

# TOWN OF QUEEN CREEK

Recommended Budget Fiscal Year 2019-2020







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# TOWN OF QUEEN CREEK ARIZONA

March 21, 2019

Honorable Mayor and Town Council:

It is a pleasure to present the Fiscal Year 2019/20 Town Manager's Recommended Budget. The Recommended 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 2019/20 Budget allocates resources to best meet the needs of our growing community.

The budget totals \$452.7 million. Consistent with the needs of our growing community and the Council's priorities, the recommended budget includes increases for new streets, public safety facilities and vehicles, as well as water and wastewater infrastructure and the possible acquisition of water rights.

## Budget Format

This year's document format is the same as in the past. The budget document is divided into the following sections: Introduction and Community Overview, Organizational Planning, Structure, Budget Development Overview, with Revenue and Expenditure Assumptions; Program Budgets by Department, Capital and Development Funds by Project, Current Debt Information (with Schedules) and lastly an appendix with glossary and approved positions.

## Budget Overview

The following guiding principles, sources of information and key issues shaped the FY 2019/20 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 remain strong and will result in increased revenues.
- **Population Growth and Commercial Investment.** The Town has seen significant residential and commercial growth in the last several years, inclusive of annexations. 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 2019/20 Budget.

- **Unfunded Pension Liability.** As compared to other more mature communities, we believe Queen Creek has a unique opportunity to address this outstanding liability now, when our options for doing so are greatest. As a result, the Town has a policy to fund its unfunded pension liability and the FY 2019/20

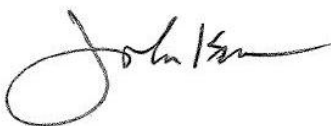
Budget allocates resources to continue to reduce this liability. The Town’s unfunded pension liability is about \$10 million, \$37 million liability less \$27 million reserve.

- Central Arizona Groundwater Replenishment District Credits. The Town Council revised its policy to more aggressively allocate these credits. This acceleration is possible because of the acquisition of 175,000 acre feet of groundwater extinguishment credits. This acceleration will save property owners an aggregate \$1.4 million as compared to 2017, before the credit use policy was initiated.
- Acquisition of Water Rights. Ensuring the Town has adequate water resources is a top priority of the Town Council. As a result, \$50 million is included in the FY 2019/20 Budget for the potential acquisition of water rights.
- Water and Wastewater Reserves. Operating reserves and repair and replacement reserves will be increased to improve cash liquidity and rate stability.
- Wastewater Rate Reduction. Based on a rate review, monthly rates will be reduced by 10%.
- Comprehensive Capital Improvement Plan (CIP). As a growing community, the need for new infrastructure for transportation, water, and wastewater 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 the dynamic environment’s infrastructure needs. The FY 2019/20 Budget acknowledges the critical nexus infrastructure plays in increasing opportunities for private sector investment within the community.
- Maintain Quality of Streets. Resources have been increased 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, the FY 2019/20 Budget includes resources for an additional 8.0 FTEs, which represents a 3% increase in staffing. All of these positions are needed to maintain existing service levels. 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. Positions are being added in street maintenance, fleet, engineering, water system maintenance, and fire prevention.
- 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.
- 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. The FY 2019/20 Budget includes a 4% increase in major medical premiums on the employer side. When taken into context over a five year cycle, the increase in premiums is recommended to be absorbed the organization; therefore, there is no change in individual employee premiums.

## Acknowledgements

The Town Council’s guidance and support has been instrumental in the development of the Recommended Budget. We look forward to discussing it with the Budget Committee: Council Member Julia Wheatley, Chair, Vice Mayor Robin Benning and Council Member Jake Hoffman. I would also like to express my appreciation to the Town staff for their tireless work effort, commitment to our “one-town, one-team” cooperative spirit that led to creative solutions.

Respectfully,



John Kross, ICMA-CM  
Town Manager



# Introduction and Community Overview

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Town Council Profiles  
Community Profile  
Queen Creek Demographics





# Queen Creek Town Council

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## Gail Barney, Mayor

Term: January 2019 – January 2023

[gail.barney@queencreek.org](mailto:gail.barney@queencreek.org)

Gail Barney was appointed to fill a vacancy on the Town Council in January 2002 and was elected Mayor in June 2010, re-elected in November 2014, and re-elected again in August 2018 to serve his current term. He also served on the Planning & Zoning Commission from 1998 to 2002. Mayor Barney represents Queen Creek on the Maricopa Association of Governments (MAG) Regional Council, the MAG Executive, Economic Development, and Transportation Policy Committees, the Arizona Municipal Tax Code Commission, the Phoenix-Mesa Gateway Airport Authority Board of Directors, the Maricopa/Northern Pinal Governmental Alliance, the League Executive Committee, and represents the Town Council on the Queen Creek Public Safety Retirement Board.

Mayor Barney earned an associate degree from Mesa Community College and a Bachelor of Science from Arizona State University. He is an Eagle Scout, a 2011 graduate of the Town's Citizen Leadership Institute, and a lifelong Queen Creek resident.

### ***Current Committee Appointments***

- Arizona Municipal Tax Code Commission
- East Valley Partnership Aviation & Aerospace Committee
- League of Arizona Cities and Towns Executive Committee
- Maricopa Association of Governments – Regional Council; Executive Committee; Economic Development and Aerospace Committee; Transportation Policy Committee
- Maricopa/Northern Pinal Governmental Alliance, Chair
- Municipal Tax Code Commission
- Phoenix-Mesa Gateway Airport Authority, Board of Directors
- Queen Creek Public Safety Retirement Board, Chair





# Queen Creek Town Council

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**Robin Benning, Vice Mayor**

Term: January 2017 – January 2021  
[robin.benning@queencreek.org](mailto:robin.benning@queencreek.org)

Robin Benning was appointed to the Town Council in November of 2009 and was elected in 2012. He won re-election in 2016. Council Member Benning was appointed to a one-year term as Vice Mayor on January 16, 2019. Vice Mayor Benning represents Queen Creek on the Central Arizona Governments (CAG) Regional Council, the Sun Corridor Metropolitan Planning Organization, the Pinal Regional Transportation Authority Board, and serves on the Town Council Budget Committee. Vice Mayor Benning is a graduate of Queen Creek's Citizen Leadership Institute.

Vice Mayor Benning has worked in Queen Creek as an architect since 1997 and moved here with his wife and two children in 2004. He earned a Bachelor of Arts in Architecture from the University of New Mexico, and his Master's degree at Arizona State University's Urban and Environmental Planning program.

***Current Committee Appointments***

- Central Arizona Governments Regional Council
- Council Liaison to the Schools
- Pinal Regional Transportation Authority Board
- Sun Corridor Metropolitan Planning Organization
- Town Council Budget Committee



# Queen Creek Town Council

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## Jeff Brown, Council Member

Term: January 2017 – January 2021

[jeff.brown@queencreek.org](mailto:jeff.brown@queencreek.org)

Jeff Brown was first elected to the Town Council in 2008 and re-elected in 2012 and 2016. Council Member Brown represents the Town on the East Valley Partnership Transportation Committee, the League General Administration, Human Resources and Elections Committee, the Transportation Advisory Committee, and the Parks and Recreation Advisory Committee. Brown has served as the Vice Chair of the Budget Committee, and represented Queen Creek on the Board of Directors of the East Valley Partnership in recent years. He previously served as Vice Chair of the Central Arizona Governments (CAG) Pinal Transportation Policy Committee.

Before seeking elected office, Council Member Brown served on the Planning & Zoning Commission from 2006 to 2008. He also served as Chair of the Transportation Advisory Committee, on the Design Guideline Steering Committee and as a member of the Finance Review Task Force. Council Member Brown is a 2003 graduate of the Queen Creek Leadership Institute, and completed the Community Emergency Response Team (CERT) training course in 2007. He serves as squad leader for the Southeast Queen Creek CERT sector.

Council Member Brown and his family have lived in Queen Creek since 2002. He is self-employed, focusing on professional consulting services and real estate investments as the owner of JBQC Investments LLC and 50 percent owner of Kneadmor Cowbell LLC.

### ***Current Committee Appointments***

- East Valley Partnership Transportation Advisory Committee
- League of Arizona Cities and Towns – General Administration, Human Resources and Elections Policy Committee
- Parks and Recreation Advisory Committee
- Transportation Advisory Committee



# Queen Creek Town Council

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## **Jake Hoffman, Councilman**

Term: January 2017 – January 2021

[jake.hoffman@queencreek.org](mailto:jake.hoffman@queencreek.org)

Jake Hoffman was elected to the Town Council in November 2016. Councilman Hoffman represents the Town Council on the East Valley Partnership Board of Directors and on the Town Council Budget Committee. Hoffman has previously served the residents of Queen Creek as an elected member of the Higley Unified School District Governing Board and currently serves as the Vice Chairman for the local Republican Party.

Councilman Hoffman is committed to making our community the most prosperous place to do business and the most enjoyable place to call home in Arizona. Doing so will improve the lives of every man, woman and child, as well as, every business owner—from large to small—in our town. Councilman Hoffman is passionate about transportation and infrastructure issues, economic development, debt reduction, deregulation and creating leaner, smarter government.

Councilman Hoffman holds a Master of Business Administration in Management and a Bachelor of Science degree. Professionally, he serves as the Executive Director of a local faith-based non-profit organization, E3 Africa, which is committed to educating the orphaned and impoverished children in Uganda. Additionally, Hoffman is the principal owner of a digital communications and strategy firm, as well as a local realtor.

Councilman Hoffman and his wife, Kimberly, have four children — Tyler, McKenzie, Oliver and Bennett.

### ***Current Committee Appointments***

- East Valley Partnership Board of Directors
- Town Council Budget Committee



# Queen Creek Town Council

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## **Dawn Oliphant, Council Member**

Term: January 2019 – January 2023

[dawn.oliphant@queencreek.org](mailto:dawn.oliphant@queencreek.org)

Dawn Oliphant was first elected to the Town Council in June 2010, re-elected in November 2014, and re-elected again in August 2018 to serve her current term. Council Member Oliphant represents the Town Council on the Economic Development Commission, the League Public Safety, Military Affairs and Courts Committee, and the League Neighborhoods, Sustainability and Quality of Life Committee. Oliphant recently completed a successful 17-year career in local government with the City of Tempe. Her municipal experience includes positions held in the Tempe Police Department, Sales, Tax and Licensing, Tempe Municipal Court and as a Senior Learning and Organizational Development Associate for the Tempe Learning Center (TLC), Tempe's corporate university for municipal professionals.

Council Member Oliphant holds a Master of Business Administration in Management, a Bachelor of Science in Liberal Studies, and graduated from Queen Creek's Citizen Leadership Institute in 2010.

Council Member Oliphant moved to Queen Creek in 2005 with her husband Rick and two sons, where she manages an environmentally green business. For nine years she was also actively involved in community philanthropic work as a member of Epsilon Sigma Alpha.

### ***Current Committee Appointments***

- Economic Development Commission
- League of Arizona Cities & Towns – Public Safety, Military Affairs and Courts Committee
- League of Arizona Cities & Towns - Neighborhoods, Sustainability & Quality of Life Committee



# Queen Creek Town Council

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**Emilena Turley, Council Member**

Term: January 2019 – January 2023  
[emilena.turley@queencreek.org](mailto:emilena.turley@queencreek.org)

Emilena Turley was elected to the Town Council in November 2014, and re-elected in August 2018. Council Member Turley represents the Town Council on the Economic Development Commission and Transportation Advisory Committee. Turley was born in Chandler, Arizona, and graduated from Mountain View High School in Mesa. She attended Phoenix College and received an AAS in Legal Secretarial Studies. Council Member Turley is presently an independent paralegal working in the East Valley. She currently serves on the Queen Creek Chamber of Commerce Education Committee.

Council Member Turley and her husband Aaron, a software engineer, have eight children. She and her family moved to Queen Creek in 2010 because they love the small town feel and tight-knit sense of community it offers.

***Current Committee Appointments***

- Economic Development Commission
- Transportation Advisory Committee



# Queen Creek Town Council

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## Julia Wheatley, Council Member

Term: January 2019 - January 2023

[julia.wheatley@queencreek.org](mailto:julia.wheatley@queencreek.org)

Julia Wheatley was first elected to the Town Council in June 2010, re-elected in November 2014, and re-elected again in August 2018 to serve her current term. Council Member Wheatley represents the Town on the Town Council Budget Committee, the Parks and Recreation Advisory Committee, and the League Transportation, Infrastructure, and Public Works Committee. Wheatley holds a Bachelor of Science in Legal Studies with a minor in Criminal Justice and is pursuing a Master of Public Administration to extend her great interest in law, politics and local government.

Council Member Wheatley, her husband Benjamin, and their four children made Queen Creek their home in 2007. Concerned for the future of families in America, Council Member Wheatley joined the Eagle Forum, the largest pro-family organization in America. She has frequented Washington, D.C. to learn and discuss issues pertaining to the family.

Council Member Wheatley is passionate about the education of both children and adults. In private industry, she has found success in post-secondary education as a Program Director and Instructor. She has helped many students obtain an education, improve their lives, and enter professions that give them confidence in themselves and hope for the future.

### **Current Committee Appointments**

- Parks & Recreation Advisory Committee
- League of Arizona Cities & Towns – Transportation, Infrastructure and Public Works Committee
- Town Council Budget Committee (Chair)



# Queen Creek Community Profile

## Local Rural Heritage

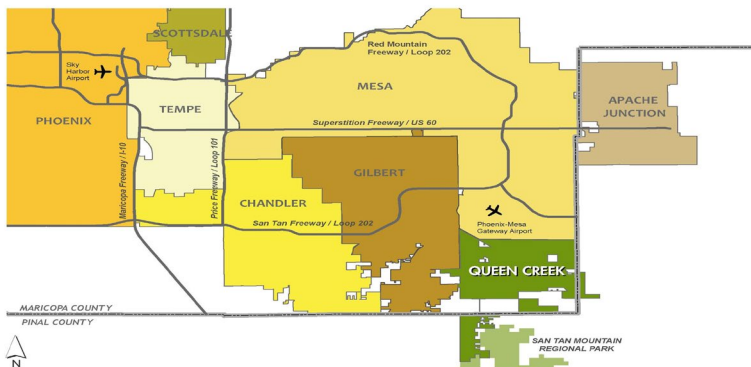
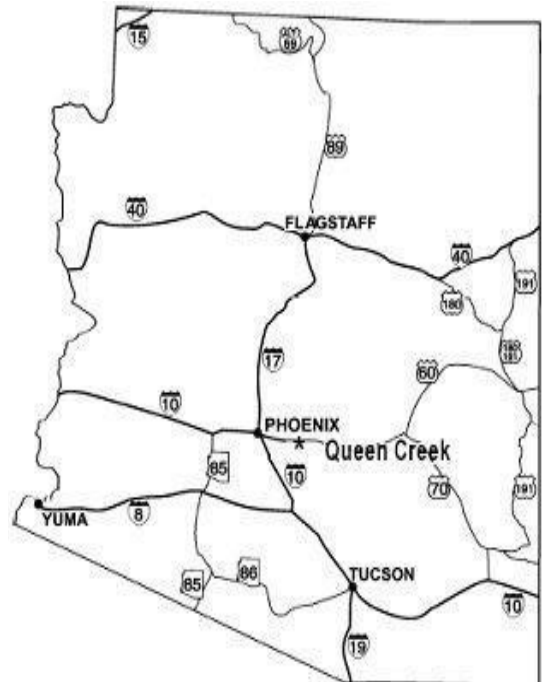
Rich traditions, based on small-town values and country friendliness, create the foundation on which the Town of Queen Creek plans and builds its future. Staying true to its heritage, the Town continually strives to maintain the rural character that makes Queen Creek unique from its urban neighbors.



The Town of Queen Creek incorporated in 1989 to preserve the benefits of rural life and provide avenues for managed change. This year, the Town will celebrate the thirtieth anniversary of incorporation. With significant resident involvement and input, the Town has adopted several award-winning plans designed to guide future growth. By preserving the past while providing for economic and recreational opportunities and a high quality of life, the Town of Queen Creek has grown from rich rural roots to what is one of the most innovatively planned, family-friendly hometowns in Arizona.

## Quality of Life

Approximately 33 square miles in land area, Queen Creek is located in the southeast corner of Maricopa County (25 sq. mi.) and the northwest portion of Pinal County (8 sq. mi.) on the edge of the Phoenix metropolitan area. Residents choose to make Queen Creek their home because of its superior quality of life. The development of beautiful parks, trails and other public facilities, along with the variety of programs and events offered by the Town and other community groups, also support a unique lifestyle.





# Queen Creek Community Profile

## Governance



The Town of Queen Creek operates under the council-manager form of government. The seven-member Town Council is elected at large on a nonpartisan ballot. The Mayor is elected every four years, and Town Council members are elected to staggered terms, with three members elected every two years. The Town Council is responsible for setting public policy, approving the Town's annual budget, entering into contracts, providing executive leadership, making planning and development decisions, and adopting new laws. The Town Council appoints the Town Manager to implement policy and direct daily operations.

The Town Council meets at 5:30 p.m. on the first and third Wednesday of each month at the Law Enforcement/Community Chambers building, located at 20727 E. Civic Parkway; public hearings will not be held prior to 7 p.m. All meetings are open to the public and broadcast live on the Town's website.

## Community Assets

Queen Creek offers residents and businesses a unique experience combining a hometown atmosphere with rich natural and recreational amenities, all within a short distance from one of the largest metropolitan areas in the United States. The Town continues to invest in the Town Center striving to create a true downtown in the heart of the community for generations to come. Improvements include: widening and updating the entire intersection of Ocotillo and Ellsworth roads, adding the Picket Post Square parklet, and festival-friendly infrastructure including access to electric and water utilities and the addition of decorative enhancements to streetlights and traffic signals. Throughout the community, the Town has invested millions of dollars in infrastructure improvements along the main arterial and key intersections throughout Town.

### *Parks and Trails*

The Town offers a variety of outdoor amenities including Desert Mountain Park, located at 22201 S. Hawes Road; Founders' Park, located on Ellsworth Road across from the municipal campus, which features a 4,100 square foot splash pad and Pocket Park for Pups, a one-acre, off-leash lighted dog park; the Recreation Annex, located at 21802 S. Ellsworth Road, where a wide range of recreation classes for all ages are held throughout the year; and the Town's 11 miles of multi-use trails along the Queen Creek and Sonoqui washes. In September 2018, the Town opened a new community park located near Sossaman and Ocotillo Roads. Mansel Carter Oasis Park features a fishing lake, ballfields, a wheel-friendly skate park, play features, and splash pad.







# Queen Creek Community Profile

## *Agritainment/Agritourism*

Queen Creek offers a host of cultural and agritainment activities throughout the year for all to enjoy. Designated as an Arizona treasure, Schnepf Farms is a family-owned working farm providing entertainment, education and delicious, locally grown fruits and vegetables through a variety of seasonal festivals, concerts and events. Just across from Schnepf Farms, the Queen Creek Olive Mill is Arizona's only working olive farm and mill. The Olive Mill offers daily tours and a mouth-watering menu with a variety of food options. Nearby at Sossaman Farms and Hayden Flour Mills, farmers grow multiple varieties of wheat and is expanding to offer tours and classes.



## *Arts, Culture & Sports*

For theater enthusiasts, the Queen Creek Performing Arts Center provides high-quality professional theater at prices affordable for the whole family including Broadway shows and popular national artists. Barney Family Sports Complex provides a venue for sports fans, offering family-oriented indoor sporting activities for all ages, and the Town's Recreation Division hosts year-round classes for the entire family to enjoy, plus popular community special events such as Spring into QC, Founders' Day and Trunk or Treat.



## *Equestrian Experience*

Horseshoe Park & Equestrian Centre is one of Arizona's premier event facilities. Quiet and secluded, yet conveniently close to other venues in and around Phoenix, Horseshoe Park was designed with flexibility in mind. The park hosts a variety of equestrian events of both the English and Western persuasion and is equipped to handle large festivals, RV and equipment shows, concerts, home shows and weddings. Since opening in early 2009, Horseshoe Park continues to gain momentum as a unique and emerging commercial venue. Due to the visitors Horseshoe Park brings to the area each year, a number of commercial development opportunities are available near the facility, especially now that Riggs Road will soon be a major east-west corridor for the community when construction finishes later this year. With close proximity to existing space for lease and available land to build, this area provides a unique market for niche services and businesses.





# Queen Creek Community Profile

## Public Safety



Law enforcement services, including deputies, jail, animal control and emergency management services are currently provided for residents through a contract with the Maricopa County Sheriff's Office. Municipal court services are provided through a contract with the Town of Gilbert.

In 2008, the Town launched its municipal fire department. The Queen Creek Fire and Medical Department provides fire and emergency medical service coverage to residents in the Town's incorporated limits. The Town recently opened the first permanent fire station in Town Center, replacing the old Fire Station 1. Fire Station 2 is located in the southwest area of Town, Fire Station 3 is

located in the northwest area of Town, and a fourth fire station will open to serve the eastern portion of the community in 2019.



## Water & Environmental Services

The Town of Queen Creek purchased the Queen Creek Water Company in 2008 and H2O, Inc. in 2013 to provide residents with a safe, sustainable and affordable water supply. In September 2010, municipal trash and recycling services began through a contract with a private firm, Right Away Disposal.



# Queen Creek Community Profile

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## Transportation

Major transportation access is available via roads, rail and air. Interstate 10 is less than 20 miles away and provides easy access to surrounding communities, states and Mexico. Loop 202 (the San Tan Freeway), connecting Queen Creek to the Phoenix metropolitan area, is within five miles of Queen Creek. In 2014, the first mile of State Route 24 (Gateway Freeway) was completed, offering enhanced access from southeast Maricopa County to northwest Pinal County and additional routes into and out of Phoenix-Mesa Gateway Airport and its surrounding businesses and schools. The next extension of State Route 24 is anticipated to be begin in 2020. A major Union Pacific rail-line bisects Queen Creek and allows access to commercial and industrial sites.



Two airports serve the Queen Creek area. Phoenix Sky Harbor International Airport, just 45 minutes away, provides national and international flights with major carriers and commuter airlines. Phoenix-Mesa Gateway Airport, bordering Queen Creek on the north, is 10 minutes away and is a designated reliever airport to Phoenix Sky Harbor. It offers an expanding number of passenger flights as well as extensive freight and cargo service, aviation technology and repair firms, and commuter, private and cargo air service. Allegiant, California Pacific Airlines, Flair Air, Swoop, and WestJet provide service to a combined 47 destinations. The facility also contains tracts zoned for commercial and industrial uses. As a Foreign Trade Zone, Phoenix-Mesa Gateway Airport offers incentives to aviation companies worldwide. In early 2018, Governor Doug Ducey announced that Phoenix-Mesa Gateway Airport will be home to SkyBridge Arizona, the nation's first and only inland international air logistics hub to house both Mexican and United States customs. The Town is one of several municipalities who co-own the airport.

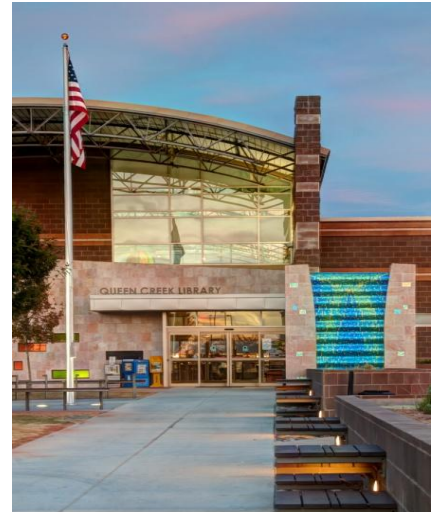


# Queen Creek Community Profile

## Maricopa County Library

### *Queen Creek Branch*

The Town constructed a library in 2008 to host the Queen Creek branch of the Maricopa County Library District. The modern facility includes the Mary Lou Fulton children's area, a teen area, general reading areas, public computers, study rooms and conference rooms. The library marked the start of the community's efforts to "go green." The library building is the first structure in Queen Creek to qualify for the Leadership in Energy and Environmental Design (LEED) certification, and its many energy-saving features earned a gold-level certification.



## Education & Workforce

### *K-12 School Districts*

Queen Creek is served by four area school districts. Queen Creek Unified School District (QCUSD), an "A" rated district, serves the largest portion of the Town and includes six elementary schools, two middle schools and a high school. Two new QCUSD schools are currently under construction within the City of Mesa's boundaries, an elementary school and a high school. Also serving Queen Creek are the Chandler Unified School District, Higley Unified School District, J.O. Combs Unified School District as well as campuses of the Benjamin Franklin, American Leadership Academy, Cambridge Academy, Legacy Traditional, and Heritage Academy charter schools, among others.



### *Post-Secondary Education*

Young, well-educated Queen Creek residents provide an ideal employment base. A partnership of post-secondary educational institutions creates a campus environment on the Phoenix-Mesa Gateway Airport grounds, just a 10-minute drive from Queen Creek. At the Arizona State University Polytechnic Campus, students can earn bachelor and graduate degrees in such fields as aviation, biological sciences, business, electronics, engineering, graphic information technology, health and wellness, human resources and others. The Chandler-Gilbert Community College offers a wide array of general studies and university transfer courses, as well as a number of specialized programs, including aviation, nursing, fire science, law enforcement training, and electric utility technology. It maintains partnerships with the University of North Dakota Aerospace (for flight training) and Embry-Riddle Aeronautical Institute (for airframe and power plant/maintenance training).



# Queen Creek Community Profile

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## *Communiversality at Queen Creek*

Through a public-private partnership with Rio Salado Community College, Queen Creek is home to the Communiversality at Queen Creek. In 2018, Benedictine University began offering its Master of Business Administration degree program at the Communiversality. In addition to Benedictine University, other higher educational providers include: Ottawa University, the Southwest College of Naturopathic Medicine & Health Sciences, and Chandler- Gilbert Community College. The campus, located in the Town Center, allows students to complete certificates, associate, bachelor's and master's degrees in-person or online in one location close to home. It also is designed to support the needs of local companies for employee training



center and administrative offices, and it is a regional support center for online learners.

and development. The facility includes classrooms, a computer lab, a testing center and administrative offices, and it is a regional support center for online learners.

## Plans to Manage Growth

Queen Creek contains 33 square miles in its incorporated area and 69 square miles in its planning area. The Town contains several large tracts of land that are attractive for development. The Town's General Plan and development regulations are designed to accommodate new development requests, while also recognizing the goals of our residents and the long-term vision established for the community.

The General Plan is the Town's guiding document for land use, public facilities and services, circulation and economic development. The original General Plan was adopted in 1990, and it was amended in 1996, 1999, 2002, 2008 and 2010. The 2018 General Plan update was unanimously adopted by the Town Council in September 2017 and ratified by the voters in May 2018.

The Town Council has a Zoning Ordinance, Subdivision Ordinance, Design Standards and other development regulations, which are used to implement the goals of the General Plan. The Town's focus is the development of high-quality attractive commercial and office facilities, high-quality housing, parks, trails, open spaces and adequate public facilities to serve the needs of the community.

Development fees provide funding for infrastructure needed to accommodate new growth, including wastewater treatment facilities, libraries, parks and recreational facilities, government facilities, transportation, public safety, and fire services.





# Queen Creek Community Profile

## Economic Development

Queen Creek continues to develop plans for a financially sustainable future. The Economic Development Department assists those looking for retail, office, industrial or land sites. The department also provides business resource and demographic information. As a member of the Greater Phoenix Economic Council (GPEC), Queen Creek is part of the regional business community that works to ensure a competitive, vibrant and self-sustaining regional economy.



The Town Council approved the updated Economic Development Strategic Plan in 2016. The Plan defines targeted industry sectors in order to focus marketing and recruitment efforts to strengthen and diversify Queen Creek's economy. The targeted sectors include: agritainment (agribusiness, entertainment, recreation & visitor industries); healthcare and biotechnology; higher education, software and information technology; and manufacturing. The Real Estate division, housed within Economic Development, assists with real estate activity within the Town, including capital improvement and utility project property acquisitions, and leases and sales of Town-owned property.

In 2010, the Shop Queen Creek program was launched in partnership with the Queen Creek Chamber of Commerce to support local businesses. The program, which encourages residents to make purchases within the community, is designed to strengthen the Town's economic base, encourage entrepreneurship and help retain sales tax dollars that fund local programs and services.

Town Center is designed to be the commercial, cultural and civic core of Queen Creek. In October 2017, the Town Center Plan was updated and approved by Council. The Town Center Plan update reaffirms the goals and policies for the entire Town Center, and establishes detailed recommendations for the Town Center Downtown Core. Recently, the Town Council approved a new Downtown Core Zoning District and Design Guidelines for this area. In 2019, design and engineering will begin for a shared drainage strategy and future infrastructure plan for the Downtown Core. This heart of the community has seen tremendous growth over the past few years. Several new retail and dining options have recently opened in QC Marketplace, QC District, Queen Creek Fiesta, and Heritage Square. Additionally, the Town Center infrastructure has been upgraded to accommodate large outdoor festivals, events and block parties. With community events planned throughout the year, numerous quality dining and entertainment options, there's always something to do in Town Center. As Town Center retail centers attract new tenants and fill in their remaining pad sites, commercial activity will continue to expand to other areas throughout Town.

## Employment

Primary employers in the community consist of a mix of private and public entities. At the northern boundary of Queen Creek, an area referred to as the "Northern Tier," there is a significant amount of land designated for future employment uses. The General Plan designations and zoning in this area encourage a range of light to intensive commercial and industrial uses. The "Northern Tier" has direct access to major arterials, and is positioned for strong growth potential with its proximity to the Phoenix-Mesa Gateway Airport, Eastmark master-planned community (City of Mesa, Arizona), Arizona State University Polytechnic campus and State Route 24. SR 24 provides a direct connection between the San Tan Freeway and Ellsworth Road, the main thoroughfare into Queen



# Queen Creek Community Profile

Creek.

In the southeastern corner of Queen Creek, Schnepf Farms and the Queen Creek Olive Mill collectively create an agritainment/agritourism district, which is a core component to the Town's tourism and economic development efforts. The nearby Banner Ironwood Medical Center and surrounding Pinal County/San Tan Valley residential neighborhoods enhance this unique area of Queen Creek, and provide an attractive demographic base for investors. Banner Ironwood Medical Center is expanding its campus, and a new 62,000 square foot medical office building is currently under construction.

## Recreation, Parks & Special Events

From youth sports and senior programs, to block parties and fitness classes, Queen Creek's Recreation Division makes sure there is fun to be had in Queen Creek year-round! Local sports organizations offer league competition in a variety of sports including football, baseball, softball and soccer. Through a partnership with the Boys & Girls Club, after-school programs provide a safe place for students to finish homework, enjoy recreational activities and socialize. Residents can create their own fun at Founders' Park and the award-winning Desert Mountain Park. A skate park, sports fields and courts, picnic facilities, walking paths and playgrounds meet the needs of diverse ages and interests.



Parks also provide connectivity to the Town's trail system. Residents can bike, walk, run or ride their horse from Desert Mountain Park into the improved Queen Creek Wash Trail. An 11-mile multi-use trail is being developed to connect the Town's parks and neighborhoods along the way. San Tan Mountain Regional Park, a Maricopa County park located on Queen Creek's southern edge and serving several East Valley communities, is a natural preserve consisting of more than 10,000 acres of desert that provides a variety of recreational opportunities.

### *Horseshoe Park and Equestrian Centre*

The 38-acre first phase of Horseshoe Park and Equestrian Centre (HPEC) opened in January 2009, and just celebrated its tenth anniversary in early 2019. The venue, known for its excellent customer service, hosts a variety of equestrian activities throughout the year appealing to English and Western riders, ranging from jumping competitions to roping, team penning, barrel racing and cutting contests. In addition, non-equestrian events are also held at HPEC, offering a variety of unique, family-friendly activities. A community arena is available to local residents separate from event facilities.



Although constructed primarily for equestrian-oriented activities, events such as concerts, home shows, RV and car shows or weddings can also be hosted at the facility. The park includes over 300 barn stalls and 56 RV slots, providing additional resources for large-scale events. A complete schedule of events is available at [queencreek.org/HPEC](http://queencreek.org/HPEC).



# Queen Creek Community Profile

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## Community Involvement

Since the Town's inception, community involvement, sharing information and providing opportunities for citizen participation in decision-making have been high priorities for Queen Creek's elected leaders.

- The award-winning annual Citizen Leadership Institute informs residents about current local issues while preparing them to take a leadership or volunteer role.
- The annual community ice cream social in July and pancake breakfast in November offer residents opportunities to talk to Town representatives and learn about community issues and services.
- Volunteer board and committee members research current local issues such as planning and zoning proposals, traffic concerns, parks and trails plans, recreational policies and facilities, public art projects, economic development and community capital improvements. The committees make recommendations to the Town Council for policies and future action.

