
- (F) Impound Fee Fund
- (G) Seizure Funds
- (H) Water Utility Fund
- (I) Alternative Water Resources Dev Impact Fee Fund
- (J) Potable Water System Dev Impact Fee Fund
- (K) Municipal Debt Service Fund and Oracle Road Imp District Fund
- (L) Roadway Dev Impact Fee Fund



Town of Oro Valley

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Personnel Summary

Personnel and Employee Compensation

Personnel service represents 49% of the total operating budget. As it is a significant portion of the budget, employee compensation is heavily scrutinized. Due to recent economic and financial conditions, as well as escalating benefit costs, Town management continues to seek ways to somewhat lessen this rising cost.

Every position that becomes vacant is scrutinized to determine whether the position is mission-critical and whether it needs to be refilled. Positions continue to be left unfilled or have been eliminated as vacancies occur. These efforts have resulted in a FY 13/14 personnel budget that is \$1.1 million or 4% less than FY 2008/09, with nearly 57 fewer FTEs funded.

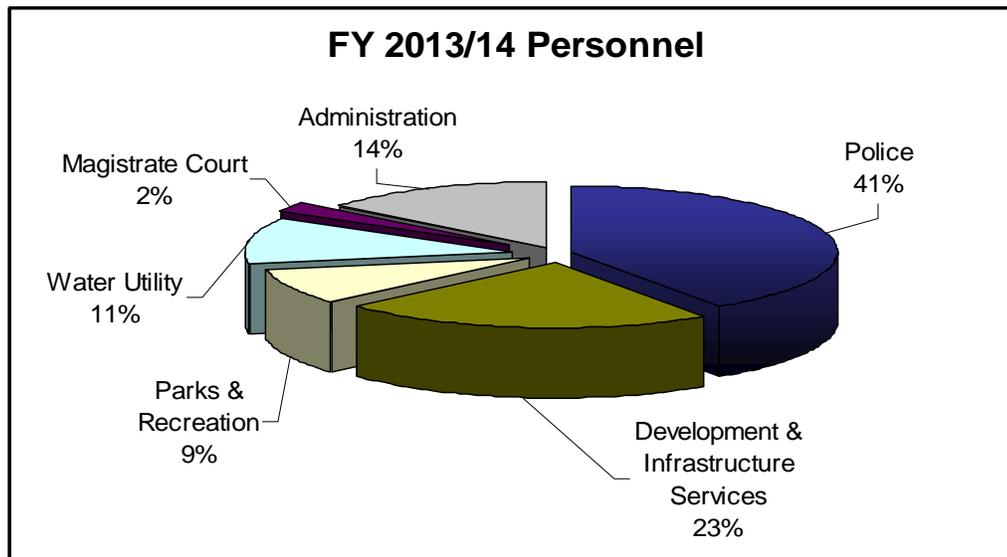
For the first time in five years, the Town's budget includes funding for employee merit and step increases. Based on the financial scenario laid out for the next five years, the Town's recurring revenues will be analyzed each year to determine the feasibility and affordability of providing some level of employee pay increases.

The following table summarizes the changes in staffing levels for the new fiscal year. The increase in Police is for a grant-funded school resource officer and three part-time reserve officers. The increase in DIS is due largely to expanded transit service in partnership with the Regional Transportation Authority. The decrease in Parks and Recreation is a result of the transfer of library operations to Pima County. Refer to the Personnel Schedule document for a detailed listing of positions by department and/or program.

	FY 2012/13 Budget	FY 2013/14 Budget	+/-
Police	131.69	134.13	2.44
Development and Infrastructure Services (DIS)	73.38	75.70	2.32
Parks and Recreation	46.68	29.44	(17.24)
Water Utility	36.00	37.00	1.00
Magistrate Court	8.00	8.00	-
Administration	48.04	46.42	(1.62)
Total Positions	343.79	330.69	(13.10)



Personnel Summary



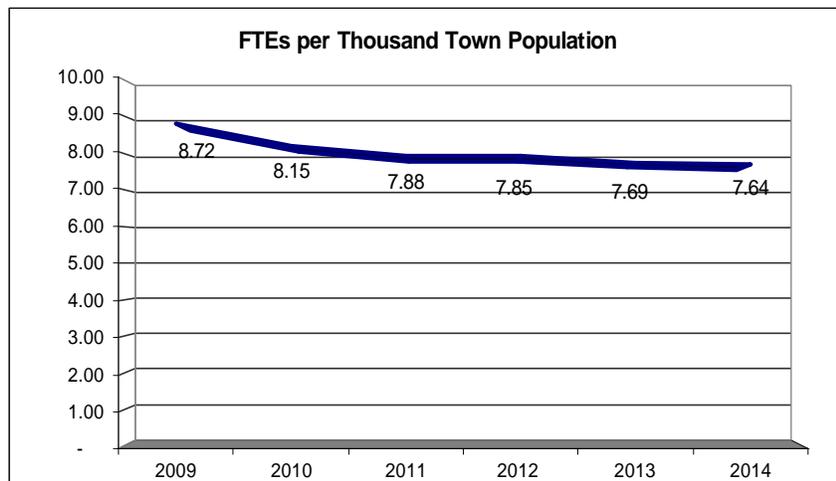
Health care premiums for FY 2013/14 remain flat to FY 2012/13, while dental premiums are increasing 7%. The Town is absorbing the dental premium increase to employees. The contribution rates for the Town's two major retirement plans experienced .4-1.6% increases for FY 2013/14. The table below illustrates the changes to employee benefit rates over the last several years.

	Employer Matching Rates			
	FY 10/11	FY 11/12	FY 12/13	FY 13/14
AZ State Retirement System (ASRS)	9.85%	10.75%	11.15%	11.54%
Public Safety Personnel Retirement System (PSPRS)	15.63%	16.31%	18.72%	20.33%
Correction Officers Retirement Plan (CORP)	9.68%	9.13%	11.28%	16.29%
Health Care Premiums (per year)*	\$3,849	\$3,849	\$3,849	\$3,849
Dental Premiums (per year)**	\$233	\$233	\$240	\$257

* single-employee HMO coverage

** single-employee base plan coverage

Looking at an employee per capita trend, full-time equivalent positions (FTEs) per capita began to decline during the recent economic recession. FTEs per capita are expected to remain roughly flat, as the town's population and development growth have slowed.





Personnel Summary by Fund

	FY 2011	FY 2012	FY 2013		FY 2014	+/- to Budget
	Actual		Budget	Projected	Budget	
General Fund						
Clerk	4.63	4.44	4.54	4.54	4.54	-
Council	7.00	7.00	7.00	7.00	7.00	-
Development & Infrastructure Svcs.	29.35	42.29	42.09	46.89	47.37	5.28
Finance	7.00	7.00	7.00	7.00	7.00	-
Human Resources	5.00	5.00	5.00	5.00	5.00	-
Information Technology	8.00	6.50	6.50	6.50	6.50	-
Legal	8.00	8.00	8.00	6.00	6.00	(2.00)
Magistrate Court	9.00	8.00	8.00	8.00	8.00	-
Town Manager's Office	8.10	7.10	7.00	7.00	7.38	0.38
Parks and Recreation	42.31	40.47	46.68	28.61	29.44	(17.24)
Police	123.73	127.21	127.69	127.69	130.63	2.94
General Fund Personnel	252.12	263.01	269.50	254.23	258.86	(10.64)
Special Revenue Funds						
Highway Fund	28.30	26.24	26.04	25.08	23.08	(2.96)
Bed Tax Fund	0.40	-	3.00	3.00	3.00	-
Impound Fee Fund	1.00	1.00	1.00	1.00	0.50	(0.50)
Seizure Funds	-	-	3.00	3.00	3.00	-
Public Transportation Fund	9.61	-	-	-	-	-
Special Revenue Funds Personnel	39.31	27.24	33.04	32.08	29.58	(3.46)
Enterprise Funds						
Water Utility	34.00	36.00	36.00	36.00	37.00	1.00
Stormwater Utility	3.50	3.50	4.10	4.10	4.10	-
Enterprise Funds Personnel	37.50	39.50	40.10	40.10	41.10	1.00
Internal Service Funds						
Fleet Fund	2.35	1.35	1.15	1.15	1.15	-
Internal Service Funds Personnel	2.35	1.35	1.15	1.15	1.15	-
Total Town Personnel	331.28	331.10	343.79	327.56	330.69	(13.10)

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Personnel Schedule

	FY 2011	FY 2012	FY 2013		FY 2014	+/- to Budget
	Actual		Budget	Projected	Budget	
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	
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	-
Assistant to the Town Clerk	1.00	1.00	1.00	1.00	1.00	-
Licensing & Customer Service Clerk	1.00	-	-	-	-	-
Office Assistant	0.63	1.44	1.44	1.44	1.44	-
Communications Intern	-	-	0.10	0.10	0.10	-
Total Clerk	4.63	4.44	4.54	4.54	4.54	-
			Full-time employees:		3	
			Part-time employees:		4	
Development & Infrastructure Svcs. (DIS)						
Director, Dev. & Infrastructure Svcs.	1.00	1.00	1.00	1.00	1.00	-
Town Engineer	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, Inspection & Compliance/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 Administrator	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineer	2.00	1.00	1.00	1.00	1.00	-
Principal Planner	1.00	1.00	1.00	1.00	1.00	-
Civil Engineer	3.00	3.00	3.00	3.00	3.00	-
Stormwater Engineer	1.00	1.00	1.00	1.00	1.00	-
Transit Services Administrator	1.00	1.00	1.00	1.00	1.00	-
Senior Planner	3.00	2.00	2.00	2.00	2.00	-
Planner	-	1.00	1.00	1.00	1.00	-
Senior Planning Technician	-	-	-	-	1.00	1.00
GIS Analyst	-	0.50	0.50	0.50	0.50	-
Civil Engineering Designer	2.00	1.00	1.00	1.00	1.00	-
Engineering Design Reviewer	1.00	1.00	1.00	1.00	1.00	-
Special Projects Coordinator	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	-
Plans Examiner I	1.00	1.00	1.00	1.00	1.00	-
Senior Civil Engineering Tech	1.00	1.00	1.00	1.00	2.00	1.00
Streets & Drainage Senior Crew Leader	1.00	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	1.00	1.00	-	(1.00)
Administrative Coordinator	1.00	1.00	1.00	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	-
Pavement Management Specialist	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 Plans Examiner	1.00	1.00	1.00	1.00	-	(1.00)
Zoning Technician	1.00	1.00	1.00	1.00	1.00	-
Development Coordinator	1.00	-	-	-	-	-
Facilities Maintenance Technician	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic II	1.00	-	-	-	-	-
Heavy Equipment Operator III	1.00	1.00	1.00	-	2.00	1.00
Heavy Equipment Operator II	4.00	4.00	4.00	5.00	3.00	(1.00)
Heavy Equipment Operator I	2.00	0.96	0.96	-	-	(0.96)
Senior Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-	(1.00)
Building Permit Technician	2.00	2.00	2.00	2.00	2.00	-



Personnel Schedule

	FY 2011	FY 2012	FY 2013		FY 2014	+/- to Budget
	Actual		Budget	Projected	Budget	
Senior Office Specialist	-	-	-	-	1.00	1.00
Office Specialist/Ombudsperson	1.00	-	-	-	-	-
Office Specialist	1.00	1.96	1.96	1.96	2.44	0.48
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	1.00	-
Lead Transit Driver	1.00	1.00	1.00	1.00	1.00	-
Transit Dispatcher	1.00	2.11	2.11	2.11	2.11	-
Senior Office Assistant	2.00	2.00	2.00	2.00	1.00	(1.00)
Office Assistant	-	0.96	0.96	0.96	0.96	-
Transit Driver	7.11	10.89	10.89	15.39	15.39	4.50
Intern	-	-	-	0.30	0.30	0.30
Total DIS	73.11	73.38	73.38	77.22	75.70	2.32
					Full-time employees: 60	
					Part-time employees: 36	
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	-
Accounting Supervisor	1.00	1.00	1.00	1.00	1.00	-
Management & Budget Analyst	1.00	1.00	1.00	1.00	1.00	-
Senior Accountant	1.00	1.00	1.00	1.00	1.00	-
Finance Analyst	1.00	1.00	1.00	-	-	(1.00)
Payroll Specialist	-	-	-	1.00	1.00	1.00
Accounting Clerk	1.00	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: -	
Human Resources						
Human Resource Director	1.00	1.00	1.00	1.00	1.00	-
Safety & Risk Manager	1.00	1.00	1.00	1.00	1.00	-
Employee and Org. Dev. Analyst	1.00	1.00	1.00	1.00	1.00	-
Human Resource Specialist	2.00	2.00	2.00	2.00	2.00	-
Total Human Resources	5.00	5.00	5.00	5.00	5.00	-
					Full-time employees: 5	
					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	-
Network Manager	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	-
GIS Analyst	2.00	1.50	1.50	1.50	1.50	-
IT Technician	1.00	1.00	1.00	1.00	1.00	-
Total Information Technology	8.00	6.50	6.50	6.50	6.50	-
					Full-time employees: 7	
					Part-time employees: -	
Legal						
Town Attorney	1.00	1.00	1.00	-	-	(1.00) *
Legal Services Director	-	-	-	-	1.00	1.00 **
Town Prosecutor	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 II	1.00	1.00	1.00	1.00	1.00	-
Legal Secretary	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	1.00	1.00	1.00	-	-	(1.00)
Total Legal	8.00	8.00	8.00	6.00	6.00	(2.00)
					Full-time employees: 6	
					Part-time employees: -	

*contract Attorney in FY 2014

**title change from Town Prosecutor



Personnel Schedule

	FY 2011	FY 2012	FY 2013		FY 2014	+/- to Budget
	Actual		Budget	Projected	Budget	
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	2.00	1.00	1.00	1.00	1.00	-
Bailiff	1.00	1.00	1.00	1.00	1.00	-
Total Magistrate Court	9.00	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 Town Manager	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
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	-
Economic Development Specialist	-	-	1.00	1.00	1.00	-
Economic Development Intern	0.40	-	-	-	-	-
Communications Administrator	-	1.00	1.00	1.00	1.00	-
New Media Developer	-	-	-	1.00	1.00	1.00
Communications Specialist	1.00	-	-	-	-	-
Communications Intern	0.10	0.10	-	-	-	-
Constituent Services Coordinator	1.00	1.00	1.00	1.00	1.00	-
Office Specialist	-	-	1.00	1.00	1.00	-
Total Town Manager's Office	8.50	7.10	10.00	10.00	10.38	0.38
			Full-time employees:		10	
			Part-time employees:		1	
Parks and Recreation						
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Manager	1.00	1.00	1.00	1.00	1.00	-
Recreation Manager	1.00	1.00	1.00	1.00	1.00	-
Multimodal Planner	1.00	1.00	1.00	1.00	1.00	-
Aquatics Manager	1.00	1.00	1.00	1.00	1.00	-
Parks Maintenance Crew Leader	1.00	1.00	1.00	1.00	1.00	-
Senior Park Maintenance Worker	2.00	2.00	3.00	3.00	3.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	1.00	-
Office Assistant	-	0.48	1.00	1.00	1.00	-
Senior Office Assistant	1.00	-	-	-	-	-
Assistant Recreation Manager	1.00	1.00	1.00	1.00	1.00	-
Recreation Leader	0.40	0.40	0.40	0.40	0.40	-
Assistant Aquatics Manager	-	-	1.00	1.00	1.00	-
Aquatics Facility Supervisor	-	-	1.36	1.36	1.36	-
Aquatics Shift Leader	-	-	2.72	2.72	2.72	-
Park Maintenance Worker	3.00	3.00	2.00	2.00	2.35	0.35
Park Monitor	0.70	0.70	1.23	1.23	1.23	-
Aquatics Facility Attendants	-	-	2.40	2.40	2.88	0.48
Recreation Aide	2.70	1.50	1.50	1.50	1.50	-
Water Safety Instructor	6.15	6.32	4.00	4.00	4.00	-
Library Services Manager	1.00	1.00	1.00	-	-	(1.00)
Librarian II	4.00	4.00	4.00	-	-	(4.00)
Office Specialist	1.00	1.00	1.00	-	-	(1.00)
Library Associate	4.95	4.48	4.48	-	-	(4.48)
Library Technical Assistant II	4.36	4.51	4.51	-	-	(4.51)
Library Technical Assistant I	3.05	3.08	3.08	-	-	(3.08)
Total Parks and Recreation	42.31	40.47	46.68	28.61	29.44	(17.24)
			Full-time employees:		15	
			Part-time employees:		15	
			(not including seasonal employees)			



Personnel Schedule

	FY 2011	FY 2012	FY 2013		FY 2014	+/- to Budget
	Actual		Budget	Projected	Budget	
Police						
Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Deputy Chief of Police	1.00	1.00	1.00	1.00	1.00	-
Commander	2.00	2.00	2.00	2.00	2.00	-
Lieutenant	5.00	5.00	5.00	5.00	5.00	-
Sergeant	13.00	13.00	13.00	13.00	13.00	-
Detective	5.00	6.00	7.00	7.00	7.00	-
Patrol Officer	49.00	49.00	51.00	51.00	52.00	1.00
Motorcycle Officer	6.00	7.00	7.00	7.00	7.00	-
School Resource Officer	7.00	7.00	7.00	7.00	8.00	1.00
K-9 Officer	3.00	3.00	3.00	3.00	2.00	(1.00)
DUI Officer	2.00	2.00	2.00	2.00	2.00	-
Training Officer	1.00	1.00	1.00	1.00	1.00	-
Reserve Officer	0.48	0.96	1.44	1.44	2.88	1.44
Communications Supervisor	1.00	1.00	1.00	1.00	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	-
Lead IT Forensics Technician	1.00	1.00	1.00	1.00	1.00	-
Property Forensics Technician	2.00	2.00	2.00	2.00	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 Response Planner	1.00	1.00	1.00	1.00	1.00	-
Fleet Maintenance Mechanic II	-	1.00	1.00	1.00	1.00	-
Senior Office Specialist	1.00	1.00	1.00	1.00	3.00	2.00
Office Specialist	2.00	2.00	2.00	2.00	-	(2.00)
Office Assistant	1.25	1.25	1.25	1.25	1.25	-
Total Police	124.73	128.21	131.69	131.69	134.13	2.44
					Full-time employees: 130	
					Part-time employees: 8	
Water Utility						
Water Utility Director	1.00	1.00	1.00	1.00	1.00	-
Engineering Division Manager	1.00	1.00	1.00	1.00	1.00	-
Water Utility Administrator	1.00	1.00	1.00	1.00	1.00	-
Water 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
Civil Engineer Tech	1.00	1.00	1.00	1.00	1.00	-
Water Utility Operator III	-	-	-	-	7.00	7.00
Water Utility Operator II	8.00	9.00	9.00	9.00	2.00	(7.00)
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	4.00	5.00	5.00	5.00	5.00	-
Customer Service Representative	4.00	4.00	4.00	4.00	4.00	-
Total Water Utility	34.00	36.00	36.00	36.00	37.00	1.00
					Full-time employees: 37	
					Part-time employees: -	
Total Personnel	331.28	331.10	343.79	327.56	330.69	(13.10)
					Full-time employees: 288	
					Part-time employees: 71	



Town of Oro Valley

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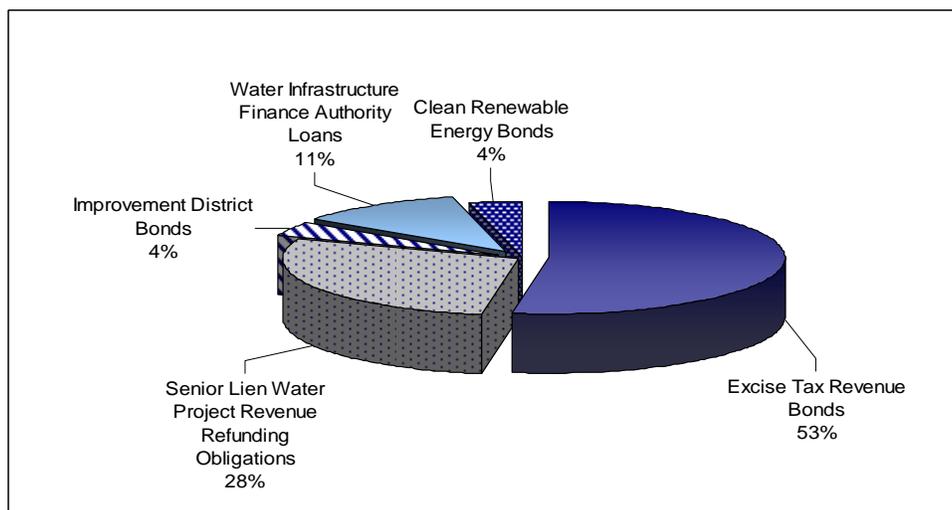


Debt Service

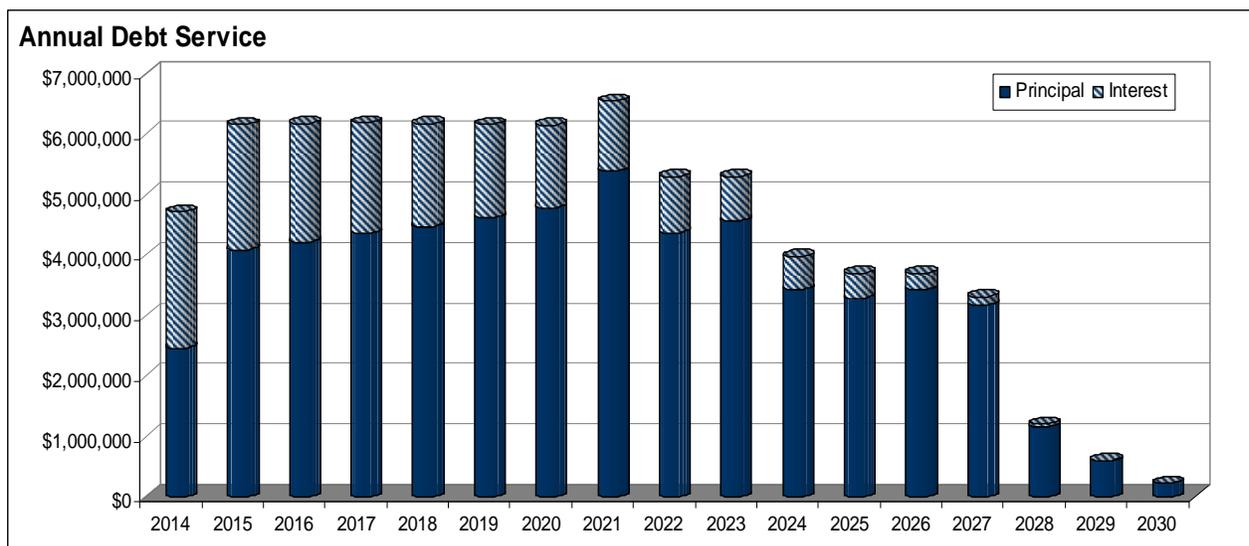
The Town of Oro Valley issues debt to provide funding for the construction of capital projects. The Town has adopted financial policies on debt capacity that set guidelines for issuing debt and provide guidance in the timing and structuring of long-term debt commitments. The general policy of the Town 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, 2013.

Outstanding Principal = \$58,581,559



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

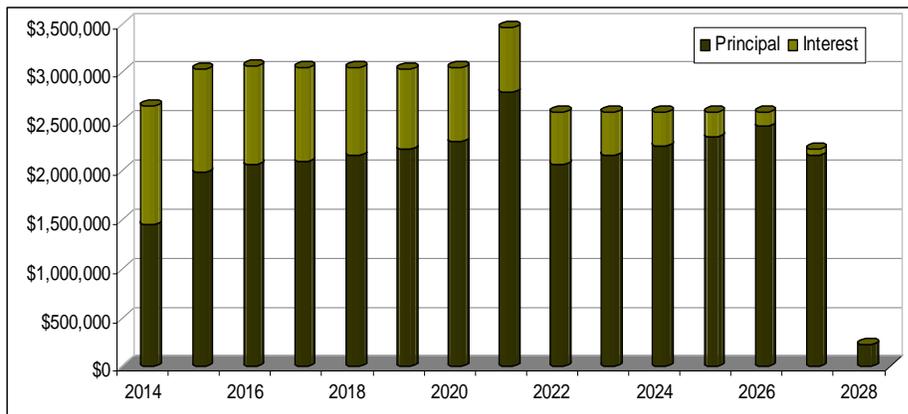




Financing Sources

Excise Tax Revenue Bonds

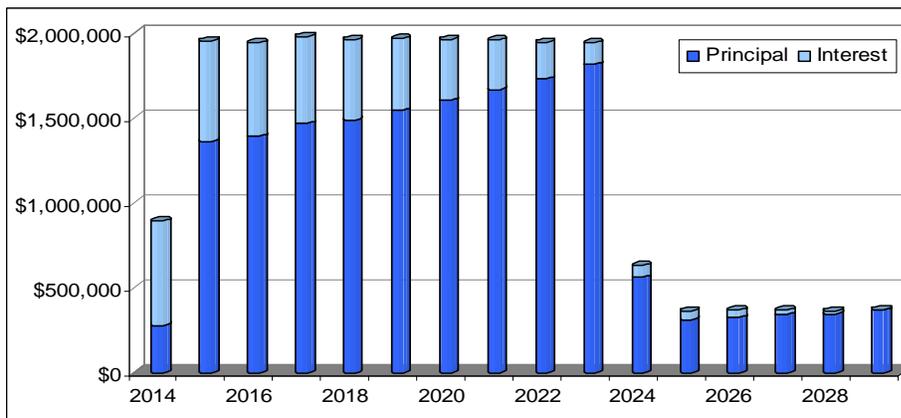
Excise Tax Revenue Bonds are issued by the Town for the purpose of financing the construction or acquisition of capital improvement projects. These bonds may be issued without voter approval. The Town of Oro Valley has issued excise tax revenue bonds for the construction and improvement of water facilities,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

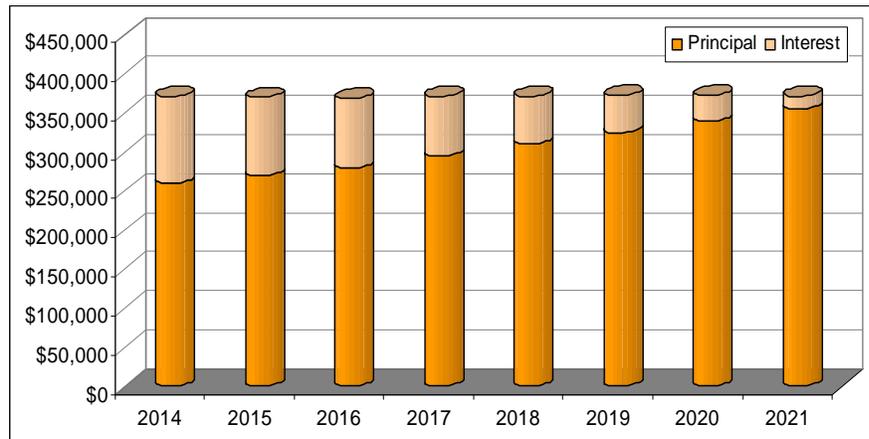
The Senior Lien Water Project Revenue Refunding Obligations were issued by the Town in 2012 for the purpose of refunding previously issued water revenue obligations. The previously issued obligations financed improvements to the Town's reclaimed and potable water systems. Water project revenue bonds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



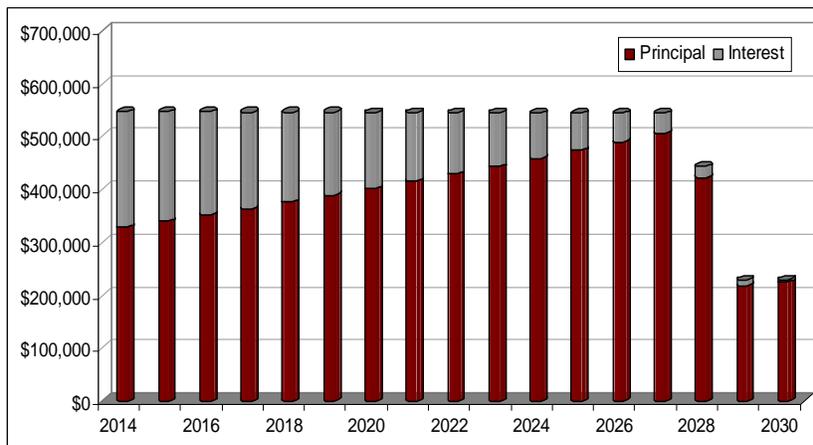


Improvement District Bonds

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.



Water Infrastructure Finance Authority Loans (WIFA)

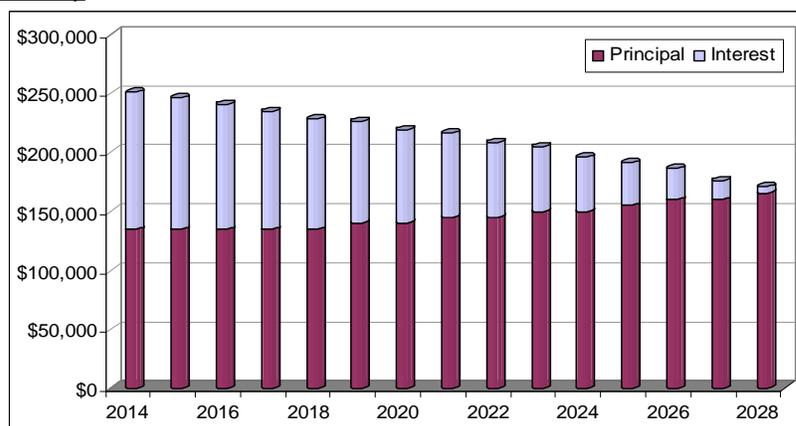


WIFA is a state agency that has specific programs that can improve a city or town's ability to use bonding as a revenue source. WIFA has the ability to assist smaller to medium sized communities in pooling their bond issues to help lower the costs of issuing debt. They also have monies set aside to help 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 was approved for up to \$6M in WIFA loan proceeds for infrastructure expansion of the reclaimed water system in the Town. In 2009, the Town was approved for a \$3.4 million loan to finance existing water system infrastructure improvements.

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 will be paid through a combination of energy savings, electricity rebates from Tucson Electric Power Company, and a 70% interest subsidy from the U.S. Treasury Department.





Debt Service

Debt Capacity

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.

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
2014	2,654,002	891,081	371,328	546,846	250,864	4,714,120
2015	3,042,178	1,954,681	370,408	546,657	246,274	6,160,197
2016	3,074,364	1,943,281	368,798	546,462	240,887	6,173,792
2017	3,046,861	1,980,781	371,478	546,260	234,900	6,180,280
2018	3,053,563	1,963,731	371,728	546,051	228,460	6,163,533
2019	3,043,703	1,965,481	372,623	545,835	226,507	6,154,148
2020	3,046,048	1,962,481	372,673	545,612	219,108	6,145,921
2021	3,456,575	1,957,081	371,863	545,381	216,354	6,547,254
2022	2,598,888	1,945,531	-	545,142	208,249	5,297,810
2023	2,601,394	1,941,906	-	544,896	204,706	5,292,902
2024	2,601,563	630,331	-	544,640	195,721	3,972,255
2025	2,595,322	362,931	-	544,376	191,318	3,693,947
2026	2,600,213	365,231	-	544,104	186,370	3,695,917
2027	2,218,584	368,631	-	543,821	176,066	3,307,102
2028	224,125	362,925	-	443,834	170,437	1,201,321
2029	-	371,159	-	228,905	-	600,065
2030	-	-	-	228,796	-	228,796
	39,857,379	20,967,247	2,970,895	8,537,620	3,196,217	75,529,358



Debt Service Schedules

\$15,750,000 Excise Tax Revenue Refunding Bonds, Series 2003

- Date:** December 1, 2003
- Interest:** Payable semiannually commencing on January 1, 2004, and semiannually thereafter on July 1 and January 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>
2014	942,500	150,279	1,092,779
Total	<u>\$942,500</u>	<u>\$150,279</u>	<u>\$1,092,779</u>

Note: Future debt service has been refunded with Excise Tax Revenue Refunding Obligations, Series 2013

\$6,215,000 Excise Tax Revenue Obligations, Series 2005

- Date:** September 29, 2005
- Interest:** Payable semiannually commencing on July 1, 2006, and semiannually thereafter on January 1 and July 1 of each year.
- Purpose:** The bonds were issued 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>
2014	275,000	177,819	452,819
2015	290,000	167,244	457,244
2016-2018	930,000	435,481	1,365,481
2019-2022	1,420,000	393,544	1,813,544
2023-2026	1,665,000	142,691	1,807,691
Total	<u>\$4,580,000</u>	<u>\$1,316,778</u>	<u>\$5,896,778</u>



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>
2014	260,000	111,328	371,328
2015	270,000	100,408	370,408
2016-2018	885,000	227,003	1,112,003
2019-2021	1,020,000	97,158	1,117,158
Total	<u>\$2,435,000</u>	<u>\$535,895</u>	<u>\$2,970,895</u>

\$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>
2014	125,000	730,381	855,381
2015	130,000	724,963	854,963
2016-2019	2,740,000	2,651,663	5,391,663
2020-2024	7,805,000	2,090,281	9,895,281
2025-2027	5,475,000	358,806	5,833,806
Total	<u>\$16,275,000</u>	<u>\$6,556,094</u>	<u>\$22,831,094</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>
2014	192,168	124,478	316,647
2015	198,963	117,563	316,526
2016-2019	868,739	396,078	1,264,817
2020-2024	1,270,302	307,459	1,577,761
2025-2028	1,086,224	73,258	1,159,482
Total	<u>\$3,616,397</u>	<u>\$1,018,837</u>	<u>\$4,635,233</u>

\$3,403,000

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>
2014	136,676	93,523	230,200
2015	141,010	89,120	230,131
2016-2018	450,432	239,526	689,958
2019-2022	670,105	248,737	918,842
2023-2026	759,230	158,198	917,429
2027-2030	860,209	55,619	915,828
Total	<u>\$3,017,663</u>	<u>\$884,723</u>	<u>\$3,902,386</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>
2014	135,000	115,864	250,864
2015	135,000	111,274	246,274
2016-2018	405,000	299,247	704,247
2019-2022	570,000	300,217	870,217
2023-2026	615,000	163,114	778,114
2027-2028	325,000	21,502	346,502
Total	\$2,185,000	\$1,011,217	\$3,196,217

**Debt Service is subsidized by electricity rebates from Tucson Electric Power Co. and a 70% 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>
2014	115,000	90,669	205,669
2015	140,000	88,119	228,119
2016-2018	440,000	239,756	679,756
2019-2022	670,000	235,475	905,475
2023-2026	780,000	121,888	901,888
2027-2028	435,000	16,272	451,272
Total	\$2,580,000	\$792,178	\$3,372,178



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>
2014	280,000	611,081	891,081
2015	1,360,000	594,681	1,954,681
2016-2019	5,895,000	1,958,275	7,853,275
2020-2024	7,375,000	1,062,331	8,437,331
2025-2029	1,685,000	145,878	1,830,878
Total	\$16,595,000	\$4,372,247	\$20,967,247

\$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>
2014	-	47,354	47,354
2015	1,420,000	81,853	1,501,853
2016-2017	1,940,000	114,913	2,054,913
2018-2020	2,995,000	65,431	3,060,431
Total	\$6,355,000	\$309,550	\$6,664,550

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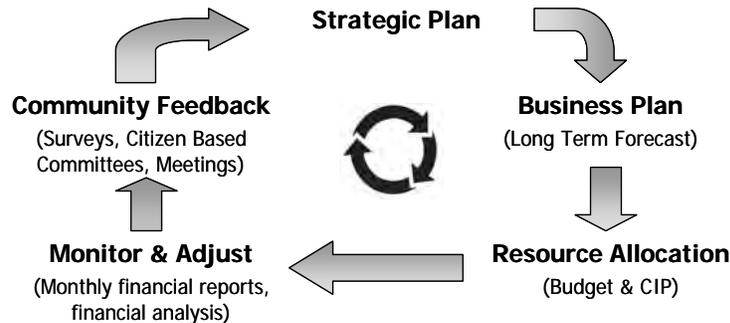
Town of Oro Valley

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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 has been 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.

