



KNOW YOUR TOWN'S BUDGET

Town of Oro Valley | Town Manager's Recommended Budget FY 2013-14

The Town Manager's Recommended Budget for fiscal year 2013/14 is in the amount of \$93.9 million; a \$1.5 million, or 1.6% decrease from the Adopted FY 2012/13 Budget totaling \$95.4 million.

GENERAL FUND HIGHLIGHTS

The recommended General Fund budget, which serves as the main operating fund for the Town, totals \$28.3 million (excluding contingency reserves of \$9.8 million).

The General Fund is balanced (revenues exceed expenditures) resulting in a surplus of \$38,664.

The estimated year-end contingency reserve balance in the General Fund for FY 2013/14 is \$9.8 million, which equals 35% of the recommended expenditure budget, slightly above the Town's adopted policy level of 25%.

KEY REVENUE PROVISIONS

Total FY 2013/14 General Fund revenues are higher by \$1.5 million, or 5.7%, than FY 2012/13 budgeted General Fund revenues.

Total FY 2013/14 local sales taxes are \$795,000, or 6.5%, higher than FY 2012/13 budget amounts with increased revenues projected from new construction, utility sales taxes and increased retail sales activity.

License and permit revenues are \$557,000, or 60%, higher than FY 2012/13 budget amounts due to increased residential and commercial construction activity.

\$1,032,000 budgeted for transit service reimbursement from the RTA.

Overall increase of 5%, or approximately \$484,000, in state-shared revenues.

KEY EXPENDITURE PROVISIONS

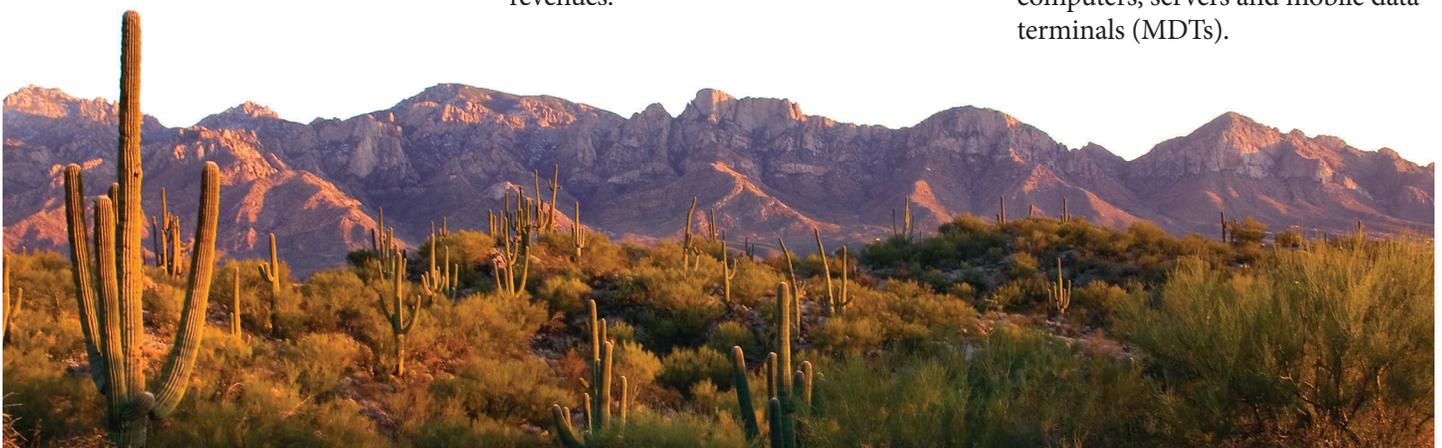
Includes funding for merit and step increases for eligible employees.

Employee health insurance premiums are programmed to remain flat for FY 2013/14.

Department operations and maintenance budgets are \$1.5 million higher, almost 27%, than adopted FY 2012/13 levels primarily attributable to the following costs:

- Fleet replacement - \$499,000
- General Plan update - \$206,500
- Fleet costs for Transit operations - \$105,000
- Increased software maintenance and licensing - \$50,000
- Salary market and community surveys - \$60,000

Technology replacement funds totaling \$186,000 are included for computers, servers and mobile data terminals (MDTs).





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How is the budget developed?

The budget development is a comprehensive process including input from Town Council, the community and staff members. Community input is sought throughout the year in addition to a community budget forum on January 17, 2013. The Town Council has an adopted Strategic Plan, and special input sessions were held with Councilmembers to seek input. Lastly, the Town departments develop a proposed budget and present it to the Town Manager. The Town Manager and the Finance Department take all of the provided information and develop the Town Manager's Recommended Budget. The Town Council then takes the recommended budget and has final approval authority.

How does the budget impact staffing levels?

As staff vacancies occur, the Town Manager and department directors evaluate whether the position needs to be filled, if it can be filled with a part-time employee, or if it can be outsourced. This type of systematic personnel evaluation has resulted in savings of approximately \$1.8 million since FY 2011/12. For FY 2013/14, more than 23 full-time equivalent (FTE) positions were eliminated from the budget, resulting in a savings of \$835,000. The Town has reduced full-time, benefitted positions to 287 in the FY 2013/14 Recommended Budget, an overall reduction of 45 full-time positions over the past five years.

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. This year we are fulfilling the commitment to step and merit pay increases for employees. The recommended budget includes \$567,000 to implement these increases for all eligible employees in FY 2013/14.

How have regional partnerships affected the budget?

The Town's successful partnership with the Regional Transportation Authority (RTA) for transit services will continue into FY 2013/14. The budget includes \$1.03 million in funding from the RTA to reimburse the Town for the provision of the expanded Sun Shuttle Dial-A-Ride transit service. Overall, the Town will provide a net subsidy of approximately \$142,000 for FY 2013/14. This will also be the first full year of our expanded partnership with the Pima County Library District. Moving the Oro Valley library to branch status will save the Town approximately \$600,000 annually.

What is the Town doing to maintain the roadways?

The Town is well known for having quality infrastructure. The budget includes \$1 million for the pavement preservation program in the Highway Fund, which maintains the current condition of our roads. Although the funding level is slightly below FY 2012/13 funding, construction bids remain low, and the amount of maintenance we expect to deliver will not allow our infrastructure to deteriorate.

How is the Bed Tax Fund being utilized?

State law restricts the use of Bed Tax Funds. The Town's decision to utilize these funds in economic development and tourism promotion is in compliance with state laws and regulations. It is estimated that the Town's 6% Bed Tax will generate approximately \$789,000 in revenues next fiscal year, which is a 0.9%, or \$7,000, increase from the current adopted budget of 782,000. Expenditures include:

- Funding for the Metropolitan Tucson Convention & Visitors Bureau and the Greater Oro Valley Chamber of Commerce.
- Transfer of \$185,000 to the General Fund, consisting of \$150,000 for the incremental increased cost of the expanded Aquatic Center, plus \$35,000 as the first of 15 annual repayments to the General Fund contingency reserves used for financing construction of the Aquatic Center.

Will Water Utility rates increase?

The proposed Water Utility budget does not include an increase in the base rate and commodity rates charged for water sales in FY 2013/14, nor does it include an increase to the Groundwater Preservation Fee (GPF) next year.