



TO: HONORABLE MAYOR AND TOWN COUNCIL

**FROM: COUNCIL BUDGET COMMITTEE
JOHN KROSS, TOWN MANAGER
SCOTT MCCARTY, FINANCE DIRECTOR/CFO**

**RE: CONSIDERATION AND POSSIBLE ACTION ON THE TOWN'S
FY 2018/19 TENTATIVE BUDGET OF \$251.9M. IN ADDITION,
SET THE PUBLIC HEARING FOR JUNE 6, 2018 FOR BOTH THE
FINAL BUDGET AND THE TRUTH IN TAXATION PER
REQUIREMENTS UNDER ARIZONA STATE STATUTES**

DATE: MAY 16, 2018

Council Budget Committee Recommendation:

The Town Council Budget Committee approved the Town Manager's FY 2018/19 Recommended Budget of \$229.4 million with additions to include expenditure authority for North/South roads /lane widening, from Germann to SR24 of \$22.0 million and expenditure authority to cover Arena 3 at Horseshoe Park and Equestrian Center of \$500 thousand, for a total budget of \$251.9 million.

Budget Committee Approval:

The Town Council Budget Committee considered the Town Manager's FY 2018/19 Recommended Budget over two dates, April 25 and April 26, 2018, hearing from the Town Manager, Finance Director, department heads and other staff. By a vote of 2-1, the Budget Committee approved the Town Manager's Recommended Budget for \$229.4 million and added \$22.5 million to accommodate an increase in the Capital Improvement Program for additional roadway infrastructure for North/South roads /lane widening from Germann to SR24 of \$22.0 million and a cover for Arena 3 at Horseshoe Park and Equestrian Center for \$500 thousand. The total budget for full Council consideration is \$251.9 million.

Proposed Motion:

Motion to approve the Town's FY 2018/19 Tentative Budget at \$251.9 million and set the public hearing for both the FY 2018/19 Final Budget as well as the Truth in Taxation requirement for primary property taxes under Arizona State statutes. Such hearings to occur on June 6, 2018 at 7 p.m. in the Town Council Chambers.

Relevant Council Goals:



Effective Government



Superior Infrastructure - Capital Improvement Program



Safe Community – Public Safety

Discussion:

The budget is one of the most significant policy documents considered by the Town Council. The FY 2018/19 Tentative Budget is balanced, and allocates resources consistent with the needs of a growing community. It was developed in accordance with the Council's strategic priorities identified in the Corporate Strategic Plan. Queen Creek is the fastest growing community in Arizona since 2010. The FY 2018/19 budget allocates resources to best meet the needs of our growing community.

The tentative budget totals \$251.9 million. Consistent with the needs of our growing community and the Council's priorities, the tentative budget includes increases for Public Safety, including a new Fire Station (Queen Creek's 4th station), as well as an increase in the Maricopa County Sheriff's budget to accommodate up to one full additional beat.

During Fiscal Year 2017/18, the Town annexed a little over two square miles, including our largest population ever annexed of approximately 5,000 new residents in the Ironwood Crossing master planned community. Also, the Town annexed Banner Ironwood Hospital as well as land where a new Earnhardt Auto Center is under construction, representing the Town's first auto dealership.

The Capital Improvements (CIP) budget totals \$153.8 million and comprises 61% of the budget. It is an increase of \$27 million over the prior year adopted budget. This increase is attributed to new roads, which total approximately \$84 million in the FY 2018/19 Budget. This is a part of the ongoing 10-year roads program, and also includes \$22 million for North/South roadways outside of Town boundaries.

GUIDING PRINCIPLES AND KEY ISSUES

The following guiding principles and key issues shaped the FY 2018/19 budget:

- **Prioritization of Resources.** The recommended budget uses the corporate strategic plan to prioritize its allocation of resources. Guidance to the

organization is found within our strategic priorities adopted by the Town Council as follows:

- Effective Government;
 - Safe Community;
 - Secure Future;
 - Superior Infrastructure; and
 - Quality Lifestyle.
- The Economy. The national and State of Arizona's economies continue a steady improvement.
 - Population Growth and Commercial Investment. The Town has seen significant residential and commercial growth in the last several years, especially related to annexations as previously mentioned. We expect that growth to continue. Developing plans to deal with an increasing residential and business population is critical to ensure both operational and infrastructure needs are met.
 - Maintain a Balanced Five-Year Operating Budget. The five-year plan remains balanced; reflecting increased revenues and expenses based on population growth and new commercial development.

BUDGET HIGHLIGHTS

The following are the highlights of the FY 2018/19 Budget.

- Increased Public Safety Staffing. To maintain Public Safety levels of service in light of population growth (including annexations), the FY 2018/19 budget includes the construction and staffing of a new fire station as well as accommodating up to one full additional service beat provided by the Maricopa County Sheriff's Office. The operating budget includes the non-growth share of funding for the new Fire Station of \$1.2 million.
- Unfunded Pension Liability Reserves. The annual portion of the pension costs in the Maricopa County Sheriff's Office contract that are attributed to the unfunded pension liability with Public Safety Pension Retirement System will be funded from the reserve specifically created for this purpose. This alleviates current revenues from having to cover that portion of the expense, approximately \$1.1 million annually. As compared to other more mature communities within our region, we believe Queen Creek has a unique opportunity to address this outstanding liability now, when our options for doing so are greatest.
- Utility Resources Dedicated to Public Safety. New, annual dedicated revenues of \$2.5 million for Public Safety are coming from the Town's Water and Wastewater Utilities, in the form of franchise fees, in-lieu property taxes and a return on investment. These are costs the Utilities pay "as if" they were privately owned and operated.

- Central Arizona Groundwater Replenishment District Credits. The Town Council adopted a policy to allocate these credits on an annual basis, saving property owners within the district an aggregate \$900K.
- Comprehensive Capital Improvement Plan (CIP). As a growing community, the need for new infrastructure for transportation and utilities is a priority. Resources are budgeted to build such infrastructure as well as continue planning for future infrastructure needs. Contingency allocations have been included to ensure we have the authority to meet our infrastructure needs. The FY 2018/19 budget acknowledges the critical nexus infrastructure plays in increasing opportunities for private sector investment within the community.
- Street Infrastructure Funding. The original \$6.5 million dollar placeholder that was previously created has now been fully allocated to funding new streets. A portion is used for debt service and the remainder for pay-as-you-go funding.
- North/South Roadways. Expenditure authority of \$22.0 million is included to address key north/south arterial roadways to help address congestion leaving Queen Creek. These roadways are outside of the Town boundaries however, agreements with Mesa and Pinal County are anticipated. The funding for these improvements is still to be determined.
- Maintain Quality of Streets. Resources have been added to increase the funding for routine maintenance and repair as a result of new streets being added to the system. A robust pavement management program continues to be funded.
- Additional Staffing. Based on 5-year staffing plans submitted by each department, FY 2018/19 includes resources for an additional 35.4 FTEs, which represents a 14% increase in staffing. Two of the major drivers of the increase in staffing are the new fire station mentioned above (13.0 FTE), as well as the opening of Mansel Carter Oasis Park (5.4 FTEs). Staffing increases pending the results of a Water Operations study are also included in the budget at 10.0 FTE. These staffing increases are strategic and tied directly to the needs of the growing community. None of the staffing increases represents new programs or services, but maintaining existing levels of services based on new/expanding infrastructure and increased population and represent the complexity of the organization, and sophistication of our services provided.
- Employee Compensation. Resources have been allocated to fund employee merit and market increases consistent with our 2014 adopted compensation plan and the fire step program approved in FY 2015/16.
- Healthcare Costs. The Town has a very active wellness program, which is a positive factor in addressing healthcare costs for both the Town and our employees. After three consecutive years of no premium increases, the FY 2018/19 budget includes a 4% increase in major medical premiums on the employer side. When taken into context over a four year cycle, the increase in premiums is recommended to be absorbed the organization; therefore,

there is no change in individual employee premiums. In addition, dental costs have decreased for FY 2018/19.

- Horseshoe Park Covered Arena. Expenditure authority of \$0.5 million to cover an arena 3 at Horseshoe Park (increasing the number of covered arenas to two) is included in the tentative budget. Sponsorship revenue of \$160K is included to offset the cost.

TENTATIVE BUDGET

The purpose of the Tentative Budget is to establish the maximum budget, or budget ceiling, for the next fiscal year. Approving this amount is required by law. Once the Tentative Budget is approved, the Final Budget can go no higher; however, the Final Budget can be reduced or re-allocated between programs and/or funds.

As part of approving the Tentative Budget, the Town Council also approves the time and place for conducting the public hearing on the Town's Final Budget. The public hearing and final action on the Town's FY 2018/19 Final Budget is scheduled for the Town Council meeting on June 6, 2018. In addition, the Town Council will conduct a public hearing that evening on the Truth in Taxation requirement for primary property taxes. This item is discussed later in this report.

Adoption of the Final Budget on June 6, 2018 is predicated on the Town Council approving the Tentative Budget on May 16, 2018. The legal posting requirements to adopt the Final Budget must begin on May 17 with submittal of the required newspaper budget advertisement.

PRIMARY PROPERTY TAXES (TRUTH IN TAXATION REQUIREMENTS)

With the steady decline in assessed values experienced between 2010 and 2013, the Town's primary property tax revenues also declined because the property tax rate is fixed at \$1.95 per \$100 of assessed value. At the peak of the housing market before the great recession, the Town generated \$5.6 million in property tax revenue (FY 2009/10). For next fiscal year (FY 2018/19), primary property taxes are estimated to be \$7 million, marking the second year where the revenues will exceed the prior peak. The primary property tax is dedicated to fund Public Safety, and at \$7M for FY 2018/19, it funds 36% of the Public Safety Budget of \$19.3M.

The Tentative Budget includes a \$1.95 levy rate. However, even though the tax rate remains unchanged at \$1.95 per \$100 of assessed value, the appreciation of property values (exclusive of the increase as a result of new construction) results in more revenue and triggers the "Truth in Taxation" requirements in State law. As a result, the Town is required to publish a prescribed notice and have a public hearing in anticipation of the Town Council accepting the increase in revenues. As indicated, the Town Council will be conducting a public hearing on these requirements as part of the June 6 Council meeting. Required notices are scheduled for publication to meet this deadline.

Fiscal Impact:

The Tentative Budget for FY 2018/19 totals \$251.9 million. The required Auditor General Schedules, which provide all the allocations by fund, are included as Attachment 2 of this staff report.

Alternative:

The Town Council can modify the Tentative Budget in any manner. The Town Council could delay adoption of the Tentative Budget until the June 6, 2018 Town Council meeting, with the public hearing and Final Budget adoption then occurring on June 20, 2018. If this were the case, consideration of the tax levy could not occur until the July 18 meeting. While such dates would still allow the Town to meet county and state deadlines for tax levies, revised legal notices will need to be submitted in order to meet the Truth in Taxation calendar requirements.

Attachments:

1. Presentation entitled "FY 2018/19 Tentative Budget"
2. Required State Budget Forms (Schedules A-G)



FY 2018/19 TENTATIVE BUDGET

Town Council Meeting

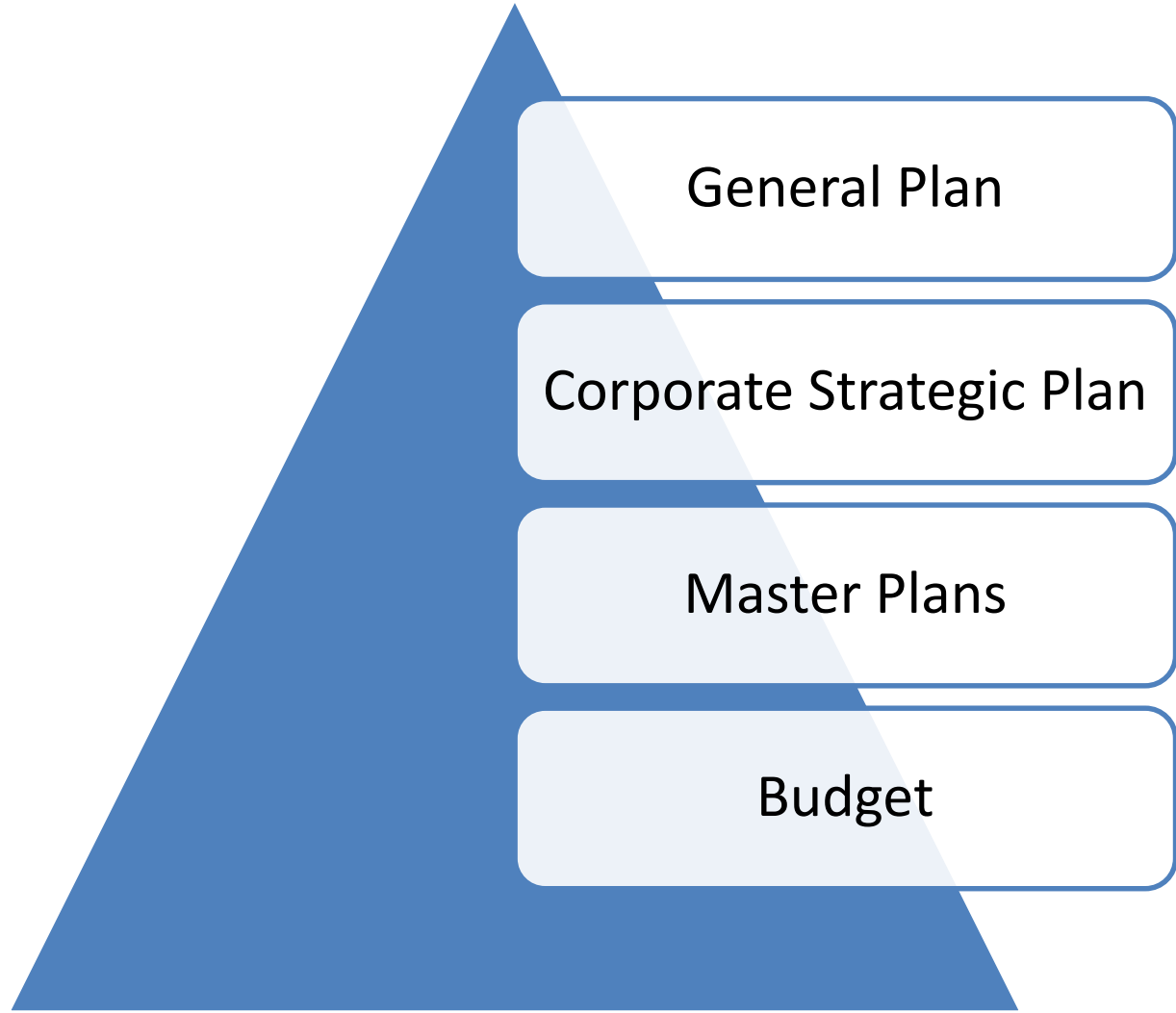
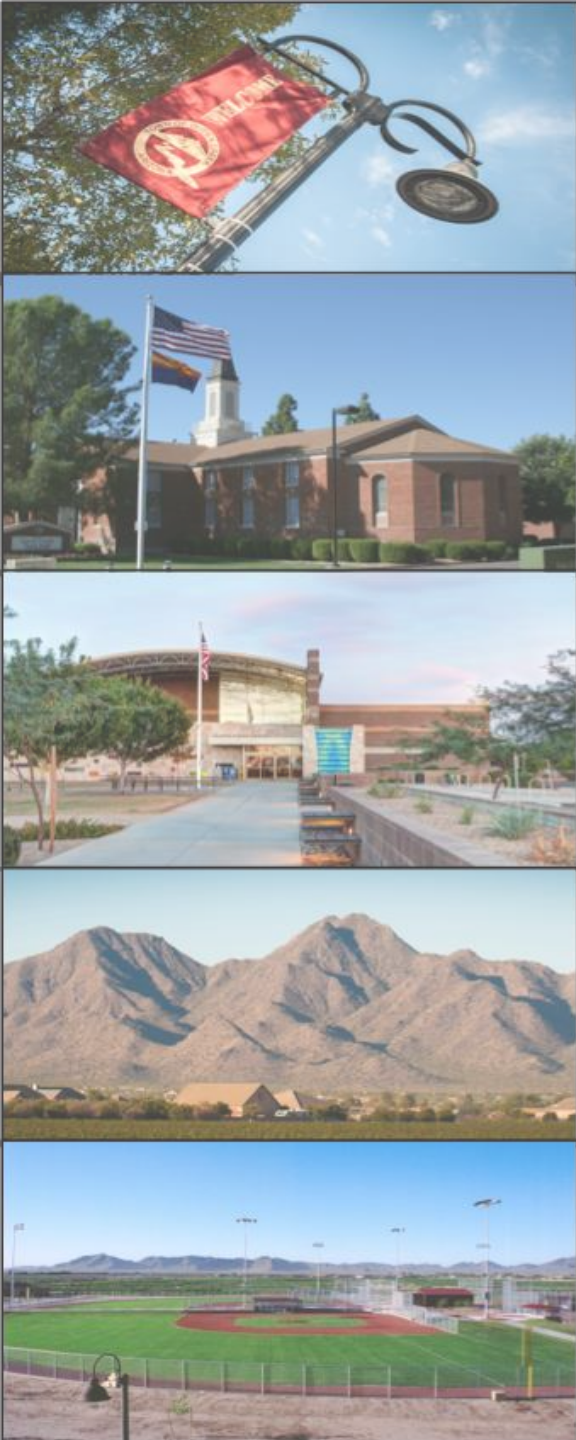
May 16, 2018

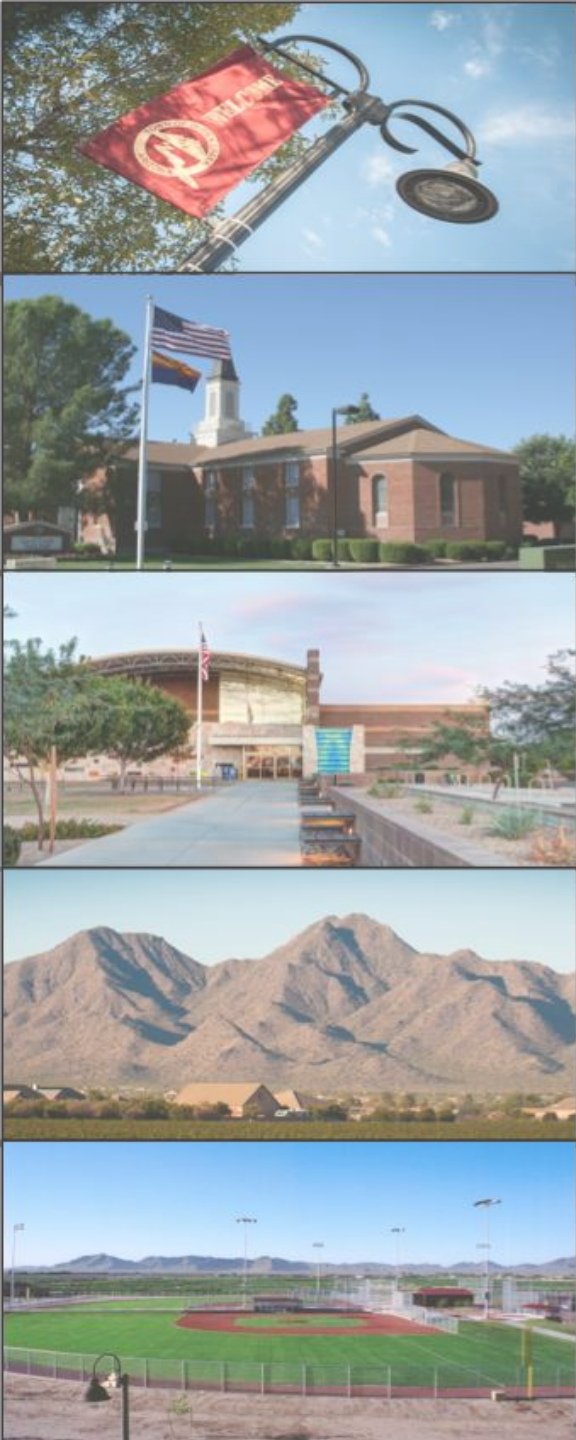
A BUDGET . . .

