



Community Budget Forum FY 2014/15 Budget

January 16, 2014

Overview



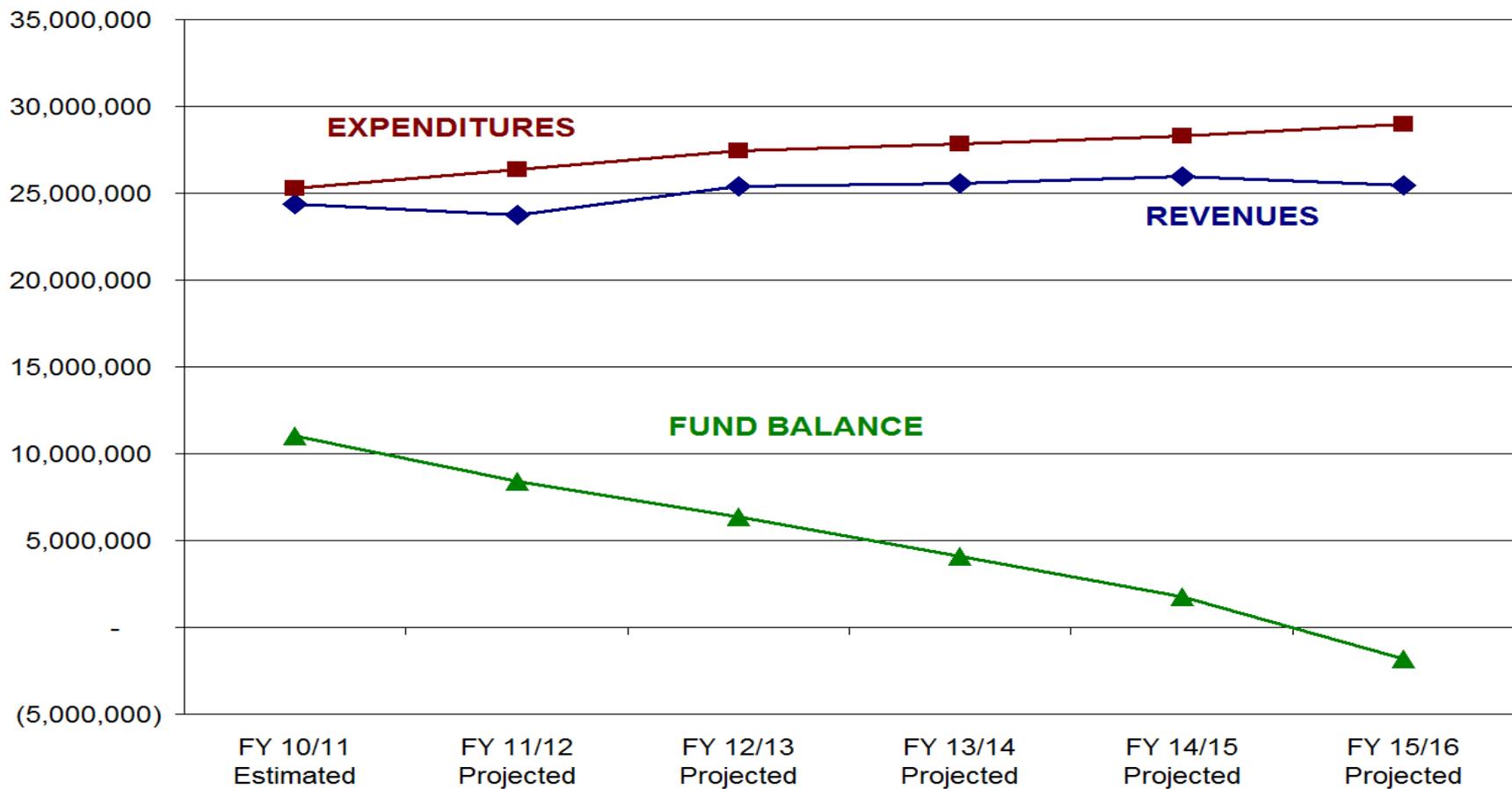
- ④ History
- ④ Budget Information (“Nuts and Bolts”)
- ④ Solicit Ideas/Suggestions
- ④ Answer Questions

