



FY 2016/17 Town Manager's Recommended Budget

April 6, 2016

Town of Oro Valley

Overview

- ▶ Budget Timeline
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- ▶ Strategic Plan Budget Focus Areas
- ▶ New Initiatives
- ▶ Financial Overview





Town of Oro Valley

FY 16/17 Budget Timeline

JANUARY
One-on-one meetings with Councilmembers to outline budget priorities

FEBRUARY
Prepare revenue estimates
CIP Committee Meeting

MARCH 7-11
Budget review with departments and Town Manager's budget team

APRIL 13 & 27
Budget Study Sessions
MAY 11
3RD Session (if desired)

JUNE 1
Public Hearing - Adoption of Final Budget

JANUARY
Employee budget forum and community outreach efforts

FEBRUARY 26
Department budget requests due to Finance

APRIL 6
Town Manager Recommended Budget delivered to Council

MAY 18
Public Hearing - Adoption of Tentative Budget



Town of Oro Valley

FY 2016/17 Town Manager's Recommended Budget

Budget Snapshot

- ▶ Recommended Budget total = \$117,368,948
- ▶ \$2.3 million, or 1.9%, decrease from Adopted FY 15/16 Budget
- ▶ Decrease is due to the following:
 - ▶ \$1 million decrease in budgeted capital due to project completions
 - ▶ Decrease in budgeted year-end contingency reserves due to planned use of balances for one-time capital projects
- ▶ General Fund surplus of \$57,000 and ending fund balance of \$10.0 million (30% of expenditures; policy is 25%)
- ▶ Second year of Community Center operations
 - ▶ Capital investment of \$596,000
 - ▶ Overall ending fund balance of \$53,000 in the Community Center Fund

Strategic Plan Budget Focus Areas

- ▶ 2015 Strategic Plan Focus Areas guided the development of the FY 2016/17 Recommended Budget
 - ▶ Fiscal Responsibility
 - ▶ Communication
 - ▶ Economic Development
 - ▶ Parks, Recreation and Cultural Development
 - ▶ Community Infrastructure and Services



Fiscal Responsibility



- ▶ Growth projections
 - ▶ 230 Single Family Residential (SFR) permits forecasted
 - ▶ Modest commercial activity and two significant larger projects
- ▶ \$57,000 General Fund surplus to increase contingency reserves
- ▶ Use of one-time revenues for one-time expenditures
- ▶ Transfer of \$1.5 million in one-time revenues from General Fund to the General Government CIP Fund for capital projects



Fiscal Responsibility (Continued)



- ▶ Management of benefit costs through health insurance cost sharing (85% Town paid, 15% employee paid), onsite health clinic and wellness programs
- ▶ Continued vehicle and computer replacement program
 - ▶ Vehicle set-aside for future replacement - \$285,000
 - ▶ Vehicle replacement - \$637,000
 - ▶ Computer, server and mobile data computer replacements - \$126,000





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Communication

- ▶ Oro Valley Vista – continued bi-monthly production
- ▶ Increased marketing and advertising budget for the Community & Recreation Center, and new website for golf, tennis and Overlook restaurant reservations
- ▶ Social media use to promote events, activities and provide general Town updates
- ▶ Coffee with a Cop, Adopt-A-Business, Citizens Police Academy programs, Coffee with the Mayor and Town Manager
- ▶ General Plan update efforts continued; expected to go before voters in November 2016

Economic Development

- ▶ Continued emphasis on
 - ▶ Tourism
 - ▶ Bioscience and high technology
 - ▶ Business attraction, retention and expansion
 - ▶ “Shop local” campaigns
- ▶ Visit Tucson funding capacity of \$250,000 (up from \$215,000 in FY 15/16)
- ▶ Oro Valley Chamber of Commerce funding of \$30,000





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Parks, Recreation and Cultural Development

- ▶ Significant capital investment budgeted for FY 16/17
 - ▶ Two new unlit multi-use (soccer) fields at Naranja Park - \$350,000; 1st year cost of 2-year project (second year cost \$380,000)
 - ▶ Community Center CIP budget - ADA improvements, family/teen area, tennis court improvements, golf course pump station improvements, golf cart path improvements – total \$596,000
 - ▶ Aquatic Center pool heater replacement - \$148,000

