

**AGENDA
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
May 21, 2014
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CAÑADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

UPCOMING MEETING ANNOUNCEMENTS

COUNCIL REPORTS

- **Spotlight on Youth**

DEPARTMENT REPORTS

The Mayor and Council may consider and/or take action on the items listed below:

ORDER OF BUSINESS: MAYOR WILL REVIEW THE ORDER OF THE MEETING

INFORMATIONAL ITEMS

1. 104th Arizona Town Hall - Vice Mayor Waters Trip Report
2. Letters of Appreciation for Oro Valley Police Department

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue ***not listed on today's agenda.*** Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during “Call to Audience.” In order to speak during “Call to Audience” please specify what you wish to discuss when completing the blue speaker card.

PRESENTATIONS

1. Proclamation - Oro Valley American Legion Auxiliary Poppy Days
2. Presentation - Painting by artist Neil Myers for the Council Chambers
3. Presentation - Golder Ranch Fire District Ambulance Service
4. Presentation of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Town of Oro Valley FY 2012/13 Comprehensive Annual Financial Report (CAFR)

5. Presentation of Distinguished Budget Presentation Award from the Government Finance Officers Association for the Town of Oro Valley FY 2013/14 Adopted Budget
6. Presentation of National Procurement Institute (NPI) Achievement of Excellence in Procurement Award to the Town of Oro Valley

CONSENT AGENDA

(Consideration and/or possible action)

- A. Minutes - May 7, 2014
- B. Fiscal Year 2013/14 Financial Update through March 2014

REGULAR AGENDA

1. REVIEW AND APPROVAL TO RE-DESIGNATE A PORTION OF LAND FROM PRIVATE NATURAL AREA TO BUILDABLE AREA IN ACCORDANCE WITH THE LA RESERVE PLANNED AREA DEVELOPMENT IN THE PUSCH RIDGE SUBDIVISION LOCATED ON DELLA ROCCIA COURT IN LA RESERVE
2. PUBLIC HEARING: RESOLUTION NO. (R)14-32, APPROVING THE ADOPTION OF THE FINAL BUDGET OF THE TOWN OF ORO VALLEY FOR THE FISCAL YEAR 2014/15, INCLUDING APPROVAL OF THE 15-YEAR CAPITAL IMPROVEMENT PLAN (CIP) FROM FY 2014/15 THROUGH FY 2028/29

FUTURE AGENDA ITEMS (The Council may bring forth general topics for future meeting agendas. Council may not discuss, deliberate or take any action on the topics presented pursuant to ARS 38-431.02H)

CALL TO AUDIENCE – At this time, any member of the public is allowed to address the Mayor and Town Council on any issue *not listed on today's agenda*. Pursuant to the Arizona Open Meeting Law, individual Council Members may ask Town Staff to review the matter, ask that the matter be placed on a future agenda, or respond to criticism made by speakers. However, the Mayor and Council may not discuss or take legal action on matters raised during "Call to Audience." In order to speak during "Call to Audience" please specify what you wish to discuss when completing the blue speaker card.

ADJOURNMENT

POSTED: 5/14/14 at 5:00 p.m. by mrs

When possible, a packet of agenda materials as listed above is available for public inspection at least 24 hours prior to the Council meeting in the office of the Town Clerk between the hours of 8:00 a.m. – 5:00p.m.

The Town of Oro Valley complies with the Americans with Disabilities Act (ADA). If any person with a disability needs any type of accommodation, please notify the Town Clerk's Office at least five days prior to the Council meeting at 229-4700.

INSTRUCTIONS TO SPEAKERS

Members of the public have the right to speak during any posted public hearing. However, those items not listed as a public hearing are for consideration and action by the Town Council during the course of their business meeting. Members of the public may be allowed to speak on these topics at the discretion of the Chair.

If you wish to address the Town Council on any item(s) on this agenda, please complete a speaker card located on the Agenda table at the back of the room and give it to the Town Clerk. **Please indicate on the speaker card which item number and topic you wish to speak on, or if you wish to speak during “Call to Audience”, please specify what you wish to discuss when completing the blue speaker card.**

Please step forward to the podium when the Mayor announces the item(s) on the agenda which you are interested in addressing.

1. For the record, please state your name and whether or not you are a Town resident.
2. Speak only on the issue currently being discussed by Council. Please organize your speech, you will only be allowed to address the Council once regarding the topic being discussed.
3. Please limit your comments to 3 minutes.
4. During “Call to Audience” you may address the Council on any issue you wish.
5. Any member of the public speaking must speak in a courteous and respectful manner to those present.

Thank you for your cooperation.



Town Council Regular Session

Item # 1.

Meeting Date: 05/21/2014

Submitted By: Arinda Asper, Town Manager's Office

Information

Subject

104th Arizona Town Hall - Vice Mayor Waters Trip Report

Attachments

[104th Arizona Town Hall - Waters Trip Report](#)



Office of the Mayor & Town Council

Trip Report

Purpose: 104th Arizona Town Hall
Date: April 27 – 30, 2014
Location: Reid Park Doubletree Hotel
Tucson, AZ
Attendee: Vice Mayor Lou Waters

Summary:

The 104th Arizona Town Hall was held from April 27 – 30, 2014 in Tucson, Arizona. The theme of this town hall was “Arizona’s Vulnerable Populations.”

The event was attended by over 110 prominent citizens, leaders and stakeholders from cities and towns across Arizona. Highlights of the town hall included: two day panel discussions to create a draft report; plenary session to review the draft report and create a final report; panel presentations; and session speakers.

The entire agenda and list of participants for the event is attached. Complete materials on the 104th Arizona Town Hall are available for review at their website, <http://aztownhall.org>.

Report submitted to the Town Clerk on May 1, 2014.

Lou Waters
Vice Mayor

Caring for our heritage, our community, our future.

www.orovalleyaz.gov
11000 N. La Cañada Drive • Oro Valley, Arizona 85737
phone: (520) 229-4700 • fax: (520) 297-0428



104th ARIZONA TOWN HALL
“ARIZONA’S VULNERABLE POPULATIONS”
TUCSON, ARIZONA
APRIL 27-30, 2014

SUNDAY, APRIL 27

3:00 p.m. – 6:00 p.m.	Registration
6:00 p.m. – 7:00 p.m.	Social hour
7:00 p.m.	Opening Dinner & Orientation Scott Rhodes, Board Chair, and Tara Jackson, President

MONDAY, APRIL 28

7:00 a.m. – 8:00 a.m.	Breakfast Buffet Key Facts You Need to Know: Panel presentation by authors of the 104 th Arizona Town Hall Background Report
8:30 a.m. – Noon	Panel Discussions (all participants)
12:30 p.m. – 2:00 p.m.	Luncheon Speaker Ida Rademacher , Vice President for Programs, Corporation for Enterprise Development
2:30 p.m. – 5:00 p.m.	Continuation of panel discussions
6:00 p.m. – 7:00 p.m.	Social hour
7:00 p.m.	Dinner Speaker Erin Currier , Director of the Economic Mobility Project, The Pew Charitable Trusts

TUESDAY, APRIL 29

8:00 a.m. – 11:00 a.m.	Continuation of panel discussions
11:30 a.m. – 1:30 p.m.	Luncheon Presentation by the Arizona Town Hall Board Members with musical performance by local Tucson artists
2:00 p.m. – 5:00 p.m.	Continuation of panel discussions
6:30 p.m. – 8:00 p.m.	Buffet Dinner and special recognition of student participants

WEDNESDAY, APRIL 30

6:45 a.m. – 8:15 a.m.	Individual panel caucuses
8:30 a.m. to approx. 12:30 p.m.	Plenary Session
	Adjournment

**Town Hall Participants and Observers
104th Arizona Town Hall
“Arizona’s Vulnerable Populations”**

**Tucson, Arizona
April 27-30, 2014**

Adam, Karen S.: Presiding Judge, Pima County Juvenile Court, Tucson

Apperson, James (Jim): Assistant Director, DES Employment & Rehabilitation Services, Phoenix

Arenivas, Marisol: Director of Residential & Student Life, Cochise College, Douglas

Bia, Johnson: President, Pima Community College Desert Campus, Tucson

Black, Luke: Equal Voices Facillitator, Arizona Community Action Assoc., Phoenix

Boyce, Charlie: Vice President of Community Impact, Valley of the Sun United Way, Phoenix

Bridge, Pamela: Managing Attorney, Community Legal Services, Phoenix

Caballero, Montserrat: Program Coordinator, Pima County Health Department, Tucson

Calabrese, Kathleen (Kathy): Director, Good Neighbor Alliance, Hereford

Calhoun, Gwen: Councilmember, City of Sierra Vista

Campbell, Wally: Councilmember, City of Goodyear

Carpenter, Fred C.: Councilmember, Town of Payson

Chestnut, Steve: Superintendent, Maricopa Unified School District, Maricopa

Chiang, Catherine L. (Cathy): Energy Delivery Senior Analyst, Arizona Public Service, Phoenix

Clark, Mark: President & CEO, Pima Council on Aging, Tucson

Coil, Madeleine R.: President & CEO, United Way, Yuma

Cook, Holly J.: Campaign Assistant, The Lukemia & Lymphoma Society; Student, Paradise Valley Community College, Phoenix

Cramer, Amelia: Chief Deputy County Attorney, Pima County, Tucson

Cubillos, Herminia (Hermi): Executive Director, Job Path, Tucson

De La Torre, Carlos E.: Student, Cochise College, Douglas

de Queljoe, Susan: Senior Associate, Girl Scouts Arizona Cactus-Pine Council, Phoenix

Donley, Kelli: Project Manager, Arizona Department of Health Services, Phoenix

Dorman, James L. (Jim): Senior Pastor, Christ’s Church of Flagstaff, Flagstaff

Duvall, Debra (Deb): Executive Director, Arizona School Administrators, Phoenix

Eigenbrodt, Glenn Michael (Michael): President & CEO, Solcial Services, Interagency Council, Lake Havasu City

Estrada, Lisa: Intergovernmental Affairs Coordinator, City of Peoria

Everhart, Lisa: Community Development Officer, Wells Fargo, Phoenix

Fellenz, Shawna K.: Program Operations Manager, Chandler Christian Community Center, Chandler

Fidlin, Billie K.: Director of Outreach & Justice, Desert Southwest Council UMC, Phoenix

Fitzgerald, Phillip: Adminstrative Director of Adult Acute Care Services, Yuma Regional Medical Center, Yuma

Galbraith, Debra: Town Manager, Town of Payson

Gonzales, Steven R.: President, Gateway Community College, Phoenix

Grady, Harvey: President & CEO, Cornucopia Community Advocates, Sedona

Gray, Rachel C.: Council Member, City of Sierra Vista

Grier, Mary M.: Assistant City Attorney, City of Phoenix **Report Chair**

Grugel, Kirk: Court Appointed Special Advocates Director, Navajo County, Holbrook

Harmon, Dorothee: Program Director, Pima County Community Services, Tucson

Harvey, Tiffany: Student Services Manager, Glendale Community College, Glendale

Headington, Machele: Vice President, Communications & Marketing, Yuma Regional Medical Center, Yuma

Hernandez, Jazmin: Student, Cochise College, Douglas

Herold, Richard H. (Rick): Partner, Snell & Wilmer, Phoenix

Hicks, Wendell: Executive Director, Southern Arizona AIDS Foundation, Tucson

Higuera, David: Director, Children's Action Alliance of Southern Arizona, Tucson

Huhn, Susie: CEO, Casa de los Ninos, Tucson

Huntwork, Patience: Staff Attorney, Arizona Supreme Court, Phoenix

Hutchinson, Tom: Executive Vice President of Programs, A New Leaf, Glendale

Jackson, Becky: President & CEO, ICAN, Chandler

Johnson, Aimee: Student, Chandler Gilbert Community College, Chandler

Just, Michelle: President & CEO, Beatitudes Campus, Phoenix

Kajfez, Laura: Human Relations Manager, Tempe Community Council, Tempe

Kardinal, Royce: Councilmember, Town of Wickenburg

Kirschner, Leonard J. (Len): Past President, AARP Arizona, Litchfield Park **Panel Chair**

Koppell, Jonathan: Dean, College of Public Programs; Director, School of Public Affairs, Arizona State University, Phoenix

Kucharski, Patricia: Director of Administration, Mesch Clark & Rothschild PC, Tucson

Leslie, Misty: City Attorney, City of Surprise

Mabie, J. Clinton (Clint): President & CEO, Community Foundation for Southern Arizona, Tucson

Martinez, David III: Advocacy & Outreach Specialist, St. Mary's Food Bank, Phoenix

Martinez, Donna: Support Specialist, Pima Community College District Office, Tucson

Mattson, Kathryn D.: Director, Individual & Small Group SalesBlue Cross Blue Shield of Arizona, Phoenix

May, Catherine: Senior Historical Analyst, Salt River Project, Phoenix

Mellon, Shelley: President, R. L. Jones Insurance, Yuma

Mendelson, Evan: Executive Director, David & Lura Lovell Foundations, Tucson

Millay, Xiomara: Page, Arizona House of Representatives; Student, South Mountain Community College, Phoenix

Minton, Rachel: Program Director, Arizona Agency on Aging, Wickenburg

Miraben, George W.: Principal, Miraben Consulting; Ret. Senior Vice President & CAO, Illinova Corp.; Former Chair, Arizona Town Hall, Tucson **Panel Chair**

Mitchell, Mary L.: Volunteer Services Manager, Recruitment & Inner Leadership, Girl Scouts Arizona Cactus-Pine Council, Phoenix

Moore, Ronald: President, Inter Tribal Council of Arizona Inc. Area Agency on Aging, Phoenix

Moore, John: CAO & CFO, Marc Community Resources, Inc., Mesa

Morgan, Helen J. (Jeanie): President, Havasu Community Health Foundation, Lake Havasu City

Morrison, Richard: Attorney, Salmon, Lewis & Weldon , PLC, Gilbert

Nash, Steve: Executive Director, Tucson Osteopathic Medical Foundation, Tucson

Newsom, Darlene: CEO, UMOM New Day Centers, Inc., Phoenix

Nicholls-Joyner, Suzanne M.: Attorney, Byrne & Benesch P.C., Yuma **Recorder**

Norris, Patricia K. (Pat): Judge, Arizona Court of Appeals, Phoenix **Panel Chair**

Olivas, Alberto: Director, MCCCDCenter for Civic Participation, Tempe

Orion, Patrick: Student, Paradise Valley Community College, Phoenix

Oxley, Laura: Communication Director, Arizona Department of Health Services, Phoenix

Peck, Hank: CFP, Partner, TCI Wealth Advisors, Inc., Tucson **Panel Chair**

Petersen, Charles D.: Program Director, Foundation for Senior Living, Wickenburg

Plante, Christina: Neighborhood Services Coordinator, City of Goodyear

Pringle, Roy: Chief Operating Officer, St. Luke's Health Initiatives, Phoenix

Proctor, Michael (Mike): Vice President, Global Initiatives, University of Arizona, Tucson

Raymond, Francine: Student, El Rio Learning Center - Pima College, Tucson

Reardon, Thomas: Councilmember, City of Sierra Vista

Regner, Janet: Director, Coconino County Community Services Department, Flagstaff

Resparto, Wendy Y.: Student, Glendale Community College, Glendale

Rhodes, James Scott (Scott): Chairman, Jennings Strouss & Salmon PLC, Phoenix **Plenary Chair**

Rogers, James K.: Attorney, Osborn Maledon PA, Phoenix **Recorder**

Rosales, Richard: Relationship Manager, Arizona Public Service, Case Grande

Rosborough, Carl: Center Director, Fred G. Acosta Job Corps Center, Tucson

Rose, Genny: Executive Director, LeadingAge Arizona, Phoenix

Saelens, Karen: Executive Director, UnitedHealthcare Community Plan, Phoenix

Saville, Steve: Executive Director, Flagstaff Family Food Center, Flagstaff

Sawyer, Anne M.: Co-Founder & Head of School, Imago Dei Middle School, Tucson

Schwabenlender, Amy: Vice President of Community Impact, Valley of the Sun United Way, Phoenix

Simonson, Scott S.: Attorney, Quarles & Brady LLP, Tucson **Recorder**

Spencer, Carol: Executive Director, AZTransfer, Tempe

Stauffer, Betty: Executive Director, Literacy Connects, Tucson

Stemmler, Margaret (Peggy): Principal, Stemmler & Associates, Phoenix

Stokes, Ted F.: Associate Attorney, Goodman Law PLLC, Phoenix **Recorder**

Strandberg, Shawn: Administrator of Community Support Programs, Yuma Regional Medical Center, Yuma

Strephans, Ursula: COO, Central Arizona Shelter Services, Phoenix

Targovnik, Nina R.: Senior Staff Attorney, Community Legal Services, Phoenix

Taylor, Yvonne D.: Chief Programs Officer, Arizona Coalition to End Sexual & Domestic Violence, Phoenix

Temme, Bonnie: Community Relations Program Manager, Salt River Project, Phoenix

Trujillo, Alexis: AmeriCorps Member, American Red Cross, Phoenix

Urquidez, Francisco: Student, El Rio Learning Center - Pima College, Tucson

Voit, William G. (Will): Attorney, Lewis, Roca & Rothgerber, Phoenix **Report Chair**

Wales, Steven E. (Steve): Clinical Supervisor & Educator, Phoenix Interfaith Counseling, Phoenix

Waters, Lou: Vice Mayor, Town of Oro Valley

Watts, Cecilia: General Services Director, Town of Chino Valley, Chino Valley

Whitesinger, Dawnafe: Supervisor of District V, Board of Supervisors - Navajo County, Pinetop

Whittington, Gina: Human Services Director, Western Arizona Council of Governments, Yuma

Wieters, Melissa: Chief Philanthropy Officer, Community Food Bank, Tucson

Witts, Tracie: Parish Administrator, Gilbert

Yazzie-Akutagawa, Tiffany: Independent Living Program Specialist, Inter Tribal Council of Arizona, Inc. Area Agency on Aging, Phoenix

OBSERVERS

Garcia, Joseph C. (Joe): Director of Latino Public Policy Center / Director of Communication, Morrison Institute for Public Policy - Arizona State University, Phoenix

Kitagawa, Kathleen (Kathy): Owner/Consultant, KAK Compensation Services, LLC, Tucson

Morado, Alonzo: Community Engagement Coordinator, Primavera Foundation, Tucson

Taylor, Jacki: CEO, Save the Family, Mesa



Town Council Regular Session

Item # 2.

Meeting Date: 05/21/2014

Submitted By: Catherine Hendrix, Police Department

Information

Subject

Letters of Appreciation for Oro Valley Police Department

Attachments

[Wood Appreciation Letter](#)

Tuesday, April 22, 2014

TO: Oro Valley Police Dept.

Subject: Commendable action by Officer, B. Carr

On Monday morning, April 21, 2014, I drove my Buick LaSabre to the Michelin Service Agent on Magee and Oracle, to request further repair. I had paid over \$2300.00 on the previous Saturday for multiple recommended repairs and as I drove it home on Saturday the motor was missing and running erratically. As yet, the manager had not appeared for work and the serviceman could not agree to further repair until the manager evaluated the situation.

When the manager arrived I was still in the car outside in the service driveway. He was very aggressive and disagreed with my assessment, reached in the car, pushed and physically assaulted me, and took my car keys. He angrily demanded a cash payment instead of accepting the check that I had given on Saturday to his repairman. This resulted in an ugly outburst between us.

To avoid further confrontation I got out of my car and went to the adjacent McDonald's restaurant. I called my home to request assistance. In the meantime the Michelin business manager moved my car into their shop.

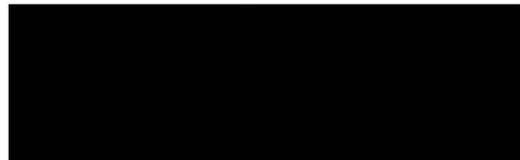
Apparently the shop called for police assistance. In a few minutes I was called by a policeman standing at the McDonald's doorway, asking for me by name. Officer Carr identified himself and we discussed the incident. He was exceptionally courteous and patient and seemed to understand my frustration with the unsatisfactory repair and confiscation of my car.

Soon thereafter he called for further advice from his Oro Valley supervisor who soon appeared on the scene.

I surely commend Office Carr's action to come up with a solution satisfactory to all parties. I commend the Oro Valley Police Department for their obvious training to deal with such conflicts on the spot.