### *Citizen Survey*

The Town of Queen Creek regularly surveys residents about their opinions on topics such as quality of life, service delivery, civic participation and unique issues of local interest. These periodic surveys offer staff, elected officials and others with an opportunity to identify challenges and plan for and evaluate improvements. Surveys from past years are available at [queencreek.org/citizensurvey](http://queencreek.org/citizensurvey).

### *Annual Events*

- FEBRUARY – State of the Town
- MARCH – Spring into QC, Roots N' Boots Rodeo and Carnival
- MAY – Peach Festival
- JULY – Independence Day Celebration, National Parks and Recreation Month, Ice Cream Social
- SEPTEMBER – Founders' Day, Queen Creek Olive Mill Garlic Festival
- OCTOBER – Olive Harvest Festival, Trunk or Treat, Pumpkin and Chili Festival
- NOVEMBER – Pancake Breakfast
- DECEMBER – Holiday Parade and Festival

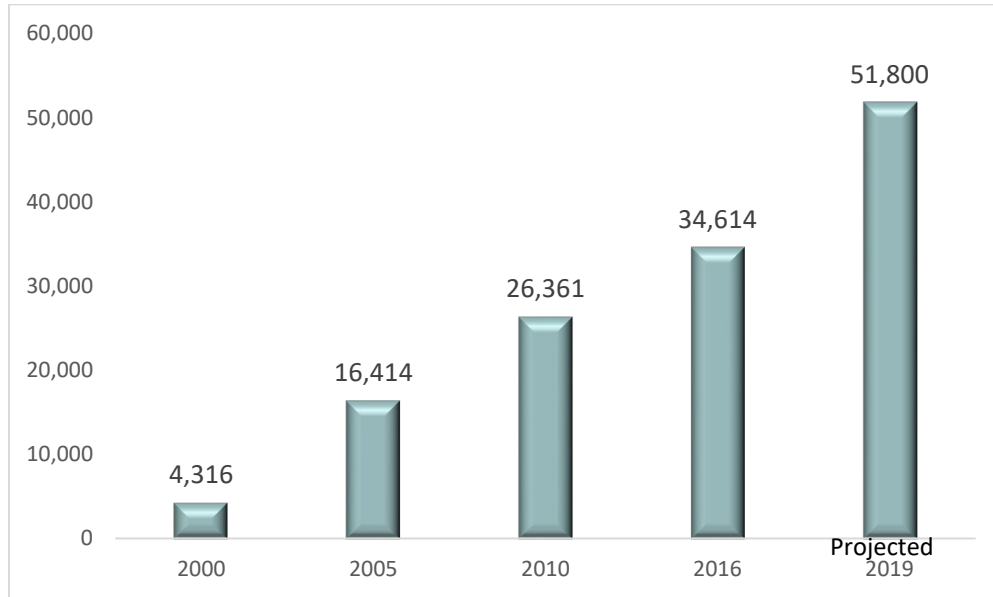
Annual activities, festivals and events in Queen Creek are held throughout the year and reflect the community's past, present and future. These special events provide hometown fun for community residents and visitors throughout the state and the region.





# Queen Creek Demographics

## Queen Creek Population



Source: Population estimates are based on Maricopa Association of Governments (MAG) housing baseline data and occupancy factors combined with the Town Creek data for residential housing permits.

## Racial Composition

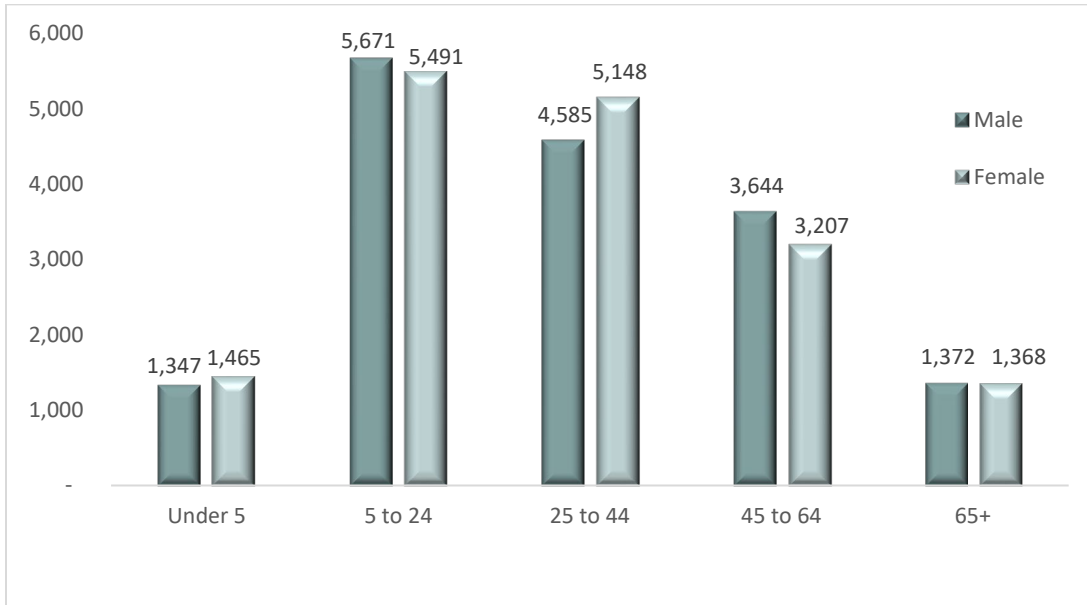
Ethnicity	Queen Creek*	Arizona*
White	91.0%	80.5%
Black or African-American	3.0%	5.4%
Asian	3.7%	4.1%
American Indian & Alaskan Native	1.4%	5.6%
Hispanic (of any race)	15.6%	30.9%
Native Hawaiian/Other Pacific Islander	0.4%	0.4%

\*Note: Total percent may be greater than 100 because respondents can report more than one race. Source: 2013-2017 American Community Survey 5-Year Estimates



# Queen Creek Demographics

## Queen Creek Population by Gender and Age



Source: 2013-2017 American Community Survey 5-Year Estimates

Median Age	2017
Queen Creek	33.3 years
Maricopa County	36.0 years
United States	37.8 years

Source: 2013-2017 American Community Survey 5-Year Estimates

Queen Creek continues to attract young families, reflected in the Town’s median age of 33.3, well below the median age for both Maricopa County and the United States as a whole.

## Educational Attainment

### Residents Age 25 or older

Highest Education Level Attained	Queen Creek	Maricopa County
Elementary (0-8)	1.4%	6.0%
High School (9-12), no diploma	2.5%	6.9%
High School Graduate	19.0%	22.8%
Some College	28.4%	24.4%
Associate's Degree	10.3%	8.5%
Bachelor's Degree	24.5%	20.0%
Graduate or Professional Degree	14.0%	11.4%

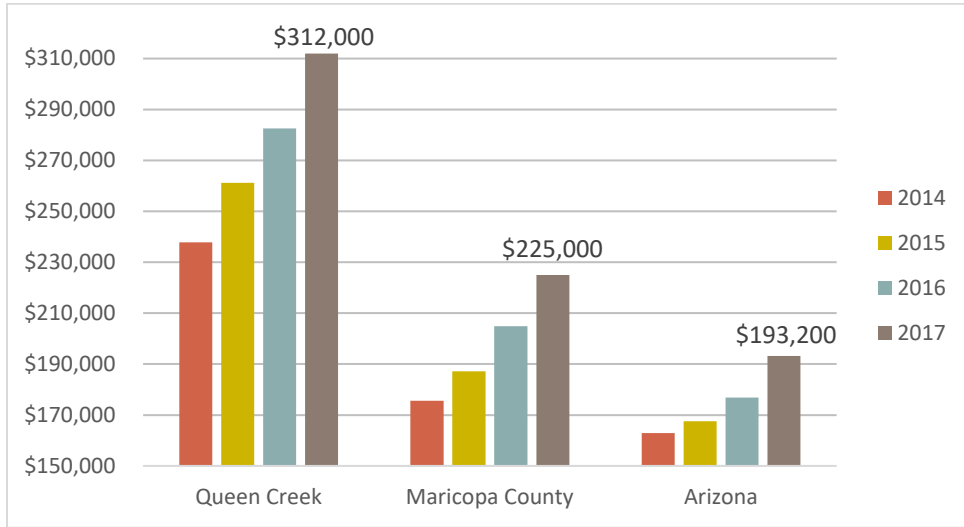
Source: 2013-2017 American Community Survey 5-Year Estimates



# Queen Creek Demographics

Queen Creek’s residents age 25 or older are highly-educated. The two highest levels of educational attainment, completion of a bachelor’s degree or a graduate or professional degree, reflect nearly 40 percent of the Town’s residents (38.5%), compared to the County’s 31.4%.

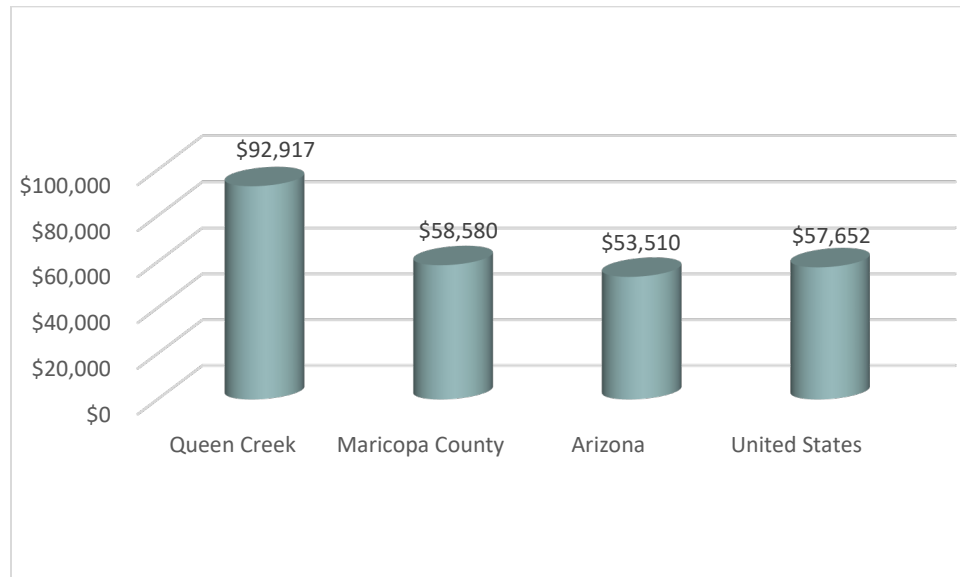
## Median Value of Owner-occupied Housing



Source: 2013-2017 American Community Survey 5-Year Estimates

## Income

### Median Household Income



Source: 2013-2017 American Community Survey 5-Year Estimates

Queen Creek’s annual median household income continues to be very strong, making it the third highest median income of all cities and towns in Maricopa County.



# Queen Creek Demographics

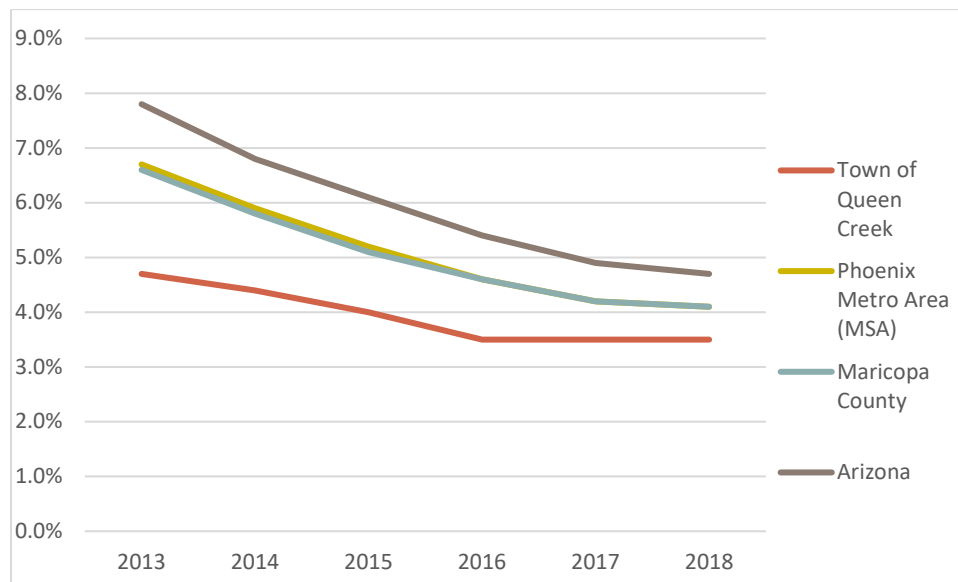
## Households by Income

Income	Queen Creek	Maricopa County
\$150,000 or more	22.0%	11.6%
\$100,000 to \$149,999	23.9%	14.4%
\$50,000 to \$99,999	29.4%	31.2%
\$25,000 to \$49,999	13.3%	23.2%
Under \$25,000	11.4%	19.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

Compared to Maricopa County, Queen Creek has a much higher portion of households in the highest earning categories, with 45.9% of Queen Creek households earning \$100,000 or more annually. Comparatively, just 26.0% of Maricopa County households earn \$100,000 or more.

## Unemployment Rates 2013-2018



Source: Rates reflect annual average unemployment and are non-seasonally adjusted from Data.bls.gov

	2013	2014	2015	2016	2017	2018
Town of Queen Creek	4.7%	4.4%	4.0%	3.5%	3.5%	3.5%
Phoenix Metro Area (MSA)	6.7%	5.9%	5.2%	4.6%	4.2%	4.1%
Maricopa County	6.6%	5.8%	5.1%	4.6%	4.2%	4.1%
Arizona	7.8%	6.8%	6.1%	5.4%	4.9%	4.7%

Source: Rates reflect annual average unemployment and are non-seasonally adjusted from Data.bls.gov. 2019 data was unavailable.

For the entire six-year period examined, Queen Creek’s unemployment rates consistently trended lower than those of the Phoenix Metro Area, Maricopa County and the State. For 2018, the trend continued, with Queen Creek’s annual rate averaging at 3.5% while the rates of the other jurisdictions continue to be at or above 4.1%.



# Queen Creek Demographics

## Employment

A key goal of the Town Council is to be proactive in efforts to strengthen and diversify the local economy, providing high-wage, professional-level employment opportunities for residents, and expanding the business tax base in the community. Employment in Queen Creek currently has a strong concentration in the retail and education sectors.

According to the 2017 Town of Queen Creek Citizen Survey, over half the Town’s residents (66%) rate Queen Creek as a good or excellent place to work.

Queen Creek has a variety of home-based businesses, and promotes their continued expansion through the Zoning Ordinance, the Economic Development Strategic Plan and Gangplank Queen Creek.

## Principal Employers

Employer	Product or Service	Approximate Employees*
Queen Creek Unified School District	Education	835
Banner Ironwood Medical Center	Health Care	400
Wal-Mart	Retail	380
Canyon State Academy	Education	305
Town of Queen Creek	Government	270

\* All figures may include full and part time employees.

Source: Town of Queen Creek surveys of individual employers and MAG employer database.



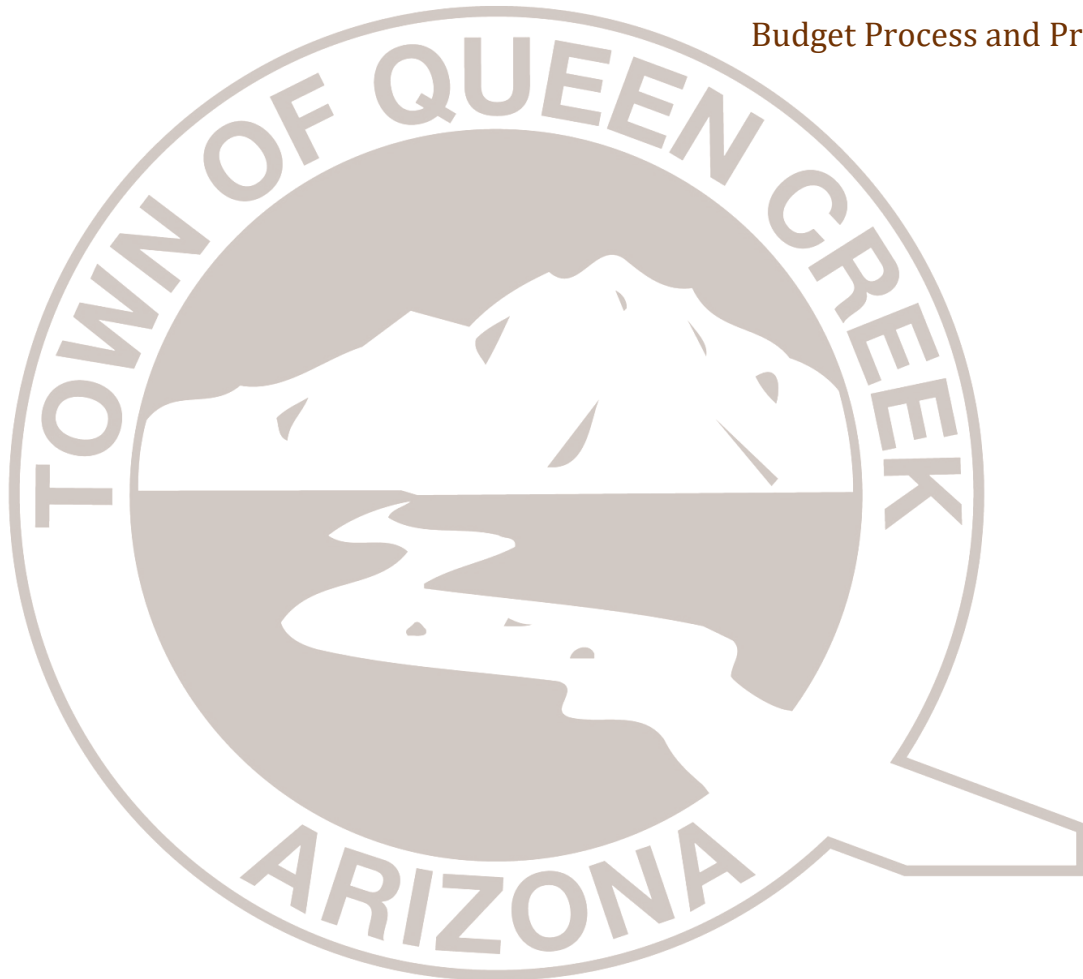
FY 2019/20  
Budget



# Organizational Planning

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- Corporate Strategic Plan
- Planning Tools (General Plan)
- Long-Range Financial Plan
- Financial Policies
- Budget Process and Procedures





# Corporate Strategic Plan

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## Introduction

The Corporate Strategic Plan attempts to encompass in one document a five-year organizational plan of action. Through the plan, the Town Council sets priorities and provides policy direction to the Town Manager. It translates Queen Creek's mission, vision and values statements into actionable goals; it also provides the public with a source of reference for information about government activities. After the Corporate Strategic Plan has been finalized, Queen Creek's management team uses approved goals to outline an administrative work program for all of staff, the progress of which is reported on quarterly.

The Town Council focuses resources on what is most important to achieving its vision by designating five strategic priorities. These priorities guide Town departments as they shape programs and set long-term goals. The five strategic priorities are: **Effective Government, Safe Community, Secure Future, Superior Infrastructure and Quality Lifestyle.**

The strategic priorities are broad-based policy statements that set the framework for planning and budgeting for the day-to-day work of staff. Each priority has a brief narrative and contains high-level goals called Key Result Areas (KRAs), department objectives, and relevant performance measures.

## Updates to the Corporate Strategic Plan

Each year, the Town Council holds a planning retreat at the start of the annual budget process to discuss long-term policy issues and outline new priorities. Goals proposed by Town departments are brought forward during these discussions and are refined through the annual budget development process. The updated Corporate Strategic Plan is officially adopted each year at a Town Council meeting in May or June, setting forth the Town Council's desires for programs, services and projects that need to be considered and funded during the new fiscal year.





# Corporate Strategic Plan

## STRATEGIC PRIORITIES

	<p><b>EFFECTIVE GOVERNMENT</b></p> <p>An effective local government is aware of citizens' needs and provides the services that residents want. This can be achieved by managing the price of government and introducing innovative business practices, using new technology, hiring quality employees and leveraging Town partnerships to save resources.</p>	<p><b>KEY RESULT AREAS</b></p> <ul style="list-style-type: none"> <li>• Financial Stability</li> <li>• Intergovernmental Relations</li> <li>• Council Professional Development</li> </ul>
	<p><b>SAFE COMMUNITY</b></p> <p>Queen Creek has low crime rates and residents continue to rate their interactions with public safety personnel highly in community surveys. As our Town grows, ensuring the safety of the public continues to be among our highest priorities; this means hiring and training quality first responders, and finding innovative ways to improve delivery of emergency services.</p>	<p><b>KEY RESULT AREAS</b></p> <ul style="list-style-type: none"> <li>• Public Safety</li> <li>• Community Involvement</li> </ul>
	<p><b>SECURE FUTURE</b></p> <p>Securing Queen Creek's future involves strengthening the Town's financial condition by implementing strong management strategies within the organization, and by increasing the number of employment opportunities available to residents. This priority also relates to securing our water supply for the benefit of future residents.</p>	<p><b>KEY RESULT AREAS</b></p> <ul style="list-style-type: none"> <li>• Environment</li> <li>• Land Use &amp; Economic Development</li> </ul>
	<p><b>SUPERIOR INFRASTRUCTURE</b></p> <p>With the growth of residential and commercial development comes the challenge of satisfying public demand for quality streets, lights, utilities and parks. The construction and maintenance of a high-quality public infrastructure is a priority.</p>	<p><b>KEY RESULT AREAS</b></p> <ul style="list-style-type: none"> <li>• Capital Improvement Program</li> <li>• Technology</li> </ul>
	<p><b>QUALITY LIFESTYLE</b></p> <p>Queen Creek will leverage its strong image as a tight-knit, family friendly community to encourage more residents to participate in public events, attract new businesses and further establish our reputation as one of the best destinations in Arizona. We will seek to enhance this unique lifestyle through public art, cultural events and new recreation opportunities.</p>	<p><b>KEY RESULT AREAS</b></p> <ul style="list-style-type: none"> <li>• Image &amp; Identity</li> </ul>



# Corporate Strategic Plan

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## New Initiatives

In the at the conclusion of the recently completed update process for the strategic plan, the Town Council identified and added new initiatives to the plan. The new initiatives are identified below. Please refer to the Corporate Strategic Plan for more information (online [Queen Creek Corporate Strategic Plan](#)).

### *Effective Government*

- No new initiatives

### *Safe Community*

#### **Community Involvement:**

- Maintain efforts toward completion of the elements of the CIP such as construction of new stations in order to meet the level service

### *Secure Future*

#### **Land Use & Economic Development:**

- Administer and manage the Town's development standards and procedures with available resources

#### **Finance:**

- Ensure customer rate structures are appropriately set to pay for adopted service levels

### *Superior Infrastructure*

#### **Finance:**

- Ensure long-range financial plans are in place to adequately build, maintain and replace needed infrastructure
- Improve the Town's bond ratings in order to lower borrowing costs

### *Quality Lifestyle*

- No new initiatives



# Corporate Strategic Plan

Corporate Strategic Plan Priorities				
Effective Government	Safe Community	Secure Future	Superior Infrastructure	Quality Lifestyle

## Town Department

Mayor & Council					
Town Manager					
Town Clerk					
Finance					
Workforce & Technology					
Communications, Marketing & Recreation					
Economic Development					
Development Services					
Public Works					
Utility Services					
Fire & Emergency Services					



# Planning Tools

The following documents are overarching policy documents Queen Creek operates under in support of the CSP:

Policy Document	Purpose	Highlights
<a href="#">General Plan</a>	Guides growth and development in the Town along with the Zoning Ordinance	<ul style="list-style-type: none"> <li>• Community Character – addresses visual aspects of development including development densities, transportation circulation, and building and landscape standards</li> <li>• Quality of Life – how service and facilities will be provided including parks, recreation, and water resources</li> <li>• Environment &amp; Economy – address growth and balance of the economic base and the protection and enhancement of the environment</li> </ul>
<a href="#">Zoning Ordinance</a>	Guides growth and development in the Town along with the General Plan	<ul style="list-style-type: none"> <li>• Address varied types of land use within the Town</li> <li>• Remain current with amendments that require action due to State Legislation</li> <li>• Creates special event permitting specific to agritourism &amp; agritainment type uses</li> </ul>
<a href="#">Parks, Trails &amp; Open Space Master Plan</a>	Important implementation tool to meet the recreation needs of current and future residents.	<ul style="list-style-type: none"> <li>• Interconnected – Create comprehensive trail system within planning area</li> <li>• Character – Provide significant natural open space that enhances community character and land for development of trails and other passive recreation areas</li> <li>• Opportunities – Promote recreation opportunities for all citizens</li> </ul>
<a href="#">Economic Development Strategic Plan</a>	Addresses the need for the Town to focus marketing efforts on specific industries to be more effective and efficient.	<ul style="list-style-type: none"> <li>• Labor Force and Education – Partner with the community schools, Chandler-Gilbert Community College and Arizona State University at the Polytechnic campus to ensure that education supports the future of the community at large, residents and the development needs of business</li> <li>• Real Estate Resources – Partner with land owners and developers to develop an inventory of improved sites and existing “speculative buildings” for employment uses</li> <li>• Community Vision/Identity – The Town of Queen Creek strives to honor our past, manage our present and engage our future to create a quality, unique place for family and business</li> </ul>
<a href="#">Town Center Plan &amp; Town Center Redevelopment Plan</a>	Ensures that the Town Center remains consistent with the Redevelopment Area Plan while attracting, retaining & enhancing local business ownership	<ul style="list-style-type: none"> <li>• Strengthen economic vitality</li> <li>• Seek public-private partnerships</li> <li>• Transit center</li> <li>• Entertainment district</li> </ul>
<b>Transportation Master Plan</b>	Important implementation tool for addressing the long term needs related to the regional streets/transportation system	<ul style="list-style-type: none"> <li>• 10-year plan to ensure service levels related to traffic do not decline</li> <li>• Foundation for determining impact of growth on system</li> </ul>



# Long-Range Financial Plan

## Summary of Revenue and Expense Projections by Fund

Each Fall, the Town begins the annual budget process with a 5-year financial forecast. Through the use of a long-range projection model, the Town is able to identify and address projected structural budget gaps and realize potential fund balances to be strategically utilized for public safety and community benefit.

### Operating and Enterprise Funds

The operating funds table reveals that operating funds including General Fund, Sewer, Solid Waste, Water and Emergency Services are projected, as a whole, to garner revenues greater than anticipated expenses for the foreseeable future. However, the projection has highlighted anticipated expenditure over revenues in Emergency Services, Horseshoe Park Equestrian Center and Highway User Revenue Fund (HURF). The General Fund will cover these shortfalls.

HURF is funded through state gasoline tax and vehicle license tax. As of FY 2015/16, all of the Town's street operations are housed in this fund. While this fund has seen a decrease in revenue over the past few years in part due to sweeping of funds at the state level as well as decreases in gasoline sales statewide, this fund has seen an increase in revenue levels as a result of the most recent census adjustment for state shared revenues.

The Emergency Services Fund has two primary revenue sources, sales tax and property tax. Property tax was established at \$1.95 per \$100 of assessed value. Due to decreases in property tax collection since 2008, other revenue sources had to be explored. A new revenue stream from a newly-created county island fire district was developed in FY 2013/14 to address this gap. This district has an intergovernmental agreement with the Town to provide fire and medical service. Prior to the agreement, county residents were receiving services from a private entity that collected annual fees for services. The Town, through the agreement, is projecting revenue in FY 2019/20 of \$1.5 million from the Fire District. A new funding source was implemented starting in FY 2018/19 in the form of a return on investment from the Utility Funds (Water and Wastewater). These revenues are similar to what a private utility would be obligated to pay the Town.

### Special Revenue Funds

The Town Center Fund, while funded almost entirely by sales tax in the Town Center Area, is anticipating moderate revenue growth due to aggressive economic development programs aimed at increasing local spending.

Development Fee Funds cover a substantial share of debt assumed by the Town during a time of remarkable growth. Parks and roadways were constructed along with a library. Developments were multi-million dollar projects to benefit and enrich the community as a whole. Due to unfavorable impact fee legislation, development fees are significantly limited after August 2014. Further detail on this funding source can be found in the Capital Section of this budget book.

### Other Funds

Despite the pay as you go funding provided by the Operating Budget over the past few years, over the course of the next five-years, future capital infrastructure projects within the Town will require issuing debt or securing funding from outside entities such as state and federal grants and developer contributions in order to move forward.

The Town's Special Assessment Fund houses the debt on the Improvement District for that portion attributed to the private landowners in the district. The fund receives revenues from assessments to private property owners in the district, which accounts for approximately 48% of the debt. The Town's portion of the assessment is paid for primarily by construction sales tax (75%) with the remainder coming for the Town's General Fund (25%) and is included in the debt service fund.



# Long-Range Financial Plan

The Town is the administrator of over 100 Street Light Improvement Districts (SLIDs) at the time of budget development. The fund receives revenues through an assessment on secondary property tax that pays for the electricity consumption in the districts.

Below is the long-range forecast for base budgets in the non-Enterprise Operating Funds (General Fund, Emergency Management Services Fund, HURF and Horseshoe Park Fund) at the time of initial budget development. This operating budget long-range forecast does not include the CIP program. It is intended to show the operating results for base operating budgets (excluding Enterprise Operations, Infrastructure Development and Debt) at the onset of the budget process. The net operating result over the five year planning period affirms the Town’s ability to provide the additional resources required to meet the currently approved levels of service estimated for the projected population growth.