- Identifies Financial Goals
- Is A Spending Plan
- Is A Communication Tool
- Is A Policy Document



THE TOWN'S VISION





ROLES AND RESPONSIBILITIES

Staff

- Prepare Estimates
- Identify Policy Issues
- Prepare Town Manager's Recommended Budget

Town Council

- Make Policy Decisions
- Adopt Tentative and Final Budget



GUIDING PRINCIPLES

- Maintain a Structurally Sound Budget by Using 5-Year Projections
- Address the Needs of a Growing Community
 - Maintain Levels of Service to Meet Demand
 - New Infrastructure (Roads and Parks)

NEW FINANCIAL POLICY RECOMMENDATIONS

1. Creation of Unfunded Pension Liability Reserves
 - MCSO PSPRS System
 - \$16.5M Effective 6/30/18
 - ASRS System
 - \$4.3M Utility Funds Effective 6/30/18
 - \$20.2M Operating Budget Effective 6/30/23
2. New \$2.5M Annual Revenues for Public Safety from Town's Water and Wastewater Utilities (Franchise Fees, Property Taxes, and Return On Investment)
3. Accelerated Use of CAGR D Credits
 - Customer Payments Lowered by \$900K for 13K Customers
 - Total Credits Used: \$3.1M



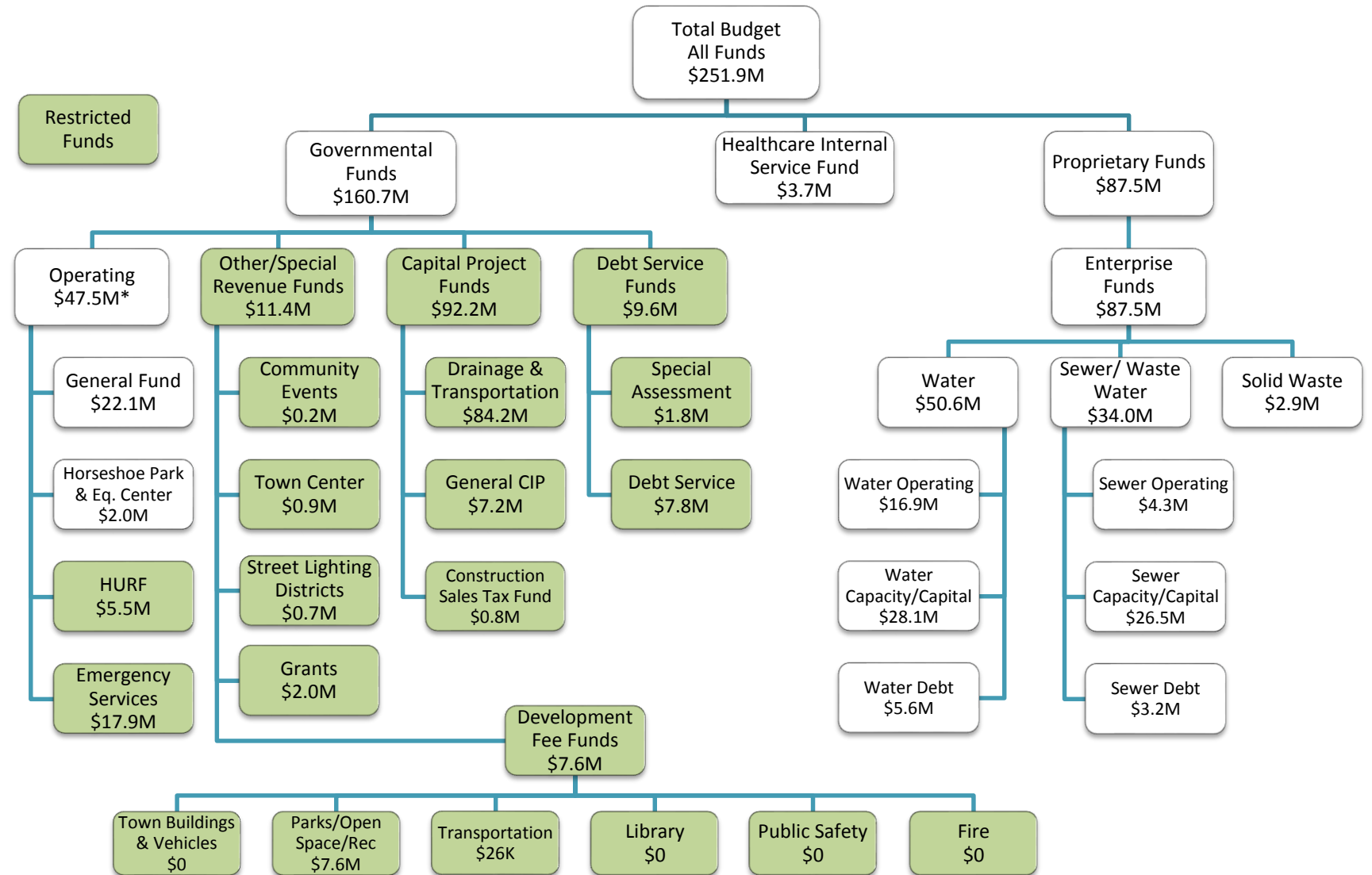
BUDGET COMMITTEE ACTION

The Budget Committee Increased the Town Manager's Recommended Budget from \$229.4M to \$251.9M as the Tentative Budget for the following additional items:

- North/South Roadways: \$22M
- HPEC Covered Arena: \$0.5M



BUDGET/FUND STRUCTURE : \$251.9M



*does not include transfers - will not tie to total uses provided later in presentation

FY 2018/19 TENTATIVE BUDGET

(IN MILLIONS)



	FY 17/18 Revised	FY 17/18 Projected	FY 18/19	\$ Change	% Change
Total Expenses	\$213.1	\$154.9	\$251.9	\$38.8	18%

	FY 17/18 Revised	FY 17/18 Projected	FY 18/19	\$ Change	% Change
Revenues	\$196.2*	\$196.2*	\$144.0	-\$52.2*	-27%*
Use of Fund Balance	<u>\$16.9</u>	<u>\$-</u>	<u>\$107.9</u>		
Total Sources	\$213.1	\$196.2	\$251.9		

*Bond Proceeds of \$75M are Included in FY 17/18 Revenues.

FY 2018/19 FTE CHANGES



Funding Source	New FTE
Operating Budget	24.4 FTE
Utilities (Enterprise) Budget	10.0 FTE
CIP Budget	<u>1.0 FTE</u>
Total New FTE	35.4 FTE



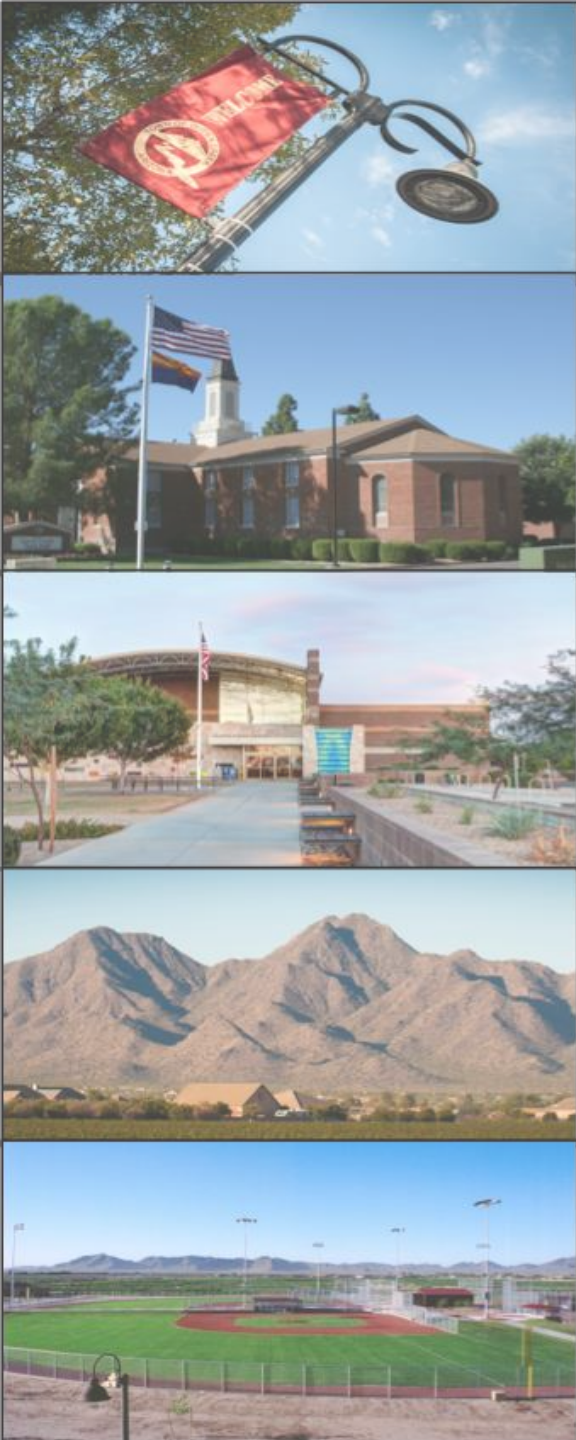
OPERATING BUDGET



OPERATING BUDGET

Consists of:

1. General Fund
2. Emergency Management Services Fund (EMS)
3. Highway User Revenue Fund (HURF / Gas Tax)
4. Horseshoe Park and Equestrian Center Fund (HPEC)



LONG-TERM OBJECTIVES

1. Fully Fund 10-Year \$195M Transportation Plan by Using \$6.5M Placeholder

Responsible Party	Project Cost	%
Town (\$55M Bond and PAY-AS-YOU-GO)	\$102M	52%
Developer/Other Governments	<u>\$93M</u>	<u>48%</u>
Total	\$195M	100%

2. Fund Increased Public Safety and Fire Staffing

- Increased Fire Staffing
 - 2 New Stations Within Next 5 Years
- Increased MSCO Staffing
 - 2 Additional Staffing Beats Within Next 5 Years

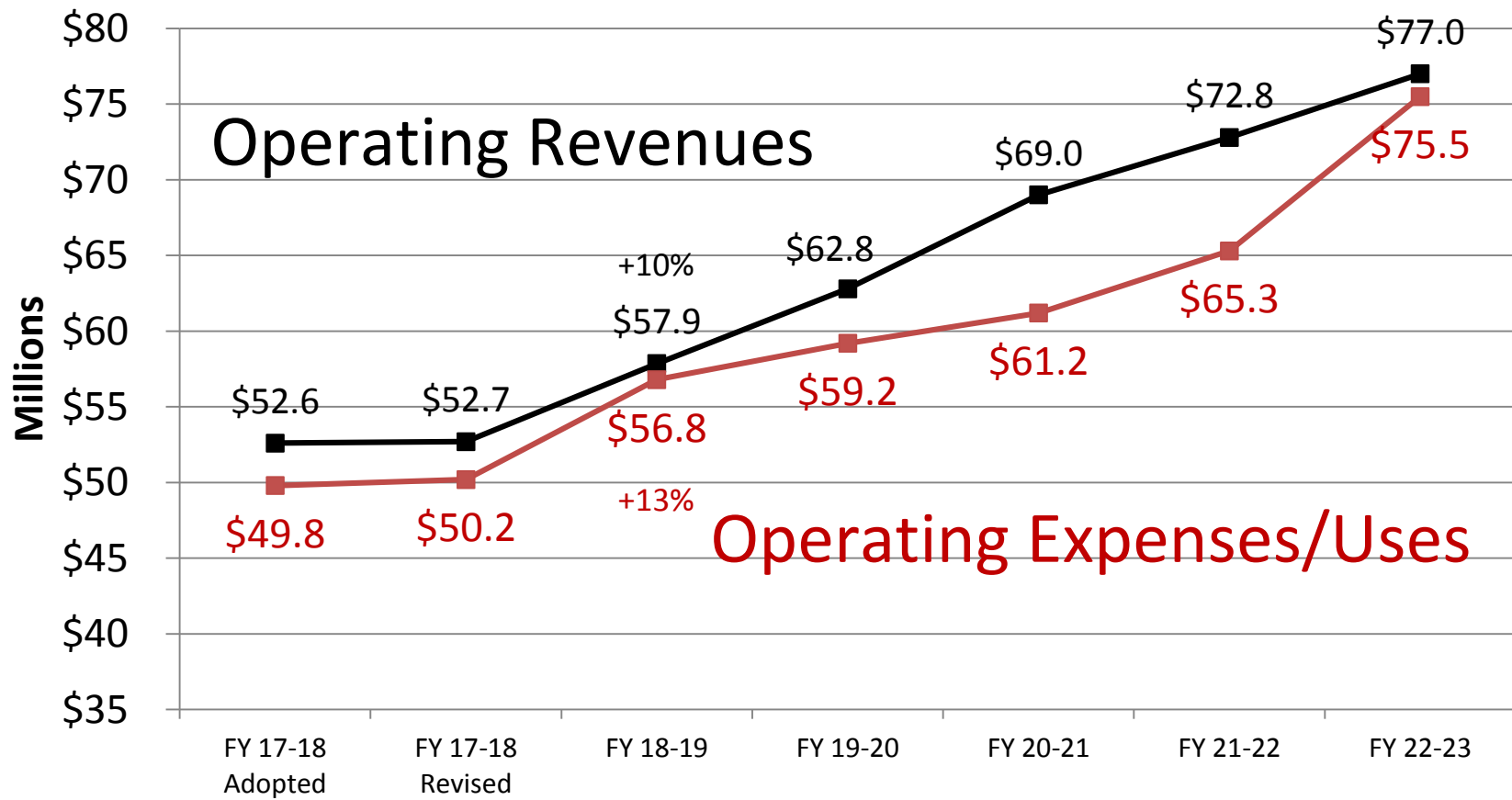
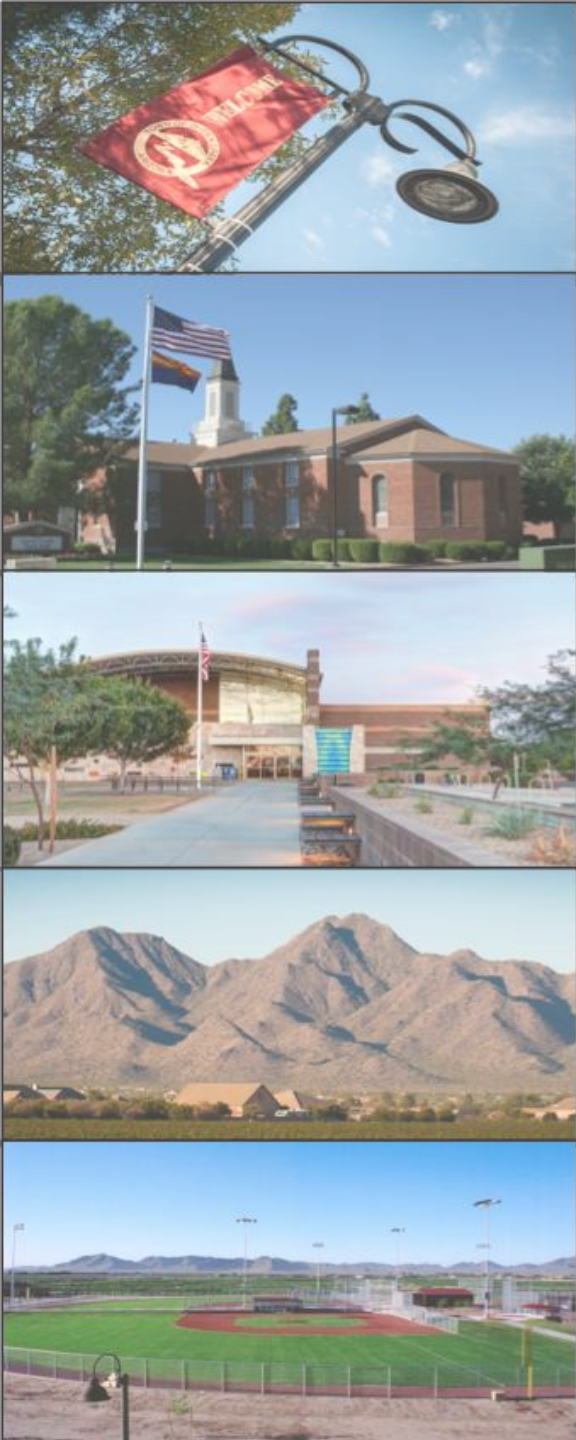
LONG-TERM OBJECTIVES

(CONCLUDED)

3. Fund \$3.4M Non-Growth Share of Public Safety Facility Costs Over 5-Year Planning Period
 - MCSO: \$0.2M
 - Fire: \$3.2M
4. Eliminate Reliance on Construction Sales Tax Revenues Over 5-Year Planning Period
 - \$4M - \$5M Annually
 - One-Time Revenues for One-Time Expenses
 - Parks Master Plan Funding
 - Other Infrastructure
 - Reduce / Eliminate Tax

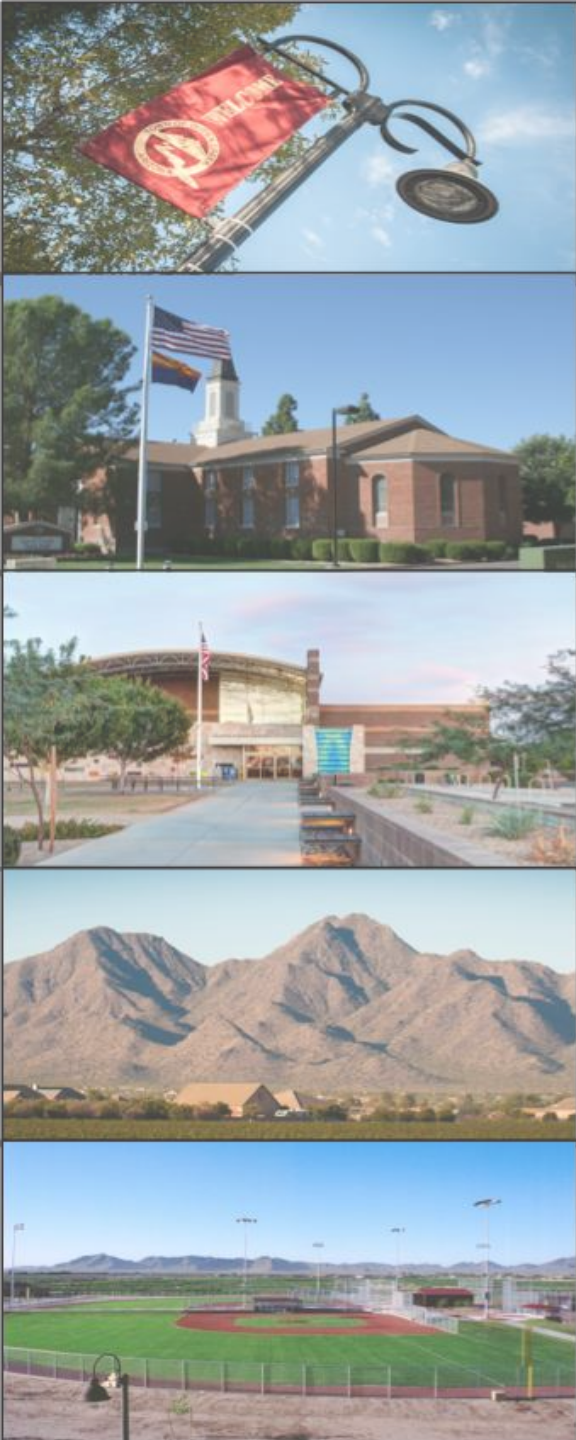


OPERATING BUDGET PROJECTION



FY 2018/19 OPERATING BUDGET

(IN MILLIONS)

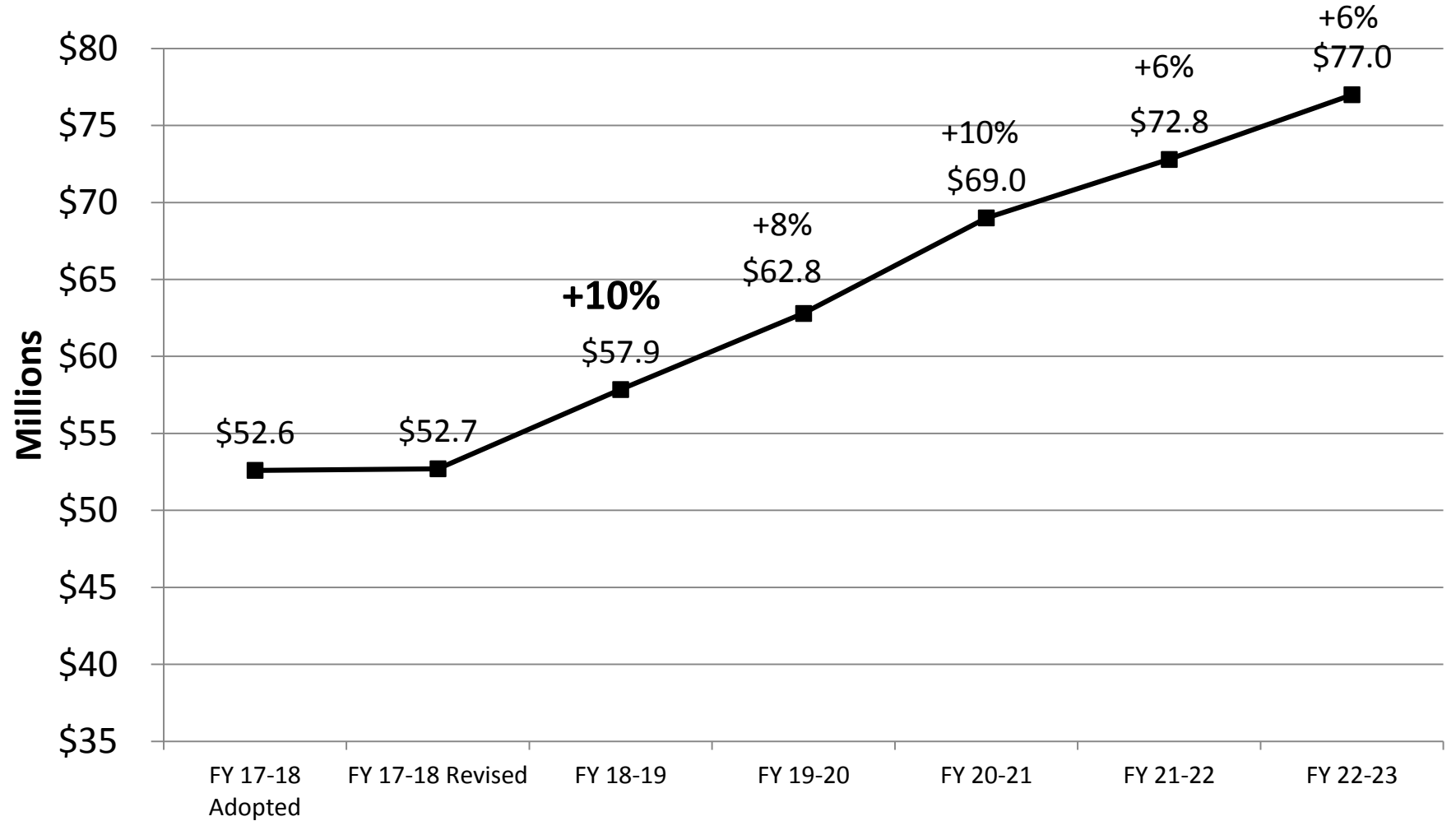
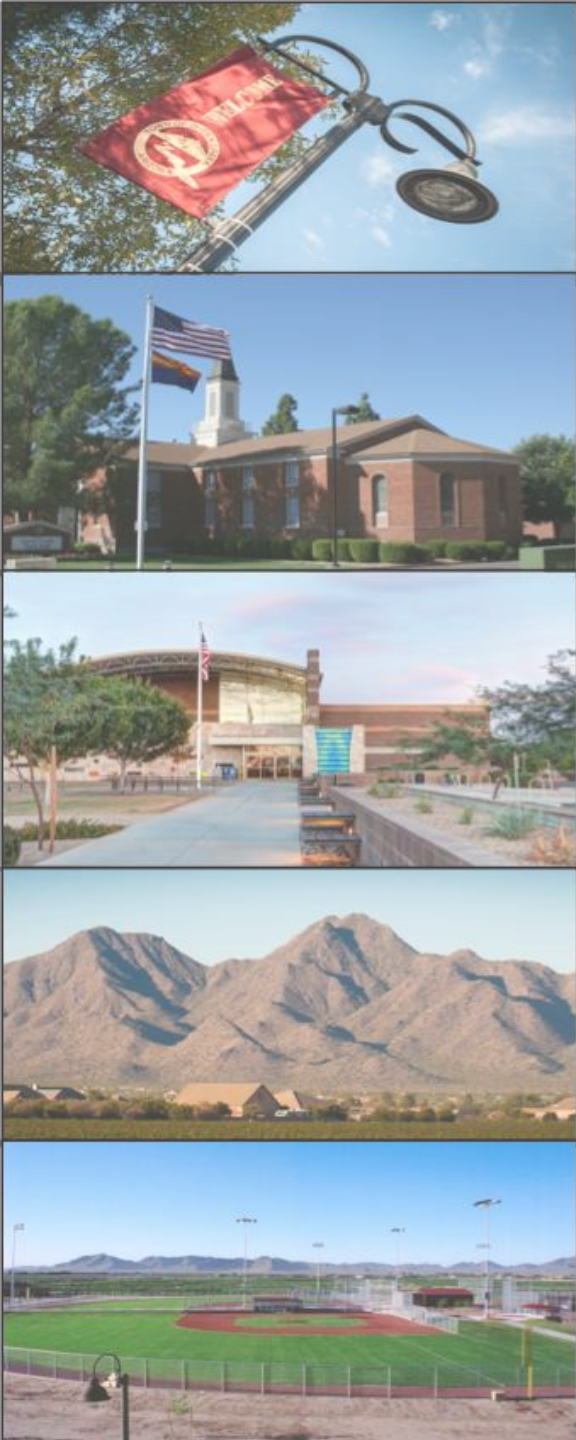


