



PROPOSED BUDGET OVERVIEW FISCAL YEAR 2018/2019

Presentation to City Council

May 15, 2018

Presented by:
Brenda Hasler, Finance Director
Trisha Sorensen, Interim City Manager



The **FY 18/19 Proposed Budget** continues the City's effort to create and maintain a family friendly, vibrant community with diverse opportunities.

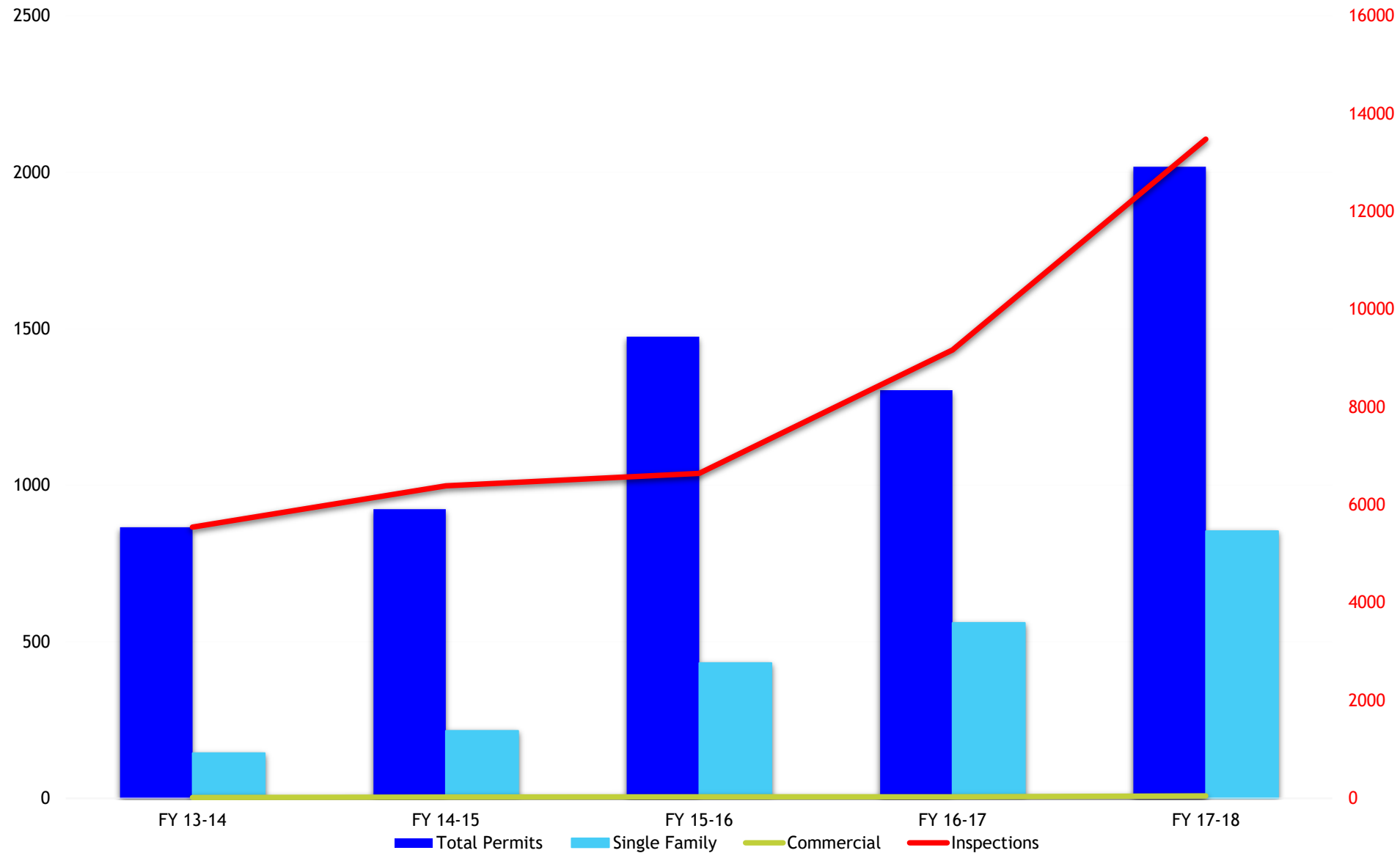
Our objective is to achieve financial sustainability through the balance of meeting today's needs while preparing for the growth and opportunities of tomorrow.