Respectfully yours,


Charles B Wood





Town Council Regular Session

Item # 1.

Meeting Date: 05/21/2014
Proclamation - Poppy Days

Information

Subject

Proclamation - Oro Valley American Legion Auxiliary Poppy Days

Summary

Attachments

Proclamation

Office of the Mayor
Oro Valley, Arizona
Proclamation

**THE ORO VALLEY AMERICAN LEGION AUXILIARY POPPY DAYS
May 23 – 25, 2014**

WHEREAS, the American Legion Auxiliary, established in 1919 by an act of Congress, is the world's largest patriotic service organization of women with 800,000 members; and

WHEREAS, the members of the American Legion Auxiliary are dedicated to upholding the ideals of freedom and democracy, while working to make a difference in the lives of fellow Americans; and

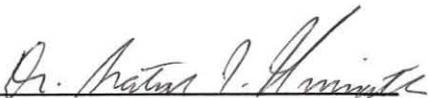
WHEREAS, the members of American Legion Auxiliary Oro Valley Unit 132 understand the sacrifice members of our Armed Forces have made to preserve the freedom for all Americans; and

WHEREAS, the observance of Memorial Day provides an opportunity to honor our fallen heroes by wearing a red American Legion Auxiliary "remembrance" poppy as a symbol of the price of war and the sacrifice of so many.

NOW, THEREFORE, I, Dr. Satish Hiremath, Mayor of the Town of Oro Valley, Arizona do hereby proclaim May 23rd through May 25th, as the **ORO VALLEY AMERICAN LEGION AUXILIARY POPPY DAYS** and, in conjunction with the observance of Poppy Days, urge everyone to support the Oro Valley American Legion Auxiliary Unit by wearing a red remembrance poppy this Memorial Day weekend.

Dated this 21st day of May, 2014

ATTEST:


Dr. Satish I. Hiremath, Mayor


Julie K. Bower, Town Clerk





Town Council Regular Session

Item # 2.

Meeting Date: 05/21/2014
Presentation - Painting for Council Chambers

Information

Subject

Presentation - Painting by artist Neil Myers for the Council Chambers

Summary



Town Council Regular Session

Item # 3.

Meeting Date: 05/21/2014

Presentation - Golder Ranch Fire District

Information

Subject

Presentation - Golder Ranch Fire District Ambulance Service

Summary



Town Council Regular Session

Item # **4.**

Meeting Date: 05/21/2014

Presentation of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award

Information

Subject

Presentation of Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the Town of Oro Valley FY 2012/13 Comprehensive Annual Financial Report (CAFR)

Summary

The Certificate of Achievement for Excellence in Financial Reporting has been awarded to the Town of Oro Valley by the Government Finance Officers Association (GFOA) for its FY 2012/13 Comprehensive Annual Financial Report (CAFR). This is the 20th consecutive year that the Town has received this honor.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to receive this award, the Town had to satisfy a set of stringent, nationally recognized guidelines for effective financial reporting. The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

This award will be presented to Mary Rallis, CPA, Accounting Supervisor in the Finance Department. Without her knowledge, skill and dedication, this award recognition would not be possible.



Town Council Regular Session

Item # **5.**

Meeting Date: 05/21/2014

Presentation of Distinguished Budget Presentation Award from the Government Finance Officers Association

Information

Subject

Presentation of Distinguished Budget Presentation Award from the Government Finance Officers Association for the Town of Oro Valley FY 2013/14 Adopted Budget

Summary

For the 6th consecutive year, the Town of Oro Valley has been recognized nationally with receiving the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). This award is the highest form of recognition in governmental budgeting and represents a significant achievement by the Town of Oro Valley.

In order to receive the budget award, the Town had to satisfy a set of stringent, nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the Town's budget serves as the following:

- A policy document
- A financial plan
- An operations guide, and
- A communications device

This award is the direct result of the hard work, dedication and commitment of Wendy Gomez, Management and Budget Analyst, in the Finance Department.



Town Council Regular Session

Item # **6.**

Meeting Date: 05/21/2014

Presentation of National Procurement Institute (NPI) Achievement of Excellence in Procurement Award to the Town of Oro Valley

Information

Subject

Presentation of National Procurement Institute (NPI) Achievement of Excellence in Procurement Award to the Town of Oro Valley

Summary

For the 6th year in a row, Oro Valley's Procurement Division, headed by Brian Garrity, Procurement Administrator, has received national recognition. The National Procurement Institute (NPI) has honored the Town with its Achievement of Excellence in Procurement (AEP) Award.

The AEP award is sponsored by every major public procurement association in the country and is recognized as the benchmark of excellence in the profession. This award is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized criteria designed to measure innovation, professionalism, productivity, e-procurement and leadership attributes of the procurement organization.

The Town of Oro Valley is 1 of only 16 government agencies in Arizona and 1 of only 58 cities in the United States to receive this award. In addition, Mr. Garrity proudly represents the Town of Oro Valley in his service on the Board of Directors of the National Procurement Institute.



Town Council Regular Session

Item # A.

Meeting Date: 05/21/2014

Requested by: Julie Bower **Submitted By:** Michelle Stine, Town Clerk's Office

Department: Town Clerk's Office

Information

SUBJECT:

Minutes - May 7, 2014

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

N/A

BACKGROUND OR DETAILED INFORMATION:

N/A

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve, approve with the following changes) the May 7, 2014 minutes.

Attachments

5/7/14 Draft Minutes

**MINUTES
ORO VALLEY TOWN COUNCIL
REGULAR SESSION
May 7, 2014
ORO VALLEY COUNCIL CHAMBERS
11000 N. LA CANADA DRIVE**

REGULAR SESSION AT OR AFTER 6:00 PM

CALL TO ORDER

Mayor Hiremath called the meeting to order at 6:00 p.m.

ROLL CALL

PRESENT:

Satish Hiremath, Mayor
Lou Waters, Vice Mayor
Brendan Burns, Councilmember
Bill Garner, Councilmember (attended by phone)
Joe Hornat, Councilmember
Mary Snider, Councilmember
Mike Zinkin, Councilmember

PLEDGE OF ALLEGIANCE

Mayor Hiremath led the audience in the Pledge of Allegiance.

UPCOMING MEETING ANNOUNCEMENTS

Communications Administrator Misti Nowak announced the upcoming Town meetings and events.

COUNCIL REPORTS

Councilmember Snider attended the Arizona State University and Tucson Advisory Council.

Mayor Hiremath recognized the winners of the K - 12 "Life in Oro Valley" student art, photo and multimedia contest.

DEPARTMENT REPORTS

Town Clerk Julie Bower announced that new artwork was on display in the Council Chambers by artist Paul Hopman.

Development and Infrastructure Services Director, Paul Keelser, announced the Naranja Road Widening Safety Improvement Project Open House would be held on May 28 from 6:00 to 8:00 p.m. in the Town Council Chambers.

Town Manager Greg Caton gave an update on the Naranja Park developments.

ORDER OF BUSINESS

Mayor Hiremath reviewed the order of business and stated that the order would stand as posted.

INFORMATIONAL ITEMS

1. Letter of Appreciation - Town Clerk's Office
2. Letters of Appreciation - Oro Valley Police Department
3. FY 2013-14 3rd Quarter Public Safety Providers Reports
4. Trip Report for CM Hornat & VM Waters - 2nd Binational Economic Forum

CALL TO AUDIENCE

Pima County Peace Officer Terry Parish spoke in support of the Oro Valley Police Department regarding published statements made by certain Councilmembers.

Oro Valley resident Henry Sheetz spoke in support of the Oro Valley Police Department regarding published statements made by certain Councilmembers.

Oro Valley resident and Board Member for the Greater Oro Valley Chamber of Commerce (GOVCC), Alan Dankwerth, spoke about the GOVCC Board objectives for their one, three and five year strategic plan.

Oro Valley resident Matt McCarty spoke in support of the Oro Valley Police Department.

Oro Valley resident and President of the Oro Valley Police Officer's Association, Marshall Morris, spoke on concerns he had regarding published statements made by certain Councilmembers directed at the Oro Valley Police department.

Oro Valley resident and Oro Valley Police Sergeant, Carmen Trevizo, voiced her concerns regarding published statements made by certain Councilmembers about the Oro Valley Police department.

PRESENTATIONS

1. Certificates of Appreciation to outgoing members of the Youth Advisory Council

Councilmember Snider spoke regarding the outgoing senior members of the Youth Advisory Council.

Assistant to the Town Manager and Staff Advisor for the Youth Advisory Council (YAC), Chris Cornelison, spoke regarding the Youth Advisory Council.

Mayor Hiremath and Councilmember Snider presented certificates of appreciation to the following outgoing YAC members:

Gabrielle Fritz
Andrew Felix
Tristan Schrader
Colin Eischeid
Adam Contrades
Joyce Cao

2. Proclamation and Video Presentation - Public Service Recognition Week

Town Manager Greg Caton introduced a video in recognition of Public Service Week.

Mayor Hiremath proclaimed May 6-12, 2014 as Public Service Recognition week.

3. Proclamation - Building Safety Month

Mayor Hiremath proclaimed the month of May, 2014 as Building Safety Month and encouraged all citizens to participate in building safety month activities.

CONSENT AGENDA

Vice Mayor Waters requested that item (C) be removed from the Consent Agenda for discussion.

Councilmember Garner requested that item (E) be removed from the Consent Agenda for discussion.

- A. Minutes - April 9, April 16, and April 23, 2014
- B. Greater Oro Valley Chamber of Commerce Quarterly Report: January 1, 2014 - March 31, 2014
- D. Appointments to the Conceptual Design Review Board (CDRB)

- F. Resolution No. (R)14-28, authorizing and approving an intergovernmental agreement (IGA) between the Town of Oro Valley and the Pima County Recorder to provide election services for the August 26, 2014, Primary Election and the November 4, 2014, General Election
- G. Resolution No. (R)14-29, accepting an Equestrian Trail Easement from Logan's Crossings Homeowners Association for the southwest corner of Lot 19 in Saddle Valley II in the southern most corner of Common Area B, as depicted in Exhibit "B" and access Saddlehorn Drive, as depicted in Exhibit "C"
- H. Resolution No. (R)14-30, authorizing and approving the vacation of the roadway crossing Saddlehorn Drive at the at the northwesterly corner of Lot 29 and through Common Area B, as described in Exhibits "A" and "B"

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve Consent Agenda items (A), (B), (D), (F)-(H).

MOTION carried, 7-0.

C. Visit Tucson Quarterly Report: January 1, 2014 - March 31, 2014

Vice Mayor Waters requested that Brent DeRaad, President and CEO of Visit Tucson, speak regarding the Town's association with Visit Tucson.

Mr. DeRaad gave an overview of the different ways Visit Tucson had impacted the Town of Oro Valley.

Discussion ensued amongst Council and staff regarding Visit Tucson.

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Burns to approve the Visit Tucson Quarterly Report: January 1, 2014 - March 31, 2014.

MOTION carried, 7-0.

E. Approval of the 2014-2015 Employee Healthcare Insurance Premium Rates and Health Savings Account Contribution Changes

Councilmember Garner asked for clarification regarding the "Proposed" verses "Know Your Numbers" premium rates.

Human Resource Director Ron Corbin gave clarification for the "Proposed" and "Know Your Numbers" premium rates.

MOTION: A motion was made by Councilmember Garner and seconded by Councilmember Zinkin to approve the recommended premium rates and health savings contributions as presented.

MOTION carried, 7-0.

REGULAR AGENDA

1. DISCUSSION AND DIRECTION TO THE APPLICANT, NUEVA ESPANA HOME OWNERS ASSOCIATION (HOA), AND STAFF REGARDING THE RIGHT-OF-WAY DEDICATION FOR CALLE CORDOBESA FROM PRIVATE TO PUBLIC STREET

Development and Infrastructure Services Director Paul Keesler gave an overview of the Nueva Espana right-of-way dedication for Calle Cordobesa from a private to public street.

Nueva Espana Homeowners Association President, Larry Bagley, spoke regarding the proposed right-of-way dedication for Calle Cordobesa.

Discussion ensued amongst Council and Mr. Bagley regarding the proposed right-of-way dedication for Calle Cordobesa.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to deny the applicant's request to accept Calle Cordobesa into the public street network as public domain.

MOTION failed, 2-5 with Mayor Hiremath, Vice Mayor Waters, Councilmember Burns, Councilmember Hornat, and Councilmember Snider opposed.

MOTION: A motion was made by Councilmember Snider and seconded by Councilmember Hornat to approve directing the applicant and staff to satisfy the Conditions of Approval for acceptance of Calle Cordobesa into the public street network as public domain and return the item for formal acceptance at a later Council meeting.

MOTION carried, 5-2 with Councilmember Garner and Councilmember Zinkin opposed.

2. YOUR VOICE, OUR FUTURE PROJECT UPDATE AND REQUEST TO ENDORSE THE DRAFT VISION AND GUIDING PRINCIPLES

Town Manager Greg Caton introduced Bayer Vella as the Interim Planner Director.

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to suspend the rules to allow for public comments on agenda item #2.

MOTION carried, 7-0.

Interim Planner Director Bayer Vella spoke regarding the Your Voice Our Future outreach surveys.

Jan Gordley, President of the Gordley Group, gave an overview of the Your Voice Our Future community outreach that included the following:

- Moving Forward
- Media Coverage & Publicity
- Community Events
- Online Participation
- Phone Survey

Bruce Fohr, President of FMR Associates, discussed the following topics:

- Survey Participants
- Survey Methods
- Survey Results

Bayer Vella gave an overview of the proposed Draft Vision & Guiding Principles that included the following:

- Oro Valley's Draft Vision
- Draft Guiding Principles

Councilmember Zinkin spoke regarding item #2.

The Following individuals spoke on item #2:

Oro Valley resident Helen Dankwerth
Oro Valley resident Bill Adler
Oro Valley resident Dick Eggerding

MOTION: A motion was made by Vice Mayor Waters and seconded by Councilmember Snider to endorse the Your Voice, Our Future Vision and Guiding Principles as written in Exhibit A.

MOTION carried, 7-0.

3. PRESENTATION OF FIVE-YEAR FINANCIAL FORECAST THROUGH FY 2018/19

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to suspend the rules to allow for public comments on agenda item #3.

MOTION failed, 3-4 with Mayor Hiremath, Vice Mayor Waters, Councilmember Hornat, and Councilmember Snider opposed.

Finance Director Stacey Lemos gave an overview of the Five-Year Financial Forecast through FY 2018/19 that included the following:

- General Fund Revenues
- General Fund Expenditures
- General Fund Ongoing Revenues/Expenditures
- General Fund One-time Revenues/Expenditures
- Highway Fund Revenues
- Highway Fund
- Bed Tax Fund

Discussion ensued amongst Council and staff regarding the Five-Year Financial Forecast through FY 2018/19.

Mayor Hiremath recessed the meeting at 8:09 p.m.

Mayor Hiremath reconvened the meeting at 8:15 p.m.

4. PUBLIC HEARING: RESOLUTION NO. (R)14-31, ADOPTION OF THE TENTATIVE BUDGET FOR FY 2014/15 AND SETTING THE LOCAL ALTERNATIVE EXPENDITURE LIMITATION FOR FY 2014/15

Town Manager Greg Caton gave an overview of the Tentative Budget for FY 2014/15 that included the following:

- FY 2014/15 Budget Timeline
- Budget Priority Guidance
- FY 2014/15 Budget Core Themes
- Development Impact on Town Services

Finance Director Stacey Lemos gave an overview of the FY 2014/15 Budget that included the following:

- FY 2014/15 Budget by Fund - \$107.1M
- FY 2014/15 Revenue Sources - \$107.1M
- FY 2014/15 Expenditure Categories \$107.1M
- Revenue Categories FY 2013/14 to FY 2014/15
- Personnel Budget Comparison
- Fund Balance Reserves
- General Fund Authorized Use of Reserves
- FY 2014/15 General Fund Overview

- FY 2014/15 Capital Improvement Program (CIP)
- Final Notes and Next Steps

Discussion ensued amongst Council and staff regarding the proposed budget for FY 2014/15 and setting the Local Alternative Expenditure Limitation for FY 2014/15.

Mayor Hiremath opened the public hearing.

The following individuals spoke on item #4:

Oro Valley resident John Musolf
Oro Valley resident Bill Adler

Mayor Hiremath closed the public hearing.

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to approve Resolution No. (R)14-31, adopting the Tentative Budget for fiscal year 2014/15 and setting the local alternative expenditure limitation for fiscal year 2014/15 at \$107,084,938.

MOTION carried, 4-3 with Councilmember Burns, Councilmember Garner, and Councilmember Zinkin opposed.

5. DISCUSSION AND POSSIBLE DIRECTION TO AMEND THE TOWN COUNCIL PARLIAMENTARY RULES AND PROCEDURES REGARDING THE APPOINTMENT PROCESS FOR BOARDS AND COMMISSIONS

MOTION: A motion was made by Councilmember Zinkin and seconded by Councilmember Garner to suspend the rules to allow for public comments on agenda item #5.

MOTION failed, 3-4 with Mayor Hiremath, Vice Mayor Waters, Councilmember Hornat, and Councilmember Snider opposed.

Councilmember Zinkin spoke regarding amending the Town Council parliamentary rules and procedures, regarding the appointment process for Boards and Commissions.

Discussion ensued amongst Council and staff regarding the appointment process for Board and Commissions.

MOTION: A motion was made by Mayor Hiremath and seconded by Councilmember Zinkin to direct staff to make changes to the existing Town Council Parliamentary Rules, keeping the spirit of the document intact and cleaning up the language to reflect the existing Parliamentary Rules without changing the rules itself.

MOTION carried, 5-2 with Councilmember Hornat and Councilmember Snider opposed.

FUTURE AGENDA ITEMS

No future agenda items were requested.

CALL TO AUDIENCE

No comments were received.

ADJOURNMENT

MOTION: A motion was made by Councilmember Snider and seconded by Vice Mayor Waters to adjourn the meeting at 9:40 p.m.

MOTION carried, 7-0.

Prepared by:

Michelle Stine
Senior Office Specialist

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular session of the Town of Oro Valley Council of Oro Valley, Arizona held on the 7th day of May 2014. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this _____ day of _____, 2014.

Julie K. Bower, MMC
Town Clerk



Town Council Regular Session

Item # **B.**

Meeting Date: 05/21/2014

Requested by: Stacey Lemos

Submitted By: Wendy Gomez, Finance

Department: Finance

Information

SUBJECT:

Fiscal Year 2013/14 Financial Update through March 2014

RECOMMENDATION:

This item is for information only.

EXECUTIVE SUMMARY:

In the General Fund (see attachment A), revenues collected through March totaled \$22.0 million or 77.6% of the budget amount of \$28.4 million. Year-to-date expenditures through March totaled \$20.9 million or 69.8% of the budget amount of \$30.0 million.

In the Highway Fund (see attachment B), revenues collected through March totaled \$3.1 million or 81.2% of the budget amount of \$3.8 million. Year-to-date expenditures through March totaled \$2.0 million or 54.8% of the budget amount of \$3.7 million.

In the Bed Tax Fund (see attachment C), revenues collected through March totaled \$599,389 or 75.6% of the budget amount of \$793,000. Year-to-date expenditures through March totaled \$887,256 or 68.7% of the budget amount of \$1,292,000.

BACKGROUND OR DETAILED INFORMATION:

GENERAL FUND

Attachment A shows General Fund revenues and expenditures through March, as well as year-end estimates for each category. The estimated year-end projections in the General Fund are as follows:

Revenues	\$29,378,925
<u>Less:</u>	
Expenditures	(\$29,708,324) (A)
<u>Less:</u>	
Approved Use of Contingency Reserves	(\$ 2,100,000) **
Est. Decrease in Fund Balance	(\$ 2,429,399)

(A) Includes Council-approved Naranja Park improvements of \$1.6 million from the General Fund

** Council-approved payment to Tucson Electric Power for undergrounding of utility lines

General Fund Revenues

- Local sales tax collections in the General Fund total \$10.2 million or 77.5% of the budget amount of \$13.1 million. Sales tax collections in the General Fund are estimated to come in over budget by approximately \$571,000 or 4.4%, due to higher than anticipated construction activity and retail collections across several business activities and industry groups.
- License and Permit revenues are estimated to come in over budget by approximately \$478,000 or 32.0%, due to higher than anticipated residential and commercial building permit fees, as well as grading permit fees.
- Charges for Services revenues are estimated to come in over budget by approximately \$170,000 or 11.8%, due primarily to zoning & subdivision fees, Aquatic Center revenue, and grading review fees.
- Interest Income revenue is estimated to come in over budget by \$27,725 or 44.5%, based on observed actuals through March.