General Fund – THEN

Five-Year Forecast – March 2011



**General Fund
Revenues, Expenditures and Fund Balance**

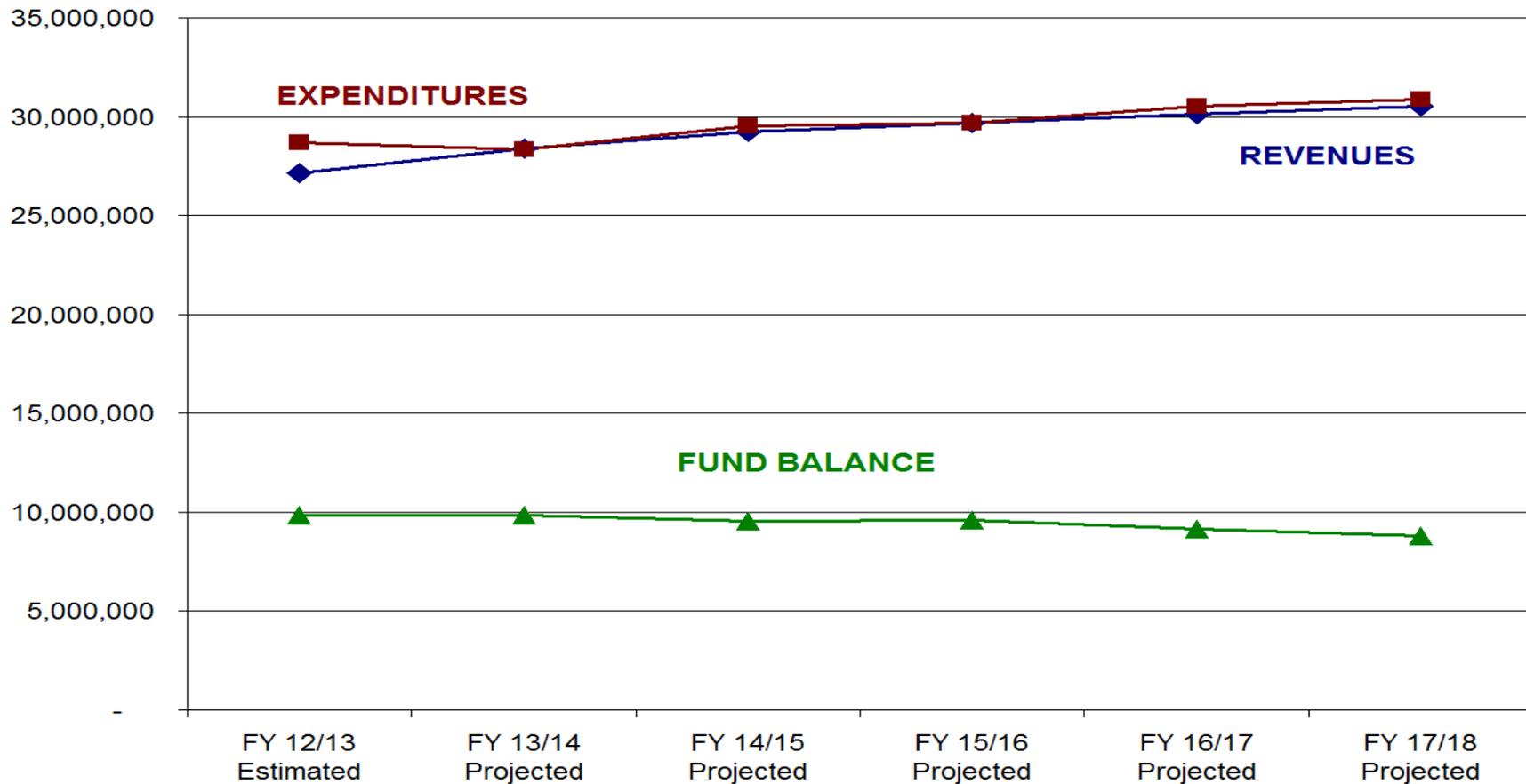


General Fund – NOW

Five-Year Forecast – May 2013



General Fund
Revenues, Expenditures and Fund Balance



Fiscal Responsibility

Major Initiatives and Accomplishments

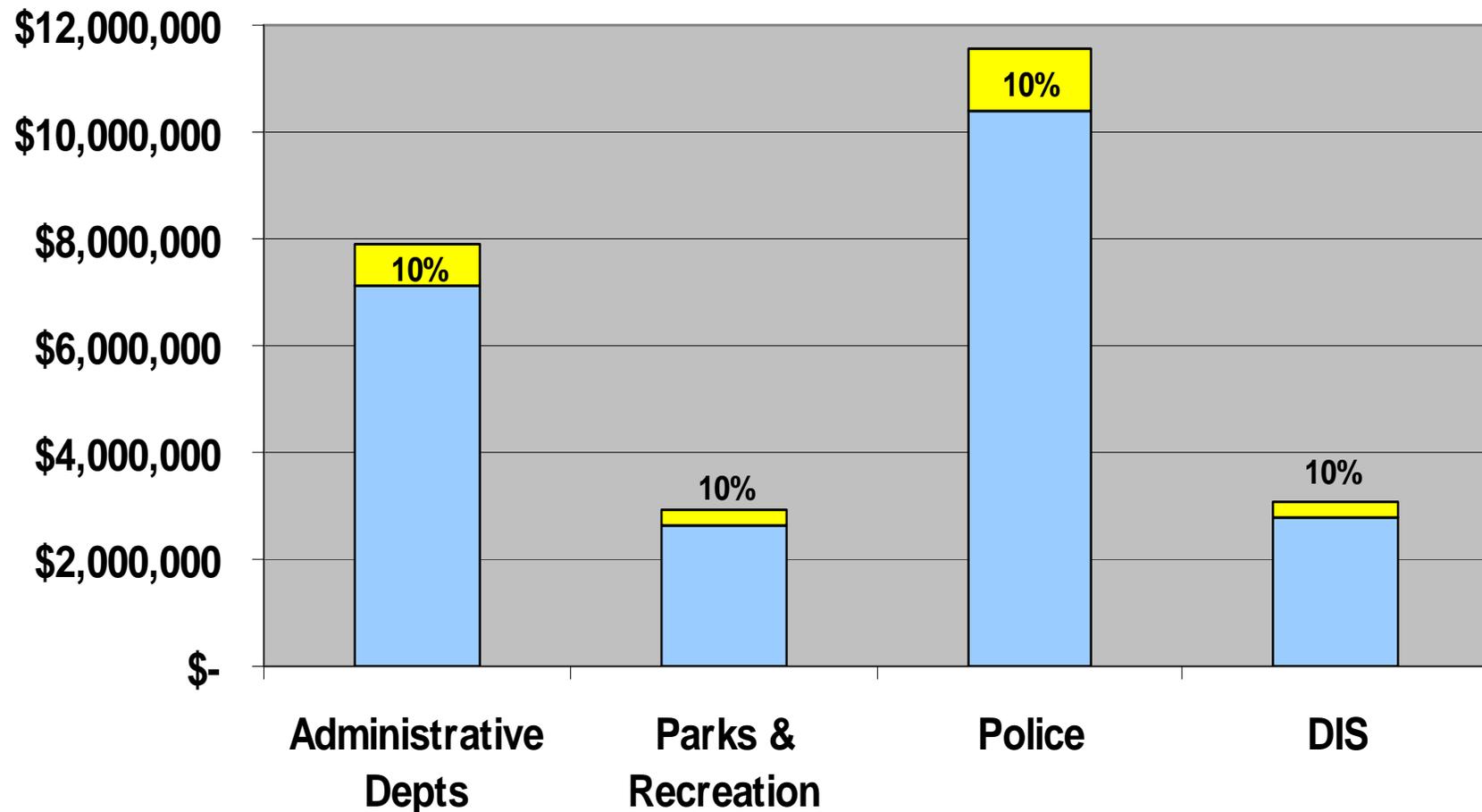


- ☉ Reduced recurring expenditures through vacancy savings (approximately \$1.8 million)
- ☉ Successfully transitioned Library Services to Pima County Library District
- ☉ Partnership with the Regional Transportation Authority (RTA) for public transit services
- ☉ Successfully annexed 107 acres known as the Oracle/Ina area
- ☉ Self-funded model for medical insurance coverage, resulting in annual savings of \$354,000
- ☉ Issued more than 200 single family residential building permits in FY 2012/13, a 388% increase over FY 2011/12
- ☉ Paid off/refinanced debt for recurring debt service savings