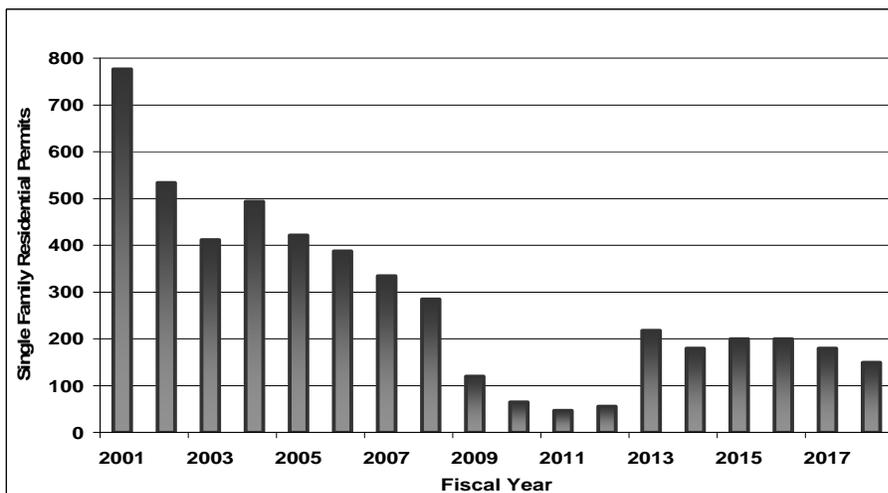


The base forecast is developed using the current services offered by the Town. Assumptions relating to inflation and growth rates are used to predict expenditure levels. Revenues are projected by trend or by specific information, when available. This information is used in conjunction with the impact of new commercial 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 Development Services 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, which are the General Fund, the Highway Fund and the Bed Tax 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 decline.

Development 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 most recent recession. The Town does

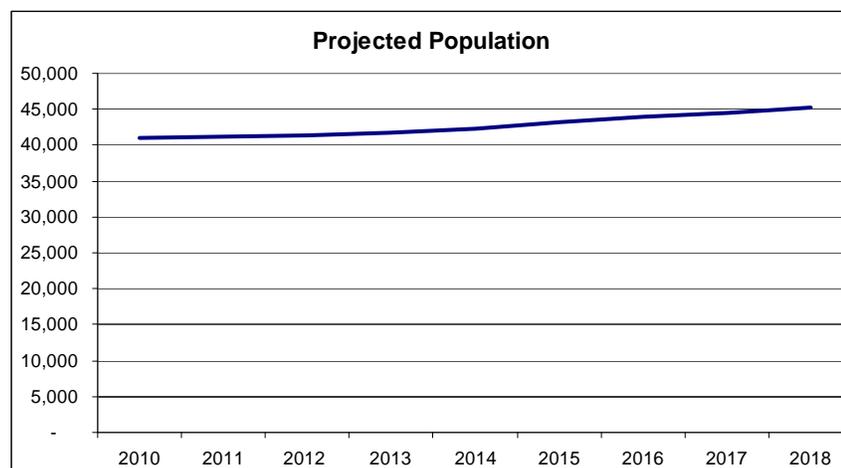


Long Term Forecast

not levy a property tax, and is therefore extremely vulnerable to shifts in economic conditions. Furthermore, the State legislature has made many recent attempts to impact state shared revenues and local tax collection efforts, and it is likely that those attempts will continue.

Nevertheless, the Town is seeing signs of gradual economic recovery, both at the local and state levels. The Town's retail sales tax collections continue to grow, and residential and commercial activity has increased over the past twelve months. All indications suggest continued slow, steady growth. Three new luxury apartment complexes within the town are in either construction or development phases. The Town's five-year forecast incorporates these revenues. 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 and sales taxes reflect growth rates of 3-6%. 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, will 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.



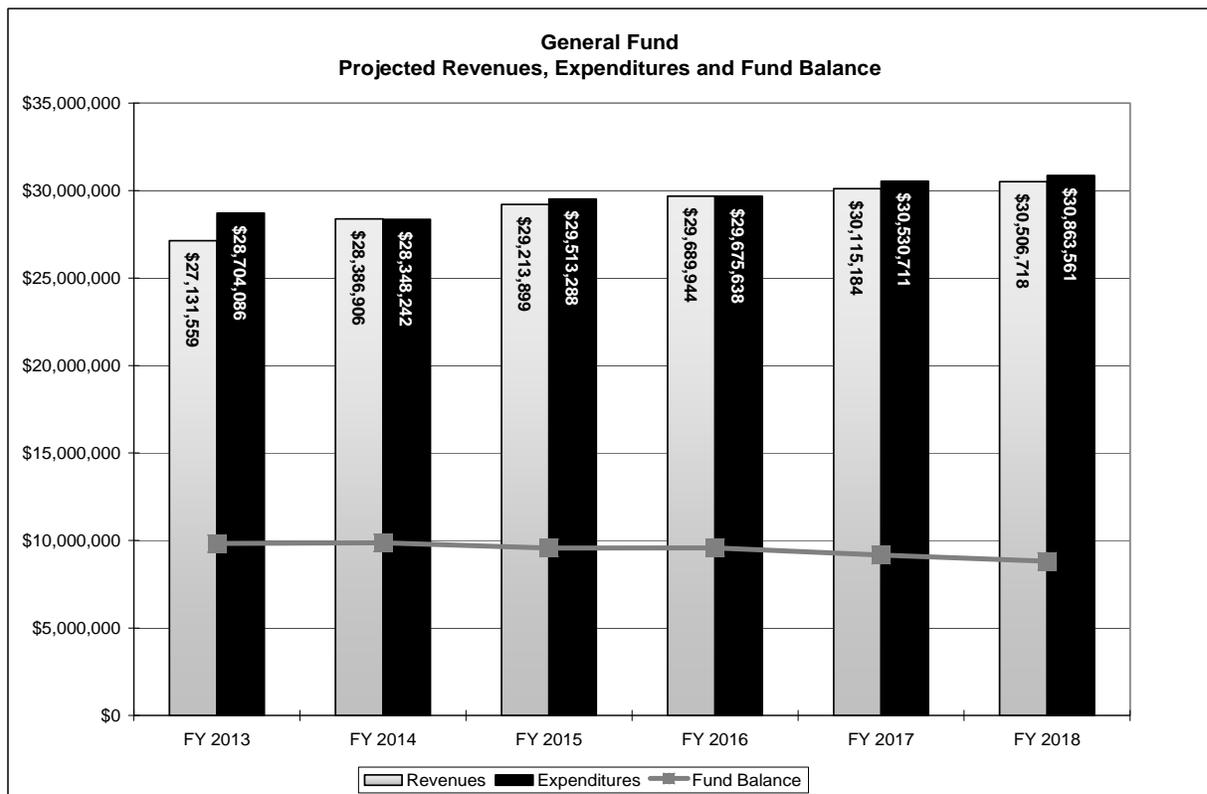
Long Term Forecast

Fund Forecasts

General Fund. Overall, the General Fund remains stable over the five-year horizon based upon revenue growth centered around continued economic recovery both at the local and state levels. Revenues in the General Fund reflect 3-6% 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 permits revenues are slightly more volatile as several large projects are completed over the next two to three years.

General Fund expenditure projections reflect the continued commitment to providing fair employee compensation, maintaining flat O&M budgets as much as possible and allocating resources to asset replacement (computers, vehicles) and capital infrastructure needs.

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.



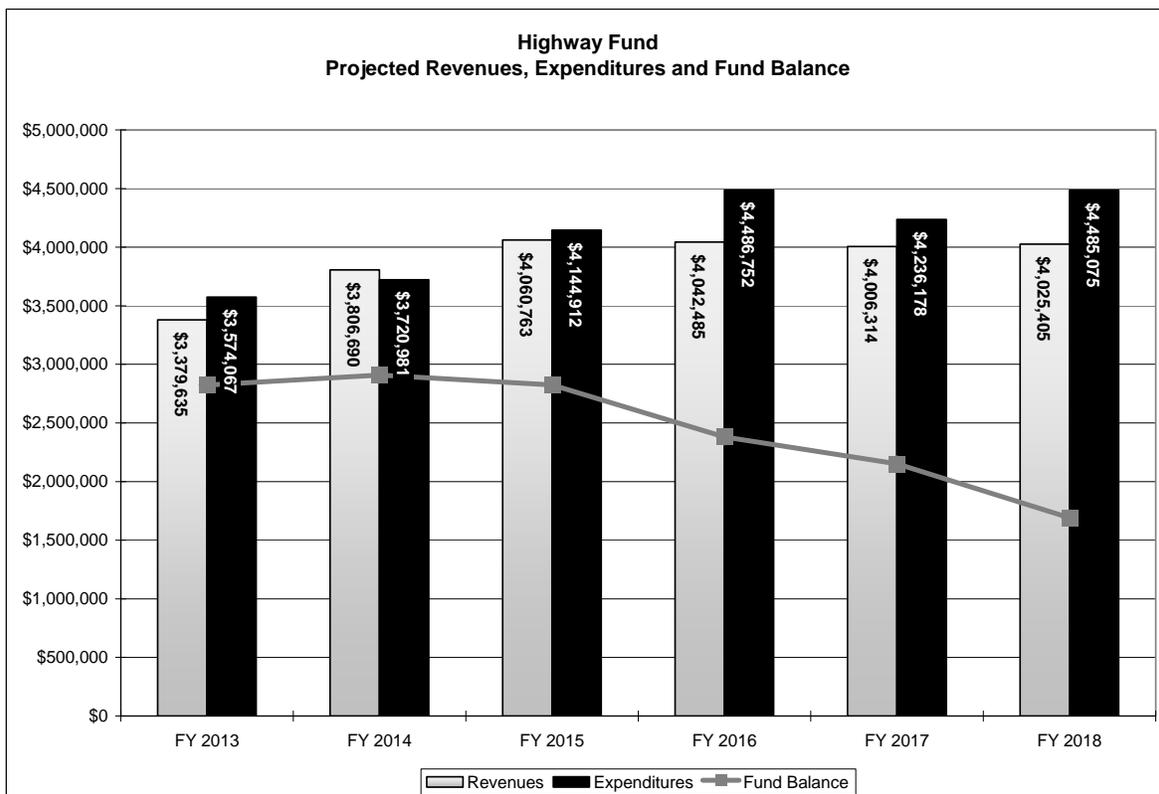


Long Term Forecast

Highway Fund. Highway Fund revenues are comprised primarily of local construction sales taxes and state shared highway user (gas tax) revenues. The construction sales tax revenues are one-time in nature and fluctuate based on local construction activity. The state shared highway user revenues are expected to grow by approximately 3-4% per year based on projections provided by the Arizona Department of Transportation.

Highway Fund expenditures reflect similar assumptions as those in the General Fund forecast for personnel and O&M costs. Funding for the pavement preservation program is included in the forecast and ranges from \$1 million to \$1.3 million per year.

The fund balance in the Highway Fund is projected to decrease based on the current assumptions, with an ending balance of approximately \$1.7 million in FY 2017/18.



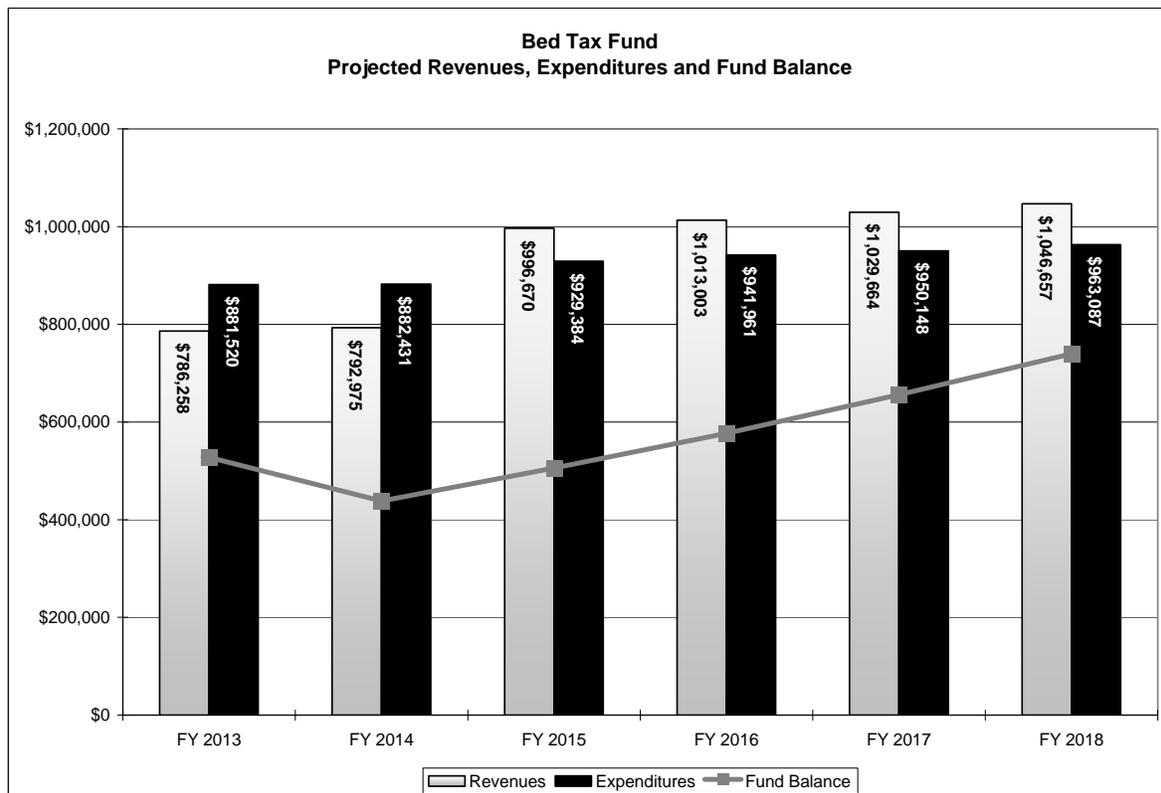


Long Term Forecast

Bed Tax Fund. The Bed Tax Fund captures revenues generated by 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. The Bed Tax Fund remains stable over the forecast period with modest revenue growth following continued economic recovery projected in the tourism industry.

Bed Tax Fund expenditures reflect existing contract amounts with several tourism and economic development agencies. This fund also covers debt service payments on bonds issued for the recently completed expansion of the Town's aquatic facility, as well as the increase in operating costs as a result of the expansion.

This fund shows a slight surplus in each year of the forecast, with an ending balance projected at almost \$740,000 in FY 2017/18.



Conclusion

The reliance on growth, development and volatile revenue sources has left Oro Valley vulnerable to economic fluctuations and forces the Town to make difficult decisions regarding programs and services. A delicate balance exists between the demands of town citizens and the resources available to meet those demands. Major service level changes or added programs will require new revenue sources to fund such expansions.

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PROGRAM BUDGETS

- Clerk
- Council
- Development and Infrastructure Services
- Finance
- General Administration
- Human Resources
- Information Technology
- Legal
- Magistrate Court
- Town Manager's Office
- Bed Tax Fund
- Parks and Recreation
- Recreation In-Lieu Fee Fund
- Parks and Recreation Impact Fee Fund
- Aquatic Center Project Fund
- Police
- Police Impact Fee Fund
- Water Utility
- Alternative Water Resources Development Impact Fee Fund
- Potable Water Systems Development Impact Fee Fund
- Municipal Debt Service Fund
- Oracle Road Improvement District
- General Government Impact Fee Fund
- Benefit Self-Insurance Fund

PROGRAM BUDGETS





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 & 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Town Clerk	1.00	1.00	1.00	1.00	-
Deputy Town Clerk	1.00	1.00	1.00	1.00	-
Assistant to the Town Clerk	1.00	1.00	1.00	1.00	-
Office Assistant	1.44	1.44	1.44	1.44	-
Communications Intern	-	0.10	0.10	0.10	-
Total FTEs	4.44	4.54	4.54	4.54	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 294,437	\$ 284,127	\$ 283,337	\$ 298,818	5.2%
Operations & Maintenance	99,944	38,652	31,381	35,300	-8.7%
Capital Outlay	14,247	-	7,271	11,000	0.0%
Total Expenditures	\$ 408,628	\$ 322,779	\$ 321,989	\$ 345,118	6.9%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Business Licenses & Permits	\$ 176,853	\$ 171,140	\$ 174,900	\$ 176,700	3.2%
Copy Services	2,430	2,500	2,500	2,500	0.0%
Total Revenues	\$ 179,283	\$ 173,640	\$ 177,400	\$ 179,200	3.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.2% to reflect merit increases budgeted for FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 8.7% due to savings in advertising and outside professional services costs.

Highlights & Goals Measures & Indicators

Clerk

Mission

The Town Clerk's Office is committed to maintaining public confidence and trust. The office continually strives to improve the quality and accessibility of public information, provide fair and impartial elections and provide quality customer service to our citizens, Town Council, and staff.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Completed transition from paper Council packets to electronic packets - With the assistance of the IT Department, completed upgrade to Granicus system, which provides the public with meeting information and video and audio recordings of Council and Board and Commission meetings - Implemented new business licensing software, which will increase efficiency, reduce costs and provide a greater and more reliable amount of economic data - Assisted with the successful Oracle/Ina area annexation 	<p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Implement the MUNIS Citizen Self Service module so that business owners will be able to pay business license fees online, providing greater convenience for the business community <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Assist with the feasibility assessment of an organization-wide electronic document management system ■ Evaluate methods for automating the public records request process and allowing users to make requests online

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Percentage of public records requests fulfilled within 72 hours of request	87%	88%	90%
▶ Percentage of new business licenses issued within 3-5 days of application	99%	99%	100%
▶ Percentage of business license renewals issued within 30 days	95%	98%	99%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of Town Council meetings attended <small>Note: Regular Council meetings are held on the 1st & 3rd Wednesday of the month. Council may add/cancel meetings as needed for study sessions, budget sessions, etc.</small>	19	22	22
▶ Number of public notices posted	229	240	250
▶ Number of ordinances published, posted and codified	20	20	20
▶ Number of public records requests received and completed	147	220	200
▶ Total business licenses issued - new & renewal	2,411	2,475	2,500
▶ Number of liquor license applications processed	16	11	12
▶ Number of solicitor badge applications (commercial & nonprofit) processed	65	60	60



Overview

The Mayor and Council consist 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 77,192	\$ 78,818	\$ 78,818	\$ 78,828	0.0%
Operations & Maintenance	114,723	145,800	145,800	147,025	0.8%
Capital	6,942	-	-	-	0.0%
Total Expenditures	\$ 198,857	\$ 224,618	\$ 224,618	\$ 225,853	0.5%

Mission

The Town of Oro Valley is a "Mission" driven organization. The Council's Mission is to: Act with openness, respect, integrity, accountability, and quality to preserve and protect the health, safety and welfare of the community; and promote organizational efficiency that upholds the long-term interests of the town while responding to present community needs.

The Town Council focuses on the most important community issues and sets in motion an organizational culture that encourages innovation and strives for excellence.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Approved the new Strategic Plan - Approved \$2.1M from General Fund contingency reserves to bury utility lines for preservation of natural beauty and scenic corridors - Approved the development of an archery range and two archery walking courses at Naranja Park - Oro Valley named "2013 Best Place to Raise Kids in Arizona" by Bloomberg Businessweek - Expanded partnerships with Metropolitan Tucson Convention and Visitors Bureau (MTCVB) and the Greater Oro Valley Chamber of Commerce - Approved the Economic Expansion Zone (EEZ) for Innovation Park - Approved the annexation of 107 acres, known as the Oracle/Ina area - Approved the 15-year Capital Improvement Program (CIP) - Formalized and expanded Spotlight on Youth recognition program 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain long-term financial health through diversified revenue sources while investing in community initiatives <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Ensure residents are educated about and engaged in moving community initiatives forward <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Attract and retain globally-competitive high technology and bioscience employers. ■ Develop recreation and cultural opportunities to promote tourism and support employee attraction and retention <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Provide services to enhance residents' quality of life



Development and Infrastructure Services (DIS)

Overview

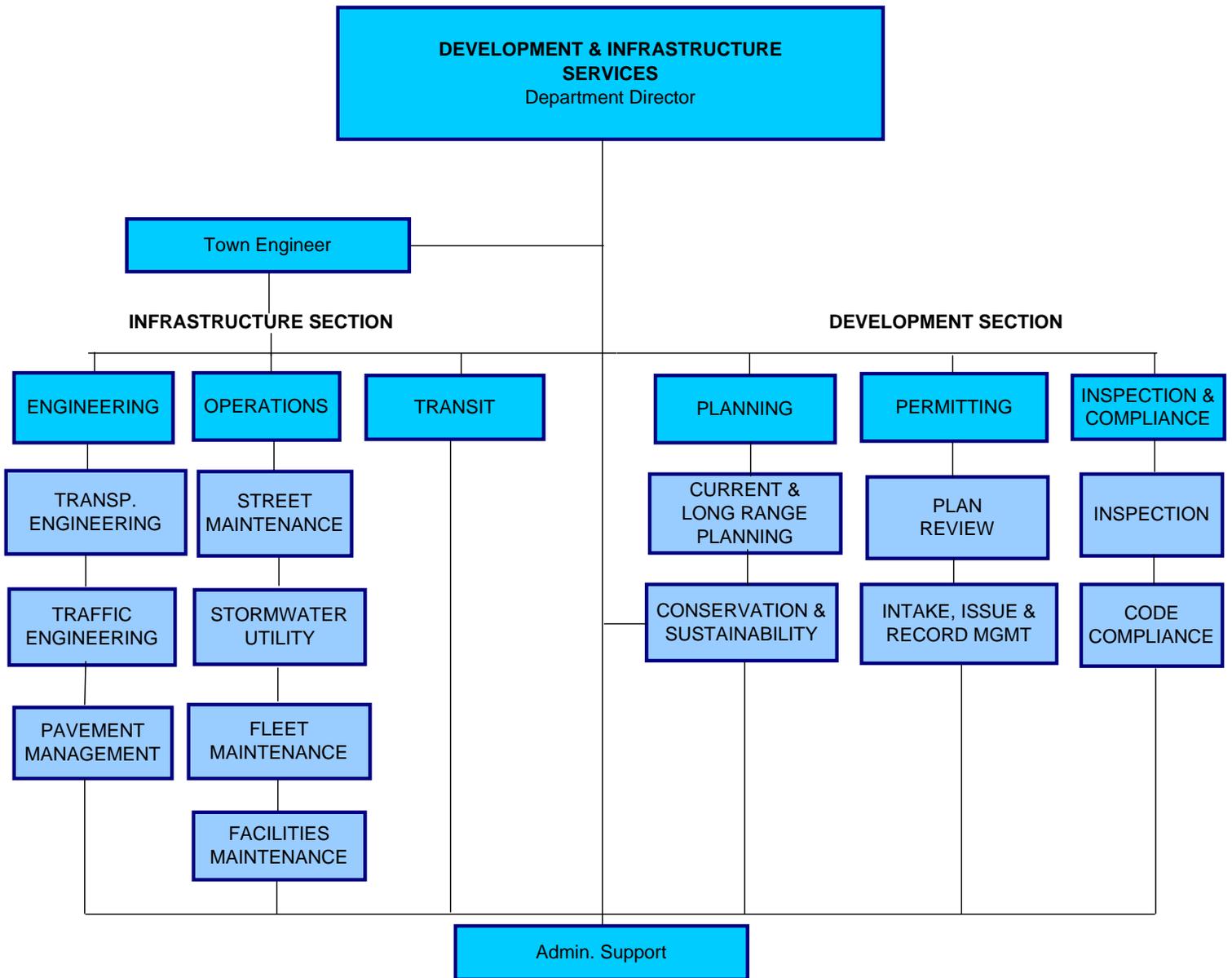
The Development and Infrastructure Services (DIS) Department is comprised of the following divisions: Planning, Permitting, Inspection & Compliance, Engineering, Operations and Transit. The department is responsible for ensuring harmonious growth as well as the health, safety and welfare of the public 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 of Oro Valley. In addition, the department is also responsible for the Town's stormwater management and flood control, facilities and fleet maintenance, as well as providing transit services for the community.

Total FTEs			
2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
73.38	73.38	77.22	75.70

	Expenditures by Fund				
	2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
General Fund	\$ 2,934,686	\$ 3,803,751	\$ 3,349,021	\$ 4,031,561	6.0%
Highway Fund	3,757,844	3,669,829	3,630,438	3,720,981	1.4%
Stormwater Utility Fund	655,365	1,565,449	941,151	1,334,376	-14.8%
Fleet Fund	436,271	638,787	638,787	1,221,963	91.3%
Roadway Development Impact Fee Fund	7,501,852	6,154,000	4,760,000	3,380,000	-45.1%
	\$ 15,286,018	\$ 15,831,816	\$ 13,319,397	\$ 13,688,881	-13.5%

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

	Revenues by Fund				
	2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
General Fund	\$ 1,643,128	\$ 2,154,836	\$ 2,250,896	\$ 2,649,755	23.0%
Highway Fund	3,125,955	3,346,388	3,379,635	3,806,690	13.8%
Stormwater Utility Fund	792,988	1,299,800	795,407	1,222,000	-6.0%
Fleet Fund	436,271	638,787	638,787	1,302,793	103.9%
Roadway Development Impact Fee Fund	7,234,302	6,412,718	5,432,440	4,460,875	-30.4%
	\$ 13,232,644	\$ 13,852,529	\$ 12,497,165	\$ 13,442,113	-3.0%





Development and Infrastructure Services (DIS) Development Section

Overview

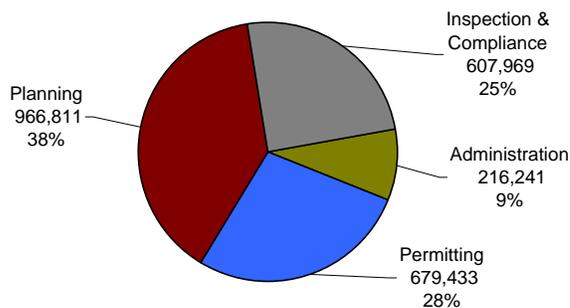
The Development Section of the DIS Department is organized into three functional divisions: Planning, Permitting, and Inspection and Compliance. Planning administers the General Plan and Zoning Code for the harmonious development of the Town. Permitting coordinates all facets of plan review and permitting to assess compliance with codes and ordinances adopted by 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.

Total FTEs			
2012 Actual	FY 2013		FY 2014
	Budget	Projected	Budget
24.48	24.48	24.78	25.26

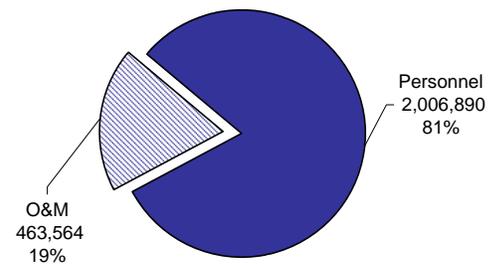
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Administration	\$ 135,245	\$ 169,193	\$ 169,193	\$ 216,241	27.8%
Planning	638,378	815,942	663,495	966,811	18.5%
Permitting	700,641	658,836	655,880	679,433	3.1%
Inspection & Compliance	571,392	596,851	590,072	607,969	1.9%
	\$ 2,045,656	\$ 2,240,822	\$ 2,078,640	\$ 2,470,454	10.2%

	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Residential Building Permits	\$ 554,042	\$ 632,435	\$ 887,360	\$ 1,067,255	68.8%
Commercial Building Permits	352,796	83,394	220,936	200,000	139.8%
Special Inspection Fees	3,110	4,500	3,400	4,000	-11.1%
Copying Fees/Code Book Sales	415	-	-	-	0.0%
Zoning and Subdivision Fees	91,197	70,000	74,000	75,000	7.1%
Sign Permits	36,397	38,000	39,000	40,000	5.3%
Energy Efficient. & Conserv. Grant	54,000	150,000	33,500	100,000	-33.3%
Grading Permit Fees	15,150	7,000	5,000	5,500	-21.4%
Engineer Plan Review Fees	46,890	35,000	40,000	40,000	14.3%
Grading Review Fees	296	1,000	1,000	1,200	20.0%
Grading Inspection Fees	1,400	700	700	800	14.3%
	\$ 1,155,693	\$ 1,022,029	\$ 1,304,896	\$ 1,533,755	50.1%

FY 2014 Expenditures by Program



FY 2014 Expenditures by Category



Mission

We are committed to ensuring harmonious community development and protection of the health and safety of the public in a quality built environment by providing exceptional customer services.

FY 2013 Highlights	FY 2014 Goals and Objectives
<p>Planning:</p> <ul style="list-style-type: none"> - Experienced a sharp increase in number of development review cases and preliminary inquiries for planned development - Completion of Public Participation Plan for the General Plan Update - Establishment of General Plan Scoping Committee which delivered recommendations on the extent of update needed to the General Plan and best methods for public outreach during the Plan Update - Completed public art inventory for both publicly owned and privately owned art collections in the town - Partnered with Economic Development Division to create interactive public art tour on the Town's website - Completed the spring and fall community academies providing training to Boards, Commissions and town residents - Processed three Major General Plan Amendments - Facilitated 21 neighborhood meetings - Completed draft Development Capability Report addressing Town future development capacity <p>Permitting:</p> <ul style="list-style-type: none"> - Generated over \$1.5 million in revenue for the Town and issued over 1,500 permits - Implemented Senate Bill 1598 (Regulatory Bill of Rights) requirements - Issued more than 200 SFR permits in FY 12/13 which is a +275% increase over FY 11/12 - Provided in-house assistance for Town related projects (e.g. Town Aquatics Center, Archery Range) - Implemented the requirements of the new Building Codes adopted by Council - Provided training for staff to be knowledgeable with the newly adopted 2012 Building Code requirements <p>Inspection & Compliance:</p> <ul style="list-style-type: none"> - Provided approximately 24,000 field inspections (annually) - Responded to approximately 250 reports & opened approximately 550 zoning violations (annually) - Provided a wide range of construction assistance from infrastructure and grading inspections through final approvals for a multitude of residential and commercial developments and projects. Some of these include the Canyon del Oro High School remodel, Planet Fitness, LA Fitness, HSL Apartments, Securaplane, and major residential construction at Hohokum Mesa - Successfully worked to have the building codes updated to the latest editions and attended both regional & national code development hearings - Responsible for all inspections on the Oro Valley Aquatic Center and in conjunction with other staff members, provided construction management level oversight through successful completion and opening 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Manage public resources to maximize productivity ■ Continually work to cross-train staff to allow for greater plan review capacity during heavy submittal periods ■ Provide undiminished inspection & compliance services at existing staff levels regardless of level of need and adjust administratively to make this accommodation <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Continually improve internal and external communication for development projects ■ Improve consistency of Department messaging to front counter customers ■ Provide up-to-date information on the Town's webpage for items such as applications, checklists, and other resource information for applicants, developers, and/or the general public ■ Complete upgrade of inspection laptops to encompass existing and upgraded software and new codes ■ Enhance the Community Academy program based on participant feedback <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Partner with Economic Development Division in preparing information, analysis and strategies for achieving economic development objectives ■ Provide information on development opportunities in the Town ■ Continually work to streamline and improve the review and permitting process to promote development ■ Work closely with Southern Arizona Arts & Cultural Alliance (SAACA) and other special event coordinators to assure that special events are seamless in process <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Provide the highest quality development services through superior customer service in the region ■ Ensure town residents have opportunities to participate in community growth and development cases and issues ■ Work to find a replacement permitting system that allows for greater functionality and technology advances such as web-based applications and electronic submittals to provide better service opportunities for new development ■ Provide inspection and project management assistance as needed for Town-specific projects

Performance Measures			
	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Planning			
▶ Provide timely and complete Board and Commission packets, delivery at least seven days prior to meeting date - Goal 95%	100%	100%	95%
▶ Provide education and training to Board and Commission members and interested citizens; achieve minimal level of attendance and training of all Board members - Goal 90% - Board members receive eight hours of training	75%	90%	90%
▶ Substantial progress in completion of adopted Work Plan - Goal 50% per year of total estimated Work Plan effort	25%	50%	85%
▶ Conservation & Sustainability grant funding received <i>(may fund other department programs)</i>	54,000	33,500	100,000
Permitting			
▶ Percentage of civil, zoning and building plan reviews completed within established timeframes - Goal 90%	93%	92%	92%
▶ Average calendar days from first civil, zoning and building plan submittal to first review comments sent to applicants - Goal is 20 days or less	15	16	16
▶ Average number of consultant submittals from initial application to approval - Goal is 3.0 or less	2.4	2.5	2.5
Inspection & Compliance			
▶ Percentage of inspections completed on next business day for requests received by 3:30pm from previous business day - Goal 95%	99%	98%	95%
▶ Average calendar days from first zoning violation complaint to investigation 90% of the time - Goal is 2 days or less	<2	2	2
▶ Average calendar days from zoning case inspection to voluntary compliance - Goal is 15 days or less	5	5	5
▶ Average calendar days from zoning case inspection to forced compliance - Goal is 60 days or less	35	30	30

Workload Indicators			
	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
Planning			
▶ Number of Neighborhood Meetings	21	21	30
▶ Number of Major and Minor General Plan (GP) Amendments	3	3	4
▶ Average number of reviews per FTE (Planners)	53	62	64
▶ Number of Zoning Code and Town Code text amendments	6	6	5
▶ Number of Rezoning / Planned Area Development (PAD) cases	3	3	3
▶ Number of Conceptual Design Review Board (CDRB) submittals	39	45	48
Permitting			
▶ Number of Building Permits Issued	1,125	1,575	1,600
▶ Average number of permits processed per FTE (Permit Technician)	562.5	786.5	800
▶ Average number of civil, building and zoning reviews per FTE (Plan Examiner)	365	590	600
Inspection & Compliance			
▶ Number of civil, building and zoning inspections conducted	13,894	22,800	24,000
▶ Number of civil, building and zoning inspections conducted per FTE (Inspector)	3,474	5,700	6,000
▶ Number of violations issued (building & zoning)	691	625	600

Administration Overview

The primary function of the Development & Infrastructure Services Director is to ensure harmonious growth as well as the health, safety, and welfare of the public in the built environment. The director, with support of the Town engineer, 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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Director, Dev. & Infrastruc. Svcs	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 109,176	\$ 144,593	\$ 144,593	\$ 151,162	4.5%
Operations & Maintenance	24,052	24,600	24,600	65,079	164.5%
Capital	2,017	-	-	-	0.0%
Total Expenditures	\$ 135,245	\$ 169,193	\$ 169,193	\$ 216,241	27.8%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.5% due to merit increases budgeted for FY 2014.