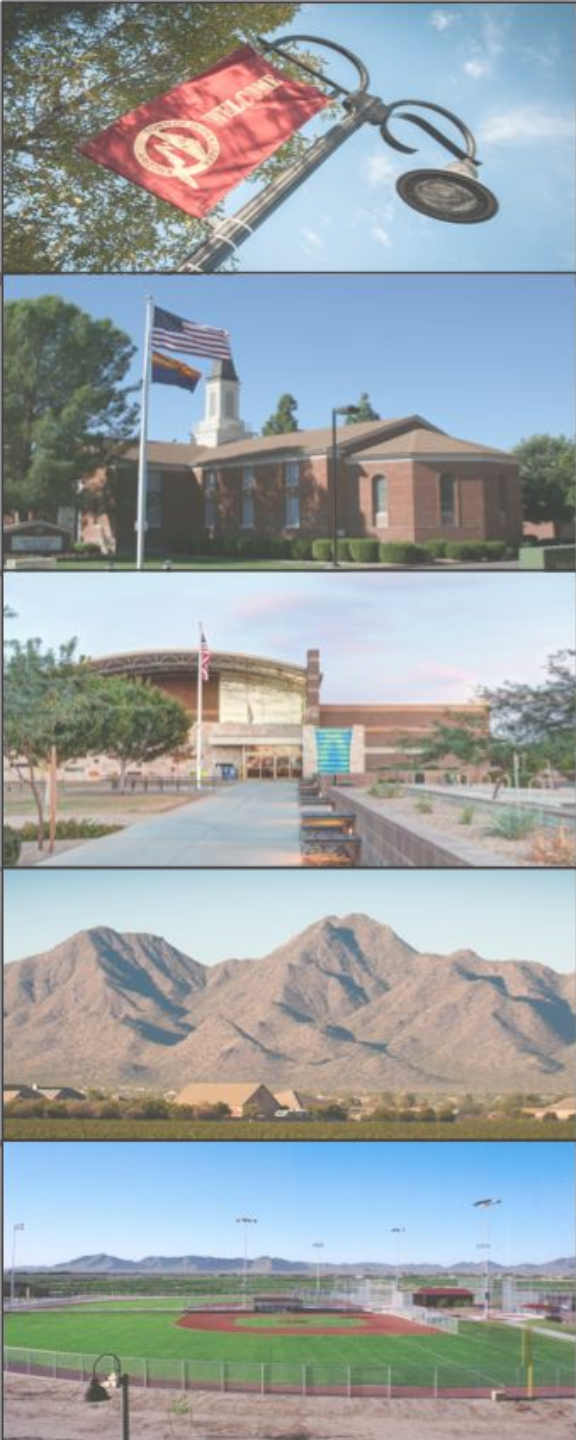
	Recommended Budget
Sources (Revenues)	\$57.9
Uses (Expenses)	\$56.8
Uses (Fund Increased Reserves)	<u>\$1.0</u>
Net Annual	<u>\$0.1</u>
<u>Ending Fund Balance</u>	
25% Reserve Requirement	\$15.4
MCSO Unfunded Liability Pension Reserve	\$16.2
Available for Allocation	<u>\$0.7</u>
Total	<u>\$32.3</u>



OPERATING BUDGET – REVENUES

OPERATING BUDGET PROJECTION - REVENUES



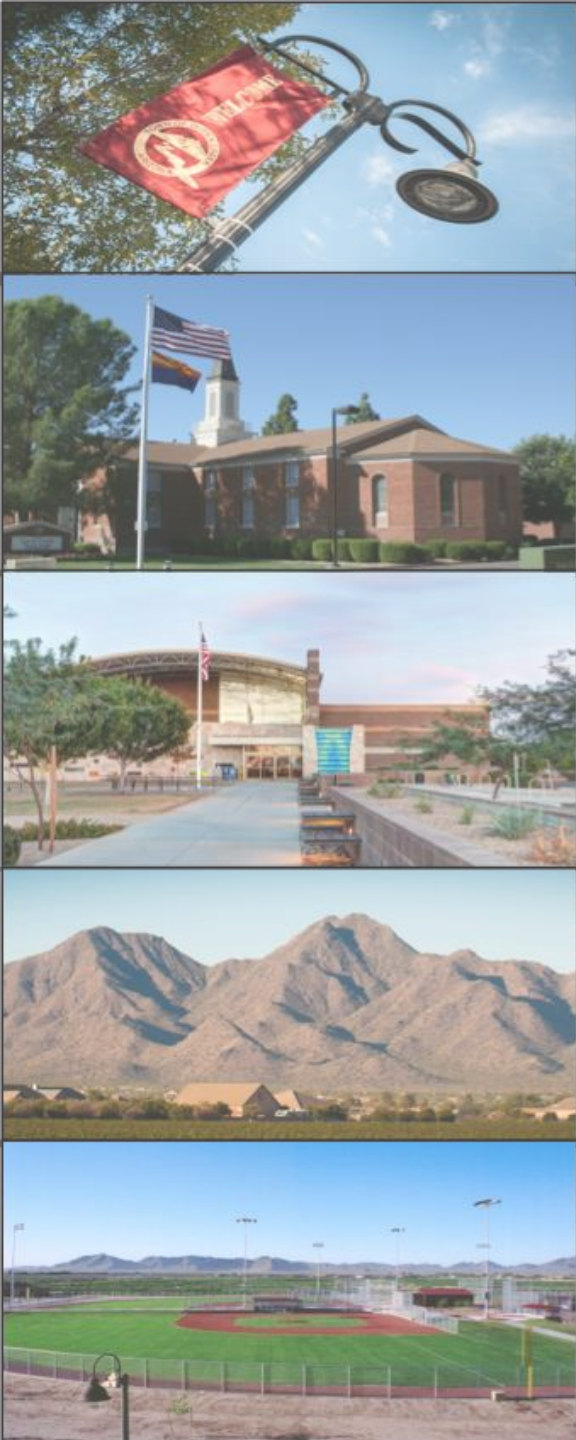
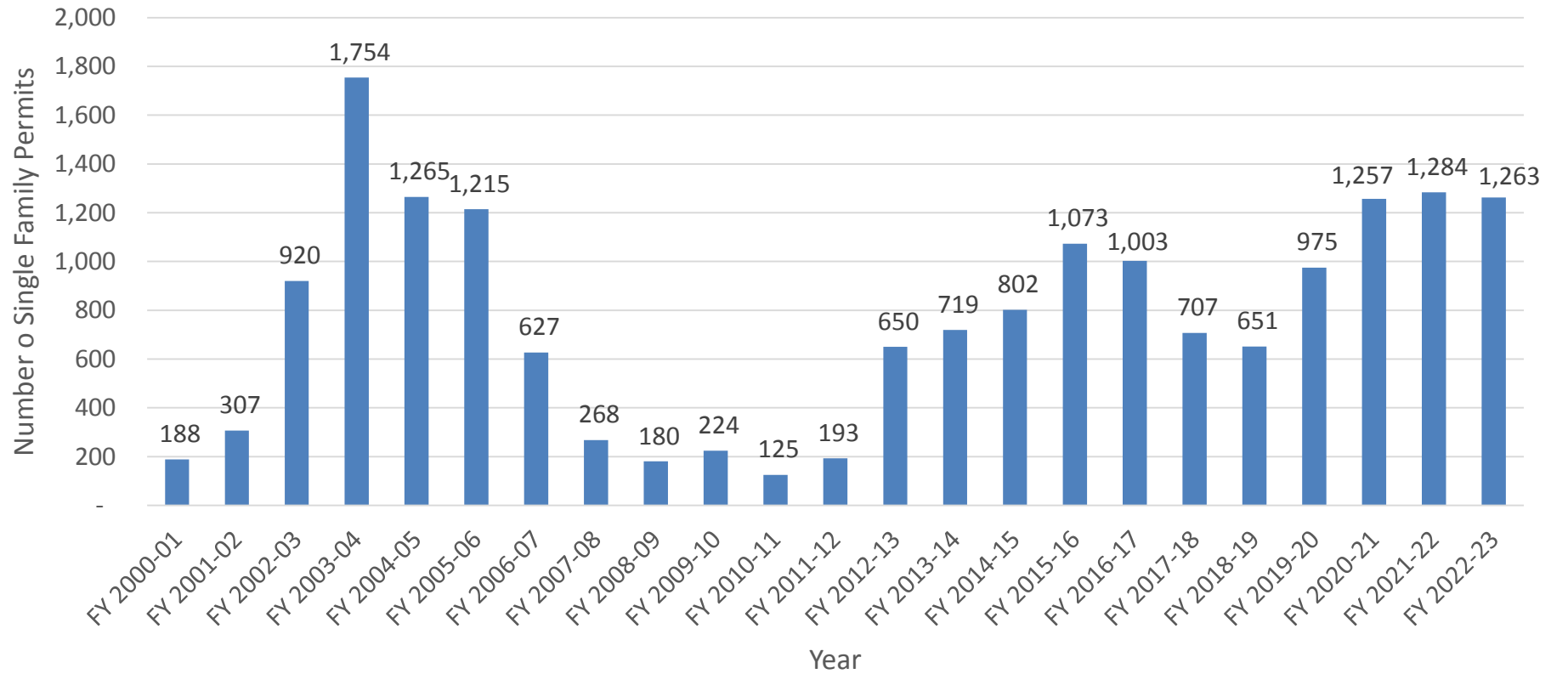


OPERATING REVENUE HIGHLIGHTS

1. Steady Population Growth Continues
 - Annexation (+5K Population)
 - Increased Consumer Spending
2. Sales Tax Revenues Remain Strong
 - #3 Median Household Income in Maricopa County (\$95,712)
 - Increased Sales from Existing Stores and Restaurants
 - New Sales in New Stores and Restaurants

NEW HOUSING STARTS

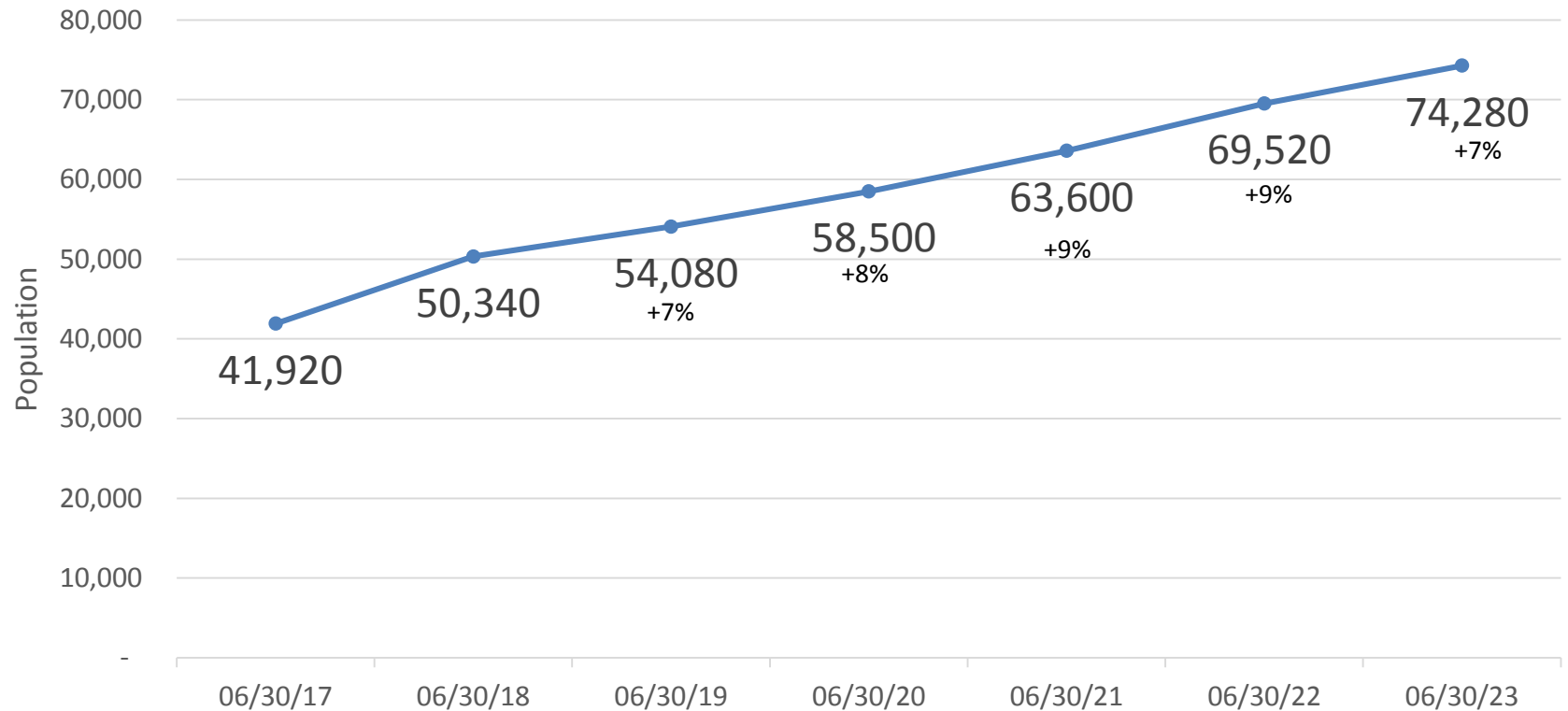
Note: Fluctuations from FY 2016-17 through FY 2020-21 reflect availability of new housing products (not the economy).



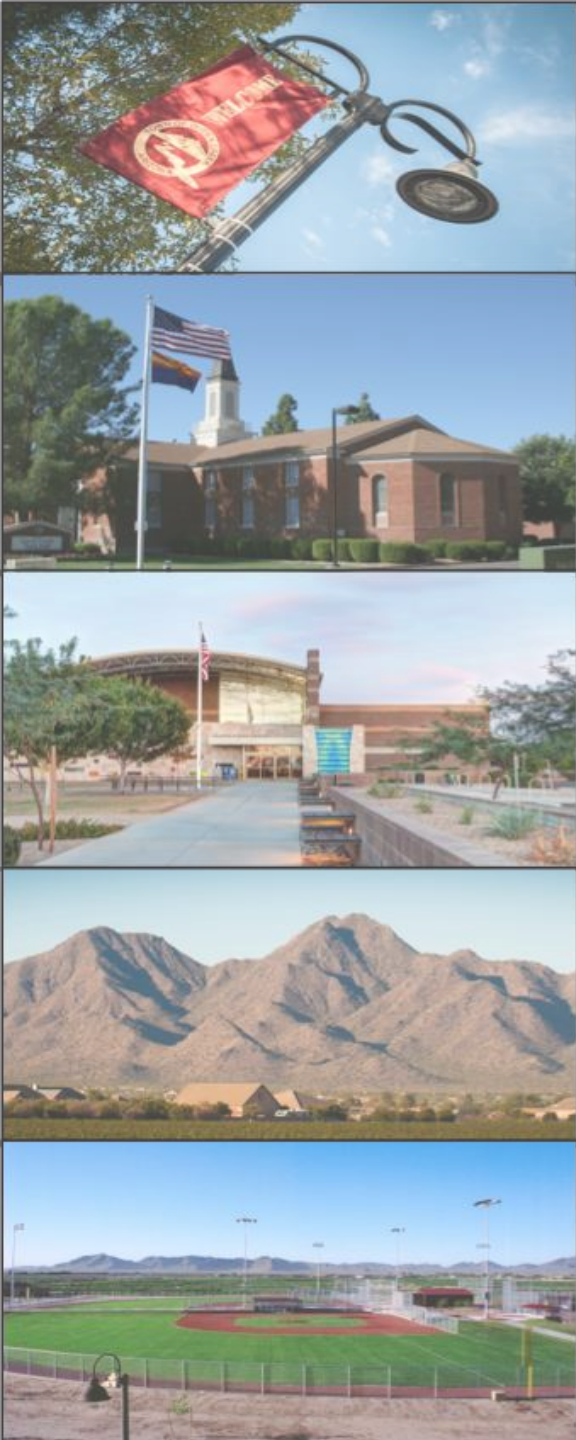
5-YEAR POPULATION PROJECTION

77% Population Increase in 5 Years (+33K)

Build Out Population: 110K



6/30/18 Includes Recent Ironwood Annexation, +5K



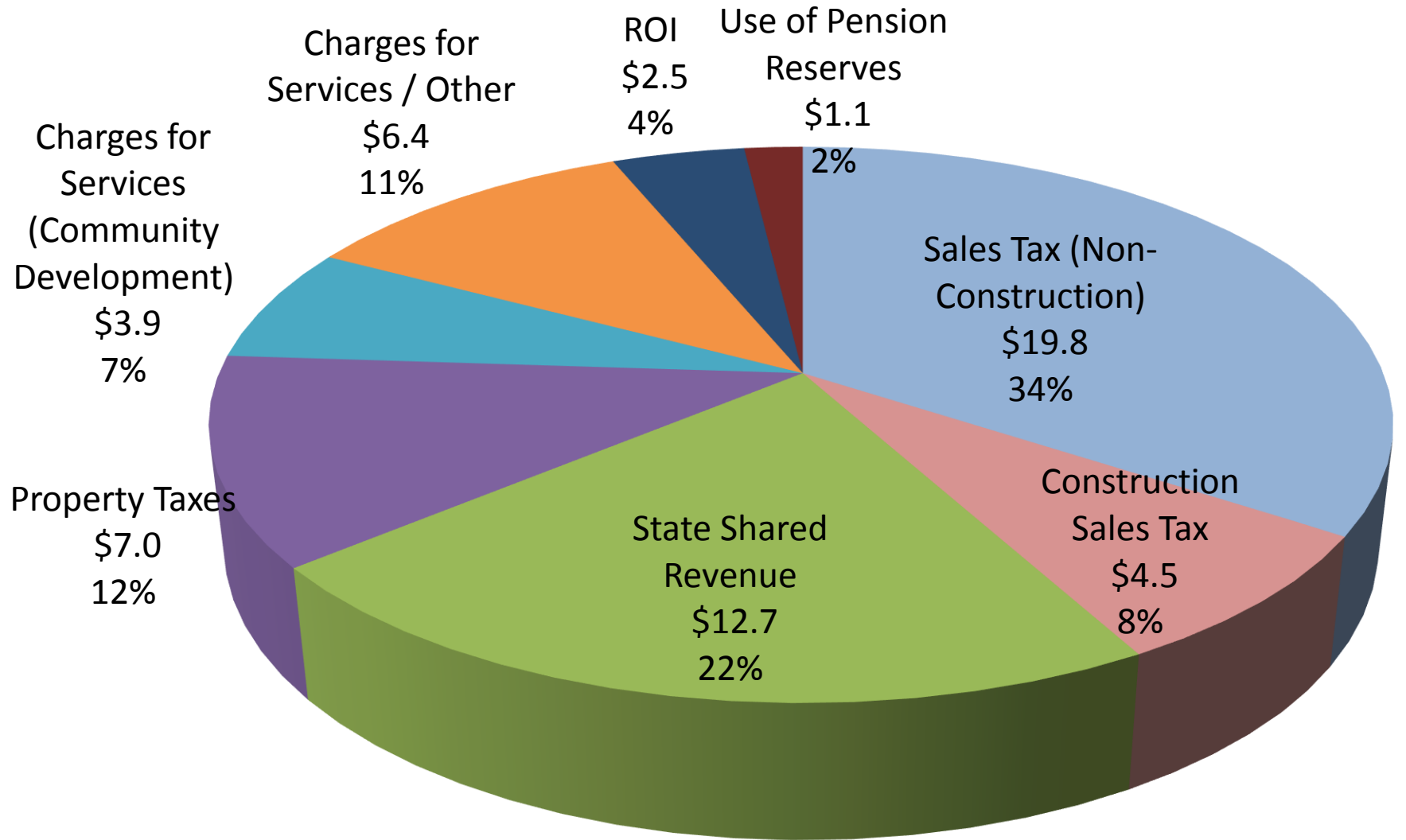
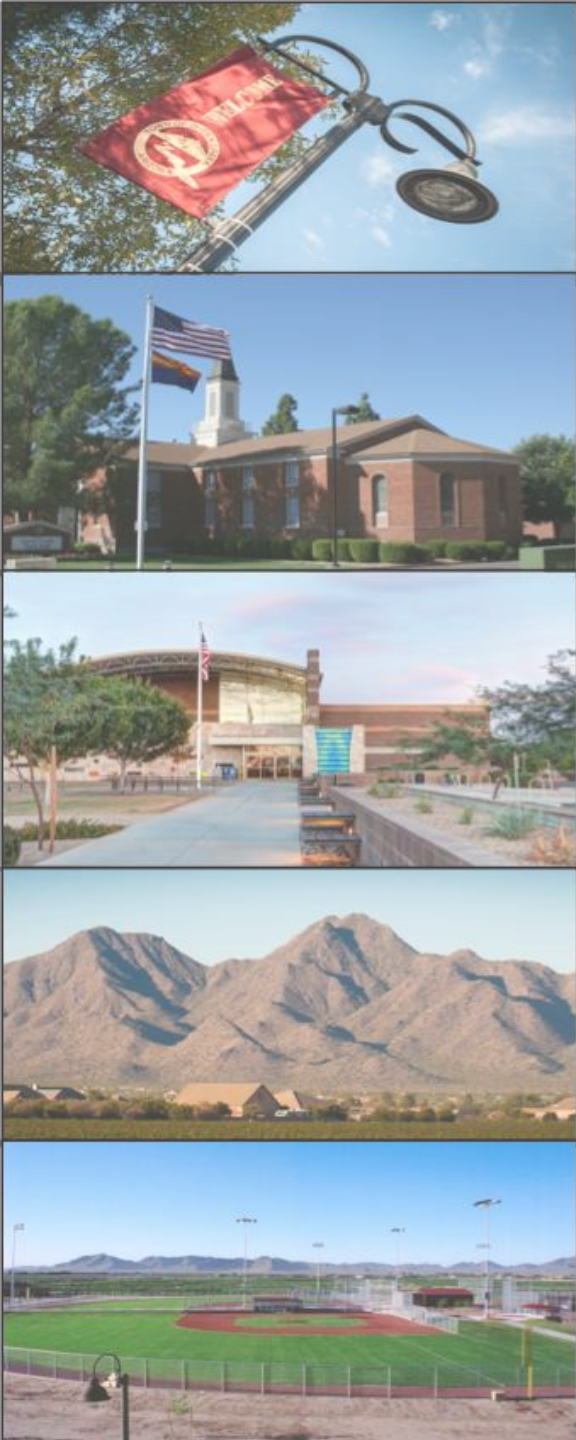
OPERATING REVENUE HIGHLIGHTS