Staff will continue to monitor revenue collections and may adjust the year-end estimates based on actual trends.

General Fund Expenditures

- Expenditures are estimated to come in under budget by approximately \$270,000 or 0.9%. This is due primarily to budgeted grant capacity that will not be utilized, as well as department operations & maintenance savings. Note that these figures are estimates and are subject to change.
- The General Fund expenditures reflect the Council-approved authorization to use \$1,403,000 in General Fund contingency reserves and \$197,000 in Council-designated reserves to fund the Naranja Park improvements. This total amount of \$1.6 million is included as a transfer out to the Naranja Park Fund in the Expenditures section of Attachment A.

HIGHWAY FUND

Highway Fund Revenues

- Construction tax revenues in the Highway Fund total \$1,026,901 or 95.3% of the budget amount of \$1.1 million. Construction tax revenues in the Highway Fund are estimated to come in over budget by \$141,623 or 13.1%, due to higher than anticipated construction activity.
- State shared highway user funds total \$1,891,809 or 75.7% of the budget amount of \$2.5 million and are expected to come in on budget at year-end.

Highway Fund Expenditures

- Expenditures are estimated to come in under budget by \$75,696 or 2.0%, due to projected vacancy savings. Note that these savings are estimates and are subject to change.

BED TAX FUND

Bed Tax Revenues

- Bed tax revenues total \$594,388 or 75.3% of the budget amount of \$789,000 and are expected to come in over budget by \$78,898, or 10.0%, based on observed collections through March.

Bed Tax Fund Expenditures

- Expenditures are estimated to come in under budget by \$7,356 or 0.6%, due to projected vacancy savings. Note that these savings are estimates and are subject to change.
- The Bed Tax Fund expenditures reflect the Council-authorized use of Bed Tax Fund contingency

reserves of \$400,000 to fund the Naranja Park improvements. This amount is included as a transfer out to the Naranja Park Fund in the Expenditures section of Attachment C.

Please see Attachments A, B, and C for additional details on the General Fund, Highway Fund and Bed Tax Fund. See Attachment D for a fiscal year-to-date consolidated summary of all Town Funds.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

This item is for information only.

Attachments

Attachment A - Gen Fund

Attachment B - HW Fund

Attachment C - Bed Tax Fund

Attachment D - Summary All Funds



General Fund

% Budget Completion through March --- 75%

	Actuals thru 3/2014	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
REVENUES:					
LOCAL SALES TAX	10,166,382	13,123,382	77.5%	13,694,864	4.4%
LICENSES & PERMITS	1,747,807	1,493,455	117.0%	1,971,000	32.0%
FEDERAL GRANTS	464,341	576,490	80.5%	594,354	3.1%
STATE GRANTS	838,307	1,509,700	55.5%	1,226,590	-18.8%
STATE/COUNTY SHARED	7,293,297	9,659,167	75.5%	9,659,167	0.0%
OTHER INTERGOVERNMENTAL	17,492	30,000	58.3%	25,000	-16.7%
CHARGES FOR SERVICES	1,224,341	1,443,437	84.8%	1,613,150	11.8%
FINES	134,522	190,000	70.8%	180,000	-5.3%
INTEREST INCOME	67,276	62,275	108.0%	90,000	44.5%
MISCELLANEOUS	80,364	114,000	70.5%	139,800	22.6%
TRANSFERS IN	-	185,000	0.0%	185,000	0.0%
TOTAL REVENUES	22,034,128	28,386,906	77.6%	29,378,925	3.5%

	Actuals thru 3/2014	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
EXPENDITURES:					
COUNCIL	163,268	225,853	72.3%	225,853	0.0%
CLERK	235,648	345,118	68.3%	345,118	0.0%
MANAGER	470,275	700,989	67.1%	691,219	-1.4%
HUMAN RESOURCES	347,037	523,821	66.3%	472,182	-9.9%
FINANCE	459,184	709,242	64.7%	674,820	-4.9%
INFORMATION TECHNOLOGY	861,079	1,542,173	55.8%	1,542,173	0.0%
GENERAL ADMINISTRATION	1,215,300	1,810,729	67.1%	1,780,729	-1.7%
LEGAL	459,800	804,344	57.2%	729,344	-9.3%
COURT	522,469	761,430	68.6%	747,123	-1.9%
DEV & INFRASTRUCTURE SVCS	2,713,285	4,031,562	67.3%	4,023,182	-0.2%
PARKS & RECREATION	1,815,238	2,536,955	71.6%	2,536,955	0.0%
POLICE	9,889,421	14,223,297	69.5%	14,176,897	-0.3%
TRANSFERS OUT (A)	1,760,729	1,762,729	99.9%	1,762,729	0.0%
TOTAL EXPENDITURES	20,912,734	29,978,242	69.8%	29,708,324	-0.9%

SURPLUS / (DEFICIT) 1,121,394 (1,591,336) (329,399)

BEGINNING FUND BALANCE 13,137,105
Plus: Surplus / (Deficit) (329,399)
Less: Approved Use of Contingency Reserves during FY 13/14
TEP undergrounding (2,100,000)
ENDING FUND BALANCE ** 10,707,706

(A) Includes Council-approved Naranja Park improvements of \$1.6 million from the General Fund

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision



March YTD Financial Status

ATTACHMENT C

FY 2013/2014

Bed Tax Fund

% Budget Completion through March --- 75%

	Actuals thru 3/2014	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
REVENUES:					
BED TAXES	594,388	789,000	75.3%	867,898	10.0%
INTEREST INCOME	5,001	3,975	125.8%	7,000	76.1%
TOTAL REVENUES	599,389	792,975	75.6%	874,898	10.3%

	Actuals thru 3/2014	Budget	% Actuals to Budget	Year End Estimate *	YE % Variance to Budget
EXPENDITURES:					
ECONOMIC DEVELOPMENT	281,587	501,762	56.1%	494,406	-1.5%
TRANSFERS OUT (A)	605,669	790,669	76.6%	790,669	0.0%
TOTAL EXPENDITURES	887,256	1,292,431	68.7%	1,285,075	-0.6%

SURPLUS / (DEFICIT) (287,867) (499,456) (410,177)

BEGINNING FUND BALANCE 649,053

Plus: Surplus / (Deficit) (410,177)

ENDING FUND BALANCE ** 238,876

(A) Includes Council-approved Naranja Park improvements of \$400,000 from the Bed Tax Fund

* Year-end estimates are subject to further revision

** Ending fund balance amounts are estimates and are subject to further revision

CONSOLIDATED YEAR-TO-DATE FINANCIAL REPORT THROUGH MARCH, 2014

ATTACHMENT D

Fund	FY 13/14 Begin Bal.	Revenue	Other Fin Sources/Tfrs	Total In	Capital Leases/ Transfer Out	Personnel	O&M	Capital	Contingency	Debt Service	Total Out	Left in Accounts Thru Mar 2014
General Fund - Unassigned	11,529,070	22,034,128	-	22,034,128	1,763,120	14,286,091	4,515,137	348,386	-	-	20,912,734	12,650,463
General Fund - Assigned	1,608,035											1,608,035
Highway Fund - Restricted	3,517,765	3,089,968	-	3,089,968	-	1,196,096	562,399	280,056	-	-	2,038,551	4,569,182
Seizure & Forfeiture - State	494,837	58,502	-	58,502	-	-	21,000	30,543	-	-	51,543	501,795
Seizure & Forfeiture - Justice	519,653	334,338	-	334,338	-	42,843	6,720	296,085	-	-	345,649	508,341
Bed Tax Fund - Committed	649,053	599,389	-	599,389	605,669	138,148	143,440	-	-	-	887,256	361,186
Impound Fee Fund	-	22,050	-	22,050	-	17,696	-	-	-	-	17,696	4,354
Municipal Debt Service Fund	774,914	103,480	369,576	473,056	-	-	3,900	-	-	826,641	830,541	417,430
Oracle Road Debt Service Fund	149	1,489,517	-	1,489,517	-	-	1,820	-	-	1,435,664	1,437,484	52,183
Alternative Water Resources Dev Impact Fee Fund	3,402,954	1,998,402	-	1,998,402	400,000	-	168,044	151,533	-	224,404	943,981	4,457,376
Potable Water System Dev Impact Fee Fund	3,544,937	1,176,875	-	1,176,875	-	-	-	-	-	50,522	50,522	4,671,290
Townwide Roadway Development Impact Fee Fund	1,461,437	1,483,550	-	1,483,550	-	-	10,433	1,263,636	-	-	1,274,069	1,670,918
Parks & Recreation Impact Fee Fund	182,110	98,950	-	98,950	-	-	10,433	-	-	-	10,433	270,627
Library Impact Fee Fund	114,798	-	-	-	-	-	-	-	-	-	-	114,798
Police Impact Fee Fund	99,478	56,540	-	56,540	-	-	10,559	-	-	-	10,559	145,458
General Government Impact Fee Fund	1,288	2,214	-	2,214	-	-	-	-	-	-	-	3,501
Naranja Park Fund	8,821	175	2,000,000	2,000,175	-	-	-	150,671	-	-	150,671	1,858,325
Aquatic Center Project Fund	66,638	-	-	-	-	-	-	6,063	-	-	6,063	60,575
Water Utility	9,783,839	10,618,310	400,000	11,018,310	3,178	1,906,822	3,484,355	1,047,462	-	530,746	6,972,563	13,829,587
Stormwater Utility	490,794	491,910	-	491,910	3,799	219,528	231,660	19,917	-	-	474,904	507,801
Fleet Fund	-	1,031,010	-	1,031,010	-	54,900	441,307	432,431	-	-	928,638	102,372
Benefit Self Insurance Fund	567,402	1,590,107	-	1,590,107	-	-	1,499,165	-	-	-	1,499,165	658,344
Recreation In-Lieu Fee Fund	6,190	-	-	-	-	-	-	-	-	-	-	6,190
Total	38,824,161	46,279,415	2,769,576	49,048,991	2,775,766	17,862,124	11,110,371	4,026,783	-	3,067,976	38,843,021	49,030,131



Town Council Regular Session

Item # **1.**

Meeting Date: 05/21/2014
Requested by: Bayer Vella
Submitted By: Patty Hayes, Development Infrastructure Services
Department: Development Infrastructure Services

Information

SUBJECT:

REVIEW AND APPROVAL TO RE-DESIGNATE A PORTION OF LAND FROM PRIVATE NATURAL AREA TO BUILDABLE AREA IN ACCORDANCE WITH THE LA RESERVE PLANNED AREA DEVELOPMENT IN THE PUSCH RIDGE SUBDIVISION LOCATED ON DELLA ROCCIA COURT IN LA RESERVE

RECOMMENDATION:

Staff recommends approval to re-designate the Private Natural Area into buildable area as it meets the standards of the La Reserve Planned Area Development (PAD).

EXECUTIVE SUMMARY:

Property owners in the Pusch Ridge subdivision request to re-designate a section of land from "Private Natural Area" into buildable area. The Private Natural Area, also known as Natural Area, is defined in the La Reserve Covenants Conditions and Restrictions (CC&R's) as property that will contain no buildings or other structures except for nature trails, utility easements and a road. The CC&R's also allow the Natural Area to increase or decrease in size as long as a minimum required acreage is preserved.

The subject Natural Area is a heavily vegetated strip of land located between an existing retaining wall and the rear lot line of a 13-lot section in the Pusch Ridge subdivision as shown in Attachments 1 and 3. The re-designation of the subject area would allow future homeowners the option to relocate the existing retaining wall toward the rear lot line, thus increasing yard space for structures, pools and other amenities.

Staff has included comments from two neighbors in opposition to this request in Attachment 5.

BACKGROUND OR DETAILED INFORMATION:

The subject Private Natural Area contains a large amount of saguaros, ocotillos, palo verdes and associated desert vegetation as seen in Attachment 4. The dense vegetation provides wildlife habitat and connectivity to significant adjacent open space and a riparian area. The existing vegetation also provides a visual buffer for neighboring property situated within view of this subdivision.

Development standards in the Pusch Ridge subdivision are regulated by the La Reserve Planned Area Development (PAD). The La Reserve PAD defines the approval process of a Development Site Plan, or in this case a change to a Development Site Plan, as the following:

"Compliance with the development standards of this Plan (the La Reserve PAD) shall be the sole basis for action by the Mayor and Council, except that the Mayor and Council may defer action in order to

obtain additional information where the Mayor and Council determine that a Development Plan, as submitted, may pose a hazard to the public health, safety and welfare.”

In other words, the Town is obligated to approve this request based on the following:

The Natural Area is a section of land that was originally identified in the La Reserve CC&R's as a required 103.56 acres of land. The CC&R's specify that development in La Reserve may require the property to change by adding or subtracting acreage from the Natural Area. The document further reads that the Town of Oro Valley agrees to give written consent to amend the Natural Area as long as a minimum of 103.56 acres is preserved and the effect of such amendment does not increase the average cross slope of La Reserve.

The Natural Area proposed for re-designation in this request is a 0.66 acre section of land that is identified as Natural Area. There is currently 110.49 acres of land designated as Natural Area, which is more than the minimum requirement of 103.56 acres. The remaining Natural Area would continue to be greater than the minimum 103.56 acres required by the La Reserve PAD.

Re-designating the Natural Area to the rear lot line of the subdivision would increase the depth of the buildable area by 5 feet for 10 lots and up to 45 feet on 3 other lots. Owners of the affected parcels would weigh the costs of constructing a new boulder retaining wall on the rear lot line against the total lot area gained on the property. Lots 21 and 32 would gain the most lot depth with an additional 35 feet to 45 feet due to the proposed re-designation.

Current Site Conditions

- Zoning is La Reserve PAD Area C - Residential
- Average lot size: 13,487 sq. ft.
- Total lots in subdivision: 20
- Lots with built homes: 3
- Vacant lots: 17

Proposed Improvements

- Re-designation of a natural private area
- Number of lots affected by this request: 13

Related Approvals

- 1986: La Reserve Planned Area Development
- 1987: Fairfiled's Pusch Ridge – First subdivision plat
- 1990: Fairfiled's Pusch Ridge – Replatted
- 2007: Pusch Ridge- Current final plat

Public Notification and Comment

Public notice has been provided to the following:

- La Reserve Home Owners Association
- Mailed notice of hearing to homeowners within 600'
- Posting at Town Hall and on Town website

To date, staff has received two emails in opposition to this request as shown in Attachment 5.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to approve case OV1214-12, a request to re-designated the Private Natural Area to buildable space in the Pusch Ridge subdivision in accordance with the La Reserve PAD with the conditions listed below.

OR

I MOVE to deny case OV1214-12, a request to re-designated Private Natural Area to buildable area as it does not meet the La Reserve PAD, specifically _____.

Conditions of Approval:

1. Grading and/or construction disturbance shall not extend past the established property lines.
2. Walls built on the property line beyond the existing retaining walls must aesthetically match the existing boulder walls.

Attachments

Attachment 1 Applicants Submittal

Attachment 2 Location Map

Attachment 3 Aerial Photo

Attachment 4 Site Photos

Attachment 5 Neighbor Comments

Revised April 25, 2014
(March 25, 2014)

Oro Valley Development and Infrastructure Services
Planning Division
11000 N. La Canada Drive,
Oro Valley, AZ 85737

Subject: Pusch Ridge Lots 13-32 as recorded in Book 62 M&P, Page 36
Removal of Private Natural Open Space from Lots 20-32, OV113-050
Psomas 7ECI130101

To whom it may concern:

On behalf of the Owners of Lots 20-32, Psomas is submitting for release, the private natural area from Pusch Ridge Lots 20-32, recorded in Book 62 of Maps and Plats at Page 36 as shown in the attached drawing and legal description. This area is included within the La Reserve P.A.D. and conditions noted therein.

The total natural area lying within Lots 20-32 contains 0.655± acres. Of this area, a small triangle portion (2540± sq. ft. or 0.058± acres) and mainly located within Lot 32, was originally included within the natural area defined as "Area B" in Docket 8152 at Page 1700. The last revision to "Area B" was noted in Pusch Ridge Lots 1-12 recorded in Book 63 of Maps and Plats at Page 36, general note 16. As stated in note 16, the natural area as modified in Subdivision Plat Book 61 at Page 68 and Book 63 at Page 13 has a total area of 110.49± acres compared with the original 103.56 acres established in Docket 8152 at Page 1700. The removal of the small triangle portion containing 0.058± acres would reduce the natural open space "Area B" to 110.43± acres.

Releasing the total private natural area lying within Lots 20-32 from the total 1114.2± acres of La Reserve will have minimal effect on the calculations for the existing average cross slope requirement.

The Natural Area Covenants, Conditions and Restrictions of La Reserve recorded in Docket 8152 at Page 1700, Section C.3 states that the trust preserves the right to modify the legal description of Area "B" and furthermore under C.3 sub-section b, the Town of Oro Valley agrees that it shall forthwith give its written consent to any such amendment unless the natural area is reduced to less than approximately 103.56 acres or that the average cross slope of all La Reserve would increase in excess of 15%.



BY:

333 E. Wetmore Road
Suite 450
Tucson, AZ 85705
Page 1 of 2
Tel 520.292.2300
Fax 520.292.1290
www.Psomas.com

As directed in the Pre-Application response letter, we have included the required fee, approval letters from all owners, 2 full size drawings, 5 copies of the legal description and exhibit of the natural area to be removed, and the T.O.O.V. General Application Form. Please let us know if you need additional information.

We are requesting that this be submitted for the April Town Council Meeting.

Sincerely,

PSOMAS



Ernie Gomez RLS
Project Manager

Owners: Lots 13-19, Lots 20-27 and 29-32
First American Title Trust 4546
Attn: Electronic Communities Inc. - Jack Schoof
10956 N. Stallard Place
Tucson, Az 85737-9527 Phone: 520-575-1853

Owner: Lot 28
Peterson, Thomas D.
2460 E Della Rocchia Court
Tucson, Az 85737-6005 Phone: 520-531-9065

Applicant: Psomas
333 E. Wetmore Road, Suite 450
Tucson, AZ 85705
Attn: Ernie Gomez R.L.S.
520-292-2300 520-292-1290 (fax)
egomez@psomas.com

APR 25 2014

PLAT NOTE MODIFICATION - TOWN OF ORO VALLEY CASE NO: OV1214-12

RELEASE OF ALL PRIVATE NATURAL AREA WITHIN

PUSCH RIDGE LOTS 20-32, BOOK 62 MAPS AND PLATS AT PAGE 36,

AS RELATED TO ORIGINAL NATURAL AREA "B", RECORDED IN DOCKET 8152, PAGE 1700

The original Natural Area "B" established in Docket 7721, Page 1476 and 1493 and revised, amended in Docket 8043, Page 1569 and Docket 8152, Page 1700, has been revised again according to this plat note modification under the provisions of said documents and the assignment of rights recorded in Docket 9617, Page 4749. The last revision to Natural Area "B" was noted in General Note 16 of Pusch Ridge Lots 1-12, recorded in Book 63 of Maps and Plats at Page 36.

As stated in Note 16, the natural area modified in Pusch Ridge Plats Book 61 at Page 68 and Book 63 at Page 13 has a total area of 110.49± acres compared with the original 103.56 acres established in Docket 8152 at Page 1700.

The total natural area lying within Lots 20-32 of Pusch Ridge Book 62, Page 36, contains 0.655± acres. Of this area, a small triangle portion (2540± sq. ft. or 0.058± acres) and mainly located within Lot 32, was originally included within the Natural Area "B" as defined in Docket 8152 at Page 1700. The remaining private natural area in Lots 20-31 (26,000± sq. ft. or 0.597± acre) was originally granted in Book 43 at Page 63 and then re-granted as part of the re-subdivision in Book 62 at Page 36. This Private Natural Area was granted Lots 20-31 was in addition to the original 103.56± acres of Natural Area "B" in Docket 8152, Page 1700.

The release of the small triangle portion of the original Natural Area "B", containing 0.058± acre and mainly located within Lot 32, reduces the last revised Natural Area recorded in Book 63 of Maps and Plats at Page 36 to 110.43± acres.