Operations & Maintenance

Operations & Maintenance increased 164.5% due to fleet maintenance costs that were previously budgeted in General Administration.

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 Work Plan for the next two years will focus on updates to the sign code, zoning code, general plan and associated guidelines and standards.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Division Manager, Planning	1.00	1.00	1.00	1.00	-
Conservation & Sustainability Administrator	1.00	1.00	1.00	1.00	-
Senior Planner	2.00	2.00	2.00	2.00	-
Principal Planner	1.00	1.00	1.00	1.00	-
Planner	1.00	1.00	1.00	1.00	-
Intern	-	-	0.30	0.30	0.30
Senior Office Specialist	-	-	-	1.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	7.00	7.00	7.30	7.30	0.30

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 552,090	\$ 600,937	\$ 586,165	\$ 623,871	3.8%
Operations & Maintenance	86,288	215,005	61,330	342,940	59.5%
Capital	-	-	16,000	-	0.0%
Total Expenditures	\$ 638,378	\$ 815,942	\$ 663,495	\$ 966,811	18.5%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% to reflect merit increases, a position reclass, and the addition of a part-time Intern.

Operations & Maintenance

Operations & Maintenance increased 59.5% due to costs budgeted for the Town's General Plan update.

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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Division Manager, Permitting	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
Zoning Plans Examiner	1.00	1.00	1.00	-	(1.00)
Building Permit Technician	2.00	2.00	2.00	2.00	-
Office Specialist	0.48	0.48	0.48	0.96	0.48
Total FTEs	8.48	8.48	8.48	8.96	0.48

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 670,347	\$ 616,821	\$ 613,865	\$ 640,283	3.8%
Operations & Maintenance	30,294	42,015	42,015	39,150	-6.8%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 700,641	\$ 658,836	\$ 655,880	\$ 679,433	3.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to merit increases and the addition of a part-time Office Specialist.

Operations & Maintenance

Operations & Maintenance decreased 6.8% due to reduced outside professional services costs.

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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Division Manager, Inspection & Compliance	1.00	1.00	1.00	1.00	-
Building Inspector II	4.00	4.00	4.00	4.00	-
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	8.00	8.00	8.00	8.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 560,045	\$ 577,556	\$ 571,843	\$ 591,574	2.4%
Operations & Maintenance	11,347	18,095	18,229	16,395	-9.4%
Capital	-	1,200	-	-	-100.0%
Total Expenditures	\$ 571,392	\$ 596,851	\$ 590,072	\$ 607,969	1.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.4% due to merit increases budgeted for FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 9.4% due to a reduced budgets for telecommunications and printing & binding.

Capital

Capital decreased 100% due to minor assets that are not budgeted in FY 2014.



Development & Infrastructure Services (DIS) Infrastructure Section - Facility Maintenance

Facility Maintenance, a program within the Operations Division of the DIS Department, provides building maintenance repairs, minor renovations, project management, contract administration, energy management and HVAC services for the Town's facilities. This program is responsible for the maintenance of 15 Town buildings and structures encompassing approximately 84,900 square feet of building space.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Facilities Maintenance Crew Leader	1.00	1.00	1.00	1.00	-
Facilities Maintenance Technician	1.00	1.00	1.00	1.00	-
Civil Engineer	0.20	-	-	-	-
Office Specialist	-	-	-	0.15	0.15
Senior Office Assistant	0.15	0.15	0.15	-	(0.15)
Total FTEs	2.35	2.15	2.15	2.15	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 138,818	\$ 117,203	\$ 117,203	\$ 129,732	10.7%
Operations & Maintenance	162,514	182,500	182,500	187,800	2.9%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 301,332	\$ 299,703	\$ 299,703	\$ 317,532	5.9%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Other Intergovernmental Revenue	\$ -	\$ -	\$ 30,000	\$ 30,000	0.0%
Total Revenues	\$ -	\$ -	\$ 30,000	\$ 30,000	0.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 10.7% due to a position reclass and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 2.9% due to increased outside professional services costs.

Mission

The Facility Maintenance program is dedicated to providing a safe, healthy and functional working environment for employees and citizens of the Town of Oro Valley to conduct daily business.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Completed preventative maintenance inspections and normal maintenance on new solar energy efficient equipment - Installed a backup air conditioner for the Town's IT server room, ensuring protection of Town data and equipment in case of main air conditioning failure - New call director was placed into operation which allows any Town employee to use their computer to directly send requests for facility work which are then converted to work orders 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Manage the Facility Maintenance program within approved expenditure limits ■ Ensure that the new solar equipment is functioning at the highest optimal efficiency ■ Continue to improve the preventative maintenance program for all Town Facilities <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Maintain a clean, safe environment for public and staff in all buildings ■ Continue to ensure that all cleaning chemicals are environmentally friendly

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Repair expenditures per square foot of buildings maintained	\$2.65	\$2.70	\$2.70
▶ Percentage of work order requests completed within five business days	88%	85%	85%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of work order requests completed	850	860	876
▶ Number of work order requests completed per FTE	425	430	438



Development & Infrastructure Services (DIS)

Infrastructure Section - Fleet Fund

Overview

Fleet is set up as an internal service fund under the Operations Division of the DIS 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Fleet Maintenance Mechanic III	1.00	1.00	1.00	1.00	-
Office Specialist	-	-	-	0.15	0.15
Senior Office Assistant	0.35	0.15	0.15		(0.15)
Total FTEs	1.35	1.15	1.15	1.15	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 81,546	\$ 72,437	\$ 72,437	\$ 75,213	3.8%
Operations & Maintenance	354,725	566,350	566,350	663,750	17.2%
Capital	-	-	-	483,000	0.0%
Total Expenditures	\$ 436,271	\$ 638,787	\$ 638,787	\$ 1,221,963	91.3%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Charges for Services	\$ 436,271	\$ 638,787	\$ 638,787	\$ 1,282,793	100.8%
Miscellaneous	-	-	-	20,000	0.0%
Total Revenues	\$ 436,271	\$ 638,787	\$ 638,787	\$ 1,302,793	103.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to a position reclass and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 17.2% due to increased fleet costs for Transit. This is a result of the Town's Sun Shuttle service expansion provided via an intergovernmental agreement with the Regional Transportation Authority.

Capital

Budgeted capital in FY 2014 is for vehicle replacement.

Highlights & Goals Measures & Indicators

Fleet Fund

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Worked with the Finance Department to develop the 2014 capital replacement schedule for non-PD Town vehicles and heavy equipment - Monitored outside repair shops to ensure scheduled preventative maintenance service and repairs are completed correctly at the lowest cost - Developed a program using the Arizona Department of Corrections (AOC) crew to help Town staff complete maintenance on small fleet equipment and minor repairs on Town equipment and vehicles 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain Town vehicles and heavy equipment in excellent condition by scheduling preventative maintenance and repairs ■ Reduce fleet maintenance cost of non-PD vehicle and heavy equipment by completing more repair work and preventative maintenance in-house with existing staff ■ Establish a fleet management task force to develop alternatives for long-term fleet maintenance and repair <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Develop a Town-wide fleet maintenance committee with the goal of creating a total in-house fleet maintenance program <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Manage the fleet maintenance program within approved expenditure limits

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Total cost/mile to operate and maintain light vehicles, not including Police vehicles (repair and fuel only)	\$0.43	\$0.46	\$0.48
▶ Total cost/hr to operate and maintain heavy vehicles (repair and fuel only)	\$18.00	\$17.00	\$17.00
▶ Total cost/mile to operate and maintain transit vans (repair and fuel only)	\$0.67	\$0.77	\$0.70

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of vehicles maintained (not including Police vehicles)	76	74	74
▶ Number of heavy equipment maintained	52	53	54
▶ Number of transit vans maintained	17	18	21



Development and Infrastructure Services (DIS) Infrastructure Section - Highway Fund Operations

Overview

The Infrastructure Section is organized into three functional divisions: Engineering, Operations, and Transit. Engineering 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. Operations is responsible for the Stormwater Utility enterprise, maintenance of the town's streets and drainage ways, facilities maintenance including repairs and minor renovations, and fleet maintenance for vehicles and heavy equipment.

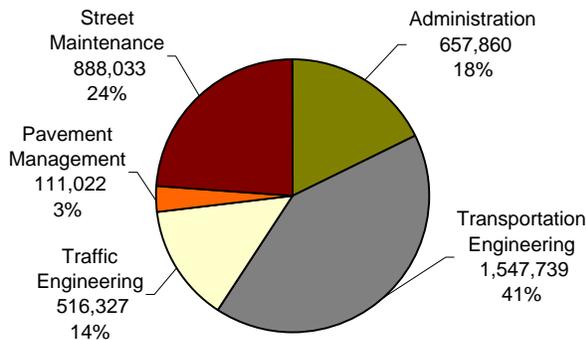
Infrastructure Section programs supported by the Highway Fund include Administration, Transportation Engineering, Pavement Management, Street Maintenance, and Traffic Engineering.

Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
26.24	26.04	25.08	23.08

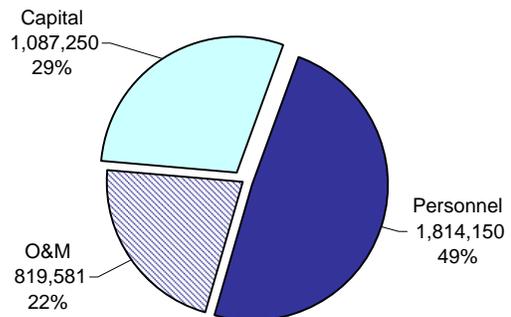
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Administration	\$ 585,482	\$ 621,498	\$ 631,348	\$ 657,860	5.9%
Transportation Engineering	1,698,334	1,616,873	1,592,573	1,547,739	-4.3%
Pavement Management	113,688	102,051	104,301	111,022	8.8%
Street Maintenance	803,014	784,005	784,222	888,033	13.3%
Traffic Engineering	557,326	545,402	517,994	516,327	-5.3%
	\$ 3,757,844	\$ 3,669,829	\$ 3,630,438	\$ 3,720,981	1.4%

	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Construction Sales Tax	\$ 348,378	\$ 316,890	\$ 469,344	\$ 1,077,197	239.9%
Licenses & Permits	47,514	43,000	51,110	48,000	11.6%
State Grants	260,474	260,000	125,000	35,000	-86.5%
Charges for Services	15,000	229,493	229,493	129,493	-43.6%
HURF Gas Taxes	2,418,605	2,480,005	2,480,005	2,500,000	0.8%
Interest	10,810	7,000	7,000	7,000	0.0%
Miscellaneous	25,174	10,000	17,683	10,000	0.0%
	\$ 3,125,955	\$ 3,346,388	\$ 3,379,635	\$ 3,806,690	13.8%

FY 2014 Expenditures by Program



FY 2014 Expenditures by Category



Mission

To provide the highest quality services to town residents and internal customers in a transparent and cost effective manner.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Repaired erosion, shoulder road edges, cleared vegetation and swept streets in newly annexed area located west of Oracle Road and north of Ina Road - Coordinated monthly buffelgrass pulls in town rights of way - Constructed a pad for a modular restroom for the Steam Pump Ranch area that included electric, water and sewer connections - Removed and replaced asphalt pavement on Greenock Drive from Oracle Road to Roma Drive - Received and eradicated 37 graffiti incidents - Restriped 50% of crosswalks and stops bars throughout the town - Replaced 132 signs throughout the town - Applied a surface treatment on the Town Hall complex parking lot - Designed and administered the construction of the perimeter wall for the Oro Valley Police Impound yard at the Municipal Operations Center (MOC) - Installed pedestrian count down heads for signalized intersection and an audible alarm for the hearing impaired at Tangerine Road and La Cañada Drive - Installed signs for the Steam Pump Ranch - Repaired the street lights along Rancho Vistoso Boulevard - Engineered and constructed the archery range at Naranja Park - Engineered and constructed traffic calming features in the Campo Bello Subdivision 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain a balanced budget ■ Maximize use of outside funding sources including grants, bonds and in-kind support from the Pima County Flood Control District ■ Perform in-house design for minor transportation infrastructure improvement projects <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Develop an online survey for town residents to be able to comment on how streets and drainage are being managed <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Provide prompt response to graffiti eradication requests ■ Enforce Manual of Uniform Traffic Devices standards in public streets ■ Continue a preventative maintenance program for all town streets, roads and drainageways and expand to plan for needed improvements within proposed annexation areas ■ Maintain roadways and multi-use paths in excellent condition <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Partner with Pima Association of Governments (PAG) and Regional Transportation Authority (RTA) to explore and develop transportation alternatives ■ Continue the buffelgrass and fountain grass eradication program ■ Conduct routine monthly traffic signal inspections ■ Perform annual striping of stop bars and crosswalks throughout the town

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Road rehabilitation expenditures per paved lane mile	\$28,133	\$26,618	\$27,000
▶ Percentage of completed road rehabilitation paved lane miles	13%	10%	10%
▶ Overall Condition Index (OCI) rating for paved streets (rating goal >80)	76	76	76
▶ Re-stripe cross-walks / legends and symbols throughout town	70%	50%	50%
▶ Street maintenance (crack-seal) lane miles completed	58	67	69

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Average Engineering design and construction capital improvement projects funded per FTE	1	0.75	0.75
▶ Average Pavement Management capital projects funded per FTE	1.5	1.5	1
▶ Number of street maintenance work orders completed	605	621	648
▶ Number of street maintenance work orders completed per FTE	67	69	72

Administration Program 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 Development & Infrastructure Services website, records management, and logistical support.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Town Engineer	1.00	1.00	1.00	1.00	-
Transit Administrator	0.50	0.50	0.50	0.50	-
GIS Analyst	0.25	0.25	0.25	0.25	-
Administrative Coordinator	1.00	1.00	1.00	1.00	-
Total FTEs	2.75	2.75	2.75	2.75	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 274,665	\$ 294,601	\$ 294,601	\$ 307,129	4.3%
Operations & Maintenance	310,817	316,897	326,747	350,731	10.7%
Capital	-	10,000	10,000	-	-100.0%
Total Expenditures	\$ 585,482	\$ 621,498	\$ 631,348	\$ 657,860	5.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.3% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 10.7% due to charges from the Fleet Fund for vehicle replacement in FY 2014.

Transportation Engineering Program Overview

Transportation Engineering is responsible for managing the design and construction of roadway projects. While most large projects are designed by consultants, Development & Infrastructure Services 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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 Technician	1.00	1.00	1.00	1.00	-
Civil Engineer	0.80	1.00	1.00	1.00	-
Civil Engineer/Project Manager	1.00	1.00	1.00	1.00	-
Civil Engineer Designer	1.00	1.00	1.00	1.00	-
Construction Inspector	1.00	1.00	1.00	-	(1.00)
Office Specialist	0.48	0.48	0.48	0.48	-
Total FTEs	6.48	6.68	6.68	5.68	(1.00)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 514,727	\$ 564,613	\$ 564,613	\$ 518,289	-8.2%
Operations & Maintenance	40,886	39,450	15,150	29,450	-25.3%
Capital	1,142,721	1,012,810	1,012,810	1,000,000	-1.3%
Total Expenditures	\$ 1,698,334	\$ 1,616,873	\$ 1,592,573	\$ 1,547,739	-4.3%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 8.2% due to an eliminated position.

Operations & Maintenance

Operations & Maintenance decreased 25.3% due to reduced outside professional services costs.

Traffic Engineering Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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 Leader	1.00	1.00	1.00	1.00	-
Sr. Traffic Signs/Markings Worker	1.00	1.00	1.00	-	(1.00)
Traffic Signs/Markings Worker	1.00	1.00	1.00	1.00	-
Office Specialist	-	-	-	0.05	0.05
Senior Office Assistant	0.15	0.05	0.05	-	(0.05)
Total FTEs	5.75	5.65	5.65	4.65	(1.00)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 394,524	\$ 406,452	\$ 406,452	\$ 318,027	-21.8%
Operations & Maintenance	160,880	136,700	107,740	196,050	43.4%
Capital	1,922	2,250	3,802	2,250	0.0%
Total Expenditures	\$ 557,326	\$ 545,402	\$ 517,994	\$ 516,327	-5.3%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 21.8% due to an eliminated position.

Operations & Maintenance

Operations & Maintenance increased 43.4% due to an increase in outside professional services costs for roadway striping.

Pavement Management Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Engineering Division Manager	0.20	0.20	0.20	0.20	-
Senior Civil Engineering Technician	-	-	-	1.00	1.00
Pavement Management Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	1.20	1.20	1.20	1.20	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 112,130	\$ 100,801	\$ 100,801	\$ 107,772	6.9%
Operations & Maintenance	1,558	1,250	3,500	3,250	160.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 113,688	\$ 102,051	\$ 104,301	\$ 111,022	8.8%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.9% due to a position reclass and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 160% due to increases in travel & training costs.

Street Maintenance Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Operations Division Manager	0.75	0.75	0.75	0.75	-
Streets & Drainage Sr. Crew Leader	1.00	1.00	1.00	1.00	-
Streets & Drainage Crew Leader	2.00	2.00	2.00	2.00	-
Heavy Equipment Operator III	1.00	1.00	-	2.00	1.00
Heavy Equipment Operator II	4.00	4.00	5.00	3.00	(1.00)
Heavy Equipment Operator I	0.96	0.96	-	-	(0.96)
Office Specialist	-	-	-	0.05	0.05
Senior Office Assistant	0.35	0.05	0.05	-	(0.05)
Total FTEs	10.06	9.76	8.80	8.80	(0.96)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 569,994	\$ 565,405	\$ 545,622	\$ 562,933	-0.4%
Operations & Maintenance	233,020	218,600	238,600	240,100	9.8%
Capital	-	-	-	85,000	0.0%
Total Expenditures	\$ 803,014	\$ 784,005	\$ 784,222	\$ 888,033	13.3%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

One Heavy Equipment Operator II has been reclassified to III, a Senior Office Assistant has been reclassified to an Office Specialist, and the Heavy Equipment Operator I position has been eliminated.

Operations & Maintenance

Operations & Maintenance increased 9.8% due to contracted services and increased field supplies costs.

Capital

Budgeted capital is for replacement of a crack seal unit.



Development & Infrastructure Services (DIS) Infrastructure Section - Stormwater Utility

Overview

The Stormwater Utility enterprise is managed through the Development & Infrastructure Services 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Stormwater Engineer	1.00	1.00	1.00	1.00	-
Operations Division Manager	0.25	0.25	0.25	0.25	-
Civil Engineer	1.00	1.00	1.00	1.00	-
Civil Engineering Technician	1.00	1.00	1.00	1.00	-
GIS Analyst	0.25	0.25	0.25	0.25	-
Office Specialist	-	-	-	0.60	0.60
Senior Office Assistant	-	0.60	0.60	-	(0.60)
Total FTEs	3.50	4.10	4.10	4.10	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 271,933	\$ 304,200	\$ 304,200	\$ 319,843	5.1%
Operations & Maintenance	238,609	564,249	564,926	427,983	-24.1%
Capital	144,823	697,000	72,025	586,550	-15.8%
Total Expenditures	\$ 655,365	\$ 1,565,449	\$ 941,151	\$ 1,334,376	-14.8%

Does not include contingency or non-cash outlays for depreciation

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Federal Grants	\$ 1,993	\$ 67,800	\$ 7,867	\$ -	-100.0%
State Grants	38,331	450,000	-	450,000	0.0%
Charges for Services	752,212	761,500	762,600	771,500	1.3%
Miscellaneous	131	20,000	20,140	-	0.0%
Interest	321	500	4,800	500	0.0%
Total Revenues	\$ 792,988	\$ 1,299,800	\$ 795,407	\$ 1,222,000	-6.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.1% due to a position reclass and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 24.1% due to contract labor savings for drainage channel vegetation maintenance. Work is now being performed under contract with the Arizona Department of Corrections.

Capital

Capital decreased 15.8% due to capacity for an equipment purchase in FY 2013.

Mission

We will provide safe and efficient management of the Stormwater Utility to promote and protect life and safety, water quality, and the Town's working and natural environment before, during, and after the occurrence of storm events in accordance with all Town codes, standards, and policies.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Secured regional funding for stormwater repair projects at five various locations (sediment removal & erosion control projects) - Improved the bill collection process - Eliminated seven stormwater "hot spots" throughout the town - Improved customer service and support to owners of private stormwater management facilities throughout the town - Provided cleanup service to town areas affected by significant monsoon events 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Continue to secure regional, state and federal funding for Stormwater Utility projects ■ Continue to improve the bill collection process to minimize the Utility's bad debt ratio <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Continue with the development of a Stormwater "Good Housekeeping" training program for Town Staff ■ Continue to improve support and customer service to owners of private stormwater management facilities throughout the town <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Continue to work with Stormwater Commission to ensure stormwater deliverables are being reached with current stormwater fee structure <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Continue to eliminate stormwater "hot spots" with targeted floodplain studies and capital projects ■ Work with the Stormwater Commission to consider adjusting the Stormwater Utility fee to provide a funding mechanism for drainage infrastructure projects

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of reduced/mitigated drainage problem areas ("hot spots")	5	7	3
▶ Number of outreach events held	5	4	4

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of stormwater outfall structures inspected once per year	135	152	170
▶ Number of mosquito traps set for testing West Nile virus	160	50	88
▶ Number of Town-owned property pollutant sources reported, investigated and mitigated	0	0	0



Development & Infrastructure Services Infrastructure Section - 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. We are committed to providing high quality transit alternatives and planning for the future.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Transit Services Administrator	0.50	0.50	0.50	0.50	-
Dispatcher	2.11	2.11	2.11	2.11	-
Lead Transit Driver	1.00	1.00	1.00	1.00	-
Driver	10.89	10.89	15.39	15.39	4.50
Office Assistant	0.96	0.96	0.96	0.96	-
Total FTEs	15.46	15.46	19.96	19.96	4.50

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 498,490	\$ 605,720	\$ 605,720	\$ 762,075	25.8%
Operations & Maintenance	74,337	246,800	315,758	376,000	52.4%
Capital	14,871	410,706	49,200	105,500	-74.3%
Total Expenditures	\$ 587,698	\$ 1,263,226	\$ 970,678	\$ 1,243,575	-1.6%

	Revenue Sources			FY 2014 Budget	Variance to Budget
	FY 2012 Actual	FY 2013			
		Budget	Projected		
RTA Reimbursement	\$ 437,458	\$ 789,042	\$ 858,000	\$ 1,032,000	30.8%
Fare Box	49,977	34,765	58,000	54,000	55.3%
Federal Grants	-	300,000	-	-	-100.0%
Miscellaneous	-	9,000	-	-	-100.0%
Total Revenues	\$ 487,435	\$ 1,132,807	\$ 916,000	\$ 1,086,000	-4.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 25.8% due to additional drivers and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 52.4% due to increased fleet costs related to the continued expansion of the Sun Shuttle service.

Capital

Capital decreased 74.3% due to capacity budgeted in FY 2013 for a vehicle grant.

Highlights & Goals Measures & Indicators

Transit Services

Mission

Provide enhanced mobility to all Oro Valley residents.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Sun Shuttle Dial-a-Ride celebrated its first year of service as a partnership with the Regional Transportation Authority (RTA) Service - Exceeded previous daily boardings by scheduling 182 passenger trips and delivered 166 on one day - During the month of April, Transit operated over 35,000 miles and offered over 2,432 hours of service - Record ridership month in April of 3,307 - Fiscal year ridership exceeded 30,000 passenger trips - The RTA and the Town entered into a five year Intergovernmental Agreement continuing the partnership to sustain the Sun Shuttle Dial-a-Ride service 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain a balanced budget ■ Continue to manage the Intergovernmental Agreement with the Regional Transportation Authority (RTA) to provide funding for transit-related projects <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Develop a team environment that is supportive and goal oriented in order to achieve excellence in transit service ■ Maintain staffing levels and quality to provide excellent customer service and meet growing transit demands <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Increase awareness of alternate mode of access to shopping, medical, job and other economic generators ■ Continue to work with the RTA to develop alternatives to providing services supporting the growing demand for transit within the area <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Encourage the use of transit service through continual improvement

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Total cost per passenger trip	\$36.57	\$32.49	\$34.03
▶ Percentage of requested reservations fulfilled	100%	100%	100%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of registered riders	1,536	1,879	2,229
▶ Average monthly passenger trips	1,677	2,567	2,750



Development & Infrastructure Services (DIS) Roadway Development Impact Fee Fund

Overview

This Fund is used to manage all roadway Capital Improvement Projects (CIP) from the planning stage through design and construction. This process includes consultant selection and preparation of the Request for Proposal (RFP) process, review of traffic control plans, and contract administration. This fund is managed by Development & Infrastructure Services staff.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ -	\$ -	\$ -	0.0%
Capital	4,886,385	6,154,000	4,760,000	3,380,000	-45.1%
Debt Service	2,615,467	-	-	-	0.0%
Total Expenditures	\$ 7,501,852	\$ 6,154,000	\$ 4,760,000	\$ 3,380,000	-45.1%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Federal Grants	\$ -	\$ 699,000	\$ -	\$ 500,000	-28.5%
State Grants	6,944,437	5,280,000	4,722,000	3,150,000	-40.3%
Development Impact Fees	238,733	414,118	672,940	791,375	91.1%
Interest	1,534	1,600	19,500	1,500	-6.3%
Miscellaneous	49,598	18,000	18,000	18,000	0.0%
Total Revenues	\$ 7,234,302	\$ 6,412,718	\$ 5,432,440	\$ 4,460,875	-30.4%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 45.1% due to the Lambert Lane widening project, which will be completed in the summer of 2013.

Highlights, Goals & Measures Roadway Dev Impact Fee Fund

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Completed the construction on the Lambert Lane Widening Project - Completed the design on the Cañada del Oro Shared Use Path project - Commenced the Sign Inventory project 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Develop an Infrastructure Improvement Plan and evaluate the use of impact fees in accordance with state statute ■ Continue securing regional, state and federal funding for roadway corridor projects that qualify for state and federal funds by participating in Pima Association of Governments (PAG) and Regional Transportation Authority (RTA) regional functions <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Partner with the regional jurisdictions and PAG to secure funds in the 2015 - 2019 Transportation Improvement Program (TIP) for Tangerine Rd., Naranja Dr. and Lambert Lane Phase II ■ Partner with Pima County to start construction of the Magee Road Project - Phase III, La Cañada Dr. to Oracle Rd. in the fall of 2013 ■ Partner with Marana and Pima County on the final design of the Tangerine Rd. Project - La Cañada Dr. to Twin Peaks ■ Advertise and start construction in late summer 2013 for the Cañada del Oro Shared Use Path Project - First Ave. to Steam Pump Village <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Complete the design of the Naranja Dr. Project - La Cholla Blvd. to Shannon Rd. in spring 2014 and have the project ready for construction in the summer of 2014 ■ Design and construct a traffic signal at Rancho Vistoso & Vistoso Highland ■ Complete the design and construction of the Rancho Vistoso Sidewalk Project - Vistoso Highland to Morning Vista Drive

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
<ul style="list-style-type: none"> ▶ Capital improvement projects funding from the planning stage through design and construction managed by staff 	2	5	6



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, assists with the Town's risk management program and provides procurement administration for the Town.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Finance Director	1.00	1.00	1.00	1.00	-
Procurement Administrator	1.00	1.00	1.00	1.00	-
Accounting Supervisor	1.00	1.00	1.00	1.00	-
Budget & Management Analyst	1.00	1.00	1.00	1.00	-
Finance Analyst	1.00	1.00	-	-	(1.00)
Senior Accountant	1.00	1.00	1.00	1.00	-
Payroll Specialist	-	-	1.00	1.00	1.00
Accounting Clerk	1.00	1.00	1.00	1.00	-
Total FTEs	7.00	7.00	7.00	7.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 609,261	\$ 639,481	\$ 621,603	\$ 641,542	0.3%
Operations & Maintenance	99,460	104,630	102,797	67,700	-35.3%
Capital	-	-	1,833	-	0.0%
Total Expenditures	\$ 708,721	\$ 744,111	\$ 726,233	\$ 709,242	-4.7%

	Revenue Sources			FY 2014 Budget	Variance to Budget
	FY 2012 Actual	FY 2013			
		Budget	Projected		
Sales Tax Audit Recovery Fees	\$ 117,059	\$ 100,000	\$ 8,000	\$ -	-100.0%
Total Revenues	\$ 117,059	\$ 100,000	\$ 8,000	\$ -	-100.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

The Finance Analyst position has been replaced with a Payroll Specialist.

Operations & Maintenance

Operations & Maintenance decreased 35.3% due to a discontinued contract for sales tax audit services.

Mission

The Finance Department is dedicated to protecting the financial integrity of the Town of Oro Valley by providing timely, accurate and relevant financial data to support informed decision-making for both internal and external customers of the Town. The Finance Department encourages and promotes learning and growth in the individual employee, the Finance Team and the organization as a whole.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Received the Achievement of Excellence in Procurement Award for the 5th consecutive year - Surplus auctions generated over \$175K in revenue - Formal bid process resulted in average savings of approximately \$88,000 per contract award - Received Certificate of Achievement for Financial Reporting Excellence for FY 2011/12 from Government Finance Officers Association (GFOA) for the 19th consecutive year - Received Distinguished Budget Presentation Award from GFOA for the 5th consecutive year - Received first ever Popular Annual Financial Reporting (PAFR) Award from the GFOA for FY 2011/12 - Received an unqualified "clean" audit opinion for FY 2011/12 financial statements - Completed the issuance of Town of Oro Valley Excise Tax Refunding Obligations, Series 2013, resulting in net present value savings of nearly \$460,000 - Assisted with successful annexation known as the Oracle/Ina Annexation area - Expanded capital improvement program (CIP) to a 15-year program - Initiated development impact fee update study - Participated in successful transition of the Oro Valley Public Library to Pima County - Participated in successful transition to self-funded plan for medical insurance coverage for FY 2012/13 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Evaluate opportunities to diversify revenues and ensure collection of established taxes, fees, rates and fines ■ Evaluate the use of updated impact fees in accordance with state statute ■ Prepare fiscal impact analyses of potential annexation areas ■ Prepare annual 5-year forecast of revenues and expenditures <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Prepare timely and accurate financial and budgetary performance reports ■ Prepare award-winning Popular Annual Financial Report (PAFR), Annual Budget and Comprehensive Annual Financial Report (CAFR) ■ Participate in public outreach efforts to enhance community knowledge and understanding of Town budget <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Participate in evaluating the feasibility of public-private partnerships and assist in creating funding strategies <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Prepare funding strategy for development of Naranja Park ■ Initiate replacement of Town phone system ■ Initiate replacement of Town permitting system ■ Initiate Town-wide upgrade to current version of Microsoft Office

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of months during fiscal year in which posting, balancing, and closing of each month's financial transactions were completed by 10th working day of following month	12	12	12
▶ Consecutive years awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	19	20	21
▶ Consecutive years awarded the Government Finance Officers Association Distinguished Budget Award	4	5	6
▶ Percentage variance between mid-year revenue forecast and actual fiscal year-end revenue for all tax-based funds	1.9%	1.1%	2.0%
▶ Percentage of internal customers rating Procurement quality as excellent or good	100%	92%	95%
▶ Percentage of internal customers rating Procurement timeliness as excellent or good	100%	100%	95%
▶ Standard and Poor's (S&P) and Fitch bond ratings	AA- S&P AA- Fitch	AA S&P AA- Fitch	AA S&P AA- Fitch

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of Procurement protests filed and sustained	0	0	0
▶ Number of cooperative purchasing agreements utilized with other governmental jurisdictions	>50	>50	>50
▶ Number of Accounts Payable checks processed	5,100	4,800	4,900
▶ Number of invoices paid	13,300	12,500	12,800



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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 1,704,972	\$ 1,829,094	\$ 1,821,394	\$ 1,957,730	7.0%
Capital	11,565	30,000	10,000	80,000	166.7%
Contingency	-	-	2,100,000	-	0.0%
Other Financing Uses	185,240	1,045,324	1,345,324	162,729	-84.4%
Total Expenditures	\$ 1,901,777	\$ 2,904,418	\$ 5,276,718	\$ 2,200,459	-24.2%

FY 2013/2014 Expenditure Changes

Operations & Maintenance

Operations and Maintenance increased 7% due to increased insurance and outside professional services costs, as well as growth in retail sales tax rebates.