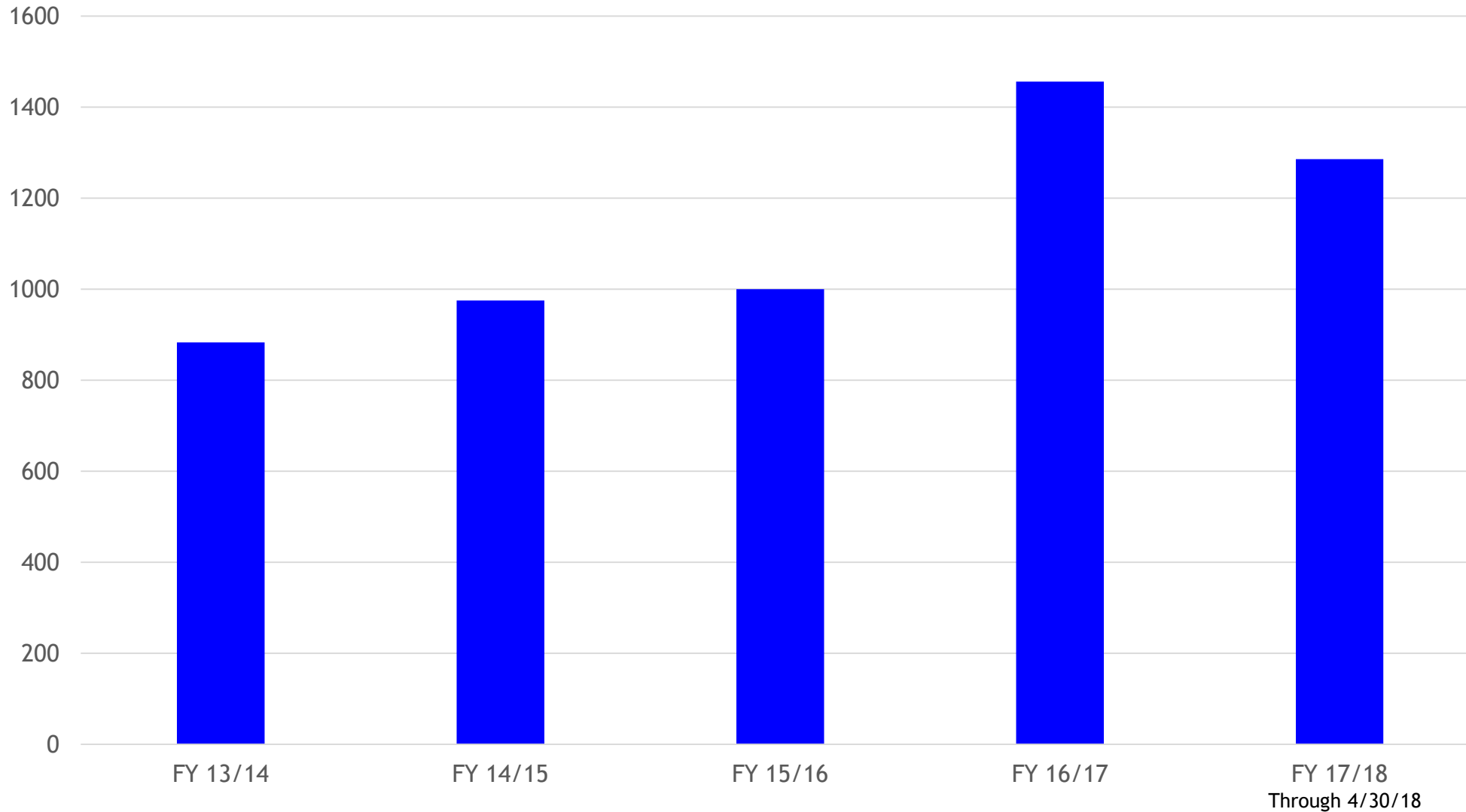
GROWTH



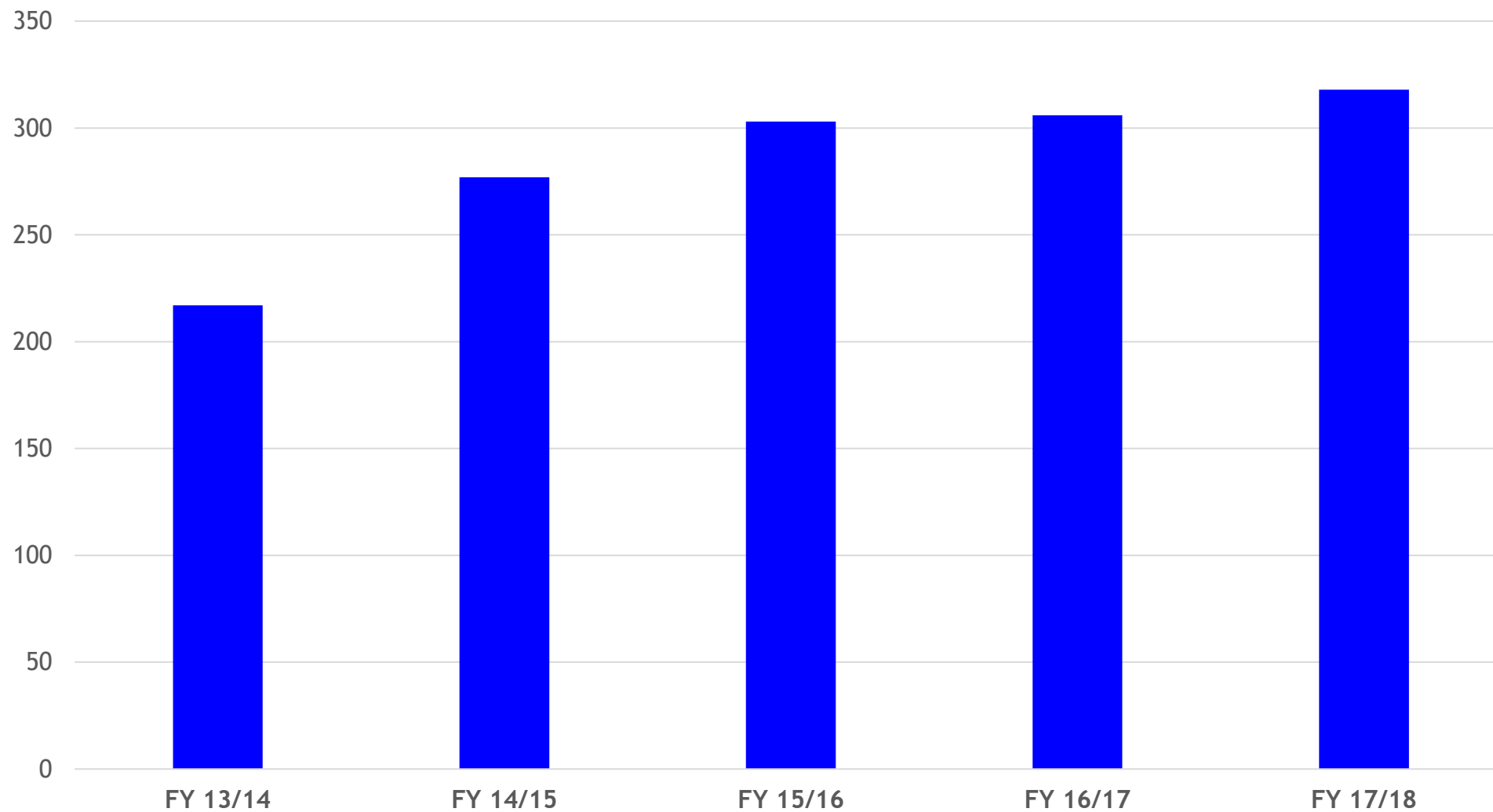
5 Year Permit Activity



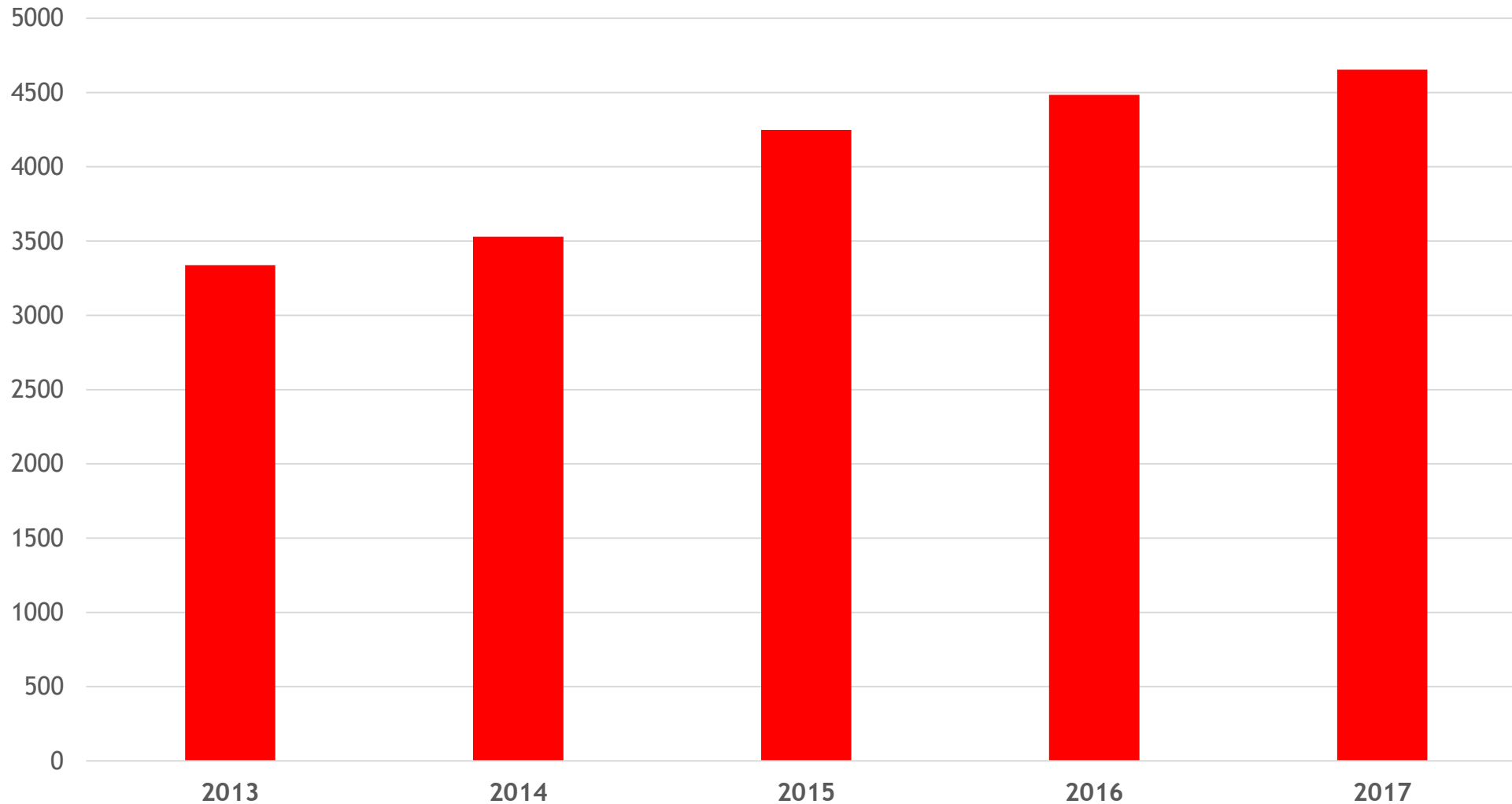
5 Year Passport Activity



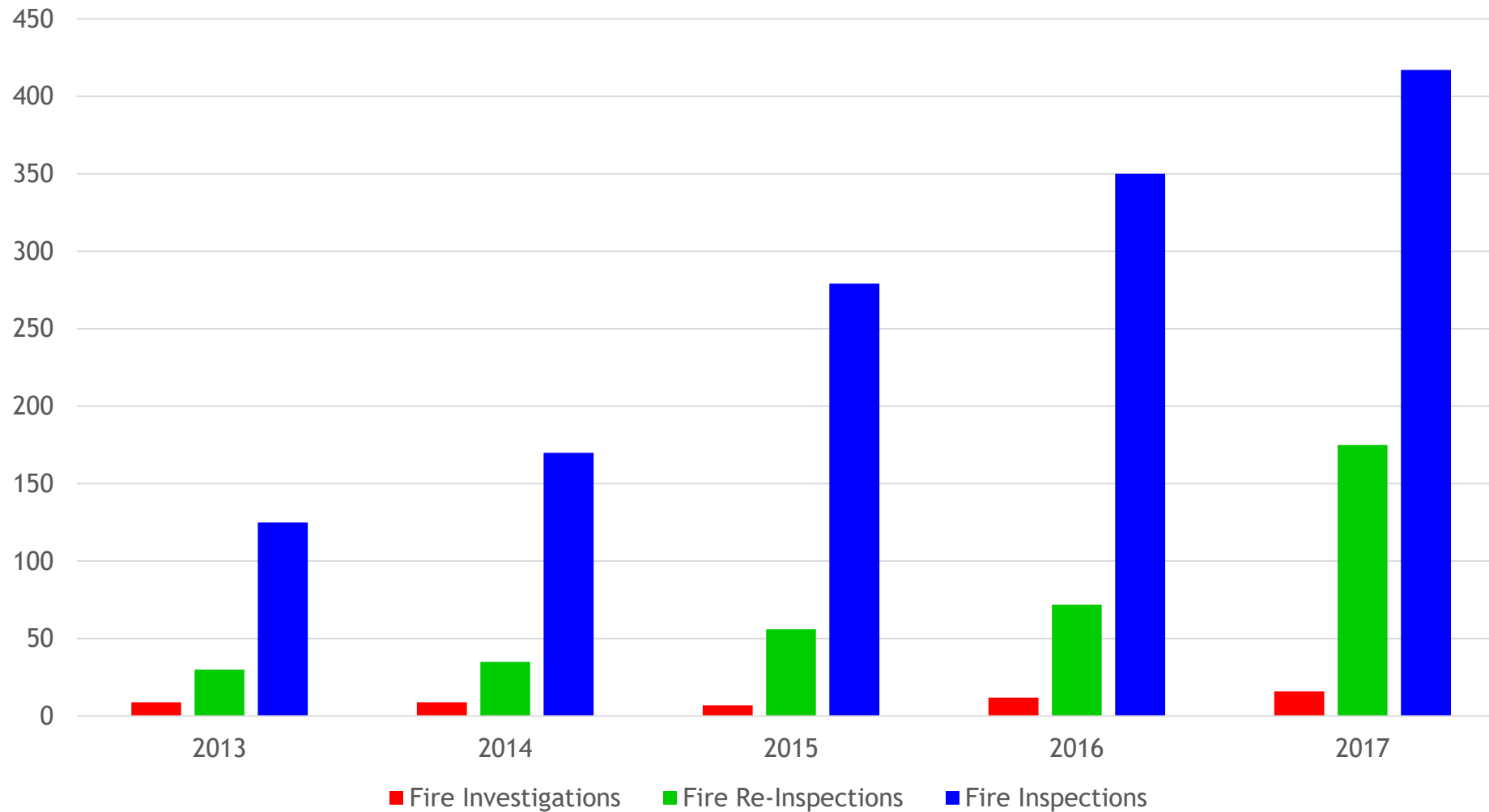