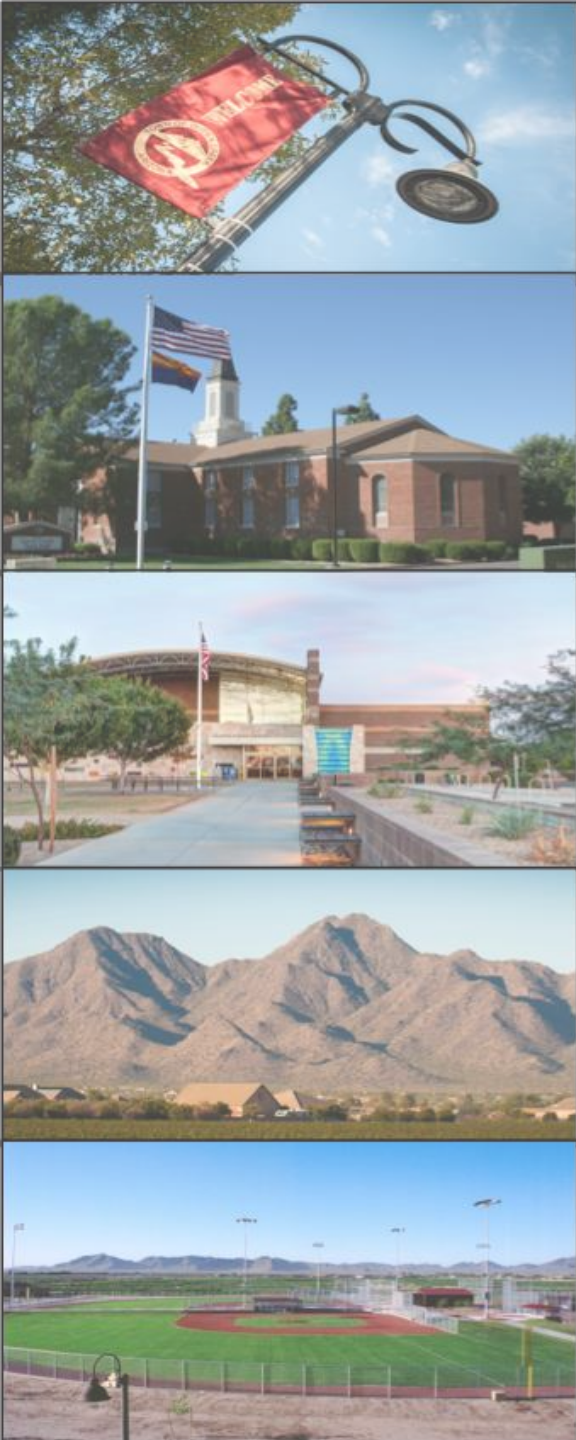
(CONCLUDED)

3. Aggregate Property Assessed Values Continue to Increase (12%)
 - Aggregate Appreciation (5%)
 - Aggregate New Construction (7%)
4. New \$2.5M Annual Revenues from Town's Water and Wastewater Utilities (Franchise Fees, Property Taxes, and Return On Investment)



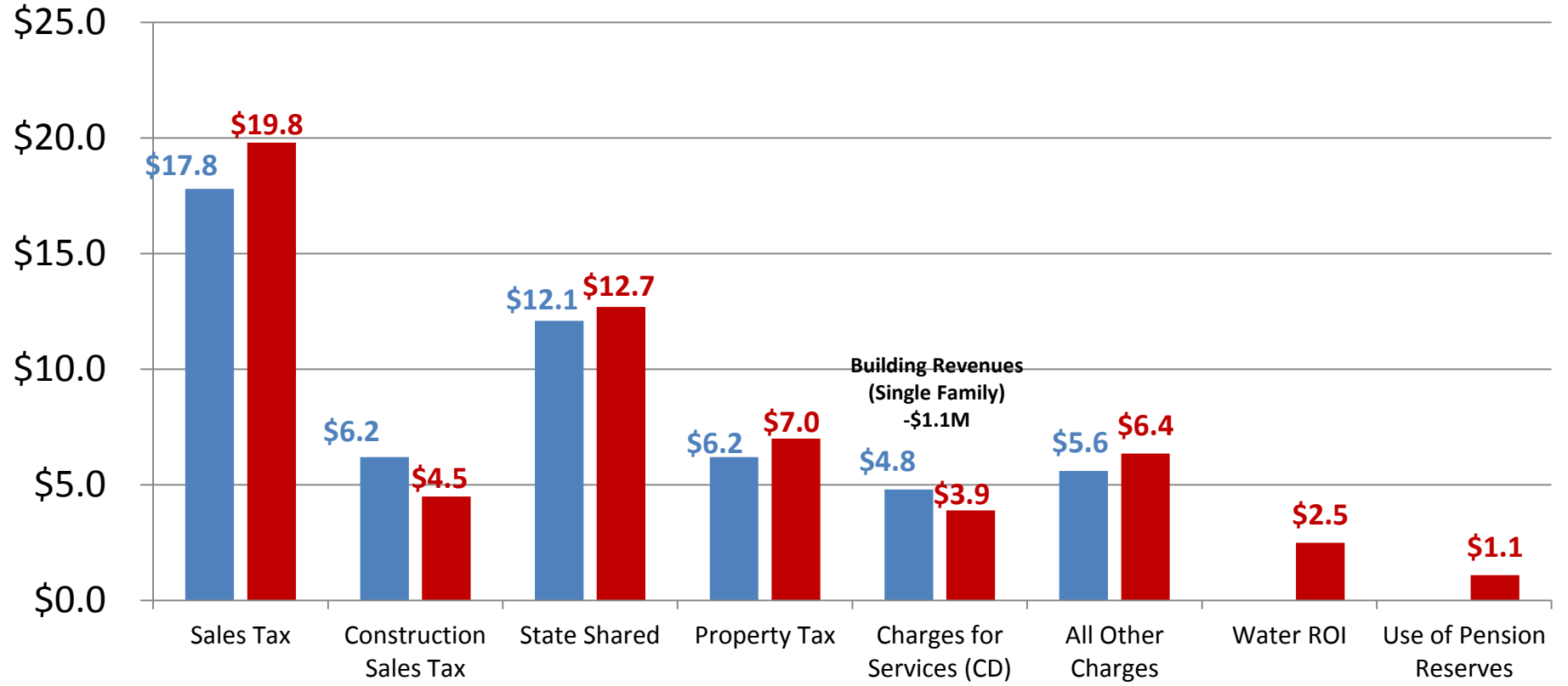
FY 18-19 OPERATING REVENUES: \$57.9M





OPERATING REVENUE GROWTH: +\$5.2M (+10%)

\$52.7M FY 17/18 REVISED TO \$57.9M FY18/19 FORECAST

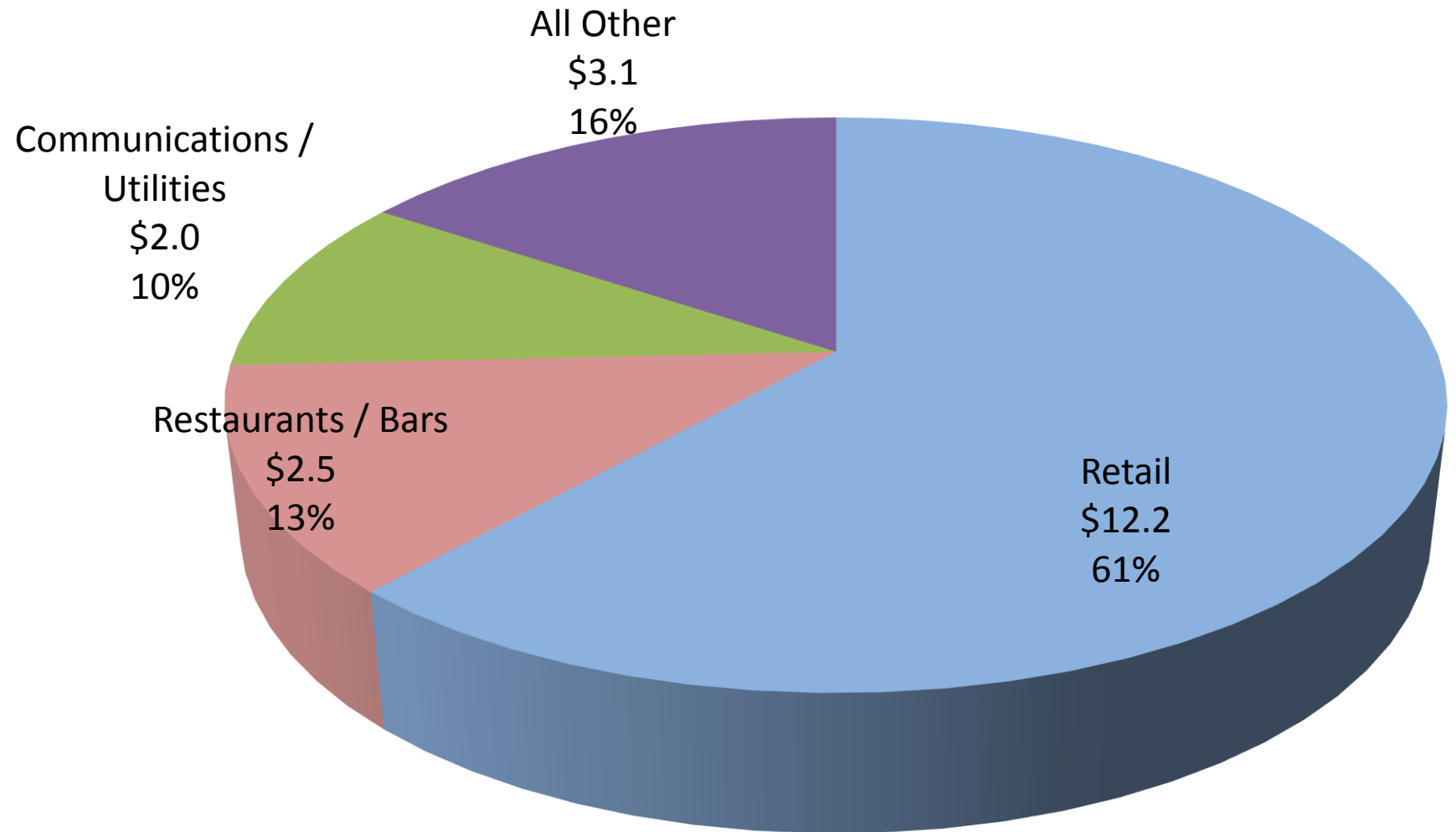
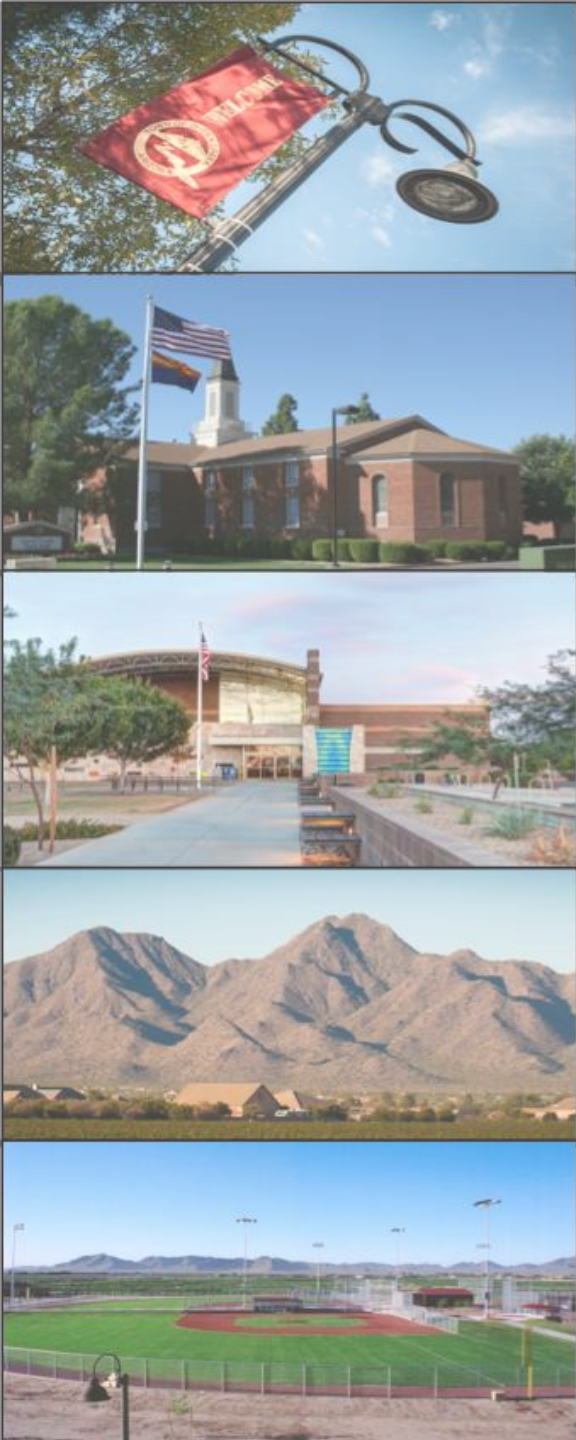


FY 2018/19 OPERATING REVENUES

(IN MILLIONS)

Category	FY 17/18 Revised	FY 18/19 Tentative	\$ Change	% Change
Sales Tax (Non-Construction)	\$17.8	\$19.8	\$2.0	11%
Construction Sales Tax	\$6.2	\$4.5	-\$1.7	-27%
State Shared Revenues	\$12.1	\$12.7	\$0.6	5%
Property Taxes	\$6.2	\$7.0	\$0.8	12%
Charges for Services (Community Development)	\$4.8	\$3.9	-\$0.9	-19%
Charges for Services / Other	\$5.6	\$6.4	\$0.8	14%
Water ROI	\$ -	\$2.5	\$2.5	
Use of Pension Reserves (MCSO)	<u>\$ -</u>	<u>\$1.1</u>	<u>\$1.1</u>	
Total	<u>\$52.7</u>	<u>\$57.9</u>	<u>\$5.2</u>	<u>10%</u>

FY 2018/19 SALES TAX: \$19.8M



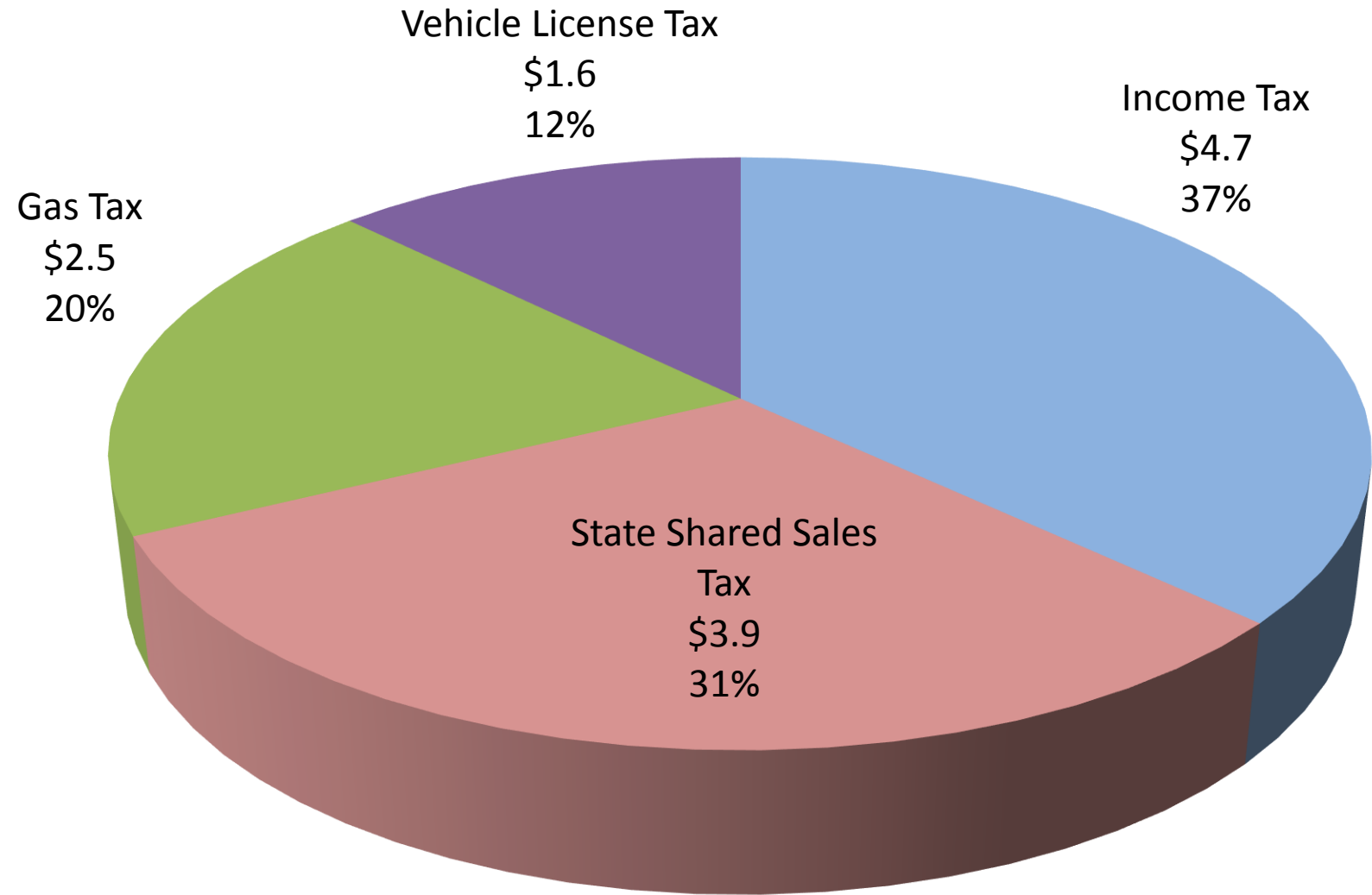
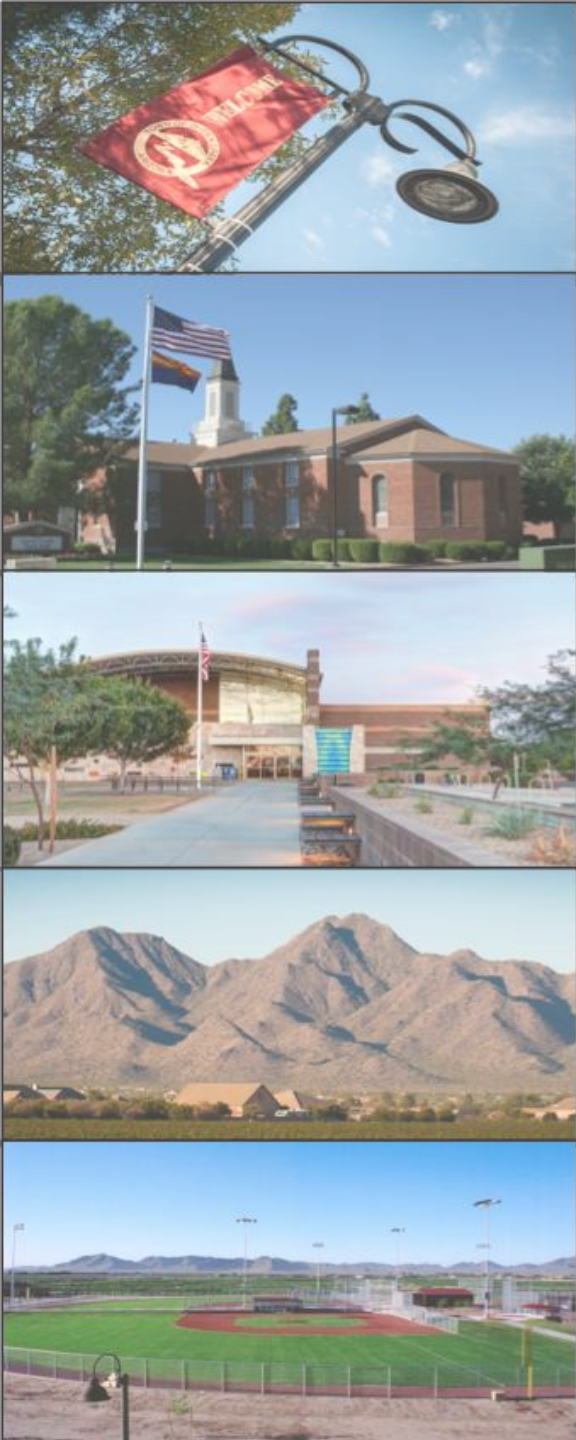
FY 2018/19 SALES TAX