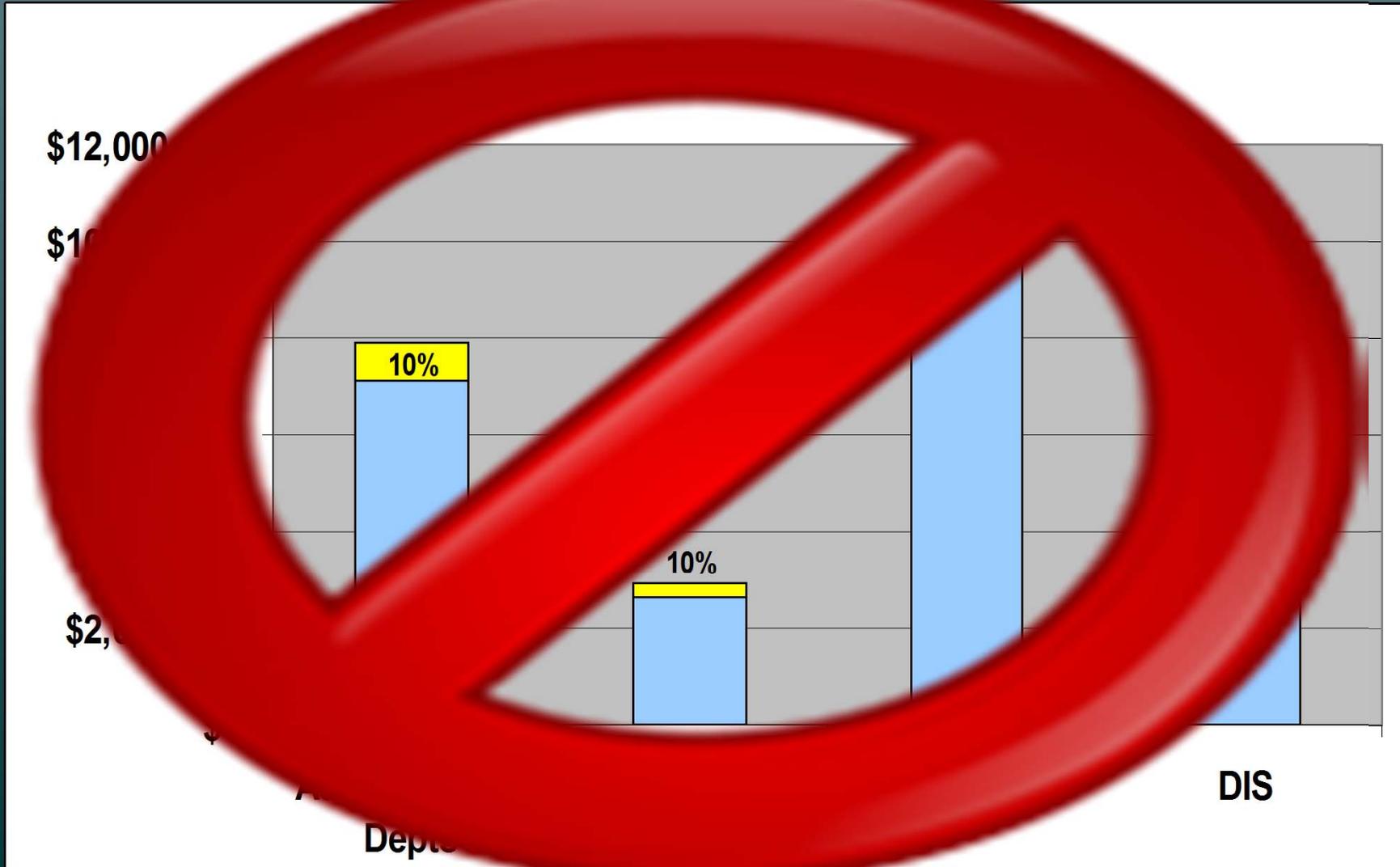
“Horizontal” Across-the-Board Cuts



FY 10/11 General Fund Budget



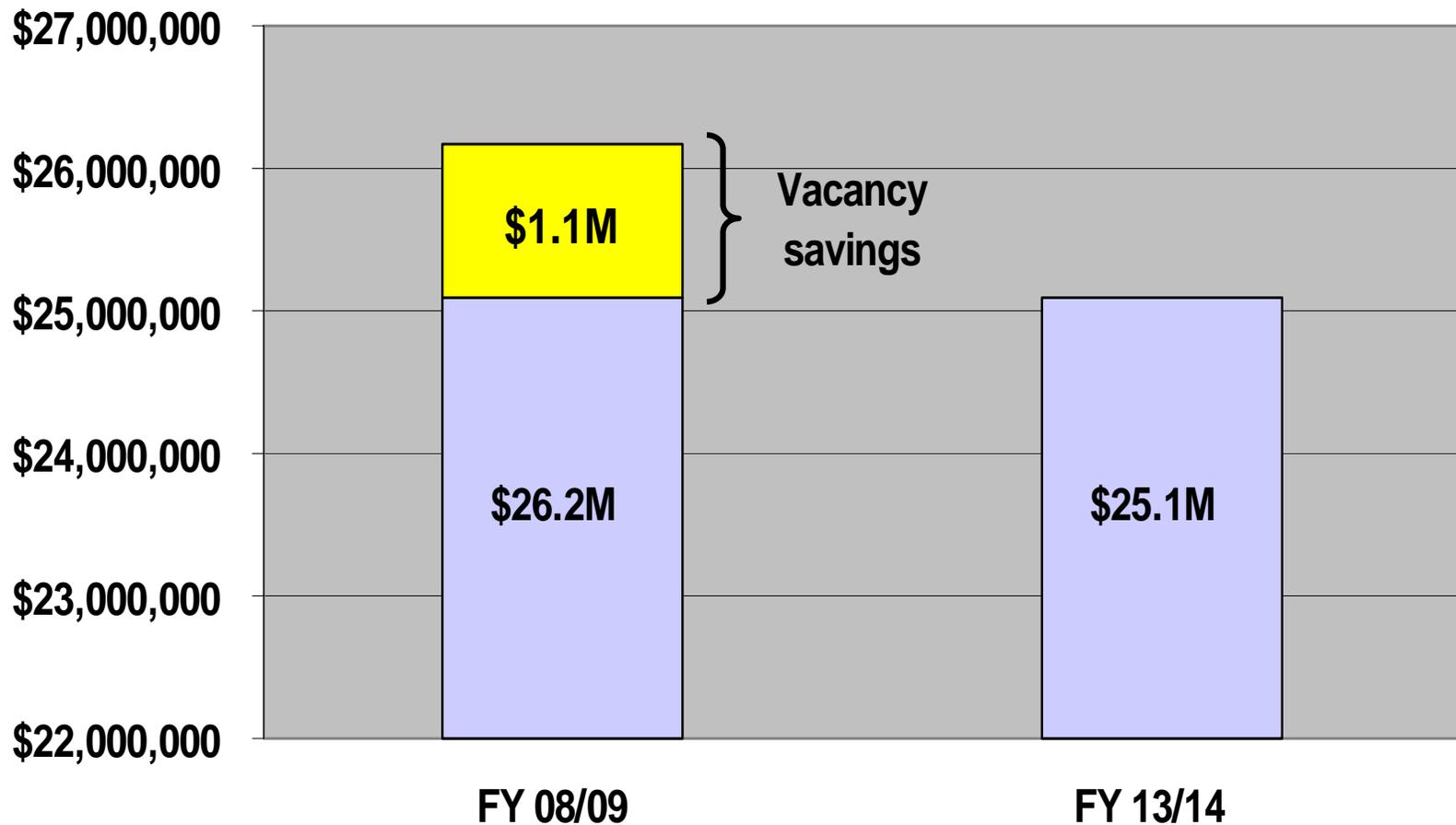