FULL TIME EQUIVALENT POSITIONS



FIRE/MEDICAL RUNS



FIRE INSPECTIONS & INVESTIGATIONS



POLICE DEPARTMENT SERVICE FIGURES

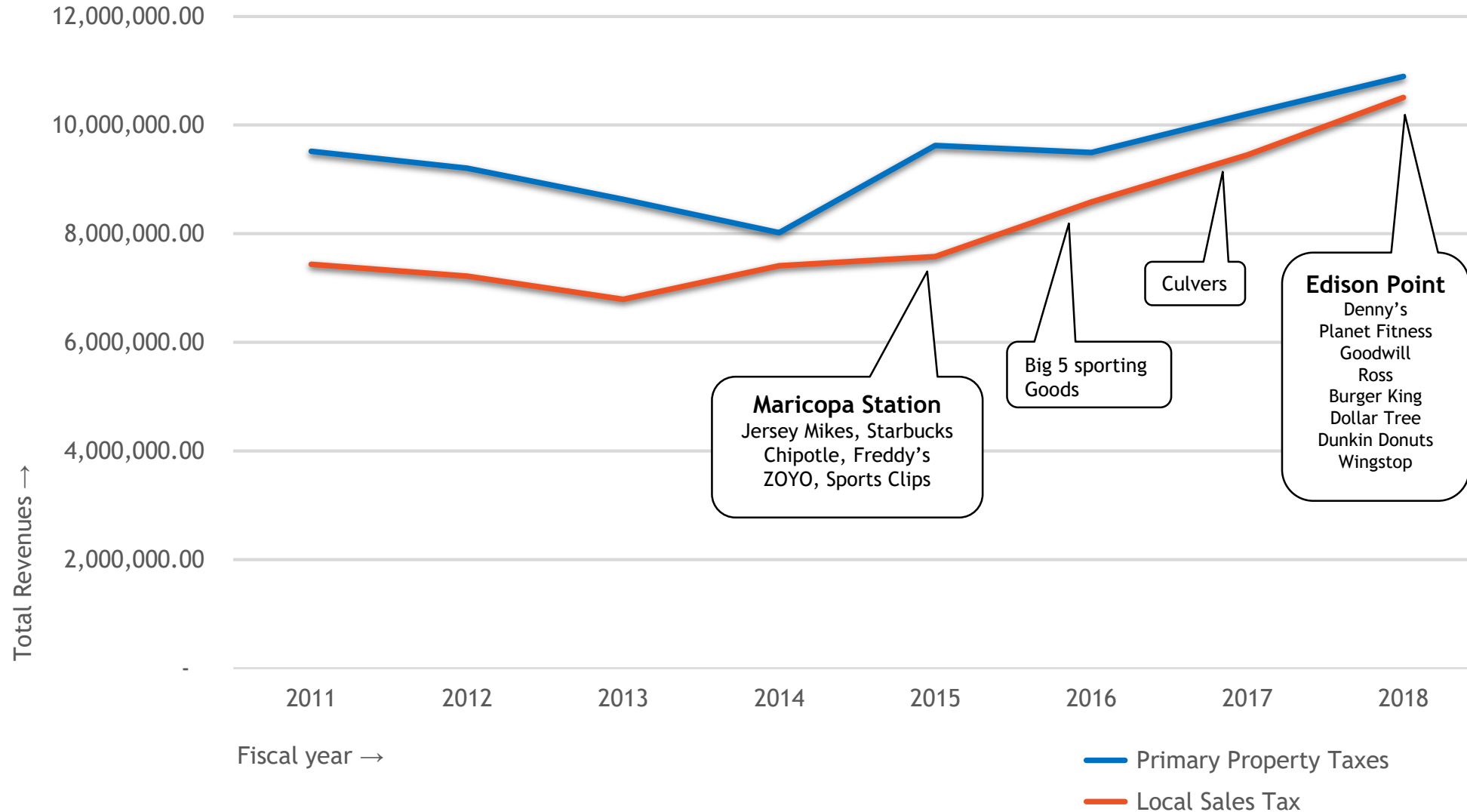
- Police Communications answered approximately 2,100 more calls in 2017 as compared to 2016
 - 80,142 in 2017
 - 78,000 in 2016
- Communications dispatched officers on 29,800 calls in 2017, an increase of 1,548 from 2016
- Communications processed 1,475 warrants in 2017
- An estimated 2,500 alarm permits are registered in SmartGov, anticipate the number of alarms being much higher



REVENUES



Local Taxes



Where do Property Tax Dollars Go?