The total area of La Reserve P.A.D. contains 1114.2± acres. Releasing the private natural area established within lots 20-32 (0.655± acres) from the total natural area of La Reserve will be inconsequential to the calculations of the existing cross slope average over the entire La Reserve and the additional natural areas granted therein.

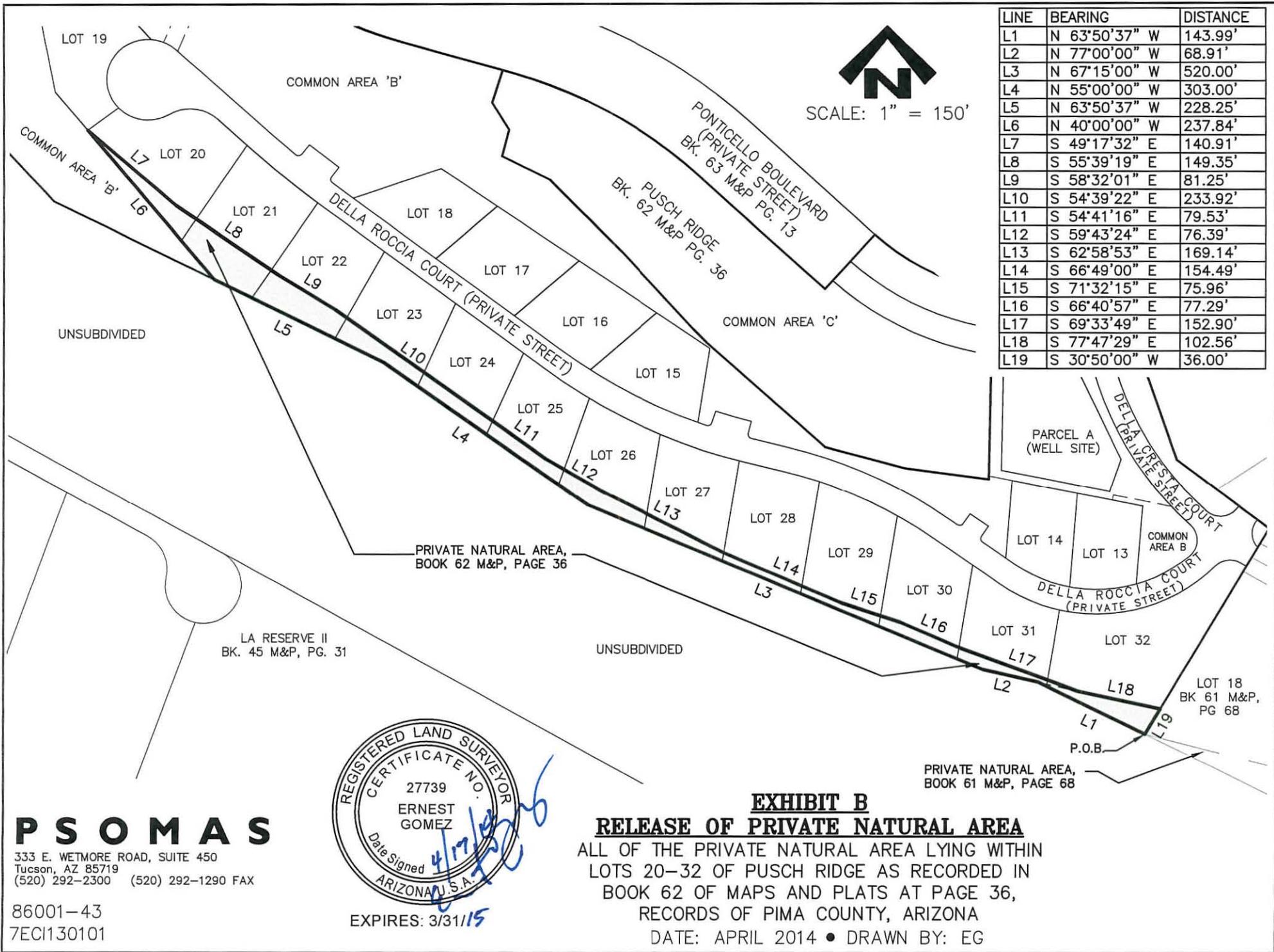
See Exhibit of original Natural Area "B" attached hereto and made a part hereof.

Prepared by: Psomas



Ernest Gomez, AZ. R.L.S. 27739

BY:



PSOMAS

333 E. WETMORE ROAD, SUITE 450
 Tucson, AZ 85719
 (520) 292-2300 (520) 292-1290 FAX

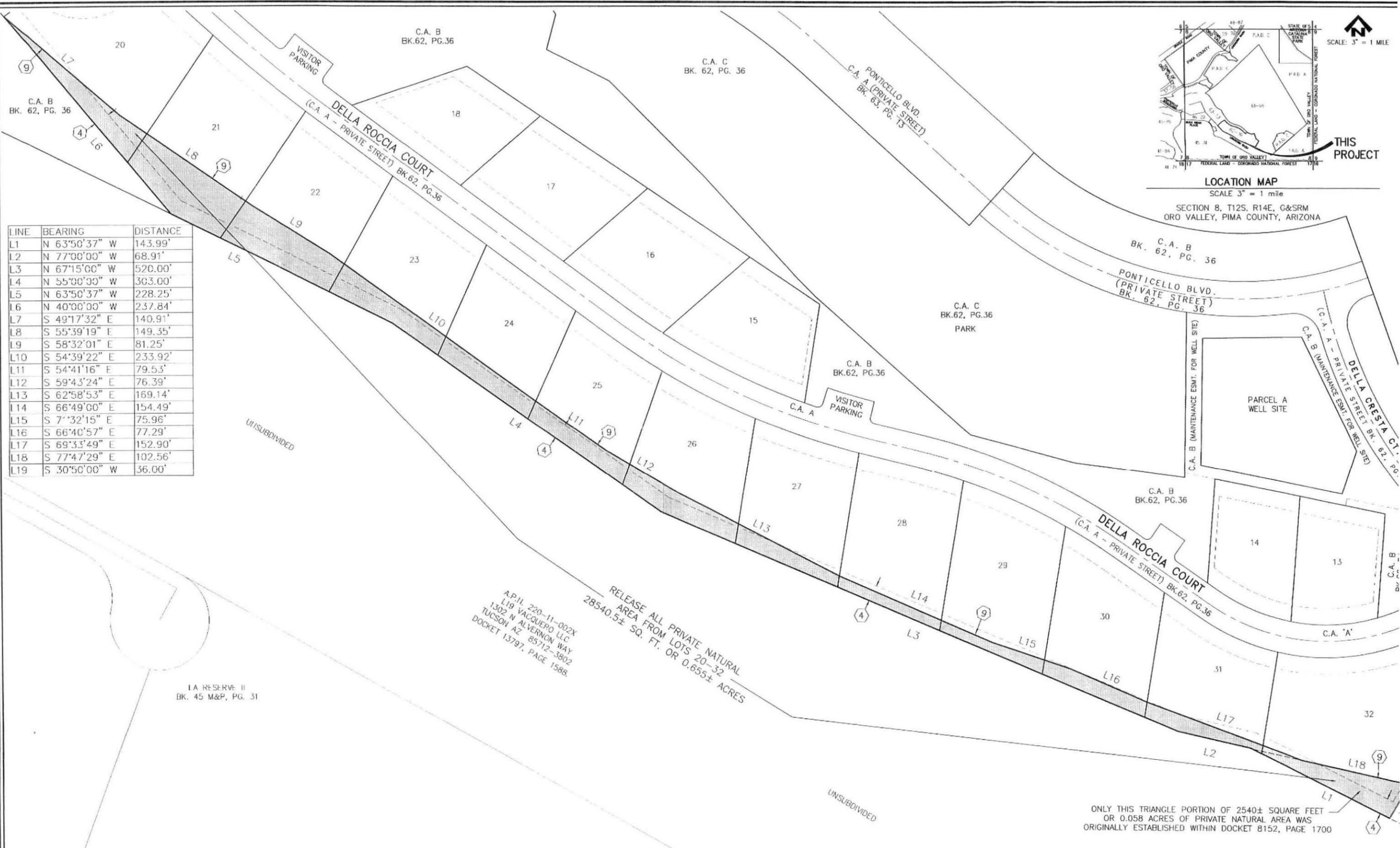
86001-43
 7EC1130101



EXPIRES: 3/31/15

EXHIBIT B
RELEASE OF PRIVATE NATURAL AREA

ALL OF THE PRIVATE NATURAL AREA LYING WITHIN
 LOTS 20-32 OF PUSCH RIDGE AS RECORDED IN
 BOOK 62 OF MAPS AND PLATS AT PAGE 36,
 RECORDS OF PIMA COUNTY, ARIZONA
 DATE: APRIL 2014 • DRAWN BY: EG

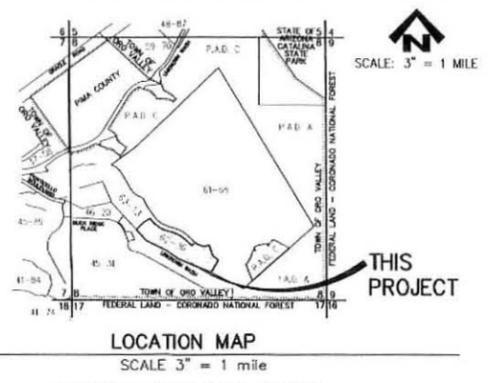


LINE	BEARING	DISTANCE
L1	N 63°50'37" W	143.99'
L2	N 77°00'00" W	68.91'
L3	N 67°15'00" W	520.00'
L4	N 55°00'00" W	303.00'
L5	N 63°50'37" W	228.25'
L6	N 40°00'00" W	237.84'
L7	S 49°17'32" E	140.91'
L8	S 55°39'19" E	149.35'
L9	S 58°32'01" E	81.25'
L10	S 54°39'22" E	233.92'
L11	S 54°41'16" E	79.53'
L12	S 59°43'24" E	76.39'
L13	S 62°58'53" E	169.14'
L14	S 66°49'00" E	154.49'
L15	S 7°32'15" E	75.96'
L16	S 66°40'57" E	77.29'
L17	S 69°33'49" E	152.90'
L18	S 77°47'29" E	102.56'
L19	S 30°50'00" W	36.00'

LA RESERVE II
BK. 45 M&P, PG. 31

RELEASE ALL PRIVATE NATURAL
AREA FROM LOTS 20-32
28540.5± SQ. FT. OR 0.655± ACRES

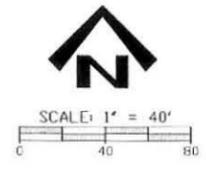
A.P.N. 220-11-002X
L19 VACQUERO LLC
1302 N ALVERNON WAY
TUCSON AZ 85712-3802
DOCKET 13797, PAGE 1588.



SECTION 8, T12S, R14E, G&SRM
ORO VALLEY, PIMA COUNTY, ARIZONA

PSOMAS
3.33 F. Weimore Road, Suite 450
Tucson, AZ 85705
(520) 292-2300 (520) 292-1290 fax
www.psomas.com

- KEYNOTES
- ④ 15' BUILDING SETBACK LINE (REAR)
 - ⑨ PRIVATE NATURAL AREA BK. 43 M&P AT PG. 63 AND BK. 62 M&P AT PG. 36 AND DOCKET 8152 AT PAGE 1700

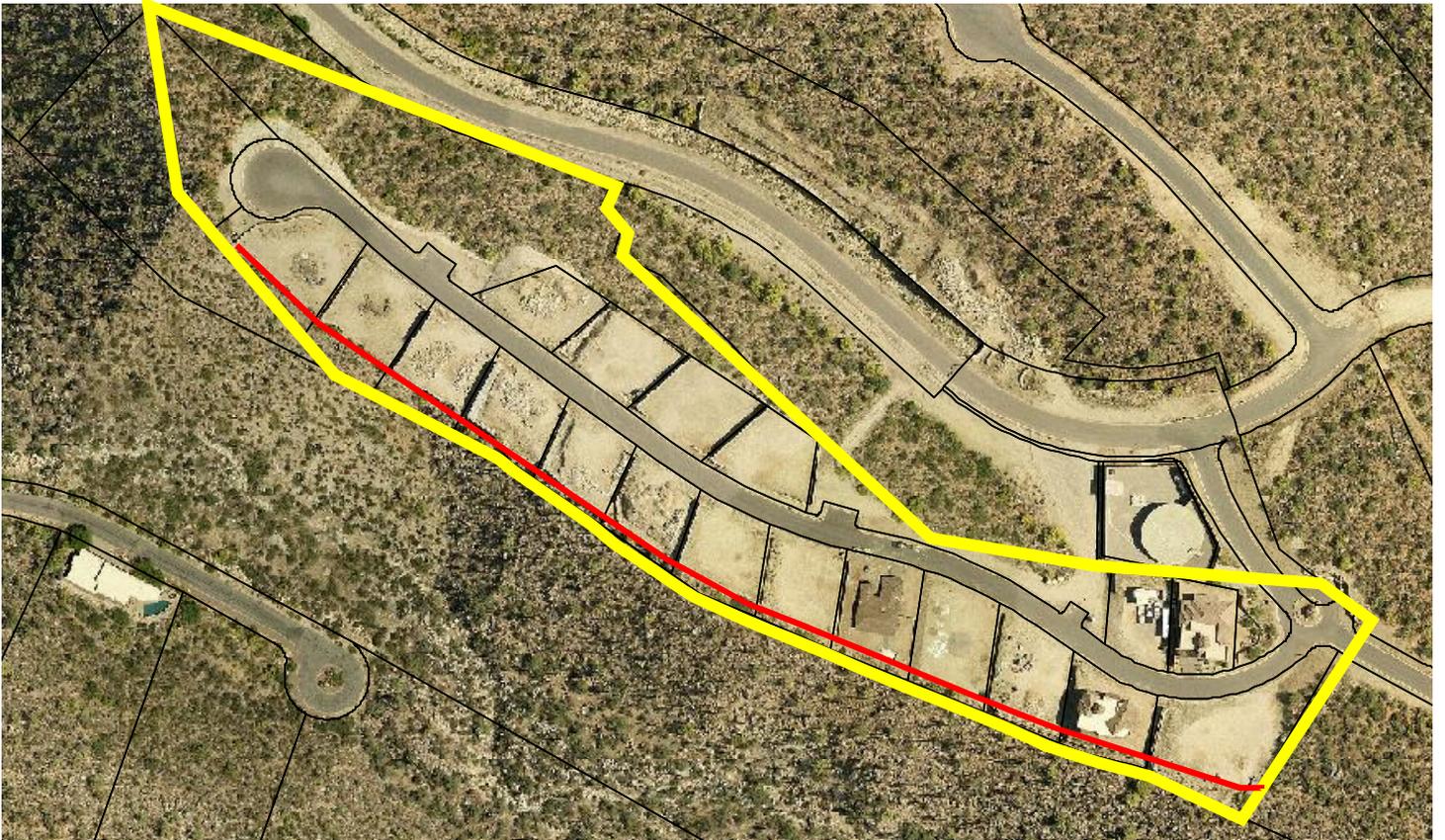


ONLY THIS TRIANGLE PORTION OF 2540± SQUARE FEET
OR 0.058 ACRES OF PRIVATE NATURAL AREA WAS
ORIGINALLY ESTABLISHED WITHIN DOCKET 8152, PAGE 1700

PUSCH RIDGE LOTS 13-32
BOOK 62 OF MAPS AND PLATS AT PAGE 36,
RELEASE OF PRIVATE NATURAL AREA FROM LOTS 20-32
TOWN OF ORO VALLEY CASE NO. OV1214-12
REFERENCE OV12-86-09F AND OV113-050
DATE: APRIL 2014 SCALE: 1" = 40' SHEET 1 OF 1



Location Map
Pusch Ridge subdivision(OV12214-12)
Attachment 2



Subdivision boundary 
Natural Area boundary 



Aerial Photo
Pusch Ridge subdivision(OV1214-12)
Attachment 3



Example of Natural Area behind existing retaining wall



View behind retaining wall



Example of where Natural Area is located outside of retaining wall (above red line)



Site Photos

Pusch Ridge subdivision(OV1214-12)

Attachment 4

May 9, 2014

Town Council
Town of Oro Valley
11000 N. La Canada
Oro Valley, AZ 85737

To the Members of the Oro Valley Town Council:

Please permit us to go on record that we are against the re-designation of a portion of land on Lots 20 through 32 from Private Natural Area to Buildable Area as recorded in the La Reserve Planned Area Development District, adopted by Ordinance (0)97-24 September 3, 1997 as amended, for the now named "Ponticello" subdivision located on Della Roccia Court in La Reserve. (OV1214-12)

We are the owners of lots 62 and 63 located in the Wilderness III Canyon section of the La Reserve Planned Area Development District. Our home is located on lot 62. Lot 63 is presently maintained as vacant land.

Lots 62 and 63 are directly South West of Lots 20 through 32. We purchased Lots 62 and 63 and subsequently built our home with the understanding that homes would eventually be constructed on Lots 20 through 32 of the Ponticello subdivision.

A substantial portion of Lots 62 and 63, consisting of approximately half the area, is designated as part of the La Reserve Wilderness Reserve as recorded in the La Reserve Planned Area Development. Although we could have challenged the Wilderness Reserve designation of our property and attempted to build a home that would have had a much better floor plan, we respected the intent of the Wilderness Reserve designation, and built our home within the designated footprint.

We ask the Members of the Oro Valley Town Council to also respect the intent of the La Reserve Planned Area Development District by not allowing re-designation of a portion of land on Lots 20 through 32 from Private Natural Area to Buildable Area for the following reasons:

1. Lots 20 through 32 are located on top of a small mesa type land formation. The land adjacent to the presently designated Private Natural area is a steeply sloped hillside. Re-designation of the land from Private Natural Area to Buildable Area will require additional walls to be constructed along the entire length of Lots 20 through 32 in order to convert the land to Buildable Area. The additional walls will be required to be extended a considerable distance down the steep hillside to provide the land area for the additional Buildable Area.

Extending the walls down the steep hillside will create an unsightly, non-natural condition along the hillside. The walls will not be seen or noticeable by residents or visitors to the Ponticello development, but they will be directly viewable from the Canyon section of Wilderness III. This unsightly, non-natural condition will not only pose itself to be an eyesore, it will have a significant negative impact on the value of our property.

2. We are also concerned that allowing re-designation of a portion of land on Lots 20 through 32 from Private Natural Area to Buildable Area will encourage the developer to request variances to reduce set-back requirements and build larger size homes than are presently designated by the La Reserve Planned Area Development.

Attachment 5

If set-back requirements are reduced and larger size homes are allowed to be developed on Lots 20 through 32, such homes will be intrusive to the lot area and will cause increased noise and eyesore issues resulting in a negative impact on property values of the present homeowners in the Canyon area of Wilderness III.

Thank you for considering our objection to this proposed land re-designation.

Respectfully submitted,

Jill and Frank Rosenbaum

From: richard burris <rburris1026@comcast.net>
Sent: Thursday, May 08, 2014 10:09 AM
To: Hayes, Patty
Cc: Jill Rosenbaum
Subject: Re-designation of La Reserve land

Ms. Hayes,

On May 3, we received a post card advising us of the May 21 Oro Valley Town Council meeting. Thank you for giving us that notice. While not totally clear in the Notice, it appears that the Pontecello Gated Community developer, Jack Shoop, wishes to change his previously approved development plans so as to make his property more attractive to some other developer by re-designating natural area to buildable area. Such a change, if allowed by the Town Council, will DIRECTLY and ADVERSELY impact the immediate neighborhood. Any increase of buildable area will also negatively impact the surrounding wildlife habitat. We live on Buck Ridge Place, the street below, to the south, and adjacent to the subject property.

We live on a lot that has more than half of it within a "Private Natural Area", meaning that we own property which is in a natural area intended to "protect Big Horn Sheep". In fact, we pay a quarterly premium which supposedly goes to the Univ. of Arizona for sheep habitat enhancement. We have not complained about this situation NOR have we sought to change the existing development plan so that we could build on other parts of our 3 plus acres. And the point of my comments? More buildable area negatively impacts the existing wildlife habitat as well as the existing human habitat. The Az Game and Fish Department ought to be advised of Mr. Shoop's planned redesignations, have you done that as a matter of courtesy? This development is in the center of the recent sheep repopulation project area.