Capital

Capital increased 166.7% for Town Hall campus security upgrades budgeted in FY 2014.

Other Financing Uses

Other Financing Uses decreased 84.4% due to a one-time transfer out to the Aquatic Center Project Fund budgeted in FY 2013 for construction of an expanded Town aquatic facility.



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, employee and labor relations, and safety and risk management assistance.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Human Resource Director	1.00	1.00	1.00	1.00	-
Employee & Org. Dev. Analyst	1.00	1.00	1.00	1.00	-
Human Resource Specialist	2.00	2.00	2.00	2.00	-
Safety & Risk Manager	1.00	1.00	1.00	1.00	-
Total FTEs	5.00	5.00	5.00	5.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 404,090	\$ 427,506	\$ 395,457	\$ 424,091	-0.8%
Operations & Maintenance	62,521	68,650	68,650	99,730	45.3%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 466,611	\$ 496,156	\$ 464,107	\$ 523,821	5.6%

FY 2013/2014 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 45.3% for a salary market survey to be conducted in FY 2014.

Mission

To provide expert support to the Town of Oro Valley through innovative and effective human resource management action to include recruiting and retaining highly qualified employees, offering and administering cost effective benefit solutions, delivering effective employee and organizational development programs; reducing the Town's exposure to risk; creating a safe place for employees to work; promoting mutual respect of employees; implementing policies, procedures, and programs that optimize employee engagement.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Provided new employee and management development and training opportunities - Transitioned the employee medical plan from a fully insured plan to self-insured plan - Implemented mandatory sexual harassment prevention training to all Town employees - Led the Town's Wellness Initiative and increased employee participation in biometric screening, mammograms, and weight loss and exercise programs - Updated the employee recognition program - Produce a job (task) based phone list - Initiated the new customer service training module - Chose to keep United Healthcare as the Town's partner in delivering cost effective medical insurance - Enhanced Open Enrollment procedures by teaming with IT to install computers in Council Chambers during enrollment meetings 	<p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Initiate a Town-wide customer service training module for all employees ■ Explore opportunities for expanded service hours to enable customers to conduct business with the Town outside of traditional business hours ■ Develop information resources to help employees more efficiently identify solutions to residents' questions <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Enhance the current employee recognition program as recommended by employees ■ Conduct supervisory training as it relates to employee engagement, development and performance management ■ Expand the number of on-site training opportunities to enhance employee professional development ■ Evaluate the benefits package offered to employees ■ Conduct stay interviews with all new employees after 30 days of employment ■ Conduct exit interviews to assess the reasons for separation and report separations on a monthly basis ■ Conduct a market study of the Town's benchmark classifications and make necessary pay grade adjustments as needed and based on fiscal resources ■ Evaluate methods for determining employee engagement ■ Reduce the number of traffic accidents involving Town vehicles ■ Increase employee participation in Wellness initiatives ■ Increase health coach hours per week

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Percentage of employee turnover - Full Time	12%	15%	12%
▶ Percentage of employee turnover - Part Time (new measure in 2013)		40%	40%
▶ Number of employees attending HR sponsored training events (new measure in 2013)	N/A	523	300
▶ Biometric Testing Participation	94	104	120

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of job applications received	1,382	1,850	1,850
▶ Number of job interviews conducted	280	350	350
▶ Number of new hires (includes seasonal and part-time employees)	73	116	116
▶ Number of workers compensation claims	33	35	38
▶ Number of Training Classes Offered (new for 2013)	N/A	82	75
▶ Number of Liability Claims submitted (new 2013)	N/A	116	100



Information Technology

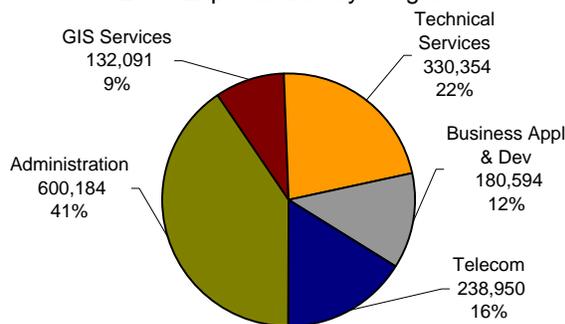
Overview

The mission of the Information Technology (IT) Department is to effectively deploy and manage information services and telecommunications technologies and to assist Town departments individually and collectively in achieving their business goals.

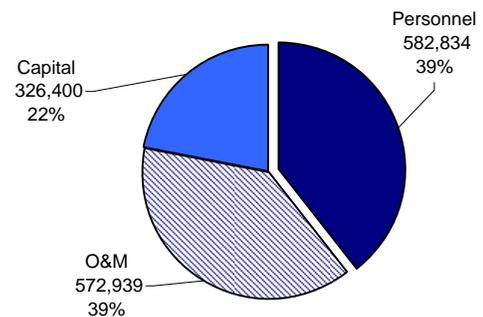
Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
6.50	6.50	6.50	6.50

	Expenditures by Program Area				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Administration	\$ 382,303	\$ 397,405	\$ 397,405	\$ 600,184	51.0%
GIS Services	128,330	122,625	122,625	132,091	7.7%
Technical Services	374,446	360,615	360,615	330,354	-8.4%
Business Applications & Development	171,413	180,338	180,338	180,594	0.1%
Telecommunications	125,899	152,650	152,650	238,950	56.5%
	\$ 1,182,391	\$ 1,213,633	\$ 1,213,633	\$ 1,482,173	22.1%

FY 2014 Expenditures by Program



FY 2014 Expenditures by Category



Highlights & Goals Measures & Indicators

Information Technology

Mission

The Information Technology department is dedicated to providing the vision and leadership that will enable the Town of Oro Valley to improve public service by delivery of effective information technology products.

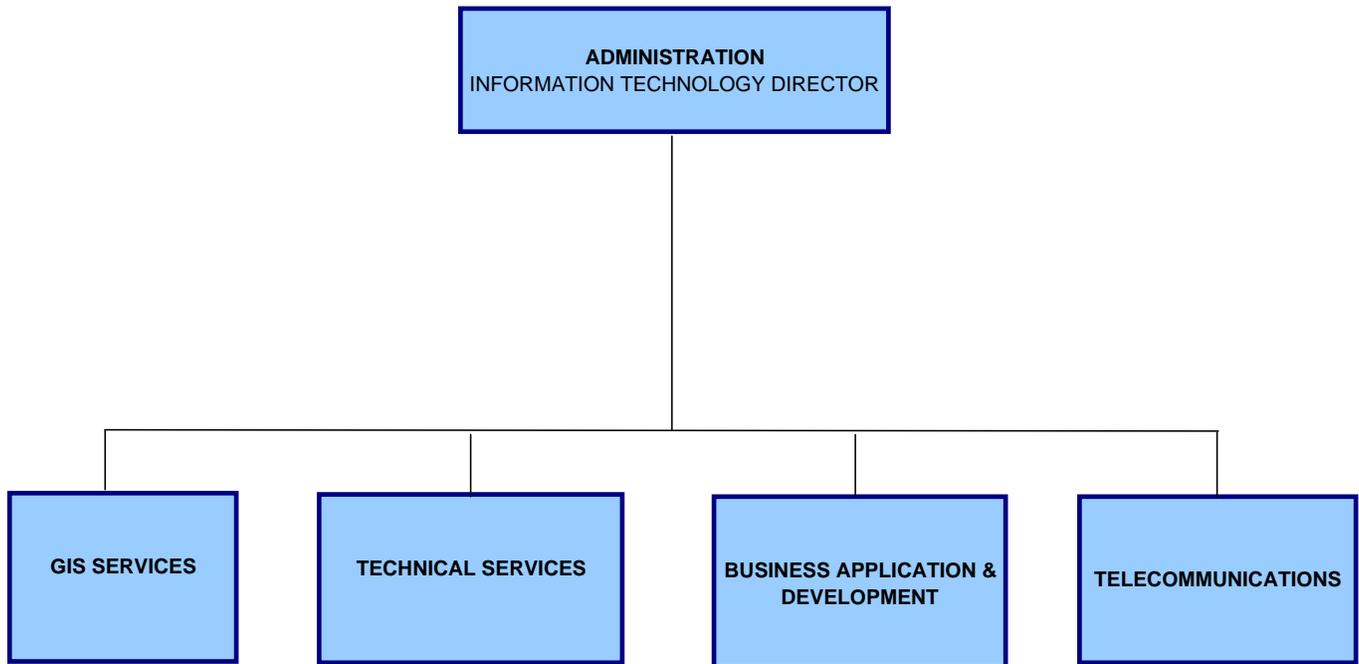
FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Successful implementation of all voice, data, WiFi and multimedia technologies at the new Oro Valley Aquatic Center - Assisted with redesign of the Town's website - Expanded capabilities of the Constant Contact email subscription service for constituents - Successfully migrated the Town Library infrastructure off the Town's network to the Pima County network - Upgraded the Granicus Managed Services (for Council meetings) to the Open Platform service which expanded video access beyond Windows based users - Upgraded the Tyler MUNIS Enterprise Resource Planning system - Added redundant cooling capability to the Town's Data Center - Extended network access to greatly facilitate the wireless bar code inventory of metering equipment for the Water Department 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Look for ways in which technologies can be consolidated to eliminate redundancy, yield more efficient operations and provide the potential to reduce total cost of operations ■ Realize economies of scale by sharing or collocating technology services with surrounding municipalities <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Replace the Town's current phone system with Voice over Internet Protocol (VOIP) or similar technology ■ Expand network bandwidth for the Police Department substations and between the Police Department and the Pima County Sheriff's Office <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Replace the Town's aging Permits Plus permitting system ■ Utilize all technology services, specifically GIS mapping to provide crucial parcel and land use information to assist developers as they plan to locate services in the town <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Online application, renewal and payment of business licenses ■ Upgrade the transit scheduling software

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Percentage of network and desktop device moves, additions, or changes completed when scheduled	100%	100%	100%
▶ Percentage of Help Desk calls resolved at time of call	45%	50%	55%
▶ Percentage of Help Desk calls resolved within 4 hours of call	70%	60%	75%
▶ Percentage of Help Desk calls resolved within 8 hours of call	70%	60%	75%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of vendor applications supported	56	60	65
▶ Number of custom applications supported	16	16	16
▶ Number of Telecommunications service requests received	57	120	90
▶ Number of Help Desk requests received	1,421	3,000	2,700



Administration Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Information Technology Director	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 121,785	\$ 124,430	\$ 124,430	\$ 129,145	3.8%
Operations & Maintenance	260,518	272,975	272,975	321,039	17.6%
Capital	-	-	-	150,000	0.0%
Total Expenditures	\$ 382,303	\$ 397,405	\$ 397,405	\$ 600,184	51.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 17.6% due to software maintenance and licensing costs.

Capital

Budgeted capital in FY 2014 represents initial costs for a replacement development permitting system (costs shared with Oro Valley Water Utility and Stormwater Utility).

GIS Services Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
GIS Analyst	1.50	1.50	1.50	1.50	-
Total FTEs	1.50	1.50	1.50	1.50	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 124,815	\$ 116,175	\$ 116,175	\$ 121,441	4.5%
Operations & Maintenance	3,515	6,450	6,450	10,650	65.1%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 128,330	\$ 122,625	\$ 122,625	\$ 132,091	7.7%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.5% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 65.1% due to an increase in outside professional services costs.

Technical Services Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Network Administrator	1.00	1.00	1.00	1.00	-
IT Technician	1.00	1.00	1.00	1.00	-
Total FTEs	2.00	2.00	2.00	2.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 157,333	\$ 159,365	\$ 159,365	\$ 163,904	2.8%
Operations & Maintenance	43,297	50,250	50,250	40,050	-20.3%
Capital	173,816	151,000	151,000	126,400	-16.3%
Total Expenditures	\$ 374,446	\$ 360,615	\$ 360,615	\$ 330,354	-8.4%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.8% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 20.3% due to a decrease in equipment repair & maintenance costs.

Capital

Capital decreased 16.3% due to Police mobile data computers budgeted in FY 2013 that will be expended in the Police Department for FY 2014.

Business Application & Development Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 157,619	\$ 161,088	\$ 161,088	\$ 168,344	4.5%
Operations & Maintenance	13,794	19,250	19,250	12,250	-36.4%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 171,413	\$ 180,338	\$ 180,338	\$ 180,594	0.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 4.5% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 36.4% due to a decrease in outside professional services costs.

Telecommunications Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 125,899	\$ 152,650	\$ 152,650	\$ 188,950	23.8%
Capital	-	-	-	50,000	0.0%
Total Expenditures	\$ 125,899	\$ 152,650	\$ 152,650	\$ 238,950	56.5%

FY 2013/2014 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 23.8% as a result of additional Town facility interconnects (T1, fiber, wireless) and the aquatic facility expansion.

Capital

Budgeted capital in FY 2014 represents initial costs for a replacement phone system for Town facilities. (Costs are shared with the Oro Valley Water Utility).



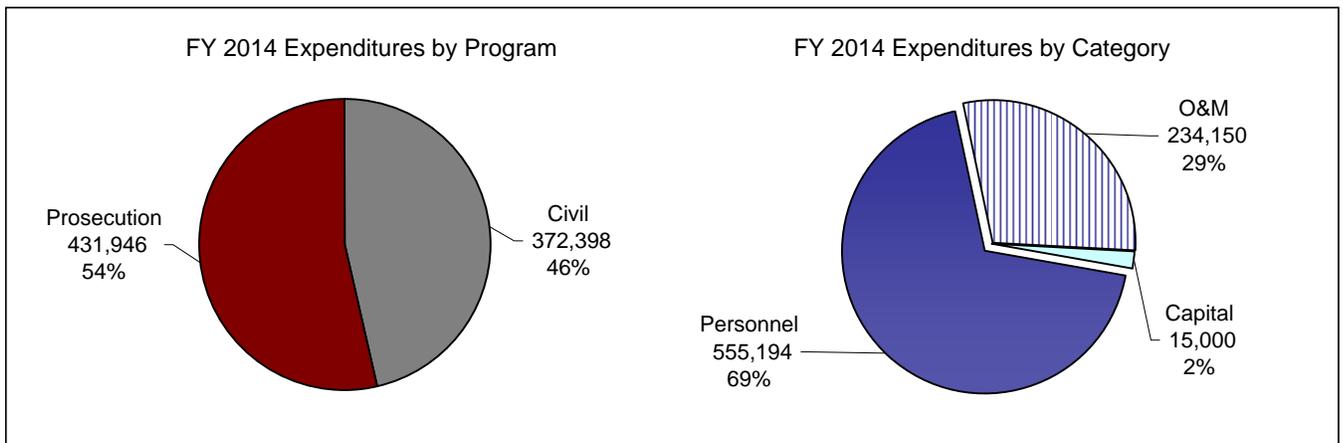
Overview

The Legal Department is organized into two divisions, Civil and Prosecution. The Legal Department provides two different, but equally important, types of legal services to the Town: handling civil matters for the Mayor and Council, Town Manager and Town Departments; and prosecuting misdemeanor crimes and traffic violations within the town.

Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
8.00	8.00	6.00	6.00

	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Civil	\$ 379,713	\$ 412,213	\$ 364,467	\$ 372,398	-9.7%
Prosecution	388,275	404,346	404,346	431,946	6.8%
	\$ 767,988	\$ 816,559	\$ 768,813	\$ 804,344	-1.5%

	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
State Grants	\$ 11,440	\$ 15,000	\$ 15,000	\$ 15,000	0.0%
	\$ 11,440	\$ 15,000	\$ 15,000	\$ 15,000	0.0%

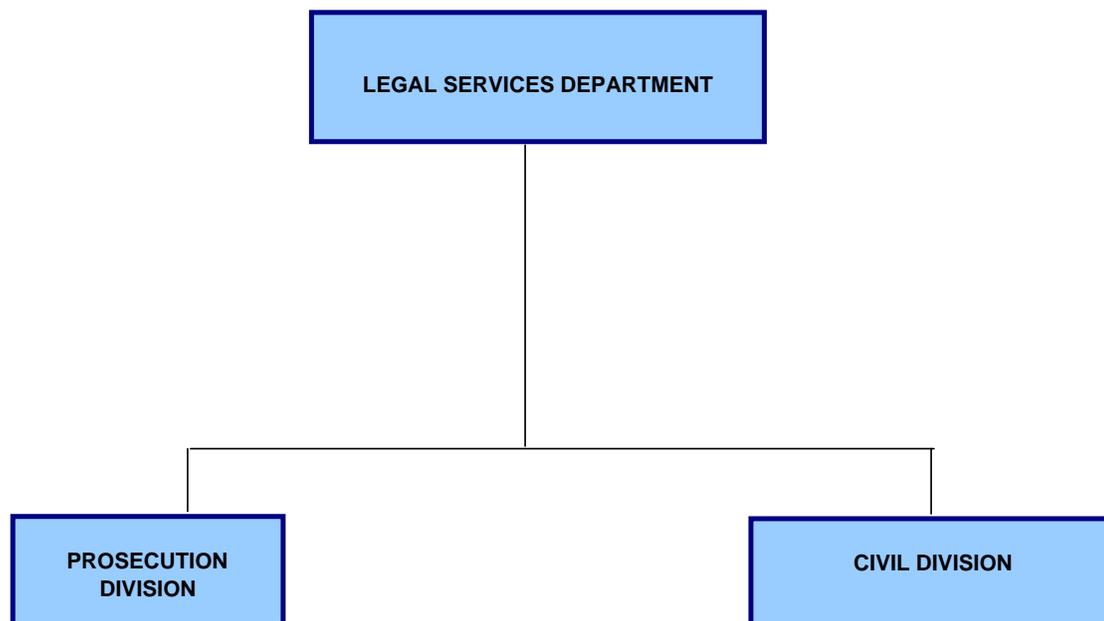


Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Per capita Civil Program operating and maintenance (O&M) expenditures <i>* FY 2014 increase due to contracted Town Attorney</i>	\$0.69	\$1.37	\$4.97 *
▶ Per capita Prosecution Program O&M expenditures	\$0.52	\$0.80	\$0.74
▶ Number of cases processed per prosecutor			
Town Prosecutor	600	500	500
Assistant Town Prosecutor	497	500	500
▶ Percentage of requests from Town Council and staff for legal opinions, ordinances, resolutions and other civil matters responded to within 14 days <i>* Measured on calendar year basis</i>	100%*	100%*	100%*

Workload Indicators

	CY 2012 Actual	CY 2013 Estimate	CY 2014 Projected
▶ Number of civil files opened	195	200	200
▶ Number of ordinances drafted	31	35	35
▶ Number of resolutions drafted	80	83	83
▶ Number of Council agenda items worked	360	362	362
▶ Number of formal opinions issued	3	4	4
▶ Number of prosecution files opened	1,097	1,100	1,100
▶ Training of sworn Police personnel on arrest standards and legal trends conducted two times per year	2	2	2



Civil Mission

The members of the Civil Division value a respectful approach to working with people; personal commitment and loyalty to our client; timely and effective legal work; and consideration of other points of view. We understand that legal issues are generally only one factor that Council and administration need to consider in handling their respective responsibilities to the Town. We value a "preventative law" approach to providing legal services whenever possible.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> – Assisted in training regarding Open Meeting Law and Public records for Council, Boards and Commissions – Started new "hybrid" system with use of outside counsel – Worked closely with Risk Retention Pool on Notice of Claim matters – Worked on proposed legislation to amend annexation statutes 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Assign staff to maximize productivity ■ Emphasize retention and advancement ■ Evaluate cases for appropriateness relating to use of outside counsel <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Continue to provide accurate and timely legal advice and representation <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Provide legal advice when appropriate regarding laws and statutes <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Provide advice and contracts for Council approved services

Civil Program Overview

The Civil Division is analogous to the General Counsel's office of a corporation. The Town itself is the client, with the Council and Manager the primary "control group." They set the overall direction of legal services in accordance with goals and objectives set by the Council as the governing board and the Manager as Council's chief administrative officer.

The division drafts and/or reviews all Town contracts, resolutions and ordinances, policies and procedures; advises officials and employees about regulatory compliance and risk management issues associated with the matter for which they are responsible; advises officials and employees and assists them in complying with administrative requirements such as open meeting, public records and conflict of interest laws. The Civil Division handles code enforcement matters and a variety of negotiations arising out of contract and litigation matters.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Town Attorney	1.00	1.00	-	-	(1.00)
Chief Civil Deputy Attorney	1.00	1.00	1.00	1.00	-
Paralegal II	1.00	1.00	-	-	(1.00)
Paralegal I	-	-	1.00	1.00	1.00
Office Assistant	1.00	1.00	-	-	(1.00)
Total FTEs	4.00	4.00	2.00	2.00	(2.00)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 351,291	\$ 355,899	\$ 308,153	\$ 168,698	-52.6%
Operations & Maintenance	28,422	56,314	56,314	203,700	261.7%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 379,713	\$ 412,213	\$ 364,467	\$ 372,398	-9.7%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 52.6% due to a position elimination and the Town Attorney position, which will be provided via contracted service beginning FY 2014.

Operations & Maintenance

Operations & Maintenance increased 261.7% for Town Attorney services, which will be provided via contracted service beginning FY 2014.

Prosecution Mission

The members of the Prosecution Division promise to fairly resolve criminal or civil court matters while respecting the rights of all parties in as timely a manner as resources allow.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> – Town Prosecutor is Arizona Prosecuting Attorney's Advisory Council (APAAC) State Training Chairman – Senior Paralegal negotiated a 0% increase in software fees – Senior Paralegal coordinated Court/Police/Prosecution meetings – Continued training of Udall Fellowship recipient from the University of Arizona – Participated in Special Olympics torch run – Town Prosecutor taught statewide prosecution seminars – Participation in Supreme Court committees 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Continue to seek grant funding ■ Stay within department budget ■ Maintain operating costs per capita <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Continue Police/Court/Prosecutor meetings ■ Coordinate and assist with other agencies ■ Promote integrity in the prosecution profession and coordination in the Criminal Justice System <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Promote the fair, impartial and expeditious pursuit of justice <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Continue participation with Arizona Prosecuting Attorney's Advisory Council (APAAC)

Prosecution Program Overview

The Prosecution Division prosecutes, diverts, or otherwise handles misdemeanor crimes and traffic violations within the Town.

The Prosecution Division also provides legal advice and training to the Oro Valley Police Department in handling criminal investigations of matters that will be prosecuted by the County Attorney or Arizona Attorney General.

The Prosecution Division handles Rule 11 mental health hearings at Superior Court for those persons charged with criminal offenses.

The Prosecution Division provides Victim Services under the Arizona Constitution.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Town Prosecutor	1.00	1.00	1.00	-	(1.00)
Legal Services Director	-	-	-	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	-
Legal Secretary	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	4.00	4.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 355,701	\$ 356,482	\$ 356,482	\$ 386,496	8.4%
Operations & Maintenance	21,134	32,864	32,864	30,450	-7.3%
Capital	11,440	15,000	15,000	15,000	0.0%
Total Expenditures	\$ 388,275	\$ 404,346	\$ 404,346	\$ 431,946	6.8%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 8.4% due to a change in benefits coverage for an employee and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 7.3% due to a decrease in outside professional services costs.



Magistrate Court

Overview

Services rendered by Magistrate Court include the processing and adjudication of all cases filed in the court, including the trial or other disposition of misdemeanor criminal cases, criminal traffic cases, town code violations and civil traffic cases; collection of fines, surcharges, restitution and other fees; issuing injunctions against harassment and domestic violence orders of protection, 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 and guided by statutes enacted by the Arizona Legislature.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 604,704	\$ 635,469	\$ 604,367	\$ 636,520	0.2%
Operations & Maintenance	87,166	122,160	122,160	124,910	2.3%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 691,870	\$ 757,629	\$ 726,527	\$ 761,430	0.5%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Court Costs	\$ 173,438	\$ 200,000	\$ 180,000	\$ 200,000	0.0%
Public Defender Fees	3,269	4,000	4,000	4,000	0.0%
Fines	200,672	190,000	180,000	190,000	0.0%
Total Revenues	\$ 377,379	\$ 394,000	\$ 364,000	\$ 394,000	0.0%

FY 2013/2014 Expenditure and Staffing Changes

Operations & Maintenance

Operations & Maintenance increased 2.3% due to an increase in travel & training costs.

Mission

To uphold the law and administer justice fairly and efficiently and adjudicate all cases brought to the Oro Valley Magistrate Court in a fair, courteous and impartial manner, treating all who come to the Oro Valley Magistrate Court with dignity and respect, providing prompt, polite and efficient service.

FY 2013 Highlights	FY 2014 Goals and Objectives
<p>-Implemented online Court Calendar thus improving communication with constituents</p> <p>-Reviewed and updated several forms on the Court's webpage which improved communication and service to the community</p> <p>-Installed video cameras in hallways and courtroom and electronic monitoring which improved safety for all Court visitors and employees</p> <p>-Replaced 13 year-old jury management software with new software which improved reporting capabilities and streamlined jury summonsing</p> <p>-Purchased and installed an additional credit card terminal which enabled faster payment processing time</p> <p>-Installed and networked an additional printer/scanner in the courtroom to increase efficiency in preparing documents in court and an additional printer for jury summonses if needed</p> <p>-Upgraded Court's document management system, improving the scanning, searching and retrieval of scanned documents and faster customer service</p> <p>-Installed another backup storage device for backup of electronic case documents, enabling easier disaster recovery</p> <p>-Reinstated community restitution program with defendants performing the work for the Town to satisfy financial obligations with the Court</p>	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Produce minute entries and other documents from the Case Management System or independent source, decreasing the need for more expensive custom, pre-printed forms ■ Implement faster and less expensive web-based payment portal for Court payments, enabling savings to constituents and the Court <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Use technology to enable destruction of the paper after it is scanned to reduce the amount of space needed to store the paper files and improve accessibility of court files <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Increase the quality of service to constituents by continuing to implement online forms, making the forms interactive/form-fill such as Jury questionnaires ■ Increase the number of defendants performing community restitution and increase cooperation with other departments in finding other work projects

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Variance between total cases completed and total cases filed (goal is +/-10%)	0%	1%	1%
▶ Compliant with the Administrative Office of the Court (AOC) Minimum Accounting Standards	Yes	Yes	Yes

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of total cases filed	6,161	6,462	6,600
▶ Number of DUI cases filed	258	224	230
▶ Number of protective orders filed	122	143	155



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 control and 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; Development and Infrastructure Services; Parks and Recreation; Information Technology; and Magistrate Court.

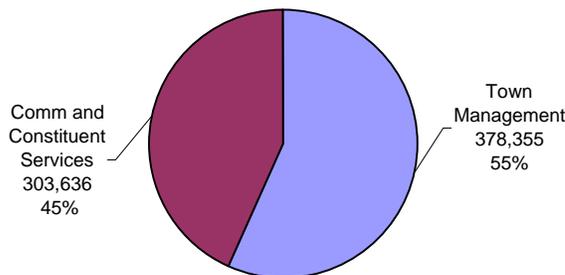
Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
7.10	10.00	10.00	10.38 **

****Note: FY 2013 and FY 2014 figures include 3 FTEs funded with Bed Tax Funds**

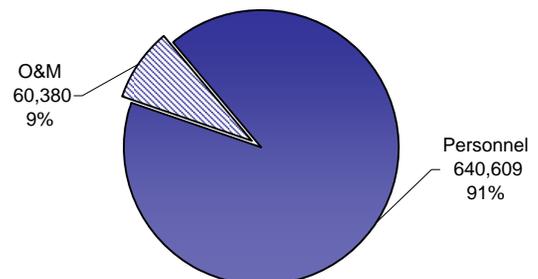
	Expenditures by Program Area - General Fund				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Town Management	\$ 374,712	\$ 533,404	\$ 384,221	\$ 397,353	-25.5%
Council Support and Constituency	88,496	-	-	-	0.0%
Communications and Constituent Svcs	130,389	195,242	254,348	303,636	55.5%
Economic Development	100,327	-	-	-	0.0%
	\$ 693,924	\$ 728,646	\$ 638,569	\$ 700,989	-3.8%

	Expenditures by Program Area - Bed Tax Fund				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Economic Development	201,616	471,662	386,710	501,762	6.4%
	\$ 201,616	\$ 471,662	\$ 386,710	\$ 501,762	6.4%

FY 2014 Expenditures by Program - General Fund



FY 2014 Expenditures by Category - General Fund



Mission

To execute the policies and programs established by the Town Council and to provide administrative leadership and management of municipal operations.

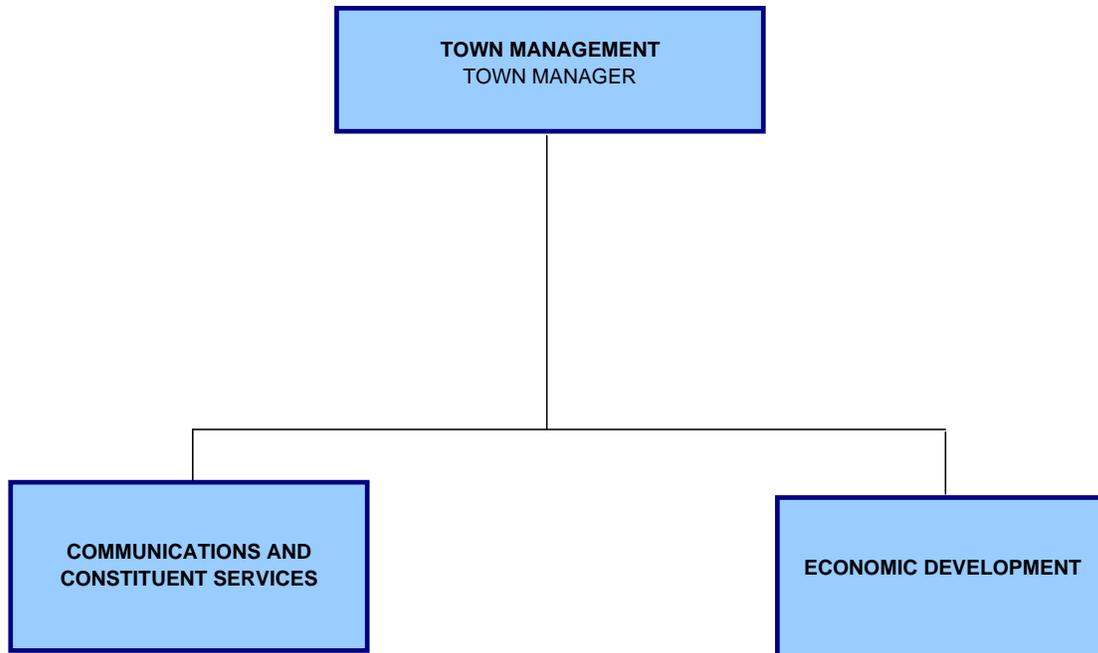
FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Successfully annexed 107 acres, known as the Oracle/Ina area - Developed and unveiled a new Town brand of "It's in our nature" - Launched a new Town website and improved online Business Navigator - Adopted the new Strategic Plan - Implemented self-funded employee medical insurance program and optional Health Savings Accounts - Achieved financial sustainability by reducing recurring expenditures through vacancy savings (approximately \$1.8M) - Developed the first Oro Valley Youth Advisory Council - Completion of \$5M renovation and expansion of the Aquatic Center at James D. Kriegh Park - Successfully retained Securaplane, a leading supplier of avionics products for business, commercial and military aircraft, who is expanding into a 55,000 sq ft building along Innovation Park - Successfully transitioned Library Services to Pima County - Continued successful partnership with the Regional Transportation Authority (RTA) for expanded public transit services - Continued partnership with the Southern Arizona Arts & Cultural Alliance (SAACA) to provide the 2nd Thursday Concert Series at Oro Valley Marketplace - Launched an employee suggestion process - Launched virtual art gallery and public art tours 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain long-term financial health through diversified revenue sources while investing in community initiatives <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Ensure residents are educated about and engaged in moving community initiatives forward <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Attract and retain globally-competitive high technology and bioscience employers. ■ Develop recreation and cultural opportunities to promote tourism and support employee attraction and retention <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Provide services to enhance residents' quality of life

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Average time to fulfill constituent requests (days)	3.08	3.96	3.50
▶ Average monthly unique visitors to the Business Navigator website	779	800	850
▶ Average monthly unique visitors to the Town's website	16,959	17,500	18,000

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of constituent requests received <i>Note: The Town received more requests due to public input on Major General Plan Amendments and burying of Tucson Electric Power lines</i>	318	517	450
▶ Number of business retention site visits conducted <i>Note: Business Retention & Expansion site visits were higher in FY 2012 due to launch of the Oro Valley Dollars Program</i>	72	23	36
▶ Number of new Oro Valley Dollars card activations	575	206	250



Town Management Program 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 our needs considered in regional decision-making.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Town Manager	1.00	1.00	1.00	1.00	-
Assistant Town Manager	-	1.00	-	-	(1.00)
Assistant to the Town Manager	1.00	1.00	1.00	1.00	-
Executive Assistant	0.75	1.00	1.00	1.00	-
Senior Office Specialist	0.25	0.50	0.50	0.50	-
Management Intern	-	-	-	0.38	0.38
Total FTEs	3.00	4.50	3.50	3.88	(0.62)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 354,004	\$ 512,130	\$ 362,947	\$ 375,653	-26.6%
Operations & Maintenance	19,647	21,274	21,274	21,700	2.0%
Capital	1,061	-	-	-	0.0%
Total Expenditures	\$ 374,712	\$ 533,404	\$ 384,221	\$ 397,353	-25.5%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 26.6% due to elimination of the Assistant Town Manager position.