33.37%

Public School District

17.94%

Pinal County

11.79%

Community Colleges

28.66%

City of Maricopa

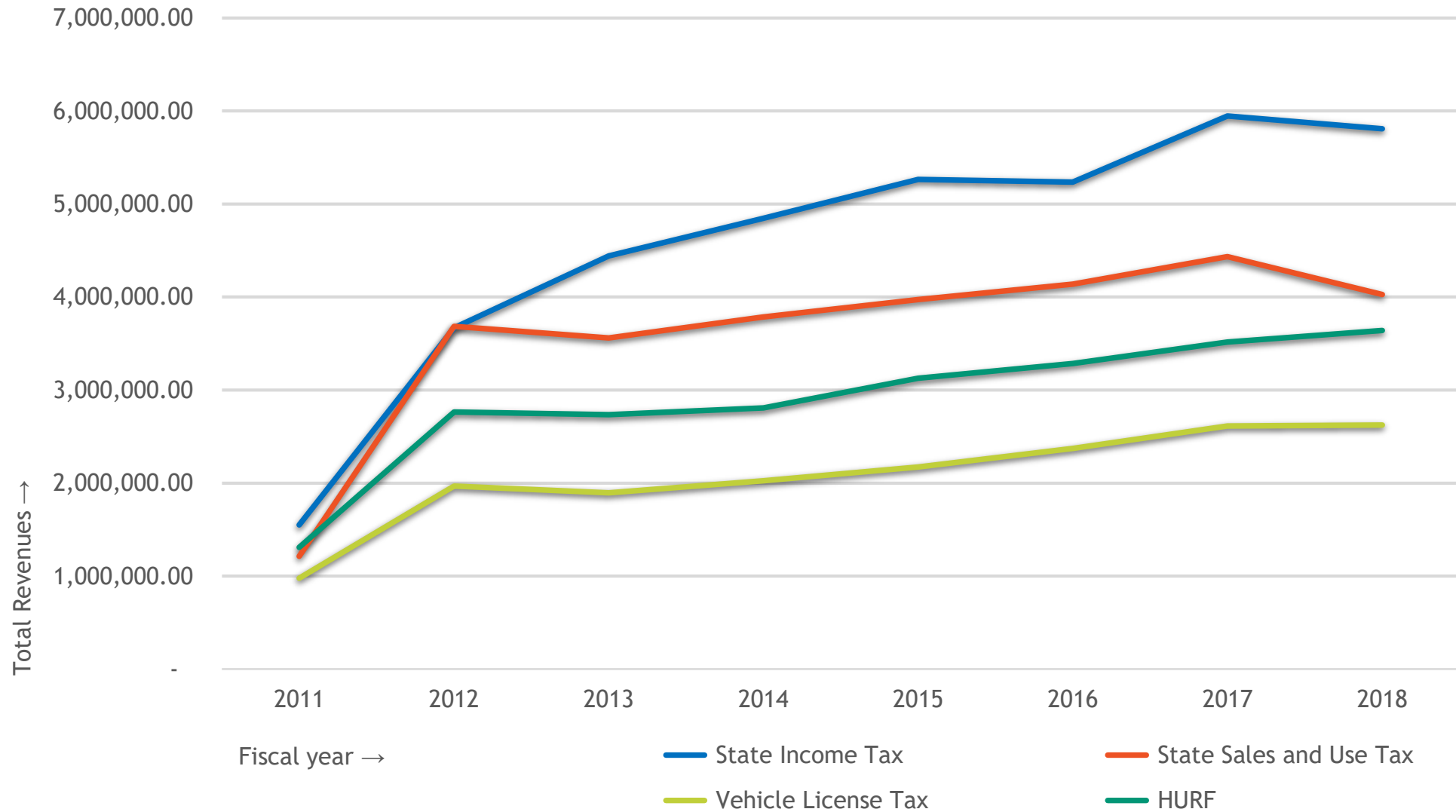
8.24%

Other Special Districts



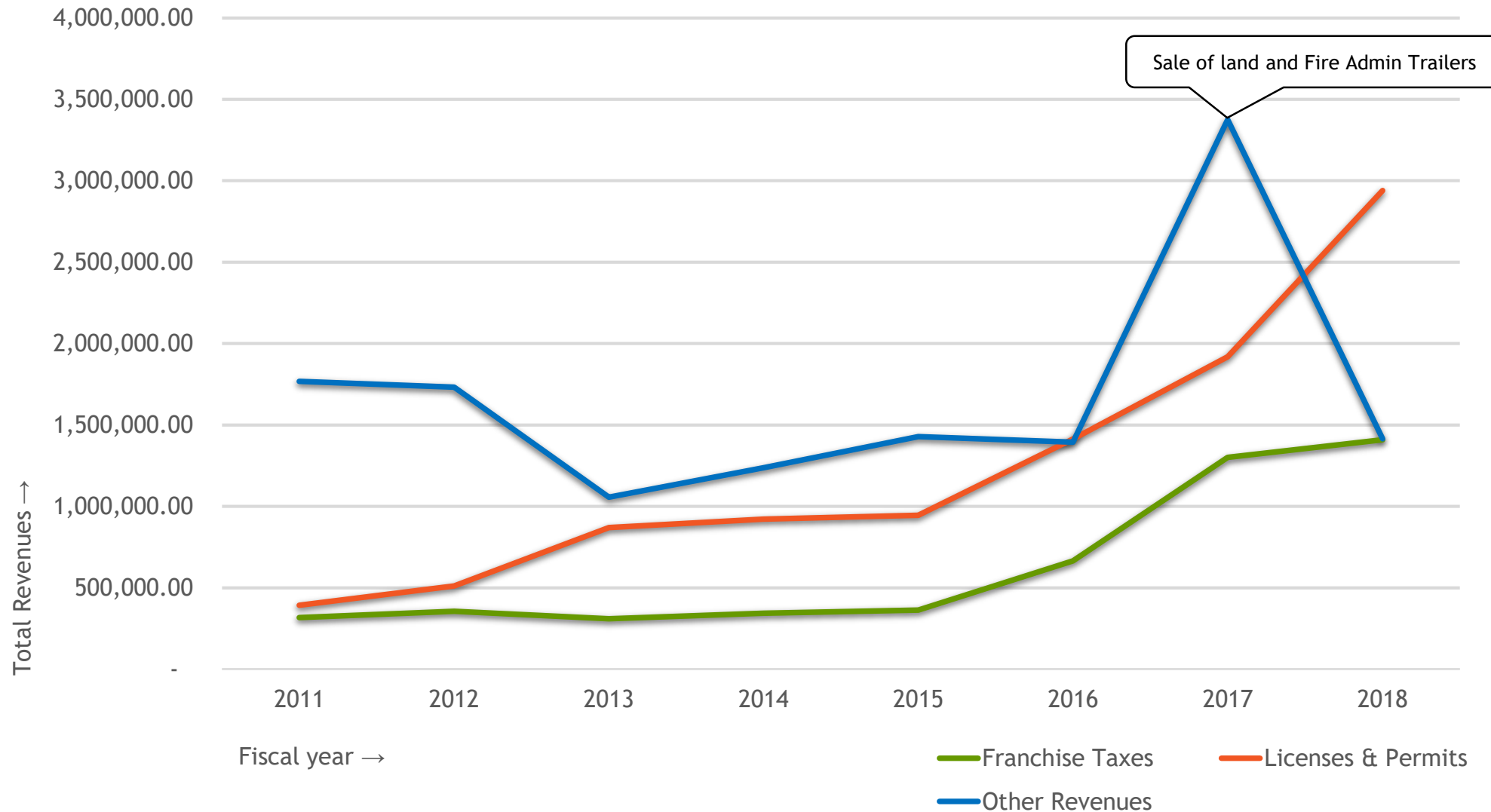
REVENUE HISTORY 2011-2017

State Taxes



REVENUE HISTORY 2011-2017

Local Licenses, Permits, Other Revenues



New Revenue Streams Not Budgeted

Edison Point

- Denny's
- Planet Fitness
- Goodwill
- Ross
- Burger King
- Dollar Tree
- Dunkin Donuts
- Wingstop

The Wells

- Jiffy Lube
- Car Wash



FY 18/19 Revenue Forecast

	FY 17/18	FY 18/19
Local Taxes	\$21,704,000	\$24,849,856
Intergovernmental Revenue	\$12,828,858	\$13,303,950
Licenses and Permits	\$2,911,517	\$2,232,097
Fees, Fines and Charges	\$864,174	\$1,253,600
Investment Earnings	\$210,000	\$216,300
Miscellaneous	\$267,607	\$177,300