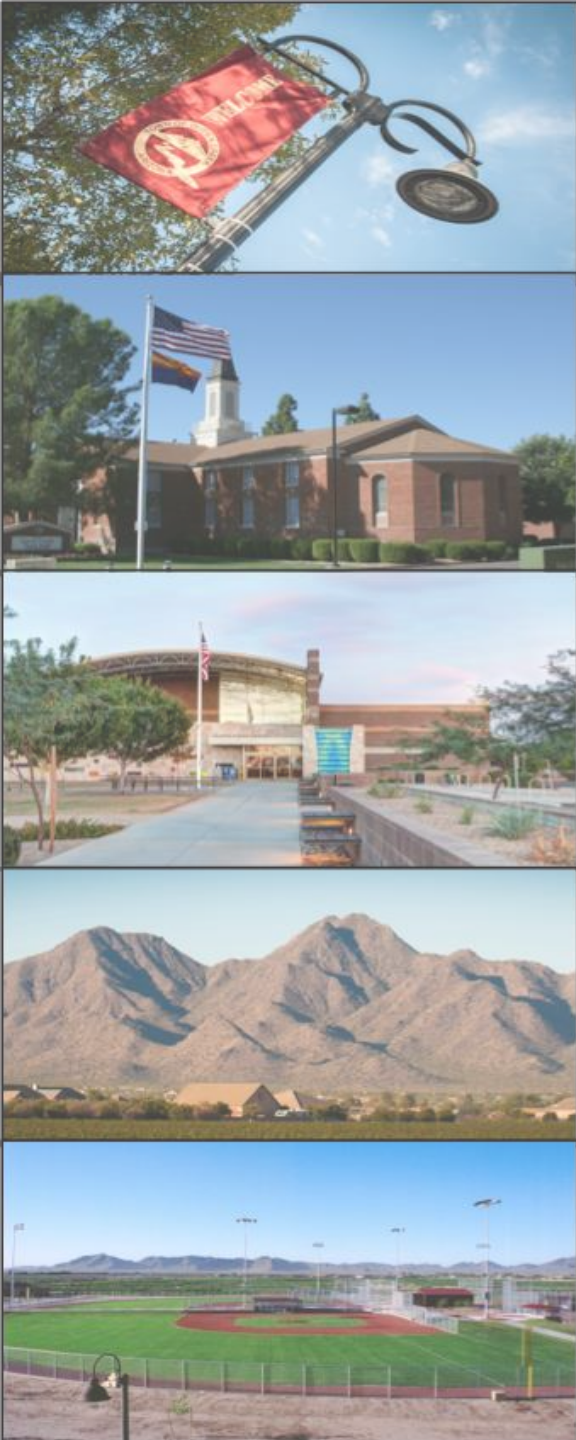
(IN MILLIONS)

Category	FY 17-18 Revised	FY 18-19	\$ Change	% Change
Retail	\$10.6	\$12.2	\$1.6	15%
Restaurants/Bars	\$2.4	\$2.5	\$0.1	7%
Communications/Utilities	\$1.8	\$2.0	\$0.2	10%
All Others	<u>\$3.0</u>	<u>\$3.1</u>	<u>\$0.1</u>	<u>3%</u>
Total	<u>\$17.8</u>	<u>\$19.8</u>	<u>\$2.0</u>	<u>11%</u>

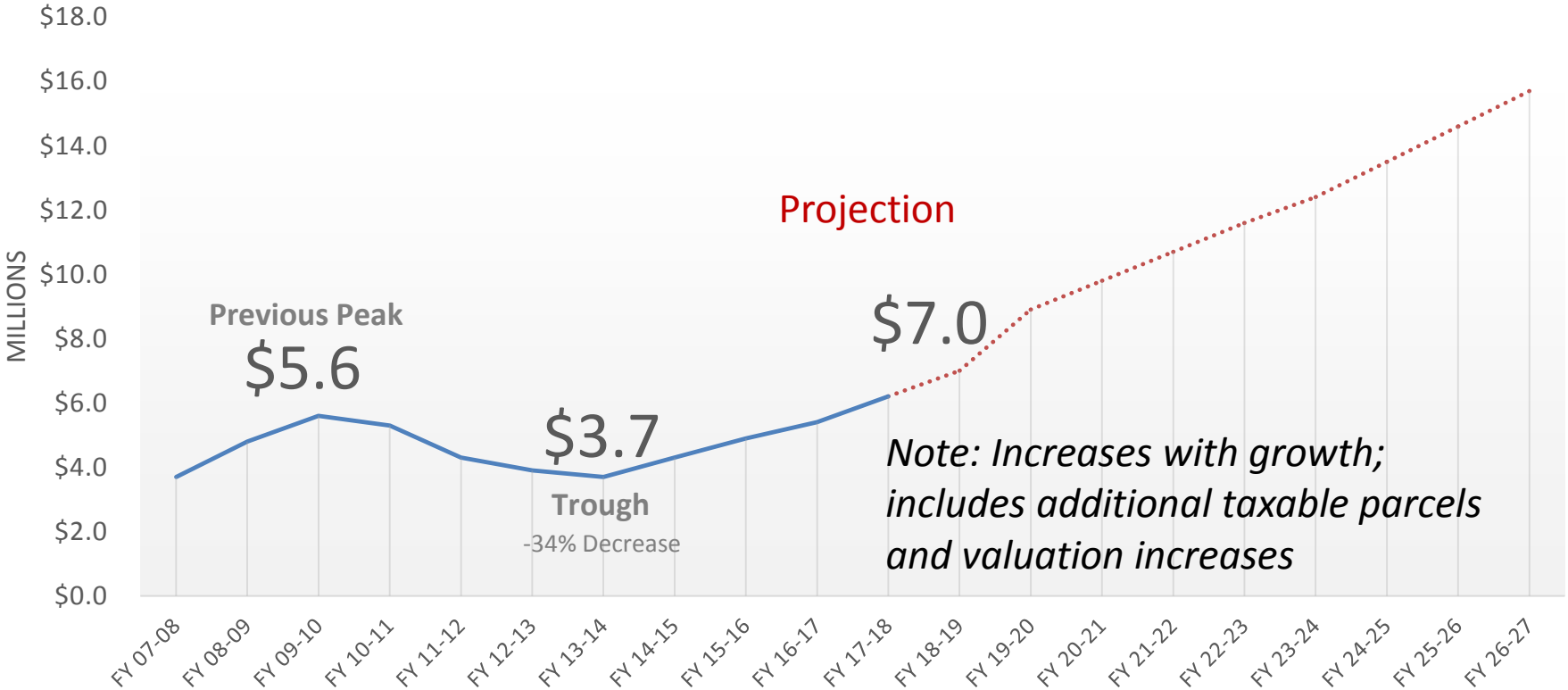


FY 2018/19 STATE SHARED REVENUE: \$12.7M





PROPERTY TAX REVENUES @ \$1.95 PER \$100 AV





OPERATING BUDGET – EXPENSES

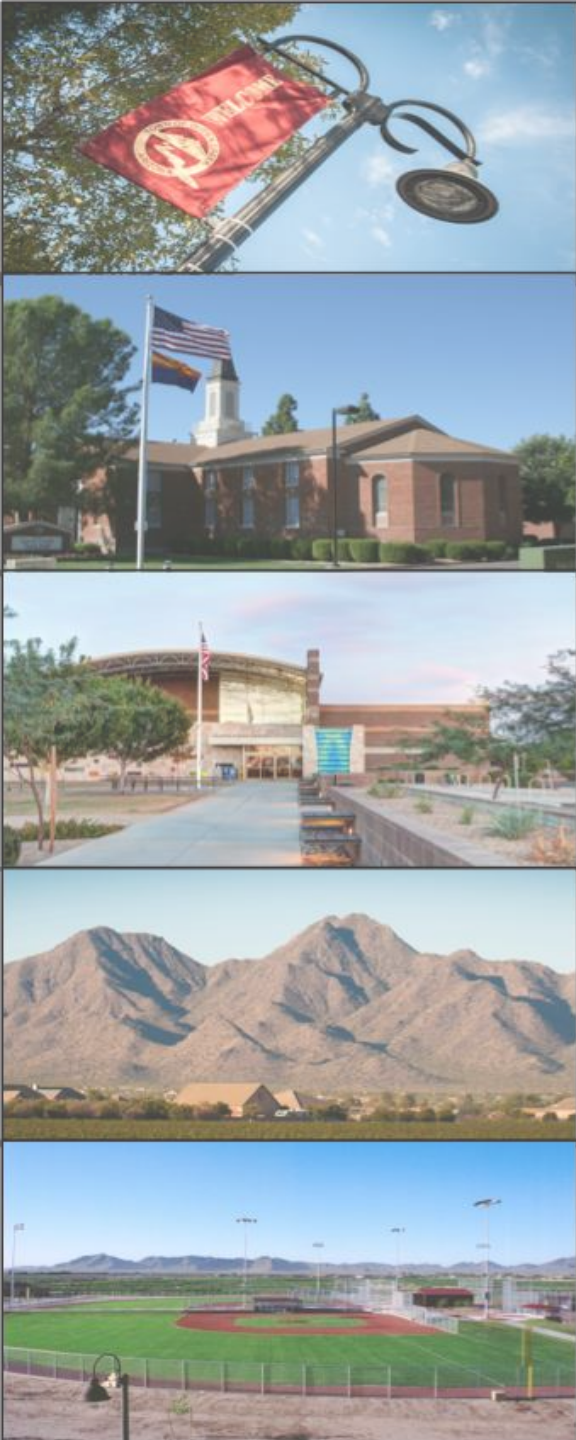
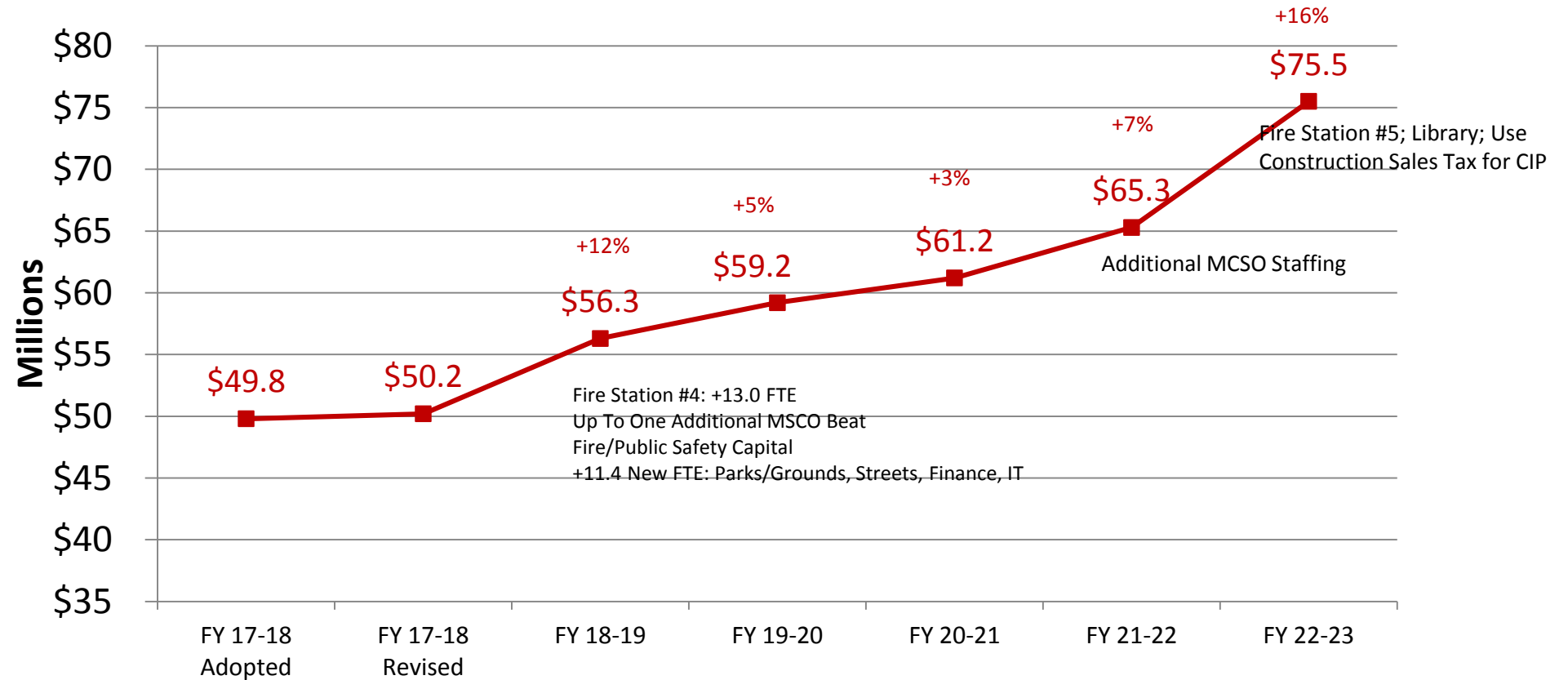
EXPENSES

Objectives

- Prioritize the Needs of a Growing Community
 - 50K Population Today
 - 74K Population in 5 Years (+77%)
- Ensure Long-Term Affordability of Additions to Budget (i.e. Staffing Increases)



OPERATING BUDGET PROJECTION - EXPENSES





EXPENSE HIGHLIGHTS

1. 10-Year \$195M Transportation Plan
Fully Funded By Using \$6.5M Placeholder
 - \$2.6M Debt Service Payment (\$55M Bond Issue)
 - \$3.9M Pay-As-You-Go Annual Funding



EXPENSE HIGHLIGHTS

(CONTINUED)

2. Public Safety Expense Increasing \$4.1M

- \$1.3M Placeholder for Increase for Patrol/Community Services/Traffic Unit
 - \$1.2M for Staffing (5 Deputies, 1 Sergeant)
 - \$0.1M for Vehicles and Equipment (51% Non Growth Share)
 - Recommending proceeding with 2 patrol deputies – starting June 2018. Evaluate performance over next 6 months.
- \$2.8M Expense Increase for New, Northeast Fire Station and Staffing
 - \$1.5M for Staffing (12 Firefighters, 1 Assistant Chief)
 - \$1.3M for Building / Truck (18% Non Growth Share)



EXPENSE HIGHLIGHTS

(CONTINUED)

3. \$1.2M Expense Reduction from MCSO Contract for Unfunded Pension Liability
 - \$16.5M Reserve Created at 6/30/18
4. \$338K Expense Reduction for Ellsworth Loop Road Improvement District Debt Service Payment (Moved to Town Center Fund)



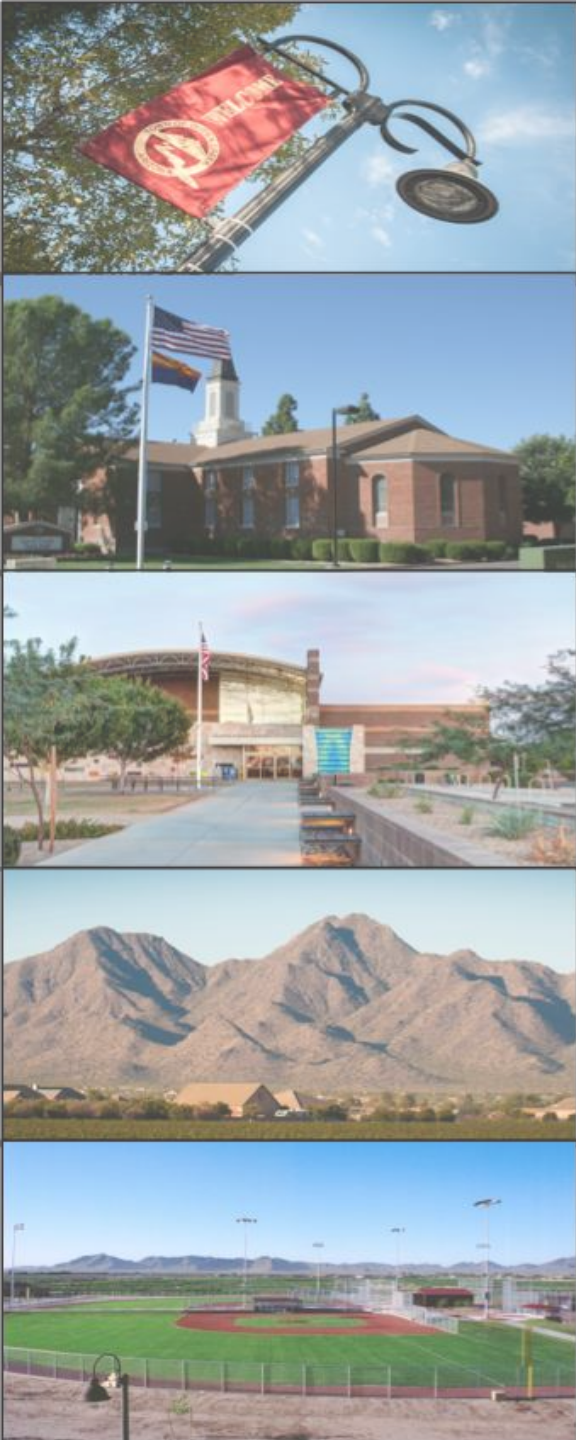
EXPENSE HIGHLIGHTS

(CONCLUDED)

5. Staffing Increases to Maintain Existing Service Levels (Excluding Fire)

- 11.4 FTEs: \$0.9M
 - Public Works: 9.4 FTEs (5.4 FTE for Mansel Carter Park; 2.0 FTE for 145 New Lane Miles)
 - Finance: 1.0 FTE
 - Information Technology: 1.0 FTE

FY 2018/19 NEW POSITION FTES



Operating Budget	FTE	Positions
IT	1.0 FTE	IT Analyst
Finance	1.0 FTE	Sr. Financial Services Analyst
Public Works	9.4 FTE	Grounds Crew Leader (1.0 FTE) Grounds M&O Technician (4.0 FTE) Grounds M&O Assistant (0.4 FTE) Park Ranger (1.0 FTE) Streets M&O Technician (1.0 FTE) Streets M&O Specialist (1.0 FTE) Facility M&O Technician (1.0 FTE)
Fire	13.0 FTE	Deputy Fire Chief (1.0 FTE) Firefighter (6.0 FTE) Fire Engineer (3.0 FTE) Fire Captain (3.0 FTE)
Total Operating Budget New FTE	24.4 FTE	
CIP Budget	FTE	Positions
Finance	1.0 FTE	CIP Financial Analyst