Council Support and Constituency Program Overview

The Council Support & Constituent Services Division provides administrative support to the Town Council through the Constituent Services Office (CSO) 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. The CSO also conducts the Council on Your Corner program and provides outreach to homeowner associations. 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. **Beginning FY 2013 this program has been combined with Communications & Community Relations, now called Communications & Constituent Services.**

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Constituent Services Coordinator	1.00	-	-	-	-
Senior Office Specialist	0.25	-	-	-	-
Executive Assistant	0.25	-	-	-	-
Total FTEs	1.50	-	-	-	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 87,998	\$ -	\$ -	\$ -	0.0%
Operations & Maintenance	498	-	-	-	0.0%
Total Expenditures	\$ 88,496	\$ -	\$ -	\$ -	0.0%

Communications and Constituent Services Program Overview

The Communications & Constituent Services 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. Staff also provides administrative support to the Town leadership through the Constituent Services Office (CSO) 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. The CSO also conducts the Council on Your Corner program as well as outreach activities to homeowner associations. 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Communications Administrator	1.00	1.00	1.00	1.00	-
New Media Developer	-	-	1.00	1.00	1.00
Constituent Services Coordinator	-	1.00	1.00	1.00	-
Communications Intern	0.10	-	-	-	-
Senior Office Specialist	0.50	0.50	0.50	0.50	-
Total FTEs	1.60	2.50	3.50	3.50	1.00

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 105,511	\$ 182,437	\$ 241,543	\$ 264,956	45.2%
Operations & Maintenance	24,878	12,805	12,805	38,680	202.1%
Total Expenditures	\$ 130,389	\$ 195,242	\$ 254,348	\$ 303,636	55.5%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 45.2% due to the addition of the New Media Developer position.

Operations & Maintenance

Operations & Maintenance increased 202.1% due to one-time additional outside professional services and special events costs.

Economic Development Program Overview

The Economic Development Division provides services such as business recruitment and retention, relocation assistance, liaison to regional tourism and economic development organizations, development project team leadership, and economic analysis and projections. The economic development manager adheres to the 2007 Community Economic Development Strategy (CEDS), which indicated that the residents of Oro Valley are interested in expansion, diversification, and development of local business. **Beginning FY 2013, expenditures are budgeted 100% in the Bed Tax Fund.**

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Economic Development Manager	1.00	-	-	-	-
Total FTEs	1.00	-	-	-	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 94,905			\$ -	0.0%
Operations & Maintenance	5,422			-	0.0%
Total Expenditures	\$ 100,327	\$ -	\$ -	\$ -	0.0%



Bed Tax Fund

Bed Tax Fund Overview

The Bed Tax Fund covers all economic development-related costs and activities. An example is funding for Visit Tucson, formerly Metropolitan Tucson Convention and Visitors Bureau (MTCVB). Beginning FY 2013, the budget includes funding for operational costs associated with the Aquatic Center expansion, as well as funding for the Greater Oro Valley Chamber of Commerce. **Also refer to the Manager program template for Economic Development expenditure data prior to FY 2013.**

Personnel	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Economic Development Manager	-	1.00	1.00	1.00	-
Economic Development Specialist	-	1.00	1.00	1.00	-
Office Specialist	-	1.00	1.00	1.00	-
Total FTEs	-	3.00	3.00	3.00	-

Expenditures	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel	\$ -	\$ 231,126	\$ 197,385	\$ 208,412	-9.8%
Operations & Maintenance	201,616	240,536	189,325	293,350	22.0%
Other Financing Uses	818,426	494,810	426,966	390,669	-21.0%
Total Expenditures	\$ 1,020,042	\$ 966,472	\$ 813,676	\$ 892,431	-7.7%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Bed Taxes	\$ 794,718	\$ 782,283	\$ 782,283	\$ 789,000	0.9%
Interest Income	7,550	5,700	3,975	3,975	-30.3%
Total Revenues	\$ 802,268	\$ 787,983	\$ 786,258	\$ 792,975	0.6%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 9.8% due to a decrease in budgeted salary for the Economic Development Specialist position.

Operations & Maintenance

Operations & Maintenance costs increased 22% to reflect increases in economic development marketing and funding for the Greater Oro Valley Chamber of Commerce.

Other Financing Uses

Other Financing Uses decreased 21%. The FY 2013 budget included a \$300K transfer out to the Aquatic Center Project Fund for construction of the expanded aquatic center.



Parks and Recreation

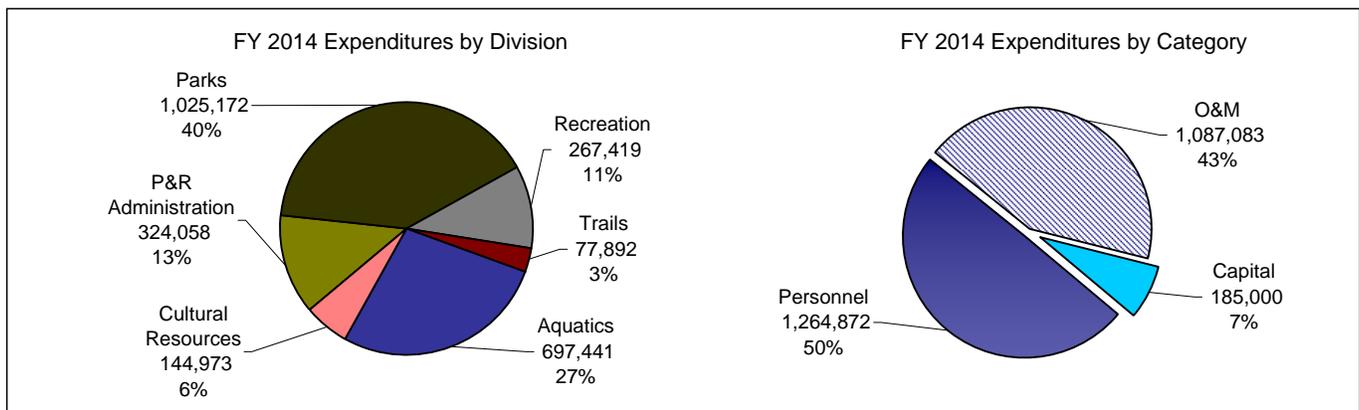
Overview

This department represents municipal services in five areas, including parks, recreation, trails, aquatics, and cultural and historic resources. This department is further responsible to provide staff support to the Parks and Recreation Advisory Board and the Historic Preservation Commission. 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. *To note, the Oro Valley Public Library was previously managed within this department. Effective January 1, 2013, the Oro Valley Public Library changed from affiliate status to branch status, and operations were assumed by Pima County.*

Total FTEs			
FY 2012 Actual	FY 2013		FY 2014
	Budget	Projected	Budget
40.47	46.68	28.61	29.44

	Expenditures by Division				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Parks & Rec Administration	\$ 266,554	\$ 261,156	\$ 261,158	\$ 324,058	24.1%
Parks	699,186	728,204	714,745	1,025,172	40.8%
Recreation	301,135	232,714	229,387	267,419	14.9%
Trails	65,884	68,224	68,224	77,892	14.2%
Aquatics	397,130	600,447	593,308	697,441	16.2%
Library	1,153,455	583,413	423,224	-	-100.0%
Cultural Resources	153,623	286,142	236,784	144,973	-49.3%
	\$ 3,036,967	\$ 2,760,300	\$ 2,526,830	\$ 2,536,955	-8.1%

	Revenue Sources				% to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Charges for Services	\$ 318,285	\$ 295,000	\$ 335,000	\$ 476,500	61.5%
Other Intergovernmental Revenue	574,589	583,413	412,339	-	-100.0%
State Grants	25,000	195,000	17,000	180,000	-7.7%
	\$ 917,874	\$ 1,073,413	\$ 764,339	\$ 656,500	-38.8%



Mission

To enhance the quality of life for all Oro Valley residents by providing exceptional community facilities and programs for all ages.

FY 2013 Highlights	FY 2014 Goals and Objectives
<p>Parks and Recreation Administration</p> <ul style="list-style-type: none"> - Implemented installment billing feature for the Aquatic Center to allow customers to purchase month to month passes using a credit card or via Automated Clearing House (ACH) - Created a comprehensive policy for jumping castle usage at James D. Kriegh (JDK) Park including an approved Town vendor list - Created procedures, updated website information and the software system, created forms and an online form for archery - Updated current web information, brochures and software system to include new ramadas at Honeybee Canyon Park - Updated the RecTrac software with options for daily archery passes and annual archery passes to include prorating on a quarterly basis - Hired new Parks & Recreation Director <p>Aquatics</p> <ul style="list-style-type: none"> - Completed the \$5 million Aquatic Center construction project, opening doors March 15 - Implemented RecTrac, point of sale and reservation system - Hired/trained more than 70 new staff (lifeguards and facility attendants) - Hosted 8U state championships swim meet - Hosted State Synchronized Swimming meet - Hosted Masters Zone short course meet - Hosted Oro Valley Open meet <p>Trails</p> <ul style="list-style-type: none"> - Oro Valley named Playful City Community USA 2013 for third consecutive year - Obtained Nutro Company grant for JDK dog park improvements - Held Oro Valley's 5th Annual Bike to Work <p>Recreation</p> <ul style="list-style-type: none"> - Hosted the Town's annual tree lighting celebration - Hosted the first Demo Day at the archery range at Naranja Park - Completed archery instructors training for all staff - Hosted 2nd Annual MOVE across 2 Ranges Hiking Challenge - Coordinated the Kids Fun Run in conjunction with Arizona Distance Classic Event - Held Amphibious Athlete Summer Camp - Held fall and spring break camps - Improved field lease agreements 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Purchase, install and implement new Topaz Signature Device in coordination with RecTrac software to eliminate need of keeping paper copies of hold harmless forms and waivers ■ Create an Aquatics Center procedural manual for cash handling, operations, and training <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Develop and implement a Parks & Recreation program guide to be published three times per year ■ Develop high quality advertisement and flyers to promote Aquatic Center, Steam Pump Ranch, trails, and recreation programming ■ Continue to use the RecTrac database and Facebook to promote programs and events <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Continue to recruit and secure large swim meets ■ Support cultural events at Steam Pump Ranch, Aquatic Center, and multi-use paths/bike/run events ■ Continue strong partnership with Visit Tucson (formerly Metropolitan Tucson Convention and Visitors Bureau) and seek out other strategic partners ■ Complete the Cañada Del Oro multi-use path ■ Continue to seek funding to complete Cañada Del Oro loop and Steam Pump Ranch implementation

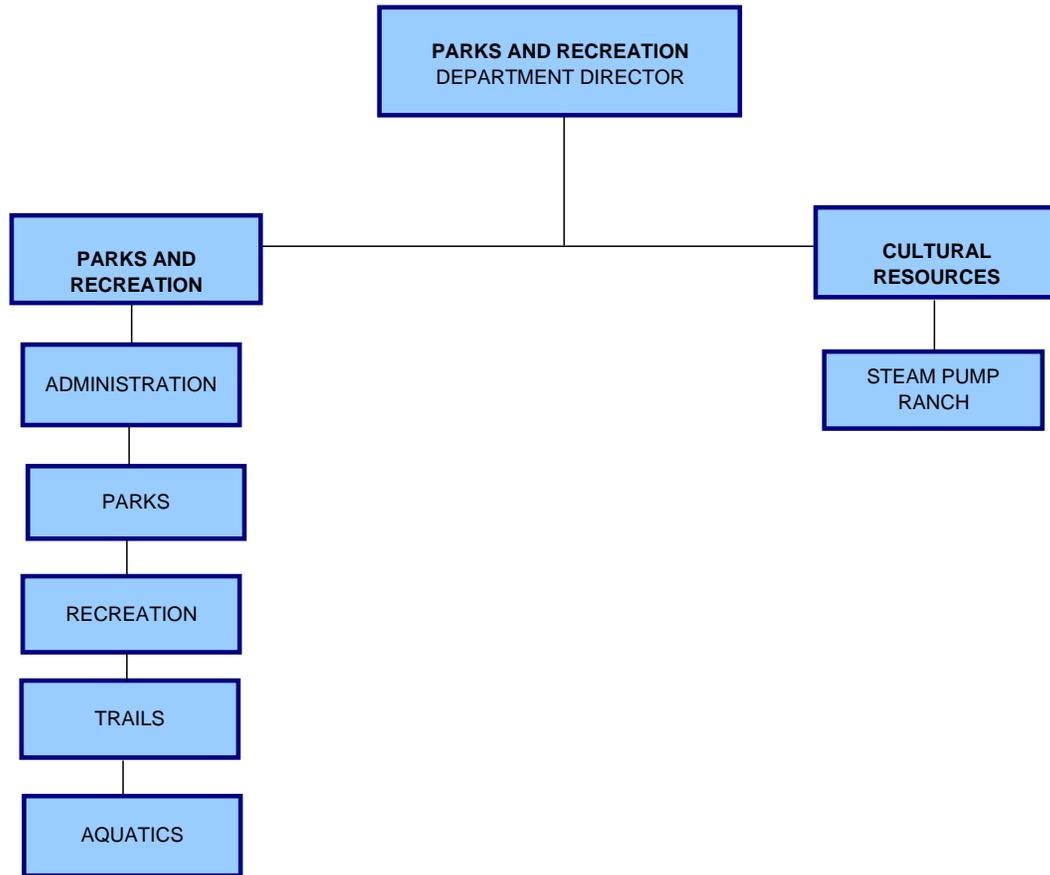
FY 2013 Highlights (Continued)	FY 2014 Goals and Objectives (Continued)
<p>Parks</p> <ul style="list-style-type: none"> - Provided design and implementation for new Aquatic Center landscape - Installed new shade structure over playgrounds at JDK Park - Provided design and labor for completion of Steam Pump Ranch historic garden fence and gates - New restroom installed and brought on-line at Steam Pump Ranch - Installed a new north main entrance gate and vehicular turn-around at Steam Pump Ranch according to Arizona Department of Transportation standards - Repaired middle roof of Leiber house at Steam Pump Ranch - Developed and installed archery range at Naranja Park to include a fixed range and walking course - Oversaw an Eagle Scout project for trail work on new archery range walking course - New synthetic turf added to Town Hall courtyard area - Honeybee Canyon Park brought on-line after transfer from Pima County - Set up and recorded data for tree inventory at JDK Park, Riverfront Park, Steam Pump Ranch and La Cañada Drive right-of-way from Tangerine to Lambert Lane via a US Forestry grant <p>Library</p> <ul style="list-style-type: none"> - Successfully transferred Library services from the Town to Pima County <p>Cultural Resources</p> <ul style="list-style-type: none"> - Successfully held fall and spring festivals at Steam Pump Ranch - Implemented Steam Pump Ranch docent training - Implemented 2nd Saturday program at Steam Pump Ranch - Installed a Welcome to Steam Pump Ranch sign 	<p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Offer year round swimming lesson program ■ Further develop competition swimming offerings for youth and adults ■ Implement recreation/cultural programming at Steam Pump Ranch ■ Investigate partnership opportunities to host special events at Steam Pump Ranch ■ Complete Aquatic Center's landscape ■ Bring on-line Cañada Del Oro Linear Park (multi-use trail) addition from First Avenue to Steam Pump Village ■ Construct the west archery walking course at Naranja Park ■ Install a new ramada and entry sign at Steam Pump Ranch ■ Develop the Farmer's Market area at Steam Pump Ranch ■ Upgrade the central courtyard area at Town Hall Campus ■ Begin the implementation of the Naranja Park Master Plan Update

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Park acres per 1,000 residents	10.63	10.73	10.73
▶ Parks and Recreation FTEs per 1,000 population	0.51	0.66	0.72
▶ Percentage cost recovery for Aquatics division <i>(a) Due to closure of the pool in April 2012 for construction of an expanded facility, the estimated cost recovery percentages are not provided</i>	(a)	(a)	30%
▶ Percentage cost recovery for recreation programs	53%	65%	65%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of park acres maintained	436	440	441
▶ Annual swimming pool attendance	100,000	100,000	250,000
▶ Number of summer camp attendees	250	450	550
▶ Number of spring and fall camp attendees	60	55	75
▶ Hours of ball field usage	8,000	9,987	9,000



Administration Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Parks and Recreation Director	0.90	0.90	0.90	1.00	0.10
Senior Office Specialist	0.90	0.90	0.90	1.00	0.10
Office Assistant	0.48	1.00	1.00	1.00	-
Total FTEs	2.28	2.80	2.80	3.00	0.20

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 201,159	\$ 193,394	\$ 209,443	\$ 206,530	6.8%
Operations & Maintenance	56,663	67,762	51,715	117,528	73.4%
Capital	8,732	-	-	-	0.0%
Total Expenditures	\$ 266,554	\$ 261,156	\$ 261,158	\$ 324,058	24.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.8% due to reallocation of staff time among program areas and for merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 73.4%. This is due to fleet maintenance costs that were previously budgeted in General Administration, as well as vehicle replacement charges and vehicle reserve set-aside charges for future year replacement. The purchase of the vehicles will be through the Town's Fleet Fund.

Parks Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Parks Maintenance Manager	0.80	0.85	0.85	1.00	0.15
Parks Maintenance Crew Lead	0.80	1.00	1.00	1.00	-
Senior Parks Maint Worker	1.80	2.80	2.80	3.00	0.20
Parks Maintenance Worker	2.80	1.50	1.50	2.35	0.85
Park Monitor	0.70	1.23	1.23	1.23	-
Total FTEs	6.90	7.38	7.38	8.58	1.20

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 353,691	\$ 375,939	\$ 375,939	\$ 437,347	16.3%
Operations & Maintenance	303,531	293,265	274,665	502,825	71.5%
Capital	41,964	59,000	64,141	85,000	44.1%
Total Expenditures	\$ 699,186	\$ 728,204	\$ 714,745	\$ 1,025,172	40.8%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 16.3% due to an additional part-time Parks Maintenance Worker, reallocation of staff time among program areas, and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 71.5% due to increased costs in several areas, including utilities and waste disposal fees, field supplies, and outside professional services.

Capital

Budgeted capital in FY 2014 includes initial costs of a master plan update for Naranja Park, a Town Hall courtyard upgrade, and a grant matching amount for restrooms at Naranja Park.

Recreation Program Overview

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

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Recreation Manager	0.90	0.90	0.90	0.80	(0.10)
Assistant Recreation Manager	0.90	0.90	0.90	1.00	0.10
Recreation Leader	0.40	0.40	0.40	0.40	-
Recreation Aide	1.50	1.50	1.50	1.50	-
Total FTEs	3.70	3.70	3.70	3.70	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 145,999	\$ 152,260	\$ 143,137	\$ 150,269	-1.3%
Operations & Maintenance	155,136	80,454	86,250	117,150	45.6%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 301,135	\$ 232,714	\$ 229,387	\$ 267,419	14.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 1.3% due to reallocation of staff time among program areas.

Operations & Maintenance

Operations & Maintenance increased 45.6% due to an increase in contracted recreation programs.

Trails Program 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, ped & trails" issues are properly addressed when development occurs.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Multimodal Planner	0.90	0.90	0.90	1.00	0.10
Total FTEs	0.90	0.90	0.90	1.00	0.10

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 64,251	\$ 65,695	\$ 65,695	\$ 75,052	14.2%
Operations & Maintenance	1,633	2,529	2,529	2,840	12.3%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 65,884	\$ 68,224	\$ 68,224	\$ 77,892	14.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.2% due to reallocation of staff time among program areas and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 12.3% due to an increase in trail programs.

Aquatics Program 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 will serve as one of Southern Arizona's premier, competition-level facilities. FY 2014 will be the first full fiscal year of expanded operations.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Aquatics Manager	1.00	1.00	1.00	1.00	-
Assistant Aquatics Manager	-	1.00	1.00	1.00	-
Facility Supervisor	-	1.36	1.36	1.36	-
Shift Leader	-	2.72	2.72	2.72	-
Facility Attendants	-	2.40	2.40	2.88	0.48
Water Safety Instructor	6.32	4.00	4.00	4.00	-
Total FTEs	7.32	12.48	12.48	12.96	0.48

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 180,889	\$ 333,547	\$ 326,408	\$ 381,701	14.4%
Operations & Maintenance	198,486	266,900	256,763	297,740	11.6%
Capital	17,755	-	10,137	18,000	0.0%
Total Expenditures	\$ 397,130	\$ 600,447	\$ 593,308	\$ 697,441	16.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 14.4% due to additional Facility Attendants and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 11.6% as a result of increased costs anticipated with the first full fiscal year of expanded operations.

Library Program Overview

Effective January 1, 2013, the Oro Valley Public Library changed from affiliate status to branch status, and operations were assumed by Pima County.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Library Services Manager	1.00	1.00	-	-	(1.00)
Librarian II	4.00	4.00	-	-	(4.00)
Library Associate	4.48	4.48	-	-	(4.48)
Library Technical Assistant II	4.51	4.51	-	-	(4.51)
Library Technical Assistant I	3.08	3.08	-	-	(3.08)
Office Specialist	1.00	1.00	-	-	(1.00)
Total FTEs	18.07	18.07	-	-	(18.07)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 820,509	\$ 417,363	\$ 393,224	\$ -	-100.0%
Operations & Maintenance	332,946	166,050	30,000	-	-100.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 1,153,455	\$ 583,413	\$ 423,224	\$ -	-100.0%

Cultural Resources Program 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 writes and manages grants, and is responsible for implementation and follow-through of master plans for town historic sites and cultural resources.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Parks and Recreation Director	0.10	0.10	0.10	-	(0.10)
Multimodal Planner	0.10	0.10	0.10	-	(0.10)
Parks Maintenance Manager	0.20	0.15	0.15	-	(0.15)
Parks Maintenance Crew Lead	0.20	-	-	-	-
Senior Parks Maintenance Worker	0.20	0.20	0.20	-	(0.20)
Parks Maintenance Worker	0.20	0.50	0.50	-	(0.50)
Recreation Manager	0.10	0.10	0.10	0.20	0.10
Assistant Recreation Manager	0.10	0.10	0.10	-	(0.10)
Senior Office Specialist	0.10	0.10	0.10	-	(0.10)
Total FTEs	1.30	1.35	1.35	0.20	(1.15)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 80,854	\$ 78,954	\$ 79,684	\$ 13,973	-82.3%
Operations & Maintenance	50,283	107,000	48,064	49,000	-54.2%
Capital	22,486	100,188	109,036	82,000	-18.2%
Total Expenditures	\$ 153,623	\$ 286,142	\$ 236,784	\$ 144,973	-49.3%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 82.3% due to reallocation of staff time among program areas.

Operations & Maintenance

Operations & Maintenance decreased 54.2% due to grant capacity that was budgeted in FY 2013.

Capital

Budgeted capital in FY 2014 is for improvements at Steam Pump Ranch.



Recreation In-Lieu Fee Fund

Overview

This fund is used to manage the collection and expenditure of recreation in-lieu fees from local residential development. These funds are designated for Parks and Recreation infrastructure purposes.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Capital	\$ 30,245	\$ 130,188	\$ 139,477	\$ -	-100.0%
Total Expenditures	\$ 30,245	\$ 130,188	\$ 139,477	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Charges for Services	\$ 835	\$ -	\$ -	\$ -	0.0%
Other Financing Sources	185,240	-	-	-	0.0%
Total Revenues	\$ 186,075	\$ -	\$ -	\$ -	0.0%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 100%. Projects completed in FY 2013 include construction of a restroom facility at Steam Pump Ranch as well as upgrading of playground equipment at James D. Kriegh Park.



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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Capital	\$ 309,901	\$ 400,000	\$ 90,100	\$ -	-100.0%
Total Expenditures	\$ 309,901	\$ 400,000	\$ 90,100	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Residential Impact Fees	\$ 99,542	\$ 92,001	\$ 110,000	\$ 201,297	118.8%
Interest Income	317	-	1,150	-	0.0%
Total Revenues	\$ 99,859	\$ 92,001	\$ 111,150	\$ 201,297	118.8%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 100% due to completion of construction on the expanded aquatic facility in FY 2013.



Aquatic Center Project Fund

Overview

The Aquatic Center Project Fund was a new Capital Project Fund in FY 2013. This fund was used to account for construction of an expanded town aquatic facility.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 75,890	\$ -	\$ 218	\$ -	0.0%
Capital	1,162	4,810,000	4,600,000	-	-100.0%
Total Expenditures	\$ 77,052	\$ 4,810,000	\$ 4,600,218	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Other Financing Sources	\$ 3,193,835	\$ 1,460,000	\$ 1,460,000	\$ -	-100.0%
Donations	5,550	300,000	30,000	30,000	-90.0%
Total Revenues	\$ 3,199,385	\$ 1,760,000	\$ 1,490,000	\$ 30,000	-98.3%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 100%. Construction of the expanded town aquatic facility was completed in March 2013.



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:

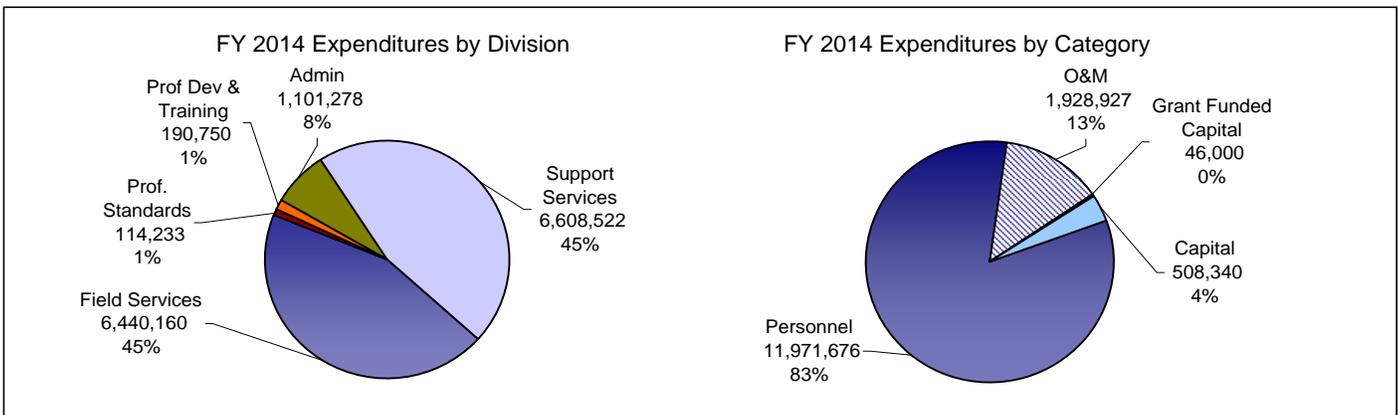
Seek Excellence Remain Vigilant Involve Community Enforcement

Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
128.21	131.69	131.69	134.13 **

**** Note: Beginning FY 2013, figure includes 3 FTEs funded with Seizure Funds**

	Expenditures by Division				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Administration (inc PD Impact Fees)	\$ 865,531	\$ 1,080,958	\$ 1,066,271	\$ 1,101,278	1.9%
Support Services	4,940,309	5,496,303	5,435,975	6,608,522	20.2%
Field Services	5,908,579	6,133,832	6,133,832	6,440,160	5.0%
Professional Dev. & Training	195,865	177,813	177,813	190,750	7.3%
Professional Standards	107,706	108,183	108,183	114,233	5.6%
	\$ 12,017,990	\$ 12,997,090	\$ 12,922,074	\$ 14,454,943	11.2%

	Revenue Sources				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Federal Grants	\$ 484,345	\$ 558,000	\$ 704,232	\$ 576,490	3.3%
State Grants	184,114	65,000	108,700	182,700	181.1%
Seizures & Forfeitures	-	192,616	192,616	202,438	5.1%
Report Copying	16,921	2,900	5,600	5,500	89.7%
Impound Processing	37,040	47,503	47,503	47,500	0.0%
Police Department Impact Fees	-	89,066	82,646	-	-100.0%
Other	19,387	27,500	39,500	26,700	-2.9%
	\$ 741,807	\$ 982,585	\$ 1,180,797	\$ 1,041,328	6.0%



Mission

We, the members of the Oro Valley Police Department, are dedicated to providing excellent service through partnerships that build trust, eliminate crime, create a safe environment and enhance the quality of life within our community.

FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> - Dispose-A-Med program awarded Common Ground Celebration Award by Metropolitan Pima Alliance - 155 active businesses in the Adopt-A-Business Program - Lead K9 Handler and canine partner named Team Leader for the Pima Regional Bomb Squad; conducted 619 explosive detection searches - Citizen Volunteer Assistants Program (CVAP) members contributed 14,455 volunteer hours, valued in excess of \$320,000 - Updated the Town's Emergency Operations Plan - Coordinated and hosted National Night Out - Hosted two week Explorer Academy with participating jurisdictions - In conjunction with the Fraternal Order of Police, helped raise \$5,000 by organizing and hosting the Rosie Fishing Derby to benefit Special Olympics - Chief appointed to serve on the High Intensity Drug Trafficking Areas (HIDTA) program Management Sub-Committee - Chief continued to serve as Chairman of the Arizona Criminal Justice Commission, and was elected to Chair the Pima County Wireless Integrated Network (PCWIN) Executive Committee - Continued to sponsor back to school and Christmas 'Shop with a Cop' program - Completed upgrades to interview room recording equipment, Quetel evidence system and Cellebrite forensic system - Finalized construction of impound lot at the Municipal Operations Center (MOC), as well as remodeling project of the main station - Utilized grant and seizure funding for purchase of generator and installation of video conferencing equipment at Tangerine emergency command center - School Resource Officer (SRO) Unit selected, through nomination, as a model SRO Unit by Arizona School Resource Officer Association - First police agency in Southern Arizona to use the Axon Flex® On-Officer Camera System - Introduced High Visibility Enforcement ("HiVE") traffic program to reduce collisions at two of the town's most dangerous intersections - Participated in the development and completion of the PCWIN Cooperative Business Plan and Governance documents 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Maintain a balanced budget ■ Maximize use of non-Town funding sources by participating in task force operations ■ Secure outside grant funding from federal, state, and local sources ■ Research and pursue alternatives for a new police evidence facility ■ Continue police station improvement project to protect the Town's assets and avoid infrastructure deterioration ■ Participate in efforts to annex additional areas <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Provide effective citizen outreach, communication and education through Citizen Academy, Teen Academy, neighborhood meetings, public meetings, Town website, HOA Forums, special events and programs ■ Participate in joint Council and staff workshops to ensure good participation and effective implementation of goals ■ Continue project to update and revise Department Policies and Directives ■ Adopt new businesses as they open to provide support and safety information ■ Complete and publish Annual Report ■ Ensure continuing development of all staff, especially as related to succession planning ■ Maintain strong regional collaborative relationships ■ Update OVPD's Business Continuity Plan ■ Continue to work as a team internally and with other departments to meet Town goals <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Participate in Town annexation efforts ■ Ensure a safer community by reducing crime and reducing fear of crime where residents and visitors feel secure and property is protected <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Adopt new businesses as they open and cultivate relationships to create a business friendly environment ■ Continue conducting Dispose-a-Med program ■ Ensure a safer community by reducing crime and reducing fear of crime where residents and visitors feel secure

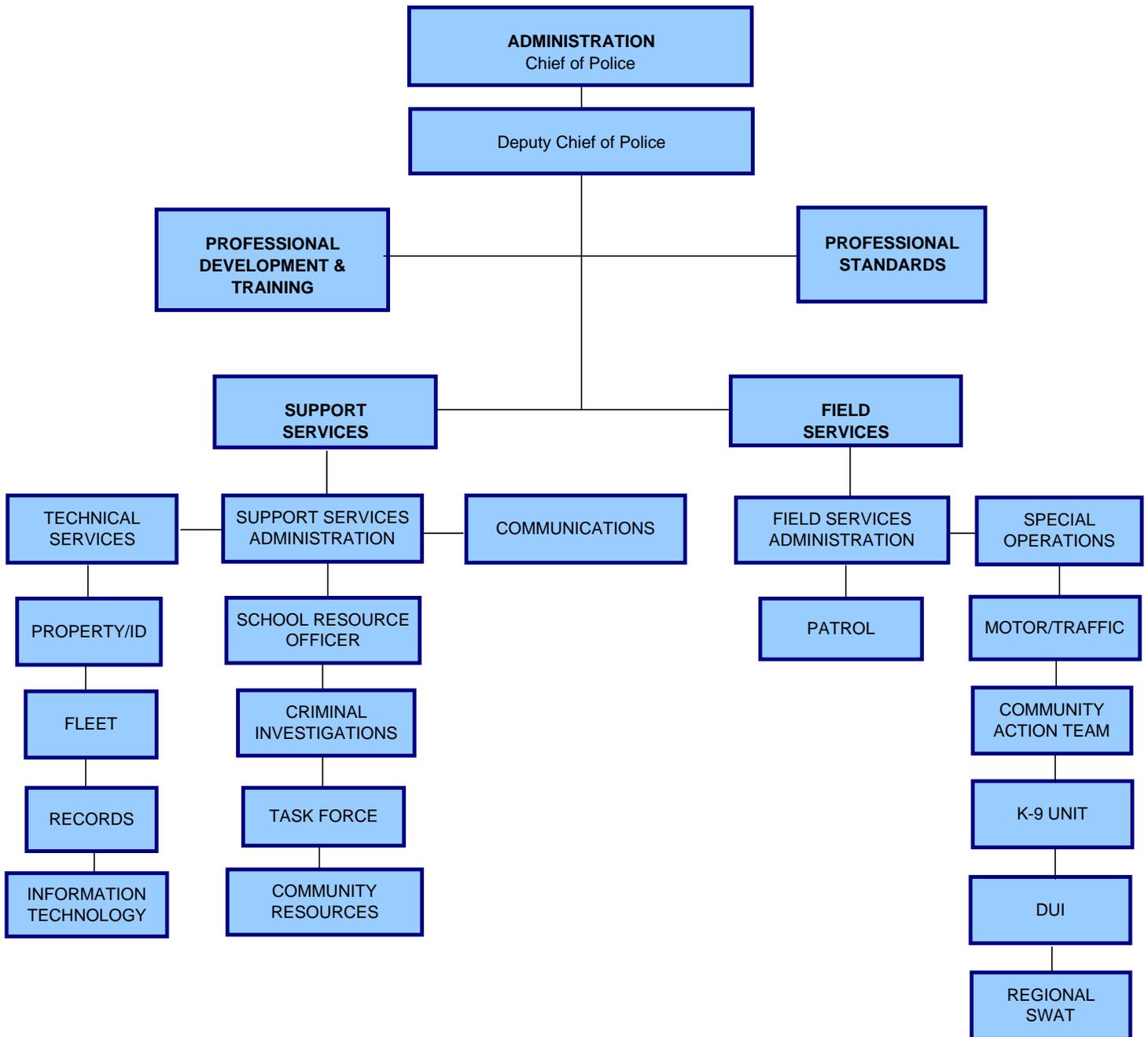
Performance Measures

	CY 2012 Actual	CY 2013 Estimate	CY 2014 Projected
▶ Percentage of Priority I calls responded to in less than five minutes	83%	86%	89%
▶ Percentage of Priority II calls responded to in less than eight minutes	89%	91%	93%
▶ Percentage of residents on OVPD Citizen Satisfaction Survey that rated neighborhood walking safety during the day as reasonably safe or above	95%	95%	95%
▶ Percentage of residents on OVPD Citizen Satisfaction Survey that rated neighborhood walking safety during the night as reasonably safe or above	77%	79%	80%
▶ Percentage of residents on OVPD Citizen Satisfaction Survey rating their police services above average (of those who indicated they had contact with the Police Department during the last 12 months) <i>*Rating of a 7 or above on a scale of 1 to 10</i>	88%	88%	87%

Workload Indicators

	CY 2012 Actual	CY 2013 Estimate	CY 2014 Projected
▶ Calls for service	16,876	16,976	17,142
▶ Number of incoming emergency and non-emergency phone calls answered by police dispatchers	58,485	56,889	55,687
▶ Number of Priority I calls	251	250	257
▶ Number of Priority II calls	780	644	630
▶ Reported traffic accidents	537	495	491

Note: These figures are within a range, and reflect the median for those ranges



Administration Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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 Mgr	1.00	1.00	1.00	1.00	-
Total FTEs	4.00	4.00	4.00	4.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 489,737	\$ 541,387	\$ 541,387	\$ 547,433	1.1%
Operations & Maintenance	375,794	450,505	440,600	553,845	22.9%
Capital (incl PD impact fees)	-	89,066	84,284	-	-100.0%
Total Expenditures	\$ 865,531	\$ 1,080,958	\$ 1,066,271	\$ 1,101,278	1.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.1% to reflect merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 22.9% for building repair & maintenance, travel & training, telecommunications and gas & electricity costs.