“Horizontal” Across-the-Board Cuts



“Vertical” Strategic Savings



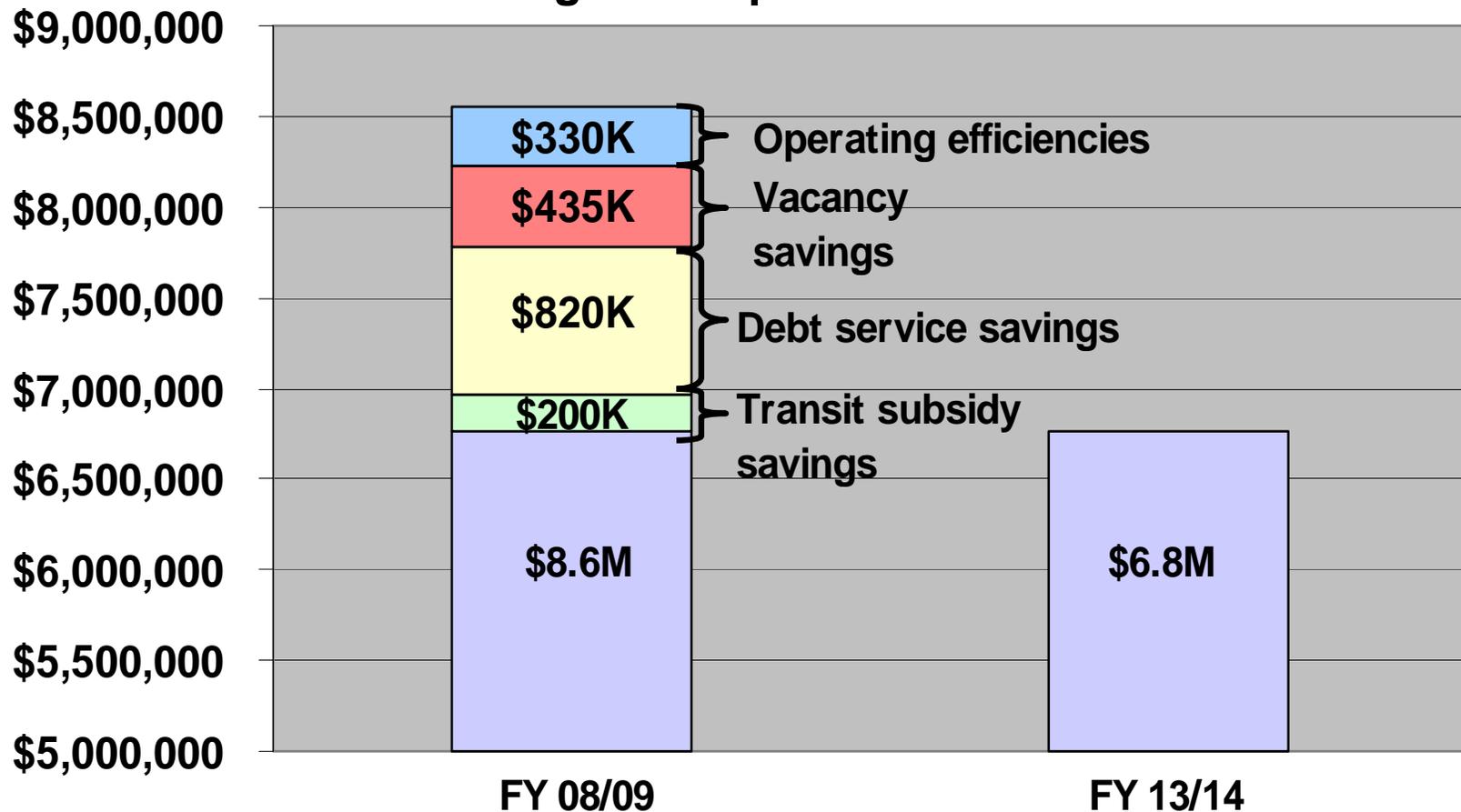
Personnel Budget (All Departments)