TOTAL	\$38,786,156	\$42,033,103

NOTES:

- \$500,000 added to local taxes for anticipated revenue from Edison Point and other revenues not budgeted
- Licenses & Permits decrease from FY 17/18 to FY 18/19 due to moving approximately \$1.1 million from this line item to the Local Taxes line item to be consistent with auditors
- Reduction in Miscellaneous for FY 18/19 compared to FY 17/18 due to one time revenues this year



FY 18/19 Expenditure Forecast

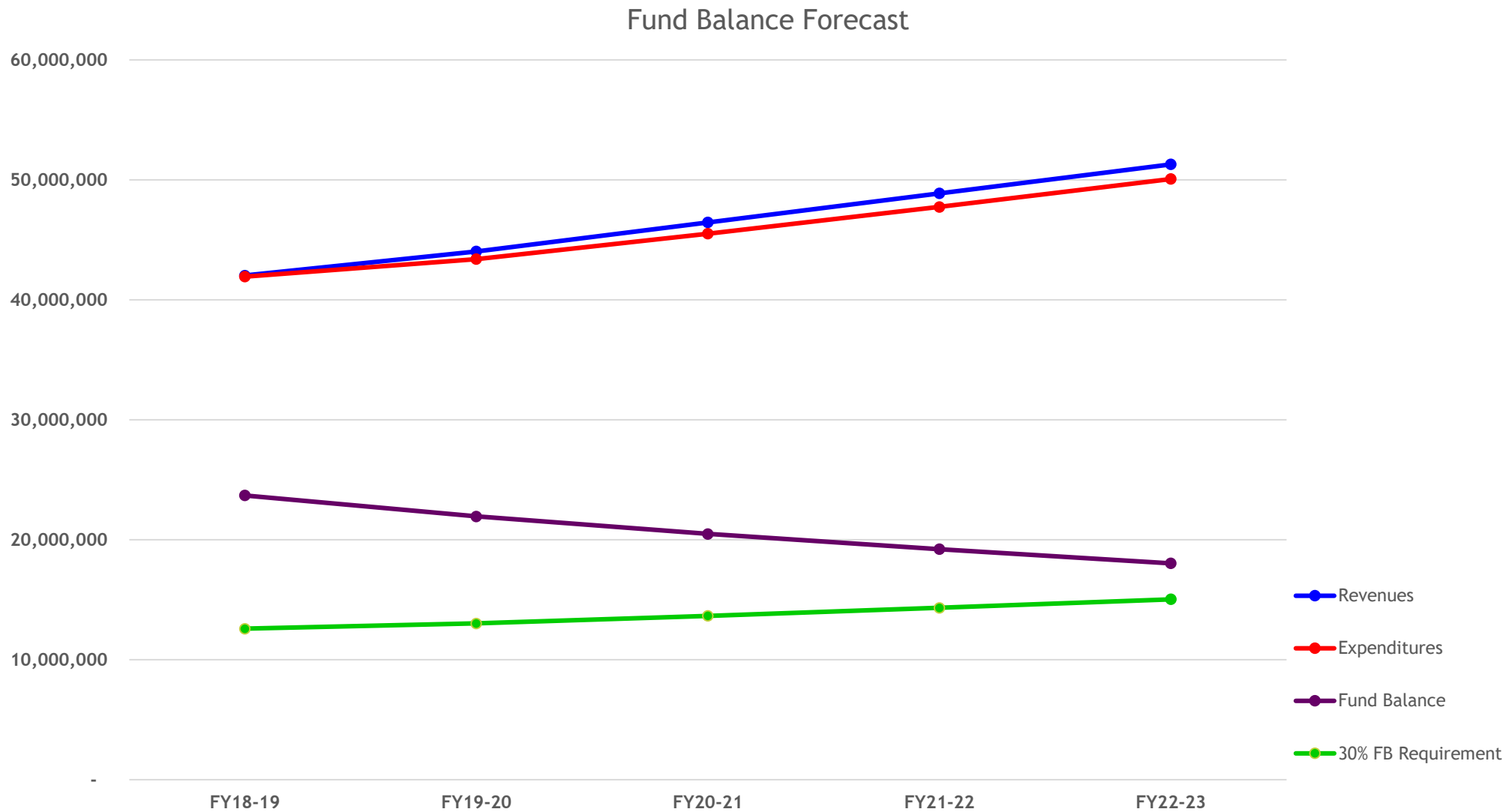
	FY 17/18	FY 18/19
Personnel	\$26,517,056	\$29,709,999
Professional & Technical	\$4,050,409	\$4,753,670
Contracted and Other Services	\$4,307,770	\$4,944,029
Fuel, Oil and Supplies	\$1,216,654	\$973,033
Capital Outlay & Equipment		
Contingency	\$2,300,000	\$1,560,000
TOTAL	\$38,391,889	\$41,940,731