## Operating Budget Five-Year Sources over Uses Forecast

Sources:

Revenues	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Sales Tax - Excluding Construction	24,002,200	25,682,400	27,480,200	29,403,800	31,462,100
Sales Tax - Construction	5,500,000	5,665,000	5,700,000	5,800,000	5,899,900
State Shared	14,372,200	15,738,300	17,099,900	18,719,200	19,528,400
Property Tax	8,343,200	9,163,800	9,999,700	10,981,000	12,158,800
Building Revenues	5,398,400	5,500,000	5,500,000	5,500,000	5,500,000
Charges for Services/Other	5,931,980	6,055,000	6,181,800	6,296,000	6,425,100
Utility ROI	2,835,055	2,977,900	3,126,900	3,283,200	3,447,300
Use of Pension Reserves	1,650,000	1,650,000	1,650,000	1,650,000	2,590,310
<b>Total Revenues</b>	<b>68,033,035</b>	<b>72,432,400</b>	<b>76,738,500</b>	<b>81,633,200</b>	<b>87,011,910</b>
\$ Change from Prior	6,454,132	4,399,365	4,306,100	4,894,700	4,438,400
Change to Reserves	1,099,970	1,076,400	1,223,670	1,109,400	1,055,260
% Change from Prior	11%	6%	6%	6%	7%



# Long-Range Financial Plan

## Operating Budget Five-Year Sources over Uses Forecast

Uses:

Expenses	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Personnel	25,069,084	26,253,710	27,511,830	30,945,300	32,490,820
Operating	8,339,670	8,090,330	8,325,080	8,570,010	8,819,210
Utilities	1,464,575	1,567,100	1,676,800	1,794,180	1,919,780
IT Software Support and Maintenance	1,200,925	1,236,950	1,274,050	1,312,270	1,351,640
Streets Maintenance	458,770	483,560	525,230	513,110	525,120
Pavement Maintenance (HURF)	2,707,160	3,023,890	3,281,130	3,627,050	4,010,500
Capital Outlay	3,265,720	1,634,140	1,910,640	2,187,140	2,463,640
Indirect Cost Allocation (Support Costs)	562,523	579,400	596,800	614,690	633,130
MCSO	6,643,582	7,030,840	8,636,600	9,121,890	10,983,490
MCSO - PSPRS Unfunded Liability Exp Authority	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Library	-	-	-	1,500,000	1,545,000
Additions to Base (FTEs)	-	500,000	1,020,000	1,560,800	2,123,200
Contingency	1,325,440	1,330,900	1,397,100	1,583,124	1,676,996
<b>Subtotal Expenses</b>	<b>\$ 52,687,449</b>	<b>\$ 53,380,820</b>	<b>\$ 57,805,260</b>	<b>\$ 64,979,564</b>	<b>\$ 70,192,526</b>
Events Transfers	25,000	25,000	25,000	25,000	25,000
<b>Subtotal Operating Uses</b>	<b>\$ 52,712,449</b>	<b>\$ 53,405,820</b>	<b>\$ 57,830,260</b>	<b>\$ 65,004,564</b>	<b>\$ 70,217,526</b>
<b>CIP</b>					
CIP Paygo - Fire	1,080,000	1,694,925	-	1,987,011	-
CIP PAYGO - Trails	550,000	-	-	-	-
CIP Paygo - PS	-	407,506	71,139	407,506	-
Transportation Developer Reimbursements	1,075,400	928,240	396,200	113,200	-
Pavement Projects	650,000	650,000	650,000	650,000	650,000
CIP Paygo - Streets	3,374,200	3,377,700	3,381,300	3,381,200	3,387,125
<b>Subtotal CIP PAYGO</b>	<b>\$ 6,729,600</b>	<b>\$ 7,058,371</b>	<b>\$ 4,498,639</b>	<b>\$ 6,538,917</b>	<b>\$ 4,037,125</b>



# Long-Range Financial Plan

Expenses	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
<b>Debt</b>					
2015 Oshkosh Capital - Fire Equipment	83,381	83,380	-	-	-
2016 Refunding - 2004B GADA - Town Buildings	213,622	210,645	211,633	212,329	212,658
2016 Refunding - 2005B GADA - Library	103,174	104,259	104,856	105,308	105,580
2016 Refunding - 2006A GADA - Library	436,355	435,342	432,954	433,823	430,621
2016 Refunding - 2007 Excise Tax Bond Library	69,920	69,898	69,612	69,903	69,873
2016 Refunding - 2007 Excise Tax Bond Town Buildings	62,880	62,860	62,603	62,864	62,838
2016 Refunding - 2007 Excise Tax Bond Parks	194,377	194,317	193,520	194,329	194,247
2016 Refunding - 2007 Excise Tax Bond HPEC	214,341	214,275	213,397	214,288	214,198
2016 Refunding - 2008A GADA - HPEC	80,154	79,910	76,836	80,935	77,531
Fulton PADA Interfund Loan	757,270	757,270	757,270	757,270	757,270
2013 Zions Bank - HURF Dump Truck	3,220	-	-	-	-
2016 Refunding - 2007 Excise Tax Bond Streets	263,953	263,871	262,790	263,888	263,777
2018 Series 2018 - Transportation	3,125,800	3,122,300	3,118,700	3,118,800	3,112,875
Mesa Roads Debt Service	1,250,000	1,600,000	1,600,000	1,600,000	1,600,000
<b>Subtotal Debt</b>	<b>\$ 6,858,447</b>	<b>\$ 7,198,327</b>	<b>\$ 7,104,171</b>	<b>\$ 7,113,737</b>	<b>\$ 7,101,468</b>
<b>Reserve Funding</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>	<b>FY 23-24</b>
25% Reserves Funding Additional	1,099,970	1,076,400	1,223,670	1,109,400	1,055,260
<b>Total Uses</b>	<b>\$ 67,400,466</b>	<b>\$ 68,738,918</b>	<b>\$ 70,656,740</b>	<b>\$ 79,766,618</b>	<b>\$ 82,411,379</b>
\$ Change from Prior	\$ 1,325,022	\$ 1,338,452	\$ 1,917,822	\$ 9,109,878	\$ 2,644,761
% Change from Prior	2%	2%	3%	13%	3%
<b>Net Result</b>	<b>\$ 632,569</b>	<b>\$ 3,693,482</b>	<b>\$ 6,081,760</b>	<b>\$ 1,866,582</b>	<b>\$ 4,600,531</b>





# Long-Range Financial Plan

## Forecasted Major Revenue Sources

At the outset of the budget development process the table below identifies the long range revenue forecast for all major revenue sources:

Revenues	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Sales Tax - Excluding Construction	24,002,200	25,682,400	27,480,200	29,403,800	31,462,100
Sales Tax - Construction	5,500,000	5,665,000	5,700,000	5,800,000	5,899,900
State Shared Sales Tax	4,490,100	4,991,000	5,561,500	6,191,300	6,624,700
State Share Income Tax	5,510,900	6,074,800	6,565,400	7,228,200	7,445,000
Vehicle License Tax	1,804,700	2,024,800	2,242,300	2,483,300	2,557,800
HURF	2,542,900	2,623,400	2,705,700	2,790,600	2,874,300
Property Tax	8,343,197	9,163,800	9,999,700	10,981,000	12,158,000
Utility ROI	568,900	597,600	627,500	658,900	691,800
Utility Franchise Fees	1,509,255	1,585,300	1,664,600	1,747,800	1,835,200
Utility In-Lieu Property Tax	756,900	795,000	834,800	876,500	920,300
Impact Fees	6,209,331	7,135,200	11,331,000	12,874,700	13,794,100
Capacity Fees	4,986,258	4,983,900	7,089,000	8,707,000	9,157,600
Building Revenues	4,598,400	4,700,000	4,700,000	4,700,000	4,700,000
Water User Fees	23,138,458	24,757,600	26,490,600	28,344,900	30,329,100
Sewer User Fees	7,758,006	8,325,500	8,908,300	9,531,900	10,199,100
Solid Waste User Fees	2,935,058	3,345,200	3,561,100	4,257,100	4,618,000



# Financial Policies

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The financial policies establish the framework for overall fiscal planning and management. They set forth guidelines for both current activities and long-range planning. The policies are reviewed annually to assure the highest standards of fiscal management. The Town Manager and the Town Council Budget Committee have the primary role of reviewing financial actions and providing guidance to the Town Council. The following policies were affirmed and adopted per Council Resolution 1219-18 on June 20, 2018:

## Overall Goals

The overall financial goals underlying these policies are:

- Fiscal conservatism: To ensure that the Town is at all times in a solid financial condition. This can be defined as:
  - Cash Solvency - the ability to pay bills.
  - Budgetary Solvency - the ability to balance the budget. Neither a budget deficit nor budget surplus is present in the budget. Revenues equal expenditures.
  - Long-run Solvency - the ability to pay future costs.
- Flexibility: To ensure that the Town is in a position to respond to changes in the economy or new service challenges without an undue amount of financial stress.
- Adherence to the highest accounting and management practices: To ensure compliance with standards for financial reporting and budgeting established by the Government Finance Officers' Association (GFOA), the Governmental Accounting Standards Board (GASB), and other professional best practices.

## Operating Management Policies

- Ongoing operating costs should be supported by ongoing, stable revenue sources as much as possible. Some corollaries to this policy are:
  - Fund balances should be used only for one-time expenditures, such as capital equipment and improvements or contingency accounts.
  - Ongoing maintenance costs should be financed through operating revenues rather than bonds.
  - Fluctuating federal grants should not be used to finance ongoing programs.
- Revenues from growth or development should be allocated to one-time costs as much as possible. This policy implies a commitment to identifying the portions of the Town revenue stream that result from growth.
- Unassigned fund balances in the General Fund must equal 25% of its revenue budget, per Town Council policy, to provide a cushion to address emergency situations and unforeseen circumstances.
- Enterprise Funds should be self-sufficient. They should include a sufficient unrestricted fund balance to absorb fluctuations in annual revenue. Enterprise Funds should be charged directly for expenditures such as staff salaries and fringes and direct operating expenditures. Departmental support costs for such General Fund support as Information Technology, Communications & Marketing, Finance, Budget, Human Resources, etc. will be charged quarterly to these funds based upon an approved methodology. Operational revenue should be great enough to cover debt service and replacement capital costs.
- A financial forecasting model should be developed to test annually the ability of the Town to absorb operating costs due to capital improvements and to react to changes in the economy or service demands. This annual forecast should at minimum cover the current and next fiscal year.



# Financial Policies

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- Laws and policies on limitations on revenue sources should be explicitly addressed in the budget process. These include:
  - Annual Local Transportation Assistance Funds (LTAF) must be used for public transit or streets, but a small portion (10%) may be used for cultural purposes.
  - Highway User Revenue Fund (HURF) must be used for expenditures found in the right-of-way including streets, sidewalks, curbs, etc.
- Comparison of service delivery will be made on a periodic basis to ensure that quality services are provided to citizens at the most competitive and economical cost. The review of service delivery alternatives will be performed on a periodic basis.

## Unfunded Pension Liability Policies

The Town's has a Pension Funding Policy adopted via Resolution No. 1224-18 to address the strategy to fund the three pension costs paid by the Town. The objectives of this policy are:

- Fully funded pension plans. Maintain adequate assets so that current plan assets plus future contributions and investment earnings are sufficient to fund all benefits expected to be paid to members and their beneficiaries. The target funded ratio goal is 100% (full funding). Taxpayer and member equity is best achieved at full funding. At full funding, both the member and taxpayer have paid the appropriate costs incurred to date.
- Maintain intergenerational equity. Pension costs are paid by the generation of taxpayers who receive the services. Fully funded pension plans are the best way to achieve taxpayer and member intergenerational equity. Pensions that are less than fully funded place the cost of service provided in earlier periods on the current and future taxpayers. If the plan is underfunded (less than 100%), future members and taxpayer are responsible for an unfair portion of plan costs.
- Maintain stability of the Town's contribution amounts.
- Maintain public policy goals of accountability and transparency. Each policy element is clear in intent and effect, and each should allow an assessment of whether, how and when the funding requirements of the plan will be met.

## Reserve Policies

The Town's reserve policy covers the General Fund, Enterprise Funds (Water, Sewer and Solid Waste), and Special Revenue Funds (HURF and the Emergency Services Fund). The Town Development Fee Funds and capital project funds (Drainage and Transportation, and General CIP) are excluded from this policy and are covered by the reserves established for the General Fund. The reserve policy varies by fund depending upon the underlying revenue risk.

Fund balance is an important indicator of the Town's financial position. Maintaining reserves is considered a prudent management practice. Adequate fund balances are maintained to allow the Town to continue providing services to the community in case of unexpected emergencies or requirements, economic downturns, and "pay-as-you-go" funding for capital projects or one-time expenditures.

In an effort to ensure the continuance of sound financial management of public resources, the Town of Queen Creek's Unassigned General Fund Balance will be maintained to provide the Town with sufficient working capital and a comfortable margin of safety to address emergencies, sudden loss of revenue or operating needs, and unexpected downturns without borrowing.



# Financial Policies

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This policy establishes the amounts the Town will strive to maintain in its General Fund balance, the conditions under which fund balance may be spent, and the method by which fund balances will be restored. These amounts are expressed as goals, recognizing that fund balance levels can fluctuate from year to year in the normal course of operations for any local government.

- The Town will strive to maintain an Unassigned Fund Balance reserve in the General Fund equivalent to 25% of its revenue budget. It is the intent of the Town to limit use of General Fund reserves to non-recurring needs such as to address emergency situations, unexpected events where damage is incurred and immediate, remedial action must be taken to protect the health and safety of residents (e.g. floods, fires, and storm damage), capital needs and other such non-recurring needs. Fund Balance may decline year over year, due to a sudden decline in revenue during the last quarter of the fiscal year, and expenditure savings cannot be achieved fully in this limited timeframe. The Town will consider this funding situation as part of new fiscal year budget discussions. The Town's objective is not to use Fund Balance for recurring expenditures. Any planned usage of Unassigned Fund Balance reserve must be appropriated by the Town Council. Any unplanned usage or drawdown caused by revenue declines will be reported to the Council as part of normal financial reporting to Council.
- The Town will strive to maintain a Restricted Fund Balance reserve in the Special Revenue Funds, as defined by GAAP, equivalent to 10% of annual recurring revenues in these funds.
- The Town will strive to maintain a fund balance reserve in the Enterprise Funds equivalent to 10% of annual recurring revenues in these funds. The fees within these funds are set to fully recover their operating costs, including debt service. (GASB 54 not applicable.)
- The Fund Balance in the remaining Government Fund category, Special Revenue type, shall be assigned as Restricted.
- The Chief Financial Officer is authorized to classify available fund balance for specific purposes in accordance with GASB 54. It is the policy of the Town that expenditures for which more than one category of fund balance could be used, the order of use is: Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

## Revenue Management Policies

- The Town will strive for a more diversified and stable revenue system, maintained to ensure the fiscal health of the community.
- User fees for all operations will be examined annually to ensure that fees cover direct and indirect cost of service as much as possible.
- Development fees for one-time capital expenses attributable to new development will be reviewed annually to ensure that fees match development-related expenses.
- Central Arizona Groundwater Replenishment District (CAGR) Credits will be allocated annually per Resolution 1204-18
- The Town Utilities (Water and Wastewater) will include payments to the Operating Budget that reflect the true cost of utility operations, similar to expenses for private utilities, including: franchise fees, payments in lieu of property taxes and the recovery of a reasonable rate of return. These additional Operating Budget revenues will be dedicated to fund Public Safety and Fire/EMS.



# Financial Policies

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- In-Lieu Property Taxes shall be equivalent to the Town's Primary Property Tax Rate per \$100 of 18% (the current statutory assessment ratio) of the net asset values for real and personal property owned by the Water and Wastewater Systems
- Franchise Fees shall be 5% of annual Water and Wastewater operating revenues
- Return on Investment shall be 10% of the annual operating revenues generated by non-Town resident customers

## Investment Policies

The primary objectives of the Town's investment activities are:

- Safety of principal – the Town will seek to ensure preservation of principal in the overall portfolio.
- Liquidity – the investment pools and funds will remain sufficiently liquid to enable the Town to meet all operating requirements that might be reasonably anticipated.
- Return on investment – the investment pools and funds shall be managed with the objective of attaining a competitive rate of return given the constraints of the aforementioned safety and liquidity objectives.

## Capital Management Policies

- A five-year capital improvement plan (CIP) will be prepared and updated each year. This includes all projects that carry out the Town's strategic and general plans.
- Each department must, when planning capital projects, estimate the impact on the Town's operating budget over the next five years.
- Amendments to capital appropriations fall under the same guidelines as changes to the operating budget noted in the Budget Policies Section.

## Debt Management Policies

The debt policy is to be used in conjunction with the adopted budget, the Capital Improvement Program (CIP) and other financial policies as directed by the Mayor and Town Council. Bond, lease/purchase financing; internal borrowing between funds; and state agency financing through the Greater Arizona Development Authority (GADA) and the Water Infrastructure and Finance Authority of Arizona (WIFA) will be considered for financing major capital improvements and equipment for the Town.

- Annual debt service cost should not exceed 25% of the total annual revenue of the Town, including revenue from the General Fund, Development Fees, Water Fund, Sewer Fund, HURF, LTAF, and transportation revenues.
- Bonds must be investment grade without assistance from a credit enhancement.
- The Town must adhere to the State statutes that prescribe the amount of outstanding general obligation debt that a town can have at any one time (20% of the secondary assessed value for water, sewer, parks, public safety, lights and transportation and 6% for all other programs). The Town currently has no general obligation debt outstanding.



# Financial Policies

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## Fixed Asset Policy

- The Town has set its capitalization threshold for all assets with an initial individual cost of \$10,000 or more and an estimated useful life of one year. Assets having value under \$10,000, regardless of their useful life, will not be reported as assets in the fixed asset system. Individual departments are responsible for maintaining inventory and records of all assets under \$10,000.
- All Town departments are required to provide detailed information on all assets, newly acquired during the fiscal year, no later than 30 days prior to the end of the fiscal year.
- Non-cancelable lease agreements are handled in accordance with the Financial Accounting Standards Board (FASB) Statement No. 13.
- Donated assets will be entered into the system at fair market value as determined through appraisal.
- Construction in process is considered a separate type of asset and is tracked separately from the capital assets until the time of completion.
- Costs subsequent to acquisition should be capitalized if any of the following exists:
  - Useful life of asset is increased
  - Quality of services produced from asset is increased
  - Quality of units produced by asset is enhanced
- Disposal of assets shall be in accordance with all applicable federal, state and local regulations and policy.

## Budget Policies

Queen Creek in accordance with Arizona state law annually adopts a balanced budget, which is all-inclusive. Arizona Revised Statute §42-17151 requires all estimated sources of revenue, and restricted and unrestricted unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year. All inclusive means that if an item is not budgeted it cannot legally be spent during the fiscal year. Therefore, the budget must include sufficient appropriation provisions for expenditures related to revenues that cannot be accurately determined or anticipated when the budget is adopted.

Arizona Revised Statutes only requires communities to prepare budget for two funds – the General Fund and HURF. In addition to these two funds, Queen Creek prepares budgets and requests legal appropriation for all its funds: Special Revenue, Emergency Services, Enterprise, Capital Improvement, Debt Service and Internal Service.

### *Budget Amendment Policies*

- Appropriation transfers between Town departments from any non-departmental account, including contingency, and budget adjustments that include creating new full-time positions, may be done only with approval of the Town Council.
- Budget adjustments to increase Town estimated revenues in order to fund increasing appropriations must be approved by the Town Council. The only exception is with the Town's Enterprise Funds in which more flexible budgeting is required. Within these funds, the sale of a good or material is first dependent on the Town acquiring the item. In those cases in which added sales or revenue generation is directly linked to the acquisition of the item, the Town Manger can approve such appropriations and revenue



# Financial Policies

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increases to the budget, up to a cap of \$100,000. Such adjustments must stay within the annual budget ceiling adopted for the Town.

- Appropriation transfers between Town funds (e.g. General Fund, HURF, Development Fee Funds, etc.) require the approval of the Town Council.
- Appropriation transfers of up to \$50,000 between capital project accounts require the Town Manager's approval only; transfers above that amount require Town Council approval.
- Appropriation transfers from one expenditure account to another within a Town departmental budget (Intradepartmental Appropriation Transfer) are as follows. All transfers are contingent upon Budget Office verification of sufficient budget being available for the request.
  - Department Director approval only up to \$25,000 from one appropriation account to another within a departmental budget.
  - Town Manager approval only for transfers greater than \$25,000 within a departmental budget.

## Financial Reporting Policies

- The Town's accounting and financial reporting systems will be maintained in conformity with Generally Accepted Accounting Principles (GAAP) and standards of the Governmental Accounting Standards Board (GASB).
- The Town's budget will be submitted to the GFOA Distinguished Budget Presentation Program. The budget should satisfy criteria as a financial and programmatic policy document, as a comprehensive financial plan, as an operations guide for all organizational units and as a communications device for all significant budgetary issues, trends, and resource choices.
- Financial systems will be maintained to monitor revenues, expenditures, and program performance on an ongoing basis.



# Budget Process & Procedures

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## Budgetary Process

The Town Council follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Arizona Revised Statutes, the Town Manager submits to the Town Council a proposed budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
2. Public hearings are conducted to obtain taxpayer comment.
3. State law sets a limit on the expenditures of local governments. State statute sets the limits based on Economic Estimates Commission unless otherwise approved by voters. The Town of Queen Creek received voter approval to increase this limitation. The Town of Queen Creek has adopted an alternative expenditure limitation, also called home rule, in which total budgeted expenditures as adopted by the Town Council become the expenditure limitation.
4. Expenditures may not legally exceed the expenditure limitation of all fund types as a whole. For management purposes, the Town adopts a budget by department for the General Fund and in total by fund for Capital and Special Revenue Funds, Emergency Services Fund and Enterprise Funds. The Town Manager, subject to Town Council approval, can at any time transfer any unencumbered appropriation balance or portion thereof between departments or programs. The adopted budget can be amended by following the Council-approved reallocation procedures.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Capital and Special Revenue Funds on essentially the same modified accrual basis of accounting used to record actual revenues and expenditures.

## Budgetary and Accounting Basis

Queen Creek's budget is prepared on a basis generally consistent with Generally Accepted Accounting Principles (GAAP).

**Governmental Funds** – the General Fund, Special Revenue Funds, Debt Service and Capital Project Funds budgets are developed using the modified accrual basis of accounting. Under the modified accrual basis:

- Revenues are recognized as soon as they are measurable and available to finance expenditures in the current period or soon enough thereafter to pay liabilities of the current period.
- Expenditures are recognized when the related fund liability is incurred, except for items such as principal and interest on general long-term debt that are recognized when due and compensated absences, which are recorded when payment occurs.

Fixed assets used in governmental fund type operations are accounted for in the Town's Balance Sheet. Public domain (infrastructure) assets consisting of certain improvements other than buildings, such as roads and sidewalks, are not capitalized since these assets are immovable and of value only to the government.

Property, plant and equipment acquired or constructed for general governmental operations are recorded at the time of purchase as expenditures in the funds from which the expenditures were made.

Property, plant and equipment are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Assets in the general fixed asset area are not depreciated.





# Budget Process & Procedures

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**Proprietary Funds** – Water, Sewer and Solid Waste Enterprise Funds - are accounted for using the full accrual basis of accounting. The Town applies all applicable FASB pronouncements issued on or before November 30, 1990, unless they conflict with GASB pronouncements. Under the full accrual basis:

- Revenues are recognized when earned, and expenses are recognized when incurred. Interest on bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds.
- Expenditure estimates are developed for all expenses incurred during the fiscal year.

Property, plant and equipment acquired for proprietary funds are capitalized in the respective funds to which they apply.

Property, plant and equipment are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

**Interest** – is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

**Fund Equity** – The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserve fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. The reserved retained earnings in proprietary funds represent the amount that has been legally identified for specific purposes.

**Inventories** – Purchases of inventory are recorded at the time of purchase as expenditures/expenses in the funds from which the expenditures/expenses were made.



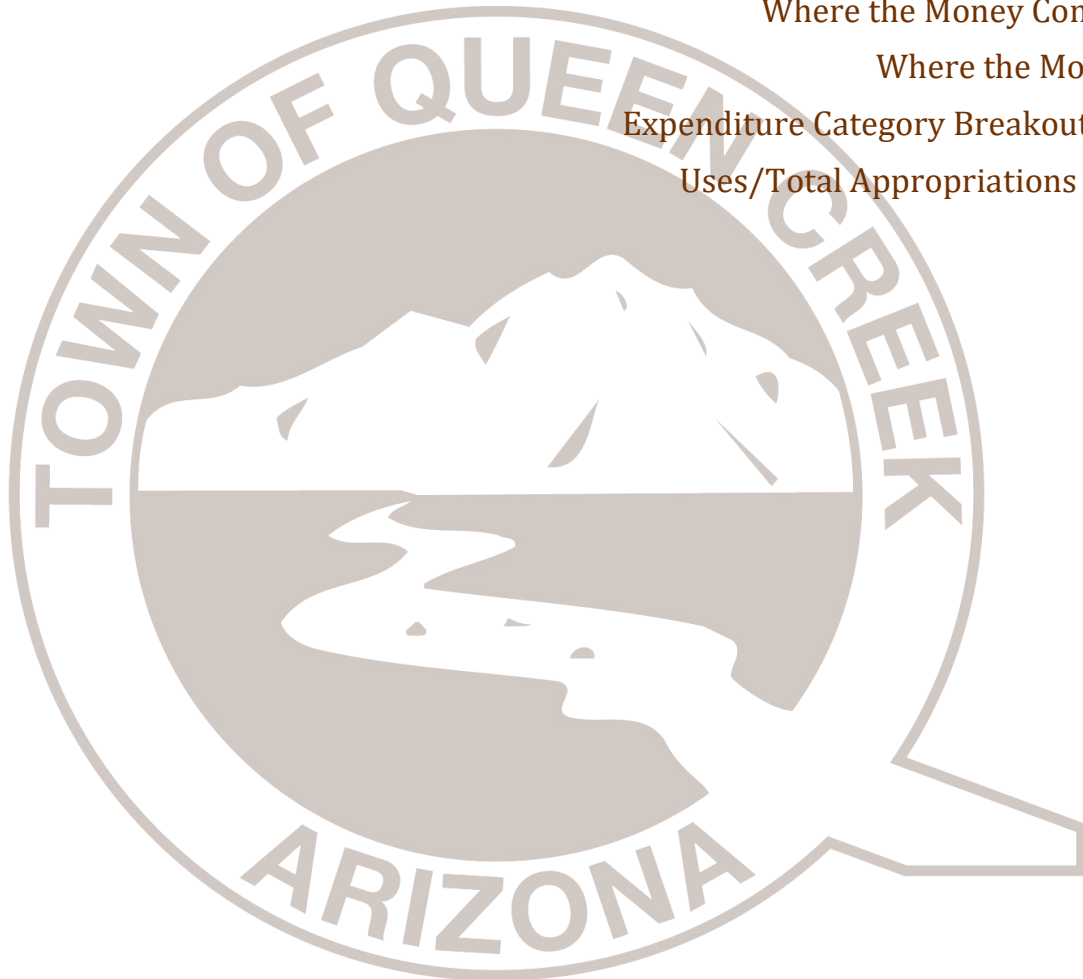
FY 2019/20  
Budget



# Organizational Structure

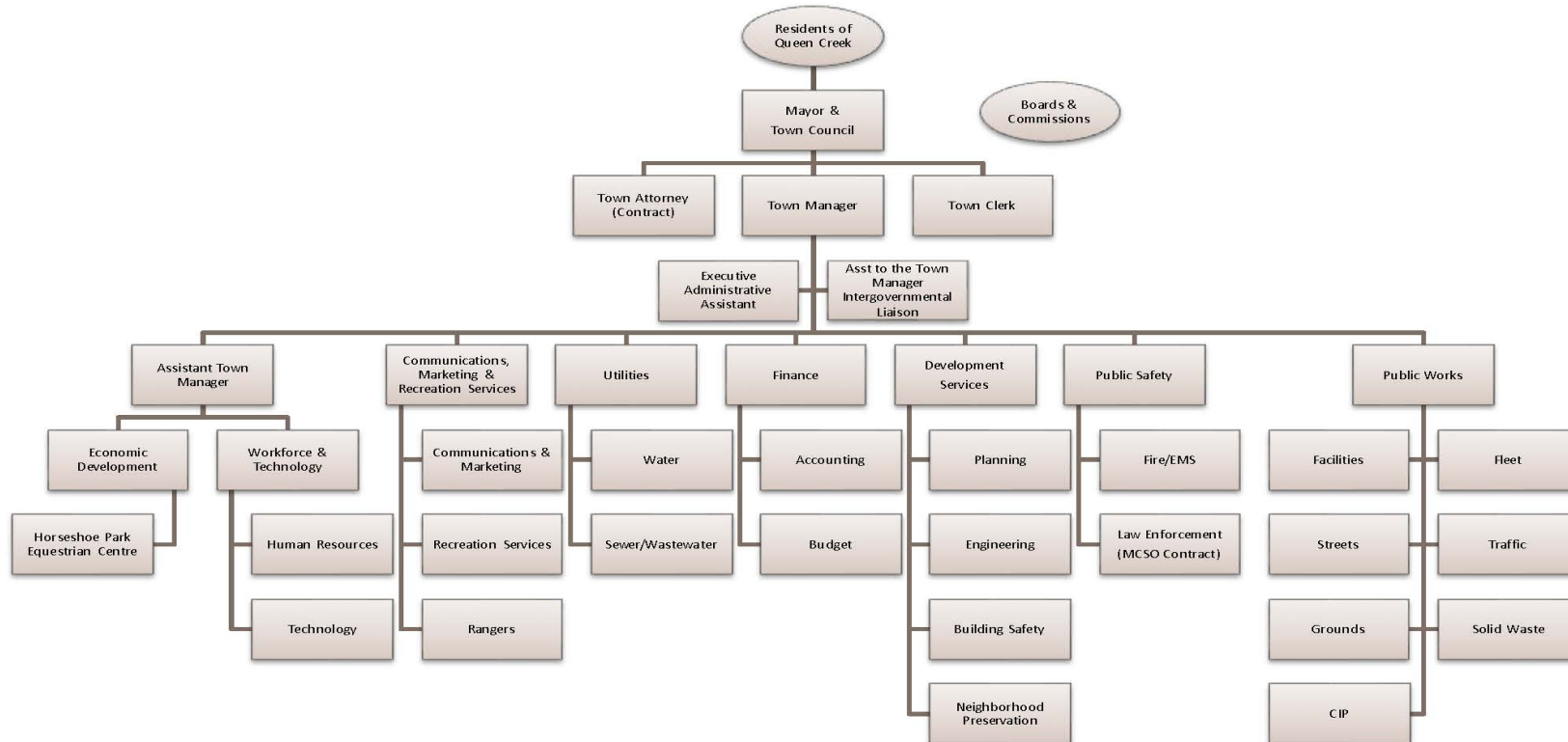
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- Town Organizational Chart
- Full Time Equivalents (FTE) by Department
- Fund Structure Chart
- Fund Structure Narrative
- Where the Money Comes From
- Where the Money Goes
- Expenditure Category Breakout by Fund
- Uses/Total Appropriations Schedule





# Town Organizational Chart





# Full-Time Equivalents by Department

Department	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Projected
Mayor & Town Council <sup>a</sup>	7.00	7.00	7.00	7.00	7.00	7.00
Town Manager, Clerk, Legislative & Legal Services	7.00	7.00	8.00	8.00	8.00	8.00
Finance <sup>b</sup>	7.98	11.98	17.98	22.18	29.48	29.48
Workforce & Technology	10.00	11.00	12.00	12.00	14.00	14.00
Communications, Marketing & Recreation Services <sup>b</sup>	13.42	13.71	16.71	16.71	22.06	22.06
Economic Development <sup>b</sup>	13.00	12.00	12.00	12.00	12.00	12.00
Development Services <sup>c</sup>	25.95	26.48	25.48	25.50	25.50	26.50
Public Works <sup>c</sup>	47.40	50.36	50.86	56.93	67.43	70.43
Solid Waste	3.80	4.00	4.00	4.00	4.00	4.00
Utilities <sup>d</sup>	44.00	44.00	39.00	41.00	50.00	52.00
Emergency Services	36.00	36.00	51.00	51.00	64.00	66.00
<b>Total Full Time Equivalents</b>	<b>215.55</b>	<b>223.53</b>	<b>243.03</b>	<b>258.632</b>	<b>303.47</b>	<b>311.47</b>
<b>% Change from Prior Year</b>	<b>6%</b>	<b>4%</b>	<b>9%</b>	<b>5%</b>	<b>18%</b>	<b>3%</b>

<sup>a</sup> Elected Officials, not true FTE.

<sup>b</sup> Communications, Marketing & Recreation Services created in FY 2014/15 pulling Communications & Marketing from Economic Development and Recreation Programs from Management Services; with this change, Management Services now only encompasses financial functions and is replaced by the Finance Department. FTEs in the Town Programs section provides realignment for prior years' for comparison purposes.

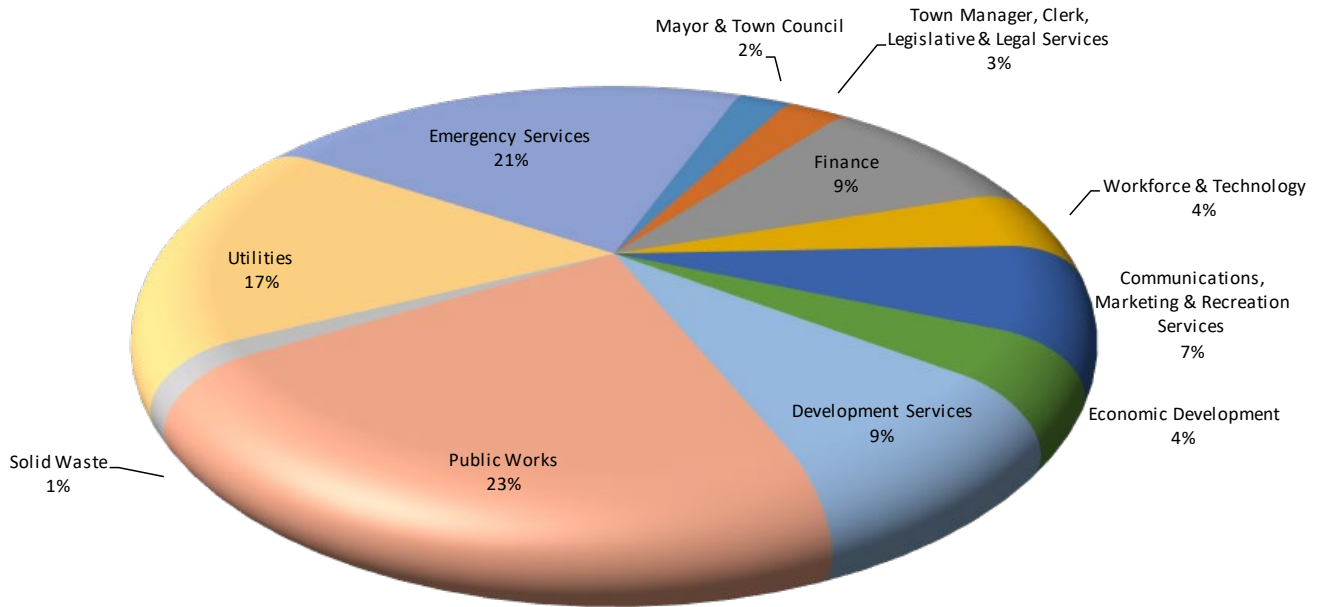
<sup>c</sup> Public Works previously included in Development Services. FTEs in the Town Programs section provide realignment for prior years' comparison purposes.