- ▶ Public/non-profit partnerships
 - ▶ Children's Museum Oro Valley - \$75,000
 - ▶ SAACA - \$32,550
 - ▶ Concert series
 - ▶ OV Festival of the Arts
 - ▶ Cruise, BBQ and Blues Classic Car Show



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Community Infrastructure and Services

- ▶ Three major PAG and RTA-Funded road widening projects
 - ▶ La Cholla, from Lambert to Tangerine - \$1.5M
 - ▶ Tangerine, from La Cañada to Shannon - \$2.7M
 - ▶ Lambert, from La Cañada to La Cholla - \$6.5M
- ▶ Water Utility main relocations associated with road widening projects - \$2.2 million
- ▶ Pavement preservation program - \$1.15M
- ▶ Library parking lot expansion - \$187,000; funded with library impact fees (\$37,000) and a donation from the Friends of the Oro Valley Public Library (\$150,000)
- ▶ Police evidence and substation facility - \$1.9 million
- ▶ 680 Calle Concordia facility improvements - \$50,000

New Initiatives

- ▶ Overseeding of soccer fields at Naranja and Riverfront Parks is now standard operation for the Town
 - ▶ \$50,000 budgeted in FY 16/17 for overseeding at both parks
- ▶ Changed name of Development and Infrastructure Services (DIS) Department to Community Development and Public Works (CDPW)
- ▶ Funding of \$15,000 included for video conferencing equipment to establish an “alternative to jail” program