NOTES:

- \$500,000 added to contingency for future capacity to spend revenues from Edison Point
- \$60,000 added to contingency for FY17/18 projects that will roll over to FY 18/19
- Personnel increases for FY18/19 are result of increased costs for 4% salary adjustments, minimum wage increases, benefits cost increases and new positions



Fund Balance Forecast



State Budget Impacts

DIRECT IMPACT ON MARICOPA

- Adding highway safety fee to car registrations to fully fund the Department of Public Safety, thereby eliminating HURF sweeps - estimated \$150 million annually to state
- 911 fund is not being swept
- Continue to pay Department of Revenue for TPT administration

IMPACTS AT STATE LEVEL

- Raising VLT for alternative fuel vehicles - estimated \$8 million statewide beginning in 2020
- MUSD and other school districts under desegregation programs have to use secondary property tax to fund these programs - money historically came from state - estimated 8-9% increase in property taxes
- Slight decrease in state shared TPT revenue - impact approximately \$15 million to state
- Increasing the number of counseling visits for public safety personnel from 12 to 24 for PTSD counseling - fiscal impact unknown



Revenue Looking Positive

- **REVENUES TRENDING UPWARDS**
 - Sales tax
 - Property tax
 - Licenses
 - Permits
 - Other revenues
- New revenue streams coming on-line soon that are not budgeted



OPERATING BUDGET FY 18/19



Proposed FY 18/19 Operating Budget

- Tax rate remains at \$4.78
- Budgets employee 4% salary adjustments
- Adds positions in Police, Fire, Economic Development, Development Services, Public Works, City Clerk, Finance & Human Resources
- Separates the Copper Sky Multigenerational Center from Parks to get a truer picture of facility operational costs
- Includes reductions in Copper Sky budget by approximately \$600,000



Proposed FY 18/19 Operating Budget

Includes funding for

- Contingency - \$1.5 Million (\$500,000 provides spending capacity for future revenue collections)
- Centralized computer replacement program
- Asset inventory
- Geographic Information System (GIS)
- Facilities maintenance
- Cyber security
- Tuition Reimbursement Program



EMPHASIS ON

Public Safety, Growth, and Response Mgmt

Public Safety

- Police
 - 1 Sergeant
 - 1 Dispatcher
- Fire
 - 1 Firefighter
 - Firefighter allows for Captain over Resources
 - Convert mechanic position to management analyst for fleet

Operations

- Convert PT positions to FT
 - Development Services
 - City Clerk
 - Human Resources
- Additional Full Time Positions:
 - Economic Development
 - Information Technology
 - Financial Services
 - Public Works



Budget, Finance and Operations Directions

- **DECISION TO USE CONTINGENCY FUNDING (if needed) FOR:**
 - Firefighter/paramedics - SAFER grant match \$60,000
 - Police officers - COPS grant match \$66,100
 - SR 347 Scoping Study \$150,000
- **ITEMS MOVED ABOVE THE LINE**
 - Bus shelter maintenance \$1,400
 - City Attorney budget increase \$50,000



CAPITAL IMPROVEMENT PROGRAM FY 18/19



CAPITAL IMPROVEMENT PROGRAM

FY 18/19

Major Expenditures by Funding Source for FY18/19

Transportation Impact Fees	\$8.7 million
General Government	\$6.9 million
Grants	\$4 million
County Road Tax	\$1.7 million
Parks Impact Fees	\$425,000
HURF	\$833,000
Fire Impact Fees	\$40,000
TOTAL	\$22.6 million



CAPITAL IMPROVEMENT PROGRAM

Major Expenditures by Project Type

PROJECT	TOTAL EXPENDITURES	AMOUNT THROUGH GRANTS
Streets/Transportation	\$15.1 million	\$3.8 million
Fire Administration Building	\$4.7 million	
Vehicles	\$1.4 million	\$250,000
Pickleball Courts	\$425,000	
Fire Pump Test Pit	\$295,000	
Miscellaneous	\$400,000	
Zephyr Relocation	\$250,000	



TOTAL BUDGET FY 18/19



Total Proposed Budget FY 2018/2019

Total General Fund Revenue	\$42,033,103
Total Special Revenue Funds (HURF, Grants, Copper Sky, Debt Service)	\$22,915,874
Total Revenues	64,948,977
Total General Fund Operational Expenditures	\$41,940,731
Total Special Revenue Funds Expenditures	\$23,324,950
Total CIP Expenditures	\$22,621,759
Total Transfer from General Fund Reserve	\$3,960,473