Capital

Capital decreased 100% due to new vehicle replacements budgeted in FY 2013. These vehicles were purchased with Police impact fees.

Professional Development & Training Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Reserve Officer	0.96	-	-	-	-
Training Officer	1.00	1.00	1.00	1.00	-
Total FTEs	1.96	1.00	1.00	1.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 116,063	\$ 90,978	\$ 90,978	\$ 92,250	1.4%
Operations & Maintenance	79,802	86,835	86,835	98,500	13.4%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 195,865	\$ 177,813	\$ 177,813	\$ 190,750	7.3%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 1.4% to reflect increased pension costs.

Operations & Maintenance

Operations & Maintenance increased 13.4% due mainly to increased field supplies costs.

Professional Standards Program 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 citizens complaints and internally ordered inspections. O.P.S. also maintains records of use of force incidents, vehicle pursuits and policy revisions. Finally, O.P.S. conducts the hiring process and background investigations for interested Police Department applicants.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 104,903	\$ 103,683	\$ 103,683	\$ 107,583	3.8%
Operations & Maintenance	2,803	4,500	4,500	6,650	47.8%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 107,706	\$ 108,183	\$ 108,183	\$ 114,233	5.6%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 47.8% due to an increase in outside professional services costs.

Support Services Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Emergency Response Planner	-	1.00	1.00	1.00	-
Senior Office Specialist	-	-	-	1.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	4.00	5.00	5.00	5.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 449,383	\$ 515,581	\$ 515,581	\$ 535,476	3.9%
Operations & Maintenance	4,437	400	500	800	100.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 453,820	\$ 515,981	\$ 516,081	\$ 536,276	3.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 3.9% due to merits and a position reclass budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 100% due to increased field supplies costs.

Criminal Investigations Unit Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Detective	5.00	6.00	6.00	6.00	-
Crime Analyst	1.00	1.00	1.00	-	(1.00)
Total FTEs	7.00	8.00	8.00	7.00	(1.00)

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 703,011	\$ 747,863	\$ 747,863	\$ 707,152	-5.4%
Operations & Maintenance	9,087	10,525	11,655	14,400	36.8%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 712,098	\$ 758,388	\$ 759,518	\$ 721,552	-4.9%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs decreased 5.4% due to the Crime Analyst position being relocated to the Field Services Division.

Operations & Maintenance

Operations & Maintenance increased 36.8% due to non-capitalized equipment costs.

School Resource Officer Unit Program 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, and Wilson K-8.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
SRO Officer	7.00	7.00	7.00	8.00	1.00
Total FTEs	8.00	8.00	8.00	9.00	1.00

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 707,212	\$ 753,143	\$ 753,143	\$ 852,857	13.2%
Operations & Maintenance	532	125	150	100	-20.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 707,744	\$ 753,268	\$ 753,293	\$ 852,957	13.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 13.2% due to an additional SRO Officer budgeted in FY 2014. The filling of this position is contingent upon an intergovernmental agreement for grant funding with Pusch Ridge Christian Academy.

Operations & Maintenance

Operations & Maintenance decreased 20% as field supplies are not budgeted in FY 2014.

Task Force Operations Program Overview

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

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

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

Joint Terrorism Task Force (JTTF) 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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Officer	7.00	7.00	7.00	7.00	-
Total FTEs	8.00	8.00	8.00	8.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 695,227	\$ 731,983	\$ 731,983	\$ 786,220	7.4%
Operations & Maintenance	-	-	-	-	0.0%
Capital	37,177	88,800	88,800	46,000	-48.2%
Total Expenditures	\$ 732,403	\$ 820,783	\$ 820,783	\$ 832,220	1.4%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 7.4% due to step increases budgeted in FY 2014 and reallocation of officers among program areas.

Capital

Capital decreased 48.2% due to grant funded equipment that was budgeted in FY 2013. Capital expenditures within this program area are generally considered contingent upon grant funding and vary widely from year to year.

Community Resources Program 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.

Explorers Program

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 help the CRU during special events.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Officer/Special Events Coord.	-	-	-	1.00	1.00
Officer	1.00	2.00	2.00	1.00	(1.00)
Total FTEs	2.00	3.00	3.00	3.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 214,375	\$ 273,261	\$ 241,055	\$ 279,424	2.3%
Operations & Maintenance	35,346	38,375	37,685	49,390	28.7%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 249,721	\$ 311,636	\$ 278,740	\$ 328,814	5.5%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.3% due to step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 28.7% due to travel & training, uniforms, gas & electricity, field supplies and non-capitalized equipment.

Communications Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Communications Supervisor	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	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 790,066	\$ 825,329	\$ 825,329	\$ 868,135	5.2%
Operations & Maintenance	2,482	3,350	3,337	3,350	0.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 792,548	\$ 828,679	\$ 828,666	\$ 871,485	5.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 5.2% due to step increases budgeted in FY 2014.

Records Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 350,863	\$ 358,112	\$ 358,112	\$ 364,148	1.7%
Operations & Maintenance	2,531	2,650	2,650	3,250	22.6%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 353,394	\$ 360,762	\$ 360,762	\$ 367,398	1.8%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 1.7% due to step increases and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 22.6% due to non-capitalized equipment costs.

Information Technology Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Detective/IT Manager	1.00	1.00	1.00	1.00	-
Total FTEs	1.00	1.00	1.00	1.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 97,224	\$ 99,163	\$ 99,163	\$ 102,702	3.6%
Operations & Maintenance	7,043	21,625	22,050	197,052	811.2%
Capital	-	-	-	148,340	0.0%
Total Expenditures	\$ 104,267	\$ 120,788	\$ 121,213	\$ 448,094	271.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.6% due to step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 811.2% for software licensing, equipment repair & maintenance, and non-capitalized equipment.

Capital

Budgeted capital in FY 2014 includes replacement of servers, computers, and mobile data computers, as well as several ITU-related projects and system upgrades.

Fleet Maintenance Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Fleet Maintenance Mechanic II	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	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 60,227	\$ 85,247	\$ 85,247	\$ 87,565	2.7%
Operations & Maintenance	466,518	494,870	476,470	927,800	87.5%
Capital	68,821	183,093	171,394	-	-100.0%
Total Expenditures	\$ 595,566	\$ 763,210	\$ 733,111	\$ 1,015,365	33.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 2.7% due to step increases and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 87.5% due to vehicle replacement charges, as well as vehicle reserve set-aside charges for future year replacement. The purchase of the vehicles will be through the Town's Fleet Fund.

Capital

Capital decreased 100%. Beginning FY 2014 vehicle replacements will be through the Town's Fleet Fund.

Property/I.D. Program 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 for complete related casework, and prepare testimony for court proceedings.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Lead IT Forensic Tech	1.00	1.00	1.00	1.00	-
Property/ID Technician	2.00	2.00	2.00	2.00	-
Reserve Officer	-	0.48	0.48	0.48	-
Total FTEs	3.00	3.48	3.48	3.48	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 203,689	\$ 228,858	\$ 228,858	\$ 244,161	6.7%
Operations & Maintenance	35,059	33,950	34,950	40,200	18.4%
Capital	-	-	-	350,000	0.0%
Total Expenditures	\$ 238,748	\$ 262,808	\$ 263,808	\$ 634,361	141.4%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 6.7% due to step increases budgeted in FY 2014 and reallocation of Reserve Officers among program areas.

Operations & Maintenance

Operations & Maintenance increased 18.4% due to increased field supplies and outside professional services costs.

Capital

Budgeted capital in FY 2014 is for an expanded property and evidence storage facility.

Field Services Division 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Commander	1.00	1.00	1.00	1.00	-
Lieutenant	2.00	2.00	2.00	2.00	-
Crime Analyst	-	-	-	1.00	1.00
Emergency Response Planner	1.00	-	-	-	-
Senior Office Specialist	1.00	1.00	1.00	2.00	1.00
Office Specialist	1.00	1.00	1.00	-	(1.00)
Total FTEs	6.00	5.00	5.00	6.00	1.00

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 606,341	\$ 523,232	\$ 523,232	\$ 628,220	20.1%
Operations & Maintenance	669	1,500	1,500	1,500	0.0%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 607,010	\$ 524,732	\$ 524,732	\$ 629,720	20.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 20.1% due to a position reassignment from another program area, a position reclassification, and merits budgeted in FY 2014.

Patrol Program Overview

The Patrol Division consists of six (6) Squads, supplemented by one (1) Motorcycle Squad. The Patrol Division focuses on providing 24 hours, 7 days a week police service to the citizens, schools, business owners, employees and visitors of Oro Valley. OVPD divides the Town into four (4) separate geographical patrol areas. Patrol deployment methods are based on a variety of factors with the most significant factors being 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 with a segment of our community in a proactive manner to solve issues before they become problems. K-9 officers and DUI officers are incorporated within the Patrol Division providing service 7 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 two specific areas; 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 Shepard and Belgium Malinois.

DUI

The DUI Unit is comprised of two officers whose primary function is to actively seek impaired drivers. Patrol Officers who have developed 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	6.00	6.00	6.00	6.00	-
Lead Officer	6.00	6.00	6.00	7.00	1.00
K-9 Officer	3.00	3.00	3.00	2.00	(1.00)
DUI Officer	2.00	2.00	2.00	2.00	-
Officer	29.00	30.00	30.00	30.00	-
Reserve Officer	-	0.48	0.48	1.92	1.44
Total FTEs	46.00	47.48	47.48	48.92	1.44

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 4,134,865	\$ 4,206,906	\$ 4,206,906	\$ 4,366,845	3.8%
Operations & Maintenance	9,371	15,655	15,655	16,390	4.7%
Capital	-	-	-	10,000	0.0%
Total Expenditures	\$ 4,144,236	\$ 4,222,561	\$ 4,222,561	\$ 4,393,235	4.0%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.8% due to additional reserve officers and step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 4.7% due to field supplies and memberships & subscriptions.

Capital

Budgeted capital in FY 2014 is for a replacement canine.

Motor/Traffic Unit Program 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	1.00	1.00	1.00	-
Lead Officer	1.00	1.00	1.00	1.00	-
Officer/Special Events Coord.	1.00	-	-	-	-
Motorcycle Officer	7.00	7.00	7.00	7.00	-
Total FTEs	10.00	9.00	9.00	9.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 691,771	\$ 824,893	\$ 824,893	\$ 836,417	1.4%
Operations & Maintenance	12,131	16,000	16,000	14,700	-8.1%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 703,902	\$ 840,893	\$ 840,893	\$ 851,117	1.2%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 1.4% due to step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 8.1% due to non-capitalized equipment and memberships & subscriptions.

Community Action Team Program Overview

The Community Action Team (C.A.T.) serves as one of OVPD's most pro-active 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Sergeant	1.00	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	5.00	6.00	6.00	6.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 453,431	\$ 545,346	\$ 545,346	\$ 565,088	3.6%
Operations & Maintenance	-	300	300	1,000	233.3%
Capital	-	-	-	-	0.0%
Total Expenditures	\$ 453,431	\$ 545,646	\$ 545,646	\$ 566,088	3.7%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel costs increased 3.6% due to step increases budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 233.3% due to non-capitalized equipment.



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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Capital	\$ -	\$ 89,066	\$ 82,646	\$ -	-100.0%
Total Expenditures	\$ -	\$ 89,066	\$ 82,646	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Residential Impact Fees	\$ 26,195	\$ 48,376	\$ 48,376	\$ 106,393	119.9%
Commercial Impact Fees	4,423	1,464	13,000	999	-31.8%
Interest Income	80	-	700	-	0.0%
Total Revenues	\$ 30,698	\$ 49,840	\$ 62,076	\$ 107,392	115.5%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 100%. Budgeted capital in FY 2013 was for two new vehicles.



Water Utility

Overview

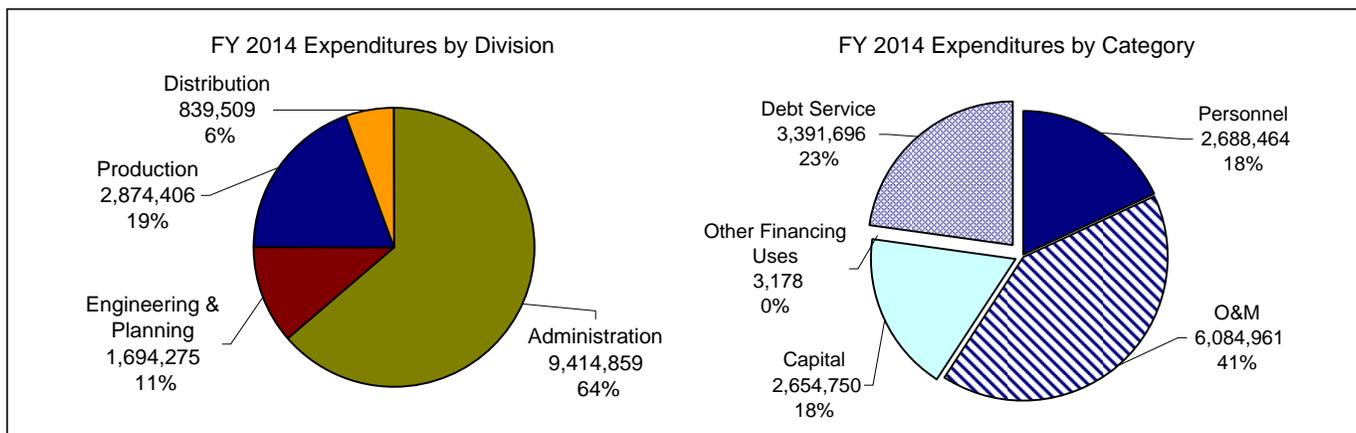
The primary function of the Water Utility is the protection of public health and safety through the production and efficient delivery of water that meets and/or exceeds water quality standards and in sufficient quantity to meet customer demands. Responsibilities include regulatory compliance, customer 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.

Total FTEs			
FY 2012 Actual	FY 2013		FY 2014 Budget
	Budget	Projected	
36.00	36.00	36.00	37.00

	Expenditures by Division				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Administration	\$ 6,560,252	\$ 8,551,015	\$ 8,486,353	\$ 9,414,859	10.1%
Engineering & Planning	3,420,479	2,827,321	2,468,384	1,694,275	-40.1%
Production	2,244,931	2,401,617	2,385,702	2,874,406	19.7%
Distribution	608,824	830,588	825,820	839,509	1.1%
	\$ 12,834,486	\$ 14,610,541	\$ 14,166,259	\$ 14,823,049	1.5%

Does not include contingency or non-cash outlays for depreciation and amortization

	Revenue Sources				
	FY 2012 Actual	FY 2013		FY 2014 Budget	% to Budget
		Budget	Projected		
Charges for Services	\$ 557,222	\$ 475,200	\$ 572,400	\$ 597,100	25.7%
Interest	125,912	75,000	66,250	66,250	-11.7%
Miscellaneous	143,145	-	20,000	-	0.0%
WIFA Loan Proceeds	-	-	-	1,300,000	0.0%
Water Sales	11,578,981	11,707,800	11,693,000	11,748,000	0.3%
Other Financing Sources	100,000	100,000	100,000	100,000	0.0%
	\$ 12,505,260	\$ 12,358,000	\$ 12,451,650	\$ 13,811,350	11.8%



Mission

The Oro Valley Water Utility has the responsibility and obligation to ensure that safe, high quality and reliable drinking water is delivered to every customer. The Utility ensures that adequate amounts of water and pressure are available at all times. The Utility will strive to develop, finance and maintain all infrastructures deemed necessary to meet public safety needs. The Utility staff shall strive to treat all customers with respect, courtesy and professionalism and provide the highest quality of customer service.

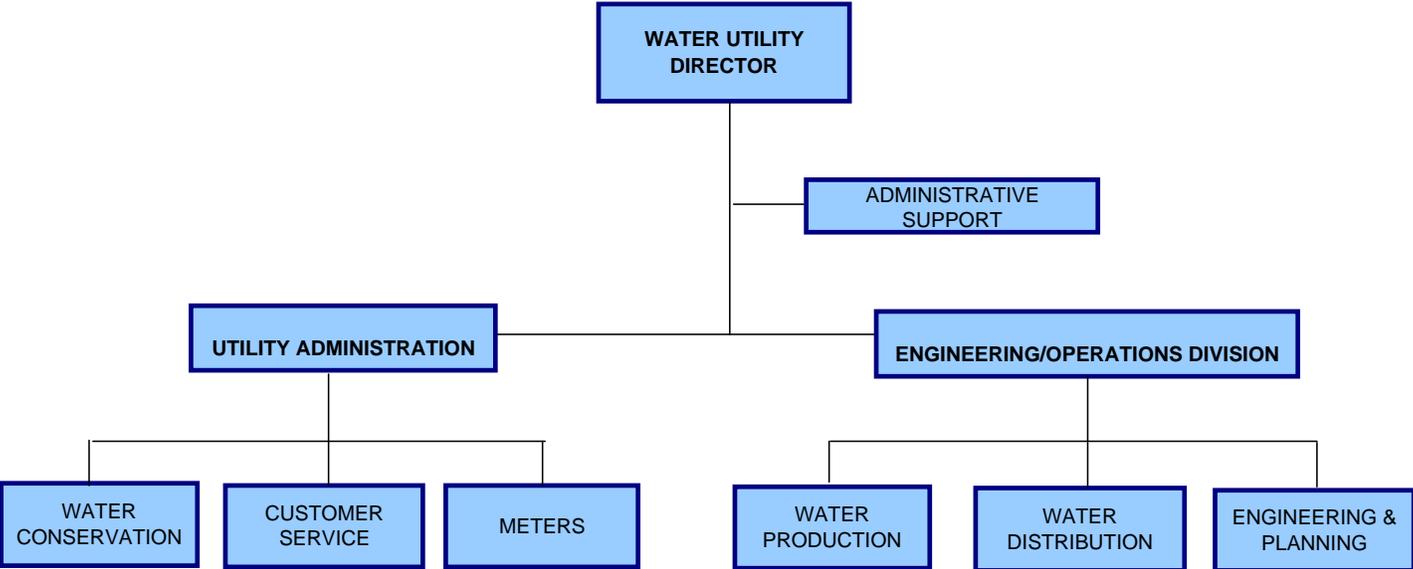
CY 2012 and FY 2013 Highlights	FY 2014 Goals and Objectives
<ul style="list-style-type: none"> – Refunded \$16,595,000 of Senior Lien Bonds for a net present value savings of \$3,385,000 due to lower interest rates and additional payment of \$3,000,000 to reduce the remaining principal amount – Constructed and completed the Campo Bello Water Pipeline Improvements Project – Completed the Tangerine Hills valve and Hydrant Replacement Project – Constructed a chlorine storage facility at the secure reclaimed water site and away from commercial and residential areas – Increased customer base by 171 new connections for a total of 18,716 connections as of 12/31/12 – Potable water deliveries were 2.27 billion gallons in CY 2012 – Reclaimed water deliveries were 684 million gallons in CY 2012 – Delivered 418 million gallons of our Central Arizona Project (CAP) water under the Intergovernmental Agreement with the City of Tucson in CY 2012 – Replaced 2,498 water meters under the Meter Replacement Program and Advanced Metering Infrastructure Project – Installed Advanced Metering Infrastructure (AMI) communications equipment in the Oro Valley water service area – Reviewed and approved 7 water improvement plans for construction – Oro Valley and Countryside water systems found to be in compliance with the Arizona Department of Environmental Quality (ADEQ) sanitary survey – Collected 2,250 water quality samples with all results meeting federal, state and local water quality regulations – Performed 144 residential water use audits, reducing water usage and costs for our customers – Recharged 5,000 acre feet of our CAP water in CY 2012 – Installed additional water system security features and updated the Emergency Response Plan and the Business Continuity Plan – Issued a renewed Designation of Assured Water Supply through 2023 from the Arizona Department of Water Resources (ADWR) – Permitted 2 additional recovery wells which further reduced our obligations to the Central Arizona Groundwater Replenishment District (CAGRDR) – Completed the ADWR Annual Report minimizing the cut to the aquifer for groundwater storage, reducing CAGRDR obligations, and reducing lost and unaccounted for water 	<p>Focus Area: Fiscal Responsibility</p> <ul style="list-style-type: none"> ■ Perform an annual water rates analysis to evaluate revenue requirements over a projected 5-year period ■ Complete a cost of service study to evaluate adjusting the rate structure based on customer classifications ■ Continue the Meter Replacement Program and the Advanced Metering Infrastructure Project to accurately measure and bill for water usage ■ Prepare an Infrastructure Improvements Plan for evaluating water development impact fees ■ Reduce debt and seek low interest loans when feasible <p>Focus Area: Communication</p> <ul style="list-style-type: none"> ■ Provide our customers with updates and information through billing inserts and the Oro Valley Vista newsletter ■ Continue to promote water conservation through water use audits, public education and outreach ■ Implement a youth water conservation education class to be taught in local elementary schools ■ Respond to customer concerns in a prompt, courteous and effective manner ■ Implement a customer web portal to assist customers in early leak detection and water conservation methods <p>Focus Area: Economic Development</p> <ul style="list-style-type: none"> ■ Review water improvement plans for new development ■ Construct and inspect water facilities in accordance with approved plans to meet demands and enhance system reliability ■ Conduct long-term planning for delivery of our Central Arizona Project (CAP) water <p>Focus Area: Community Services</p> <ul style="list-style-type: none"> ■ Continue to provide excellent customer service ■ Maintain a safe and reliable drinking water supply that meets all water quality standards ■ Install Advanced Metering Infrastructure equipment in the Oro Valley water service area ■ Develop a new Reclaimed Water Intergovernmental Agreement with Tucson Water ■ Conduct water resource planning for existing and future needs

Performance Measures

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of voluntary water conservation audits	144	120	120
▶ Debt service coverage (annual net operating revenue divided by annual debt service) for water revenue bonds (goal 1.3 minimum)	1.71	1.54	1.47
▶ Number of years worth of reserves contained in groundwater storage accounts (data for calendar year)	3.2	3.1	2.8
▶ Compliant with Arizona Department of Water Resources assured water supply requirements for service area	Yes	Yes	Yes
▶ Compliant with all Arizona Department of Environmental Quality and Arizona Department of Water Resources regulations	Yes	Yes	Yes
▶ Percentage of critical broken valves replaced within 45 days after they are identified as being broken	100%	100%	100%
▶ Percentage of broken fire hydrants repaired or replaced within 7 days after they are identified as being broken	100%	100%	100%

Workload Indicators

	FY 2012 Actual	FY 2013 Estimate	FY 2014 Projected
▶ Number of metered connections	18,599	18,815	19,000
▶ Number of water meters replaced	2,498	2,700	3,500
▶ Number of water plans approved	10	7	11
▶ Number of water plans inspected	6	5	8
▶ Feet of pipeline inspected	8,700	7,200	10,000
▶ Percentage of unplanned service outages as a percentage of total annual customer hours	<0.002%	<0.003%	<0.004%
▶ Percentage of valves in distribution system exercised	7%	7%	7%
▶ Number of operating wells rehabilitated (out of 22 well sites)	2	3	3
▶ Number of reservoirs cleaned and inspected (out of 19 reservoir sites)	6	5	5



Administration Division 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 department's budget, implementation of water rates, fees and charges, and strategic planning. Programs within this division include:

- Billings/Collections/Meters
- Water Conservation
- Water Resource Planning

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
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 Rep.	4.00	4.00	4.00	4.00	-
Water Conservation Specialist	1.00	1.00	1.00	1.00	-
Total FTEs	15.00	15.00	15.00	15.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 1,022,462	\$ 1,005,857	\$ 984,337	\$ 1,026,625	2.1%
Operations & Maintenance	2,034,933	3,688,938	3,333,093	3,455,360	-6.3%
Capital	777,458	984,500	1,267,800	1,538,000	56.2%
Other Financing Uses	-	2,319	2,319	3,178	37.0%
Debt Service	2,725,399	2,869,401	2,898,804	3,391,696	18.2%
Total Expenditures	\$ 6,560,252	\$ 8,551,015	\$ 8,486,353	\$ 9,414,859	10.1%

Does not include contingency or non-cash outlays for depreciation and amortization

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 2.1% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 6.3% due to a reduction in regulatory expenses.

Capital

Capital increased 56.2% for meter replacements.

Debt Service

Debt Service increased 18.2% for principal and interest payments on a new refunding obligation and a potential WIFA loan.

Engineering & Planning Division Overview

This Division is responsible for managing design and construction of the capital improvement program and new development, construction inspection and the geographic information mapping system. Programs within this division include:

- Construction Inspection
- Mapping
- Capital Improvements

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Engineering Division Manager	1.00	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	6.00	6.00	6.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 493,344	\$ 504,375	\$ 504,375	\$ 521,825	3.5%
Operations & Maintenance	116,156	162,946	187,109	307,450	88.7%
Capital	2,810,979	2,160,000	1,776,900	865,000	-60.0%
Total Expenditures	\$ 3,420,479	\$ 2,827,321	\$ 2,468,384	\$ 1,694,275	-40.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 3.5% due to merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 88.7% due to an increase in outside professional services.

Capital

Capital decreased 60% due to completion of several capital projects.

Operations Division - Production Overview

Production programs within this division are responsible for production of the potable water supply, operation and maintenance of all potable and reclaimed water production facilities including wells, reservoirs, booster stations, electrical controls and operation and maintenance of security devices. Production programs include:

- Disinfection
- Security
- Preventative Maintenance

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Water Production Superintendent	1.00	1.00	1.00	1.00	-
Lead Water Utility Operator	1.00	1.00	1.00	1.00	-
Electric and Control Technician	-	-	-	1.00	1.00
Water Utility Operator III	-	-	-	5.00	5.00
Water Utility Operator II	5.00	5.00	5.00	-	(5.00)
Total FTEs	7.00	7.00	7.00	8.00	1.00

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 496,963	\$ 487,740	\$ 495,950	\$ 569,045	16.7%
Operations & Maintenance	1,735,590	1,901,877	1,881,752	2,080,111	9.4%
Capital	12,378	12,000	8,000	225,250	1777.1%
Total Expenditures	\$ 2,244,931	\$ 2,401,617	\$ 2,385,702	\$ 2,874,406	19.7%

Does not include non-cash outlays for depreciation and amortization

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 16.7% due to the new Electric and Control Technician position, as well as reclasses and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance increased 9.4% due to increases in power purchased for pumping and equipment repair & maintenance.

Capital

The increased capital capacity is for reservoirs, booster stations and equipment.

Operations Division - Distribution Overview

Distribution programs within this division are responsible for the operation and maintenance of potable and reclaimed water distribution facilities including, but not limited to, water mains, fire hydrants, and valves. Distribution programs include:

- Water Quality Sampling
- Backflow Prevention
- Preventative Maintenance

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Personnel					
Water Distribution 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	-	-	-	2.00	2.00
Water Utility Operator II	4.00	4.00	4.00	2.00	(2.00)
Total FTEs	8.00	8.00	8.00	8.00	-

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Personnel	\$ 485,096	\$ 549,498	\$ 539,570	\$ 570,969	3.9%
Operations & Maintenance	123,728	253,090	258,250	242,040	-4.4%
Capital	-	28,000	28,000	26,500	-5.4%
Total Expenditures	\$ 608,824	\$ 830,588	\$ 825,820	\$ 839,509	1.1%

FY 2013/2014 Expenditure and Staffing Changes

Personnel

Personnel increased 3.9% due to reclasses and merits budgeted in FY 2014.

Operations & Maintenance

Operations & Maintenance decreased 4.4% due to reduced water quality testing costs.

Capital

Capital decreased 5.4% due to a vehicle replacement budgeted in FY 2013.



Water Utility

Alternative Water Resource Development

Overview

The Alternative Water Resource Development Impact Fee Fund accounts for expenditures for alternative water resource capital costs and any related debt service. Revenues are received from groundwater preservation fees and 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 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 163,133	\$ 224,875	\$ 352,600	\$ 293,463	30.5%
Capital	547,920	100,000	46,000	790,000	690.0%
Debt Service	1,761,077	1,774,756	1,914,319	1,422,635	-19.8%
Other Financing Uses	100,000	100,000	100,000	100,000	0.0%
Total Expenditures	\$ 2,572,130	\$ 2,199,631	\$ 2,412,919	\$ 2,606,098	18.5%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Groundwater Preservation Fee	\$ 2,315,277	\$ 2,456,000	\$ 2,542,000	\$ 2,550,000	3.8%
Impact Fees	759,958	219,200	904,760	1,678,322	665.7%
Interest	1,229	800	900	1,000	25.0%
Total Revenues	\$ 3,076,464	\$ 2,676,000	\$ 3,447,660	\$ 4,229,322	58.0%

FY 2013/2014 Expenditure Changes

Operations & Maintenance

Operations & Maintenance increased 30.5% for CAP water capital charges.

Capital

Capital increased 690% for transmission/distribution main projects.



Water Utility Potable Water Systems Development

Overview

The Potable Water Systems 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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Capital	\$ 505,946	\$ -	\$ -	\$ -	0.0%
Debt Service	629,845	632,744	722,266	743,576	17.5%
Total Expenditures	\$ 1,135,791	\$ 632,744	\$ 722,266	\$ 743,576	17.5%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Single Family Connections	\$ 237,455	\$ 89,845	\$ 462,060	\$ 462,060	414.3%
Multi - Family Connections	-	-	2,567	340,710	0.0%
Commercial Connections	156,200	10,280	20,550	43,160	319.8%
Irrigation Connections	34,880	10,900	25,160	58,860	440.0%
Fire Flow Connections	34,227	3,230	3,230	21,307	559.7%
Interest	5,467	4,500	2,000	2,000	-55.6%
Total Revenues	\$ 468,229	\$ 118,755	\$ 515,567	\$ 928,097	681.5%

FY 2013/2014 Expenditure Changes

Capital

There are no capital expenditures planned in this fund for FY2014.

Debt Service

Debt service increased 17.5% due to an increase in principal and interest payments on outstanding debt.



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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 4,729	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
Debt Service	619,518	644,080	693,861	826,642	28.3%
Total Expenditures	\$ 624,247	\$ 654,080	\$ 703,861	\$ 836,642	27.9%

	Revenue Sources				
	FY 2012 Actual	FY 2013		FY 2014 Budget	Variance to Budget
		Budget	Projected		
Other Financing Sources	\$ -	\$ 155,706	\$ 205,487	\$ 369,576	137.4%
Federal Grants	84,527	83,784	83,784	70,677	-15.6%
Miscellaneous	203,287	100,000	100,000	83,000	-17.0%
Interest Income	82	-	20	-	0.0%
Total Revenues	\$ 287,896	\$ 339,490	\$ 389,291	\$ 523,253	54.1%

FY 2013/2014 Expenditure Changes

Debt Service

Debt service increased 28.3% due to increased principal and interest payments on the Town's outstanding debt.



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.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ 2,720	\$ 2,720	\$ 2,720	\$ 2,720	0.0%
Debt Service	364,703	367,578	367,578	365,868	-0.5%
Total Expenditures	\$ 367,423	\$ 370,298	\$ 370,298	\$ 368,588	-0.5%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Interest Repayments	\$ 128,661	\$ 117,578	\$ 117,578	\$ 105,868	-10.0%
Principal Repayments	235,768	250,000	250,000	260,000	4.0%
Penalty	1,598	-	-	-	0.0%
Other Financing Sources	-	-	-	2,000	0.0%
Total Revenues	\$ 366,027	\$ 367,578	\$ 367,578	\$ 367,868	0.1%



General Government Impact Fee Fund

Overview

This fund is used to manage the collection and expenditure of development impact fees dedicated to general government purposes. General government impact fees were previously assessed on both residential and commercial development within the Town. **These fees are no longer collected.**

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Capital	\$ -	\$ 25,000	\$ 123,243	\$ -	-100.0%
Total Expenditures	\$ -	\$ 25,000	\$ 123,243	\$ -	-100.0%

	Revenue Sources				Variance to Budget
	FY 2012 Actual	FY 2013		FY 2014 Budget	
		Budget	Projected		
Residential Impact Fees	\$ 11,395	\$ -	\$ (3,115)	\$ -	0.0%
Commercial Impact Fees	7,980	-	5,315	-	0.0%
Interest Income	105	-	1,050	-	0.0%
Total Revenues	\$ 19,480	\$ -	\$ 3,250	\$ -	0.0%

FY 2013/2014 Expenditure Changes

Capital

Capital decreased 100%. Capital in FY 2013 was used towards a new vehicle and construction of the expanded aquatic facility.



Benefit Self Insurance Fund

Overview

The Benefit Self Insurance Fund is a new Internal Service Fund in FY 2013. This fund is used to manage costs related to the Town's self funding of health insurance.