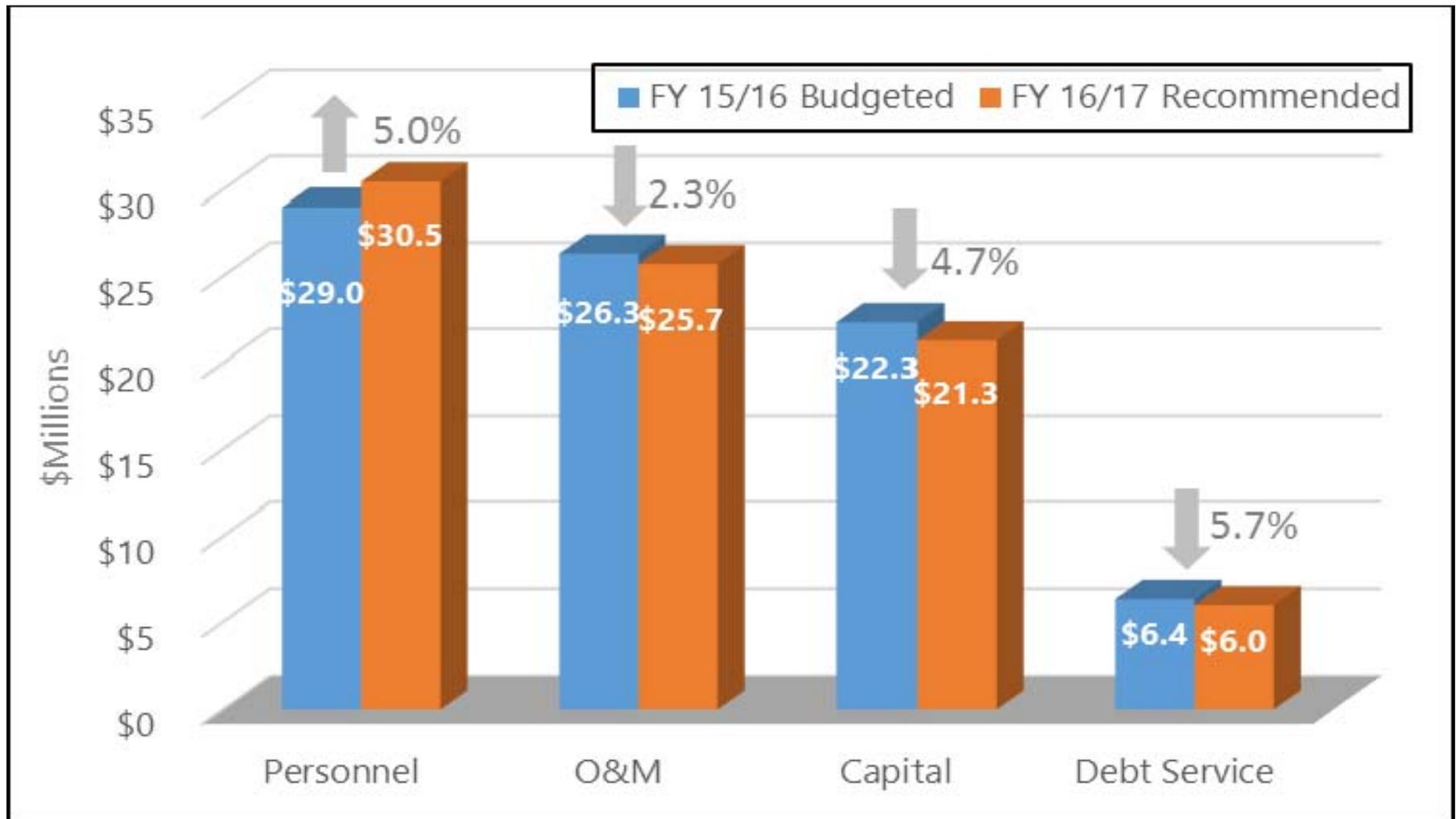




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Financial Overview

Year-over-Year Budget Comparison





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Financial Overview (Continued)

Revenue Projections

- ▶ General Fund local sales taxes \$302,000, or 2.0%, higher than FY 15/16 budget
- ▶ License and permit revenues \$149,000, or 8.4%, lower than FY 15/16 budget, reflective of projected building activity
- ▶ Increase of \$396,000, or 3.8%, in state-shared revenues
- ▶ HURF gas tax revenues \$15,000, or 0.5%, higher than FY 15/16 budget
- ▶ Bed tax revenues \$141,000, or 14.9%, higher than FY 15/16 budget, following completed renovations of a major hotel and continued growth in tourism sector



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Financial Overview (Continued)

Personnel Changes

TEMPORARY; fully reimbursed by outside funding; NO BUDGET IMPACT

- ▶ **3 FTEs** - Two new full-time construction inspectors and one new full-time construction clerk for PAG and RTA roadway projects – POSITIONS TERMINATE WHEN PROJECTS ARE COMPLETE

TEMPORARY; capital-project related; budget impact of \$171,750

- ▶ **3 FTEs** - Three new full-time heavy equipment operator II's to construct fields at Naranja Park and perform golf course cart path capital maintenance – POSITIONS TERMINATE WHEN PROJECTS ARE COMPLETE

In-house personnel replacing contracted services; NO BUDGET IMPACT

- ▶ **2 FTEs** – One new full-time Parks Maintenance Crew Leader and one new full-time Parks Maintenance Worker I replacing contracted services
- ▶ **.95 FTEs** – Two 19-hr custodians at the Community Center replacing contracted services

Capacity to address current facility needs – ALL PART-TIME; budget impact of \$26,700

- ▶ **5.14 FTEs** – Facility supervisors, facility shift leaders, facility attendants and lifeguards at Aquatic Center and Community Center (3.44 FTEs with no budget impact tied to re-opening of Community Center pool)