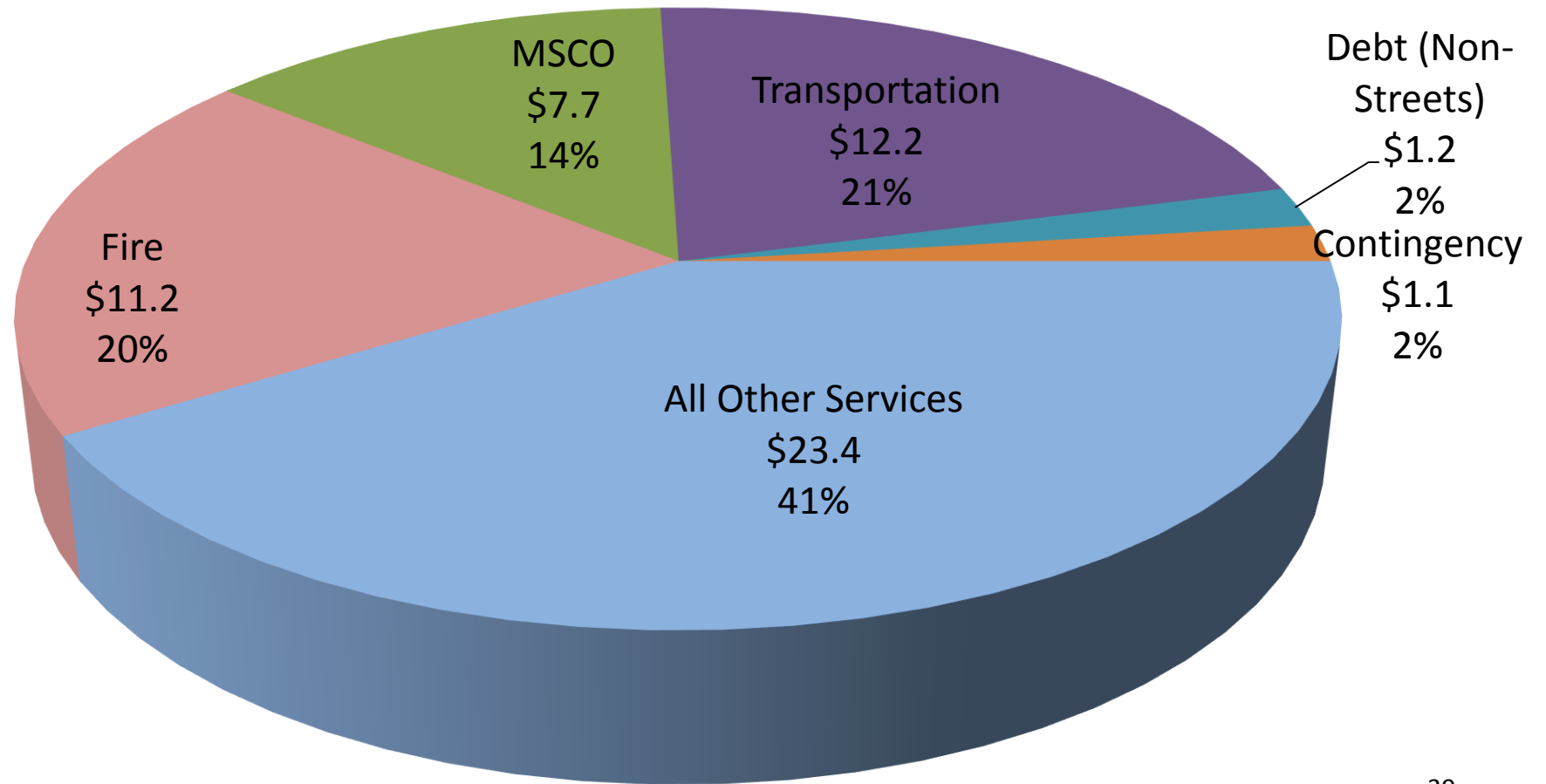
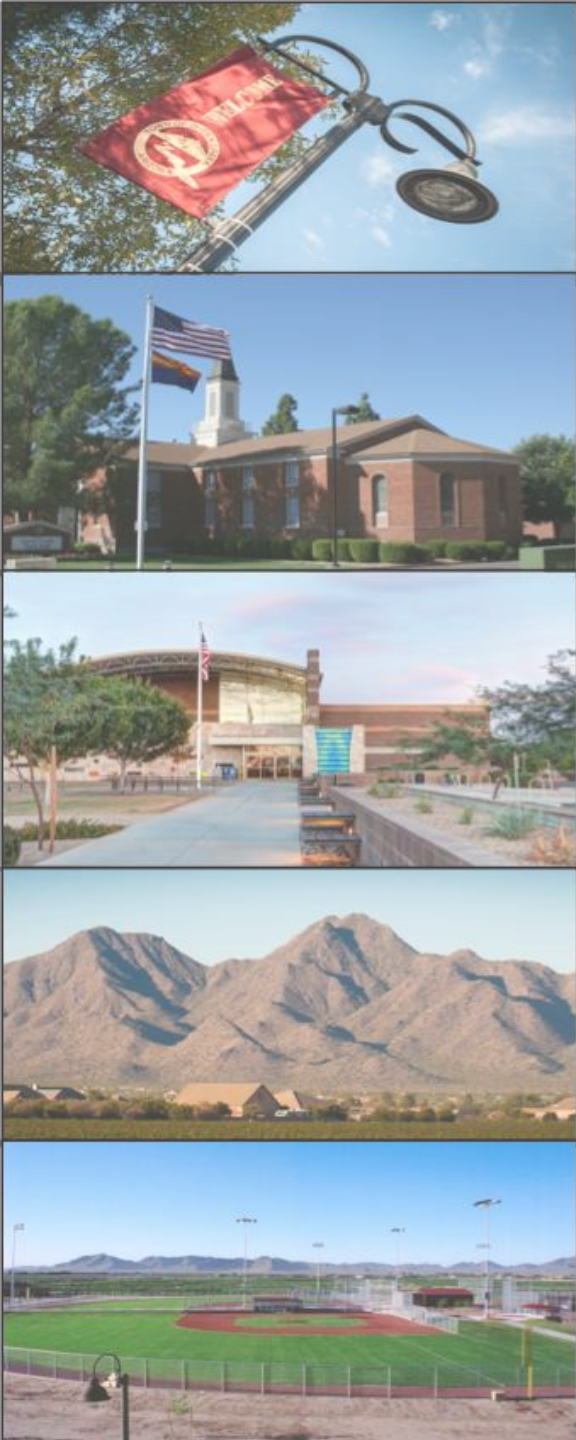


EXPENSE HIGHLIGHTS

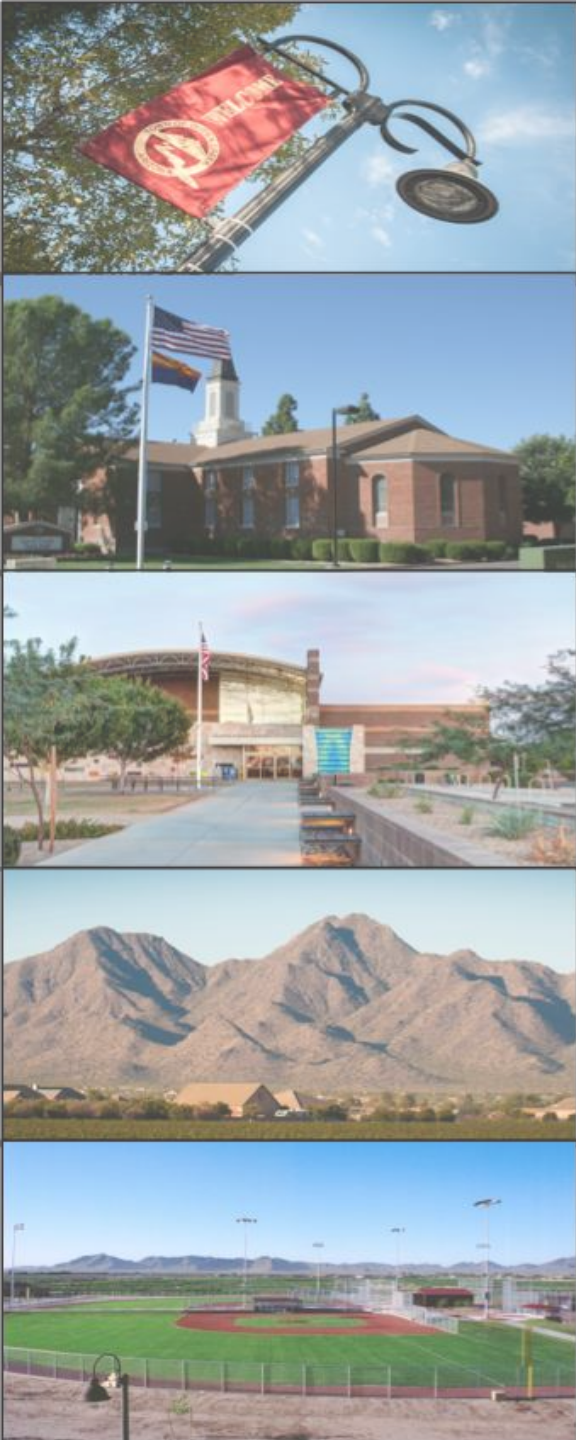
(CONCLUDED)

- ## 6. Employee Compensation Increased
- Market: 2.5% Across-the-Board (On July 1)
 - Merit: Up to 3% Merit or 5% Step (Fire Positions) on Anniversary Date
 - Based on Individual Employee Performance
 - Translates to Annual Wage Base Increase of 1.5%

FY 2018/19 OPERATING EXPENSES/USES: \$56.8M



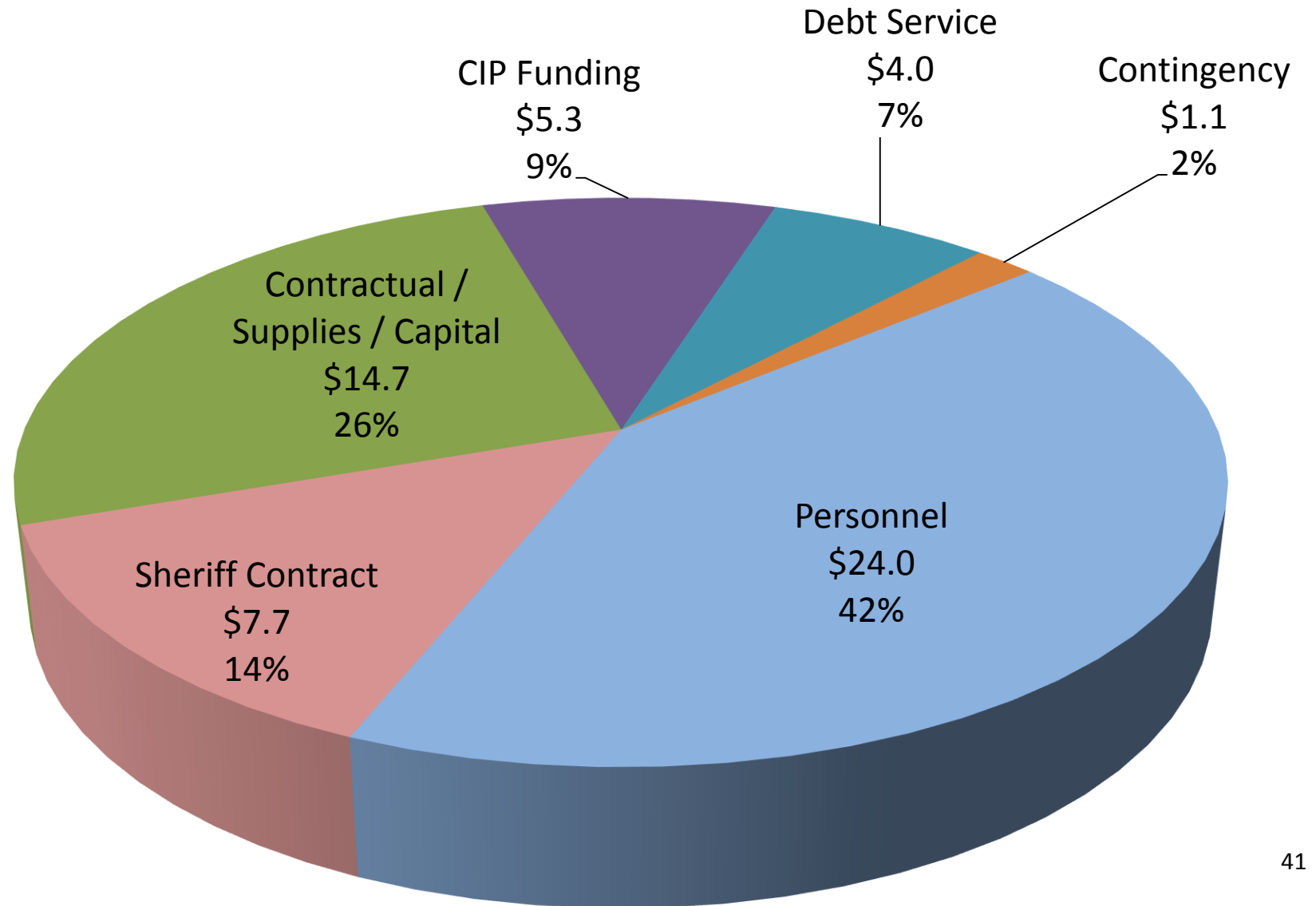
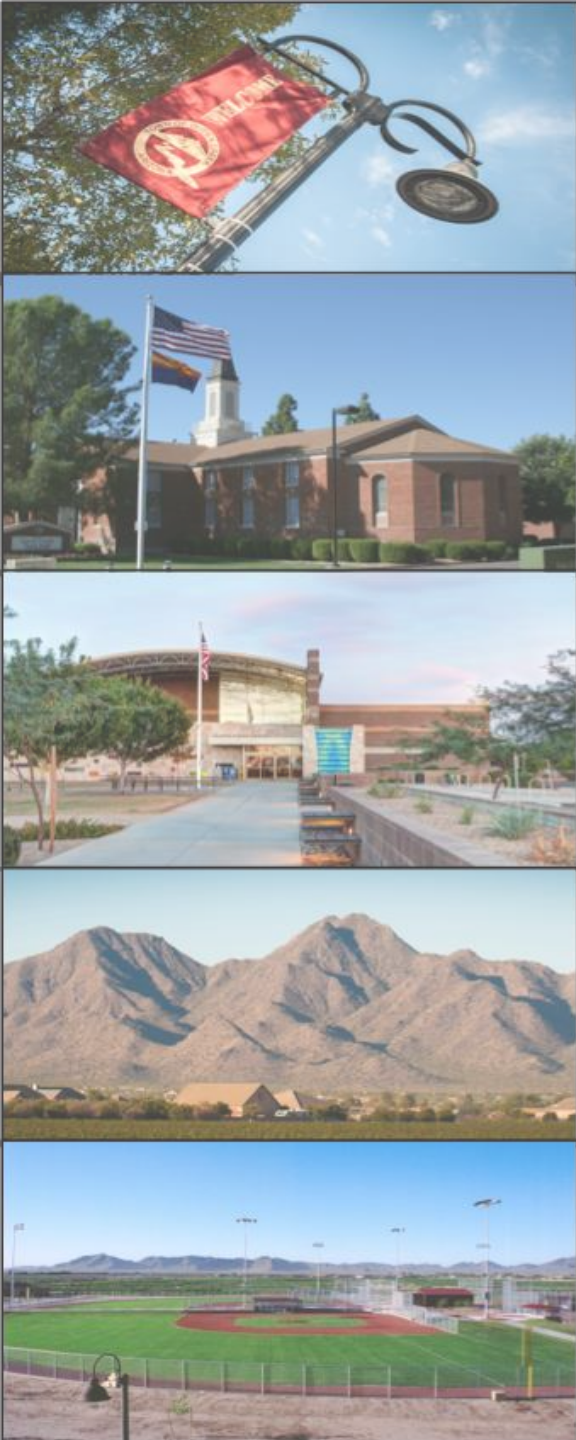
FY 2018/19 OPERATING EXPENSES/USES (IN MILLIONS)



Function	FY 17/18 Revised	FY 18/19 Tentative	\$ Change	% Change
Transportation	\$11.8	\$12.2	\$0.40	3%
Fire	\$8.3	\$11.2	\$2.9	35%
MCSO	\$6.4	\$7.7	\$1.3	20%
Debt Service	\$1.5	\$1.2	-\$0.3	-20%
All Other Services	\$22.2	23.4	\$1.2	5%
Contingency (3% of Operating Expenses)	\$ <u>-*</u>	\$ <u>1.1</u>	\$ <u>1.1</u>	-
Total	<u>\$50.2</u>	<u>\$56.8</u>	<u>\$6.6</u>	<u>13%</u>

*The revised budget reflects the reallocation of contingency. As needed for the remaining weeks of the fiscal year, realized reduction in department expenses or use of fund balance may be used. The FY18 Adopted Budget for Contingency was \$1.0M; It increased \$0.1M for the FY19 Recommended Budget.

FY 2018/19 OPERATING EXPENSES/USES: \$56.8M

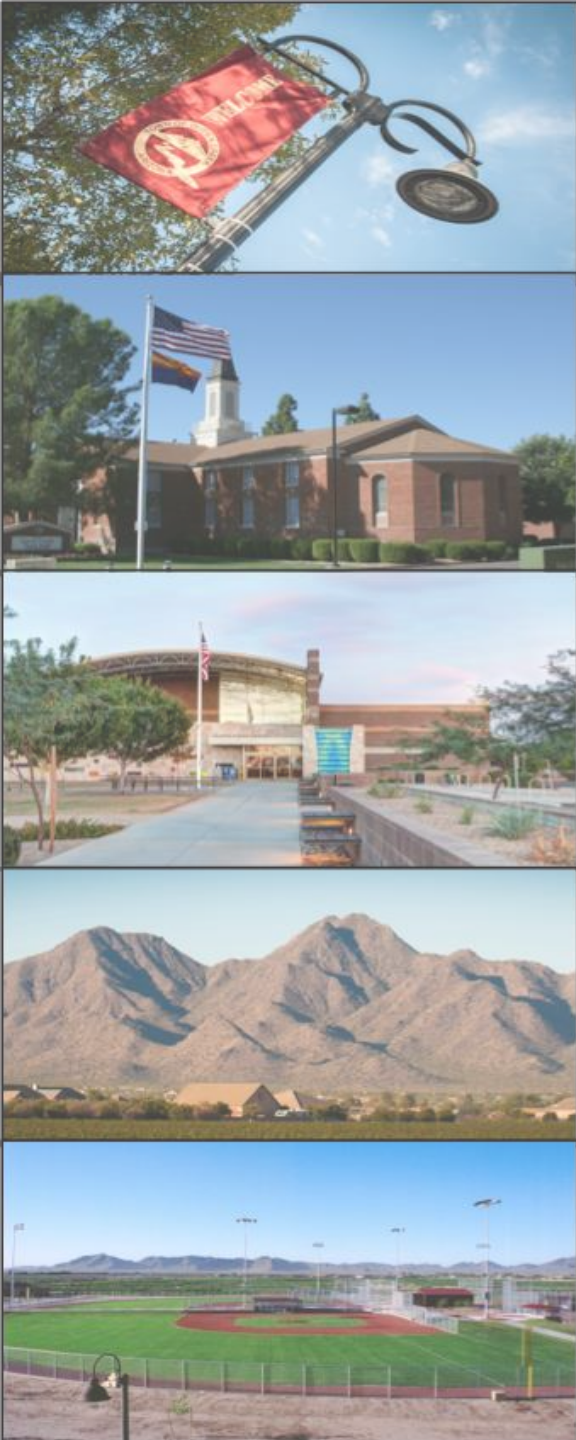


FY 2018/19 OPERATING EXPENSES/USES

(IN MILLIONS)

Category	FY 17-18 Revised	FY 18-19	\$ Change	% Change
Personnel	\$21.0	\$24.0	\$3.0	14%
MCSO Contract	\$6.4	\$7.7	\$1.3	20%
Contractual/Supplies/Capital	\$14.5	\$14.8	\$0.3	2%
Transportation CIP Funding (PAYGO)	\$6.5	\$3.9	-\$2.6	-40%
Public Safety CIP Funding	-	\$1.3	\$1.3	-%
Debt Service	\$1.8	\$4.0	\$2.2	122%
Contingency (3% of Operating Expenses)	\$ -*	\$1.1	\$ 1.1	-%
Total	<u>\$50.2</u>	<u>\$56.8</u>	<u>\$6.6</u>	<u>13%</u>

*The revised budget reflects the reallocation of contingency. As needed for the remaining weeks of the fiscal year, realized reduction in department expenses or use of fund balance may be used. The FY18 Adopted Budget for Contingency was \$1.0M; It increased \$0.1M for the FY19 Recommended Budget.