“Vertical” Strategic Savings



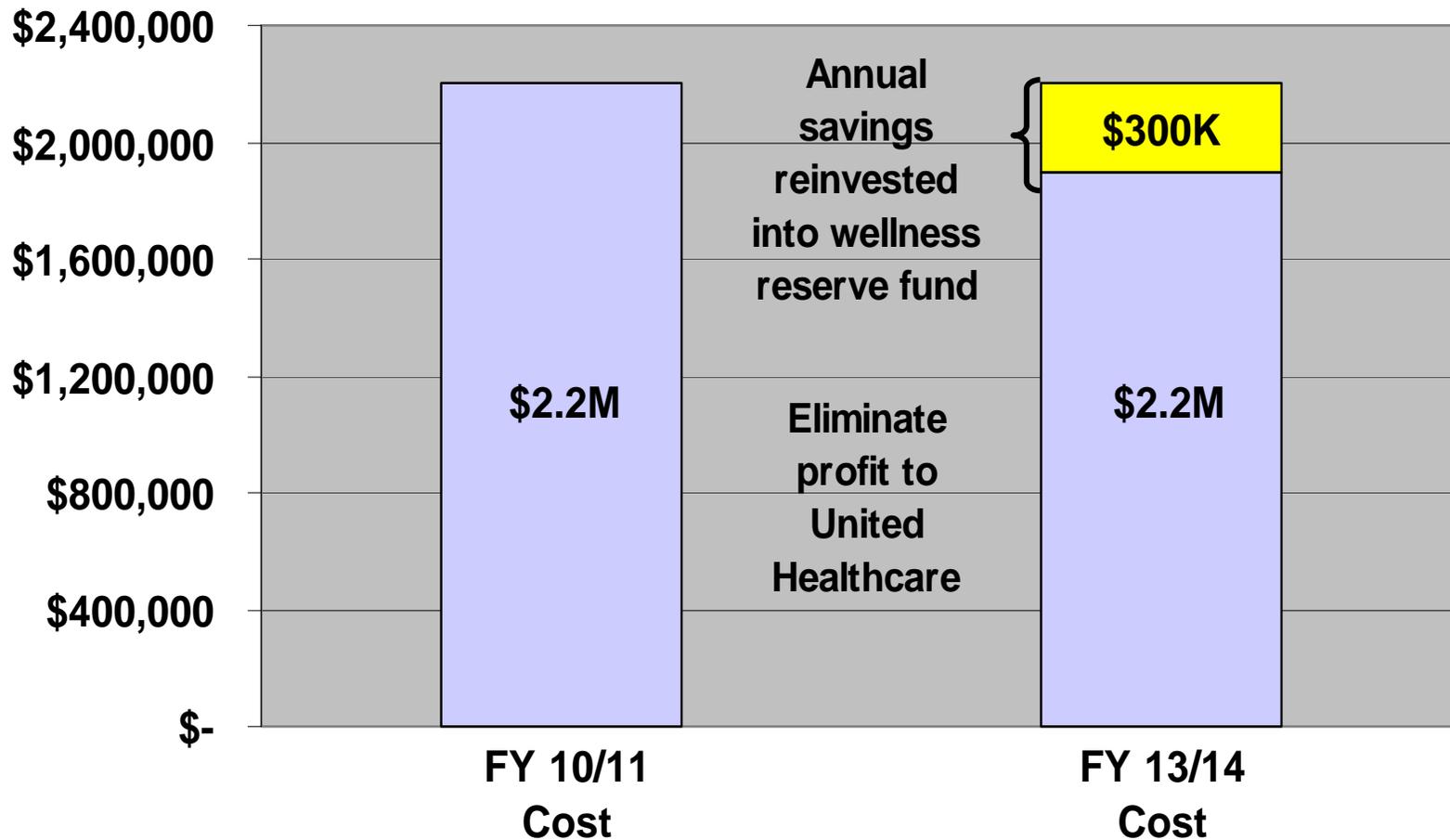
Administrative Departments Budgeted Expenditures