About 10 years ago, the Pontecello developer, Jack Shoop's employee Mark Donatelli, took several of us, who live on this street for a tour of that portion of his development which is the property referenced in your Notice. That man explained to us exactly where the development would be placed including lot size, heights of homes and house locations, i.e. distance back from ridge edge. We believed him and took him at his word. It was explained to us that the development plan pertaining to the ridge overlooking our homes (the subject property) was set in stone. As a result, we did not object to his plans. Subsequently, the lots on Della Roccia Court were developed as had been represented by the developer. Now, strictly for the owner's personal economic reasons, he seeks to "re-desgnate a portion of land on lots 20 through 32 from Private Natural Area to buildable area". Those of us who live on this street, Buck Ridge Place, in La Reserve look DIRECTLY at the lots where Mr. Shoop wants to add buildable area. While it certainly is the American way to want to maximize profits, it is also important to not allow a "rules change" in the middle of the game in order for the owner to make more money at the expense of the adjacent property owners. Make no bones about it, if this change is allowed, the ridge top will be developed to increase the size and number of structures OVER AND ABOVE what has for many years been the approved Plan for the area.

I spent a number of years on the Oro Valley Planning and Zoning Commission and witnessed all the baloney the developers' promised. To think there will be no negative impact on the wildlife or those of us who live here now, if this re-designation is allowed, is wishful thinking at best.

We would like to be present when Mr. Shoop's request is presented to the Town, however, my wife and I will not be in Arizona on May 21. Where can we see his actual request and the specific proposal? When would it be convenient for me to talk with you or meet with you? I am sure other neighbors would also like to know what the developer is trying to do. Are you available tomorrow or at the end of next week?

So that there is no mistake about the position that my wife and I take, we strongly oppose any re-designation of Private Natural Area to buildable area because any increase in the number of houses, house sizes, house locations or additional structures will negatively and unfairly impact the existing residents and wildlife on the adjacent property.

I look forward to your response relative to the specifics of the re-designation request and when it would be convenient to talk with you before the 21st of May. Again, we will not be available to attend the Town Council meeting.

Richard D. Burris
2140 E. Buck Ridge Pl.
Tucson, Arizona 85737
520-742-2748



Town Council Regular Session

Item # 2.

Meeting Date: 05/21/2014

Requested by: Stacey Lemos

Submitted By: Stacey Lemos, Finance

Department: Finance

Information

SUBJECT:

PUBLIC HEARING: RESOLUTION NO. (R)14-32, APPROVING THE ADOPTION OF THE FINAL BUDGET OF THE TOWN OF ORO VALLEY FOR THE FISCAL YEAR 2014/15, INCLUDING APPROVAL OF THE 15-YEAR CAPITAL IMPROVEMENT PLAN (CIP) FROM FY 2014/15 THROUGH FY 2028/29

RECOMMENDATION:

Staff recommends approval.

EXECUTIVE SUMMARY:

On May 7, 2014, the Town Council adopted the Tentative Budget and set the local expenditure limitation for Fiscal Year 2014/15 in the amount of \$107,084,938. Tonight is the second public hearing scheduled for the adoption of the Final Budget, including adoption of the 15-Year Capital Improvement Plan (CIP) for FY 2014/15 through FY 2028/29.

No changes have been proposed to the May 7th Tentative Budget amounts; however, the Town Council may authorize additional changes to the budget amounts this evening so long as those changes do not increase the maximum expenditure cap approved on May 7th.

BACKGROUND OR DETAILED INFORMATION:

The attached Auditor General budget forms summarize the revenues, expenditures and interfund transfers included in the FY 2014/15 budget and were published in the *Daily Territorial* newspaper as required by state law. Also, attached to this communication is the Town Manager's Budget Message for FY 2014/15 outlining the core themes in which the budget was prepared. This budget message also provides a comprehensive overview of the wide variety of programs and initiatives that are funded for next year.

The final attachment to this communication presented for approval is the 15-Year CIP for FY 2014/15 through FY 2028/29. The first year CIP costs of \$13.4 million have been included in the Final Budget document.

Staff would like to note a change made in the attached 15-Year CIP schedule for the Highway Fund. The original Highway Fund 15-Year CIP in the Town Manager's Recommended Budget (page 283) included the purchase of two pieces of equipment, a Dozer for \$325,000 in FY 2016/17 and an Excavator for \$325,000 in FY 2017/18. In the revised Highway Fund 15-Year CIP schedule attached to this communication, the Dozer purchase was moved to FY 2020/21, and the Excavator purchase was moved to FY 2022/23 due to funding limitations in the Highway Fund in the earlier years. These changes will not have an impact on the FY 2014/15 Highway Fund budget.

FISCAL IMPACT:

N/A

SUGGESTED MOTION:

I MOVE to (approve or deny) Resolution No. (R)14-32, approving the adoption of the final budget of the Town of Oro Valley for the Fiscal Year 2014/15 and further MOVE to approve the Town of Oro Valley 15-Year Capital Improvement Plan for FY 2014/15 through FY 2028/29.

Attachments

R14-32 Final Budget FY 14-15

AG Final Budget Schedules

Manager's Budget Message

15 Yr CIP Document

RESOLUTION NO. (R)14-32

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 2014-2015

WHEREAS, on May 7, 2014, 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 21, 2014 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 2014-2015; 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 2014-2015.

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 2014-2015 in the amount of \$107,084,938.

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 2014-2015.

PASSED AND ADOPTED by the Mayor and Town Council of the Town of Oro Valley, Arizona, this 21st day of May, 2014.

TOWN OF ORO VALLEY, ARIZONA

Dr. Satish I. Hiremath, Mayor

ATTEST:

APPROVED AS TO FORM:

Julie K. Bower, Town Clerk

Tobin Sidles, Legal Services Director

Date: _____

Date: _____

OFFICIAL BUDGET FORMS

CITY/TOWN OF _____Oro Valley_____

Fiscal Year 2015

CITY/TOWN OF Oro Valley
 Summary Schedule of Estimated Revenues and Expenditures/Expenses
 Fiscal Year 2015

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2014	ACTUAL EXPENDITURES/ EXPENSES** 2014	FUND BALANCE/ NET POSITION*** July 1, 2014**	PROPERTY TAX REVENUES 2015	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2015	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015		TOTAL FINANCIAL RESOURCES AVAILABLE 2015	BUDGETED EXPENDITURES/ EXPENSES 2015
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	\$ 36,348,684	\$ 28,954,586	\$ 10,123,999	Primary: \$	\$ 32,090,999	\$	\$	\$ 185,000	\$ 2,700,965	\$ 39,699,033	\$ 39,699,033
2. Special Revenue Funds	8,252,846	4,818,314	4,794,356	Secondary:	4,365,996				352,543	8,807,809	8,807,809
3. Debt Service Funds Available	1,742,156	2,298,712	522,272		326,795			331,627		1,180,694	1,180,694
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds	1,742,156	2,298,712	522,272		326,795			331,627		1,180,694	1,180,694
6. Capital Projects Funds	19,395,005	7,344,010	11,427,179		7,579,371			2,540,000		21,546,550	21,546,550
7. Permanent Funds											
8. Enterprise Funds Available	24,037,945	14,642,589	12,478,976		16,109,450	2,200,000			3,119	30,785,307	30,785,307
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	24,037,945	14,642,589	12,478,976		16,109,450	2,200,000			3,119	30,785,307	30,785,307
11. Internal Service Funds	4,136,793	3,430,963	707,232		4,358,313					5,065,545	5,065,545
12. TOTAL ALL FUNDS	\$ 93,913,429	\$ 61,489,174	\$ 40,054,014	\$	\$ 64,830,924	\$ 2,200,000	\$	\$ 3,056,627	\$ 3,056,627	\$ 107,084,938	\$ 107,084,938

EXPENDITURE LIMITATION COMPARISON

	2014	2015
1. Budgeted expenditures/expenses	<u>\$ 93,913,429</u>	<u>\$ 107,084,938</u>
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	<u>93,913,429</u>	<u>107,084,938</u>
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	<u>\$ 93,913,429</u>	<u>\$ 107,084,938</u>
6. EEC or voter-approved alternative expenditure limitation	<u>\$ 93,913,429</u>	<u>\$ 107,084,938</u>

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 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
GENERAL FUND			
Local taxes			
Local Sales Tax	\$ 12,623,382	\$ 13,154,864	\$ 15,136,905
Cable Franchise Tax	500,000	540,000	540,000
Licenses and permits			
Licenses	176,700	181,000	182,000
Permits	1,307,255	1,527,000	1,567,547
Fees	9,500	89,000	56,000
Intergovernmental			
State/County Shared	9,659,167	9,659,167	10,303,762
State Grants	1,509,700	1,226,590	1,607,300
Federal Grants	576,490	592,689	597,365
Other	30,000	25,000	15,000
Charges for services			
Reimbursements	204,000	192,500	192,500
Fees	644,200	807,788	851,700
Other	595,237	602,612	644,795
Fines and forfeits			
Fines	190,000	180,000	180,000
Interest on investments			
Interest Income	62,275	100,000	81,125
Miscellaneous			
Miscellaneous	114,000	141,000	135,000
Total General Fund	\$ 28,201,906	\$ 29,019,210	\$ 32,090,999

* 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 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Local Sales Tax	\$ 1,077,197	\$ 1,218,820	\$
Highway User Fuel Tax	2,500,000	2,500,000	2,754,947
Permits	48,000	42,000	52,000
Grants	35,000	35,000	
Interest Income	7,000	25,000	19,250
Charges for Services	129,493	129,493	129,493
Other	10,000	20,750	10,000
	\$ 3,806,690	\$ 3,971,063	\$ 2,965,690
Bed Tax Fund			
Local Sales Tax	\$ 789,000	\$ 867,898	\$ 944,571
Interest Income	3,975	8,000	4,125
	\$ 792,975	\$ 875,898	\$ 948,696
Seizures & Forfeitures - State Fund			
Seizures and Forfeitures	\$ 175,000	\$ 31,065	\$ 175,000
Interest Income		2,500	
	\$ 175,000	\$ 33,565	\$ 175,000
Seizures & Forfeitures - Federal Fund			
Seizures and Forfeitures	\$ 250,000	\$ 314,090	\$ 250,000
Interest Income		3,000	
	\$ 250,000	\$ 317,090	\$ 250,000
Impound Fee Fund			
Fees	\$ 47,500	\$ 24,414	\$ 26,610
	\$ 47,500	\$ 24,414	\$ 26,610
Total Special Revenue Funds	\$ 5,072,165	\$ 5,222,030	\$ 4,365,996

* 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 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
DEBT SERVICE FUNDS			
Municipal Debt Service Fund			
Federal Grants	\$ 70,677	\$ 70,677	67,877
Interest Income		35	
Miscellaneous	83,000	83,000	83,000
	\$ 153,677	\$ 153,712	\$ 150,877
Oracle Road Improvement District			
Special Assessments	\$ 365,868	\$ 1,460,057	\$ 175,918
	\$ 365,868	\$ 1,460,057	\$ 175,918
Total Debt Service Funds	\$ 519,545	\$ 1,613,769	\$ 326,795
CAPITAL PROJECTS FUNDS			
Alternative Water Resources Development Impact Fee Fund			
Development Impact Fees	\$ 1,678,322	\$ 2,219,804	\$ 1,409,646
Charges for Services	2,550,000		
Interest Income	1,000	25,000	17,050
	\$ 4,229,322	\$ 2,244,804	\$ 1,426,696
Potable Water System Development Impact Fee Fund			
Development Impact Fees	\$ 926,097	\$ 1,253,905	\$ 707,691
Interest Income	2,000	25,000	17,050
	\$ 928,097	\$ 1,278,905	\$ 724,741
Townwide Roadway Development Impact Fee Fund			
State Grants	\$ 3,150,000	\$ 2,300,000	\$ 4,060,000
Federal Grants	500,000	500,000	
Development Impact Fees	791,375	304,805	900,666
Interest Income	1,500	3,000	3,000
Other	18,000	22,650	22,500
	\$ 4,460,875	\$ 3,130,455	\$ 4,986,166
Parks & Recreation Impact Fee Fund			
Development Impact Fees	\$ 201,297	\$ 117,140	\$ 307,772
Interest Income		830	
	\$ 201,297	\$ 117,970	\$ 307,772
Police Impact Fee Fund			
Development Impact Fees	\$ 107,392	\$ 68,320	\$ 133,996
Interest Income		444	
	\$ 107,392	\$ 68,764	\$ 133,996
General Government Impact Fee Fund			
Development Impact Fees	\$	\$ 2,206	\$
Interest Income		10	
	\$	\$ 2,216	\$
Aquatic Center Project Fund			
Donations	\$ 30,000	\$	\$
	\$ 30,000	\$	\$
Total Capital Projects Funds	\$ 9,956,983	\$ 6,843,114	\$ 7,579,371

* 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 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
ENTERPRISE FUNDS			
Oro Valley Water Utility Fund			
Water Sales	\$ 11,748,000	\$ 12,023,000	\$ 12,078,800
Charges for Services	597,100	3,176,600	3,189,200
Interest Income	66,250	60,000	51,150
Miscellaneous		7,942	
	\$ 12,411,350	\$ 15,267,542	\$ 15,319,150
Stormwater Utility Fund			
Federal Grants	\$	\$	\$
State Grants	450,000		
Charges for Services	771,500	771,500	789,300
Interest Income	500	1,500	1,000
Miscellaneous		23	
	\$ 1,222,000	\$ 773,023	\$ 790,300
Total Enterprise Funds	\$ 13,633,350	\$ 16,040,565	\$ 16,109,450

* 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 2015

SOURCE OF REVENUES	ESTIMATED REVENUES 2014	ACTUAL REVENUES* 2014	ESTIMATED REVENUES 2015
INTERNAL SERVICE FUNDS			
Fleet Fund			
Fleet Services	\$ 1,282,793	\$ 1,282,793	\$ 1,467,800
Miscellaneous	20,000	60,000	151,313
State Grants			308,000
	\$ 1,302,793	\$ 1,342,793	\$ 1,927,113
Benefit Self Insurance Fund			
Miscellaneous	\$ 2,209,000	\$ 2,228,000	\$ 2,431,200
	\$ 2,209,000	\$ 2,228,000	\$ 2,431,200
Total Internal Service Funds	\$ 3,511,793	\$ 3,570,793	\$ 4,358,313
TOTAL ALL FUNDS	\$ 60,895,742	\$ 62,309,481	\$ 64,830,924

* 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 2015

FUND	OTHER FINANCING 2015		INTERFUND TRANSFERS 2015	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Tfr to Municipal Debt Service Fund	\$	\$	\$	\$ 158,965
Tfr to Oracle Road Improvement District Fund				2,000
Tfr to General Government CIP Fund				2,540,000
Tfr from Bed Tax Fund			185,000	
Total General Fund	\$	\$	\$ 185,000	\$ 2,700,965
SPECIAL REVENUE FUNDS				
Bed Tax Fund	\$	\$	\$	\$ 352,543
Total Special Revenue Funds	\$	\$	\$	\$ 352,543
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$	\$	\$ 329,627	\$
Oracle Road Improvement District Fund			2,000	
Total Debt Service Funds	\$	\$	\$ 331,627	\$
CAPITAL PROJECTS FUNDS				
General Government CIP Fund	\$	\$	\$ 2,540,000	\$
Total Capital Projects Funds	\$	\$	\$ 2,540,000	\$
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$ 2,200,000	\$	\$	\$ 3,119
Total Enterprise Funds	\$ 2,200,000	\$	\$	\$ 3,119
TOTAL ALL FUNDS	\$ 2,200,000	\$	\$ 3,056,627	\$ 3,056,627

CITY/TOWN OF Oro Valley
Expenditures/Expenses by Fund
Fiscal Year 2015

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
GENERAL FUND				
Council	\$ 225,853	\$	\$ 225,853	\$ 207,022
Clerk	345,118		345,118	497,102
Development & Infrastructure Svcs	4,031,561		4,026,147	4,564,803
Finance	709,242		695,830	748,060
General Administration	2,037,730	(227,000)	1,810,729	1,867,600
Human Resources	523,821		471,207	371,998
Information Technology	1,482,173	60,000	1,512,173	1,432,374
Legal	804,344		729,344	756,855
Magistrate Court	761,430		756,968	789,826
Town Manager's Office	700,989		691,219	721,724
Parks and Recreation	2,536,955		2,536,955	2,722,617
Police	14,223,297		14,183,043	14,885,819
Contingency Reserve	9,566,171	(1,433,000)	970,000	10,133,233
Total General Fund	\$ 37,948,684	\$ (1,600,000)	\$ 28,954,586	\$ 39,699,033
SPECIAL REVENUE FUNDS				
Highway User Revenue Fund	\$ 6,573,318	\$	\$ 3,656,099	\$ 6,798,419
Seizures & Forfeitures - State Fund	525,354		121,050	582,353
Seizures & Forfeitures - Federal Fund	508,867		522,345	564,398
Bed Tax Fund	997,807	(400,000)	494,406	836,029
Impound Fee Fund	47,500		24,414	26,610
Total Special Revenue Funds	\$ 8,652,846	\$ (400,000)	\$ 4,818,314	\$ 8,807,809
DEBT SERVICE FUNDS				
Municipal Debt Service Fund	\$ 1,373,416	\$	\$ 836,642	\$ 1,002,640
Oracle Road Improvement District Fund	368,740		1,462,070	178,054
Total Debt Service Funds	\$ 1,742,156	\$	\$ 2,298,712	\$ 1,180,694
CAPITAL PROJECTS FUNDS				
Aquatic Center Project Fund	\$ 42,114	\$	\$ 6,063	\$
Townwide Roadway Dev Impact Fee Fund	5,689,538		2,540,500	7,037,558
Naranja Park Fund	8,821	2,000,000	1,400,000	608,821
Alternative Water Rscs Dev Impact Fee Fund	6,899,226		2,389,623	4,284,831
Potable Water System Dev Impact Fee Fund	4,100,604		707,824	4,840,758
Parks & Recreation Impact Fee Fund	334,400		300,000	307,852
Library Impact Fee Fund	114,798			114,798
Police Impact Fee Fund	189,151			302,238
General Government Impact Fee Fund				3,504
Recreation In Lieu Fee Fund	16,353			6,190
General Government CIP Fund				4,040,000
Total Capital Projects Funds	\$ 17,395,005	\$ 2,000,000	\$ 7,344,010	\$ 21,546,550
ENTERPRISE FUNDS				
Oro Valley Water Utility Fund	\$ 22,486,741	\$	\$ 13,828,213	\$ 29,545,566
Stormwater Utility Fund	1,551,204		814,376	1,239,741
Total Enterprise Funds	\$ 24,037,945	\$	\$ 14,642,589	\$ 30,785,307
INTERNAL SERVICE FUNDS				
Fleet Fund	\$ 1,302,793	\$	\$ 1,221,963	\$ 2,047,943
Benefit Self Insurance Fund	2,834,000		2,209,000	3,017,602
Total Internal Service Funds	\$ 4,136,793	\$	\$ 3,430,963	\$ 5,065,545
TOTAL ALL FUNDS	\$ 93,913,429	\$	\$ 61,489,174	\$ 107,084,938