# Full-Time Equivalents by Department

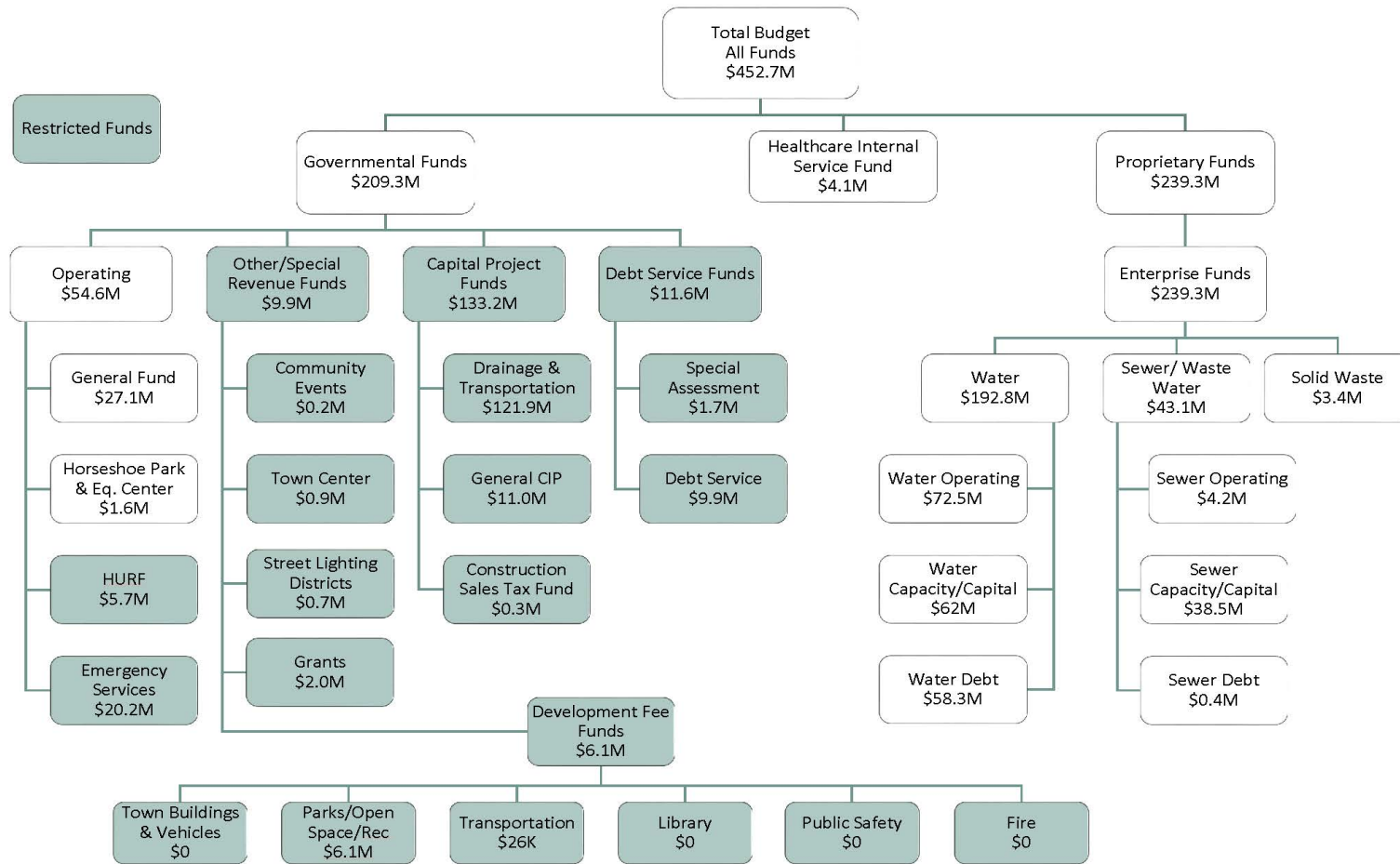
## Percentage of FTE by Department

Percentage of FTE by Department





# Fund Structure Chart



Differences may occur due to rounding



# Fund Structure Narrative

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The financial accounts for the Town of Queen Creek are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts composed of assets, liabilities, fund equity, revenues and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are governmental or proprietary. Different fund types are found within each of these two classifications.

## Governmental Funds

**Operating Funds** – These funds account for the governmental operations of the Town.

**General Fund** – This fund pays for the daily operations of Queen Creek government, including Mayor and Council, Town Manager and Town Clerk, Development Services, Communications, Marketing & Recreation Services, Economic Development, Finance, Workforce & Technology, and all Non-Departmental expenditures. The General Fund also covers operating shortages in the Horseshoe Park Equestrian Center Fund, the Highway User Revenue Fund (HURF) and the Emergency Services Fund.

**Horseshoe Park Equestrian Center Fund** – This fund accounts for the operations of the Town's Horseshoe Park Equestrian Center.

**Highway User Revenue Fund (HURF)** – All street operating costs eligible for state highway revenues are included in this fund. Revenues are derived from fuel taxes, vehicle license tax, and other street-related fees.

**Emergency Services Fund** – A 0.25% sales tax and a dedicated primary property tax (\$1.95/\$100 assessed value) pay for fire services in the community. In addition, this fund pays for the Maricopa County Sheriff's Office contract for police service in the Town. Because the revenue in this fund is insufficient to cover expenditures, a General Fund transfer is required to balance the budget of this fund.

**Other/Special Revenue Funds** - These funds account for the proceeds of specific revenue sources that are legally restricted, or restricted by Town policy to expenditures for a specific purpose.

- **Community Events Fund** – Used to account for recurring Town events: Trunk or Treat, December Holiday Tree Lighting, Spring into QC and 4th of July Fireworks. In addition to some General Fund support, events are reliant on sponsorships.
- **Town Center** – This fund receives revenue from a 0.25% sales tax charged within two shopping centers located in the Town Center. Funds are dedicated to improvements and projects within the Town Center planning area.
- **Street Lighting Improvement Districts (SLIDs)** – Arizona State statutes provide that improvement districts can be established to pay for streetlights. The Town has established a fund to account for the revenue received from benefited property owners to reimburse the Town for the streetlight expenses paid by the Town.
- **Grants** – This fund accounts for the necessary expenditure appropriations to cover any special circumstances that arise during the fiscal year related to Grants.
- **Local Transportation Assistance Fund (LTAF)** – The Town's share of state revenue is restricted to spending on arterial street expenses and 10% for cultural use.
- **Development Fee Funds** – These are one-time fees assessed to new construction to help fund the infrastructure and amenities that the new residents require. These funds account for revenue received to pay for infrastructure improvements such as transportation, Town buildings and vehicles, parks and open





## Fund Structure Narrative

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space, library, fire, and public safety. Only the fees appropriate to the type of land use are charged. For instance, commercial and industrial properties are not charged library or parks development fees. Effective August 1, 2014, the total development fee cost per new single family home is \$6,794 (excluding capacity fees).

**Capital Project Funds** – These funds account for revenue received to pay for infrastructure improvements.

- **Drainage and Transportation** – Transfers from the General Fund and Transportation Development Fund, as well as a 2.0% construction sales tax dedicated to drainage projects, intersection improvements, and street improvements fund the capital projects in this fund.
- **General CIP Fund** – Transfers from the General Fund and Development Fees fund the capital projects in this fund.
- **Construction Sales Tax Fund** – The Town has a differential construction contracting sales tax rate of 2.0% that is dedicated to infrastructure improvements. This revenue is accounted for in this fund and transfers or expenses occur out of this fund for growth related infrastructure improvements.

**Debt Service Funds** - The long-term payment of principal and interest on funds borrowed for general capital purchases is accounted for in these funds. Enterprise related debt service is reported in the enterprise funds and is not included here.

**Internal Service Fund** - Internal Service Funds are used to account for the financing, on a cost-reimbursement basis, of commodities or services provided by one program for the benefit of other programs within the Town. Queen Creek maintains one Internal Service Fund to account for Self-Insurance activities related to Healthcare.

### Proprietary Funds

**Enterprise Funds** – These are funds for which the services provided are financed and operated similarly to a private business, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital construction, maintenance, public policy, management control, accountability, or other purposes. Queen Creek has enterprise funds for Water, Sewer and Solid Waste



# Sources

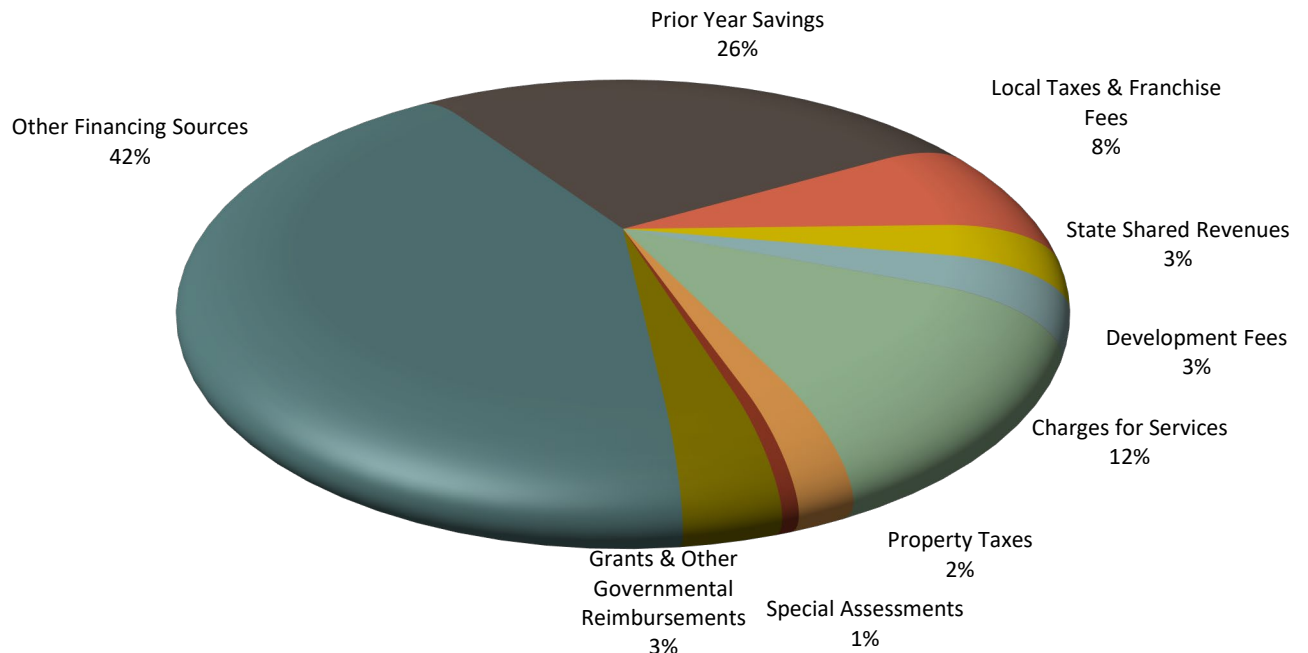
## Where the Money Comes From

Sources	FY 2018/19 Revised Budget	FY 2019/20 Adopted Budget	% increase/ (decrease) year over year
Local Taxes & Franchise Fees	\$ 32,756,617	\$ 35,831,430	9.4%
State Shared Revenues	12,725,760	14,372,200	12.9%
Development Fees	16,950,233	11,040,589	(34.9%)
Licenses & Permits	97,420	99,300	1.9%
Charges for Services	48,501,369	53,719,719	10.8%
Property Taxes	6,962,716	8,343,197	19.8%
Special Assessments	2,402,407	2,435,235	1.4%
Grants & Other Governmental Reimbursements	6,333,300	13,814,933	118.1%
Other Financing Sources*	94,581,904	191,823,484	102.8%
<i>Subtotal Revenues</i>	<i>\$ 221,311,726</i>	<i>\$ 331,480,087</i>	<i>49.8%</i>
Prior Year Savings	129,593,940	121,238,831	
<b>Total Sources</b>	<b>\$ 350,905,666</b>	<b>\$ 452,718,918</b>	

Inter-fund transfers of \$83.4M have not been included in FY 2018/19 budget figures pursuant to Auditor General Budget guidelines.

\*Includes \$75M of Bond Proceeds in FY 2018/19 and \$125M of Bond Proceeds in FY 2109/20

## FY 2019/20 Sources \$452.7M as a Percent of Total Sources



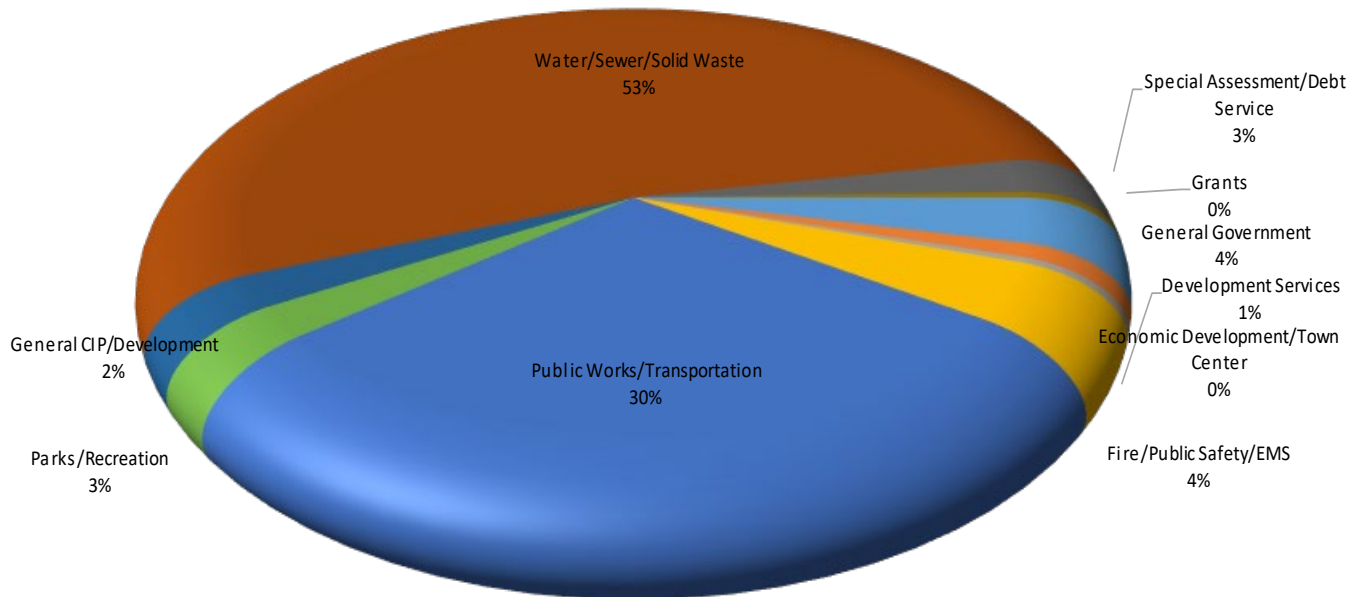


# Uses

## Where the Money Goes

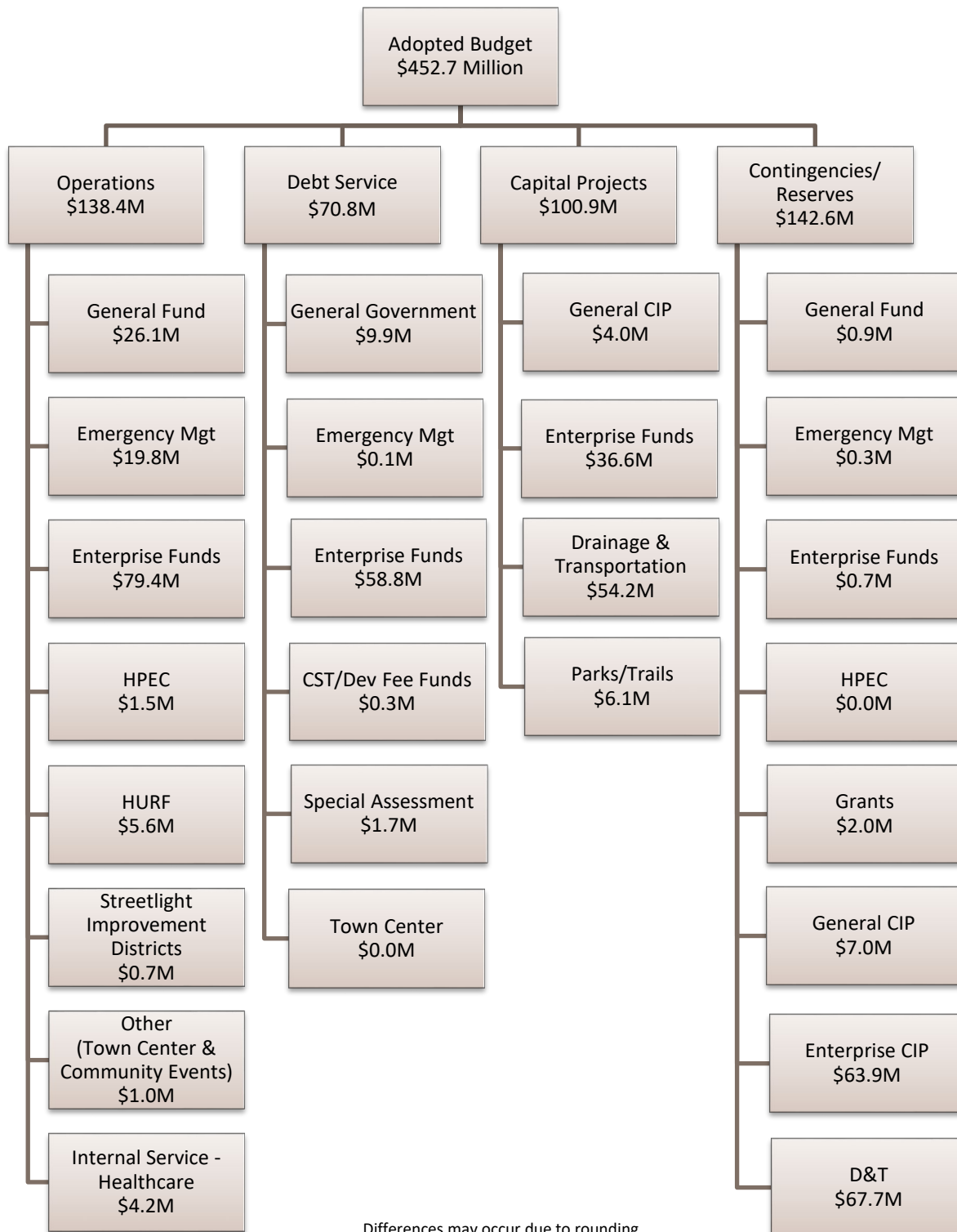
Expenditures	FY 2018/19 Revised Budget	FY 2019/20 Adopted Budget	% increase/ (decrease) year over year
General Government	\$ 14,160,372	\$ 15,934,060	12.5%
Development Services	3,918,209	4,836,158	23.4%
Economic Development/Town Center	1,748,151	1,777,831	1.7%
Fire/Public Safety/EMS	19,715,644	20,209,170	2.5%
Public Works/Transportation	90,944,381	134,759,268	48.2%
General CIP/Development	8,665,321	10,970,774	26.6%
Parks/Recreation	14,432,878	11,174,243	(22.6%)
Water/Sewer/Solid Waste	186,711,025	239,427,978	28.2%
Special Assessment/Debt Service	9,712,384	11,629,436	19.7%
Grants	897,300	\$ 2,000,000	122.9%
<b>Total Expenditures</b>	<b>\$ 350,905,666</b>	<b>\$ 452,718,918</b>	<b>29.0%</b>

FY 2019/20 Recommended Budget \$452.7M  
Expenditures by Function as a Percent of Total





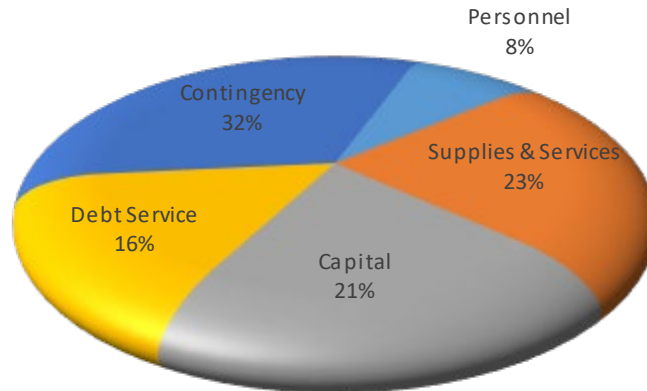
# Uses





# Uses / Total Appropriations Schedule

FY 2019/20 Recommended Budget \$452.7M  
by Category



FY 2019/20 Total Appropriations - Budget by Fund

	General Fund	EMS Fund	HURF	HPEC	Enterprise	Special Revenue	Capital	Debt	Healthcare	Grand Total
<b>Sources</b>										
Local Sales Tax	\$ 21,335,300	\$ 2,666,900	\$ -	\$ -	\$ -	\$ 1,005,830	\$ -	\$ -	\$ -	\$ 25,008,030
Construction Sales Tax	4,888,900	611,100	-	-	-	4,888,900	-	-	-	\$ 10,388,900
State Shared Revenue	10,001,000	-	4,371,200	-	-	-	-	-	-	\$ 14,372,200
Property Tax	-	8,343,197	-	-	-	-	-	-	-	\$ 8,343,197
Charges for Services	7,841,880	4,421,255	-	756,400	36,409,235	20,000	-	-	4,270,949	\$ 53,719,719
License & Fees	99,300	-	-	-	-	-	-	-	-	\$ 99,300
Franchise Fees	434,500	-	-	-	-	-	-	-	-	\$ 434,500
Special Assessments	-	-	-	-	-	700,000	-	1,735,235	-	\$ 2,435,235
Interest Income	266,800	-	-	-	684,152	88,750	-	-	10,000	\$ 1,049,702
Capacity Fees	-	-	-	-	4,831,259	-	-	-	-	\$ 4,831,259
Impact Fees	-	-	-	-	-	6,209,330	-	-	-	\$ 6,209,330
Other	103,500	240,700	-	1,100	100,039,242	2,370,840	101,683,333	-	150,000	\$ 204,588,715
<b>Total Revenues</b>	<b>\$ 44,971,180</b>	<b>\$ 16,283,152</b>	<b>\$ 4,371,200</b>	<b>\$ 757,500</b>	<b>\$ 141,963,888</b>	<b>\$ 15,283,650</b>	<b>\$ 101,683,333</b>	<b>\$ 1,735,235</b>	<b>\$ 4,430,949</b>	<b>\$ 331,480,087</b>
Transfers In	-	5,006,018	1,544,010	1,124,448	47,444,083	640,000	17,714,490	9,894,201	-	83,367,250
<b>Total Sources</b>	<b>\$ 44,971,180</b>	<b>\$ 21,289,170</b>	<b>\$ 5,915,210</b>	<b>\$ 1,881,948</b>	<b>\$ 189,407,971</b>	<b>\$ 15,923,650</b>	<b>\$ 119,397,823</b>	<b>\$ 11,629,436</b>	<b>\$ 4,430,949</b>	<b>\$ 414,847,337</b>

	General Fund	EMS Fund	HURF	HPEC	Enterprise	Special Revenue	Capital	Debt	Healthcare	Grand Total
<b>Uses</b>										
Personnel	14,263,640	8,398,258	1,583,607	701,699	7,454,168	-	762,933	-	3,831,205	\$ 36,995,510
Supplies & Services	11,185,560	11,302,991	4,030,930	595,704	74,238,535	2,924,900	80,410	-	328,896	\$ 104,687,926
Capital	653,500	91,020	33,500	247,000	34,336,811	2,075,000	57,192,874	-	-	\$ 94,629,705
Debt Service	-	83,381	3,220	-	58,767,565	357,900	165,692	11,629,436	-	\$ 71,007,194
Contingency	948,780	333,520	-	43,050	64,630,899	4,790,148	74,652,186	-	-	\$ 145,398,583
<b>Total Expenses</b>	<b>\$ 27,051,480</b>	<b>\$ 20,209,170</b>	<b>\$ 5,651,257</b>	<b>\$ 1,587,453</b>	<b>\$ 239,427,978</b>	<b>\$ 10,147,948</b>	<b>\$ 132,854,095</b>	<b>\$ 11,629,436</b>	<b>\$ 4,160,101</b>	<b>\$ 452,718,918</b>
Transfers Out	17,837,074	1,080,000	263,953	294,495	45,354,534	17,945,616	591,578	-	-	83,367,250
<b>Total Uses</b>	<b>\$ 44,888,554</b>	<b>\$ 21,289,170</b>	<b>\$ 5,915,210</b>	<b>\$ 1,881,948</b>	<b>\$ 284,782,512</b>	<b>\$ 28,093,564</b>	<b>\$ 133,445,673</b>	<b>\$ 11,629,436</b>	<b>\$ 4,160,101</b>	<b>\$ 536,086,168</b>
Change in Fund Balance	\$ 82,626	\$ -	\$ -	\$ -	\$ (95,374,541)	\$ (12,169,914)	\$ (14,047,850)	\$ -	\$ -	\$ (121,238,831)



# Budget

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Budget Development

Budget Overview

Policy Issues

Budget Calendar

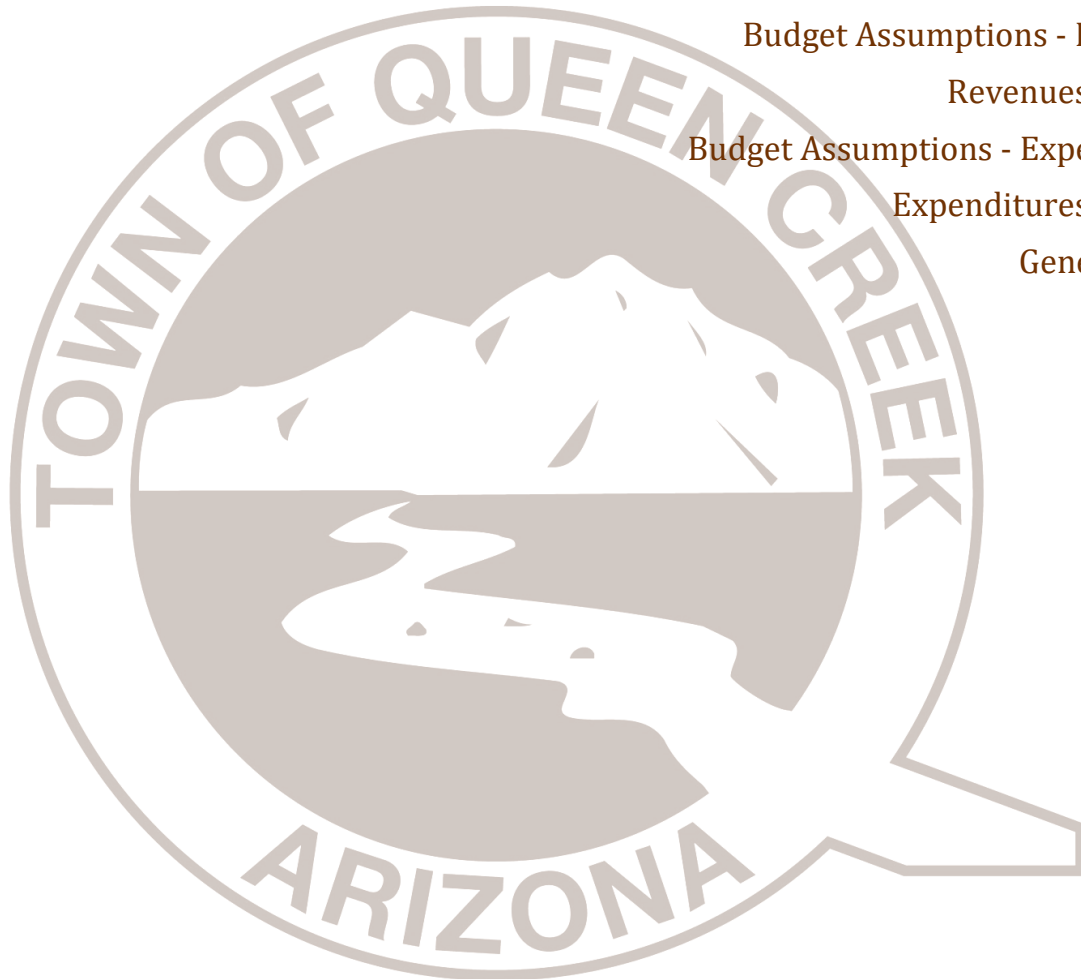
Budget Assumptions - Revenues

Revenues by Fund

Budget Assumptions - Expenditures

Expenditures by Fund

General Fund





# Budget Development

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The budget is evaluated by a group composed of the Town Manager, Assistant Town Manager, Finance Director/Chief Financial Officer (CFO), Budget Administrator, department directors and three Town Council members acting as the Town Council Budget Committee. The Town Council Budget Committee makes recommendations for funding to the full Town Council. The major steps in preparation of the budget are:

- Council input on priorities through a Council Retreat, underlying strategic plan and community input through citizen surveys
- Forecast revenue and fund balances
- Identify reserve/debt requirements
- Determine base staffing priorities
- Determine base expenditure levels
- Determine amount of supplemental requests that can be funded to ensure a balanced budget
- Present to Council's Budget Committee for review
- Present to full Council for review, tentative and final adoption

The budget process for the ensuing fiscal year typically begins in early December with necessary staff to complete a comprehensive long-range forecast of revenues. A meeting of all Town staff who are involved in the budget development process occurs in early January to discuss revenue forecasts and share base budget targets and assumptions.

Assumptions are developed during December based upon:

- Projected revenues for all revenue sources
- Estimated wage increases for staff
- Increases in Arizona State Retirement System contributions and/or health insurance
- Inflation rate nationally and in the local area
- Use of Consumer Price Index for additional inflationary factors
- The status of the local economy based upon data from the Arizona Department of Economic and Business Research

Estimates of projected state-shared revenues for the upcoming fiscal year are usually provided in lump sum figures from the state departments actually distributing the funds. These funds are distributed on a population basis.

An analysis of all factors results in a recommendation to the Town Manager of the growth and inflation factor, if any, that should be allotted to each department in order to maintain its base budget and provide the same level of service in the coming fiscal year. Queen Creek operates under home rule, so it is not limited by the State of Arizona's expenditure limit for local jurisdictions. The home rule, which requires voter-approval, sets the expenditures limit as the total expenditure budget adopted by Council. Queen Creek voters approved a four-year continuation of home rule in the August 2018 primary election. The FY 2019/20 budget is the first budget in the current approved four-year cycle.



# Budget Development

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Once confident with the revenue estimates, the next step is to analyze the anticipated expenditures for the upcoming year. These estimates are developed in the budget preparation phase and are based on the following considerations:

1. Departmental Key Result Areas (KRAs) as identified in the Town's Corporate Strategic Plan - these KRAs should be related to departmental/divisional performance measures.
2. The variety, type and level of services the Town wants to provide. This includes the maintenance or abandonment of current programs, as well as the initiation of any new services. The Town Council plays a significant role in these decisions and the core service analysis that departments analyze during the budget process are also useful.
3. A comprehensive price list is developed for anticipated costs on items in the general category of supplies and contractual services, including operating costs for infrastructure placed into service. This list includes costs for any new anticipated major capital expenditures since expenditures of this nature usually require a considerable amount of budget planning.
4. Known cost factors, including such items as debt service schedules, employee benefits increases such as contribution rates to employee pension and retirement funds, medical and dental insurance coverage premiums, changes to worker's compensation rates and other similar costs.
5. The main business of the Town is service, and service requires employees. The cost of employee salaries is one of the largest expenditures in the Town's budget. In 2014 Town Council voted to maintain a competitive compensation policy whereby employee base salary ranges are adjusted at the beginning of each fiscal year in relation to the Employment Cost Index (ECI).
6. Changes in employee fringe benefits includes any changes affecting vacation policy, overtime, holiday, health insurance and sick leave. Changes in any of these areas could affect expenditures.

Once this analysis is completed, priorities are set based on department needs to maintain current service levels and the revenues needed to accomplish them. If there is sufficient revenue over expenses, the decision may be made to fund new budget requests. Following several reviews with the Town Manager, Assistant Town Manager, Finance Director/CFO, Budget Administrator and department directors, the Town Manager presents a proposed balanced budget to the Town Council Budget Committee for review preceding submission to the full Town Council for consideration and approval.