IMPORTANT EXPENSE INCREASES: \$6.2M (94% OF \$6.6M INCREASE)

Item	
13 New Fire Positions and Benefits	\$1.5M
New Fire Station #4 Non-Growth Portion of Building Funding	\$1.3M
MCSO Increase (Up to one additional beat)	\$1.2M
New Staffing –All Other Services (11.4 FTE)	\$0.9M
Horseshoe Park Covered Arena	\$0.5M
Employee Market Increase	\$0.3M
Employee Merit	\$0.2M
Pavement Repair/Maintenance Increases for New Lane Miles	\$0.2M
Contingency Increase	<u>\$0.1M</u>
Total	<u>\$6.2M</u>

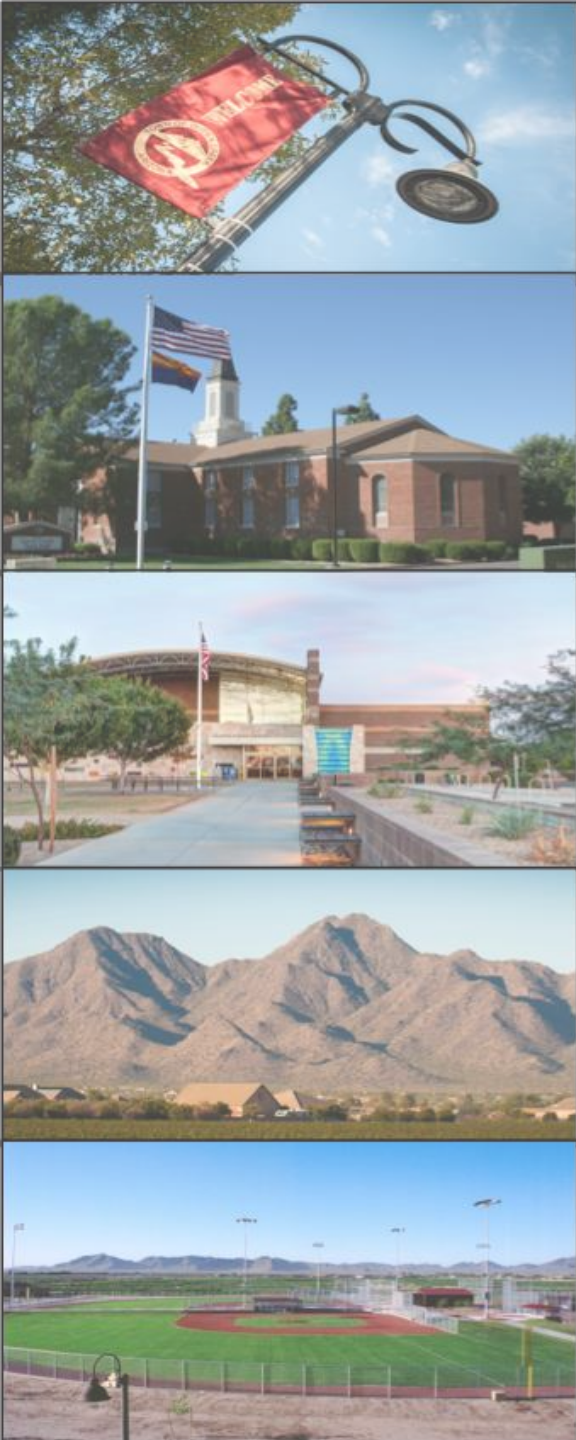


ALL OTHER ACTIVITIES

INFRASTRUCTURE CARRY FORWARD/CONTINGENCIES: \$67.8M



Purpose	Description	Amount
1. Projects Under Contract	Carryforward of approved contracts into FY 2018/19	\$40.1M
2. Project Budgets Approved – Not yet under Contract	Expenditure authority for projects approved in FY 2017/18 but not under contract by end of fiscal year	\$22.7M
3. Unanticipated Expenses	Expenditure authority for private development partnerships, emergency needs	\$5.0M
	Total FY 2018/19 Contingency	<u>\$67.8M</u>



STREET INFRASTRUCTURE

- \$195M 10-Year Plan Fully Funded

Responsible Party	Project Cost	%
Town (\$55M Bond and PAY-AS-YOU-GO)	\$102M	52%
Developer/Other Governments	<u>\$93M</u>	<u>48%</u>
Total	\$195M	100%

- Key North / South Roads Outside of Town Boundaries : \$22M
 - Details on Next Slide
 - Funding to be Determined

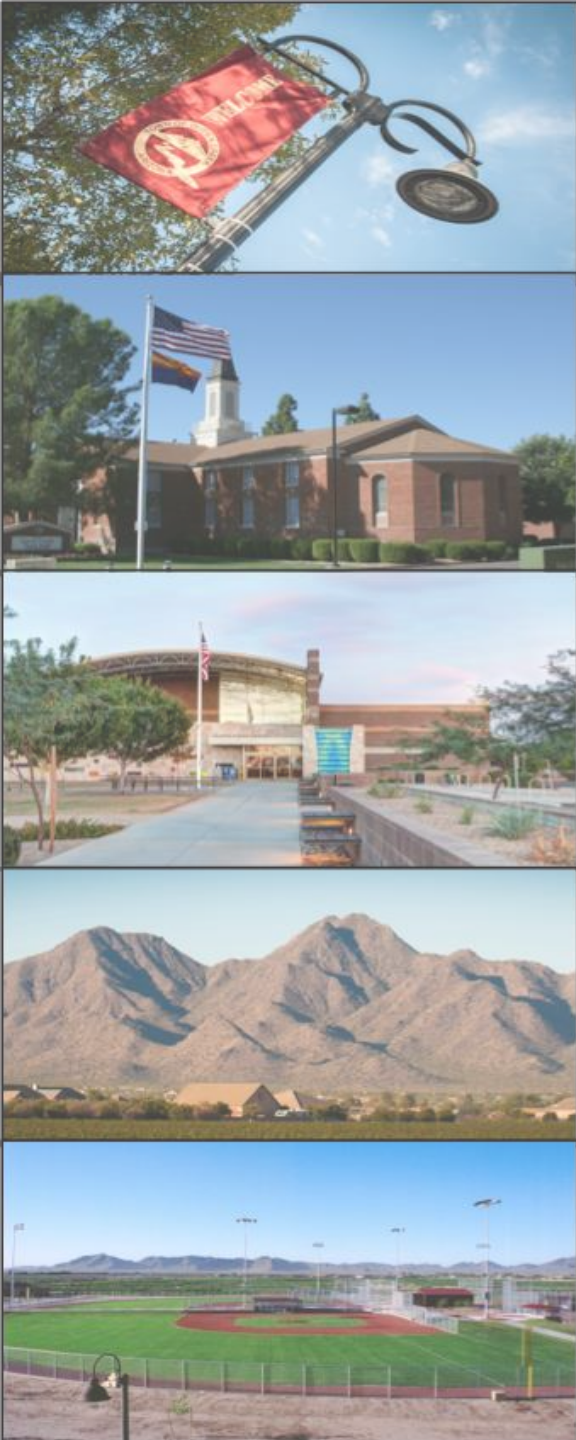
ROADS OUTSIDE OF TOWN

Roadway	Improvement	Estimated Cost	Recommended in Tentative Budget	Degree of Difficulty	Benefit
Ellsworth Road- Germann to SR24 (Mesa)	Add One Lane in Each Direction	\$7M-\$10M	\$10M	Moderate	Significantly Alleviates Ellsworth Corridor
Signal Butte Road- Germann to Pecos (Mesa)	Full Street (no sidewalk or landscaping)	\$8M-\$10M	\$6M for ½ Street	Moderate	Moderately Alleviates Ellsworth Rd Congestion
Meridian Road – Germann to SR24 (Pinal County)	Full Street (no sidewalk or landscaping) (Initial IGA already approved)	\$13M-\$15M	\$6M	Very Difficult	Significantly Reduces Traffic to Ellsworth Rd and Ironwood Rd
Ironwood Road – Germann to SR24 (Pinal County)	Add one lane in each direction	\$6M-\$8M	\$0	Difficult	Significantly Alleviates Ironwood Rd Congestion
Total		\$34M –\$43M	\$22M		

PARKS AND TRAILS INFRASTRUCTURE

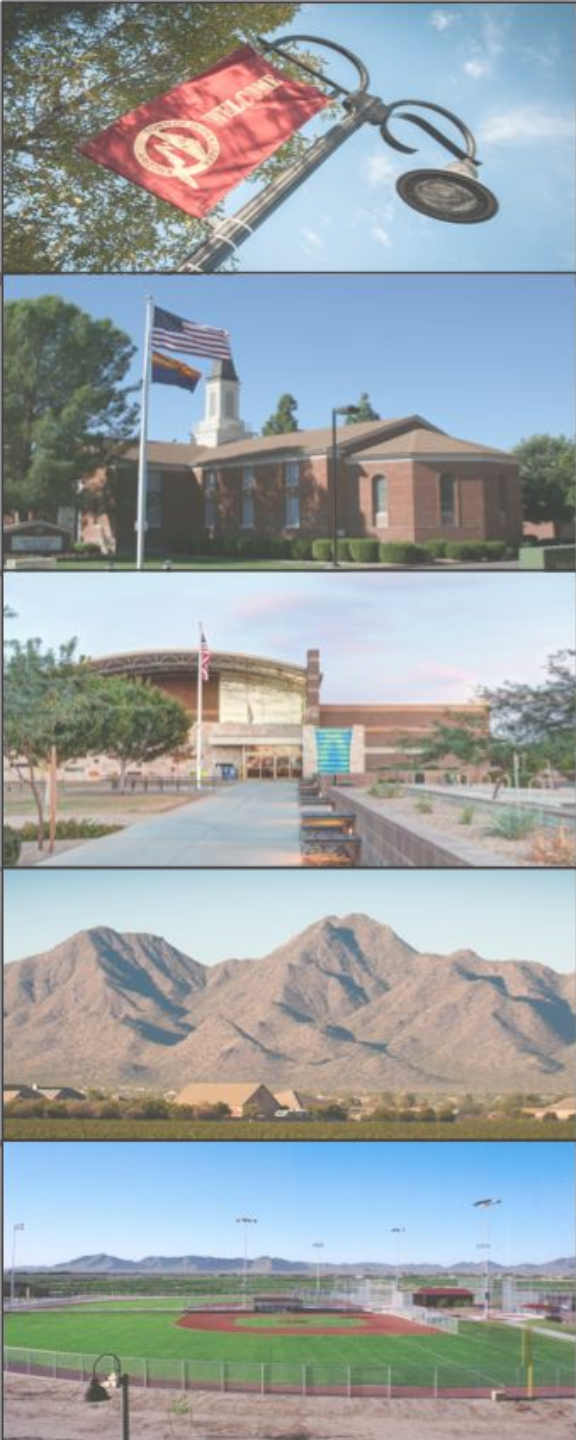
- Design of East Park
- Trails (Sonoqui and QC Wash)





WATER FUND (SELF-FUNDED)

- No Rate Increase
- New Policy re. Dedicated Funding for Public Safety: \$1.9M
- Increased Staffing Levels due to New Accounts (7% Growth) and Operational/System Security Improvements
 - 10.0 FTEs: 6 FTEs for Operations, 4 FTEs for Customer Service/Billing
- Infrastructure Improvement Plan (IIP)
 - \$105M Estimate over the next 15 years
 - FY 2018/19: \$15M



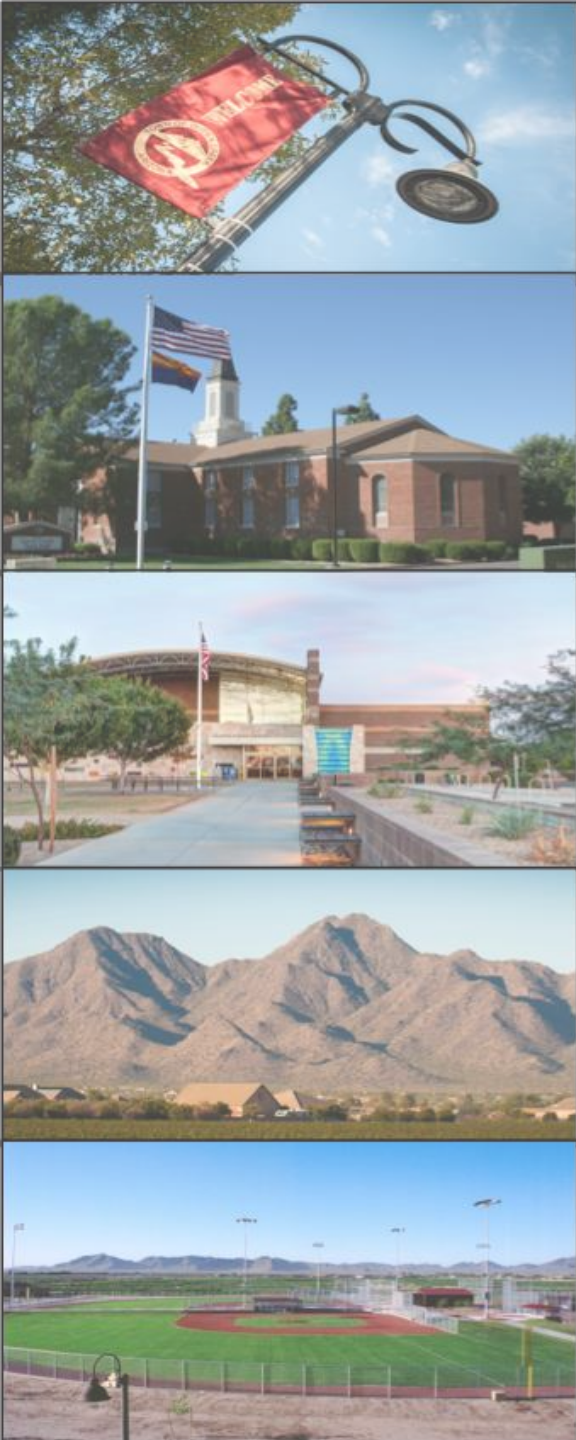
FY 2018/19 NEW UTILITY FUNDED POSITION FTEs

Utilities Budget	FTE	Positions
IT	1.0 FTE	IT Analyst
Finance/Customer Service	3.0 FTE	Utility Accounting Analyst (1.0 FTE) Utility Customer Service Rep (1.0 FTE) Cashier (1.0 FTE)
Water	6.0 FTE	Utility Deputy Director (1.0 FTE) Utility Engineer (1.0 FTE) Water Flexnet Analyst (1.0 FTE) Utility Analyst (1.0 TE) Irrigation Meter Technician (1.0 FTE) Well Technician (1.0 FTE)
Total Utilities	10.0 FTE	

WASTEWATER FUND (SELF-FUNDED)

- No Rate Increase
- New Policy re. Dedicated Funding for Public Safety: \$0.6M
- Infrastructure Improvement Plan (IIP)
 - \$108M Estimate over the next 15 years
 - FY 2018/19: \$16M





SOLID WASTE/RECYCLING FUND (SELF-FUNDED)

- No Rate Increase
- Possible Service Provider Costs Increase: 12%
 - 7% Increase For New Accounts
 - 5% Increase in Contracted Rate (Maximum Allowed)

BUDGET CALENDAR



Date	Action Item
May 16 Council Meeting	<ul style="list-style-type: none"> • Consider FY 18/19 Tentative Budget for Approval • Set Public Hearing for Property Tax for June 6, 2018
<i>May 23</i>	<i>First Truth in Taxation Legal Ad Runs</i>
<i>May 24</i>	<i>First FY 18/19 Budget Ad Runs</i>
<i>May 30</i>	<i>Second (Final) Truth in Taxation Legal Ad Runs</i>
<i>May 31</i>	<i>Second (Final) FY 18/19 Budget Ad Runs</i>
June 6 Council Meeting	<ul style="list-style-type: none"> • Public Hearing on the FY 18/19 Final Budget • Town Council FY 18/19 Final Budget Adoption • Conduct Truth in Taxation Public Hearing on Levy Increase (No Rate Increase) • Consider a Motion to Approve the Increased Tax Levy by a Roll Call Vote • Set Date to Adopt the Property Tax Levy and Tax Rate
June 20 Council Meeting	<ul style="list-style-type: none"> • Adopt Property Tax Levy and Revenue Amount for FY 18/19



COMMENTS AND QUESTIONS



PROPOSED MOTION

Motion to Approve the FY 2018/19 Tentative Budget of \$251.9M and Set the Public Hearings for Both the FY 2018/19 Final Budget as well as Truth in Taxation as required under Arizona Revised Statutes to occur June 6, 2018 at 7 p.m. in the Town Community Chambers

ALTERNATE MOTIONS

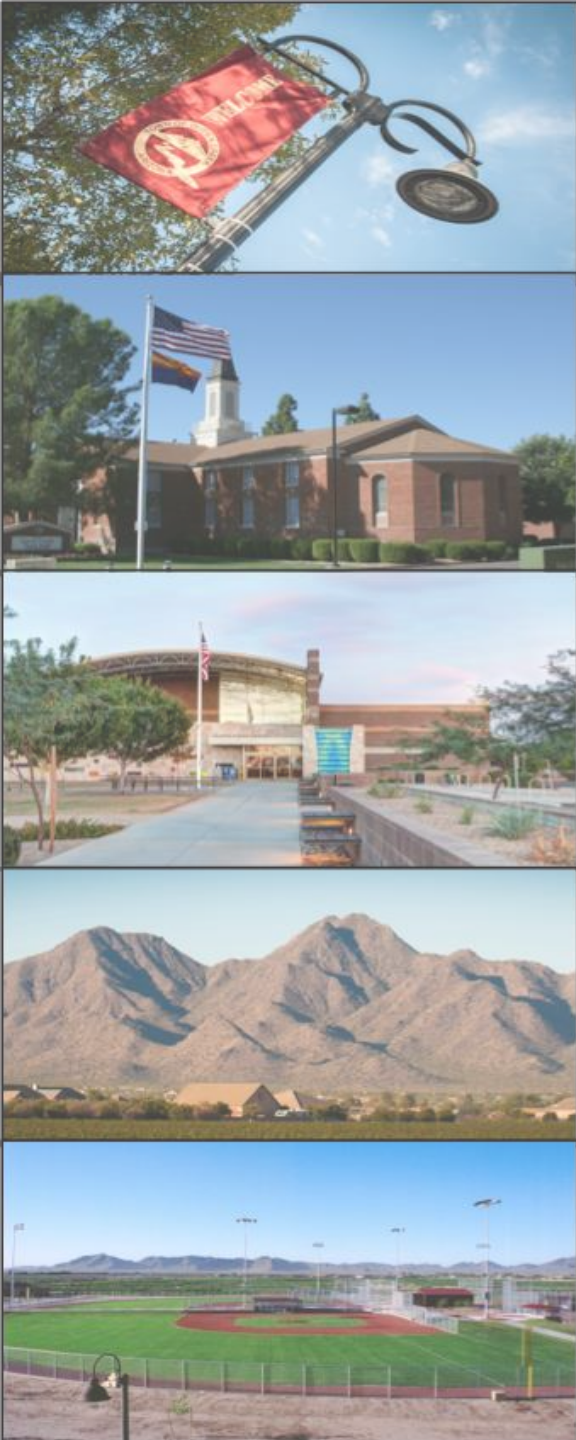
1. Motion to reduce the Tentative Budget of \$251.9M by \$500K, removing the cover for Arena 3 at Horseshoe Park and Equestrian Center, for a total Tentative Budget of \$251.4M and set the public hearing for both the FY 2018/19 Final Budget as well as Truth in Taxation as required under Arizona Revised Statutes. Such hearings to occur on June 6, 2018 in the Town Council Community Chambers.





ALTERNATE MOTIONS (CONTINUED)

2. Motion to reduce the Tentative Budget of \$251.9M by \$22M in the Capital Improvement Program removing the additional roadway infrastructure for north/south roads/lane widening from Germann to SR24 for a total Tentative Budget \$229.9M and set the public hearing for both the FY 2018/19 Final Budget as well as Truth in Taxation as required under Arizona Revised Statutes. Such hearings to occur on June 6, 2018 in the Town Council Community Chambers.



ALTERNATE MOTIONS (CONCLUDED)

3. Motion to reduce the Tentative Budget of \$251.9M by \$22.5M, removing the \$500K for Arena 3 at Horseshoe Park and Equestrian Center and removing the \$22M for the additional North/South roadways from Germann to SR24 for total Tentative Budget \$229.4M (The Town Manager's Recommended Budget) and set the public hearing for both the FY 2018/19 Final Budget as well as Truth in Taxation as required under Arizona Revised Statutes. Such hearings to occur on June 6, 2018 in the Town Council Community Chambers.

TOWN OF QUEEN CREEK
Summary Schedule of Estimated Revenues and Adopted Expenditures/Expenses
Fiscal Year 2019

Fiscal Year	S c h	FUNDS										Total All Funds	
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds					
2018	E	21,663,982	46,872,813	6,042,157	55,537,099		80,061,974	2,915,430					213,093,455
2018	E	21,663,982	43,872,813	6,042,157	23,385,687		57,019,974	2,915,430					154,900,043
2019		5,037,168	14,641,421	336,941	76,070,573		16,485,195	1,099,753					113,671,051
2019	B		6,962,716										6,962,716
2019	B		-										-
2019	C	37,406,646	24,236,990	1,702,407	26,277,000		40,308,430	4,215,761					134,147,234
2019	D	-	-	-	-		-	-					-
2019	D	-	-	-	-		-	-					-
2019	D	4,812,461	8,563,253	7,797,886	11,090,579		63,431,826	-					95,696,005
2019	D	15,817,237	16,446,942	-	-		63,431,826	-					95,696,005
2019													
LESS:													
2019		31,439,038	37,957,438	9,837,234	113,438,152		56,793,625	5,315,514					254,781,001
2019	E	22,074,631	37,532,407	9,568,796	91,408,367		87,557,263	3,754,683					251,896,147

EXPENDITURE LIMITATION COMPARISON

1. Budgeted expenditures/expenses
2. Add/subtract: estimated net reconciling items
3. Budgeted expenditures/expenses adjusted for reconciling items
4. Less: estimated exclusions
5. Amount subject to the expenditure limitation
6. EEC expenditure limitation

	2018	2019
1. Budgeted expenditures/expenses	\$ 213,093,455	\$ 251,896,147
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	213,093,455	251,896,147
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	\$ 213,093,455	\$ 251,896,147
6. EEC expenditure limitation	\$	\$

* Includes Expenditure/Expense Adjustments Approved in the 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 on this line 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).