* 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 2015

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Council:				
General Fund	\$ 225,853	\$	\$ 225,853	\$ 207,022
Department Total	\$ 225,853	\$	\$ 225,853	\$ 207,022
Clerk:				
General Fund	\$ 345,118	\$	\$ 345,118	\$ 497,102
Department Total	\$ 345,118	\$	\$ 345,118	\$ 497,102
Development & Infrastructure Svcs:				
General Fund	\$ 4,031,561	\$	\$ 4,026,147	\$ 4,564,803
Highway Fund	6,573,318		3,656,099	6,798,419
Townwide Roadway Dev Impact Fee Fund	5,689,538		2,540,500	7,037,558
Stormwater Utility Fund	1,551,204		814,376	1,239,741
Fleet Fund	1,302,793		1,221,963	2,047,943
Department Total	\$ 19,148,414	\$	\$ 12,259,085	\$ 21,688,464
Finance:				
General Fund	\$ 709,242	\$	\$ 695,830	\$ 748,060
Department Total	\$ 709,242	\$	\$ 695,830	\$ 748,060
General Administration:				
General Fund	\$ 2,037,730	\$ (227,000)	\$ 1,810,729	\$ 1,867,600
General Fund - Contingency Reserve	9,566,171	(1,433,000)	970,000	10,133,233
Municipal Debt Service Fund	1,373,416		836,642	1,002,640
Oracle Road Improvement District Fund	368,740		1,462,070	178,054
Benefit Self Insurance Fund	2,834,000		2,209,000	3,017,602
General Government Impact Fee Fund				3,504
General Government CIP Fund				4,040,000
Library Impact Fee Fund	114,798			114,798
Department Total	\$ 16,294,855	\$ (1,660,000)	\$ 7,288,441	\$ 20,357,431
Human Resources:				
General Fund	\$ 523,821	\$	\$ 471,207	\$ 371,998
Department Total	\$ 523,821	\$	\$ 471,207	\$ 371,998
Information Technology:				
General Fund	\$ 1,482,173	\$ 60,000	\$ 1,512,173	\$ 1,432,374
Department Total	\$ 1,482,173	\$ 60,000	\$ 1,512,173	\$ 1,432,374
Legal:				
General Fund	\$ 804,344	\$	\$ 729,344	\$ 756,855
Department Total	\$ 804,344	\$	\$ 729,344	\$ 756,855
Magistrate Court:				
General Fund	\$ 761,430	\$	\$ 756,968	\$ 789,826
Department Total	\$ 761,430	\$	\$ 756,968	\$ 789,826
Town Manager's Office:				
General Fund	\$ 700,989	\$	\$ 691,219	\$ 721,724
Bed Tax Fund	997,807	(400,000)	494,406	836,029
Department Total	\$ 1,698,796	\$ (400,000)	\$ 1,185,625	\$ 1,557,753

CITY/TOWN OF Oro Valley
Expenditures/Expenses by Department
Fiscal Year 2015

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2014	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2014	ACTUAL EXPENDITURES/ EXPENSES* 2014	BUDGETED EXPENDITURES/ EXPENSES 2015
Parks and Recreation:				
General Fund	\$ 2,536,955	\$	\$ 2,536,955	\$ 2,722,617
Parks & Recreation Impact Fee Fund	334,400		300,000	307,852
Naranja Park Fund	8,821	2,000,000	1,400,000	608,821
Recreation In Lieu Fee Fund	16,353			6,190
Aquatic Center Project Fund	42,114		6,063	
Department Total	\$ 2,938,643	\$ 2,000,000	\$ 4,243,018	\$ 3,645,480
Police:				
General Fund	\$ 14,223,297	\$	\$ 14,183,043	\$ 14,885,819
Seizures & Forfeitures - State Fund	525,354		121,050	582,353
Seizures & Forfeitures - Federal Fund	508,867		522,345	564,398
Police Impact Fee Fund	189,151			302,238
Impound Fee Fund	47,500		24,414	26,610
Department Total	\$ 15,494,169	\$	\$ 14,850,852	\$ 16,361,418
Water Utility:				
Oro Valley Water Utility Fund	\$ 22,486,741	\$	\$ 13,828,213	\$ 29,545,566
Alternative Water Rscs Dev Impact Fee Fund	6,899,226		2,389,623	4,284,831
Potable Water System Dev Impact Fee Fund	4,100,604		707,824	4,840,758
Department Total	\$ 33,486,571	\$	\$ 16,925,660	\$ 38,671,155

* 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 2015

FUND	Full-Time Equivalent (FTE) 2015	Employee Salaries and Hourly Costs 2015	Retirement Costs 2015	Healthcare Costs 2015	Other Benefit Costs 2015	Total Estimated Personnel Compensation 2015
GENERAL FUND	270.52	\$ 15,942,103	\$ 2,372,162	\$ 1,636,375	\$ 1,811,666	= \$ 21,762,306
SPECIAL REVENUE FUNDS						
Highway Fund	22.48	\$ 1,326,607	\$ 151,861	\$ 155,379	\$ 166,582	= \$ 1,800,429
Bed Tax Fund	3.00	189,647	21,999	11,249	15,592	238,487
Impound Fee Fund	0.50	21,898	2,540	390	1,782	26,610
Seizures & Forfeitures - State Fund	1.00	51,568	10,623	3,750	7,610	73,551
Seizures & Forfeitures - Federal Fund	2.00	105,573	21,748	17,179	15,334	159,834
Total Special Revenue Funds	28.98	\$ 1,695,293	\$ 208,771	\$ 187,947	\$ 206,900	= \$ 2,298,911
INTERNAL SERVICE FUNDS						
Fleet Fund	1.15	\$ 60,234	\$ 6,987	\$ 7,780	\$ 6,608	= \$ 81,609
Total Internal Service Funds	1.15	\$ 60,234	\$ 6,987	\$ 7,780	\$ 6,608	= \$ 81,609
ENTERPRISE FUNDS						
Oro Valley Water Utility Fund	37.48	\$ 2,156,979	\$ 248,368	\$ 254,173	\$ 215,008	= \$ 2,874,528
Stormwater Utility Fund	3.85	245,818	28,515	38,417	22,570	335,320
Total Enterprise Funds	41.33	\$ 2,402,797	\$ 276,883	\$ 292,590	\$ 237,578	= \$ 3,209,848
TOTAL ALL FUNDS	341.98	\$ 20,100,427	\$ 2,864,803	\$ 2,124,692	\$ 2,262,752	= \$ 27,352,674



April 2, 2014

To the Honorable Mayor and Town Council:

One of the primary duties of the Town Manager is to prepare and present a balanced annual budget. It is my privilege to present Town Council with the Town Manager's Recommended Budget for fiscal year 2014/15 in the amount of \$107.1 million; a \$13.2 million, or 14.1% increase from the Adopted FY 2013/14 Budget totaling \$93.9 million.

The budget is developed to support the voter-approved General Plan and the Town Council-approved Strategic Plan. The Town Council has made financial decisions the last four years that have put the Town on a sustainable financial path. These decisions range from increasing revenues and efficiencies to streamlining operations. The current organization is not the same organization as it was five years ago; it is stronger, more adaptable and prepared to maximize opportunities.

The demands of the organization continue to evolve as the Town sees significant signs of economic recovery. Specifically, the recovery in the housing market is leading to challenges and opportunities. Because the organization made significant staff reductions during the recession, this surge of activity presents some unique staffing challenges, and we continue to monitor the activity closely. Town staff has been extremely dedicated and supportive through the financial crisis and continues to work efficiently to keep up with the increase in activity.

The budget was developed with the following core themes:

1. Investment in Town employees
2. Investment in Town assets and technology
3. Delivery of community services
4. New initiatives

Investment in Town employees

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

During the recession, the Town reduced staff considerably. In FY 2008/09, the adopted budget included 389 full-time equivalent (FTE) positions. The FY 2014/15 Recommended Budget includes a total of 342 authorized FTE positions. The Town has also reduced full-time, benefited positions from 332 in FY 2008/09, to 290 in the FY 2014/15 Recommended Budget. The Town has some of the most dedicated and competent employees who have taken on more responsibilities as the workforce decreased.

Employee Compensation

In an effort to compare our employee compensation to the market, we conducted a salary market survey during FY 2013/14. As the economy is seeing steady recovery, public employers have increased compensation to retain high quality employees. In order to retain our well-trained and experienced employees, we are proposing implementation of the compensation plan adjustments based on the findings in the market survey. The FY 2014/15 Recommended Budget includes \$1.1 million to implement the market study adjustments and related benefit costs. We are also committed to funding step and merit pay increases for employees, and \$555,000 has been included in the budget for these increases.

As we started last year and are continuing this year, this budget includes a small amount of funding (approximately \$26,000) 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. As a result, we completed a comprehensive reclassification process starting in late fall and are recommending some minor adjustments to some positions.

The amounts calculated for the market salary adjustments, merit/step increases, reclassifications and new position requests (to be discussed later in this budget message) have not been included in the departmental personnel budget recommended amounts for FY 2014/15; however, the total budget adjustments attributable to these increases are outlined in Exhibit A – FY 2014/15 Personnel Budget Adjustments by Fund attached to this document.

Self-Funded Insurance

One of the Town's sizable investments in employees is medical insurance. Two years ago, staff members reviewed the Town's medical claim history, in cooperation with the Town's insurance broker, and based on our exceptionally low claims history, we switched to self-funded insurance for medical coverage. The Town has accepted additional risk in this new funding methodology; however, given the Town's excellent claim history, we believed there was considerable financial benefit to be gained in future years. In the first year of self-funded medical insurance (FY 2012/13), the Town recognized a savings of \$354,000.

Due to the success experienced with self-funding for medical insurance, our insurance broker provided us a bid for self-funding of our dental coverage from our current provider, Principal. Self-funding for dental insurance would result in a slight savings to the Town of approximately \$13,000 and allow us to keep employee dental premiums flat for next year. Therefore, the Recommended Budget includes moving to a self-funded model for dental insurance coverage next fiscal year with our current provider.

Since the Town has more to benefit from a culture supportive of health and wellness, last year we added funding to support the Town's health and wellness program. This year we are recommending further support of the health and wellness program by the inclusion of an on-site health clinic. The clinic would start in January 2015 and be available for employees and dependents covered on our health insurance. These types of clinics have proven to show downward trend on medical claims after three to five years in operation. The investment in an on-site health clinic has been funded in the budget at approximately \$76,000, of which \$15,000 is for one-time start-up costs. Therefore, we are planning for expenditures of approximately \$2.5 million for the coming year in the Self Insurance Benefit Fund. We feel fortunate that the costs are projected to increase only slightly next year. It is estimated that if we had not moved to self-funded, our expenses would be approximately \$500,000 higher than our current budget (assuming the same level of benefit).

Town staff work very closely with our broker and medical insurance provider, United HealthCare, to monitor the claim trends, ensure adequate funds are available to pay for Healthcare Reform Act provisions and maintain appropriate reserves to pay for high claims. For next year, United HealthCare and our broker are recommending a modest increase in premiums to fund expected costs in the Town's self-insurance fund. A 7% premium increase has been included in the budget for both employee and employer contributions. The employee premium increase, the first since 2008, averages approximately \$4 per pay period for those employees on the PPO plan with dependent coverage. There will continue to be no charge to employees with employee-only coverage.

To further incentivize enrollment in our High Deductible Health Care Plan, employee premiums will be lowered in this plan to equal 50% of those offered in the PPO plan. Additionally, the Town contributions to employees' health savings accounts in this plan will increase by \$250 annually. Those with employee-only coverage would receive \$1,000, while those with dependent coverage would receive \$1,250.

New Staffing

The organization is experiencing an increase in work activity. The demands and expectations are higher than ever before, and the organization is delivering with a small, efficient workforce. There are a few "pinch points" that need to be addressed in the budget for next year. In order to accommodate the increased building activity, we are proposing an additional building inspector. The building activity has increased significantly and is not expected to decrease until about 2019/2020 or beyond.

Additionally, the Water Utility has seen a significant increase in customer service interactions, so a 19-hour per week (non-benefited) customer service representative has been added.

Finally, additional part-time, non-benefited FTEs have been added in the Transit and Aquatics divisions to meet the service level demands in these two areas.

Investment in Town assets and technology

Transportation

The Town is well known for having quality infrastructure. The budget includes more than \$1.1 million for the Pavement Preservation Program in the Highway Fund, which maintains the current condition of our streets and roads. The amount of maintenance expected to be delivered remains at a level which will not allow the infrastructure to deteriorate. Additionally, the Town operates and maintains the street lights in Sun City Vistoso, and we have seen significant deterioration in the electrical system the past several years. In order to fix the issues, an amount of \$200,000 has been included in the Capital Improvement Program (CIP) in each of the next three years to rewire the circuits. In addition, \$200,000 has been included for safety measure improvements to the Tangerine and First Avenue/Rancho Vistoso intersection.

Fleet Replacement Program

An important component of municipal services requires fleet infrastructure. This year is the third year in the effort to return to a regular replacement schedule. The budget includes the replacement of seven (7) marked police vehicles; one (1) general administration vehicle; four (4) trucks combined for DIS operations, facility maintenance and inspection and compliance divisions; a field

groomer and truck for Parks and Recreation, and matching funds for ten (10) grant-funded Transit vehicles at a total budgeted cost of \$964,800. The Water Utility Fund will replace two (2) vehicles per the replacement schedule at a budgeted cost of \$85,000.

Steam Pump Ranch

Steam Pump Ranch continues to be an arts and culture opportunity for the community. Historic preservation is recognition of our community's history and heritage. Over the last few years, significant improvements have been made to the site. Last year, the Town funded \$82,000 in improvements at Steam Pump Ranch. Next year, we have allocated \$125,000 for a protective cover over the historic steam pump.

Aquatic Center

The Aquatic Center has recently completed its first full year of operations. After the \$5 million expansion, the site and facility require some additional improvements. An interim parking and circulation road have been added for a cost of \$184,000. This funding will provide a cul-de-sac with parking and a north/south path to the east of the facility off of Calle Concordia Drive. With this additional parking capacity, staff will be looking at ways to generate additional revenues during large events to offset some of the expenses of this facility.

Additionally, there are a few small capital items that have been funded for \$57,000. These include a pool cover for the recreation pool, the purchase of a timing system and a display board showing record swim times.

Signage off of Oracle Road, or lack thereof, continues to be a challenge for recognition of the facility, so \$26,000 has been provided to develop signage along Oracle Road.

Park Improvements

During this current fiscal year, staff proposed and Council approved, a project of \$2.3 million for Naranja Park. The Capital Improvement Program (CIP) for 2014/15 builds on this previous funding by adding \$250,000 for a restroom at Naranja Park. The CIP also includes the Naranja Master Plan update at \$40,000, which is the continuation of \$40,000 funded last year. Cañada del Oro (CDO) Riverfront Park will also see some enhancements, with \$57,000 in upgrades to playground equipment.

Police Evidence Facility

Another significant project is the Police Evidence Facility, which is anticipated to be funded in phases over the next several fiscal years. Funding included in the current year budget has been identified to purchase the land upon which this future facility could be built. Negotiations for this land purchase are currently underway and are expected to be completed prior to the end of this fiscal year. Funding of \$200,000 has been included in the 2014/15 Recommended Budget for design of a new facility. In the CIP for 2015/16, an amount of \$2.5 million has been identified as a placeholder to construct the facility.

New Fueling Facility at Municipal Operations Center (MOC)

Currently, the Town has one fueling site located at 680 W. Calle Concordia to support the needs of the entire Town fleet. This has posed some level of risk from an emergency preparedness perspective, as well as challenges and inefficiencies with fueling our fleet of transit vehicles, which

are based out of the MOC location. Funding in the amount of \$80,000 has been included in the budget for an additional fueling facility (both gas and diesel) on the north end of town at the MOC site. Having this alternate fueling facility will allow the Transit vehicles to efficiently fuel up prior to the start of their shift and provide additional fueling capabilities in the case of an emergency or disaster.

Investment in technology

Technology has been a focus over the last year, and this budget includes additional resources to meet the growing demand. The following areas are seeing significant support:

- Replacement of Town's permitting system - \$240,000 (second of two years)
- Replacement of Town's phone system - \$300,000 (second of two years)
- Automatic lighting control at JDK and Riverfront Park - \$22,500
- Audiovisual improvements to Council Chambers - \$12,000
- Records Management System for the Police Department - \$75,000
- Electronic Document Management System Town-wide - \$112,000
- Security camera project - \$50,000 (second of two years)
- Enhancement of Town data back-up system - \$60,000

Appropriate replacement of computers and other technology is critical to maintain smooth administrative functions. The proposed budget includes computer replacement for aging equipment at a budgeted cost of \$233,000. This includes several servers, desktop computers and mobile data computers (MDCs).

Delivery of community services

One of the focus areas in the Town Council-approved Strategic Plan is Community Services, with the primary goal to provide services to enhance residents' quality of life. All Town functions contribute to the overall quality of life for residents. From our recognized public safety services to the top-notch Water Utility, and everything in between, these services contribute to what makes Oro Valley a special place for residents to call home. The Town performed well during the recession because of its commitment to maintaining service levels in the Town's four primary service areas: Public Safety, Transportation, Water, and Parks and Recreation. Because we held true to these four primary service areas, these areas are now recognized for their exceptional service and programs to the community. The Town's strength in the delivery of community services has led to increased activity in building development and economic development. The refocus, and streamlining, of the development process has placed Oro Valley on the map for the development community. The development community sees Oro Valley as a place to invest and do business.

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

New initiatives

Special events continue to be important to our economic recovery. With the increase in activities at the Aquatic Center and Steam Pump Ranch, the Town has seen benefit from special events. We see value in providing seed money for the development of a signature event in Oro Valley. We are

still exploring opportunities for the event, but have established \$30,000 out of the Bed Tax Fund to get the event off the ground in FY 2014/15. Additionally, to further promote the Town’s rebranding efforts, \$10,000 has been allocated for banners on light poles.

To further promote arts and culture in Oro Valley, our partnership with the Southern Arizona Arts & Cultural Alliance (SAACA) will continue with funding of \$26,800 included in the budget. This funding will continue to support the concert events at Oro Valley Marketplace and Steam Pump Ranch, as well as the Just for Kids Concert Series.

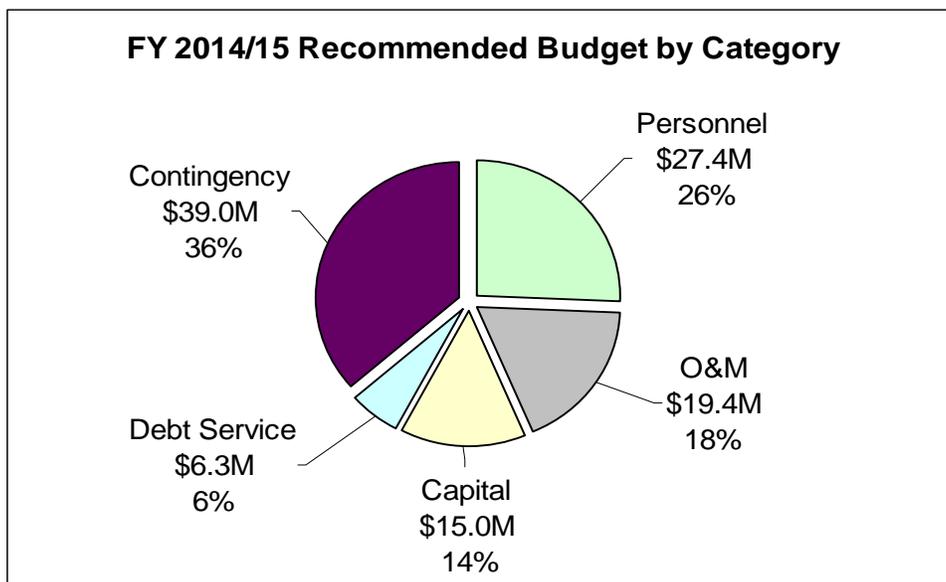
We have heard interest from the soccer community to oversee our parks during the winter season, and therefore, we have allocated funding for next year to oversee the multi-sport fields at CDO Riverfront Park. The cost is primarily for the extra water, which we have budgeted \$25,000. Also in the area of parks maintenance, an amount of \$25,000 has been included in the budget for contracted park maintenance services in order to meet the additional workload needs in this area. This is a pilot program aimed at contracting out a portion of the field and park maintenance duties in our parks rather than hiring additional Town staff.

As the Town continues to be attractive for all demographics, we have seen a recent surge in families moving into Oro Valley. We are in the formative stages of developing a partnership with the Tucson Children’s Museum for a satellite location in Oro Valley. This would require a financial partnership, and we have allocated one-time funding of \$200,000 for exhibit development and first-year operational contribution of \$75,000 out of the General Fund.

Communication is also a key focus area in the Town’s Strategic Plan, and one of the ways the Town communicates with its citizens is through the publication of the *Oro Valley Vista Newsletter*. Funding is included in the budget to increase the frequency of this publication from quarterly to an abbreviated, bi-monthly printed publication to be mailed out in the Water Utility bills.

Personnel Overview

It is common that a high percentage of municipal operational expenses are related to personnel, and this is the case for Oro Valley at 26% of the Recommended Budget (please see Budget by Category chart below).



During the current fiscal year, as employees left the organization through retirements, resignations and other means of attrition, management analyzed the ongoing need for those positions on a

case-by-case basis. In a number of areas, the duties of the departing employees were picked up by existing staff members or reassigned to other areas of the organization. In some cases, a new position replaced a former position in order to better serve the needs and demands of certain departments. In all cases, however, the overall impact to the budget was scrutinized, and as shown in the summary table below, the following personnel changes resulted in an overall annual cost savings of more than \$120,000.