# Budget Overview FY 2019/20

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The Town's expenditure budget for FY 2019/20 is \$452.7 million. This budget includes appropriations for the General Fund of \$27.1 million, Emergency Services of \$20.2 million, HURF of \$5.7 million, and HPEC of \$1.6 million, collectively referred to as the Town's Operating Budget. The Enterprise portion of the FY 2019/20 budget consists of the Water Fund at \$72.5 million, the Sewer Fund at \$4.3 million and Solid Waste at \$3.4 million. Capital Improvement Funds (CIP) total \$239.8.0 million. The remaining dollars that comprise the budget include appropriations for grants, special assessments, special districts and debt service.

Given the recent economic growth in Queen Creek, FY 2019/20 is the fourth consecutive year that there is a projected surplus in the operating budget. However, there are funds that have projected shortfalls in FY 2019/20, including the Emergency Services Fund (\$5.0 million), HURF (\$1.5 million) and HPEC (\$1.1 million) that need to be addressed with General Fund transfers and contributions. However, even with these transfers, the Operating Budget net results remain positive, and continue to include ongoing CIP Pay-As-You-Go funding of \$3.4 million. This funding placeholder was created at \$6.5 million, and with the new Transportation Debt Issue, \$3.1 million of that placeholder is now used for debt service, leaving \$3.4 million to annually fund Transportation CIP projects.

Although the Council considers the budget in June, the budget process starts almost six months prior with development of an annual long-range financial plan and associated budget assumptions, preparation of base budgets for the Town programs and estimating the revenues that support the budget. Following this initial analysis, the Operating Budget (which consists of the General Fund, Emergency Services Fund, HURF and Horseshoe Park Fund) showed a surplus for FY 2019/20 of approximately \$3.1M million even with the addition of 6.0 new FTE.

Overall, there are 8 new positions (Full-Time Equivalent, FTE) included in the FY 2019/20 Budget:

Engineering Inspector (1.0 FTE)	Fire Inspector/Arson Investigator (1.0 FTE)
Fleet Mechanic (1.0 FTE)	Fire EMS Specialist (1.0 FTE)
Fleet M&O Technician (1.0 FTE)	Utility M&O Specialist (Distribution) (1.0 FTE)
Streets Crew Leader (1.0 FTE)	Utility Inspector (1.0 FTE)

The anticipated ending Operating Fund balance for FY 2019/20 will stand at approximately 55% of Operating revenues, or approximately \$33.4 million, which remains well above the Council's stated policy of 25%.













Capital projects are also included in the FY 2019/20 budget. The transportation capital program comprises the largest capital program appropriation at \$122.2 million, which includes \$62.7 million of carry-forward budget authority for projects already approved and/or underway. The water capital program appropriations are set at \$62 million, which includes carry-forward budget authority of \$42.8 million. The wastewater capital program appropriations are set at \$36.6 million and include carry-forward budget authority of \$20.3 million. The parks development fund includes a capital program appropriation at \$1.3 million for Trail extensions, plus \$4.8 million of carry-forward budget authority for projects already approved/underway.

The FY 2019/20 budget is scheduled for adoption on May 15, 2019.



# Policy Issues FY 2019/20

During the development of the FY 2019/20 Budget, the following policy issues were addressed:

Issue/Link to CSP	Town Manager Recommendation
<b>Impact Fee Update</b>    	Finalize and Implement the Impact Fee and Capacity Fee Studies.
<b>Water Resources Acquisition</b> 	Include funding for potential acquisition of Water Rights and/or Groundwater Exchange Credits in an effort to meet our 100 year water supply
<b>Central Arizona Groundwater Replenishment District Credits</b> 	Accelerate the use of CAGRDC credits, saving water customers in aggregate \$1.4M over 2017 assessments
<b>Wastewater Rates</b> 	Reduce Wastewater Rates by 10%
<b>5-Year Staffing Plans</b>  	Include additional staffing (8.0 FTE) to strategically address the increasing complexity of the organization and expanding infrastructure within the organization.
<b>Employee Compensation</b> 	Include Merit and Market increases for all other employees at indices recommended in Compensation Plan adopted in 2014.
<b>Non-Profit/Social Services Agency Funding</b>  	Enhance Non-Profit Support to only address Social and Community Services Organizations, removing the Historical Society from this process and enter into separate contractual support for that agency. Per Policy, the allocation amount for non-profit support is \$51,380 (0.2% of General Fund Budget). Requests totaling \$27,944 were funded.



# Budget Calendar

November 2018	
<b>November 13</b>	Budget Development Email From Budget Office Sent to Departments
<b>November 20</b>	Performance Measures Distributed to Departments
December 2018	
<b>December 10</b>	Department 5-Year Staffing Projections to Departments
<b>December 11</b>	Budget Development Kickoff with Department Directors
January 2019	
<b>January 3</b>	Department Capital Budgets Due
<b>January 10</b>	Staffing Projections Due Not-for-Profit Applications Emailed Out
<b>January 24</b>	Department Base Operating Budgets Due Department Performance Measures Due
<b>January 31</b>	Not-for-Profit Applications Due to the Town
February 2019	
<b>February 14</b>	Department Budgets / Budget Overview due to Town Manager
<b>February 19</b>	Property Tax Forecast Due (County Assessor Valuation Received)
<b>February 21</b>	Post Required Public Notice of Increased Rates and Fees
<b>February 25</b>	Property Tax Materials Due to Town Clerk for March 6, 2019 Meeting
March 2019	
<b>March 1,2</b>	Council Strategic Planning Session –Budget Policy Direction
<b>March 7</b>	Final Changes to Recommended Budget Due
<b>March 14</b>	Post to Website 60 Day Notice of Potential Increases to Taxes/Fees
<b>March 15</b>	League Estimate for State Shared Revenue Due
<b>March 21</b>	Town Manager’s Recommended Budget Released
<b>March 25 - 28</b>	Council Budget Briefings
April 2019	
<b>April 4</b>	Budget Committee Meeting
<b>April 10</b>	Budget Committee Meeting (Tentative)
<b>April 22</b>	Tentative Budget Materials for May 1, 2019 Council Meeting Due to Town Clerk



# Budget Calendar

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May 2019	
<b>May 1</b>	Tentative Budget Presented to Council for Approval 1 <sup>st</sup> Truth in Taxation (TNT) Newspaper Ad Runs (14 Days Before TNT Hearing)
<b>May 2</b>	Post Tentative Budget Schedules on Town Website Send Materials to Newspaper
<b>May 6</b>	Adopted Budget and TNT Materials for May 15, 2019 Council Meeting due to Clerk
<b>May 8</b>	2 <sup>nd</sup> Truth in Taxation Newspaper Ad (7 Days Before TNT Hearing; Schedule A)
<b>May 14</b>	2 <sup>nd</sup> Tentative Budget Newspaper Ad (Schedule A)
<b>May 15</b>	Final Budget Adoption and Truth in Taxation Hearing
<b>May 16</b>	Post Adopted Budget Schedules on Town Website
<b>May 28</b>	Property Tax Levy / SLIDs Materials for June 5, 2019 Council Meeting Due to Town Clerk
June 2019	
<b>June 5</b>	Primary Property Tax Levy and SLID Levies
<b>June 6</b>	Tax Levy Information Sent to Counties and Property Oversight Commission



# Budget Assumptions - Revenues

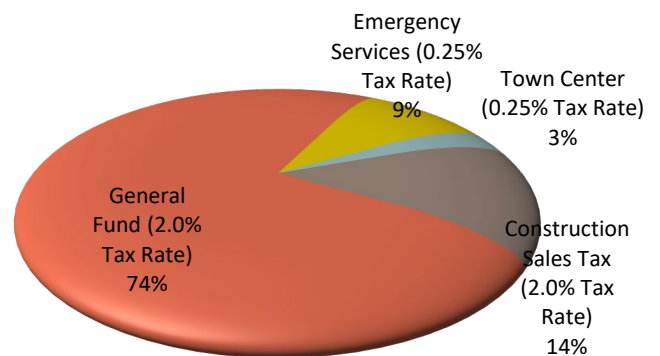
Queen Creek anticipates to collect revenue in FY 2019/20 equal to the amount necessary to pay the costs of operating and maintaining current Town programs. The economic climate in the town continues to improve. This improvement allows for program enhancements in support of Town Council goals as stated in the Corporate Strategic Plan. Sales tax revenue forecasts are determined by a revenue trend analysis in conjunction with known commercial facilities opening and closing, as well as economic indicators available for the region and nation. Based on growth projections, the total adopted FY 2019/20 sales tax is 9% greater than the revised FY 2018/19 budget. The largest category is construction sales tax, which is estimated to remain flat for next year. The remaining sales tax base is projected to increase by 14%.

**Town Sales Tax** – The Town collects sales tax revenues at a rate of 2.25%, of which 2.0% is dedicated to the General Fund and 0.25% to the Emergency Services Fund. In addition, the Town collects an additional 0.25% from transactions from major retail developments in the Town Center district, which is dedicated to the Town Center Fund for projects specific to this part of the Town. Town Sales tax accounts for 58% of the General Fund revenues in FY 2019/20.

**Construction Sales Tax** – In addition to the 2.25% sales tax, a 2.0% construction or contracting sales tax is collected specifically for the Capital Improvement Program (CIP) and is the revenue source for the Construction Sales Tax Fund. Revenue from construction activity is also based on trend analysis and the region’s anticipated economic factors. This particular sales tax is anticipated to remain flat for FY 2019/20. Approved Town projects will add to this revenue stream in the coming years. However, the majority of this revenue is generated by homebuilders. In recent history, single-family home construction constitutes approximately 80% of all construction sales tax revenue.

Sales Tax Category	FY 2019/20 Sales Tax Budget
Construction	\$ 10,388,900
Retail	15,658,130
Restaurants & Bars	3,977,210
Communications & Utilities	1,606,490
Real Estate, Rental & Leasing	2,035,520
All Other Categories	613,560
<b>Total Town Sales Tax</b>	<b>\$ 35,396,930</b>

Fund	FY 2019/20 Sales Tax Budget
General Fund (2.0% Tax Rate)	\$ 26,224,200
Emergency Services (0.25% Tax Rate)	3,278,000
Town Center (0.25% Tax Rate)	1,005,830
Construction Sales Tax (2.0% Construction Tax Rate)	4,888,900
<b>Total Town Sales Tax</b>	<b>\$ 35,396,930</b>

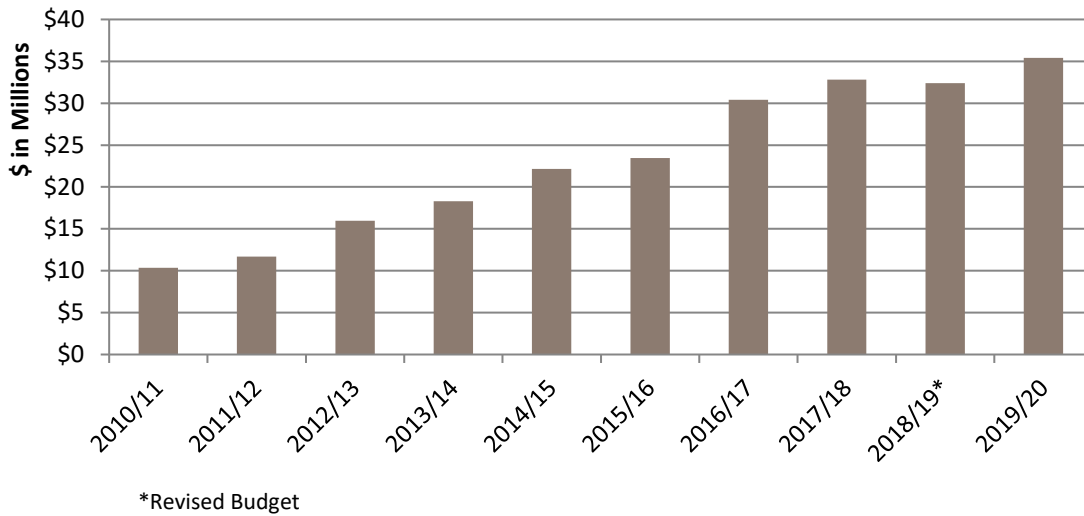




# Budget Assumptions - Revenues

Sales Tax History/Projection - All Transactions				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected*	Actual % Change
2010/11	12,415,000	(20.6%)	10,358,431	(7.5%)
2011/12	11,715,000	(5.6%)	11,700,710	13.0%
2012/13	11,358,000	(3.0%)	15,977,567	36.6%
2013/14	13,119,117	15.5%	18,294,821	14.5%
2014/15	18,777,000	43.1%	22,151,449	21.1%
2015/16	20,700,300	10.2%	23,450,410	5.9%
2016/17	25,069,480	21.1%	30,395,632	29.6%
2017/18*	29,416,310	17.3%	32,799,384	8%
<b>2018/19</b>	<b>29,042,730</b>	<b>(1.3%)</b>	<b>32,373,700</b>	<b>(1%)</b>
<b>2019/20</b>	<b>\$35,396,930</b>	<b>22%</b>	<b>\$35,396,930</b>	<b>9%</b>

## Sales Tax History/Projection



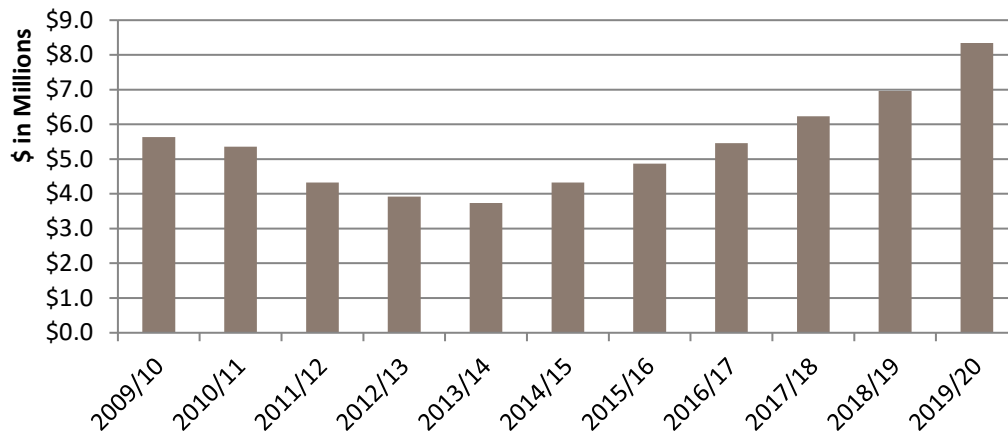


# Budget Assumptions - Revenues

**Property Tax** – Beginning in FY 2007/08, the Town of Queen Creek began levying a primary ad valorem property tax for Public Safety uses at a rate of \$1.95 per \$100 of assessed limited property value. Property valuations are determined by the county. Limited Property Values are projected to continue their recovery at a pace slower than the drastic downturn experienced from the housing construction decline. There are two parameters by which limited property valuations increase: appreciation and new construction. Appreciation is capped by state statute at 5% for properties with no physical change to the land or improvements, no change in land use, and were included in the previous year tax roll. Other increases to valuations that fall into the appreciation category are properties that have changed land use category or were subject to changes in existing improvements since the preceding valuation year. New construction increases capture new improvements to land – for example, new home or commercial construction on previously vacant land. Valuations associated with annexations are also included in new construction. For FY 2019/20, total limited property values increased by \$70.8M or 20% over FY 2018/19 of which \$27.1M or 6% is attributed to the annexation of Ironwood Crossing subdivision (which equates to an additional \$528K in revenue), \$24.3 or 6% is appreciation in values (which equates to \$474K) and \$19.4M or 5% is attributed to new construction (which equates to \$378K).

Property Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/Projected	Actual % Change
2010/11	5,330,445	(7.3%)	5,355,086	(5.0%)
2011/12	4,216,000	(20.9%)	4,328,481	(19.2%)
2012/13	3,780,217	(10.3%)	3,917,854	(9.5%)
2013/14	3,628,882	(4.0%)	3,739,042	(4.6%)
2014/15	4,404,000	21.4%	4,323,971	15.6%
2015/16	4,769,000	8.3%	4,866,564	12.5%
2016/17	5,379,190	12.8%	5,462,547	12.3%
2017/18	6,189,464	15.1%	6,234,137	14.1%
2018/19	6,962,716	12.5%	6,962,716	12.5%
<b>2019/20</b>	<b>\$8,343,197</b>	<b>19.8%</b>	<b>8,343,197</b>	<b>19.8%</b>

## Property Tax History/Projection





# Budget Assumptions - Revenues

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**Development Impact Fees** – Development impact fees are collected with each building permit issued and may be spent only for specific capital expenses or debt service. These funds are restricted by Arizona law and may be spent only for the purpose defined in the fee ordinances. In 2011, Arizona’s Fiftieth Legislature passed Senate Bill 1525, which legislated a series of significant changes to the calculation, collection, and use of development fees. This legislation fundamentally moved away from the principle of new growth paying for itself, and shifted the burden of paying for this infrastructure on to existing residents and businesses. In addition, city and town councils previously had the ability to determine what constitutes “necessary public services” for their communities; the new bill now narrowly defines what these are allowed to include. The law took effect on January 1, 2012 and included a series of implementation dates, with a requirement that all development fee programs become fully compliant by August 1, 2014. In response to the established deadlines, the Town Council passed Resolution 892-11 on December 21, 2011, which dropped fees from \$15,007 to \$13,883 per single family home. The next change for development fees under SB 1525 went into effect August 1, 2014, further reducing the fees to \$6,794 from \$8,941 (excluding the wastewater fee, which has been replaced by a capacity fee).

Revenues collected in this category are projected through a collaborative effort, working with Development Services to come to a consensus on the anticipated five-year projection. This process takes into consideration current data on all active and inactive subdivisions within the Town, as well as information in the planning and engineering pipelines, including information from the Economic Development group. Single-family housing units are projected at 820 for FY 2019/20. Five-year projections are conservatively based on a slight decrease in single-family housing units as current housing products are building out and new subdivisions are in the planning stages. The Town is also anticipating moderate commercial building activity.

At this time, the Town is currently in the process of revising its impact fees. As part of this process, the Town has collaborated with a focus group of stakeholders and consultants in order to maximize community input and ensure an open and collaborative methodology. The update process is expected to conclude sometime in early FY 2019/20 and the new fees will take effect about 6 months from adoption.

**Building Revenue** – A regression analysis is done on this very unpredictable revenue stream. Additional knowledge of housing sector and building community trends is sought monthly. Revenues collected in this category are projected through a collaborative effort, working with Development Services to come to a consensus on the anticipated five-year projection.

**Utility User Fees** - Solid Waste fees are based on the rate schedule that went into effect in fall 2013. In FY 2011/12 Town Council approved a six-year sewer rate increase program; however, in FY 2015/16 it was determined that the program would be reviewed on an annual basis to determine need. After extensive analysis, it has been determined that a 10% rate decrease is appropriate. The FY 2019/20 budget includes that rate decrease. No other changes to utility rates are planned for FY 2019/20.

**State-Shared Revenue** – The State of Arizona distributes a portion of state income tax, sales tax, HURF and vehicle license tax to municipalities based on population. State shared sales tax and state shared income tax are included in the General Fund and for FY 2019/20, account for 23% of the General Fund revenues. As a result of newly developed distribution method, annually the state-shared proportion are recalculated based on Census estimates. This will eliminate the large jumps in revenue amounts every five years and smooth those increases out between official Census counts.

The Arizona Joint Legislative Budget Committee releases a four-sector projection annually for all state-shared revenues. Preliminary numbers are shared with municipalities each October with more accurate projections released each Spring from the League of Arizona Cities and Towns. Both entities share long-term state projections





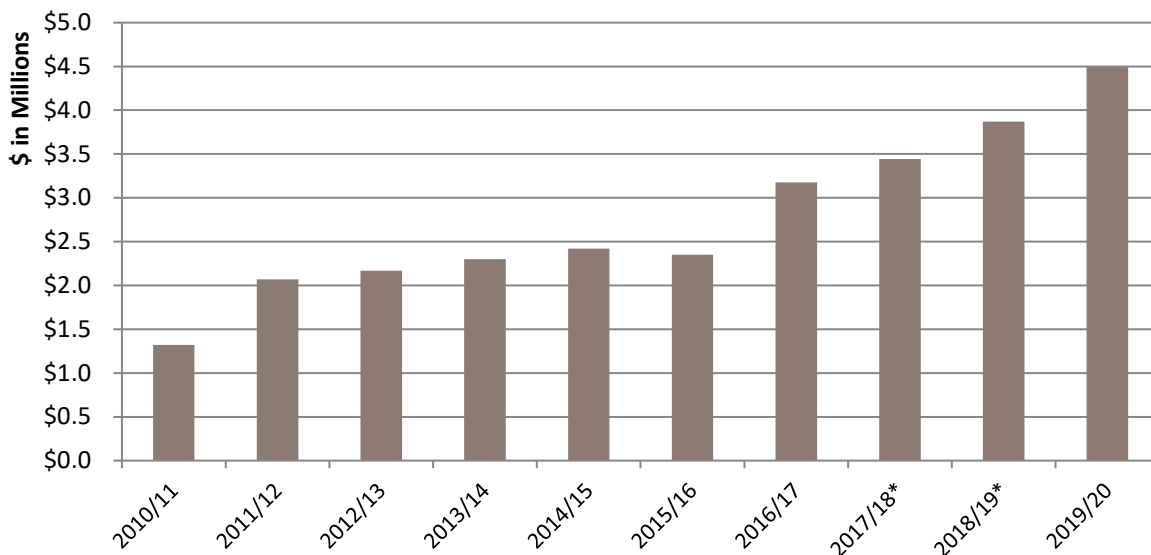
# Budget Assumptions - Revenues

for sales tax and income tax. This information is used in conjunction with Town trend analysis and other news and research on anticipated economic trends.

**State-Shared Sales Tax** - Cities and towns share in a portion of the 5.6 % sales tax collected by the State. The distribution base (shared portion) varies by category. For example, retail sales is 40% shared and 60% non-shared (retained by the State). Of the shared portion, 25% is returned to incorporated cities and towns, 40.51% is returned to counties and 34.49% is returned to the State General Fund.

State-Shared Sales Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/ *Projected	Actual % Change
2010/11	1,229,132	(2.6%)	1,321,605	9.7%
2011/12	1,994,378	62.3%	2,068,235	56.5%
2012/13	2,204,313	10.5%	2,167,053	4.8%
2013/14	2,278,000	3.3%	2,298,195	6.1%
2014/15	2,382,000	4.6%	2,419,249	5.3%
2015/16	2,518,348	5.7%	2,349,301	(2.9%)
2016/17	3,258,371	29.4%	3,175,351	35.2%
2017/18	3,560,500	9.3%	3,442,520	8.4%
2018/19*	3,871,400	8.7%	3,871,400	12.5%
2019/20	\$4,490,100	16%	\$4,490,100	16%

## State-Shared Sales Tax History/Projection



\*Revised Budget

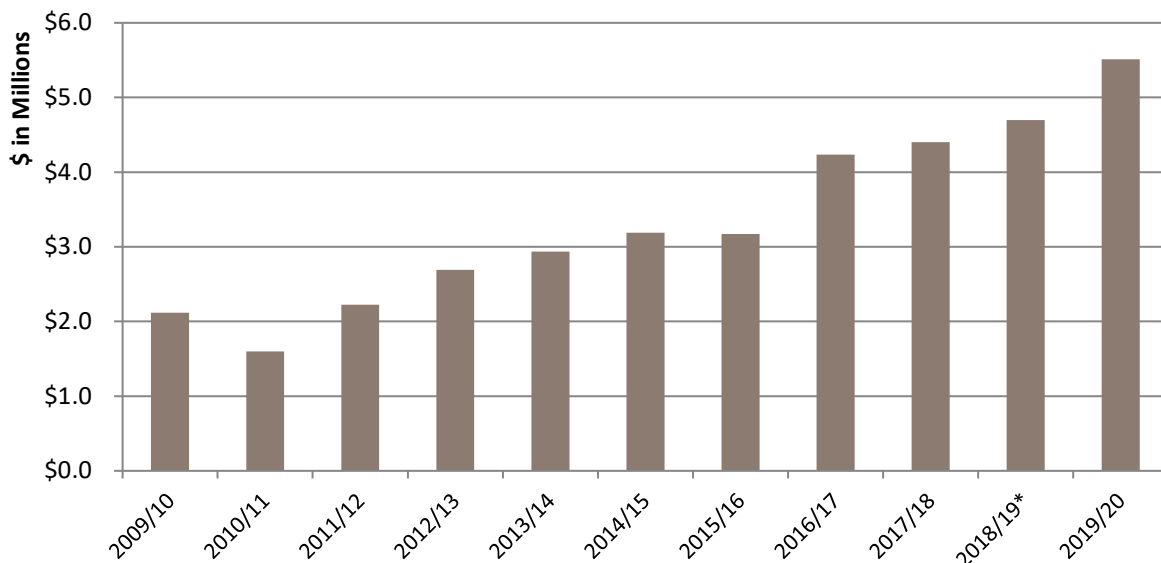


# Budget Assumptions - Revenues

**State-Shared Income Tax** - Cities and towns in Arizona are prohibited from levying a local income tax; however, 15% of the state income tax collections are shared with the cities and towns. There is a two-year lag between the time citizens report income to the State and when the State remits shared income tax revenues to cities and towns.

State-Shared Income Tax History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/ *Projected	Actual % Change
2010/11	1,597,380	(24.6%)	1,597,620	(24.6%)
2011/12	2,224,980	39.3%	2,224,888	39.3%
2012/13	2,692,475	21.0%	2,692,719	21.0%
2013/14	2,941,000	9.2%	2,938,268	9.1%
2014/15	3,191,000	8.5%	3,191,162	8.6%
2015/16	3,173,861	(0.5%)	3,173,861	(0.5%)
2016/17	4,235,175	33.4%	4,234,773	33.4%
2017/18	4,552,500	7.5%	4,399,985	3.9%
2018/19*	4,699,000	3.2%	4,699,000	6.8%
<b>2019/20</b>	<b>\$5,510,900</b>	<b>17.3%</b>	<b>\$5,510,900</b>	<b>17.3</b>

## State-Shared Income Tax History/Projection



\*Revised Budget

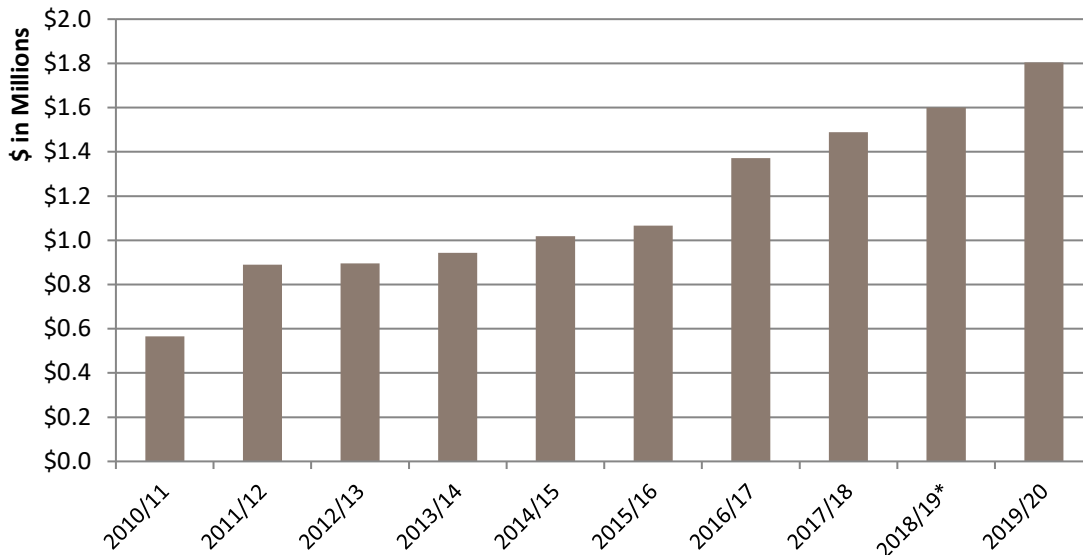


# Budget Assumptions - Revenues

**State-Shared Vehicle License Tax (VLT)** – This tax is part of the vehicle license fees collected when registering a vehicle with the Arizona Department of Transportation. Twenty-five percent of the net revenues are distributed back to the cities and towns based on population. The only stipulation on the use of this revenue is that it must be spent on a public purpose. Prior to FY 2015/16, this revenue was recorded in the General Fund but is now recorded in the Highway User Revenue Fund (HURF).

State-Shared VLT History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/ *Projected	Actual % Change
2010/11	570,324	0.7%	564,930	0.0%
2011/12	888,969	55.9%	890,371	57.6%
2012/13	873,907	(1.7%)	895,188	0.5%
2013/14	879,000	0.6%	942,652	5.3%
2014/15	932,000	6.0%	1,018,304	8.0%
2015/16	1,041,872	11.8%	1,066,106	4.7%
2016/17	1,345,029	29.1%	1,370,993	28.6%
2017/18	1,441,000	7.1%	1,488,249	8.6%
2018/19*	\$ 1,600,800	11.1%	\$ 1,600,800	7.5%
<b>2019/20</b>	<b>\$ 1,804,700</b>	<b>12.7%</b>	<b>\$ 1,804,700</b>	<b>12.7%</b>

## State Shared VLT History/Projection



\*Revised Budget

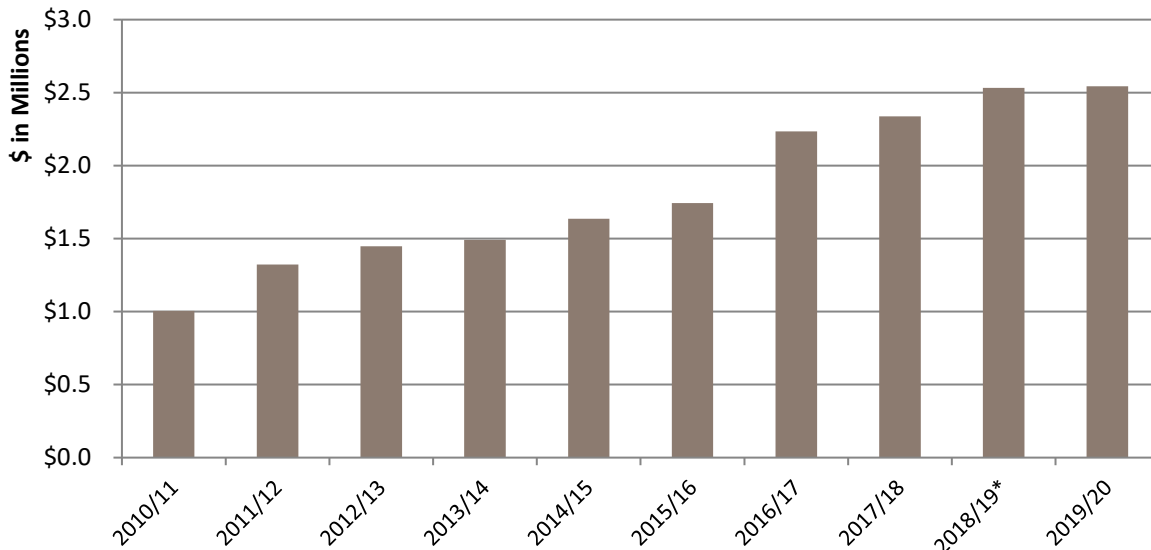


# Budget Assumptions - Revenues

**Highway User Revenue Fund (HURF)** - The State of Arizona taxes motor fuels and collects a variety of fees and charges relating to the registration and operation of motor vehicles on the public highways of the state. These revenues are deposited in the Arizona Highway User Revenue Fund (HURF) and are then distributed to the cities, towns and counties and to the State Highway Fund. Revenues received by the Town must be used for expenditures in the right-of-way, including streets, sidewalks, curb and gutter, etc. These revenues fund a portion of the Town’s pavement maintenance plan.