	FY 2012 Actual	FY 2013 Budget	FY 2013 Projected	FY 2014 Budget	Variance to Budget
Expenditures					
Operations & Maintenance	\$ -	\$ 2,182,664	\$ 1,757,500	\$ 2,209,000	1.2%
Total Expenditures	\$ -	\$ 2,182,664	\$ 1,757,500	\$ 2,209,000	1.2%

	Revenue Sources				
	FY 2012 Actual	FY 2013		FY 2014 Budget	Variance to Budget
		Budget	Projected		
Self-Insurance Premiums	\$ -	\$ 2,182,664	\$ 2,082,500	\$ 2,188,000	0.2%
Other Financing Sources	-	-	300,000	-	0.0%
Miscellaneous	-	-	-	21,000	0.0%
Total Revenues	\$ -	\$ 2,182,664	\$ 2,382,500	\$ 2,209,000	1.2%

CAPITAL IMPROVEMENT PROGRAM

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





Capital Improvement Program Overview

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 establishes the Capital Budget, which is submitted as the capital outlay portion of the annual Town budget. 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 Capital Improvement Program as an avenue of communication to the public. Through the CIP document, residents and businesses are provided with an accurate and concise view of the Town's long term direction for capital investment and the Town's need for stable revenue sources to fund large multi-year capital projects.

CIP Process and Timeline

The FY 13/14 CIP process began in January. Project requests were submitted, reviewed and analyzed by Finance staff and the Town Manager's Office. An internal, cross-departmental review and ranking of all project requests was completed in order to prepare the proposed fifteen-year Capital Improvement Plan. Meetings convened in March for project presentation and evaluation. The fifteen-year recommendation was submitted to Council for approval and adoption with the Town's final budget in May. A summary of the process and timeline is provided below:

January:	CIP request forms provided to department directors
February:	Department requests due Cost analysis performed, forms edited CIP packets and evaluation forms distributed
March:	Meetings scheduled to present project requests Project rankings due CIP recommendations finalized
April:	Budget study sessions to present Budget and CIP to Mayor and Council
May:	Adoption of Tentative Budget and CIP Adoption of Final Budget and CIP



Capital Improvement Program Overview

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

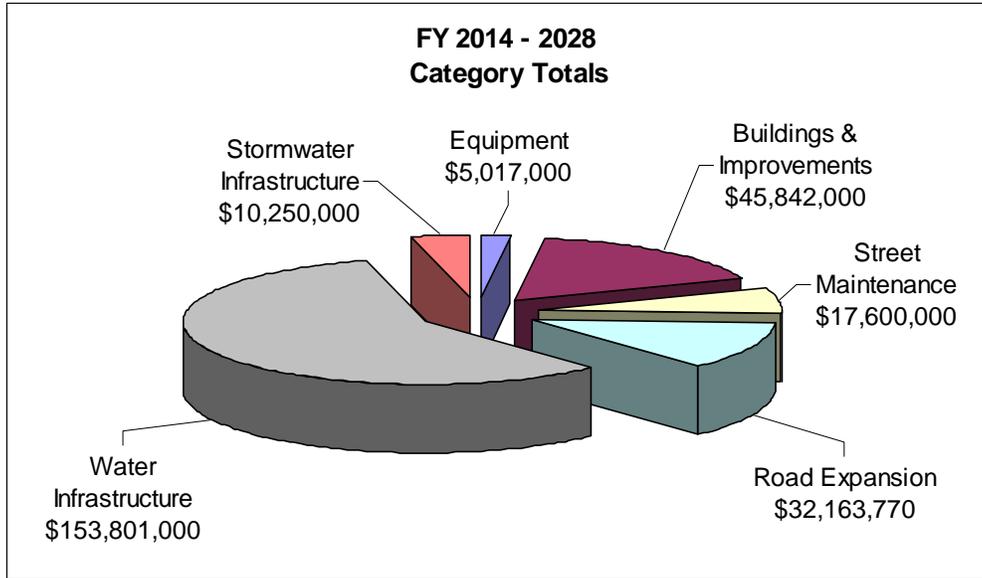
Only projects funded by the General Fund are subject to the evaluation criteria. Projects funded from the remaining Town Funds (ex. Highway, Development Impact Fee and Water Utility) are deemed vital and necessary to the Town's infrastructure. Furthermore, these funds are either self sustaining, receive funding from outside sources, such as the Pima Association of Governments (PAG) and other governmental agencies and jurisdictions, or have dedicated revenues that specify the use of the funds.



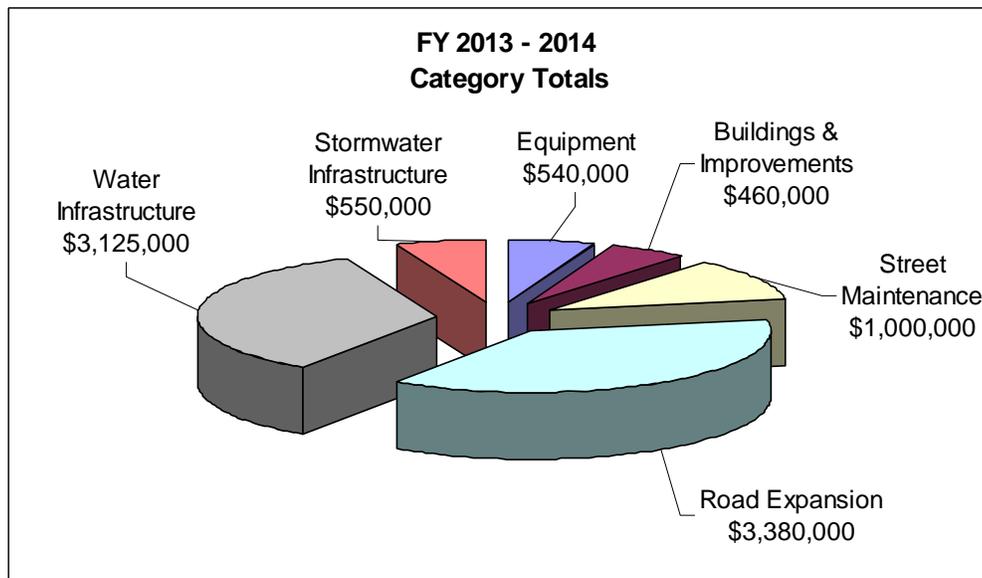
Capital Improvement Program Overview

Capital Improvement Program Summary

The cumulative fifteen-year capital budget for the Town of Oro Valley totals \$264,673,770 for fiscal years 2013-14 through 2027-28. The graph below shows the allocations by category for the given years:



The amount allocated for CIP projects in the FY 13/14 proposed budget is \$9,055,000. The graph below shows the allocations by category for FY 13/14. The projects included in the FY 13/14 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.





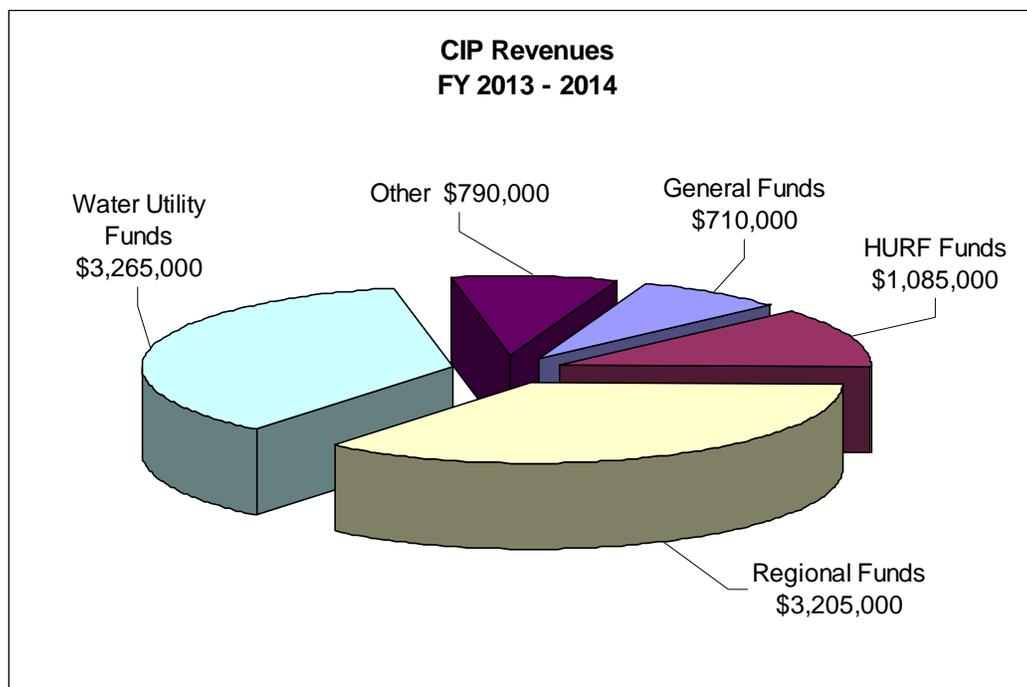
Capital Improvement Program Overview

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. The following options are considered when analyzing potential funding sources for CIP projects:

- Pay-as-you-go financing
- Bonds
- Certificates of participation
- Lease-purchase agreements
- Improvement districts
- Development impact fee ordinances
- Federal and State grants
- Donations and intergovernmental agreements
- User fees

Funding for the 2013 - 2014 CIP totals \$9,055,000 and is derived from a variety of sources as depicted in the chart below:



Significant funding is generated through local taxes, development fees and intergovernmental grants. The Town has relied heavily on income related to development to fund the projects, and a continuing challenge for the Town is the development of funding sources to replace this income as construction activity declines.



Capital Improvement Program Overview

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 upon the Town's operating budgets. For example, if the Town were to construct a new park or ball field, the operating budget for the Parks and Recreation Department would increase to include the routine field maintenance of the new park or field. Also, the Town would need to include capacity in the operating budget to account for any new staff and equipment that would be necessary to maintain and operate the new facility.

In the FY 2014 – 2028 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.

The table below summarizes the projected impact of the funded CIP on the Town's operating budget for the next five years:

Project	Impact	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18
TRAPEZE Software Mobile Data Computers	Increased software license fees	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Police Evidence Facility	Increased utilities and maintenance costs	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Replace Permitting/Land Management Software	Increased software maintenance and support costs	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Security Upgrades (Cameras)	Increased maintenance and personnel costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
E. Lambert Lane Main Relocation	Increased maintenance costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Crack Seal Unit Replacement w/Auto Feed	Increased material and personnel costs	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800
Well Meter Replacement	Increased maintenance costs	\$500	\$500	\$500	\$500	\$500
High Mesa Control Valve & Flow Meter	Increased maintenance costs	\$500	\$500	\$500	\$500	\$500
Reclaimed Reservoir Retention Basin Liner	Increased maintenance costs	\$500	\$500	\$500	\$500	\$500
Energy Efficiency Booster Upgrades	Decreased utilities costs	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)	(\$2,000)
12-Inch Main Extension to Serve Naranja Park	Increased maintenance costs	\$100	\$100	\$100	\$100	\$100
Reclaimed Reservoir Booster Pump Addition	Increased maintenance costs	\$250	\$250	\$250	\$250	\$250
Totals		\$65,650	\$65,650	\$65,650	\$65,650	\$65,650

Note: The list above represents the projects that were approved for funding in FY 13/14 that have an impact on the Town's operating budget(s). For the complete list of funded projects, please see the Project Descriptions section of this document.



Capital Improvement Program Overview

Summary

Projects included in the FY 2013 – 2014 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 2013 – 2014 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 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 is continually reevaluated to assure the projects and funding sources are in accordance with the Town Council priorities and policies.

The 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.

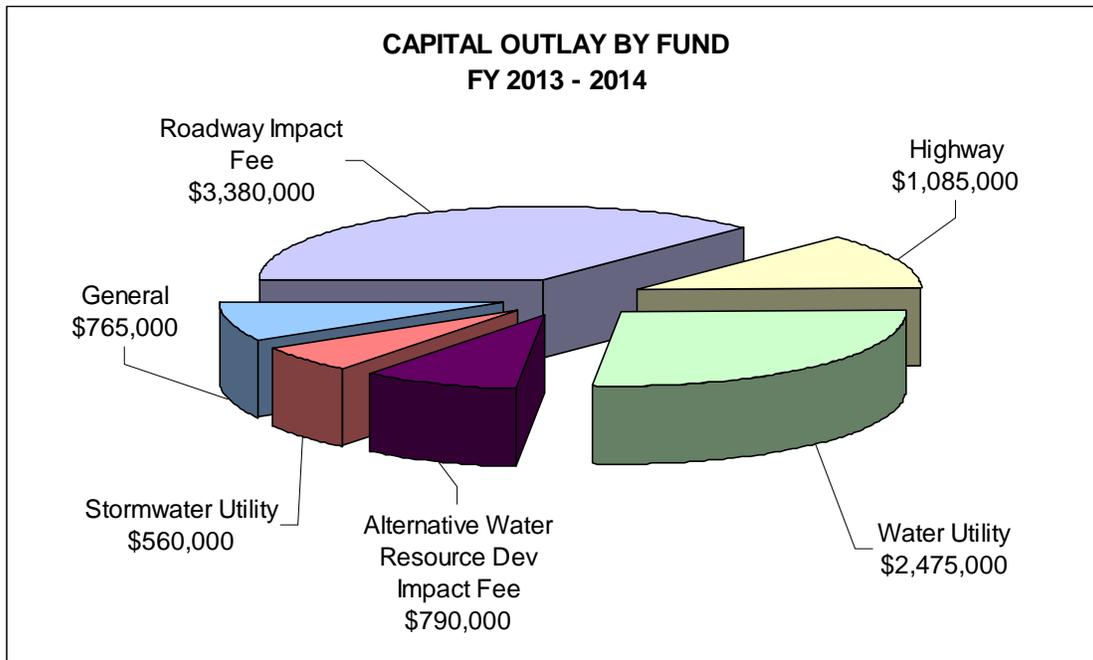


Capital Improvement Program Overview

Table 1 below shows the Fifteen Year CIP Projects by Fund:

Table 1

Fund	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
General	\$ 765,000	\$ 1,465,000	\$ 2,344,000	\$ 7,865,000	\$ 8,140,000	\$ 3,330,000
Highway	1,085,000	1,185,000	1,425,000	5,075,000	5,435,000	5,200,000
Roadway Impact Fee	3,380,000	4,187,000	4,700,000	19,896,770	-	-
Stormwater Utility	560,000	250,000	1,700,000	2,910,000	1,625,000	4,200,000
Water Utility	2,475,000	2,505,000	3,200,000	8,265,000	7,650,000	6,300,000
Alt. Water Resource Dev Impact Fee	790,000	300,000	400,000	8,510,000	50,500,000	38,846,000
Potable Water System Dev Impact Fee	-	-	-	200,000	9,350,000	14,650,000
Steam Pump Ranch	-	-	4,010,000	-	-	-
Naranja Park	-	-	-	-	-	20,000,000
Total All Funds	\$ 9,055,000	\$ 9,892,000	\$ 17,779,000	\$ 52,721,770	\$ 82,700,000	\$ 92,526,000





Projects by Fund

Table 2 below identifies the General Fund Projects for Fiscal Years 2014 – 2028:

Table 2

General Fund

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
TRAPEZE Software Mobile Data Computers	\$ 55,000	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal Operations Center (MOC) Renovations	-	78,000	94,000	-	-	-
Replacement Phone System: On Premise	50,000	150,000	-	-	-	-
Replace Permitting/Land Management Software	150,000	240,000	-	-	-	-
Exchange Server Replacement	-	70,000	-	-	80,000	80,000
Server Operating System Upgrade	-	40,000	-	-	80,000	80,000
Replace Phone System	-	-	-	-	300,000	-
Replace Network Infrastructure Hardware	-	-	-	-	150,000	-
Replace Network Infrastructure Cabling	-	-	-	-	100,000	-
Virtual Server Host System Replacement	-	-	-	60,000	60,000	-
Undergrounding Tucson Electric Power Lines	-	-	-	5,000,000	-	-
New Court/Prosecution Building	-	-	-	-	3,500,000	-
Courtroom Remodel and Bench Redesign	-	-	50,000	50,000	-	-
Ramada at Steam Pump Ranch	70,000	-	-	-	-	-
New Restroom at Naranja Park	-	-	200,000	-	-	-
Parks & Recreation Mobile Stage	-	-	-	120,000	-	-
Naranja Park Master Plan Update	40,000	40,000	-	-	-	-
Parks & Recreation Master Plan	-	110,000	-	-	-	-
Resurface & Relandscape Parking Lot at Honeybee Park	-	-	-	-	50,000	-
Renovate Racquetball Courts at James D. Kriegh (JDK) Park	-	-	-	-	250,000	-
Upgrade Playground Equipment at Riverfront Park	-	-	-	-	200,000	-
Upgrade Playground Equipment at JDK Park	-	-	-	250,000	-	-
Town Hall Parking Lot Landscaping	-	-	-	50,000	-	-
Trailhead, Parking Lot, and Restrooms at Tortolita Trail	-	-	-	500,000	-	-
Honeybee Canyon Park Upgrades	-	-	-	250,000	-	-
New Ramada at JDK Park	-	-	-	250,000	-	-
JDK Park Upgrades	-	-	2,000,000	-	-	-
New Small Dog Park at JDK Park	-	50,000	-	-	-	-
New Dog Park at Cañada del Oro Riverfront Park	-	150,000	-	-	-	-
Renovate Soccer fields at Riverfront Park	-	100,000	-	-	-	-
Sun City Substation	-	200,000	-	-	-	-
Police Evidence Facility	350,000	-	-	-	-	-
Heating, Ventilation and Air Conditioning (HVAC) Replacement	-	75,000	-	-	-	-
Police Substation and Training Facility	-	-	-	-	-	3,170,000
Replace Police Command Post	-	-	-	200,000	-	-
Expand Communications Infrastructure	-	-	-	-	200,000	-
Police South Substation	-	-	-	1,135,000	-	-
New Police Substation and Training Facility at MOC	-	-	-	-	3,170,000	-
Electronic Document Management System (EDMS)	-	112,000	-	-	-	-
Security Upgrades (Cameras)	50,000	50,000	-	-	-	-
Totals	\$ 765,000	\$ 1,465,000	\$ 2,344,000	\$ 7,865,000	\$ 8,140,000	\$ 3,330,000



Projects by Fund

Table 3 below identifies the Highway Fund Projects for Fiscal Years 2014 – 2028:

Table 3

Highway Fund

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Crack Seal Unit Replacement with Auto Feed	\$ 85,000	\$ -	\$ -	\$ -	\$ 90,000	\$ 100,000
4X4 Extended Backhoe	-	-	125,000	-	-	-
Purchase New Skidsteer (Bobcat) with Attachments	-	-	-	65,000	-	-
Purchase Truck Tractor & Low Boy Equipment Hauler	-	-	-	175,000	-	-
Purchase a 4,000 Gallon Water Truck	-	-	-	110,000	-	-
Purchase 10 Ton Smooth Drum Roller	-	-	-	-	80,000	-
Purchase a New Rubber Tire Pneumatic Roller	-	-	-	-	80,000	-
Purchase a Smaller Asphalt Laydown Machine	-	-	-	-	125,000	-
Purchase a 10 Wheel End Dump Truck	-	-	-	125,000	260,000	-
Purchase a New Motor Grader	-	-	-	-	-	300,000
Pavement Management	1,000,000	1,100,000	1,300,000	4,600,000	4,800,000	4,800,000
Upgrade CarteGraph to Enterprise License	-	85,000	-	-	-	-
Totals	\$ 1,085,000	\$ 1,185,000	\$ 1,425,000	\$ 5,075,000	\$ 5,435,000	\$ 5,200,000

Table 4 below identifies the Stormwater Fund Projects for Fiscal Years 2014 – 2028:

Table 4

Stormwater Fund

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Northern Avenue Drainage Improvements	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ -
Replace Permitting/Land Management Software	10,000	-	-	-	-	-
La Cholla Blvd - Lambert to Naranja Drainage Improvements	-	-	-	-	-	1,500,000
La Cholla Blvd - Glover to Tangerine Drainage Improvements	-	-	-	-	-	500,000
Shannon Road Drainage Improvements	-	-	-	-	-	700,000
Drainage Improvement Project	-	-	-	-	-	1,500,000
Naranja Drainage Improvement (East of Shannon Rd)	-	-	1,700,000	-	-	-
Carmack Wash Drainage Improvements	-	-	-	1,000,000	-	-
Purchase a New Side Cast Broom	-	-	-	-	100,000	-
Purchase a New Street Sweeper	-	-	-	250,000	275,000	-
Moore Road Drainage Improvements	-	-	-	800,000	-	-
Pistachio/Pomegranate Drainage Improvements	-	-	-	150,000	-	-
Basin Management Study	-	-	-	-	250,000	-
Peglar Wash Drainage Improvements	-	-	-	-	1,000,000	-
Lambert Lane at Casas Entrance Drainage Improvements	-	-	-	600,000	-	-
4.5 Cubic Yard Wheel Loader	-	250,000	-	-	-	-
Purchase a 10 Wheel End Dump Truck	-	-	-	110,000	-	-
Totals	\$ 560,000	\$ 250,000	\$ 1,700,000	\$ 2,910,000	\$ 1,625,000	\$ 4,200,000



Projects by Fund

Table 5 below identifies the Roadway Impact Fee Fund Projects for Fiscal Years 2014 – 2028:

Table 5

Roadway Impact Fee Fund

Project Name	Fiscal Year					
	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17 - 19/20</u>	<u>20/21 - 23/24</u>	<u>24/25 - 27/28</u>
Rancho Vistoso and Vistoso Highlands Traffic Signal	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -
Sidewalk - Vistoso Highlands to W. Morning Vista Dr.	150,000	-	-	-	-	-
Lambert Lane - Pusch View Ln. to La Cañada Dr. - Rollover	1,200,000	-	-	-	-	-
CDO Shared Use Path - 1st Ave. to Steam Pump Village	1,180,000	-	-	-	-	-
Rancho Vistoso Blvd and Woodburne Ave. Safety Study	50,000	-	-	-	-	-
Lambert Lane from La Cañada Dr. to Rancho Sonora	-	-	4,700,000	-	-	-
Naranja Drive from La Cholla Blvd. to Shannon Rd.	100,000	4,187,000	-	-	-	-
Tangerine Road from La Cañada Dr. to Shannon Rd.	-	-	-	19,896,770	-	-
Totals	\$ 3,380,000	\$ 4,187,000	\$ 4,700,000	\$ 19,896,770	\$ -	\$ -



Projects by Fund

Table 6 below identifies the Water Utility Fund Projects for Fiscal Years 2014 – 2028:

Table 6

Water Utility Fund - Existing System Improvements

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Reclaimed Reservoir Retention Basin Liner	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
Reclaimed Reservoir Vault Modification	85,000	-	-	-	-	-
E. Lambert Lane 16" Main - Rollover	50,000	-	-	-	-	-
AMI & Meter Replacement - Phases 2, 3, 4 & 5	1,300,000	900,000	800,000	1,500,000	-	-
Energy Efficiency Booster Upgrades	150,000	200,000	200,000	200,000	-	-
Replacement Phone System: On Premise	100,000	-	-	-	-	-
Well Meter Replacement	60,000	-	-	-	-	-
Pusch Ridge Interconnect	50,000	-	-	-	-	-
Replace Security Wall at CS-2 Countryside	80,000	-	-	-	-	-
Well E-8 Rehabilitation	100,000	-	-	-	-	-
High Mesa Control Valve and Flow Meter - Rollover	10,000	-	-	-	-	-
Naranja Shannon to La Cholla Main Relocation	75,000	-	-	-	-	-
Tangerine Hills - New Hydrants & Valve Replace - Rollover	200,000	-	-	-	-	-
Main Valve Replacements	50,000	50,000	50,000	50,000	-	-
Water Meters - for New Meter Installations	50,000	50,000	50,000	200,000	200,000	200,000
Replace Permitting/Land Management Software	40,000	-	-	-	-	-
Steam Pump Well Drilling & Equipping	-	650,000	1,000,000	-	-	-
6-Inch Pressure Reducing Valve Cliff Dweller	-	60,000	-	-	-	-
Construction Equipment - Backhoe	-	120,000	-	-	-	-
Scada Legacy Replacement	-	50,000	-	100,000	100,000	-
Security Wall at Well C-8	-	100,000	-	-	-	-
Naranja Shannon to La Cholla Main Relocation	-	250,000	-	-	-	-
W. Lambert Lane Main Relocation (Dev & Infrastructure Svcs)	-	75,000	350,000	-	-	-
System Connection Upgrades	-	-	200,000	400,000	200,000	-
Rancho Verde Hydrants	-	-	200,000	-	-	-
Relocate 3 Pressure Reducing Valves in Oro Valley Area	-	-	100,000	-	-	-
Tangerine Shannon La Canada Main Relocation	-	-	100,000	300,000	-	-
CS1 to CS2 12-Inch Main Replacement	-	-	150,000	500,000	-	-
Reclaimed Reservoir Booster Pump & Motor Replace	-	-	-	200,000	-	-
Access Rd and Security Wall at Well D-6	-	-	-	100,000	-	-
Replace Well Pumps	-	-	-	200,000	200,000	200,000
Deer Run Pressure Reducing Valve Booster Station	-	-	-	40,000	-	-
Well E2 Upgrade	-	-	-	100,000	-	-
El Con Storage Operational Improvements	-	-	-	750,000	-	-
El Con Patio Homes Main Replacement	-	-	-	1,400,000	-	-
El Con Booster Station Upgrades	-	-	-	250,000	-	-
Scada Servers and Monitors	-	-	-	50,000	50,000	-
Security Walls	-	-	-	75,000	100,000	100,000
Golf Course Metering Stations Modifications	-	-	-	50,000	-	-
Replace Crimson Canyon Booster Station	-	-	-	1,000,000	-	-
El Con Tennis La Canada Main Replacement	-	-	-	600,000	-	-
High Mesa E and F Zone Booster Station	-	-	-	200,000	1,000,000	-
Replacement Wells	-	-	-	-	1,500,000	1,700,000
La Cholla - Lambert to Tangerine Main Relocation (RTA)	-	-	-	-	1,100,000	-
Linda Vista Citrus Tracts	-	-	-	-	750,000	-
Instrumentation Replacement	-	-	-	-	250,000	-
Well Meter Replacement - All Well Sites	-	-	-	-	200,000	-
Deer Run D and E Zone Booster Station	-	-	-	-	1,500,000	-
Pusch Ridge Main Replacement	-	-	-	-	500,000	500,000
Monte Del Oro Main Replacement	-	-	-	-	-	1,200,000
Rancho Verde Main Replacement	-	-	-	-	-	1,600,000
Rancho Felix Main Replacement	-	-	-	-	-	800,000
Totals	\$ 2,475,000	\$ 2,505,000	\$ 3,200,000	\$ 8,265,000	\$ 7,650,000	\$ 6,300,000



Projects by Fund

Tables 7 and 8 below identify the Alternative Water Resources Development Impact Fee Fund Projects for Fiscal Years 2014 – 2028:

Alternative Water Resources Development Impact Fee Fund

Table 7

Expansion Related Improvements

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Reclaimed Reservoir Booster Pump Addition	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -
12-Inch Main Extension to Serve Naranja Park	350,000	-	-	-	-	-
12-Inch Main Extension to Serve Riverfront Park	-	-	-	1,100,000	-	-
12-Inch Main Extension to Serve Hilton	-	-	-	-	3,200,000	-
Reclaimed Water Metering Station to Serve Hilton	-	-	-	-	250,000	-
12-Inch Main Extension to Serve Pusch Ridge High School	-	-	-	-	-	1,024,000
12-Inch Main Extension to Serve JDK Park	-	-	-	-	-	522,000
Totals	\$ 390,000	\$ -	\$ -	\$ 1,100,000	\$ 3,450,000	\$ 1,546,000

Table 8

Central Arizona Project (CAP) Water Improvements

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Wheeling Tucson Water CAP Oracle Road 500 AFY	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -
La Cholla D-E Blending Booster Station	-	300,000	-	-	-	-
Wheeling Tucson Water 3000 AF/Year	-	-	400,000	400,000	-	-
Tucson Water Oasis Booster Station Upgrades	-	-	-	130,000	-	-
Tucson Water 12-Inch Pipe	-	-	-	880,000	-	-
Tucson Water 16-Inch Pipe Oasis Rd	-	-	-	1,100,000	-	-
24-Inch Pipe - Naranja La Cholla to Tangerine	-	-	-	2,800,000	-	-
Wheeling Tucson Water 3500 AF/Year	-	-	-	800,000	-	-
Tucson Water Naranja Booster Station Upgrades	-	-	-	1,200,000	-	-
E to C PRV Naranja Reservoir	-	-	-	100,000	-	-
24-Inch Pipe - La Cholla/Tangerine to La Canada	-	-	-	-	2,500,000	-
Big Wash D-E Booster Station	-	-	-	-	800,000	-
Inlet Outlet Modifications at Allied Signal Reservoir	-	-	-	-	50,000	-
Steam Pump C-D Booster Station	-	-	-	-	1,200,000	-
5000 AF/Year CAP	-	-	-	-	500,000	-
Lower Santa Cruz Recovery Wells (1500 AFY)	-	-	-	-	900,000	-
Water Treatment R&R Chlorination	-	-	-	-	2,400,000	-
Delivery, Storage, A to C and C to E Booster Stations	-	-	-	-	26,000,000	10,000,000
16-Inch Main Tangerine/La Canada to 1st Ave	-	-	-	-	2,200,000	-
PRV Feed to E Zone Tangerine/La Canada	-	-	-	-	50,000	-
PRV Feed to E Zone Tangerine and 1st Ave	-	-	-	-	50,000	-
3 Recovery Wells and Delivery to Water Treatment Plant	-	-	-	-	9,000,000	-
E-F Zone Booster Station La Canada Reservoir	-	-	-	-	1,400,000	-
7 Recovery Wells	-	-	-	-	-	6,000,000
16-Inch Main Naranja/La Cholla to Reservoir	-	-	-	-	-	2,300,000
Concentrate Management CAP Water	-	-	-	-	-	13,000,000
Water Treatment and Reverse Osmosis	-	-	-	-	-	6,000,000
Totals	\$ 400,000	\$ 300,000	\$ 400,000	\$ 7,410,000	\$ 47,050,000	\$ 37,300,000



Projects by Fund

Table 9 below identifies the Potable Water System Development Impact Fee Fund Projects for Fiscal Years 2014 – 2028:

Table 9

Potable Water System Development Impact Fee Fund

Expansion Related Improvements

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Property Acquisition C or E Zone Reservoir	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ -
Booster Station C or E Zone	-	-	-	-	450,000	-
2.0 MG Reservoir C or E Zone	-	-	-	-	3,300,000	-
New 16" Main C or E Zone Connection	-	-	-	-	1,650,000	-
Property Acquisition F Zone Reservoir (Oracle Rd)	-	-	-	-	250,000	-
New 16" 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. F Zone Booster	-	-	-	-	150,000	600,000
New 12" H Zone Main Sun City	-	-	-	-	-	1,650,000
New 16" 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" H Zone Main	-	-	-	-	-	2,200,000
New 16" Chalk Creek H Zone Main	-	-	-	-	-	1,100,000
Totals	\$ -	\$ -	\$ -	\$ 200,000	\$ 9,350,000	\$ 14,650,000

Table 10 below identifies the Steam Pump Ranch Fund Projects for Fiscal Years 2014 – 2028:

Table 10

Steam Pump Ranch Fund

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
Continued Restoration, Preservation & Rehab of Steam Pump Ranch	\$ -	\$ -	\$ 4,010,000	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ 4,010,000	\$ -	\$ -	\$ -

Table 11 below identifies the Naranja Park Fund Projects for Fiscal Years 2014 – 2028:

Table 11

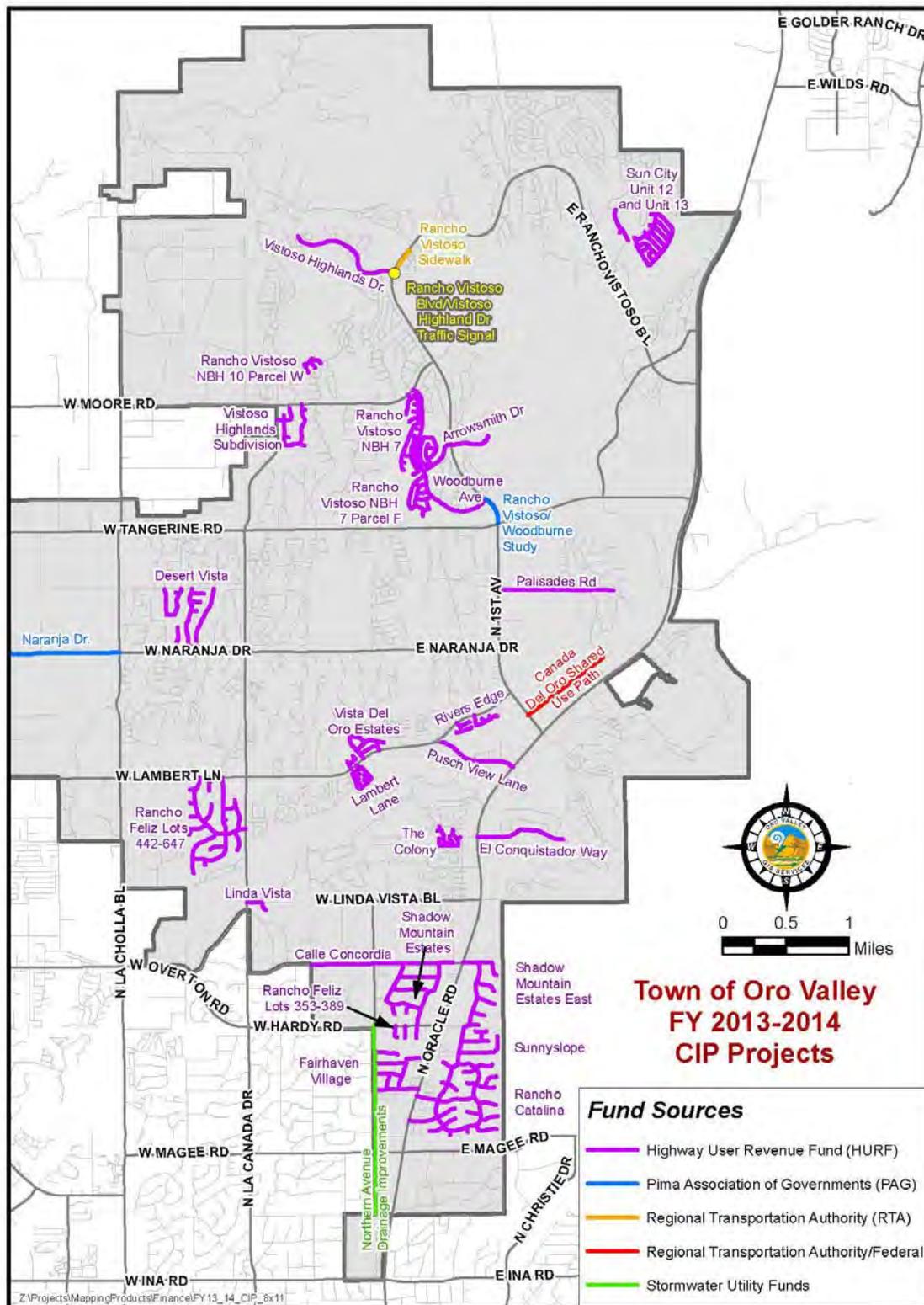
Naranja Park Fund

Project Name	Fiscal Year					
	13/14	14/15	15/16	16/17 - 19/20	20/21 - 23/24	24/25 - 27/28
New Park at Naranja Park Site	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000



Project Map

The Town of Oro Valley map below identifies the location of the major projects scheduled for FY 2014:





Project Descriptions

The following are detailed descriptions of all of the projects identified for Fiscal Year 2013-2014 above. They include the operating impact to the Town as well as indicating any additional funding the Town will receive to complete the project.