“Vertical” Strategic Savings



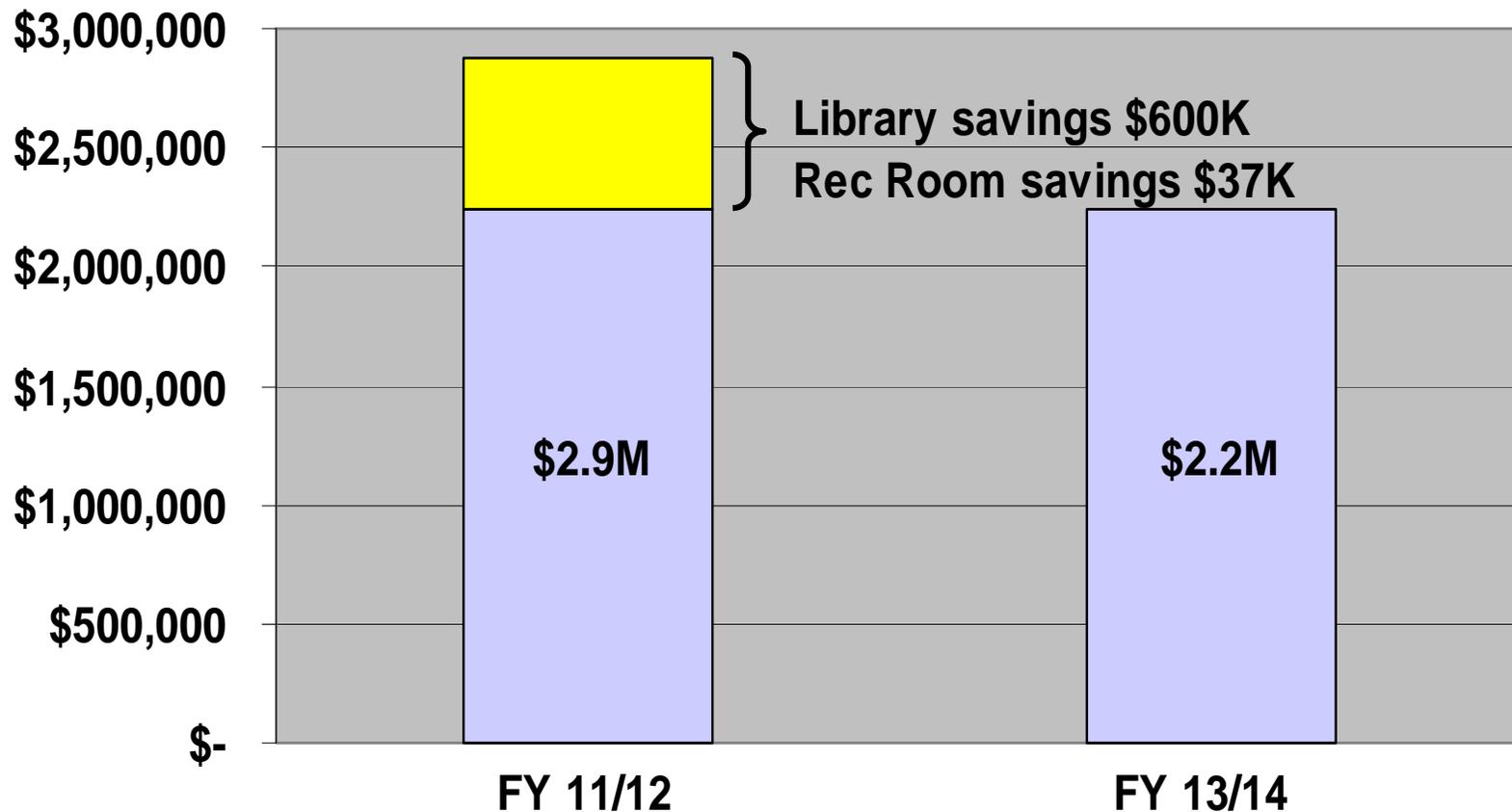
Health Insurance Self-Funding Model



“Vertical” Strategic Savings



Parks & Recreation Department Operating Budget



Oro Valley Library



☉ Library as an affiliate:

\$2.2M (library district property tax)

+\$.6M (50/50 County-shared operations - general fund)

\$2.8M Total contribution from Oro Valley residents

☉ Library as a branch:

– Town no longer spends \$600,000 annually from general fund

Oro Valley Budget Comparison



| | THEN <u>(FY 08/09)</u> | NOW <u>(FY 13/14)</u> |
|---------------------------------------|---------------------------|--------------------------|
| Total Budget | \$203M | \$94M |
| FTEs | 387 | 331 |
| Outstanding Debt | \$89.1M | \$58.5M |
| General Fund Budgeted Expenditures | \$29.9M | \$28.4M |
| General Fund Contingency Reserve | \$16.7M | \$13.1M |

Purpose of a Budget



- ☞ The Town's budget serves four main purposes, as identified by the Government Finance Officers Association (GFOA):
 - Policy Document
 - Operations Guide
 - Financial Plan
 - Communications Device

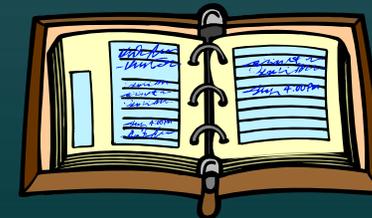
Budget Priority Guidance



**Town
Strategic
Plan**

**Voter-Approved
General Plan**

Budget



Primary Types of Funds



General Fund (primary operating fund)

Enterprise Funds (self-supported, similar to business)

- Water
- Stormwater

Capital Project Funds (restricted infrastructure project funds)

- Impact Fees

Special Revenue Funds (restricted sources of revenue)

- Highway
- Bed Tax

Internal Service Funds (services provided internally)

- Fleet Maintenance
- Benefit Self Insurance

Town of Oro Valley Annual Budget



- ☉ Fiscal Year – July 1 to June 30
- ☉ FY 2013/14 Adopted Budget = \$93.9M
– 1.6% or \$1.5M decrease from FY 2012/13
- ☉ FY 2013/14 Total Authorized Positions = 330.69 including full-time and part-time employees
– Down 14% from a peak of 387 in FY 2008/09