HURF History/Projection				
Fiscal Year	Adopted Budget	Budget % Change	Actual/ *Projected	Actual % Change
2010/11	965,591	(2.7%)	1,004,733	6.3%
2011/12	1,327,292	37.5%	1,323,269	31.7%
2012/13	1,483,531	11.8%	1,446,984	9.3%
2013/14	1,487,000	0.2%	1,492,216	3.1%
2014/15	1,500,000	0.9%	1,637,127	13.1%
2015/16	1,644,939	9.7%	1,742,531	6.4%
2016/17	2,091,787	27.2%	2,235,438	28.3%
2017/18*	2,277,000	8.9%	2,336,392	4.5%
2018/19*	2,531,700	11.2%	2,531,700	8.4%
<b>2019/20</b>	<b>\$2,542,900</b>	<b>0.4%</b>	<b>2,542,900</b>	<b>0.4%</b>

## HURF History/Projection



\*Revised Budget



# Revenues/Sources by Fund

Fund	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended	FY 2019/20 % of Total Budget
General Fund	\$40,450,301	\$37,673,416	\$40,895,140	\$44,971,180	13.6%
Sewer/Wastewater	7,740,411	6,853,750	6,981,022	7,955,906	2.4%
Waste Water – Capacity	5,023,218	4,131,270	4,940,324	2,718,192	2.9%
Solid Waste	2,632,324	2,859,694	2,859,694	3,150,618	1.0%
Water Operating	24,461,069	22,535,786	92,631,478	75,871,105	22.9%
Water – Capacity	4,760,028	4,062,930	4,662,020	2,268,067	0.7%
Drainage & Transportation	59,958,239	26,277,000	26,277,000	101,683,333	30.7%
Streets – HURF	3,857,635	4,155,360	4,155,360	4,371,200	1.3%
Streets & Roads – LTAF	78,263	-	-	-	-
Town Center	795,651	843,990	900,200	1,046,830	0.3%
Street Lighting Districts	604,428	700,000	700,000	700,000	0.2%
Housing Rehab Fund	2,661	-	-	-	-%
Construction Sales Tax	6,406,260	3,972,970	4,871,250	4,888,900	1.5%
Parks & Open Space	4,481,015	3,996,750	4,740,563	3,128,994	0.9%
Town Buildings	643,687	486,900	603,788	98,415	-%
Transportation Dev Fees	11,975,504	1,319,870	1,648,588	2,121,906	0.6%
Library Development	854,068	604,500	750,625	175,392	0.1%
Public Safety Development	2,275,882	188,460	233,075	172,936	0.1%
Emergency Services	10,927,263	14,160,706	14,184,711	16,283,152	4.9%
Fire Development Fees	7,738,7538	493,780	614,200	875,277	0.3%
Parks & Rec Trust Fund	1,453	-	-	-	-%
Community Events Fund	69,668	74,650	74,650	75,000	-%
Horseshoe Park Equestrian Ctr.	634,573	742,570	742,570	757,500	0.2%
Grants	-	1,927,300	1,927,300	2,000,000	0.6%
Special Assess. Improvement	1,856,055	1,702,407	1,702,407	1,735,235	0.5%
Medical Self-Insurance	3,577,162	4,215,761	4,215,761	4,430,949	1.3%
<b>Sub-Total Revenues</b>	<b>\$201,805,570</b>	<b>\$143,979,820</b>	<b>\$221,311,726</b>	<b>\$331,480,087</b>	<b>100.0%</b>
Inter-fund Transfers **	104,641,269	65,397,794	92,517,835	83,267,250	
<b>Total Sources</b>	<b>\$306,446,839</b>	<b>\$239,675,825</b>	<b>\$313,829,561</b>	<b>\$414,847,337</b>	

\* Grant funding is placed in the budget to account for any unanticipated grant awards

\*\* Inter-fund Transfers are used to cover debt service, operating expenditures and one-time capital improvements in Development Fee Funds, Capital Funds and Special Revenue/Public Safety Funds.



# Budget Assumptions - Expenditures

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**General Government Operating Funds** – Overall, FY 2019/20 expenditure budgets were increased based on the following assumptions:

- Personnel budgets include an allowance for up to a 3% merit increase for non-sworn personnel and a 5% step program for Sworn Fire Personnel based on performance
- In accordance with the Town’s compensation policy, base employee compensation was increased by 2.1%, which is benchmarked to the Employment Cost Index for Government Employers
- Retirement rates for the Arizona State Retirement System (ASRS) increased slightly from 11.8% in FY 2018/19 to 12.1% in FY 2019/20; Public Safety Personnel Retirement System (PSPRS) rates decreased from 16.72% to 14.29% for Tiers 1 and 2 employees.
- Based on recent claims experiences, healthcare rates are increasing 4% for the Town portion of employee healthcare premiums, employee rates remain unchanged
- Contractual services and commodities were budgeted based on projected spending patterns, and known contract increases
- Additional operating costs for newly completed Town infrastructure (Mansel Carter Park and additional roadways)
- Operating contingencies are set at 3%

**General Fund** - This fund pays the cost of general government operations, of which personnel costs account for 56% of the General Fund budget. Historically, one of the more substantial expenses in the General Fund has been the Transportation Development Rebate (a portion of sales tax generated on activity from the two major Town retail developments). In FY 2016/17, two of the three development agreements were paid off, creating capacity for the General Fund to allocate resources on an ongoing basis for capital infrastructure and/or debt service related to capital infrastructure improvements. General Fund contingency for FY 2019/20 is set at \$0.9 million, which also covers the HURF fund.

In addition to operating expenditures for general government, the General Fund must make several transfers out to other funds. Transfers out are necessary to account for the General Fund share of debt service for non-growth portion of capital, to cover anticipated deficits in general government operating funds, and to provide support to other programs, such as capital and community events. Included in FY 2019/20 are transfers of a \$5.5 million to cover debt service, transfers of \$7.7 million to cover operation and maintenance expenditures in Emergency Services, Horseshoe Park and HURF, and transfers for capital improvements (CIP) of \$3.9 million, of which \$3.4 is for transportation and \$0.5 is for trail improvements.

*Departments accounted for within these funds: Town Council, Town Manager, Legal Services, Town Clerk, Finance, Communications Marketing & Recreation, Development Services, Public Works: Facilities, Fleet, Grounds, Workforce & Technology, Economic Development*

**Emergency Services** – This fund pays for the cost of providing public safety services and includes fire and law enforcement. Queen Creek operates its own fire service through 4 stations; however, law enforcement is provided through a contract with the Maricopa County Sheriff’s Office (MCSO). In addition, this fund is charged for department support provided by the General Fund for services such as human resources, finance and accounting, budget, and technology, based on approved cost accounting allocations. Operating contingency in this fund for FY 2019/20 is budgeted at \$333K.

*Departments accounted for within this funds: Emergency Management Services (Fire) and Public Safety*



## Budget Assumptions - Expenditures

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**Horseshoe Park** - This fund pays for the cost of operating Horseshoe Park Equestrian Center. In addition, this fund is charged for department support provided by the General Fund for services such as human resources, finance and accounting, budget and technology, based on approved cost accounting allocations. Operating contingency in this fund for FY 2019/20 is budgeted at \$43K.

*Departments accounted for within these funds: Economic Development -Horseshoe Park Equestrian Center*

**Highway User Revenue Fund** – Expenditures match annual revenue in this fund. These dollars are restricted by statute to expenditures in the right-of-way. Beginning in FY 2015/16, all street operations are now accounted for in this fund, with vehicle license tax (VLT) as a source, as well as a transfer in from the General Fund to cover any shortages between revenues and general street operations. HURF revenues are dedicated to pavement preventative maintenance and reconstruction projects. Contingency for this fund is included in the General Fund contingency amount.

*Departments accounted for within these funds: Public Works: Streets*

**Enterprise Funds** - The Enterprise FY 2019/20 operating budgets followed the same assumptions as the general government. In addition, these funds are charged for department support costs for expenditures in the General Fund that benefit the other funds, such as human resources, finance and accounting, budget, technology and other general support from the General Fund based on approved cost accounting allocations. These costs vary depending on enterprise fund needs and use of General Fund resources. Included in water and wastewater operating expenses is a Return on Investment Expense whereby the Utility Operating Funds contribute a portion of revenues to fund Public Safety. These charges consist of franchise fees, in-lieu property taxes and return on investment calculations similar to charges a private utility company would be obligated to pay the Town. Debt service is budgeted in all enterprise funds according to established schedules. In accordance with established operating fund policy, operating contingency funding has been built in at 3% for each fund in this category.

*Departments accounted for within these funds: Solid Waste, Sewer, Water, Stormwater*



# Budget Assumptions - Expenditures

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**Other/Special Revenue Funds** – Expenditures for these funds are budgeted based on projected activity rather than the general expenditure assumptions for operating funds.

**Town Center** – The FY 2019/20 budget includes amounts for projects and activities related to the Town Center, such as implementing certain elements of the Town Center Master Plan, such as drainage improvements, as well as continuation of the Façade Improvement Program that started in FY 2012/13. Town Center also transfers cash to the Debt Service Fund to cover the portion of the Improvement District Debt Service not covered by private property owners. The General Fund previously covered this portion of the debt, but since the Improvement District was created specifically in Town Center for the Ellsworth Loop Road Improvement, it makes more sense for the debt to be paid from there. Since this fund has a dedicated revenue stream, all projects and operating expenditures must fall within the Town Center.

*Departments accounted for within these funds: Economic Development*

**Street Light Improvement Districts** – As of budget development there were 102 streetlight districts in Queen Creek. Expenditures in this fund are exclusively for electrical consumption of the Town’s street light districts. Expenditure assumptions are included for new subdivisions where streetlights will be activated during FY 2019/20.

*Departments accounted for within these funds: Centralized Services / General Operations*

**Development Fee Funds** – Development Fee Funds account for the revenues received for impact fees related to specific types of development in Queen Creek. Expenditures in these funds for FY 2019/20 can only be used for authorized purposes, such as growth related projects as well as updates to fee studies. Transfers out from these funds are for the growth share of debt service for capital projects. Detailed information by fund is located in the CIP section of the budget book. Debt schedules can be found in the debt section of the budget book.

**Healthcare Self-Insurance Fund** – This internal service fund was created in FY 2015/16 to account for the Town’s employee healthcare related expenses. The premiums received as revenue into this fund are generated through payroll and are recorded as expenses to the operating divisions and include the employee deductions. The expenses recorded in the Healthcare Fund are for medical claims and insurance costs for dental, vision, and life insurances.

**Capital Project Funds** – FY 2019/20 expenditures for these funds are based on anticipated capital projects. Detailed information by fund is located in the CIP section of the budget book.

**Drainage & Transportation** – This capital fund, in addition to housing new roadway and intersection projects, is often home to necessary studies leading up to projects. FY 2019/20 includes \$58.2 million in new expenditure authority for construction projects. Additionally, \$62.7 million is included for projects currently under contract and previously approved project budgets that will be carried forward from FY 2018/19. Also included in this fund are project management expenses of \$1.0 million. In FY 2017/18 bonds were issued, providing approximately \$65M to fund transportation projects over the next 3 years.





## Budget Assumptions - Expenditures

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**General CIP** – This capital fund was created during FY 2014/15 to house general government related capital projects. This fund includes \$4 million of new expenditure authority in FY 2019/20 for the design and construction of a Fire Resource Skills Center. In addition, \$7 million of carry forward expenditure authority is included to complete the construction of Fire Station #4, as well as the Public Works Field Operations Facility. Transfers in from the Impact Fee Funds (for the growth share of the costs) as well as the General Fund and EMS fund (for the non-growth share) provide the funding for these expenses. More information can be found in the CIP section of the budget book for the five-year projection for this fund.

**Water and Wastewater Capital Infrastructure** – The two funds account for capital infrastructure improvements related to water and wastewater for both expanded needs related to growth as well as aging infrastructure replacement. FY 2019/20 includes a combined \$36.6 million in new expenditure authority related to capital improvements. Additionally \$63.9 million is included for projects currently under contract and previously approved project budgets that will be carried forward from FY 2018/19. The major funding sources for these improvements are capacity fees for the growth share of the improvements. The non-growth share of these capital costs is funded by the Water and Wastewater operating funds from user rates.

**Construction Sales Tax Fund** – This fund was created during FY 2014/15 to account for the 2.0% construction contracting sales tax charged in addition to the Town's regular sales tax rate of 2.25% for major construction activities. Use of this revenue is restricted to infrastructure improvements, including Transportation Development Reimbursement Agreements, as well as the growth share of the debt service for the 2006 Improvement District Bond for Ellsworth Loop Road Improvements and street improvements included in the 2016 Refunding of the 2007 Excise Tax Bond.



# Expenditures/Uses by Fund

Fund	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended	FY 2019/20 % of Total Budget
General Fund	\$ 21,825,783	\$22,074,631	\$ 25,641,883	\$27,051,480	6.0%
Wastewater/Sewer	12,294,101	34,007,059	36,952,576	43,200,256	9.5%
Solid Waste	2,338,071	2,948,531	3,109,331	3,371,202	0.7%
Water	29,957,727	50,601,673	146,649,118	192,856,520	42.6%
Drainage & Transportation	28,828,843	84,251,710	77,132,048	121,883,321	26.9%
General CIP	6,041,437	7,156,657	8,659,165	10,970,774	2.4
Construction Sales Tax	819,470	772,758	723,683	317,900	0.1%
Streets Program – HURF	5,303,489	5,484,051	5,778,261	5,651,257	1.2%
Streets & Roads - LTAF	32,828	-	-	-	-%
Town Center	468,745	939,200	904,773	874,900	0.2%
Street Light Districts	594,121	700,000	700,00	700,000	0.2%
Parks, Open Space Rec.	13,328,644	7,600,000	8,875,007	6,090,148	1.3%
Town Building & Vehicles	14,375	-	6,156	-	-%
Transportation Development	179,778	26,161	6,050	-	-%
Library Development	14,375	-	20,624	-	-%
Public Safety Development	35,627	-	65,823	-	-%
Emergency Services	14,888,657	17,877,120	18,211,736	20,209,170	4.5%
Fire Development	249,232	-	335,385	-	-%
Community Events	122,497	164,650	164,650	165,000	-%
Horseshoe Park	1,328,061	1,968,467	1,502,331	1,587,453	0.4%
Grants	-	2,000,000	2,000,000	2,000,000	0.4%
Special Assessment	1,764,736	1,765,910	1,909,498	1,735,235	0.4%
Debt Service	4,679,460	7,802,886	7,802,886	9,894,201	2.2%
Healthcare Self-Insurance	3,263,448	3,754,683	3,754,683	4,160,101	0.9%
<b>Actual/Adopted Expenditures</b>	<b>\$148,373,506</b>	<b>\$251,896,147</b>	<b>\$350,905,666</b>	<b>\$452,718,918</b>	<b>100%</b>
Inter-fund Transfers *	104,641,269	95,696,005	92,517,835	83,367,250	
<b>Total Uses</b>	<b>\$253,014,776</b>	<b>\$347,592,152</b>	<b>\$443,423,501</b>	<b>\$536,086,168</b>	

\* Inter-fund Transfers are used to cover debt service, operating expenditures and one time capital improvements in development fee funds, capital funds and public safety funds where revenues are projected to be less than budgeted obligations.



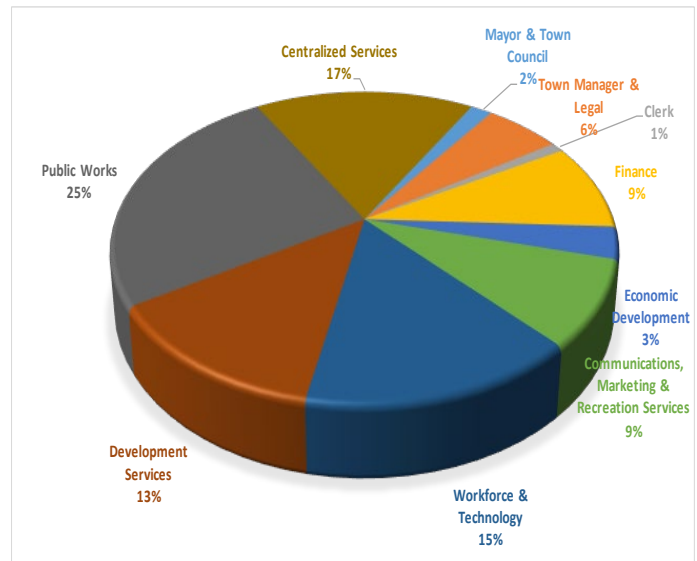
# Recommended General Fund Budget

General Fund adopted expenditures for FY 2017/18 were \$20.5 million, with year-end expenditures projected at \$21.6 million excluding inter-fund transfers. The FY 2018/19 General Fund is budgeted at \$22.1 million excluding inter-fund transfers. The increase of 3.7% between years is attributed to increased staffing for Parks and Grounds, as well as increases in employee compensation and healthcare benefits. The inter-fund transfers for public safety, debt service, capital improvement programs and various other approved programs amount to \$15.8 million for FY 2018/19, increasing approximately \$1.9 million from FY 2017/18 adopted, primarily related to the EMS program that is increasing in FY 2018/19 for the staffing and construction of a new fire station.

## Departments by Dollars

Department	Budget Amount
Mayor and Town Council	\$ 439,120
Town Manager & Legal Services	1,563,102
Town Clerk	268,922
Finance	2,442,147
Economic Development	902,931
Communications, Marketing & Recreation Services	2,419,059
Workforce & Technology	4,082,656
Development Services	3,534,044
Public Works	6,887,374
Centralized Services	4,512,125
<b>Adopted Expenditures</b>	<b>\$ 27,051,480</b>
Inter-fund Transfers	17,837,074
<b>Total Uses</b>	<b>\$ 37,214,078</b>

## Departments by Percentage



## Historical General Fund Expenditures and Inter-fund Transfers

	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Expenditures	\$19,626,539	\$24,163,809	\$21,825,783	\$25,593,344	\$27,051,480
Inter-fund Transfers	14,646,627	6,075,979	9,713,572	15,957,929	\$17,837,074
<b>Total</b>	<b>\$34,273,166</b>	<b>\$30,239,788</b>	<b>\$31,297,052</b>	<b>\$41,551,273</b>	<b>\$44,888,554</b>

## Historical General Fund Expenditures by Type

Expenditure Type	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Salaries & Fringes	\$10,279,127	\$10,678,240	\$11,487,317	\$13,518,274	14,083,706
Supplies & Services	5,839,864	5,939,818	7,123,377	7,998,904	9,257,594
Capital	271,675	265,459	394,345	1,244,944	1,686,000
Operating Projects	942,197	333,093	351,077	420,514	-
Debt Service	2,293,675	6,947,199	2,227,365	2,087,924	1,075,400
Reserves/Contingency	-	-	-	322,783	948,780
<b>Expenditure Total</b>	<b>\$19,626,539</b>	<b>\$24,163,809</b>	<b>\$21,825,783</b>	<b>\$25,593,344</b>	<b>\$27,051,480</b>
Inter-fund Transfers	14,646,627	6,075,979	9,713,572	15,957,929	17,837,074
<b>Total Uses</b>	<b>\$34,273,166</b>	<b>\$30,239,788</b>	<b>\$31,297,052</b>	<b>\$41,551,273</b>	<b>\$44,888,554</b>



# Three-Year Summaries by Fund Types

## General Fund

General Fund pays for the daily operations of Queen Creek government including the majority of staff salaries and benefits, and maintenance and operating expenditures related to Town services and programs.

Funding Sources	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Local Sales Tax	\$ 22,794,912	\$ 21,577,090	\$ 23,678,892	\$26,224,200
State Shared Revenues	7,842,506	8,570,400	8,570,400	10,001,000
Charges for Services	8,724,313	6,506,145	7,766,331	7,841,880
Interest Income	369,041	469,279	266,770	266,800
Franchise/License Fees	388,870	351,582	413,827	434,500
License & Permits	82,932	97,420	97,420	99,300
Miscellaneous	247,728	101,500	101,500	103,500
<b>Subtotal Revenues</b>	<b>\$40,450,301</b>	<b>\$37,673,416</b>	<b>\$40,895,140</b>	<b>\$44,971,180</b>
Inter-fund Transfers	22,413,351	4,812,461	-	-
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$62,863,651</b>	<b>\$42,485,877</b>	<b>\$40,895,140</b>	<b>\$44,971,180</b>

Expenditures/Uses	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
General Government	\$10,777,263	\$9,622,705	\$12,493,613	\$11,900,579
Public Works*	3,339,033	3,597,968	4,240,431	4,878,816
Development Services	4,143,841	3,863,837	3,918,209	4,836,158
Economic Development	812,816	828,889	843,378	902,931
Parks/Recreation Services	2,752,830	3,417,962	4,146,251	3,584,216
Contingency	-	743,270	-	948,780
<b>Adopted/Actual Expenditures</b>	<b>\$21,825,783</b>	<b>\$22,074,631</b>	<b>\$25,641,883</b>	<b>\$27,051,480</b>
Inter-fund Transfers	9,733,572	15,817,237	16,570,493	17,837,074
<b>Total Expenditures &amp; Other Uses</b>	<b>\$31,559,355</b>	<b>\$37,891,868</b>	<b>\$42,212,376</b>	<b>\$44,888,554</b>

<i>Beginning Fund Balance</i>	\$37,578,560	\$ 36,261,324
<i>Projected Ending Fund Balance</i>	\$ 36,261,324	\$ 36,343,950

*Use of Fund Balance* \$ -

\* Excludes Parks and Grounds Maintenance, which is reported under Parks/Recreation Services on this schedule.



# Three-Year Summaries by Fund Types

## Emergency Services

A 0.25% sales tax and a dedicated primary property tax (\$1.95/\$100 assessed value) help pay for fire and Maricopa County Sheriff's Office services in the community. Despite rising assessed values, property tax collections revenues are not able to keep pace with rising expenditures. The creation of a county island fire district has alleviated some of the shortfall in this fund.

Funding Sources	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Local Taxes	\$2,849,364	\$2,689,690	\$2,933,448	\$3,278,000
Property Taxes	6,234,137	6,962,716	6,962,716	8,343,197
Utility ROI Dedicated to Public Safety	-	2,468,100	2,468,100	2,835,055
Fire District Revenue	1,422,340	1,713,200	1,493,447	1,493,400
Charges for Services	284,983	215,000	215,000	231,500
PSPRS Premium Tax Credit	114,199	100,000	100,000	102,000
Grant	-	-	-	-
Miscellaneous	3,864	-	-	-
<b>Subtotal Revenues</b>	<b>\$10,918,887</b>	<b>\$14,148,706</b>	<b>\$14,172,711</b>	<b>\$16,283,152</b>
Inter-fund Transfers	5,681,907	5,123,144	5,710,708	5,006,018
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$16,600,794</b>	<b>\$19,271,850</b>	<b>\$19,883,419</b>	<b>\$21,289,170</b>

Expenditures/Uses	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Public Safety	\$ 6,214,856	\$ 7,687,215	\$ 7,687,215	\$ 8,293,582
Fire/EMS	8,673,801	9,908,465	10,295,211	11,582,068
Contingency	-	281,440	229,310	333,520
<b>Actual/Adopted Expenditures</b>	<b>\$14,888,657</b>	<b>\$17,877,120</b>	<b>\$18,211,736</b>	<b>\$20,209,170</b>
Inter-fund Transfers	2,355,282	1,406,120	1,406,730	1,080,000
<b>Total Expenditures &amp; Other Uses</b>	<b>\$17,243,939</b>	<b>\$19,283,850</b>	<b>\$19,618,466</b>	<b>\$21,289,170</b>

<i>Beginning Fund Balance</i>		\$ 326,906	\$ 591,859
<i>Projected Ending Fund Balance</i>		\$ 591,859	\$ 591,859

*Use of Fund Balance* \$ -



# Three-Year Summaries by Fund Types

## Special Revenue

The majority of funds captured within Special Revenues are Development Fee Funds. Also included in Special Revenue is HURF, Construction Sales Tax Fund, the Town Center Fund, Horseshoe Park and Equestrian Centre and the Town Street Light Improvement Districts (SLIDs) The Town currently has six development fee funds: Parks, Open Space and Recreation, Town Buildings and Vehicles, Transportation, Library, Public Safety, and Fire.

Funding Sources	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Local Taxes	\$7,155,110	\$4,775,960	\$5,730,450	\$5,894,730
State Shared Revenues	3,844,368	4,155,360	4,155,360	4,371,200
Charges for Services/User Fees	625,411	761,500	761,500	776,400
Interest Income	49,161	108,950	108,950	88,750
Contributions/Grants	214,849	-	-	-
Miscellaneous	300,610	3,001,950	3,001,950	2,370,840
Development Fees	8,400,874	6,002,310	7,502,889	6,209,330
Special Assessments	603,215	700,000	700,000	700,000
Bond/Loan Proceeds	19,185,800	1,070	1,070	1,100
<b>Subtotal Revenues</b>	<b>\$40,379,398</b>	<b>\$19,507,100</b>	<b>\$21,962,169</b>	<b>\$20,412,350</b>
Inter-fund Transfers	6,642,063	3,440,109	3,440,109	3,308,458
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$47,021,461</b>	<b>\$22,947,209</b>	<b>\$25,402,278</b>	<b>\$23,720,808</b>

Expenditures/Uses	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Public Safety	\$35,627	-	\$65,823	-
Fire Development Fee Fund	249,232	-	335,385	-
Public Works/Transportation	6,335,565	6,282,970	6,507,993	5,969,157
Parks/Recreation Services	14,793,577	9,733,117	10,562,612	7,842,601
Town Building/Vehicle Dev Fund	14,375	-	6,156	-
Municipal Town Center	445,880	939,200	904,773	874,900
Streetlight Improvement District	594,121	700,000	700,000	700,000
Grants	-	2,000,000	2,000,000	2,000,000
<b>Actual/Adopted Expenditures</b>	<b>\$ 22,468,377</b>	<b>\$19,655,287</b>	<b>\$21,082,742</b>	<b>\$17,386,658</b>
Inter-fund Transfers	32,116,088	15,040,212	11,696,350	18,504,064
<b>Total Expenditures &amp; Other Uses</b>	<b>\$54,584,465</b>	<b>\$ 34,695,499</b>	<b>\$32,779,092</b>	<b>\$35,890,722</b>
<b>Allowance for Unexpended</b>			(4,790,148)	
<i>Beginning Fund Balance</i>			\$ 18,543,593	\$ 15,956,927
<i>Projected Ending Fund Balance</i>			\$ 15,956,927	\$ 3,787,013

*Use of Fund Balance*     \$ 12,169,914



# Three-Year Summaries by Fund Types

## Debt Service and Capital

The funds reported here include Drainage and Transportation capital improvement projects as well as Public Safety and General Government capital improvement projects. Construction sales tax is reported under special revenue and is transferred in to the Drainage and Transportation Fund to fund eligible projects. Debt service on these types of projects is also included here.

Funding Sources	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Third Party/Govt Agency Reimbursements	\$ 3,509,627	\$ 4,227,000	\$ 4,277,000	\$ 11,683,333
Interest Income	-	-	-	-
Contributions/Grants	105,324	-	-	-
Special Assessments	1,856,055	1,702,407	1,702,407	1,735,235
Loan/Bond Proceeds	-	22,000,000	22,000,000	25,000,000
Other	613,438	-	-	65,000,000
<b>Subtotal Revenues</b>	<b>\$ 6,084,444</b>	<b>\$ 27,979,407</b>	<b>\$ 27,979,407</b>	<b>\$ 103,418,568</b>
Inter-fund Transfers	43,998,408	18,888,465	19,054,157	27,608,691
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$ 50,082,846</b>	<b>\$ 46,867,872</b>	<b>\$ 47,033,564</b>	<b>\$ 131,027,259</b>

Expenditures/Uses	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Drainage and Transportation	\$ 40,829,570	\$ 84,251,710	\$76,891,356	\$ 121,717,629
General Government	2,511,476	-	1,488,007	6,970,774
Public Safety	3,529,961	7,156,657	7,171,158	4,000,000
Debt Service	6,444,196	9,568,796	9,878,076	11,795,128
<b>Actual/Adopted Expenditures</b>	<b>\$ 40,829,570</b>	<b>\$ 68,100,310</b>	<b>\$95,428,597</b>	<b>\$ 144,483,531</b>
Inter-fund Transfers	-	-	-	-
<b>Total Expenditures &amp; Other Uses</b>	<b>\$ 34,077,827</b>	<b>\$ 68,100,310</b>	<b>\$95,428,597</b>	<b>\$ 144,483,531</b>
<b>Allowance for Unexpended</b>			( \$69,652,185)	
<i>Beginning Fund Balance</i>			\$ 54,738,789	\$ 75,995,941
<i>Projected Ending Fund Balance</i>			\$ 75,995,941	\$ -62,539,669

Use of Fund Balance \$13,456,272



# Three-Year Summaries by Fund Types

## Enterprise Funds

Enterprise Funds for the Town include Water, Sewer, and Solid Waste services. It is intended that all expenditures necessary, including capital and debt service costs, are captured in the fees related to the utility.

Funding Sources	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Interest Income	\$ 725,138	\$ 539,000	\$ 831,964	\$ 684,512
Miscellaneous	277,679	46,000	46,000	60,242
Development/Capacity Fees	9,490,956	8,039,200	9,447,344	4,986,259
Bonds/Loan Proceeds	-	-	69,930,000	100,000,000
User Fees	31,902,100	31,819,230	31,819,230	36,388,235
<b>Subtotal Revenues</b>	<b>\$ 42,395,873</b>	<b>\$ 41,586,040</b>	<b>\$112,074,538</b>	<b>\$142,118,888</b>
Inter-fund Transfers	17,137,856	65,431,826	64,900,425	47,444,083
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$ 59,533,729</b>	<b>\$103,875,256</b>	<b>\$176,974,963</b>	<b>\$189,562,971</b>

Expenditures/Uses	FY 2017/18 Actual	FY 2018/19 Adopted	FY 2018/19 Revised	FY 2019/20 Recommended
Sewer Operating*	\$5,707,965	\$ 7,403,816	7,414,217	\$ 4,536,139
Sewer Capital	6,586,136	16,381,143	24,105,741	18,238,245
Water Operating*	17,811,636	22,200,316	23,333,958	80,302,769
Water Capital	12,136,917	15,207,557	49,352,573	18,348,724
Solid Waste	2,338,071	2,948,531	3,103,331	3,371,202
Operating Contingency	-	373,900	74,100	699,747
CIP Carry Forward/Contingency		23,042,000	9,285,982	
<b>Actual/Adopted Expenditures</b>	<b>\$29,958,232</b>	<b>\$ 80,299,527</b>	<b>\$80,142,069</b>	<b>\$ 87,557,263</b>
Inter-fund Transfers	34,412,771	63,431,826	63,431,826	63,931,152
<b>Total Expenditures &amp; Other Uses</b>	<b>\$77,002,671</b>	<b>\$150,989,089</b>	<b>\$243,644,677</b>	<b>\$170,151,613</b>
<b>Allowance for Unexpended</b>			( \$63,931,152)	
<i>Beginning Fund Balance</i>			\$ 16,793,378	\$ 14,054,816
<i>Projected Ending Fund Balance</i>			\$ 14,054,816	\$ -33,466,174

Use of Fund Balance \$-

\* includes Debt Service





# Town Programs & Performance

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## Section Overview

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How to Use this Section

Glossary

Town Programs & Performance Overview

## Departments - Organizational Chart, Description, Mission, Objectives, Staffing, Budget, Performance & Analysis

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Mayor & Town Council

Town Manager & Legal Services

Town Clerk

Finance

Workforce & Technology

Communications, Marketing & Recreation Services

Economic Development

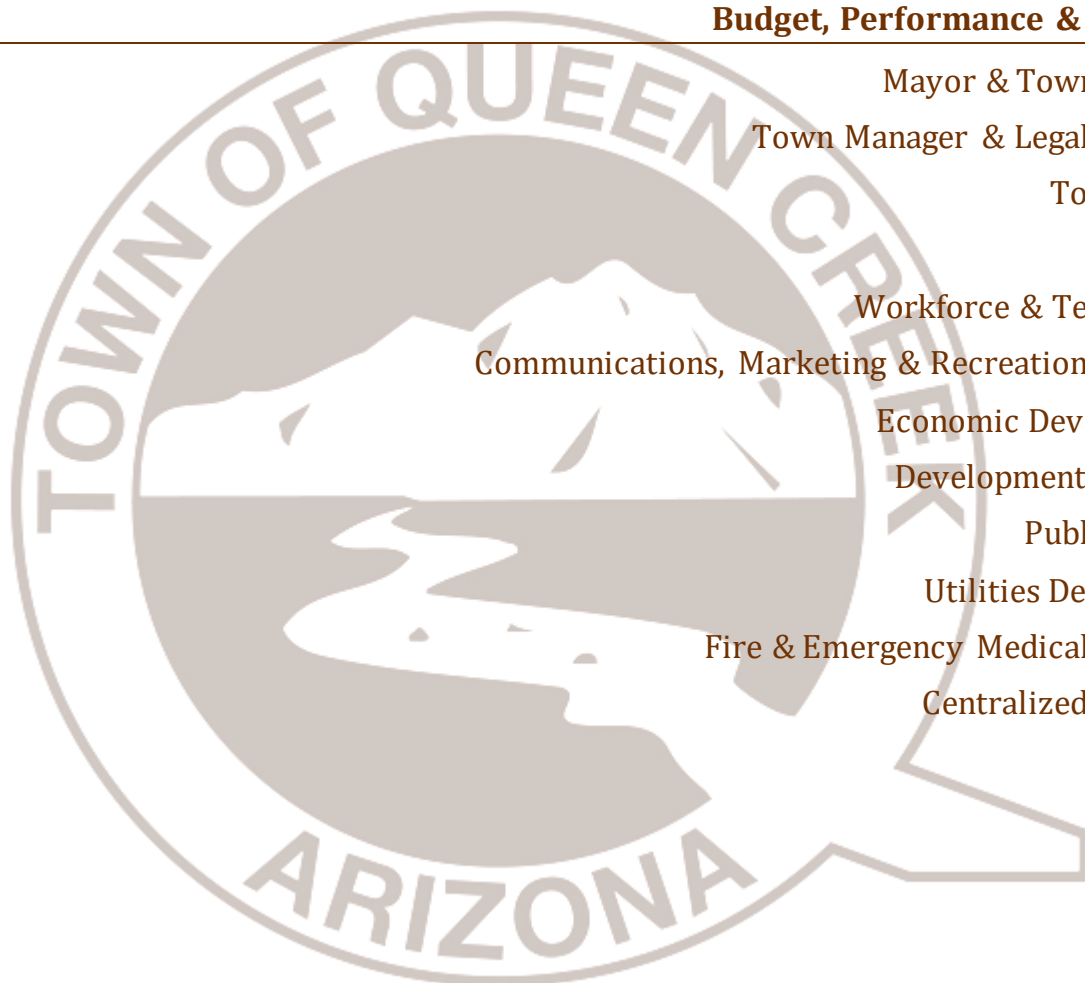
Development Services

Public Works

Utilities Department

Fire & Emergency Medical Services

Centralized Services





# How to Use This Section

## How to Use This Section

The following provides a breakdown of the information provided for each operating department in the Town.

