Oro Valley Fast Facts

- Incorporated in 1974
- Population = 41,011
- FY 12/13 Budget $95.4M
- Services include:
  - Police
  - Parks and Recreation
  - Water Utility
  - Stormwater Utility
  - Public Transit
  - Development Services
  - Public Works
General Fund Revenues
Fiscal Year 2012/2013

- Local Sales Tax: $12,327,995
- State/County Shared: $9,175,117
- Miscellaneous
- License and Permit Fees
- Federal Grants
- State Grants
- Inter-governmental
- Fines
- Interest Income
- Charges for Services

Total General Fund Revenues: $21,503,112
10-Year History of General Fund Expenditures (Inc. Transfers Out)

Fiscal Year:
- FY 02/03
- FY 03/04
- FY 04/05
- FY 05/06
- FY 06/07
- FY 07/08
- FY 08/09
- FY 09/10
- FY 10/11
- FY 11/12 Est.

Total Expenditures + Transfers (Millions):
- $15
- $20
- $25
- $30
- $35

The graph shows the trend of total expenditures including transfers over the years from FY 02/03 to FY 11/12. The trend indicates a steady increase from FY 02/03 to FY 06/07, followed by a peak in FY 07/08, and then a decline leading to a stabilizing trend from FY 09/10 onwards.

Town of Oro Valley
Two major capital projects within 3 years
  – Energy savings and economic development

Solar & energy efficiency measures project
  – Solar panel installation
  – Energy efficient retrofit to existing buildings

Aquatic Center Expansion
  – Renovation and expansion of existing facility
Mission:

Mission Impossible:

The project cannot be a drain on the Town’s General Fund
A strategic, design-build energy plan that is self-funded by virtue of its own cost reductions.
“If the M&V report reveals a shortfall in annual energy cost savings, the Energy Service Contractor (ESCO) is liable for such shortfall, and shall pay to the Town … the shortfall up to the life of the performance period.”
Energy Audit
Project Elements

**Lighting Measures:** Both interior and exterior

**Ceiling Fans**

**Water Conservation**

**Solar Water Heating**

**Solar Panels**

**Motors and Pump Modifications**

**HVAC System:** Zone control and high efficiency units

**Low E Window Film**

**Energy Data Management**

**Controls:** direct digital controls (thermostat) and demand controlled ventilation (for air circulation)

**Landscaping**

Town of Oro Valley
The Project Price Tag

- Solar Elements: $2.4 million
- Energy Efficiency: $1.8 million
So… how do we pay for all of this?

General Fund Five-Year Forecast
Revenues, Expenditures, and Fund Balance

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>YE EST</th>
<th>Projected</th>
<th>Projected</th>
<th>Projected</th>
<th>Projected</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009/10</td>
<td>$32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2010/11</td>
<td>$28</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2011/12</td>
<td>$26</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2012/13</td>
<td>$24</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013/14</td>
<td>$22</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2014/15</td>
<td>$20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2015/16</td>
<td>$18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Revenues**
- **Expenditures**
- **Fund Balance**
Pool of Key Funding Sources

- Energy Savings
- Local Utility
- Grant
- Town Funds
- Clean Renewable Energy Bonds
Town of Oro Valley

Project Financial Overview

$500,000
$1,000,000
$1,500,000
$2,000,000
$2,500,000

Year

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

Current Utility & Maintenance Cost
Post Project Investment
Post Project Utility & Maintenance Cost

Pre-Project Energy Costs
Savings Applied to Finance
Post Project Energy Costs
Solar and Energy Efficiency Projects Working in Tandem
The Construction Experience
Key Points to Take Home

- Project is 100% self-funded
- Energy cost savings are guaranteed by performance contractor
- Invest in Town infrastructure instead of maintaining current utility expenses
- Know the pro’s and con’s of performance contracting
- Outreach. Outreach. Outreach.
Aquatics Center Expansion Highlights

How could the Town enhance/expand existing facility to become economic driver?
   - Aging facility with limited opportunities

Expansion based on recommendations from Economic Feasibility Study

Legislative change restricting bed taxes key to project approval

Total project budget is $5.0M

Anticipated completion in March 2013
   - Olympic pool opened September 19, 2012
Aquatics Center Expansion
What’s Included??

Town of Oro Valley
Aquatics Financing

Capital costs funded with:
- Excise tax bonds
- Contingency Reserves
- Impact fees
- Donations
- Corporate sponsorships

Increased O&M costs funded with:
- Bed tax revenues restricted for tourism-promotion purposes
Aquatics Center Anticipated Outcomes

- Premiere Aquatics Facility in Southern Arizona
- Economic driver for the Town and Region
- Community gathering point
- Preeminent competition facility in Arizona
Operations and Maintenance: Additional Considerations

- Debt defeasance
  - Paid off $6.3M in Gen. Fund debt in FY 09/10
    - Utilized contingency reserves
  - Recurring savings of approximately $650K/yr

- Vacancy savings – right-sizing
  - $900K town-wide in FY 11/12

- Health Insurance Self-funding and Health Savings Accounts
Partnership and Collaboration

- Transferred Library operations to County
  - Recurring savings of nearly $600k per year

- Partnered with Regional Transportation Authority (RTA) for expanded Transit services
  - Recurring savings of $200K per year

- Central Arizona Project (CAP) water delivery through Tucson Water (City of Tucson) infrastructure
  - Significant capital and O&M savings
Thank you

Contact: Stacey Lemos, slemos@orovalleyaz.gov