POSITION REDUCTIONS AND REPLACEMENTS				
<u>Position/Title</u>	<u>Department</u>	<u>Replaced With</u>	<u>FTE Incr/(Decr)</u>	<u>Cost Incr/(Decr)</u>
Asst to Town Clerk	Clerk	Senior Office Specialist	-	\$ (10,461)
Office Asst (Part-time)	Clerk	Ofc Specialist (PT)	0.02	10,265
Town Engineer	DIS	Assistant DIS Director	-	(39,546)
Civil Engineer	DIS	Senior Civil Engr. Tech	-	(29,105)
Transit Administrator	DIS	Transit Crew Leaders (2)	1.00	3,019
Safety & Risk Mgr.	HR	Senior Civil Engr. (DIS)	-	(13,570)
Empl & Org Dev Anlyst	HR	Ofc Specialist (PT)	(0.50)	(56,673)
Office Specialist	Mgr's Ofc	Mktg & Comm. Spec.	-	15,769
TOTAL			0.52	\$ (120,302)

Certain areas of the organization experienced significant increases in demand during the current fiscal year, resulting in the need to add a few more temporary personnel and part-time, non-benefited personnel to meet the needs. In Development and Infrastructure Services, the current year budget included funding for contract personnel to assist with the General Plan Update. As a result, one, full-time, temporary senior planner and two, part-time, temporary office assistants were hired to fulfill this need. These positions have been included in the Recommended Budget for FY 14/15, but are temporary and will be eliminated when the General Plan Update is complete.

The Transit Division continues to see record-breaking ridership in the current fiscal year, and as a result, there has been need to hire additional part-time, non-benefited relief Transit drivers to maintain service. The cost of these new positions will be fully reimbursed by the Regional Transportation Authority (RTA) and has been included in the FY 2014/15 Recommended Budget.

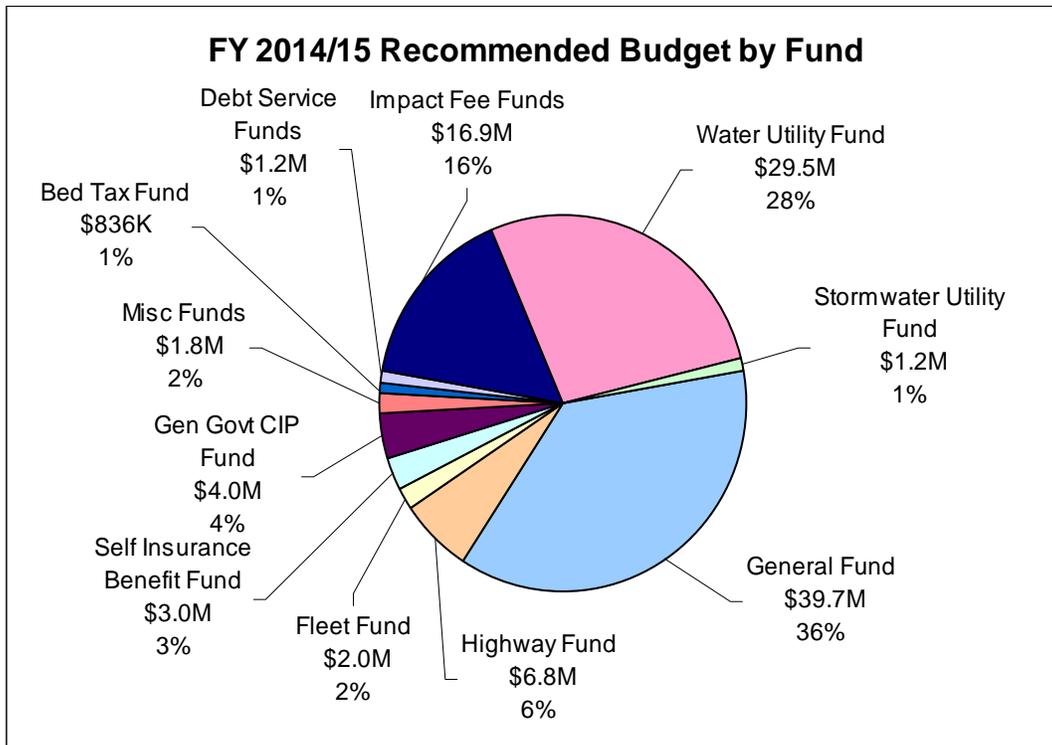
Finally, the current year budget for the Aquatics Division included staffing levels based on recommendations from the Aquatic Center Feasibility Study conducted several years ago. With the first, fully operating year completed, a few additional part-time, non-benefited facility attendants, shift leaders and lifeguards have been added in order to properly staff this facility. These additional positions have been included in the FY 2014/15 Recommended Budget.

As the Town continues to right-size and reduce or eliminate positions in some areas, increased activity in other program areas is driving the need to add additional resources. Right-sizing the organization entails adding resources where they are needed. The following table outlines new positions that have been included in the FY 2014/15 Recommended Budget:

NEW POSITION REQUESTS			
Position/Title	FTE	Department	Annual Salary + Benefits
Building Inspector I	1.00	DIS	59,442
Customer Service Representative	0.48	Water	16,905
TOTAL	1.48		\$ 76,347

Fund Overview

The following sections will cover various budget highlights from each of the Town’s major funds, while the chart below depicts the Recommended Budget by Fund.



(Fund totals exclude interfund transfers)

General Fund Highlights

The recommended General Fund budget totals \$32.3 million (excluding contingency reserves of \$10.1 million and including interfund transfers of \$2.7 million), and is 8%, or \$2.3 million, more than the current year adopted budget of \$29.9 million. The General Fund is balanced with revenues exceeding expenditures resulting in a slight surplus of \$9,234.

The following are key revenue provisions included in the General Fund budget:

- Total FY 2014/15 General Fund revenues are higher by \$3.9 million, or 13.8%, than FY 2013/14 budgeted General Fund revenues
- FY 2014/15 local sales taxes are \$2.6 million, or 19.5%, higher than FY 2013/14 budget amounts with increased revenues projected from new construction and retail sales activity. This increase reflects the General Fund now accounting for 100% of construction sales tax revenues as these revenues are no longer allocated between the General Fund and the Highway Fund.
- License and permit revenues are \$312,000, or 20.9%, higher than FY 2013/14 budget amounts due to increased residential and commercial construction activity
- \$1,315,000 is budgeted for transit service reimbursement from the RTA
- Overall increase of 6.7%, or approximately \$645,000, in state-shared revenues
- Includes a transfer of Bed Tax Funds in the amount of \$185,000, consisting of \$150,000 to fund the incremental increased cost of the expanded Aquatic Center, plus \$35,000 as the second of 15 annual repayments to the General Fund contingency reserves used for financing the construction of the Aquatic Center

The following are key expenditure provisions included in the General Fund budget:

- Includes funding for market salary adjustments and merit and step increases for eligible employees at an estimated cost of \$1.4 million
- Employee health insurance premiums are programmed to increase 7% for FY 14/15
- Department operations and maintenance budgets are slightly higher by 2.5%, or \$180,000, than adopted FY 2013/14 levels
- Transfer out of \$1.4 million to the new General Government Capital Improvement Project (CIP) Fund for capital projects
- Transfer out of \$1.14 million in one-time construction sales tax revenues to the new General Government CIP Fund to reserve for future year capital projects

The estimated year-end contingency reserve balance in the General Fund for FY 14/15 is \$10.1 million, which equals 31% of the recommended expenditure budget. The Town's adopted policy level is 25%.

Highway Fund Highlights

Proposed Highway Fund revenues total \$3.0 million, which are lower by \$841,000, or 22.1%, than the current adopted budget amount. This reflects the elimination of a portion of the 4% construction tax revenues previously allocated to this fund. These construction tax revenues are now fully accounted for in the General Fund and will be allocated toward the Town's capital needs. The Highway Fund also includes approximately \$130,000 in revenues charged to the Stormwater Utility Fund for cost recovery of Highway Fund resources utilized during storm cleanup events and ongoing storm facility maintenance. Budgeted expenditures in the Highway Fund total approximately \$4.4 million. This includes a budget of \$1.1 million for pavement preservation, capital funds for a dump truck at \$150,000, and capital funds for Town-owned streetlights in Sun City Vistoso for \$200,000. This fund is balanced with a planned use of contingency reserves of approximately \$1.4 million. The estimated year-end contingency reserve balance is \$2.4 million.

Bed Tax Fund Highlights

It is estimated that the Town's 6% Bed Tax will generate approximately \$945,000 in revenues next fiscal year, which is a 19.7%, or \$156,000, increase from the current adopted budget of \$789,000. Funding is included for Visit Tucson (\$175,000) and the Greater Oro Valley Chamber of Commerce (\$30,000). Funding for arts and cultural events is also included at \$26,800 for the Southern Arizona

Arts & Cultural Alliance (SAACA) to continue the concert series at Steam Pump Ranch and the Oro Valley Marketplace, as well as the Just for Kids Concert Series. Funding in the amount of \$185,000 will be transferred into the General Fund to pay for the estimated incremental cost increase for the expanded Aquatic Center (\$150,000), plus the second of 15 annual payments of \$35,000 to repay the General Fund contingency reserves borrowed for financing facility construction. The estimated year-end contingency reserve balance is \$228,000.

Water Utility Fund Highlights

Revenues in the Water Utility Fund are estimated at \$17.5 million, a \$3.7 million increase from FY 2013/14 budgeted revenues. This increase is primarily attributable to two areas: 1) the increase in loan proceeds from the Water Infrastructure Finance Authority (WIFA) to fund the meter replacement program and; 2) the groundwater preservation fees (GPF) that will no longer be transferred to the Alternative Water Resources Development Impact Fee (AWRDIF) fund. Previously, the GPF fees were transferred to the AWRDIF to pay for debt service related to the capital costs to develop our reclaimed system. This debt will now be paid out of the Water Utility Enterprise Fund in the future.

The expense budget for the Water Utility is approximately \$4 million more than the adopted FY 2013/14 budget. This is primarily due to the debt service payments associated with the development of our reclaimed system moving over to this fund to be paid with GPF revenues and an increase in capital projects.

Fifteen-Year Capital Improvement Program (CIP)

The Recommended Budget includes an expanded Fifteen-Year Capital Improvement Program (CIP) meant to widen the planning window in our ability to allocate funding for potential growth needs into the future. Total funding allocated to CIP projects in the Recommended Budget for FY 2014/15 is \$13.4 million. As mentioned earlier, a new fund (General Government CIP Fund) has been established to account for capital projects previously accounted for in the General Fund. Segregating these capital projects and the funding associated with them in a separate fund will provide more a more efficient structure for tracking these projects, especially those that take multiple years to complete. More detail regarding CIP projects and funding is included in the CIP document.

Acknowledgments

This budget document reflects the efforts of many long hours contributed by staff from all Town departments and input generated by employees, the Town Council and local residents. Special recognition goes to the Town's budget team for their extraordinary collaboration in preparing this recommended budget: Finance Director Stacey Lemos, Budget and Management Analyst Wendy Gomez, Communications Administrator Misti Nowak, and Assistant to the Town Manager Chris Cornelison.

Respectfully submitted,



Greg Caton
Town Manager

EXHIBIT A

FY 2014/15 Personnel Budget Adjustments by Fund

	General Fund	Highway Fund	Bed Tax Fund	Impound Fee Fund	Seizure Funds	Fleet Fund	Stormwater Utility Fund	Water Utility Fund	TOTAL ALL FUNDS
Market Salary Study, including Benefits	\$ 961,483	\$ 55,135	\$ 7,030	\$ 1,478	\$ 17,312	\$ 1,727	\$ 11,307	\$ 71,378	\$ 1,126,850
Funding Level Merit and Step Increases, including Benefits	436,186	45,199	\$ 5,055	\$ 81	\$ 6,616	1,926	9,065	51,325	\$ 555,453
Reclassification Requests	26,411	-	-	-	-	-	-	-	\$ 26,411
New Position Requests (Salary and Benefits)	<u>59,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,905</u>	<u>\$ 76,347</u>
TOTAL Personnel Budget Increase	\$ 1,483,522	\$ 100,334	\$ 12,085	\$ 1,559	\$ 23,928	\$ 3,653	\$ 20,372	\$ 139,608	\$ 1,785,061



Capital Improvement Program (CIP) 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 projects funded in FY 2014-15 total \$13,379,000. The table below shows this breakdown by Fund:

Fund	Amount
General Government CIP Fund	\$2,900,000
Highway Fund	\$1,650,000
Roadway Development Impact Fee Fund	\$4,060,000
Naranja Park Fund	\$600,000
Water Utility Fund	\$3,744,000
Alternative Water Resources Dev Impact Fee Fund	\$300,000
Stormwater Utility Fund	\$125,000
Total All Funds	\$13,379,000

Please refer to the comprehensive fifteen-year CIP schedules and the project descriptions for additional detail on all projects.



Town of Oro Valley Five-Year CIP Summary

FY 2014/15 Through FY 2018/19

	FY 14/15 Recommended	FY 15/16 Projected	FY 16/17 Projected	FY 17/18 Projected	FY 18/19 Projected
REVENUES BY SOURCE					
Transfers from General Fund	2,900,000	1,075,000	1,080,000	575,000	600,000
Construction Sales Tax	-	2,500,000	265,000	-	240,000
State Shared Revenue (HURF Gas Tax)	1,100,000	1,300,000	1,200,000	1,200,000	1,200,000
Highway Fund Reserves	550,000	370,000	-	-	-
Naranja Park Fund Reserves	600,000	-	-	-	-
Alternative Water Resources Impact Fees	300,000	400,000	610,000	3,500,000	2,900,000
Water Utility Fund Revenues	3,744,000	3,810,000	2,390,000	1,800,000	1,475,000
Stormwater Utility Fee	125,000	50,000	50,000	290,000	85,000
Pima Assoc. of Govts. (PAG) Reimbursements	4,060,000	2,442,000	4,464,000	-	3,000,000
Roadway Impact Fees	-	-	1,000,000	-	-
Pima County Bond Funds	-	-	-	9,400,000	10,175,000
	\$ 13,379,000	\$ 11,947,000	\$ 11,059,000	\$ 16,765,000	\$ 19,675,000

REVENUES BY FUND					
General Fund	2,900,000	3,575,000	1,080,000	575,000	600,000
Highway Fund	1,650,000	1,670,000	1,465,000	1,200,000	1,440,000
Roadway Development Impact Fee Fund	4,060,000	2,442,000	5,464,000	-	3,000,000
Naranja Park Fund	600,000	-	-	-	-
Water Utility Fund	3,744,000	3,810,000	2,390,000	1,800,000	1,475,000
Alternative Water Resources Dev Impact Fee Fund	300,000	400,000	610,000	3,500,000	2,900,000
Stormwater Utility Fund	125,000	50,000	50,000	290,000	85,000
County Bond Fund	-	-	-	9,400,000	10,175,000
	\$ 13,379,000	\$ 11,947,000	\$ 11,059,000	\$ 16,765,000	\$ 19,675,000

EXPENDITURES BY FUND					
General Government CIP Fund	2,900,000	3,575,000	1,080,000	575,000	600,000
Highway Fund	1,650,000	1,670,000	1,465,000	1,200,000	1,440,000
Roadway Development Impact Fee Fund	4,060,000	2,442,000	5,464,000	-	3,000,000
Naranja Park Fund	600,000	-	-	-	-
Water Utility Fund	3,744,000	3,810,000	2,390,000	1,800,000	1,475,000
Alternative Water Resources Dev Impact Fee Fund	300,000	400,000	610,000	3,500,000	2,900,000
Stormwater Utility Fund	125,000	50,000	50,000	290,000	85,000
County Bond Fund	-	-	-	9,400,000	10,175,000
	\$ 13,379,000	\$ 11,947,000	\$ 11,059,000	\$ 16,765,000	\$ 19,675,000



CIP Project Descriptions

The following are detailed descriptions of all of the projects identified for Fiscal Year 2014-2015. 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: Tucson Electric Power (TEP) Undergrounding Project - Rollover
 DEPARTMENT: General Administration
 FY 14-15 PROJECT COST: \$970,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING:
 PROJECT DESCRIPTION: Underground burying of electric utility lines
 PROJECT JUSTIFICATION: Adherence to Town Zoning Code
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Replacement Phone System - On Premise - Rollover
 DEPARTMENT: Information Technology
 FY 14-15 PROJECT COST: \$300,000
 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 - Rollover
 DEPARTMENT: Information Technology
 FY 14-15 PROJECT COST: \$240,000
 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 \$ -



CIP Project Descriptions

PROJECT TITLE:	Security Upgrades (Cameras) - Rollover
DEPARTMENT:	Town-wide
FY 14-15 PROJECT COST:	\$50,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	
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:	Naranja Park Master Plan Update - Rollover
DEPARTMENT:	Parks and Recreation
FY 14-15 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/ID and Southern Substation Building
DEPARTMENT:	Police
FY 14-15 PROJECT COST:	\$200,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	
PROJECT DESCRIPTION:	Plan and construct Property/ID and Southern Substation building
PROJECT JUSTIFICATION:	Compliance with ADOSH and OSHA standards and mitigation of staff safety hazards
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 37,500
Operating Savings	\$ 56,300



CIP Project Descriptions

PROJECT TITLE:	New Restroom at Naranja Park
DEPARTMENT:	Parks and Recreation
FY 14-15 PROJECT COST:	\$250,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	
PROJECT DESCRIPTION:	Construct 30 x 30 site-built restroom and septic system at Naranja Park
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 10,500
Operating Savings	\$ 2,500

PROJECT TITLE:	Children's Museum Oro Valley Start-Up Costs
DEPARTMENT:	General Administration
FY 14-15 PROJECT COST:	\$200,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	
PROJECT DESCRIPTION:	Start-up costs for a Children's Museum satellite location in Oro Valley
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ 75,000
Operating Savings	\$ -

PROJECT TITLE:	Aquatic Center Parking Expansion
DEPARTMENT:	Development and Infrastructure Services
FY 14-15 PROJECT COST:	\$184,000
PRIMARY FUNDING:	General Fund
ADDITIONAL FUNDING:	
PROJECT DESCRIPTION:	Expand asphalt pavement parking lot at Aquatic Center to include approximately 110 additional parking spots
PROJECT JUSTIFICATION:	Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:	
Operating Revenue	Potential additional revenue from increased patronage and new events
Operating Costs	\$ 2,000
Operating Savings	\$ -



CIP Project Descriptions

PROJECT TITLE: Cover Pumphouse at Steam Pump Ranch
 DEPARTMENT: Parks and Recreation
 FY 14-15 PROJECT COST: \$125,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING:
 PROJECT DESCRIPTION: Construct a protective steel ramada over historic pumphouse at Steam Pump Ranch
 PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ 500

PROJECT TITLE: Electronic Document Management System (EDMS)
 DEPARTMENT: Town Clerk
 FY 14-15 PROJECT COST: \$112,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING:
 PROJECT DESCRIPTION: Purchase Electronic Document Management System (EDMS) for storage, retrieval and management of Town records, including a web portal for public searching
 PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 7,000
 Operating Savings \$ -

PROJECT TITLE: Municipal Operations Center Fueling Facility
 DEPARTMENT: Development and Infrastructure Services (Fleet/Transit)
 FY 14-15 PROJECT COST: \$80,000
 PRIMARY FUNDING: General Fund
 ADDITIONAL FUNDING:
 PROJECT DESCRIPTION: Install Town fueling facility at Municipal Operations Center
 PROJECT JUSTIFICATION: Second Town fueling facility allows Town to better meet growing Transit service demands and aids in planning for emergency response scenarios
 ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings Potential for fuel, maintenance and personnel savings



CIP Project Descriptions

PROJECT TITLE: Records Management Upgrade
DEPARTMENT: Police Department
FY 14-15 PROJECT COST: \$75,000
PRIMARY FUNDING: General Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Purchase of electronic police reporting system
PROJECT JUSTIFICATION: Reduced paper police report system that allows for electronic field investigations and reporting

ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 5,000
 Operating Savings \$ -

PROJECT TITLE: Town Backups
DEPARTMENT: Information Technology
FY 14-15 PROJECT COST: \$60,000
PRIMARY FUNDING: General Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Implement tape library backup solution to the Town's backup architecture
PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives

ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 1,000
 Operating Savings \$ -

PROJECT TITLE: Additions/Upgrades to Playground at Riverfront Park
DEPARTMENT: Parks and Recreation
FY 14-15 PROJECT COST: \$57,000
PRIMARY FUNDING: General Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Addition of new playground components, replacement of shade fabric, replacing wood chips with sand and installation of new overhead light pole
PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives

ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 500
 Operating Savings \$ 5,000



CIP Project Descriptions

PROJECT TITLE: Aquatic Center Upgrades
DEPARTMENT: Parks and Recreation
FY 14-15 PROJECT COST: \$57,000
PRIMARY FUNDING: General Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Various upgrades to the Oro Valley Aquatic Center, including timing system, pool cover and record board
PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:
 Operating Revenue Potential additional revenue from increased patronage and new events
 Operating Costs \$ -
 Operating Savings Pool cover provides potential for utility cost savings

PROJECT TITLE: Oro Valley Surface Treatments
DEPARTMENT: Development and Infrastructure Services
FY 14-15 PROJECT COST: \$1,100,000
PRIMARY FUNDING: Highway Fund
ADDITIONAL FUNDING:
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
 Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings Varies depending on pavement preservation application type

PROJECT TITLE: 10 Wheel End Dump Truck
DEPARTMENT: Development and Infrastructure Services
FY 14-15 PROJECT COST: \$150,000
PRIMARY FUNDING: Highway Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Purchase of new 10 wheel end dump truck
PROJECT JUSTIFICATION: Addition of second dump truck will allow Town to self-perform construction projects in-house
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 3,000
 Operating Savings Potential for savings from in-house construction projects



CIP Project Descriptions

PROJECT TITLE: Rancho Vistoso Boulevard Street Lights
DEPARTMENT: Development and Infrastructure Services
FY 14-15 PROJECT COST: \$200,000
PRIMARY FUNDING: Highway Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Replace conduit and conductors of street lights along Rancho Vistoso Boulevard (First of three circuits)
PROJECT JUSTIFICATION: Escalating maintenance costs and safety concerns due to malfunctioning lights
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ 6,000

PROJECT TITLE: Tangerine First Ave/Rancho Vistoso Safety Improvement
DEPARTMENT: Development and Infrastructure Services
FY 14-15 PROJECT COST: \$200,000
PRIMARY FUNDING: Highway Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Address traffic safety issue at intersection by constructing a new entrance to shopping center
PROJECT JUSTIFICATION: Mitigation of acute traffic safety issue based on recently completed intersection safety study
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Lambert Lane Widening Phase II (La Cañada to Rancho Sonora)
DEPARTMENT: Development and Infrastructure Services
FY 14-15 PROJECT COST: \$375,000
PRIMARY FUNDING: Pima Association of Governments (PAG) Regional Funds
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Widen Lambert Lane between La Cañada and Rancho Sonora to 4 lanes
PROJECT JUSTIFICATION: Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -



CIP Project Descriptions

PROJECT TITLE:	Naranja Drive Phase II (La Naranja to Shannon)
DEPARTMENT:	Development and Infrastructure Services
FY 14-15 PROJECT COST:	\$2,950,000
PRIMARY FUNDING:	Pima Association of Governments (PAG) Regional Funds
ADDITIONAL FUNDING:	
PROJECT DESCRIPTION:	Widen to three lanes with sidewalk, shoulders and drainage structures
PROJECT JUSTIFICATION:	Per Transportation Improvement Program as set by PAG
ANNUAL OPERATING IMPACT:	
Operating Revenue	\$ -
Operating Costs	\$ -
Operating Savings	\$ -

PROJECT TITLE:	Rancho Vistoso and Vistoso Highlands Traffic Signal - Rollover
DEPARTMENT:	Development and Infrastructure Services
FY 14-15 PROJECT COST:	\$600,000
PRIMARY FUNDING:	Regional Transportation Authority (RTA) Funds
ADDITIONAL FUNDING:	
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 - Rollover
DEPARTMENT:	Development and Infrastructure Services
FY 14-15 PROJECT COST:	\$135,000
PRIMARY FUNDING:	Regional Transportation Authority (RTA) Funds
ADDITIONAL FUNDING:	
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	\$ -



CIP Project Descriptions

PROJECT TITLE: Naranja Park Improvements - Rollover
DEPARTMENT: Development and Infrastructure Services/Parks and Recreation
FY 14-15 PROJECT COST: \$600,000
PRIMARY FUNDING: General Fund
ADDITIONAL FUNDING: Bed Tax Fund, Parks and Recreation Impact Fees
PROJECT DESCRIPTION: Construct two new multi-sport fields, dog park and parking lot with lighting at Naranja Park
PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ 25,000 (Facility Rental Fees)
 Operating Costs \$ 120,000
 Operating Savings \$ -

PROJECT TITLE: AMI Meter Replacement
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$2,200,000
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: 24 Inch Reclaimed Main Relocation - Tangerine Road
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$100,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Relocate 24 inch reclaimed main on Tangerine Road due to scheduled road improvements
PROJECT JUSTIFICATION: Scheduled roadway improvements per PAG Transportation Improvement Program
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -



CIP Project Descriptions

PROJECT TITLE: Naranja Shannon to La Cholla Main Relocation
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$100,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Relocate 12 inch main on Naranja due to scheduled road improvements
PROJECT JUSTIFICATION: Scheduled roadway improvements per PAG Transportation Improvement Program
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: Reclaimed Reservoir Retention Basin Liner - Rollover
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$10,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
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 TITLE: Reclaimed Reservoir Vault Modification - Rollover
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$10,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
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 \$ -



CIP Project Descriptions

PROJECT TITLE: Energy Efficiency Booster Upgrades
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$150,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
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: Replace Security Wall at CS-2 Countryside - Rollover
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$20,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
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: Main Valve Replacements
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$50,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
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 Possible savings due to improved system reliability



CIP Project Descriptions

PROJECT TITLE: Security Wall at Well C8
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$100,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Design and construct new masonry security wall and metal security gate at Well C8
PROJECT JUSTIFICATION: Improve site security and safety
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: "F" to "D" 6 Inch Pressure Reduce Valve - Cliff Dweller Drive
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$60,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Install new 6 inch pressure reducing valve on Cliff Dweller Drive
PROJECT JUSTIFICATION: Increase system reliability in case of water outage or system emergency
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 1,000
 Operating Savings \$ -

PROJECT TITLE: Well CS1 to Well CS2 12 Inch Main Replacement
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$500,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Install new 12 inch main from Countryside Well CS1 to Countryside Well CS2
PROJECT JUSTIFICATION: Improve system reliability
 Existing main is undersized, causing high pressure and wasting electric power
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ 3,500



CIP Project Descriptions

PROJECT TITLE: Tangerine Shannon to La Cañada Main Relocation
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$75,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Relocate existing 12 inch potable water mains on Tangerine Road due to scheduled road improvements
PROJECT JUSTIFICATION: Scheduled roadway improvements per PAG Transportation Improvement Program
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: System Connection Upgrades
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$100,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Small system improvements to enhance water flow in "E" Zone
PROJECT JUSTIFICATION: Improve system reliability and reduce water outages in an emergency
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -

PROJECT TITLE: West Lambert Lane 12 Inch Main Relocation
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$75,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Relocate 12 inch water main on West Lambert Lane for scheduled roadway improvements
PROJECT JUSTIFICATION: Scheduled roadway improvements per PAG Transportation Improvement Program
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ -
 Operating Savings \$ -



CIP Project Descriptions

PROJECT TITLE: Construction Equipment - Backhoe
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$94,000
PRIMARY FUNDING: Water Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Purchase backhoe for service repairs, emergency main repairs and new main installations
PROJECT JUSTIFICATION: Conduct repairs and installs in-house, utilizing existing staff, versus contracting out
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 2,000
 Operating Savings Potential for savings from conducting repairs and installs in-house

PROJECT TITLE: La Cholla D-E Blending Booster Station
DEPARTMENT: Water
FY 14-15 PROJECT COST: \$300,000
PRIMARY FUNDING: Alternative Water Resources Development Impact Fees
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Construct new booster station for blending of groundwater and Central Arizona Project (CAP) Water
PROJECT JUSTIFICATION: Improve water quality
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 2,000
 Operating Savings \$ -

PROJECT TITLE: 4.5 Cubic Yard Wheel Loader
DEPARTMENT: Development and Infrastructure Services, Operations Division
FY 14-15 PROJECT COST: \$125,000
PRIMARY FUNDING: Stormwater Utility Fund
ADDITIONAL FUNDING:
PROJECT DESCRIPTION: Lease purchase a new 4.5 cubic yard wheel loader to assist with everyday and special projects, emergencies and monsoon storm cleanup
PROJECT JUSTIFICATION: Supports Town Strategic Plan objectives
ANNUAL OPERATING IMPACT:
 Operating Revenue \$ -
 Operating Costs \$ 3,000
 Operating Savings \$ -

CAPITAL IMPROVEMENT PROGRAM

Project Name	Fund	Department	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	TOTAL \$
GENERAL GOVERNMENT CIP FUND																		
MOC Fueling Facility	Gen Govt CIP	DIS-Fleet/Transit	\$ 80,000															80,000
MOC Parking Expansion and Security Improvements	Gen Govt CIP	DIS-Fleet/Transit			\$ 50,000	\$ 125,000												175,000
The District Signs and Flags	Gen Govt CIP	DIS		\$ 100,000	\$ 100,000													200,000
Aquatic Center Parking Expansion	Gen Govt CIP	DIS	\$ 184,000															184,000
Upgrade CarteGraph to Enterprise License	Gen Govt CIP	DIS		\$ 40,000														40,000
Replace Permitting/Land Mgmt Software - ROLLOVER	Gen Govt CIP	DIS/IT	\$ 240,000															240,000
Replacement Phone System - ROLLOVER	Gen Govt CIP	IT	\$ 200,000									\$ 300,000						500,000
Town Backups	Gen Govt CIP	IT	\$ 60,000					\$ 200,000										260,000
Security Upgrades (Cameras) - ROLLOVER	Gen Govt CIP	IT	\$ 50,000															50,000
Server Room Expansion	Gen Govt CIP	IT			\$ 150,000													150,000
Server Operating System Upgrade	Gen Govt CIP	IT						\$ 50,000					\$ 60,000				\$ 70,000	180,000
Network Storage Upgrade	Gen Govt CIP	IT				\$ 50,000					\$ 60,000					\$ 72,000		182,000
Database Licensing	Gen Govt CIP	IT		\$ 50,000					\$ 80,000					\$ 85,000				215,000
Upgrade Desktop Operating System	Gen Govt CIP	IT					\$ 150,000						\$ 200,000					350,000
Exchange Server Replacement	Gen Govt CIP	IT		\$ 70,000					\$ 80,000								\$ 80,000	230,000
Virtual Server Host System Replacement	Gen Govt CIP	IT		\$ 60,000					\$ 60,000					\$ 60,000				180,000
Replace Network Infrastructure Hardware	Gen Govt CIP	IT										\$ 200,000						200,000
New Court/Prosecution Building	Gen Govt CIP	Legal								\$ 3,500,000								3,500,000
Courtroom Remodel and Bench Redesign	Gen Govt CIP	Court		\$ 75,000	\$ 75,000													150,000
Naranja Park Master Plan Update - ROLLOVER	Gen Govt CIP	Parks & Rec	\$ 40,000															40,000
New Restroom at Naranja Park	Gen Govt CIP	Parks & Rec	\$ 250,000															250,000
Two Additional Soccer Fields at Naranja Park	Gen Govt CIP	Parks & Rec		\$ 400,000														400,000
New Playground at Naranja Park	Gen Govt CIP	Parks & Rec			\$ 275,000			\$ 120,000										395,000
Additions/Upgrades to Playground at Riverfront Park	Gen Govt CIP	Parks & Rec	\$ 57,000					\$ 200,000										257,000
Renovate Upper Soccer Field at Riverfront Park	Gen Govt CIP	Parks & Rec				\$ 200,000												200,000
Convert Lower Soccer Field to Softball at Riverfront Park	Gen Govt CIP	Parks & Rec				\$ 200,000												200,000
Resurface Parking Lot at Riverfront Park	Gen Govt CIP	Parks & Rec								\$ 90,000								90,000
Upgrade Playground Equipment at JDK Park	Gen Govt CIP	Parks & Rec						\$ 200,000										200,000
New Ramada at JDK Park	Gen Govt CIP	Parks & Rec					\$ 300,000											300,000
Expand and Upgrade Green Field at JDK Park	Gen Govt CIP	Parks & Rec			\$ 150,000													150,000
Resurface Parking Lots at JDK Park	Gen Govt CIP	Parks & Rec								\$ 60,000								60,000
Honeybee Canyon Park Upgrades	Gen Govt CIP	Parks & Rec						\$ 150,000										150,000
Cover Pumphouse at Steam Pump Ranch (SPR)	Gen Govt CIP	Parks & Rec	\$ 125,000															125,000
Aquatic Center Upgrades	Gen Govt CIP	Parks & Rec	\$ 57,000															57,000
Proctor/Leiber House Renovation at SPR	Gen Govt CIP	Parks & Rec		\$ 280,000	\$ 280,000													560,000
Town Hall Parking Lot Landscaping	Gen Govt CIP	Parks & Rec								\$ 75,000								75,000
Mobile Stage	Gen Govt CIP	Parks & Rec				\$ 150,000												150,000
Property/ID and Southern Substation Building	Gen Govt CIP	Police	\$ 200,000	\$ 2,500,000														2,700,000
New Substation and Training Facility at MOC	Gen Govt CIP	Police									\$ 3,170,000							3,170,000
Substation and Training Facility (Arroyo Grande)	Gen Govt CIP	Police													\$ 3,170,000			3,170,000
Replace Command Post	Gen Govt CIP	Police						\$ 300,000										300,000
Expand Communications Infrastructure	Gen Govt CIP	Police									\$ 200,000							200,000
Records Management Upgrade	Gen Govt CIP	Police	\$ 75,000															75,000
Electronic Document Management System (EDMS)	Gen Govt CIP	Town Clerk	\$ 112,000															112,000
Children's Museum Oro Valley Start Up Costs	Gen Govt CIP	Contingency	\$ 200,000															200,000
TEP Undergrounding Project - ROLLOVER	Gen Govt CIP	Contingency	\$ 970,000															970,000
TOTAL GENERAL GOVERNMENT CIP FUND	Gen Govt CIP		\$ 2,900,000	\$ 3,575,000	\$ 1,080,000	\$ 575,000	\$ 600,000	\$ 870,000	\$ 570,000	\$ 3,725,000	\$ 3,430,000	\$ 500,000	\$ 260,000	\$ 145,000	\$ 80,000	\$ 3,242,000	\$ 70,000	\$ 21,622,000

CAPITAL IMPROVEMENT PROGRAM

Project Name	Fund	Department	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	TOTAL \$
E-C Pressure Reducing Valve Naranja Reservoir	AWRDIF	Water					\$ 100,000											100,000
24-Inch Pipe - La Cholla/Tangerine to La Canada	AWRDIF	Water							\$ 2,500,000									2,500,000
Big Wash D-E Booster Station	AWRDIF	Water							\$ 800,000									800,000
Inlet Outlet Modifications at Allied Signal Reservoir	AWRDIF	Water							\$ 50,000									50,000
Steam Pump C-D Booster Station	AWRDIF	Water							\$ 1,200,000									1,200,000
5000 Acre Ft/Year CAP	AWRDIF	Water											\$ 500,000					500,000
Lower Santa Cruz Recovery Wells (1500 Acre Ft/Year)	AWRDIF	Water											\$ 900,000					900,000
Water Treatment R&R, Chlorination	AWRDIF	Water											\$ 200,000	\$ 1,200,000	\$ 1,000,000			2,400,000
Delivery, Storage, A-C and C-E Booster Stations	AWRDIF	Water											\$ 3,000,000	\$ 13,000,000	\$ 10,000,000	\$ 10,000,000		36,000,000
16-Inch Main Tangerine/La Canada to 1st Ave	AWRDIF	Water											\$ 1,500,000	\$ 1,500,000	\$ 700,000			3,700,000
PRV Feed to E Zone Tangerine/La Canada	AWRDIF	Water											\$ 50,000					50,000
PRV Feed to E Zone Tangerine and 1st Ave	AWRDIF	Water											\$ 50,000					50,000
3 Recovery Wells and Delivery to Water Treatment Plant	AWRDIF	Water											\$ 4,000,000	\$ 500,000				4,500,000
E-F Zone Booster Station La Canada Reservoir	AWRDIF	Water											\$ 1,400,000					1,400,000
7 Recovery Wells	AWRDIF	Water											\$ 500,000		\$ 5,000,000			6,000,000
16-Inch Main Naranja/La Cholla to Reservoir	AWRDIF	Water													\$ 300,000	\$ 2,000,000		2,300,000
Concentrate Management CAP Water	AWRDIF	Water													\$ 3,000,000	\$ 5,000,000	\$ 5,000,000	13,000,000
Water Treatment and Reverse Osmosis	AWRDIF	Water													\$ 1,000,000	\$ 5,000,000		6,000,000
Total CAP Water Improvements			\$ 300,000	\$ 400,000	\$ 610,000	\$ 3,500,000	\$ 2,900,000	\$ 400,000	\$ 2,500,000	\$ 2,050,000	\$ -	\$ -	\$ 6,100,000	\$ 21,700,000	\$ 17,000,000	\$ 27,000,000	\$ 5,000,000	\$ 89,460,000
TOTAL ALT WATER RESOURCE DEV IMP FEE FUND			\$ 300,000	\$ 400,000	\$ 610,000	\$ 3,500,000	\$ 2,900,000	\$ 400,000	\$ 2,500,000	\$ 2,050,000	\$ -	\$ -	\$ 6,100,000	\$ 21,700,000	\$ 17,000,000	\$ 27,000,000	\$ 5,000,000	\$ 89,460,000
POTABLE WATER SYSTEM DIF FUND																		
Property Acquisition C Zone Reservoir	PWSDIF	Water						\$ 500,000										500,000
Booster Station C Zone	PWSDIF	Water							\$ 150,000	\$ 300,000								450,000
1.0 MG Reservoir C Zone	PWSDIF	Water							\$ 150,000	\$ 1,000,000	\$ 500,000							1,650,000
New 16" Main C Zone Connection	PWSDIF	Water								\$ 150,000	\$ 1,500,000							1,650,000
Property Acquisition F Zone Reservoir (Oracle Rd)	PWSDIF	Water											\$ 250,000					250,000
New 16" Main N. Oracle Rd. F Zone Connection	PWSDIF	Water												\$ 300,000	\$ 3,000,000			3,300,000
1.0 MG F Zone Reservoir - N. Oracle Rd.	PWSDIF	Water												\$ 250,000	\$ 1,500,000	\$ 1,000,000		2,750,000
N. Oracle Rd. H Zone Booster Station	PWSDIF	Water													\$ 150,000	\$ 600,000		750,000
New 12" H Zone Main Sun City	PWSDIF	Water													\$ 150,000	\$ 1,000,000	\$ 500,000	1,650,000
New 16" G Zone Main	PWSDIF	Water													\$ 200,000	\$ 2,000,000		2,200,000
Property Acquisition Tortolita G Zone Reservoir	PWSDIF	Water												\$ 250,000				250,000
Property Acquisition Chalk Creek H Zone Reservoir	PWSDIF	Water													\$ 200,000			200,000
2.0 MG Reservoir Tortolita G Zone	PWSDIF	Water													\$ 250,000	\$ 2,000,000		2,250,000
Booster Station G-H Zone Tortolita	PWSDIF	Water													\$ 150,000	\$ 400,000		550,000
0.5 MG Reservoir H Zone Chalk Creek	PWSDIF	Water													\$ 150,000	\$ 1,000,000		1,150,000
New 16" H Zone Main	PWSDIF	Water													\$ 200,000	\$ 2,000,000		2,200,000
New 16" Chalk Creek H Zone Main	PWSDIF	Water												\$ 100,000	\$ 100,000	\$ 1,000,000		1,200,000
TOTAL POTABLE WATER SYSTEM DIF FUND			\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 300,000	\$ 1,450,000	\$ 2,000,000	\$ -	\$ 250,000	\$ 300,000	\$ 3,900,000	\$ 4,350,000	\$ 9,900,000	\$ 22,950,000