Department Org Chart showing FTE

If no FTE is indicated for a position then it is budgeted elsewhere, but has functional reporting in this department; shared positions are noted

Describes services and divisions within department

Describes departmental purpose

FY 2018/19  
Adopted Budget

### Economic Development

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graph TD
    ATM[Assistant Town Manager] --> Director[Director 1.0 FTE]
    Director --> SAAS1[Sr. Admin Assistant 1.0 FTE]
    Director --> EDC[Economic Dev. Coordinator 1.0 FTE]
    Director --> EDRS[Economic Dev. Research Specialist 1.0 FTE]
    Director --> HPECGM[HPEC General Manager 1.0 FTE]
    HPECGM --> SAAS2[Sr. Admin Assistant 1.0 FTE]
    HPECGM --> M&OS[M&O Supervisor 1.0 FTE]
    M&OS --> M&OSpec[M&O Specialist 4.0 FTE]
    
```

Position partially funded from Economic Development:  
Real Estate & Right of Way Coordinator  
0.1 FTE  
Reports to Public Works

Shared with Communications & Marketing

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#### Department Description and Programs

The Economic Development Department consists of two divisions: Economic Development and Horseshoe Park and Equestrian Centre (HPEC). The Economic Development Division is responsible for business attraction, retention and expansion, as well as the promotion of opportunities available for private investment in the community.

The HPEC division is responsible for the management of HPEC, including event planning and coordination, promoter relations and facility maintenance.

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#### Department Mission

The goal of the Economic Development Department is to provide for the long-term economic sustainability of community through a comprehensive and coordinated program of economic development, which includes business attraction, retention and expansion; event development and tourism activities.

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Town of Queen Creek, Arizona



# How to Use This Section

Indicates link to Corporate Strategic Plan Strategic Priorities

Indicates specifically what the department aims to achieve this fiscal year

Summarizes the full-time equivalents by division within the department and provides details regarding the FTE changes.


FY 2018/19  
Adopted Budget

## Economic Development


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**Strategic Priorities**

**Secure Future**



**Quality Lifestyle**



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**FY 2018/19 Objectives**

- Implement strategies outlined in the Economic Development Strategic Plan focusing on business development, entrepreneurship, agritainment/destination tourism, economic foundations and enhanced marketing and promotion.
- Enhance opportunities for business success and the Town as a premier investment choice within the region. Proactively market the Town as the place for new business investment and job creation; actively market existing businesses to residents.
- Implement the key action items identified in the updated adopted Town Center Plan. Generate more economic synergy within the Town Center, and enhance the sense of place by attracting additional investment

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**Staffing by Division**

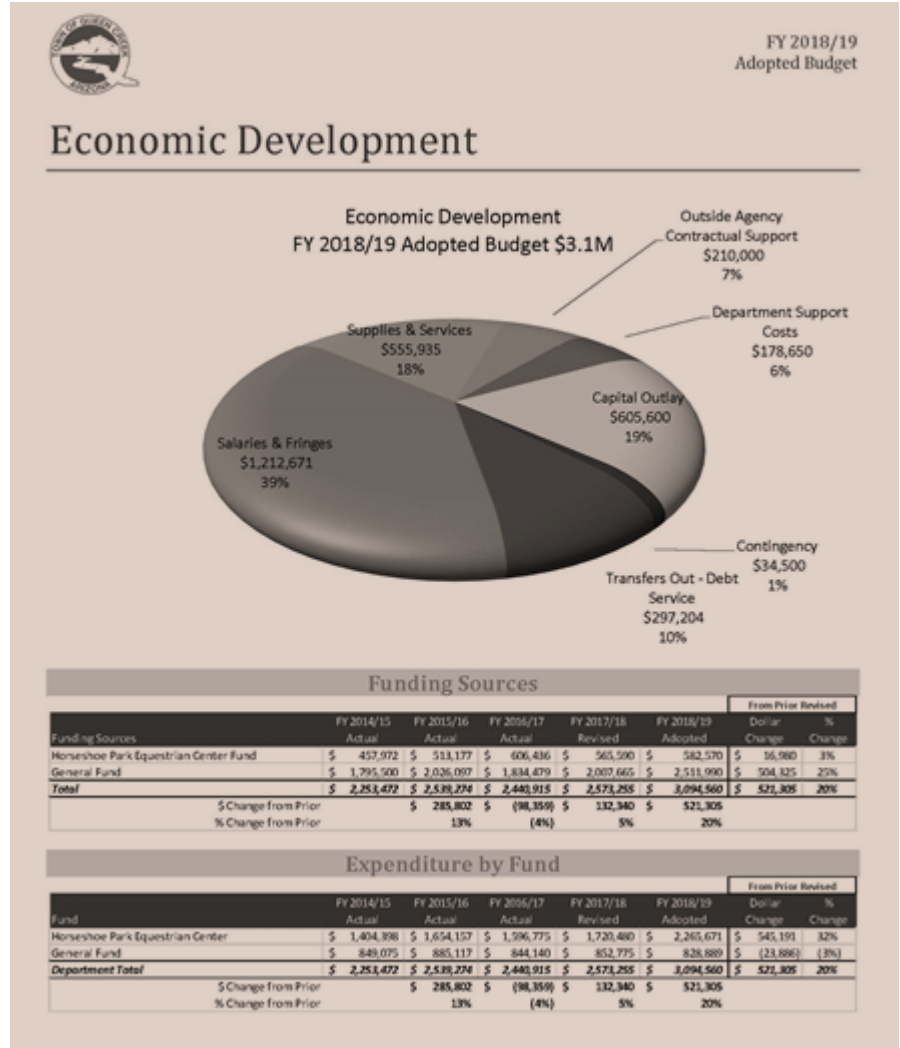
Division	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
	Actual	Actual	Actual	Revised	Adopted
Economic Development	6.00	5.00	5.00	4.00	4.00
Horseshoe Park Equestrian Centre	7.00	7.00	7.00	7.00	7.00
<b>Department FTE</b>	<b>13.00</b>	<b>12.00</b>	<b>12.00</b>	<b>11.00</b>	<b>11.00</b>

**FTE Changes**  
Staffing levels for FY 2018/19 are unchanged. Prior year changes are the result of a reorganization with one staff member moving to the Finance Department in FY 2016/17 and one staff member moving to Public Works in FY 2015/16.



# How to Use This Section

Provides graphical breakdown of department expenditure by type



Highlights funding source for departments that span multiple funds



# How to Use This Section

Provides detail by expenditure type for the department – Refer to the Glossary in this section for a description of the expenditure types

Provides totals by division within the department

**Economic Development**

**Expenditure by Type**

Expenditure Category	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,142,885	\$ 1,147,184	\$ 1,172,779	\$ 1,173,769	\$ 1,212,671	\$ 38,882	3%
Supplies & Services	\$ 425,888	\$ 527,238	\$ 520,672	\$ 608,925	\$ 555,935	\$ (52,990)	(9%)
Outside Agency Contractual Support	\$ 205,750	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	0%
Department Support Costs	\$ 135,008	\$ 167,248	\$ 174,273	\$ 173,564	\$ 178,650	\$ 5,086	3%
Capital Outlay	\$ 5,151	\$ 146,854	\$ 152,289	\$ 106,500	\$ 605,600	\$ 499,100	469%
Contingency	\$ -	\$ -	\$ -	\$ -	\$ 34,500	\$ 34,500	N/A
<b>Subtotal Expenses</b>	<b>\$ 1,914,678</b>	<b>\$ 2,198,524</b>	<b>\$ 2,229,963</b>	<b>\$ 2,272,778</b>	<b>\$ 2,797,856</b>	<b>\$ 524,578</b>	<b>23%</b>
Transfers Out - Debt Service	\$ 338,794	\$ 340,750	\$ 210,952	\$ 300,477	\$ 207,204	\$ (3,273)	(1%)
<b>Department Total</b>	<b>\$ 2,253,472</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,573,255</b>	<b>\$ 3,004,560</b>	<b>\$ 521,305</b>	<b>20%</b>
\$ Change from Prior		\$ 285,802	\$ (98,359)	\$ 132,940	\$ 521,305		
% Change from Prior		13%	(4%)	5%	20%		

**Expenditure by Division**

Division	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Adopted	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 849,075	\$ 885,117	\$ 844,140	\$ 852,775	\$ 828,889	\$ (23,886)	(3%)
Horseshoe Park Equestrian Center	\$ 1,404,398	\$ 1,654,157	\$ 1,596,775	\$ 1,720,480	\$ 2,265,671	\$ 545,191	32%
<b>Department Total</b>	<b>\$ 2,253,472</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,573,255</b>	<b>\$ 3,004,560</b>	<b>\$ 521,305</b>	<b>20%</b>
\$ Change from Prior		\$ 285,802	\$ (98,359)	\$ 132,940	\$ 521,305		
% Change from Prior		13%	(4%)	5%	20%		

Provides detail by expenditure type for each division within the department

Describes significant changes to the budget since last fiscal year

**Economic Development**

**Operating Expenditures - Economic Development**

Division by Category	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Revised	FY 2018/19 Adopted	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 585,787	\$ 552,047	\$ 539,553	\$ 510,210	\$ 536,324	\$ 26,114	5%
Supplies & Services	\$ 57,538	\$ 123,070	\$ 94,588	\$ 132,565	\$ 82,565	\$ (50,000)	(38%)
Outside Agency Contractual Support	\$ 205,750	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	0%
<b>Division Total</b>	<b>\$ 849,075</b>	<b>\$ 885,117</b>	<b>\$ 844,140</b>	<b>\$ 852,775</b>	<b>\$ 828,889</b>	<b>\$ (23,886)</b>	<b>(3%)</b>
\$ Change from Prior		\$ 36,042	\$ (40,976)	\$ 8,635	\$ (23,886)		
% Change from Prior		4%	(5%)	1%	(3%)		

**Budget Notes and Changes**

**Salaries and Fringes:**  
Personnel budgets include an allowance for a market increase of 2.5% (tied to the Employment Cost Index), as well as up to a 3% merit increase based on employee performance. Medical premiums increased 4% and annual pension rates increased 2.6% from 11.5% to 11.8%. Staff reclassifications are driving the remaining increase in this category.


**Supplies & Services:**  
The Economic Development supplies and service budget for FY 2018/19 reflects a decrease of \$50K (-15%) as the Festival Partnership Program (FPP) was discontinued. No other significant changes within the Economic Development budget are identified.

**Outside Agency Contractual Support:**  
This category reflects the amount of support the Town of Queen Creek provides the Queen Creek Performing Arts Center (\$135K), and the Queen Creek Chamber of Commerce (\$75K). This budget reflects no change from FY 2017/18.



# How to Use This Section

Provides performance metrics detail for the division and the linkage to Key Result Areas of the Corporate Strategic Plan



FY 2018/19  
Adopted Budget

## Economic Development

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### Program Performance - Economic Development

Key Result Area	Program Performance	Actual FY 2016/17	Target FY 2017/18	Projected 2017/18	Target FY 2018/19
Community Involvement	Number of staff-assisted locates, staff-assisted business expansion and staff-assisted business retention special projects <sup>1</sup>	32	45	37	40
Image & Identity	Average weekly users of Gangplank Program <sup>2</sup>	12	13	12	15
Land Use & Economic Development	Percent increase in sales tax revenue <sup>3</sup>	17%	6%	12%	12%

**Analysis of Performance**

- This includes the number of total prospects, including GPEC RFIs, staff assisted business expansion and retention projects.
- Number of average weekly users of Gangplank Program. These numbers do not include weekly Hacknight attendance or any other special programs that Gangplank hosts outside the hours of 8am-5pm, Mon-Fri.
- Sales tax revenue is highly dependent on the larger Arizona economy. The target and actual are based on year over year increases in sales tax collections within the following Economic Development categories:
  - Retail Trade
  - Wholesale Trade
  - Restaurants & Bars
  - Manufacturing
  - Hotels & Other Lodging/Accommodations
  - Services
  - Arts & Entertainment



# Town Programs & Performance - Overview

## Measuring Performance

The Town of Queen Creek strives to provide quality services to our residents. Knowing what services are expected and at what level is important in determining program deliverables. The performance scorecards that are included in the following section are metrics established as a means to evaluate program performance and outcomes. Each department has developed performance measures that are monitored as part of the performance-based budget process.

Once departments collect data and establish appropriate outcomes and benchmarks, an analysis of performance is conducted and reported upon. Analysis of performance is an important step in identifying necessary policy and procedural changes. For this reason, each department provides a narrative of its performance, and where applicable, next steps.

The Town conducts periodic citizen surveys that provide feedback from residents on services provided by the Town. The survey allows Town Council and management to establish goals by identifying citizen preferences and satisfaction with current programs and services. The Town last conducted such a survey in Fall 2017. Results from that survey can be found in many departments performance measures reported here. The entire document, as well as prior citizen surveys, can be located on the website <http://www.queencreek.org/about-us/community-profile/citizen-survey>. Next survey is scheduled for Fall 2019.

## Key Result Areas of the Corporate Strategic Plan

Ultimately, each program’s performance is tied to the Corporate Strategic Plan (CSP) through Key Result Area (KRA) Mission Statements. Within the scorecards presented in this section is a direct link to individual KRAs for each strategic priority. In some instances, multiple KRAs are identified. For full information on the CSP, KRAs and goals, please see the Organizational Planning section of this book.

### Effective Government:

- KRA : Town Council Professional Development
- KRA : Financial Stability
- KRA : Intergovernmental Relations

### Safe Community:

- KRA : Public Safety
- KRA : Community Involvement

### Secure Future

- KRA : Environment
- KRA : Land Use & Economic Development

### Superior Infrastructure

- KRA : Capital Improvement Program (CIP) And Transportation Improvement Program
- KRA : Technology

### Quality Lifestyle

- KRA : Image & Identity

The complete Corporate Strategic Plan can be accessed at <http://www.queencreek.org/town-hall/town-council/vision-mission-values-strategic-plan> (Queen Creek Corporate Strategic Plan 2018-2023).



# Expenditure Glossary

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## **Salaries & Fringes:**

- All pay for employees (includes over-time, call-out, and stand-by pay)
- All benefits and deductions paid by the Town on behalf of employees
  - FICA, Medicare, Workers Compensation
  - Retirement
    - Arizona State Retirement System
    - Public Safety Retirement System
  - Premiums for health, dental, vision, life ins, disability
  - Stipends (cell phone, mileage)

## **Supplies & Services:**

- Contractual Services
  - Professional services (engineering, legal)
  - Any inter-governmental agreements (IGA's, MCSO)
  - General services (uniform cleaning, bee removal, custodial)
- Fees & Services
  - All dues and memberships for the Town and employees
  - Equipment leases (computers, copiers)
  - Advertising costs
  - Bank fees
  - Liability insurance
- Materials
  - Supplies (office, shop, safety, landscape, printing)
  - Medical supplies
  - Firefighter equipment (protective clothing, allied equipment, hazardous material response)
  - Subscriptions for Town and employees
  - Gasoline
  - Uniforms
  - Postage

- Other: Things that do not fall any place else
  - Not for profit funding
  - Special interest classes
- Repair & Maintenance (R&M)
  - All maintenance and repairs to Town facilities and equipment
    - Grounds (sprinkler, playground equipment)
    - Streets
    - Vehicles
    - Information Technology (printers, copiers, software)
- Professional Development
  - All training and associated travel for employees
- Utilities
  - All utility cost for Town: Electrical, Water, Natural Gas, Waste Disposal, Telephones, Cell Phones, iPad service

## **Departmental Support:**

- Costs of services received from the General Fund by other funds (Emergency Services, Water, Sewer, Solid Waste, Horseshoe Park)

## **Debt Service:**

- Financed equipment and infrastructure

## **Capital Outlay:**

- Equipment and assets that require asset tracking





# Mayor and Town Council

## Department Description and Programs

The Town Council serves as the elected legislative leadership of the community. It bears the ultimate responsibility for competent, responsive, efficient and fiscally sound local government. The Town Council appoints the Town Manager who serves as the chief administrative officer. The Town Council also appoints the Town Attorney (contracted position), the Town Clerk, and the Town Magistrate (contracted with the Town of Gilbert). The Town Manager oversees and directs the work of the entire staff. The Town Council adopts ordinances and resolutions governing operations and establishes goals to be carried out by the municipal staff under the direction of the Town Manager. This department is solely funded by the General Fund.

## Department Mission

It is the mission of the Town of Queen Creek to provide a framework for a high quality of life, promote a strong sense of community and provide responsive public service in a caring, ethical, innovative and accountable manner.

## Strategic Priorities

Effective Government



Secure Future



Safe Community



Superior Infrastructure



Quality Lifestyle



## FY 2019/20 Objectives

The Town Council's strategic priorities and key result areas are found in the Corporate Strategic Plan. These high-level priorities are the FY 2019/20 objectives of the Town Council and are as follows:

### EFFECTIVE GOVERNMENT

- Financial Stability
- Intergovernmental Relations
- Council Professional Development

### SAFE COMMUNITY

- Public Safety
- Community Involvement

### SECURE FUTURE

- Environment
- Land Use/Economic Development

### SUPERIOR INFRASTRUCTURE

- Capital Improvement Program (CIP)
- Technology

### QUALITY LIFESTYLE

- Image/Identity

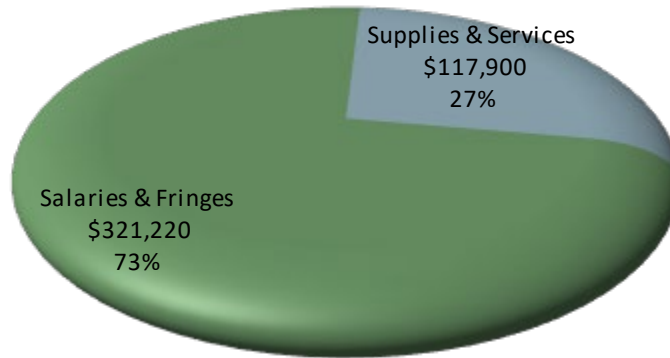
## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Town Council	7.0	7.0	7.0	7.0	7.0
<b>Total Staffing</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>



# Mayor and Town Council

## Town Council FY 2019/20 Recommended Budget \$0.4M



### Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund	\$ 357,430	\$ 381,032	\$ 374,715	\$ 431,085	\$ 439,120	\$ 8,035	2%
<b>Total</b>	<b>\$ 357,430</b>	<b>\$ 381,032</b>	<b>\$ 374,715</b>	<b>\$ 431,085</b>	<b>\$ 439,120</b>	<b>\$ 8,035</b>	<b>2%</b>
\$ Change from Prior		\$ 23,602	\$ (6,316)	\$ 56,370	\$ 8,035		
% Change from Prior		7%	(2%)	15%	2%		

### Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 291,321	\$ 296,381	\$ 304,548	\$ 313,185	\$ 321,220	\$ 8,035	3%
Supplies & Services	\$ 66,109	\$ 84,650	\$ 70,167	\$ 117,900	\$ 117,900	\$ -	0%
<b>Department Total</b>	<b>\$ 357,430</b>	<b>\$ 381,032</b>	<b>\$ 374,715</b>	<b>\$ 431,085</b>	<b>\$ 439,120</b>	<b>\$ 8,035</b>	<b>2%</b>
\$ Change from Prior		\$ 23,602	\$ (6,316)	\$ 56,370	\$ 8,035		
% Change from Prior		7%	-2%	15%	2%		

### Budget Notes and Changes

#### Salaries and Fringes:

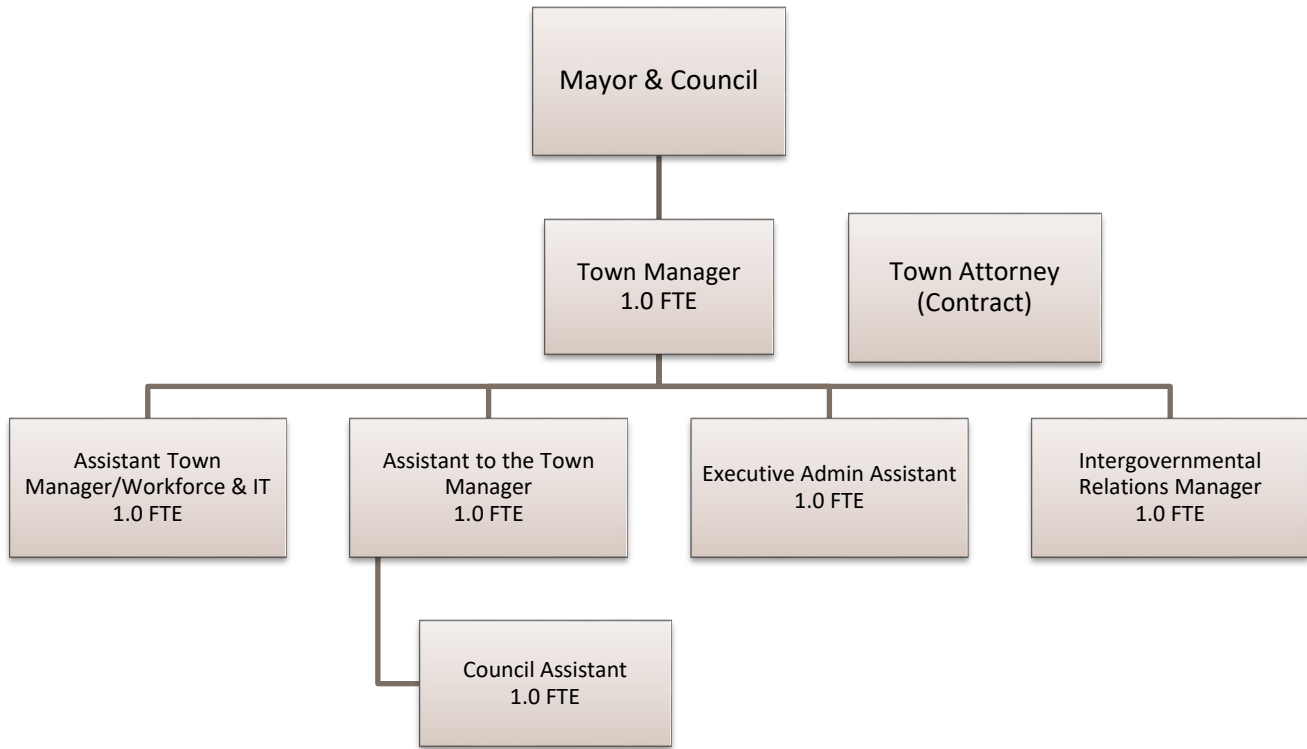
The Mayor and Town Council Personnel budgets include an allowance for a market increase of 2.6% which equals the Employee Cost Index, per Town Council Resolution. Medical Premiums increased 4.2%.

#### Supplies & Services:

There are no changes to the Mayor and Town Council budget in FY 2019/20.



# Town Manager & Legal Services



## Department Description and Programs

The Town Manager is the chief administrative officer of the Town and is responsible for implementation of all policies and procedures adopted by the Town Council, daily management of local government operations and service delivery to citizens. The Town Manager provides direction to departments and oversees all Town employees. Intergovernmental relations are also under the Town Manager’s purview. The Town Manager and Intergovernmental Relations Manager maintain relationships with state, local, and tribal entities to serve the best interests of the community and encourage beneficial public-private partnerships.

Legal services for the municipality are contracted with the law firm Dickinson Wright. The professional services contract is approved by, and the lead Town Attorney serves at the pleasure of, the Town Council. The Town Attorney works closely with the Town Manager to advise the Town Council and all departments.

All programs in these areas are funded by the General Fund, with support from enterprise funds via interdepartmental cross charges.

## Department Mission

The Town Manager strives to ensure residents and employees are treated with equality and respect, communication with residents is part of the decision-making process, and the Town’s resources are dedicated to effective and efficient implementation of the Town Council’s policies, goals, and objectives.



# Town Manager & Legal Services

## Strategic Priorities

Effective Government



Secure Future



Safe Community



Superior Infrastructure



Quality Lifestyle



## FY 2019/20 Objectives

- Cultivate relationships with the state, counties, local, regional, and statewide partners to: encourage other levels of government to work collaboratively with the Town on issues of mutual interest; protect local funding and self-determination; enhance opportunities to improve the Town’s economic sustainability; and secure existing revenue to provide for public safety and needed infrastructure development
- Sustain collaboration with the community’s schools on issues that are of benefit to the Town as a whole
- Work to ensure that Queen Creek has a voice in regional organizations, and enhance where appropriate Queen Creek’s leadership opportunities in groups such as, but not limited to, Maricopa Association of Governments, Central Arizona Governments, East Valley Partnership, League of Cities and Towns, and other regional or national organizations

## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Town Manager	5.0	6.0	6.0	6.0	6.0
<b>Department FTE</b>	<b>5.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>

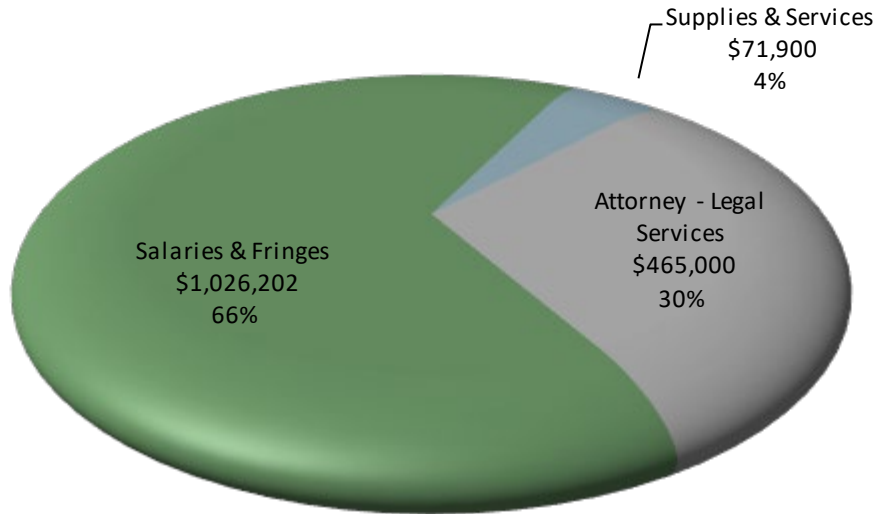
## FTE Changes

No staffing changes are included for FY 2019/20.



# Town Manager & Legal Services

Town Manager & Legal  
FY 2019/20 Recommended Budget \$1.6M



## Funding Source

Funding	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Dept Support Cost Recovery	\$ 199,117	\$ 208,730	\$ 214,992	\$ 221,440	\$ 228,084	\$ 6,644	3%
General Fund	\$ 1,087,547	\$ 1,149,190	\$ 1,375,761	\$ 1,342,389	\$ 1,335,018	\$ (7,371)	(1%)
<b>Total</b>	<b>\$ 1,286,664</b>	<b>\$ 1,357,920</b>	<b>\$ 1,590,753</b>	<b>\$ 1,563,829</b>	<b>\$ 1,563,102</b>	<b>\$ (727)</b>	<b>(0%)</b>
	\$ Change from Prior	\$ 71,256	\$ 232,832	\$ (26,924)	\$ (727)		
	% Change from Prior	6%	17%	(2%)	(0%)		

## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 825,124	\$ 911,617	\$ 1,003,867	\$ 1,028,129	\$ 1,026,202	\$ (1,927)	(0%)
Supplies & Services	\$ 67,691	\$ 44,272	\$ 65,943	\$ 70,700	\$ 71,900	\$ 1,200	2%
Attorney - Legal Services	\$ 393,850	\$ 402,032	\$ 520,943	\$ 465,000	\$ 465,000	\$ -	0%
<b>Department Total</b>	<b>\$ 1,286,664</b>	<b>\$ 1,357,920</b>	<b>\$ 1,590,753</b>	<b>\$ 1,563,829</b>	<b>\$ 1,563,102</b>	<b>\$ (727)</b>	<b>(0%)</b>
	\$ Change from Prior	\$ 71,256	\$ 232,832	\$ (26,924)	\$ (727)		
	% Change from Prior	6%	17%	(2%)	(0%)		



# Town Manager & Legal Services

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

The FY 2019/20 budget increased by \$1.2K to purchase legislative tracking software licensing for the Intergovernmental Relations Manager.

## Program Performance – Town Manager

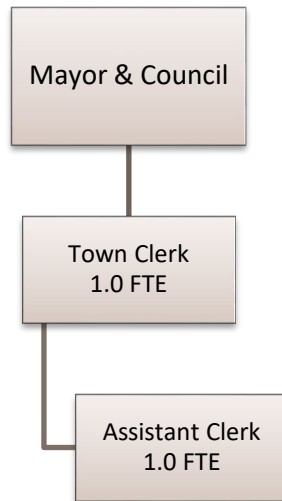
Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement Image & Identity Land Use & Economic Development Public Safety	Percent of overall citizen satisfaction with Town-wide service on the biennial citizen survey <sup>1</sup>	95%	N/A	N/A	95%
	Percent of citizens rating the Town as an excellent/good place to live on the biennial citizen survey <sup>1</sup>	98%	N/A	N/A	95%
	Percent of citizens rating the Town as having an excellent/good overall quality of life in the biennial citizen survey <sup>1</sup>	97%	N/A	N/A	95%
Financial Management, Internal Services & Sustainability	Population served per FTE	189	170 <sup>2</sup>	174 <sup>2</sup>	176
	Unassigned General Fund balance as a percentage of the next fiscal year budgeted General Fund revenues <sup>3</sup>	25%	25%	25%	25%

## Analysis of Performance

1. The Town conducts a biennial citizen survey every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).
2. This measure includes population from the April 2018 Ironwood Crossing annexation (approximately 5,600 residents).
3. Town policy sets the unassigned General Fund balance at 25% of budgeted revenues for the following fiscal year. The Town also adopted a pension reserve policy in June 2018 whereby any fund balance in excess of the 25% reserve amount is then committed toward unfunded pension liabilities.



# Town Clerk



## Department Description and Programs

The Town Clerk is responsible for administering local elections, recording and storing minutes of official meetings, and maintaining municipal ordinances and resolutions. The Town Clerk’s Office issues municipal business licenses, manages public records requests and answers public inquiries. The Town Clerk reports directly to the Town Council.