PROJECT TITLE: TRAPEZE Software Drivers Mate - Mobile Data Computers
 DEPARTMENT: Development and Infrastructure Services, Transit Division
 FY 13-14 PROJECT COST: \$55,000
 PRIMARY FUNDING: Regional Transportation Authority (RTA) Funds
 ADDITIONAL FUNDING: Possible grant funding
 PROJECT DESCRIPTION: Purchase of mobile data computers and software for Transit drivers
 PROJECT JUSTIFICATION: Improved productivity, cost controls and better service delivery
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 2,000
 Operating Savings \$ -

PROJECT TITLE: Replacement Phone System - On Premise
 DEPARTMENT: Information Technology
 FY 13-14 PROJECT COST: \$150,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING: Water Utility Fund
 PROJECT DESCRIPTION: Replace current Town-wide phone system with a new VOIP system
 PROJECT JUSTIFICATION: Supports Town General Plan and Strategic Plan objectives
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Replace Permitting/Land Management Software
 DEPARTMENT: Information Technology
 FY 13-14 PROJECT COST: \$200,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING: Water Utility Fund; Stormwater Utility Fund
 PROJECT DESCRIPTION: Upgrade and/or replace nearly 14 year-old existing permitting software
 PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 30,000
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE:	Ramada at Steam Pump Ranch
DEPARTMENT:	Parks, Recreation & Cultural Resources
FY 13-14 PROJECT COST:	\$70,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Install 200' x 40' open-air ramada for Steam Pump Ranch events
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	Potential additional revenue from new events
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Naranja Park Master Plan Update
DEPARTMENT:	Parks, Recreation & Cultural Resources
FY 13-14 PROJECT COST:	\$40,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Update the Naranja Park Master Plan and Programming & Concept Design Report
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Property and ID Building
DEPARTMENT:	Police
FY 13-14 PROJECT COST:	\$350,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Plan and construct property and ID building
PROJECT JUSTIFICATION:	Compliance with ADOSH and OSHA standards and mitigation of staff safety hazards
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 15,000
Operating Savings	\$ -



Project Descriptions

PROJECT TITLE:	Security Upgrades (Cameras)
DEPARTMENT:	Town-wide
FY 13-14 PROJECT COST:	\$50,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Installation of cameras and equipment to monitor Town buildings and parking lots
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 1,000
Operating Savings	\$ -

PROJECT TITLE:	Oro Valley Surface Treatments
DEPARTMENT:	Development and Infrastructure Services, Street Division
FY 13-14 PROJECT COST:	\$1,000,000
PRIMARY FUNDING:	Highway Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Pavement preservation and surface treatments of Oro Valley streets and roads
PROJECT JUSTIFICATION:	Preserves the existing Town infrastructure and extends street/road lifespan
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	Varies depending on pavement preservation application type

PROJECT TITLE:	Crack Seal Unit Replacement with Auto Feed
DEPARTMENT:	Development and Infrastructure Services, Street Division
FY 13-14 PROJECT COST:	\$85,000
PRIMARY FUNDING:	Highway Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Replace 25 year-old crack seal unit with new crack seal unit with auto feed
PROJECT JUSTIFICATION:	Increase efficiency and effectiveness in crack sealing of town roadways
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 16,800
Operating Savings	\$ -



Project Descriptions

PROJECT TITLE: Lambert Lane Widening (La Canada to Pusch View Lane) - Rollover Project
DEPARTMENT: Development and Infrastructure Services
FY 13-14 PROJECT COST: \$1,200,000
PRIMARY FUNDING: Pima Association of Governments Regional Funds
ADDITIONAL FUNDING: Impact Fees
PROJECT DESCRIPTION: Widen Lambert Lane between La Canada and Pusch View Lane to 4 lanes
PROJECT JUSTIFICATION: Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: CDO Shared Use Path - Final Phase
DEPARTMENT: Development and Infrastructure Services
FY 13-14 PROJECT COST: \$1,180,000
PRIMARY FUNDING: Regional Transportation Authority (RTA) Funds
ADDITIONAL FUNDING: Federal Transportation Enhancement Grant
PROJECT DESCRIPTION: Construct new 12' linear trail along CDO multi-use path
PROJECT JUSTIFICATION: Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Rancho Vistoso Blvd and Woodburne Ave Safety Study
DEPARTMENT: Development and Infrastructure Services
FY 13-14 PROJECT COST: \$50,000
PRIMARY FUNDING: Pima Association of Governments Regional Funds
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Safety study of the Rancho Vistoso and Woodburne Ave intersection
PROJECT JUSTIFICATION: Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE:	Rancho Vistoso and Vistoso Highlands Traffic Signal
DEPARTMENT:	Development and Infrastructure Services
FY 13-14 PROJECT COST:	\$700,000
PRIMARY FUNDING:	Regional Transportation Authority (RTA) Funds
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Construct a traffic signal at Rancho Vistoso and Vistoso Highlands Drive
PROJECT JUSTIFICATION:	Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Sidewalk - Vistoso Highlands to West Morning Vista Drive
DEPARTMENT:	Development and Infrastructure Services
FY 13-14 PROJECT COST:	\$150,000
PRIMARY FUNDING:	Regional Transportation Authority (RTA) Funds
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Construct a six-foot sidewalk from Vistoso Highlands to West Morning Vista Drive
PROJECT JUSTIFICATION:	Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Naranja Drive from La Cholla to Shannon
DEPARTMENT:	Development and Infrastructure Services
FY 13-14 PROJECT COST:	\$100,000 (Design)
PRIMARY FUNDING:	Pima Association of Governments Regional Funds (Construction)
ADDITIONAL FUNDING:	Roadway Impact Fees
PROJECT DESCRIPTION:	Design the widening of Naranja Drive including drainage facilities, sidewalk, and multi-use path from La Cholla Blvd to Shannon Rd
PROJECT JUSTIFICATION:	Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -



Project Descriptions

PROJECT TITLE: AMI Meter Replacement
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$1,300,000
PRIMARY FUNDING: Water Infrastructure Finance Authority (WIFA) Loan
ADDITIONAL FUNDING: Water Utility Fund
PROJECT DESCRIPTION: Townwide replacement of aging meters to Automated Meter Infrastructure technology
PROJECT JUSTIFICATION: Current meters inefficient and under registering
ANNUAL OPERATING IMPACT:
 Operating Revenue Additional revenue anticipated due to increased accuracy in meter reading
 Operating Costs \$ -
 Operating Savings Potential savings in vehicle fuel and repair costs

PROJECT TITLE: Tangerine Hills - New Hydrant and Valve Replacement - Rollover Project
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$200,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Install new fire hydrants and replace valves
PROJECT JUSTIFICATION: Provide fire protection and replace non operating valves
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: East Lambert Lane 16 inch Main Relocation - Rollover Project
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$50,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Relocate existing water main - Autumn Hills to First Avenue
PROJECT JUSTIFICATION: To accommodate Public Works Road Improvement Project
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 1,000
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE: Well Meter Replacement
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$60,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Install electronic strap on flow meters at 10 wells
PROJECT JUSTIFICATION: Reduce maintenance cost and increase meter accuracy
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 500
 Operating Savings \$ -

PROJECT TITLE: High Mesa Control Valve and Flow Meter - Rollover Project
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$10,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Install control valve actuator and new flow meter
PROJECT JUSTIFICATION: To balance water system E-Zone loading
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 500
 Operating Savings \$ -

PROJECT TITLE: Reclaimed Reservoir Retention Basin Liner
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$75,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Line retention basin liner with geo-membrane
PROJECT JUSTIFICATION: Allows operational continuation of reservoir facility without interruption
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 500
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE: Reclaimed Reservoir Vault Modification
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$85,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Construct partial concrete vault lid to accommodate turning radius for chlorine supply truck
PROJECT JUSTIFICATION: Reduces risk of accidents from large trucks entering and exiting reservoir site
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Energy Efficiency Booster Upgrades
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$150,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Install high efficient electric motors, controls and instruments at various booster pump locations
PROJECT JUSTIFICATION: Improve energy efficiency and system reliability
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ 2,000

PROJECT TITLE: Pusch Ridge Interconnect
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$50,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Interconnect Pressure Zone "E" and "D"
PROJECT JUSTIFICATION: Improve system reliability
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE:	Replace Security Wall at CS-2 Countryside
DEPARTMENT:	Water
FY 13-14 PROJECT COST:	\$80,000
PRIMARY FUNDING:	Water Utility Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Remove existing chain link and construct new masonry stucco wall with security pickets
PROJECT JUSTIFICATION:	Improve security and safety at well site
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Well E-8 Rehabilitation
DEPARTMENT:	Water
FY 13-14 PROJECT COST:	\$100,000
PRIMARY FUNDING:	Water Utility Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Rehabilitate well - open well screening to increase production
PROJECT JUSTIFICATION:	Increase and improve water supply
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Naranja Shannon to La Cholla Main Relocation
DEPARTMENT:	Water
FY 13-14 PROJECT COST:	\$75,000
PRIMARY FUNDING:	Water Utility Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Relocation of existing water main in coordination with roadway improvements
PROJECT JUSTIFICATION:	Delivery of safe and reliable water supply to all water utility customers
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -



Project Descriptions

PROJECT TITLE: Main Valve Replacements
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$50,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Replace existing valves at various locations throughout the water delivery system
PROJECT JUSTIFICATION: Improve system reliability
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Water Meters - for New Meter Installations
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$50,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Provide new water meters for residential and commercial growth
PROJECT JUSTIFICATION: Provide metered water service, deliver safe and reliable water supply
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: 12-Inch Main Extension to serve Naranja Park
DEPARTMENT: Water
FY 13-14 PROJECT COST: \$350,000
PRIMARY FUNDING: Alternative Water Resources Development Impact Fee Fund
ADDITIONAL FUNDING: None
PROJECT DESCRIPTION: Extend reclaimed water system to serve Naranja Park
PROJECT JUSTIFICATION: Reduce reliance on groundwater
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 100
 Operating Savings \$ -



Project Descriptions

PROJECT TITLE:	Reclaimed Reservoir Booster Pump Addition
DEPARTMENT:	Water
FY 13-14 PROJECT COST:	\$40,000
PRIMARY FUNDING:	Alternative Water Resources Development Impact Fee Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Install new pumping unit
PROJECT JUSTIFICATION:	Reduce reliance on groundwater
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 250
Operating Savings	\$ -

PROJECT TITLE:	Wheeling Tucson Water CAP Oracle Road 500 AFY
DEPARTMENT:	Water
FY 13-14 PROJECT COST:	\$400,000
PRIMARY FUNDING:	Alternative Water Resources Development Impact Fee Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Wheel Central Arizona Project water through the Tucson Water System
PROJECT JUSTIFICATION:	Improve water source reliability and redundancy, fire flow
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Northern Avenue Drainage Improvements
DEPARTMENT:	Development and Infrastructure Services, Operations Division
FY 13-14 PROJECT COST:	\$550,000
PRIMARY FUNDING:	Stormwater Utility Fund
ADDITIONAL FUNDING:	None
PROJECT DESCRIPTION:	Drainage improvements at Northern Avenue
PROJECT JUSTIFICATION:	Improvements will provide increased channel capacity
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

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APPENDIX

Resolution Adoption
Auditor General Statements
Glossary



RESOLUTION NO. (R)13-40

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 2013-2014

WHEREAS, on May 1, 2013, 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 May 15, 2013 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 2013-2014; 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

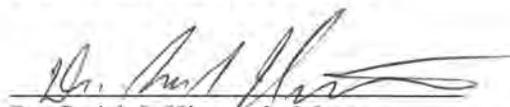
WHEREAS, it is in the best interest of the Town of Oro Valley to approve the estimates and expenditures/expenses shown on the accompanying schedules for the Fiscal Year 2013-2014.

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 2013-2014 in the amount of \$93,913,429.00.

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 2013-2014.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona this 15th day of May, 2013.

TOWN OF ORO VALLEY:


Dr. Satish I. Hiremath, Mayor

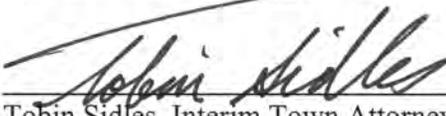
ATTEST:



Julie K. Bower, Town Clerk

Date: 5/17/13

APPROVED AS TO FORM:



Tobin Sidles, Interim Town Attorney

Date: 5/15/13



Town of Oro Valley

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CITY/TOWN OF Oro Valley
 Summary Schedule of Estimated Revenues and Expenditures/Expenses
 Fiscal Year 2014

FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES* 2013	ACTUAL EXPENDITURES/EXPENSES** 2013	FUND BALANCE/ NET POSITION*** July 1, 2013**	PROPERTY TAX REVENUES 2014	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2014	OTHER FINANCING 2014		INTERFUND TRANSFERS 2014		TOTAL FINANCIAL RESOURCES AVAILABLE 2014	BUDGETED EXPENDITURES/EXPENSES 2014
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 36,775,636	\$ 27,351,566	\$ 9,724,507	Primary:	\$ 28,201,906	\$	\$	\$ 185,000	\$ 162,729	\$ 37,948,684	\$ 37,948,684
2. Special Revenue Funds	7,946,053	4,598,995	3,971,350	Secondary:	5,072,165				390,669	8,652,846	8,652,846
3. Debt Service Funds Available	1,941,841	1,074,159	851,035		519,545			371,576		1,742,156	1,742,156
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	1,941,841	1,074,159	851,035		519,545			371,576		1,742,156	1,742,156
6. Capital Projects Funds	21,067,608	12,830,869	7,538,022		9,956,983			100,000		17,395,005	17,395,005
7. Permanent Funds											
8. Enterprise Funds Available	24,569,567	15,105,090	9,007,773		13,633,350	1,300,000		100,000	3,178	24,037,945	24,037,945
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	24,569,567	15,105,090	9,007,773		13,633,350	1,300,000		100,000	3,178	24,037,945	24,037,945
11. Internal Service Funds	3,121,451	2,396,287	625,000		3,511,793					4,136,793	4,136,793
12. TOTAL ALL FUNDS	\$ 95,422,156	\$ 63,356,966	\$ 31,717,687	\$	\$ 60,895,742	\$ 1,300,000	\$	\$ 656,576	\$ 656,576	\$ 93,913,429	\$ 93,913,429

EXPENDITURE LIMITATION COMPARISON

	2013	2014
1. Budgeted expenditures/expenses	\$ 95,422,156	\$ 93,913,429
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	95,422,156	93,913,429
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 95,422,156	\$ 93,913,429
6. EEC or voter-approved alternative expenditure limitation	\$ 95,422,156	\$ 93,913,429

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 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 in this column represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY/TOWN OF Oro Valley
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 11,827,995	\$ 12,023,845	\$ 12,623,382
Cable Franchise Tax	500,000	500,000	500,000
Licenses and permits			
Licenses	171,140	174,900	176,700
Permits	753,829	1,147,296	1,307,255
Fees	11,500	8,400	9,500
Intergovernmental			
State/County Shared	9,175,117	9,175,117	9,659,167
State Grants	1,014,042	1,032,200	1,509,700
Federal Grants	983,000	704,232	576,490
Other	613,413	442,339	30,000
Charges for services			
Reimbursements	204,000	184,000	204,000
Fees	408,600	502,363	644,200
Other	604,956	598,191	595,237
Fines and forfeits			
Fines	190,000	180,000	190,000
Interest on investments			
Interest Income	89,000	62,275	62,275
Miscellaneous			
Miscellaneous	134,000	157,623	114,000
Total General Fund	\$ 26,680,592	\$ 26,892,781	\$ 28,201,906

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Local Sales Tax	\$ 316,890	\$ 469,344	\$ 1,077,197
Highway User Fuel Tax	2,480,005	2,480,005	2,500,000
Permits	43,000	51,110	48,000
Grants	260,000	125,000	35,000
Interest Income	7,000	7,000	7,000
Charges for Services	229,493	229,493	129,493
Other	10,000	17,683	10,000
	\$ 3,346,388	\$ 3,379,635	\$ 3,806,690
Bed Tax Fund			
Local Sales Tax	\$ 782,283	\$ 782,283	\$ 789,000
Interest Income	5,700	3,975	3,975
	\$ 787,983	\$ 786,258	\$ 792,975
Seizures & Forfeitures - State Fund			
	\$ 175,000	\$ 61,605	\$ 175,000
	\$ 175,000	\$ 61,605	\$ 175,000
Seizures & Forfeitures - Federal Fund			
	\$ 250,000	\$ 27,125	\$ 250,000
	\$ 250,000	\$ 27,125	\$ 250,000
Impound Fee Fund			
Fees	\$ 47,503	\$ 47,503	\$ 47,500
	\$ 47,503	\$ 47,503	\$ 47,500
Total Special Revenue Funds	\$ 4,606,874	\$ 4,302,126	\$ 5,072,165

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
DEBT SERVICE FUNDS			
Municipal Debt Service Fund			
Federal Grants	\$ 83,784	\$ 83,784	\$ 70,677
Interest Income		20	
Miscellaneous	100,000	100,000	83,000
	\$ 183,784	\$ 183,804	\$ 153,677
Oracle Road Improvement District Fund			
Special Assessments	\$ 367,578	\$ 367,578	\$ 365,868
	\$ 367,578	\$ 367,578	\$ 365,868
Total Debt Service Funds	\$ 551,362	\$ 551,382	\$ 519,545
CAPITAL PROJECTS FUNDS			
Alternative Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 219,200	\$ 904,760	\$ 1,678,322
Charges for Services	2,456,000	2,542,000	2,550,000
Interest Income	800	900	1,000
	\$ 2,676,000	\$ 3,447,660	\$ 4,229,322
Potable Water System Development Impact Fee Fund			
Development Impact Fees	\$ 114,255	\$ 513,567	\$ 926,097
Interest Income	4,500	2,000	2,000
	\$ 118,755	\$ 515,567	\$ 928,097
Townwide Roadway Development Impact Fee Fund			
State Grants	\$ 5,280,000	\$ 4,722,000	\$ 3,150,000
Federal Grants	699,000		500,000
Development Impact Fees	414,118	672,940	791,375
Interest Income	1,600	19,500	1,500
Other	18,000	18,000	18,000
	\$ 6,412,718	\$ 5,432,440	\$ 4,460,875
Parks & Recreation Impact Fee Fund			
Development Impact Fees	\$ 92,001	\$ 111,150	\$ 201,297
	\$ 92,001	\$ 111,150	\$ 201,297
Library Impact Fee Fund			
Development Impact Fees	\$ 37,461	\$ 4,606	
	\$ 37,461	\$ 4,606	
Police Impact Fee Fund			
Development Impact Fees	\$ 49,840	\$ 62,076	\$ 107,392
	\$ 49,840	\$ 62,076	\$ 107,392
General Government Impact Fee Fund			
Development Impact Fees		\$ 3,250	
		\$ 3,250	
Aquatic Center Project Fund			
Donations	\$ 300,000	\$ 30,000	\$ 30,000
	\$ 300,000	\$ 30,000	\$ 30,000
Total Capital Projects Funds	\$ 9,686,775	\$ 9,606,749	\$ 9,956,983

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Revenues Other Than Property Taxes
Fiscal Year 2014

SOURCE OF REVENUES	ESTIMATED REVENUES 2013	ACTUAL REVENUES* 2013	ESTIMATED REVENUES 2014
ENTERPRISE FUNDS			
Oro Valley Water Utility Fund			
Water Sales	\$ 11,707,800	\$ 11,693,000	\$ 11,748,000
Charges for Services	475,200	572,400	597,100
Interest Income	75,000	66,250	66,250
Miscellaneous	20,000	20,000	20,000
	<u>\$ 12,258,000</u>	<u>\$ 12,351,650</u>	<u>\$ 12,411,350</u>
Stormwater Utility Fund			
Federal Grants	\$ 67,800	\$ 7,867	\$ 450,000
State Grants	450,000	762,600	771,500
Charges for Services	761,500	762,600	771,500
Interest Income	500	4,800	500
Miscellaneous	20,000	20,140	20,000
	<u>\$ 1,299,800</u>	<u>\$ 795,407</u>	<u>\$ 1,222,000</u>
Total Enterprise Funds	<u>\$ 13,557,800</u>	<u>\$ 13,147,057</u>	<u>\$ 13,633,350</u>
INTERNAL SERVICE FUNDS			
Fleet Fund			
Fleet Services	\$ 638,787	\$ 638,787	\$ 1,282,793
Miscellaneous	20,000	20,000	20,000
	<u>\$ 638,787</u>	<u>\$ 638,787</u>	<u>\$ 1,302,793</u>
Benefit Self Insurance Fund			
Miscellaneous	\$ 2,182,664	\$ 2,082,500	\$ 2,209,000
	<u>\$ 2,182,664</u>	<u>\$ 2,082,500</u>	<u>\$ 2,209,000</u>
Total Internal Service Funds	<u>\$ 2,821,451</u>	<u>\$ 2,721,287</u>	<u>\$ 3,511,793</u>
TOTAL ALL FUNDS	<u>\$ 57,904,854</u>	<u>\$ 57,221,382</u>	<u>\$ 60,895,742</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2014

FUND	OTHER FINANCING 2014		INTERFUND TRANSFERS 2014	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Tfr to Municipal Debt Service Fund	\$ _____	\$ _____	\$ _____	\$ 160,729
Tfr to Oracle Road Improvement District Fund	_____	_____	_____	2,000
Tfr from Bed Tax Fund	_____	_____	185,000	_____
Total General Fund	\$ _____	\$ _____	\$ 185,000	\$ 162,729
SPECIAL REVENUE FUNDS				
Bed Tax Fund	\$ _____	\$ _____	\$ _____	\$ 390,669
Total Special Revenue Funds	\$ _____	\$ _____	\$ _____	\$ 390,669
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ _____	\$ _____	\$ 369,576	\$ _____
Oracle Road Improvement District Fund	_____	_____	2,000	_____
Total Debt Service Funds	\$ _____	\$ _____	\$ 371,576	\$ _____
CAPITAL PROJECTS FUNDS				
Alternative Water Rscs Dev Impact Fee Fund	\$ _____	\$ _____	\$ _____	\$ 100,000
Total Capital Projects Funds	\$ _____	\$ _____	\$ _____	\$ 100,000
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$ 1,300,000	\$ _____	\$ 100,000	\$ 3,178
Total Enterprise Funds	\$ 1,300,000	\$ _____	\$ 100,000	\$ 3,178
TOTAL ALL FUNDS	\$ 1,300,000	\$ _____	\$ 656,576	\$ 656,576

CITY/TOWN OF Oro Valley
Expenditures/Expenses by Fund
Fiscal Year 2014

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
GENERAL FUND				
Council	\$ 224,618	\$	\$ 224,618	\$ 225,853
Clerk	322,779		321,989	345,118
Development & Infrastructure Svcs	3,803,751		3,349,021	4,031,561
Finance	744,111		726,233	709,242
General Administration	2,245,094	(386,000)	1,831,394	2,037,730
Human Resources	496,156		464,107	523,821
Information Technology	1,213,633		1,213,633	1,482,173
Legal	816,559		768,813	804,344
Magistrate Court	757,629		726,527	761,430
Town Manager's Office	728,648		638,569	700,989
Parks, Recreation, & Cultural Resources	2,630,112		2,387,353	2,536,955
Police	12,667,903		12,599,309	14,223,297
Contingency Reserve	11,034,643	(524,000)	2,100,000	9,566,171
Total General Fund	\$ 37,685,636	\$ (910,000)	\$ 27,351,566	\$ 37,948,684
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 6,108,346	\$	\$ 3,630,438	\$ 6,573,318
Seizures & Forfeitures - State Fund	467,924		175,434	525,354
Seizures & Forfeitures - Federal Fund	832,189		358,910	508,867
Bed Tax Fund	790,091	(300,000)	386,710	997,807
Impound Fee Fund	47,503		47,503	47,500
Total Special Revenue Funds	\$ 8,246,053	\$ (300,000)	\$ 4,598,995	\$ 8,652,846
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ 1,570,148	\$	\$ 703,861	\$ 1,373,416
Oracle Road Improvement District Fund	371,693		370,298	368,740
Total Debt Service Funds	\$ 1,941,841	\$	\$ 1,074,159	\$ 1,742,156
CAPITAL PROJECTS FUNDS				
Aquatic Center Project Fund	\$ 3,350,000	\$ 1,460,000	\$ 4,600,218	\$ 42,114
Townwide Roadway Dev Impact Fee Fund	7,128,581		4,760,000	5,689,538
Naranja Park Fund	258,821	(250,000)		8,821
Alternative Water Rscs Dev Impact Fee Fund	4,334,770		2,312,919	6,899,226
Potable Water System Dev Impact Fee Fund	3,614,431		722,266	4,100,604
Parks & Recreation Impact Fee Fund	543,500		90,100	334,400
Library Impact Fee Fund	153,507			114,798
Police Impact Fee Fund	153,328		82,646	189,151
General Government Impact Fee Fund	135,430		123,243	
Recreation In Lieu Fee Fund	185,240		139,477	16,353
Total Capital Projects Funds	\$ 19,857,608	\$ 1,210,000	\$ 12,830,869	\$ 17,395,005
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$ 22,619,429	\$	\$ 14,163,939	\$ 22,486,741
Stormwater Utility Fund	1,950,138		941,151	1,551,204
Total Enterprise Funds	\$ 24,569,567	\$	\$ 15,105,090	\$ 24,037,945
INTERNAL SERVICE FUNDS				
Fleet Fund	\$ 638,787	\$	\$ 638,787	\$ 1,302,793
Benefit Self Insurance Fund	2,482,664		1,757,500	2,834,000
Total Internal Service Funds	\$ 3,121,451	\$	\$ 2,396,287	\$ 4,136,793
TOTAL ALL FUNDS	\$ 95,422,156	\$	\$ 63,356,966	\$ 93,913,429

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Expenditures/Expenses by Department
Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
Council:				
General Fund	\$ 224,618	\$	\$ 224,618	\$ 225,853
Department Total	\$ 224,618	\$	\$ 224,618	\$ 225,853
Clerk:				
General Fund	\$ 322,779	\$	\$ 321,989	\$ 345,118
Department Total	\$ 322,779	\$	\$ 321,989	\$ 345,118
Development & Infrastructure Svcs:				
General Fund	\$ 3,803,751	\$	\$ 3,349,021	\$ 4,031,561
Highway Fund	6,108,346		3,630,438	6,573,318
Townwide Roadway Dev Impact Fee Fund	7,128,581		4,760,000	5,689,538
Stormwater Utility Fund	1,950,138		941,151	1,551,204
Fleet Fund	638,787		638,787	1,302,793
Department Total	\$ 19,629,603	\$	\$ 13,319,397	\$ 19,148,414
Finance:				
General Fund	\$ 744,111	\$	\$ 726,233	\$ 709,242
Department Total	\$ 744,111	\$	\$ 726,233	\$ 709,242
General Administration:				
General Fund	\$ 2,245,094	\$ (386,000)	\$ 1,831,394	\$ 2,037,730
General Fund - Contingency Reserve	11,034,643	(524,000)	2,100,000	9,566,171
Municipal Debt Service Fund	1,570,148		703,861	1,373,416
Oracle Road Improvement District Fund	371,693		370,298	368,740
Benefit Self Insurance Fund	2,482,664		1,757,500	2,834,000
General Government Impact Fee Fund	135,430		123,243	
Library Impact Fee Fund				114,798
Department Total	\$ 17,839,672	\$ (910,000)	\$ 6,886,296	\$ 16,294,855
Human Resources:				
General Fund	\$ 496,156	\$	\$ 464,107	\$ 523,821
Department Total	\$ 496,156	\$	\$ 464,107	\$ 523,821
Information Technology:				
General Fund	\$ 1,213,633	\$	\$ 1,213,633	\$ 1,482,173
Department Total	\$ 1,213,633	\$	\$ 1,213,633	\$ 1,482,173
Legal:				
General Fund	\$ 816,559	\$	\$ 768,813	\$ 804,344
Department Total	\$ 816,559	\$	\$ 768,813	\$ 804,344
Magistrate Court:				
General Fund	\$ 757,629	\$	\$ 726,527	\$ 761,430
Department Total	\$ 757,629	\$	\$ 726,527	\$ 761,430
Town Manager's Office:				
General Fund	\$ 728,648	\$	\$ 638,569	\$ 700,989
Bed Tax Fund	790,091	(300,000)	386,710	997,807
Department Total	\$ 1,518,739	\$ (300,000)	\$ 1,025,279	\$ 1,698,796
Parks, Recreation & Cultural Resources:				
General Fund	\$ 2,630,112	\$	\$ 2,387,353	\$ 2,536,955
Parks & Recreation Impact Fee Fund	543,500		90,100	334,400
Library Impact Fee Fund	153,507			
Naranja Park Fund	258,821	(250,000)		8,821
Recreation In Lieu Fee Fund	185,240		139,477	16,353
Aquatic Center Project Fund	3,350,000	1,460,000	4,600,218	42,114
Department Total	\$ 7,121,180	\$ 1,210,000	\$ 7,217,148	\$ 2,938,643

CITY/TOWN OF Oro Valley
Expenditures/Expenses by Department
Fiscal Year 2014

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2013	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2013	ACTUAL EXPENDITURES/ EXPENSES* 2013	BUDGETED EXPENDITURES/ EXPENSES 2014
Police:				
General Fund	\$ 12,667,903	\$	\$ 12,599,309	\$ 14,223,297
Seizures & Forfeitures - State Fund	467,924		175,434	525,354
Seizures & Forfeitures - Federal Fund	832,189		358,910	508,867
Police Impact Fee Fund	153,328		82,646	189,151
Impound Fee Fund	47,503		47,503	47,500
Department Total	\$ 14,168,847	\$	\$ 13,263,802	\$ 15,494,169
Water Utility:				
Oro Valley Water Utility Fund	\$ 22,619,429	\$	\$ 14,163,939	\$ 22,486,741
Alternative Water Rscs Dev Impact Fee Fund	4,334,770		2,312,919	6,899,226
Potable Water System Dev Impact Fee Fund	3,614,431		722,266	4,100,604
Department Total	\$ 30,568,630	\$	\$ 17,199,124	\$ 33,486,571

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY/TOWN OF Oro Valley
Full-Time Employees and Personnel Compensation
Fiscal Year 2014

FUND	Full-Time Equivalent (FTE) 2014	Employee Salaries and Hourly Costs 2014	Retirement Costs 2014	Healthcare Costs 2014	Other Benefit Costs 2014	Total Estimated Personnel Compensation 2014
GENERAL FUND	258.86	\$ 14,475,403	\$ 2,140,631	\$ 1,536,564	\$ 1,609,438	= \$ 19,762,036
SPECIAL REVENUE FUNDS						
Highway Fund	23.08	\$ 1,346,753	\$ 153,618	\$ 155,528	\$ 158,251	= \$ 1,814,150
Bed Tax Fund	3.00	163,817	18,904	12,267	13,424	208,412
Impound Fee Fund	0.50	20,105	2,320	359	1,630	24,414
Seizures & Forfeitures - State Fund	1.00	46,989	9,553	4,089	6,818	67,449
Seizures & Forfeitures - Federal Fund	2.00	92,167	18,737	15,631	13,248	139,783
Total Special Revenue Funds	29.58	\$ 1,669,831	\$ 203,132	\$ 187,874	\$ 193,371	= \$ 2,254,208
INTERNAL SERVICE FUNDS						
Fleet Fund	1.15	\$ 55,499	\$ 6,405	\$ 7,414	\$ 5,895	= \$ 75,213
Total Internal Service Funds	1.15	\$ 55,499	\$ 6,405	\$ 7,414	\$ 5,895	= \$ 75,213
ENTERPRISE FUNDS						
Oro Valley Water Utility Fund	37.00	\$ 2,015,457	\$ 232,584	\$ 243,880	\$ 196,543	= \$ 2,688,464
Stormwater Utility Fund	4.10	234,398	27,050	37,432	20,963	319,843
Total Enterprise Funds	41.10	\$ 2,249,855	\$ 259,634	\$ 281,312	\$ 217,506	= \$ 3,008,307
TOTAL ALL FUNDS	330.69	\$ 18,450,588	\$ 2,609,802	\$ 2,013,164	\$ 2,026,210	= \$ 25,099,764



Town of Oro Valley

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Glossary of Terms

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.

ANNUALIZED COSTS: Operating costs incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.

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 PLAN (CIP): A comprehensive five-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.

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.



Glossary of Terms

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 2010.

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.

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.



Glossary of Terms

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.

LTAF: Local Transportation Assistance Funds. This funding has been permanently eliminated. Funds were collected from Arizona state lottery proceeds and distributed to cities and towns on population basis. The funds were to be used for public transportation and transportation purposes.

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.

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.

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.

WORKLOAD INDICATORS: Indicators that determine and illustrate workload or output for a department, division or program.

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