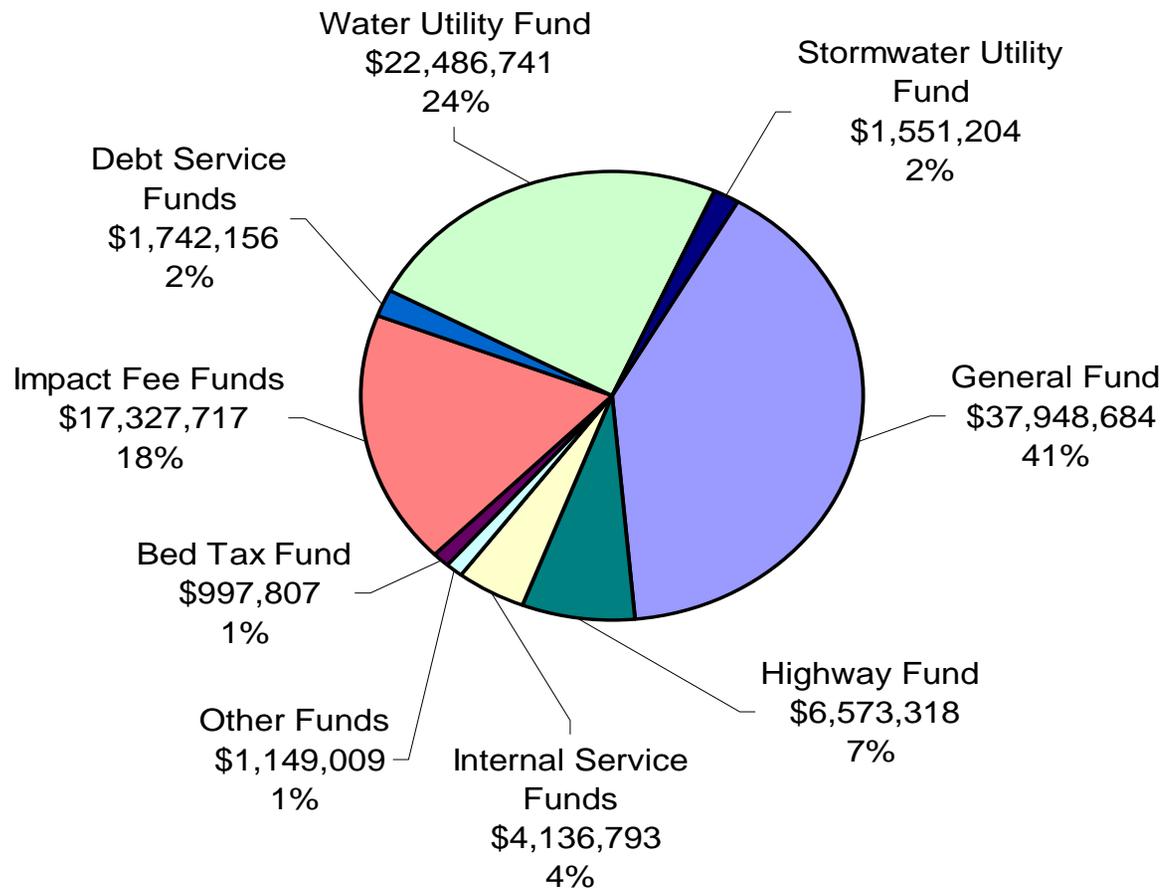
FY 2014/15 Budget Timeline



Town of Oro Valley Budget - \$93.9M

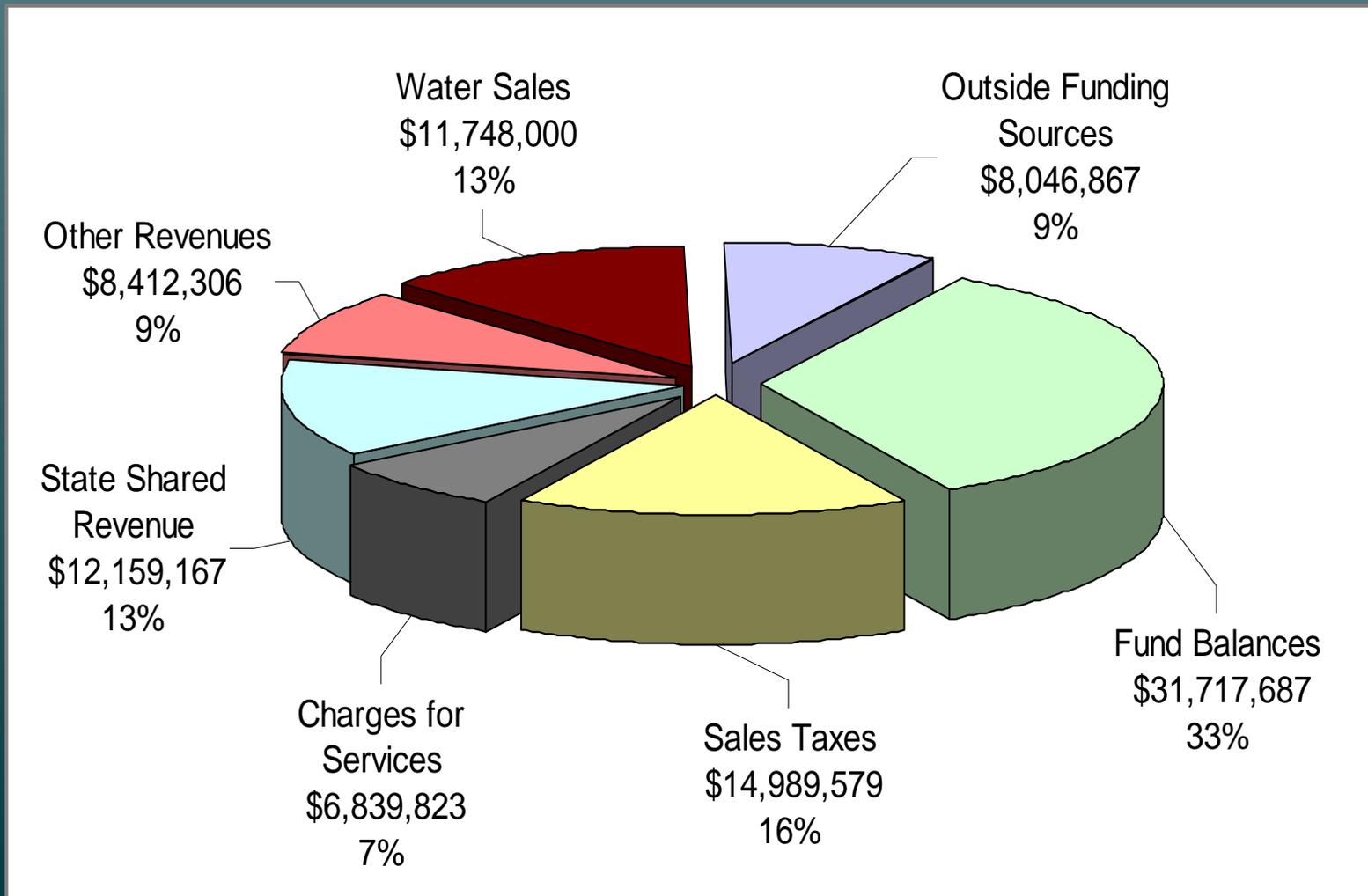


FY 2013/14 ADOPTED BUDGET BY FUND



Town of Oro Valley Budget - \$93.9M

“Where the Money Comes From”



Sales Tax – Purchase In Town



On a \$100 taxable purchase in Oro Valley:

Town of Oro Valley (\$2.00)



State of Arizona (\$5.60)



Pima County (\$.50)