TOWN OF QUEEN CREEK
Tax Levy and Tax Rate Information
Fiscal Year 2019

	2018	2019
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 10,493,244	11,487,053
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 6,189,464	\$ 6,962,716
B. Secondary property taxes		
C. Total property tax levy amounts	\$ 6,189,464	\$ 6,962,716
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 5,299,519	
(2) Prior years' levies	52,284	
(3) Total primary property taxes	\$ 5,351,803	
B. Secondary property taxes		
(1) Current year's levy	\$	
(2) Prior years' levies		
(3) Total secondary property taxes	\$	
C. Total property taxes collected	\$ 5,351,803	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	1.9500	1.9500
(2) Secondary property tax rate		
(3) Total city/town tax rate	1.9500	1.9500
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>87</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
GENERAL FUND			
Local taxes			
City Sales Tax	\$ 20,681,790	\$ 21,317,405	\$ 21,577,090
Sales Tax Recovery			
Licenses and permits			
Business Licenses	87,420	87,420	87,420
Liquor License	10,000	10,000	10,000
Building Revenue	5,704,000	4,804,000	3,892,400
Intergovernmental			
State Sales Tax	3,560,500	3,774,000	3,871,400
Urban Revenue Sharing	4,552,500	4,399,985	4,699,000
Charges for services			
Recreation User Fees	522,000	522,000	529,740
Interest on investments			
Interest Income	259,000	259,000	202,509
Miscellaneous			
Telecommunications	150,000	150,000	154,500
Building Lease Revenue	55,020	55,020	56,700
Gas Franchises	96,020	96,020	105,622
Cable Licenses	223,600	223,600	245,960
Miscellaneous	100,000	100,000	101,500
Departmental Support Revenue	1,803,351	1,803,351	1,872,805
Total General Fund	\$ 37,805,201	\$ 37,601,801	\$ 37,406,646
SPECIAL REVENUE FUNDS			
Highway User Revenue Fund			
Highway Users Revenue	\$ 2,277,000	\$ 2,467,000	\$ 2,531,700
Pinal County Taxes	23,590	23,590	22,860
Vehicle License Tax	1,441,000	1,488,249	1,600,800
Interest Income	22,000	22,000	
Total Highway User Revenue Fund	\$ 3,763,590	\$ 4,000,839	\$ 4,155,360
Municipal Town Center Fund			
City Sales Tax	\$ 694,520	\$ 723,412	\$ 802,990
Signage Revenue	20,000	20,000	20,000
Interest Income	21,000	21,000	21,000
Total Municipal Town Center Fund	\$ 735,520	\$ 764,412	\$ 843,990
Construction Sales Tax Fund			
2% Construction Sales Tax	\$ 5,455,850	\$ 5,455,850	\$ 3,972,970
Total Construction Sales Tax Fund	\$ 5,455,850	\$ 5,455,850	\$ 3,972,970
Grants & Contingency Fund			
Grants	\$ 2,000,000	\$ 2,000,000	\$ 1,927,300
Contingency			
Total Grants & Contingency Fund	2,000,000	2,000,000	1,927,300

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
Parks Development Fund			
Parks Development Fee	\$ 4,327,181	\$ 4,327,181	\$ 2,975,250
3rd Party Contributions			1,000,000
Interest Income	155,500	155,500	21,500
Total Parks Development Fund	\$ 4,482,681	\$ 4,482,681	\$ 3,996,750
Town Buildings & Vehicle Fund			
Town Building & Vehicle Development Fee	\$ 626,512	\$ 626,512	467,550
Interest Income	19,000	19,000	19,350
Total Town Buildings & Vehicle Fund	\$ 645,512	\$ 645,512	\$ 486,900
Transportation Development Fee Fund			
Transportation Development Impact Fee	\$ 1,770,197	\$ 1,770,197	1,314,870
Interest Income	9,000	9,000	5,000
Total Transportation Development Fee Fund	\$ 1,779,197	\$ 1,779,197	\$ 1,319,870
Library Development Fee Fund			
Library Development Impact Fee	\$ 850,010	\$ 850,010	\$ 584,500
Interest Income	15,000	15,000	20,000
Total Library Development Fee Fund	\$ 865,010	\$ 865,010	\$ 604,500
Public Safety Development Fee Fund			
Public Safety Development Fees	\$ 238,820	\$ 238,820	\$ 178,460
Interest Income	14,000	14,000	10,000
Total Public Safety Development Fee Fund	\$ 252,820	\$ 252,820	\$ 188,460
Emergency Services Fund			
City Sales Tax	\$ 2,584,150	\$ 2,662,765	\$ 2,689,690
County Island Fire District	1,422,330	1,422,330	1,713,200
Fire Inspections	75,000	75,000	75,000
PSPRS Premium Tax Credit	77,500	77,500	100,000
Interest Income			
IGA - School District	64,000	64,000	64,000
Wildland Reimbursement	65,000	65,000	65,000
Miscellaneous	28,000	28,000	23,000
Total Emergency Services Fund	\$ 4,315,980	\$ 4,394,595	\$ 4,729,890
Fire Development Fee Fund			
Fire Development Fees	\$ 648,278	\$ 648,278	\$ 481,680
Interest Income	17,000	17,000	12,100
Total Fire Development Fee Fund	\$ 665,278	\$ 665,278	\$ 493,780
Streetlight Improvement Districts			
Special Assessment	\$ 625,500	\$ 625,500	\$ 700,000
Total Streetlight Improvement Districts	\$ 625,500	\$ 625,500	\$ 700,000
Community Events Fund			
Contributions/Donations	\$ 75,000	\$ 75,000	\$ 74,650
Total Community Events Fund	\$ 75,000	\$ 75,000	\$ 74,650
Horseshoe Park & Equestrian Center (HPEC) Fund			
Park Revenues	\$ 565,590	\$ 565,590	\$ 742,570
Total HPEC Fund	\$ 565,590	\$ 565,590	\$ 742,570
Total Special Revenue Funds	\$ 26,227,528	\$ 26,572,284	\$ 24,236,990

TOWN OF QUEEN CREEK
Revenues Other Than Property Taxes
Fiscal Year 2019

SOURCE OF REVENUES	ESTIMATED REVENUES 2018	ACTUAL REVENUES* 2018	ESTIMATED REVENUES 2019
DEBT SERVICE FUNDS			
Special Assessment Fund			
Property Assessments	\$ 1,702,407	\$ 1,702,407	\$ 1,702,407
Interest Income			
Total Special Assessment Fund	\$ 1,702,407	\$ 1,702,407	\$ 1,702,407
Total Debt Service Funds	\$ 1,702,407	\$ 1,702,407	\$ 1,702,407
CAPITAL PROJECTS FUNDS			
Drainage & Transportation Fund			
Reimbursement from Government Agency	\$ 3,555,000	\$ 3,555,000	\$ 4,277,000
Developer Contribution	177,421	177,421	
Other Financing - To Be Determined			22,000,000
Bond Proceeds	75,000,000	75,000,000	
Total Drainage & Transportation Fund	\$ 78,732,421	\$ 78,732,421	\$ 26,277,000
Total Capital Projects Funds	\$ 78,732,421	\$ 78,732,421	\$ 26,277,000
INTERNAL SERVICE FUNDS			
Healthcare Self-Insurance			
Premiums	\$ 3,646,735	\$ 3,646,735	\$ 4,055,761
Stop Loss Reimbursement	150,000	150,000	150,000
Interest Income	10,000	10,000	10,000
Total Healthcare Self-Insurance	\$ 3,806,735	\$ 3,806,735	\$ 4,215,761
ENTERPRISE FUNDS			
Sewer Utility Funds			
User Fees	\$ 6,300,000	\$ 6,300,000	\$ 6,741,250
Developer Contribution			
Capacity Fee	5,630,860	5,630,860	4,045,270
Interest Income	117,591	117,591	188,500
Total Sewer Utility	\$ 12,048,451	\$ 12,048,451	\$ 10,975,020
Water Fund			
Water Revenues/User Fees	\$ 20,665,000	\$ 20,665,000	\$ 21,906,891
Capacity Fee	5,559,390	5,559,390	3,993,930
Miscellaneous	345,692	345,692	358,895
Interest Income	324,000	324,000	214,000
Total Water Fund	\$ 26,894,082	\$ 26,894,082	\$ 26,473,716
Solid Waste Fund			
User Fees	\$ 2,499,828	\$ 2,499,828	\$ 2,659,194
Recycling	20,000	20,000	20,000
Cart Fees	96,679	96,679	153,000
Interest Income	1,000	1,000	1,500
Miscellaneous	26,000	26,000	26,000
Total Solid Waste	\$ 2,643,507	\$ 2,643,507	\$ 2,859,694
Total Enterprise Funds	\$ 41,586,040	\$ 41,586,040	\$ 40,308,430
TOTAL ALL FUNDS	\$ 189,860,332	\$ 190,001,688	\$ 134,147,234

* 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.

TOWN OF QUEEN CREEK
Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2019

FUND	OTHER FINANCING 2019		INTERFUND TRANSFERS 2019	
	SOURCES	<USES>	IN	<OUT>
GENERAL FUND				
Debt Service	\$	\$	\$	3,457,762
Interfund Loan			4,812,461	
Infrastructure (CIP)				3,933,922
Emergency Services Fund				5,123,144
Horseshoe Park & Equestrian Center Fund				1,683,101
HURF				1,594,308
Community Events				25,000
Total General Fund	\$	\$	\$ 4,812,461	\$ 15,817,237
SPECIAL REVENUE FUNDS				
Library Development Fee Fund	\$	\$	\$	405,292
Emergency Services Fund			5,123,144	1,406,730
Grants Fund			72,700	
Parks Development				522,071
Public Safety Development Fee Fund				171,709
Town Buildings & Vehicles Development Fee				292,777
Fire Development Fee Fund				6,110,696
Transportation Development Fund				1,634,465
Construction Sales Tax				4,940,337
Town Center				400,044
HURF			1,594,308	265,617
Community Events			90,000	
Horseshoe Park & Equestrian Center Fund			1,683,101	297,204
Total Special Revenue Funds	\$	\$	\$ 8,563,253	\$ 16,446,942
DEBT SERVICE FUNDS				
Special Assessment Fund	\$	\$	\$	\$
Debt Service			7,797,886	
Total Debt Service Funds	\$	\$	\$ 7,797,886	\$
CAPITAL PROJECTS FUNDS				
Drainage & Transportation Fund	\$	\$	\$ 3,933,922	
General CIP			7,156,657	
Total Capital Projects Funds	\$	\$	\$ 11,090,579	\$
ENTERPRISE FUNDS				
Water Fund	\$	\$	\$	16,769,778
Water Capacity				16,965,003
Water CIP			28,107,557	
Water Debt			5,627,224	
Sewer/Wastewater Fund				16,288,095
Sewer/Wastewater Capacity				13,408,950
Sewer/Wastewater CIP			26,523,143	
Sewer/Wastewater Debt			3,173,902	
Total Enterprise Funds	\$	\$	\$ 63,431,826	\$ 63,431,826
TOTAL ALL FUNDS	\$	\$	\$ 95,696,005	\$ 95,696,005

TOWN OF QUEEN CREEK
Expenditures/Expenses by Fund
Fiscal Year 2019

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019
GENERAL FUND				
Town Council	\$ 434,432	\$ (4,991)	\$ 429,441	\$ 431,085
Town Manager	1,059,779	5,090	1,064,869	1,065,347
Legal Services	400,000	65,000	465,000	465,000
Town Clerk	324,544	380	324,924	284,295
Finance	1,900,609	255,449	2,156,058	2,336,798
Workforce & Technology	2,934,347	334,358	3,268,705	3,127,351
Communications, Marketing & Recreation	1,854,339	43,860	1,898,199	1,948,791
Economic Development	840,210	12,565	852,775	828,889
Development Services	3,067,899	403,262	3,471,161	3,102,206
Public Works	5,047,010	729,176	5,776,186	5,573,326
Centralized Services	2,668,114	(711,450)	1,956,664	2,911,543
Total General Fund	\$ 20,531,283	\$ 1,132,699	\$ 21,663,982	\$ 22,074,631
SPECIAL REVENUE FUNDS				
HURF				
Public Works	\$ 4,841,050	\$ 1,162,605	\$ 6,003,655	\$ 5,484,051
Municipal Town Center Fund				
Economic Development	1,212,700	318,028	1,530,728	939,200
Streetlight Improvement District				
General Operations	625,000		625,000	700,000
Grants & Contingency Fund				
General Operations	2,000,000	-	2,000,000	2,000,000
Construction Sales Tax Fund				
Capital	450,000	-	450,000	772,758
Parks Development Fund				
Comm, Marketing & Recreation	15,324,990	3,301,506	18,626,496	7,600,000
Carryforward Allowance			(3,000,000)	
Town Buildings & Vehicles Fund				
General Operations	-	15,000	15,000	-
Transportation Development Fund				
Public Works	-	63,579	63,579	26,161
Library Development Fund				
Comm, Marketing & Recreation	15,000	15,000	30,000	-
Public Safety Development Fund				
Emergency Management Services	50,000	46,450	96,450	-
Fire Development Fund				
Emergency Management Services	473,319	46,450	519,769	-
Emergency Services Fund				
Emergency Management Services	14,663,303	666,180	15,329,483	17,877,120
Community Events Fund				
Comm, Marketing & Recreation	162,650	-	162,650	164,650
HPEC Fund				
Economic Development	1,428,893	(8,890)	1,420,003	1,968,467
LTAFF				
Public Works	-	-	-	-
Total Special Revenue Funds	\$ 41,246,905	\$ 5,625,908	\$ 43,872,813	\$ 37,532,407
DEBT SERVICE FUNDS				
Special Assessment Fund				
General Operations	\$ 1,702,407	\$ -	\$ 1,702,407	\$ 1,765,910
Debt Service Fund				
General Operations	9,217,087	(4,877,337)	4,339,750	7,802,886
Total Debt Service Funds	\$ 10,919,494	\$ (4,877,337)	\$ 6,042,157	\$ 9,568,796

TOWN OF QUEEN CREEK
Expenditures/Expenses by Fund
Fiscal Year 2019

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2018	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2018	ACTUAL EXPENDITURES/ EXPENSES* 2018	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019
CAPITAL PROJECTS FUNDS				
Drainage & Transportation				
Public Works	\$ 56,480,816	\$ (7,877,413)	\$ 48,603,403	\$ 84,251,710
Carryforward Allowance			(32,151,412)	
General CIP -				
General Operations	700,000	6,233,696	6,933,696	7,156,657
Carryforward Allowance				
Total Capital Projects Funds	\$ 57,180,816	\$ (1,643,717)	\$ 23,385,687	\$ 91,408,367
ENTERPRISE FUNDS				
Sewer/Wastewater Funds				
Sewer Operating	\$ 3,626,192	\$ 22,895	\$ 3,649,087	\$ 4,310,014
Sewer Capacity	-	-	-	-
Sewer Capital	19,356,071	(1,680,644)	17,675,427	26,523,143
Sewer Debt	3,168,856	-	3,168,856	3,173,902
Carryforward Allowance			(10,142,000)	
Subtotal Sewer/Wastewater	\$ 26,151,119	\$ (1,657,749)	\$ 14,351,370	\$ 34,007,059
Water Funds				
Water Operating	\$ 11,100,245	\$ 128,840	\$ 11,229,085	\$ 16,866,892
Water Capacity	-	10,323	10,323	-
Water Capital	34,677,925	1,281,033	35,958,958	28,107,557
Water Debt	5,727,362	-	5,727,362	5,627,224
Carryforward Allowance			(12,900,000)	
Subtotal Water	\$ 51,505,532	\$ 1,420,196	\$ 40,025,728	\$ 50,601,673
Solid Waste Fund				
Public Works	2,642,876	-	2,642,876	2,948,531
Total Enterprise Funds	\$ 80,299,527	\$ (237,553)	\$ 57,019,974	\$ 87,557,263
INTERNAL SERVICE FUNDS				
Healthcare / Self-Insurance Fund				
Healthcare	\$ 2,915,430	\$ -	\$ 2,915,430	\$ 3,754,683
Subtotal Healthcare	\$ 2,915,430	\$ -	\$ 2,915,430	\$ 3,754,683
Total Internal Service Funds	\$ 2,915,430	\$ -	\$ 2,915,430	\$ 3,754,683
TOTAL ALL FUNDS	\$ 213,093,455	\$ -	\$ 154,900,043	\$ 251,896,147

* 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.

TOWN OF QUEEN CREEK
Expenditures/Expenses by Department
Fiscal Year 2019

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	ADOPTED BUDGETED EXPENDITURES/ EXPENSES
	2018	2018	2018	2019
Town Council				
General Fund	\$ 434,432	\$ (4,991)	\$ 429,441	\$ 431,085
Town Council Total	\$ 434,432	\$ (4,991)	\$ 429,441	\$ 431,085
Town Manager				
General Fund	\$ 1,059,779	\$ 5,090	\$ 1,064,869	\$ 1,065,347
Town Manager Total	\$ 1,059,779	\$ 5,090	\$ 1,064,869	\$ 1,065,347
Legal Services				
General Fund	\$ 400,000	\$ 65,000	\$ 465,000	\$ 465,000
Legal Services Total	\$ 400,000	\$ 65,000	\$ 465,000	\$ 465,000
Town Clerk				
General Fund	\$ 324,544	\$ 380	\$ 324,924	\$ 284,295
Town Clerk Total	\$ 324,544	\$ 380	\$ 324,924	\$ 284,295
Finance				
General Fund	\$ 1,900,609	\$ 255,449	\$ 2,156,058	\$ 2,336,798
Finance Total	\$ 1,900,609	\$ 255,449	\$ 2,156,058	\$ 2,336,798
Communications, Marketing & Recreation				
General Fund	\$ 1,854,339	\$ 43,860	\$ 1,898,199	\$ 1,948,791
Parks Development Fund	15,324,990	3,301,506	15,626,496	7,600,000
Library Development Fund	15,000	15,000	30,000	
Community Events Fund	162,650		162,650	164,650
Communications, Marketing & Recreation Total	\$ 17,356,979	\$ 3,360,366	\$ 17,717,345	\$ 9,713,441
Development Services				
General Fund	\$ 3,067,899	\$ 403,262	\$ 3,471,161	\$ 3,102,206
Development Services Total	\$ 3,067,899	\$ 403,262	\$ 3,471,161	\$ 3,102,206
Public Works				
General Fund	\$ 5,047,010	\$ 729,176	\$ 5,776,186	\$ 5,573,326
HURF	4,841,050	1,162,605	6,003,655	5,484,051
Solid Waste Fund	2,642,876		2,642,876	2,948,531
LTAf				
Transportation Development Fund		63,579	63,579	26,161
Drainage & Transportation Fund	56,480,816	(7,877,413)	16,451,991	84,251,710
Public Works Total	\$ 69,011,752	\$ (5,922,053)	\$ 30,938,287	\$ 98,283,779
Workforce & Technology				
General Fund	\$ 2,934,347	\$ 334,358	\$ 3,268,705	\$ 3,127,351
Workforce & Technology Total	\$ 2,934,347	\$ 334,358	\$ 3,268,705	\$ 3,127,351
Economic Development				
General Fund	\$ 840,210	\$ 12,565	\$ 852,775	\$ 828,889
Municipal Town Center Fund	1,212,700	318,028	1,530,728	939,200
Horseshoe Park Fund	1,428,893	(8,890)	1,420,003	1,968,467
Economic Development Total	\$ 3,481,803	\$ 321,703	\$ 3,803,506	\$ 3,736,556
Emergency Management Services (EMS)				
Emergency Services Fund	\$ 14,663,303	\$ 666,180	\$ 15,329,483	\$ 17,877,120
Public Safety Development Fund	50,000	46,450	96,450	
Fire Development Fund	473,319	46,450	519,769	
EMS Total	\$ 15,186,622	\$ 759,080	\$ 15,945,702	\$ 17,877,120

TOWN OF QUEEN CREEK
Expenditures/Expenses by Department
Fiscal Year 2019

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	ADOPTED BUDGETED EXPENDITURES/ EXPENSES
	2018	2018	2018	2019
Utilities Department				
Sewer Utility Fund	\$ 3,626,192	\$ 22,895	\$ 3,649,087	\$ 4,310,014
Sewer Capacity Fund				
Sewer Capital Fund	19,356,071	(1,680,644)	7,533,427	26,523,143
Sewer Debt Fund	3,168,856		3,168,856	3,173,902
Water Operating Fund	11,100,245	128,840	11,229,085	16,866,892
Water Capacity Fund		10,323	10,323	
Water Capital Fund	34,677,925	1,281,033	23,058,958	28,107,557
Water Debt Fund	5,727,362		5,727,362	5,627,224
Utilities Department Total	\$ 77,656,651	\$ (237,553)	\$ 54,377,098	\$ 84,608,732
Centralized Services/General Operations				
General Fund	\$ 2,668,114	\$ (711,450)	\$ 1,956,664	\$ 2,911,543
General CIP	700,000	6,233,696	6,933,696	7,156,657
Construction Sales Tax	450,000		450,000	772,758
Town Buildings & Vehicle Development		15,000	15,000	
Grants & Contingency Fund	2,000,000		2,000,000	2,000,000
Streetlight Improvement Districts	625,000		625,000	700,000
Special Assessments Fund	1,702,407		1,702,407	1,765,910
Debt Service Fund	9,217,087	(4,877,337)	4,339,750	7,802,886
Healthcare / Self-Insurance	2,915,430		2,915,430	3,754,683
Centralized Services/General Operations Total	\$ 20,278,038	\$ 659,909	\$ 20,937,947	\$ 26,864,437
Total All Departments	\$ 213,093,455	\$ -	\$ 154,900,043	\$ 251,896,147

* 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.

TOWN OF QUEEN CREEK
Full-Time Employees and Personnel Compensation
Fiscal Year 2019

FUND	Full-Time Equivalent (FTE) 2019	Employee Salaries and Hourly Costs 2019	Retirement Costs 2019	Healthcare Costs 2019	Other Benefit Costs 2019	Total Estimated Personnel Compensation 2019
GENERAL FUND						
Town Council	7.00	\$ 222,729	-	67,598	22,858	\$ 313,185
Town Manager	6.00	786,308	88,519	62,051	57,769	994,647
Town Clerk	2.00	186,965	22,048	17,028	15,974	242,015
Finance	16.46	1,508,431	172,187	158,795	129,865	1,969,278
Communications, Marketing & Rec	13.08	913,675	96,486	71,988	91,147	1,173,296
Development Services	25.60	2,087,372	240,647	284,811	222,733	2,835,563
Public Works	47.86	2,881,144	327,467	513,494	328,328	4,050,433
Workforce & Technology	11.40	1,080,645	125,349	111,768	94,649	1,412,411
Economic Development	4.10	416,734	48,270	36,870	34,450	536,324
Non-Departmental		-	-	-	-	-
Total General Fund	133.50	\$ 10,094,003	\$ 1,120,973	\$ 1,324,403	\$ 997,773	\$ 13,527,152
SPECIAL REVENUE FUNDS						
Emergency Services	64.00	\$ 5,887,020	858,991	797,335	737,658	\$ 8,281,004
HPEC	7.00	495,723	53,520	65,410	61,694	676,347
HURF	17.00	1,024,246	108,042	206,062	125,928	1,464,278
Total Special Revenue Funds	88.00	\$ 7,406,989	\$ 1,020,553	\$ 1,068,807	\$ 925,280	\$ 10,421,629
Capital Funds						
Drainage & Transportation	6.90	\$ 579,233	72,698	52,636	64,708	\$ 769,275
ENTERPRISE FUNDS						
Sewer Utility Fund	5.71	\$ 398,215	44,125	74,502	51,577	\$ 568,419
Water Fund	55.96	4,418,793	367,773	473,997	400,246	5,660,809
Solid Waste Fund	5.05	330,741	38,646	64,846	33,045	467,278
Total Enterprise Funds	66.72	\$ 5,147,749	\$ 450,544	\$ 613,345	\$ 484,868	\$ 6,696,506
TOTAL ALL FUNDS	295.12	\$ 23,217,974	\$ 2,664,768	\$ 3,059,191	\$ 2,472,629	\$ 31,414,562