Re-organizations; position adjustments; net budget impact of \$3,850

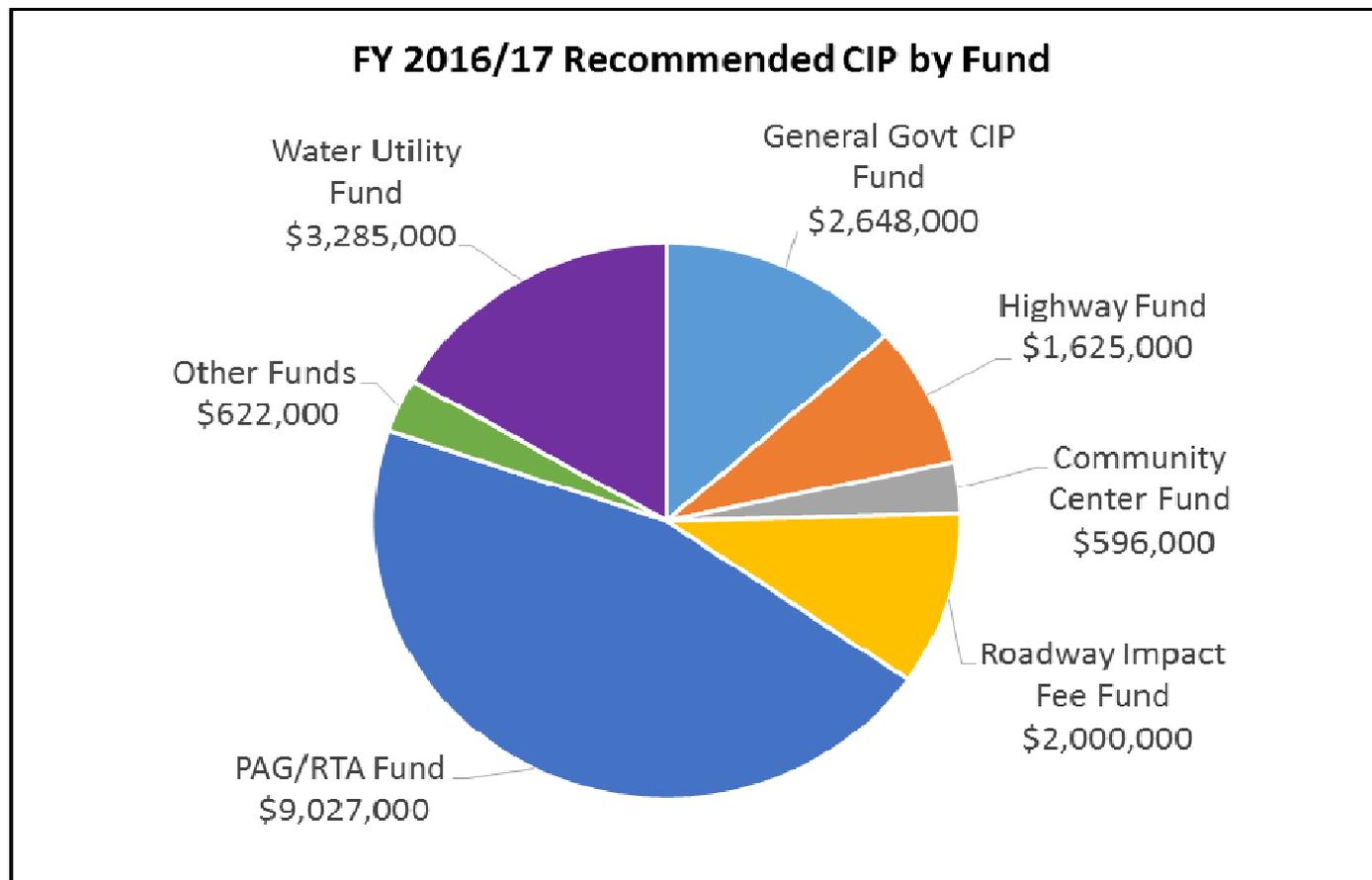
- ▶ **1.73 FTEs** – Water Utility replacing manager position with two operator positions for \$17K savings; 19-hour office assistant tied to Parks Maintenance re-org with no budget impact; Aquatic Center office assistant increase from 30-hour to 40-hour with \$21K budget impact



Financial Overview (Continued)

Capital Improvement Program (CIP)

Total CIP projects = \$19.8M Town-wide





Town of Oro Valley

Awards and Accolades

Government Finance Officers Association (GFOA)
Distinguished Budget Presentation Award – 8th
consecutive year



GFOA Certificate of Achievement for Excellence in
Financial Reporting – 22nd consecutive year



GFOA Popular Annual Financial Reporting (PAFR)
Award – 3rd consecutive year