Town of Oro Valley

Main Revenue Sources

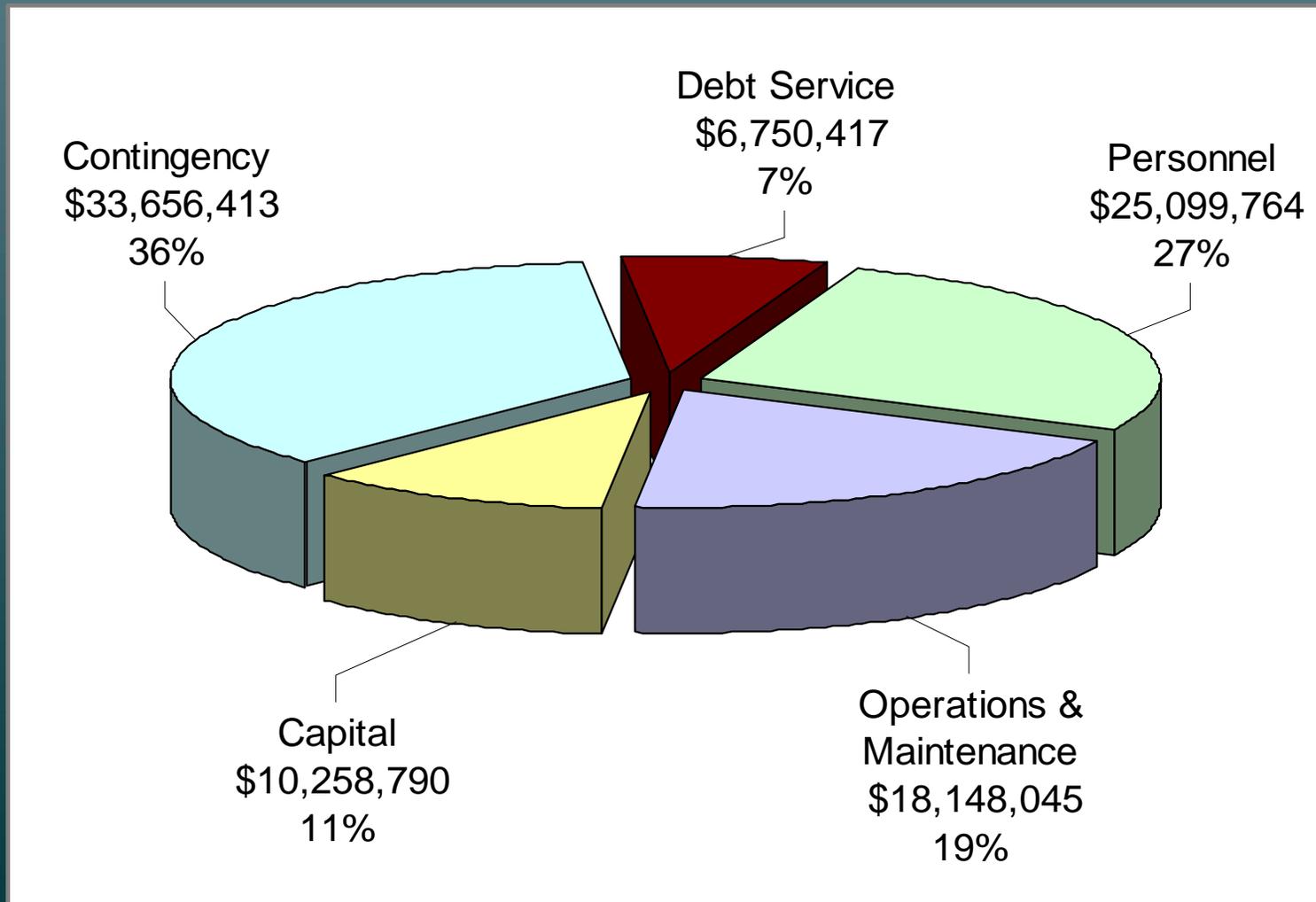


| Revenue Source | Description |
|-------------------------|---|
| Local Sales Tax | Includes retail sales tax, construction tax, hotel/motel tax, restaurant/bar tax and utility tax |
| State Sales Tax | Town receives its share of State shared sales tax (5.6%) based on population. |
| State Income Tax | Amount is based on income tax collections from two years prior to the fiscal year in which the Town receives these funds. |
| Gas Tax | Cities and towns receive 27.5% of all gas taxes. Of this 27.5%, ½ is distributed based on population, other ½ based on proportion of gas sales in County. |
| User Fees | Collected from residents for Town facilities and services including park lighting, aquatics, and recreation fees. |
| Building Permit Fees | Revenues come from residential building and commercial development. |
| Development Impact Fees | Revenues come from residential and commercial development to finance new construction or expansion of capital infrastructure. |
| Water Sales | Revenues come from the sale of water to residents and businesses. |

**** NOTE: The Town of Oro Valley DOES NOT levy a property tax**

Town of Oro Valley Budget - \$93.9M

“Where the Money Goes”



What do residents pay?



TOTAL COLLECTED (FY 13/14)

4% Utility Tax \$3.0M

2% Retail Tax \$5.0M

2% Restaurant/Bar Tax \$1.0M

\$6.0M -
Approx. 2/3
generated
from Town
residents



LOCALLY GENERATED (ESTIMATE)

\$3.0M

\$4.0M

\$7.0M

$\$7.0M \div 18,500 \text{ estimated households} = \$378/\text{household}$

- Oro Valley property owners pay over \$23 million in primary property taxes to Pima County

Budget Input



- Send comments to:
 - Town Manager Greg Caton
gcaton@orovalleyaz.gov
 - Finance Director Stacey Lemos
slemos@orovalleyaz.gov
 - Constituent Services Coordinator
Brandon Laue
blaue@orovalleyaz.gov
- Attend April 2, 2014 Town Council Meeting
- Public Hearings on May 7th and May 21st, 2014

**WANT TO
HAVE INPUT
ON THE
TOWN'S
2015
BUDGET?**





Thank you and Questions

(Adopted FY 2013/14 Budget can be found on
Town website at www.ovalleyaz.gov)