## Department Mission

It is the Town Clerk’s mission to provide the community open access to local government processes and provide services to Town officials, employees and residents.

## Strategic Priorities

Effective Government



## FY 2019/20 Objectives

- Enhance availability of information on the Town’s website related to ordinances, codes, and business licensing
- Develop on-line payment options for business licenses

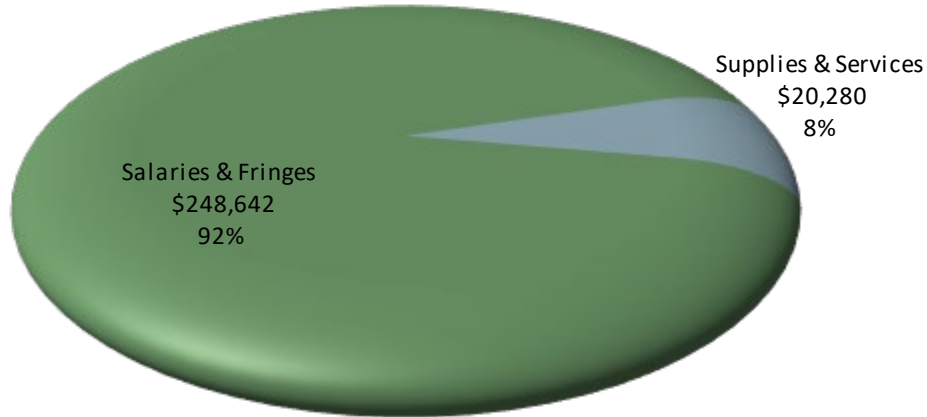
## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Town Clerk	2.0	2.0	2.0	2.0	2.0
<b>Department FTE</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>



# Town Clerk

## Town Clerk FY 2019/20 Adopted Budget \$0.3M



### Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Direct Revenues	\$ 118,041	\$ 117,703	\$ 114,500	\$ 129,941	\$ 132,798	\$ 2,857	2%
General Fund	\$ 106,388	\$ 140,844	\$ 196,292	\$ 154,354	\$ 136,124	\$ (18,230)	(12%)
<b>Total</b>	<b>\$ 224,429</b>	<b>\$ 258,547</b>	<b>\$ 310,792</b>	<b>\$ 284,295</b>	<b>\$ 268,922</b>	<b>\$ (15,373)</b>	<b>(5%)</b>
		\$ 34,118	\$ 52,245	\$ (26,497)	\$ (15,373)		
		15%	20%	(9%)	(5%)		

### Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 212,189	\$ 225,233	\$ 232,248	\$ 242,015	\$ 248,642	\$ 6,627	3%
Supplies & Services	\$ 12,240	\$ 33,314	\$ 78,544	\$ 42,280	\$ 20,280	\$ (22,000)	(52%)
<b>Department Total</b>	<b>\$ 224,429</b>	<b>\$ 258,547</b>	<b>\$ 310,792</b>	<b>\$ 284,295</b>	<b>\$ 268,922</b>	<b>\$ (15,373)</b>	<b>(5%)</b>
		\$ 34,118	\$ 52,245	\$ (26,497)	\$ (15,373)		
		15%	20%	(9%)	(5%)		





# Town Clerk

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

The FY 2019/20 budget decreased by \$22K to reflect the absence of a planned election for this fiscal year. The next general election is scheduled for August 2020 (FY 2020/21).

## Program Performance – Town Clerk

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement	Percent of public record requests responded to within 24 hours of filing	69%	80%	75%	80%
	Percent of registered voters participating in elections	19%	55%	32% <sup>1</sup>	N/A <sup>2</sup>
	Percent of agendas or notices posted in compliance with state law and/or Town policy	100%	100%	100%	100%

## Analysis of Performance

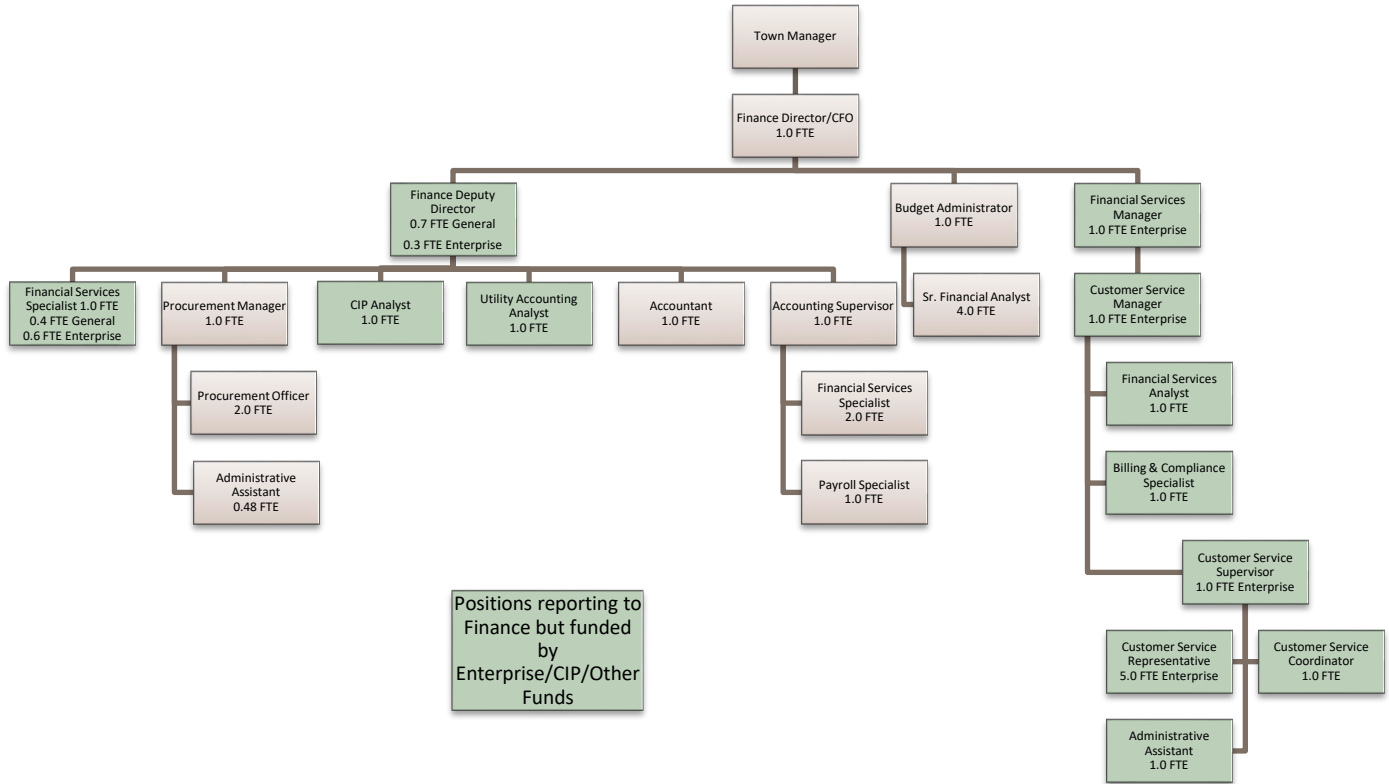
1. Voter turnout for the general election was lower than anticipated in FY 2018/19.
2. There is no election scheduled for FY 2019/20.



FY 2019/20  
Budget



# Finance



## Department Description and Programs

The Finance Department includes three divisions: Finance (includes Procurement), Budget, and Utility Customer Service. The Budget and Accounting Divisions are core support units for the Town. The Budget Division prepares, presents and monitors the Town’s annual budget and Capital Improvement Program. It researches and prepares long-range revenue forecasts, and it assists in developing and monitoring organizational performance measures. The Accounting Division conducts all accounting, purchasing, payroll and asset tracking functions of the Town. There is support received from enterprise funds via interdepartmental cross charges for the accounting and budget functions. The Utility Customer Service division reports to Finance but is 100% funded from Utilities.

## Department Mission

It is the mission of the Finance Department to support the Town Council, Town Manager, and Town department goals and programs by:

- Ensuring the effective and efficient allocation of Town resources
- Safeguarding public funds
- Conducting the Town’s budgetary and financial affairs in a transparent manner in conformance with all applicable laws
- Providing timely, accurate, and friendly service to internal and external customers



# Finance

## Strategic Priorities

Effective Government



Secure Future



Safe Community



## FY 2019/20 Objectives

- Continue to evaluate opportunities for managing the Town’s cost and revenue structure ensuring that cost recovery is maintained wherever feasible
- Complete Finance Impact Fee studies
- Finalize work on Water and Wastewater rates and capacity fee studies

## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Finance	9.98 <sup>1</sup>	9.98 <sup>2</sup>	12.18 <sup>3</sup>	13.48 <sup>4</sup>	13.48 <sup>4</sup>
Budget	2.00	2.00	4.00	5.00	5.00
Utility Customer Service	5.00*	6.00*	6.00*	12.00*	12.00*
<b>Department FTE</b>	<b>16.98</b>	<b>17.98</b>	<b>22.18</b>	<b>30.48</b>	<b>30.48</b>

<sup>1</sup>2.00 FTE allocated to Enterprise/CIP Funds

<sup>2</sup>1.50 FTE allocated to Enterprise/CIP Funds

<sup>3</sup>1.70 FTE allocated to Enterprise/CIP Funds

<sup>4</sup>3.00 FTE allocated to Enterprise/CIP Funds

\*Fully funded by Enterprise while reporting to Finance

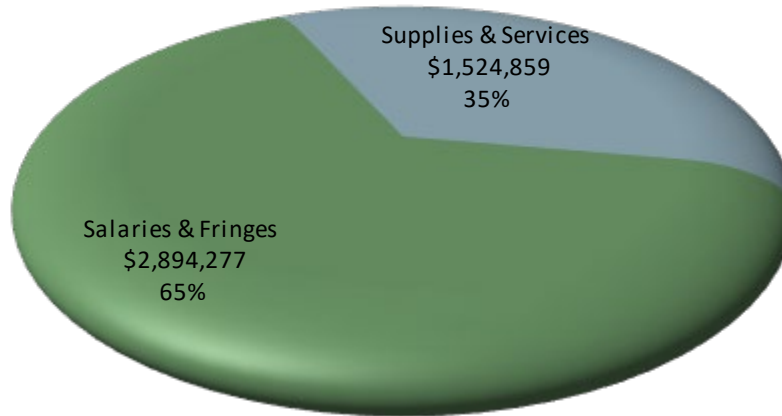
## FTE Changes

There were no changes in positions between the FY 2018/19 Revised Budget and the FY 2019/20 Recommended Budget. In prior years, beginning with FY 2018/19 there were 8.3 positions added which included a CIP Analyst, a Senior Budget Analyst, 0.3 FTE in part-time hours, and the remainder were Utility Customer Service positions both added and reclassified from Enterprise Funds, related to the Raftelis study recommendations on water operations. In FY 2017/18 there were additional positions added to Finance and Budget including two Senior Budget Analysts, a Procurement Manager, a Financial Services Specialist, and additional part time hours for a Financial Services Specialist. The Town has faced ongoing growth affecting financial operations including volume and complexity of transactions and operations.



# Finance

## Finance FY 2019/20 Recommended Budget \$4.4M



### Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Dept Support Cost Recovery Revenue	\$ 180,036	\$ 291,680	\$ 300,431	\$ 309,453	\$ 318,738	\$ 9,285	3%
General Fund	\$ 1,237,061	\$ 1,217,070	\$ 1,588,794	\$ 2,016,029	\$ 2,123,409	\$ 107,380	5%
Water Fund	\$ -	\$ -	\$ 1,156,759	\$ 1,860,892	\$ 1,976,989	\$ 116,097	6%
<b>Total</b>	<b>\$ 1,417,097</b>	<b>\$ 1,508,750</b>	<b>\$ 3,045,984</b>	<b>\$ 4,186,374</b>	<b>\$ 4,419,136</b>	<b>\$ 232,762</b>	<b>6%</b>
	\$ Change from Prior		\$ 91,653	\$ 1,537,234	\$ 1,140,390	\$ 232,762	
	% Change from Prior		6%	102%	37%	6%	

### Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 924,359	\$ 1,137,929	\$ 1,938,485	\$ 2,904,103	\$ 2,894,277	\$ (9,826)	(0%)
Census Workers	\$ 250,723	\$ (1,569)	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 242,015	\$ 372,390	\$ 1,107,499	\$ 1,364,271	\$ 1,524,859	\$ 160,588	12%
<b>Department Total</b>	<b>\$ 1,417,097</b>	<b>\$ 1,508,750</b>	<b>\$ 3,045,984</b>	<b>\$ 4,268,374</b>	<b>\$ 4,419,136</b>	<b>\$ 150,762</b>	<b>4%</b>
	\$ Change from Prior		\$ 91,653	\$ 1,537,234	\$ 1,222,390	\$ 150,762	
	% Change from Prior		6%	102%	40%	4%	



# Finance

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Finance	\$ 1,150,579	\$ 1,253,144	\$ 1,407,276	\$ 1,669,838	\$ 1,762,590	\$ 92,752	6%
Budget	\$ 228,537	\$ 257,175	\$ 481,949	\$ 655,644	\$ 679,557	\$ 23,913	4%
Census	\$ 250,723	\$ (1,569)	\$ -	\$ -	\$ -	\$ -	N/A
Water Customer Service	\$ -	\$ -	\$ 1,156,759	\$ 1,942,892	\$ 1,976,989	\$ 34,097	2%
<b>Department Total</b>	<b>\$ 1,629,840</b>	<b>\$ 1,508,750</b>	<b>\$ 3,045,984</b>	<b>\$ 4,268,374</b>	<b>\$ 4,419,136</b>	<b>\$ 150,762</b>	<b>4%</b>
		\$ Change from Prior	\$ (121,090)	\$ 1,537,234	\$ 1,222,390	\$ 150,762	
		% Change from Prior	(7%)	102%	40%	4%	

## Program Operating Budget - Finance

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 710,209	\$ 895,549	\$ 1,028,256	\$ 1,175,630	\$ 1,256,900	\$ 81,270	7%
Census Workers	\$ 212,743	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 221,359	\$ 357,594	\$ 379,020	\$ 494,208	\$ 505,690	\$ 11,482	2%
<b>Division Total</b>	<b>\$ 1,144,311</b>	<b>\$ 1,253,144</b>	<b>\$ 1,407,276</b>	<b>\$ 1,669,838</b>	<b>\$ 1,762,590</b>	<b>\$ 92,752</b>	<b>6%</b>
		\$ Change from Prior	\$ 108,833	\$ 154,132	\$ 262,563	\$ 92,752	
		% Change from Prior	10%	12%	19%	6%	

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining difference is related to certain employee reclassifications and movement through the course of the year.

### Supplies & Services:

The Finance area supplies and services budget expects the cost for auditing services to increase by about \$11K in FY 2019/20.



# Finance

## Program Performance – Finance

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Financial Management Internal Services & Sustainability	Receipt of GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes Year 12	Yes Year 13	Yes Year 13	Yes Year 14
	Percentage of citizens rating service provided for taxes paid as “good” or “excellent”	81%	N/A <sup>1</sup>	N/A <sup>1</sup>	85%
	Bond rating General Obligation / Improvement District Improvement bonds Standard & Poor's Fitch Ratings	AA AA	AA AA	AA AA	AA AA
	Unqualified audit opinion by external CPA firm <sup>2</sup>	Yes Year 28	Yes Year 29	Yes Year 29	Yes Year 30
	Compliance with Town investment and financial policies	100%	100%	100%	100%

## Analysis of Performance

1. The Town conducts a biennial citizen survey every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).
2. The Town has received an unqualified audit opinion every year since incorporation in 1989.



# Finance

## Program Operating Budget - Budget

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 214,151	\$ 242,380	\$ 468,043	\$ 641,214	\$ 665,177	\$ 23,963	4%
Supplies & Services	\$ 14,387	\$ 14,796	\$ 13,906	\$ 14,430	\$ 14,380	\$ (50)	(0%)
<b>Division Total</b>	<b>\$ 228,537</b>	<b>\$ 257,175</b>	<b>\$ 481,949</b>	<b>\$ 655,644</b>	<b>\$ 679,557</b>	<b>\$ 23,913</b>	<b>4%</b>
	\$ Change from Prior	\$ 28,638	\$ 224,774	\$ 173,695	\$ 23,913		
	% Change from Prior	13%	87%	36%	4%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

Supplies and services expenses decrease slightly in FY 2019/20. The Town receives a certain number of complimentary MUNIS conference registrations as part of the service agreement for the financial system. The budget dollars allocated for one staff to attend the MUNIS conference have been reallocated to reflect the addition of a new Sr. Financial Services Analyst to the Budget division in FY 2018/19.

## Program Performance - Budget

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Financial Management, Internal Services & Sustainability	Maintain ±5% variance in operating revenues from budget to actual <sup>1</sup>	+4%	<5%	<5%	<5%
	Maintain ±5% variance in operating expenses from budget to actual <sup>1</sup>	+4%	<5%	<5%	<5%
	Receipt of GFOA Budget Book award	Yes	Yes	Yes	Yes

## Analysis of Performance

1. Operating Funds are the General Fund, Emergency Services Fund, Highway User Revenue Fund (HURF) and Horseshoe Park Fund (HPEC). A positive indicates a favorable variance (more revenues than budgeted, less expenses than budgeted).





# Finance

## Program Operating Budget – Water Customer Service

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 442,186	\$ 1,087,259	\$ 972,200	\$ (115,059)	(11%)
Supplies & Services	\$ -	\$ -	\$ 714,573	\$ 855,633	\$ 1,004,789	\$ 149,156	17%
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,156,759</b>	<b>\$ 1,942,892</b>	<b>\$ 1,976,989</b>	<b>\$ 34,097</b>	<b>2%</b>
	\$ Change from Prior	\$ -	\$ 1,156,759	\$ 786,133	\$ 34,097		
	% Change from Prior	N/A	N/A	68%	2%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining offsetting change is related to new positions budgeted in the prior year as a result of the completed Raftelis staffing study. In certain instances, the expected compensation and title for the Raftelis recommended positions were not finalized and since the positions have now been filled, the current compensation costs have been less than what had been forecasted in the prior year.

### Supplies & Services:

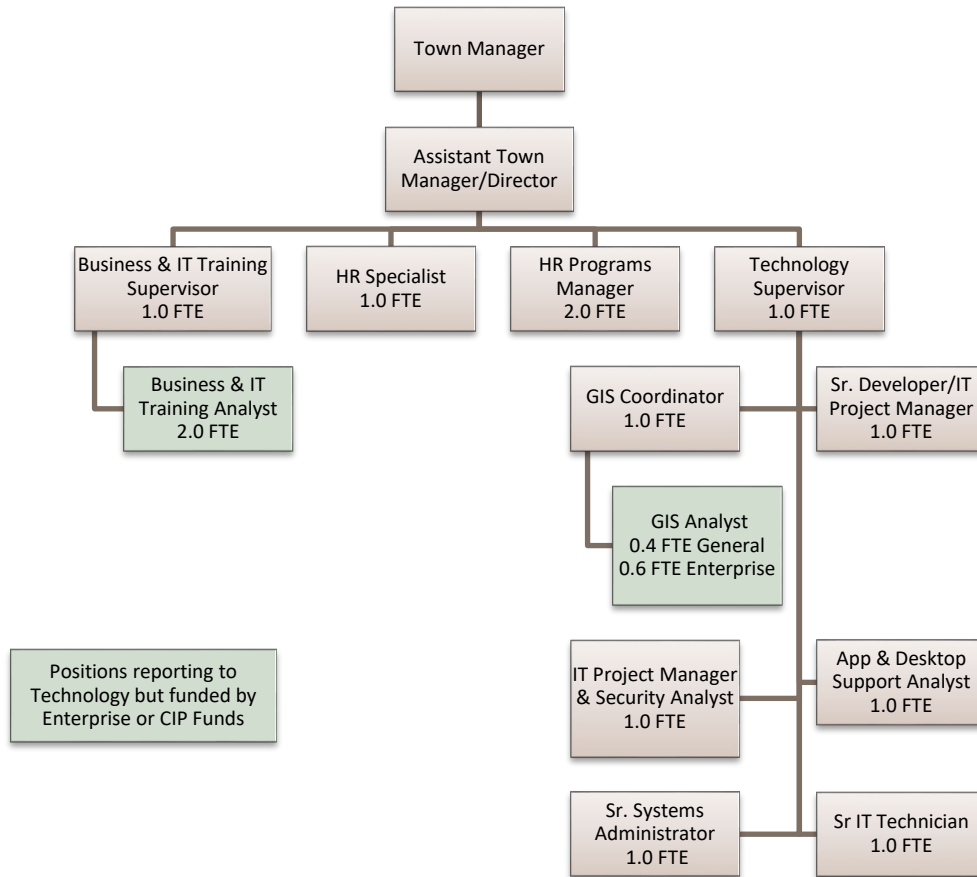
The Water Customer Service Division includes utility billing for water, sewer, and solid waste. Overall, the supplies and service budget is estimated to increase by about 17% or \$149K in FY 2019/20. Additional costs include \$90K in software license and maintenance fees related to a new utility billing system, \$40K in credit card processing fees due to increased customer accounts, as a majority of new customers utilize credit cards for bill payment, and \$13K in additional staff training as a result of the new utility billing system.



FY 2019/20  
Budget



# Workforce & Technology



## Department Description and Programs

The Workforce and Technology Department is a core support unit for the Town and staff. The Human Resources Division is responsible for workforce planning and employment; compensation, classification and benefits; employee relations; training and development; policy and procedure development, and worker’s compensation. The Technology Division administers all technology-related services, including local area computer networks, voice, data and network infrastructure planning, maintenance and security; IT governance, project management, database administration, application development, desktop and application support, geographic information systems (GIS), technology-use training, backups and data retention, and telecommunications. All programs in these areas are funded by the General Fund, with support received from enterprise funds via interdepartmental cross charges.

## Department Mission

The Workforce and Technology Department motivates the workforce through empowerment, education and excellent customer service.

The Workforce and Technology Department will work in a collaborative environment to support and educate employees, the Town Council and Town residents by implementing standards and technologies through professional expertise.



# Workforce & Technology

## Strategic Priorities

Effective Government



Secure Future



Superior Infrastructure



## FY 2019/20 Objectives

- Continue to monitor and update employee benefits strategies and evaluate trends
- Continue progressive strategies to attract and retain high-performing staff
- Maintain staffing levels that are consistent with the community's goals
- Enhance innovative technologies for public facilities that improve efficiencies and reduce long-term recurring costs
- Implement recommendations and strategies of the Information Technology Strategic Plan
- Ensure succession-planning efforts are mobilized in areas of need
- Review options for establishing an accessible fiber network to elevate the Town's economic competitive position within the region
- Continue to research and identify relevant technologies, innovations and practices that have the potential to advance a resilient and high quality of life for our residents
- Centralize Smart City projects by identifying public and private industry projects in Queen Creek. Identify future opportunities. Develop a report structure for tracking of smart city initiatives.

## Staffing by Division

Division	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
	Actual	Actual	Actual	Revised	Recommended
Human Resources	4.0	3.0	3.0	3.0	3.0
Information Technology	7.0	7.0 <sup>1</sup>	9.0 <sup>1</sup>	11.0 <sup>2</sup>	11.0 <sup>2</sup>
<b>Department FTE</b>	<b>10.0</b>	<b>10.0</b>	<b>12.0</b>	<b>14.0</b>	<b>14.0</b>

<sup>1</sup>1.0 FTE Funded by Enterprise

<sup>2</sup>2.6 FTE Funded by Enterprise

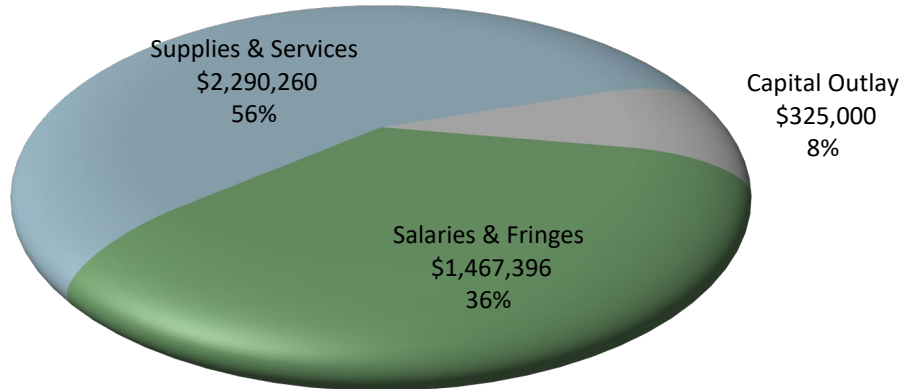
## FTE Changes

There were no changes in staffing between the FY 2018/19 Revised Budget and the FY 2019/20 Recommended Budget. In the previous year, FY 2018/19, two positions were added including a Business Systems & IT Training Analyst, and Senior IT Technician. In FY 2017/18 two positions were added including Business Systems & IT Training Supervisor, and GIS Analyst. The Town continues to face ongoing technology impacts due to growth.



# Workforce & Technology

## Workforce & Technology FY 2019/20 Recommended Budget \$4.1M



### Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Dept Support Cost Recovery Revenue	\$ 414,390	\$ 457,881	\$ 543,697	\$ 573,096	\$ 684,156	\$ 111,060	19%
General Fund	\$ 2,583,718	\$ 1,873,927	\$ 2,273,058	\$ 3,084,683	\$ 3,398,500	\$ 313,817	10%
<b>Total</b>	<b>\$ 2,998,108</b>	<b>\$ 2,331,808</b>	<b>\$ 2,816,755</b>	<b>\$ 3,657,779</b>	<b>\$ 4,082,656</b>	<b>\$ 424,877</b>	<b>12%</b>
		\$ Change from Prior (666,301)	\$ 484,948	\$ 841,024	\$ 424,877		
		(22%)	21%	30%	12%		

### Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,101,316	\$ 1,110,691	\$ 1,244,220	\$ 1,443,647	\$ 1,467,396	\$ 23,749	2%
Supplies & Services	\$ 954,596	\$ 913,009	\$ 1,204,965	\$ 1,437,340	\$ 2,290,260	\$ 852,920	59%
Capital Outlay	\$ -	\$ -	\$ 16,493	\$ 356,278	\$ 325,000	\$ (31,278)	(9%)
Operating Projects	\$ 942,197	\$ 308,108	\$ 351,077	\$ 420,514	\$ -	\$ (420,514)	(100%)
<b>Department Total</b>	<b>\$ 2,998,108</b>	<b>\$ 2,331,808</b>	<b>\$ 2,816,755</b>	<b>\$ 3,657,779</b>	<b>\$ 4,082,656</b>	<b>\$ 424,877</b>	<b>12%</b>
		\$ Change from Prior (666,301)	\$ 484,948	\$ 841,024	\$ 424,877		
		(22%)	21%	30%	12%		

### Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Human Resources	\$ 476,741	\$ 409,567	\$ 416,848	\$ 502,144	\$ 525,961	\$ 23,817	5%
Information Technology	\$ 2,521,367	\$ 1,922,240	\$ 2,399,907	\$ 3,155,635	\$ 3,556,695	\$ 401,060	13%
<b>Department Total</b>	<b>\$ 2,998,108</b>	<b>\$ 2,331,808</b>	<b>\$ 2,816,755</b>	<b>\$ 3,657,779</b>	<b>\$ 4,082,656</b>	<b>\$ 424,877</b>	<b>12%</b>
		\$ Change from Prior (666,301)	\$ 484,948	\$ 841,024	\$ 424,877		
		(22%)	21%	30%	12%		



# Workforce & Technology

## Operating Expenditures - Human Resources

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 338,705	\$ 341,515	\$ 360,792	\$ 394,329	\$ 418,986	\$ 24,657	6%
Supplies & Services	\$ 138,037	\$ 68,053	\$ 56,057	\$ 107,815	\$ 106,975	\$ (840)	(1%)
<b>Division Total</b>	<b>\$ 476,741</b>	<b>\$ 409,567</b>	<b>\$ 416,848</b>	<b>\$ 502,144</b>	<b>\$ 525,961</b>	<b>\$ 23,817</b>	<b>5%</b>
	\$ Change from Prior	\$ (67,174)	\$ 7,281	\$ 85,296	\$ 23,817		
	% Change from Prior	(14%)	2%	20%	5%		

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

#### Supplies & Services:

The FY 2019/20 supplies and service budget reflects a slight decrease as a realignment of budget resulted a savings in some areas, and were reprogrammed to accommodate increases in other areas .

### Program Performance - Human Resources

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Financial Management, Internal Services & Sustainability	Percent of employee performance reviews completed on schedule <sup>1</sup>	72%	90%	70%	90%
	Average number of applications received per external recruitment	111	95	99	95
	Average number of days to fill vacant external recruitment	39	<42	40	<42
	Average number of days to fill vacant internal recruitment	N/A <sup>2</sup>	<25	34	<25
	Turnover rate of full-time employees	6%	≤6%	6%	≤6%
	Number of worker's compensation claims due to injury	10	10	10	10

### Analysis of Performance

1. Percentage is based on supervisory completion of the review so that the employee receives any increase on time, with no retroactive pay.
2. No internal candidates filled internal positions in FY 2017/18.



# Workforce & Technology – IT

## Operating Expenditures – Information Technology

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 762,611	\$ 769,176	\$ 883,428	\$ 1,049,318	\$ 1,048,410	\$ (908)	(0%)
Supplies & Services	\$ 816,559	\$ 844,956	\$ 1,148,908	\$ 1,329,525	\$ 2,183,285	\$ 853,760	64%
Capital Outlay	\$ -	\$ -	\$ 16,493	\$ 356,278	\$ 325,000	\$ (31,278)	(9%)
Operating Projects	\$ 942,197	\$ 308,108	\$ 351,077	\$ 420,514	\$ -	\$ (420,514)	(100%)
<b>Division Total</b>	<b>\$ 2,521,367</b>	<b>\$ 1,922,240</b>	<b>\$ 2,399,907</b>	<b>\$ 3,155,635</b>	<b>\$ 3,556,695</b>	<b>\$ 401,060</b>	<b>13%</b>
	\$ Change from Prior	\$ (599,127)	\$ 477,667	\$ 755,728	\$ 401,060		
	% Change from Prior	(24%)	25%	31%	13%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The decrease in Salaries and Fringes is related to a position added in the previous year, which was ultimately recruited for under another classification resulting in savings in compensation costs.

### Supplies & Services:

The Information Technology (I.T.) maintenance and software support contracts account for \$1.2M or 45% of the \$2.1M supplies and service budget being requested.

The FY 2019/20 I.T. supplies and service budget reflects a 64% increase (\$854K). Increases to this magnitude reflect in multiple areas throughout the I.T. budget and can all be associated with updated/changing technology, growth in staff and aging infrastructure.

Significant budget changes include:

- \$560K as a placeholder for projects falling outside the scope of the scheduled Capital Outlay. Funds requested would address needed professional services/systems management and end of life system upgrades.
- \$171K is based on the increasing contractual software licensing demand with systems including: Accela (planning review), E-Plancheck (electronic plan submission) Cartegraph (operations management), ICM (document management) Google Mail support
- \$46.5K related to cabling, and peripheral requests as Town facility buildings are going through many changes and remodels to accommodate new staff and operations. I.T. has seen a spike in expenses, and expects this trend to continue.
- \$38K related to internal training which is planned to increase in order to incorporate on-site training opportunities for staff to learn system processes including MUNIS (Town’s financial system), and Cartegraph.
- \$19K to increase all redundant internet speeds to 1GB to operate with advancing technologies. Most software/systems are now ‘cloud based’ creating a strain on current bandwidth levels.
- \$8.4K associated with Web server and cloud storage is increasing exponentially and is anticipated to increase annually.



# Workforce & Technology – IT

## Capital Outlay

Budget included for Capital Outlay is to address aging equipment as a part of the IT Strategic Plan. This budget is treated as an annual replacement budget, and outlines operating projects as shown in the schedule below:

- PC Replacement (\$75K)
- Upgrade 1GB Internet Speed (\$80K)
- Storage Expansion (\$15K)
- VDI Infrastructure Refresh (\$100K)
- View Center Cloud Upgrade (\$35K)
- Security Camera Replacement (\$20K)

## Operating Projects:

FY 2018/19 expenses in this category reflect completed projects originally identified in the Capital Outlay budget. Projects completed during the FY 2018/19 include:

- Core Switch Refresh Project
- Firewall Upgrade
- Computer Refresh
- Server Replacement
- Virtual Desktop Enhancement

## Program Performance - Information Technology

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Technology	Unplanned downtime hours affecting business continuity on major operating systems (Server 2008 and 2012)	0	≤10	≤5	≤10
	Unplanned downtime hours of major applications affecting business continuity	0	≤15	≤5	≤15
	Unplanned downtime hours due to user behavior <sup>1</sup>	1	≤2	≤20 <sup>2</sup>	≤2
	Unplanned downtime hours affecting business continuity on major hardware (servers, routers, and switches)	3	≤10	≤10	≤10
	Percent of employees rating overall satisfaction with IT department as “good” or “excellent”	86%	95%	92%	95%

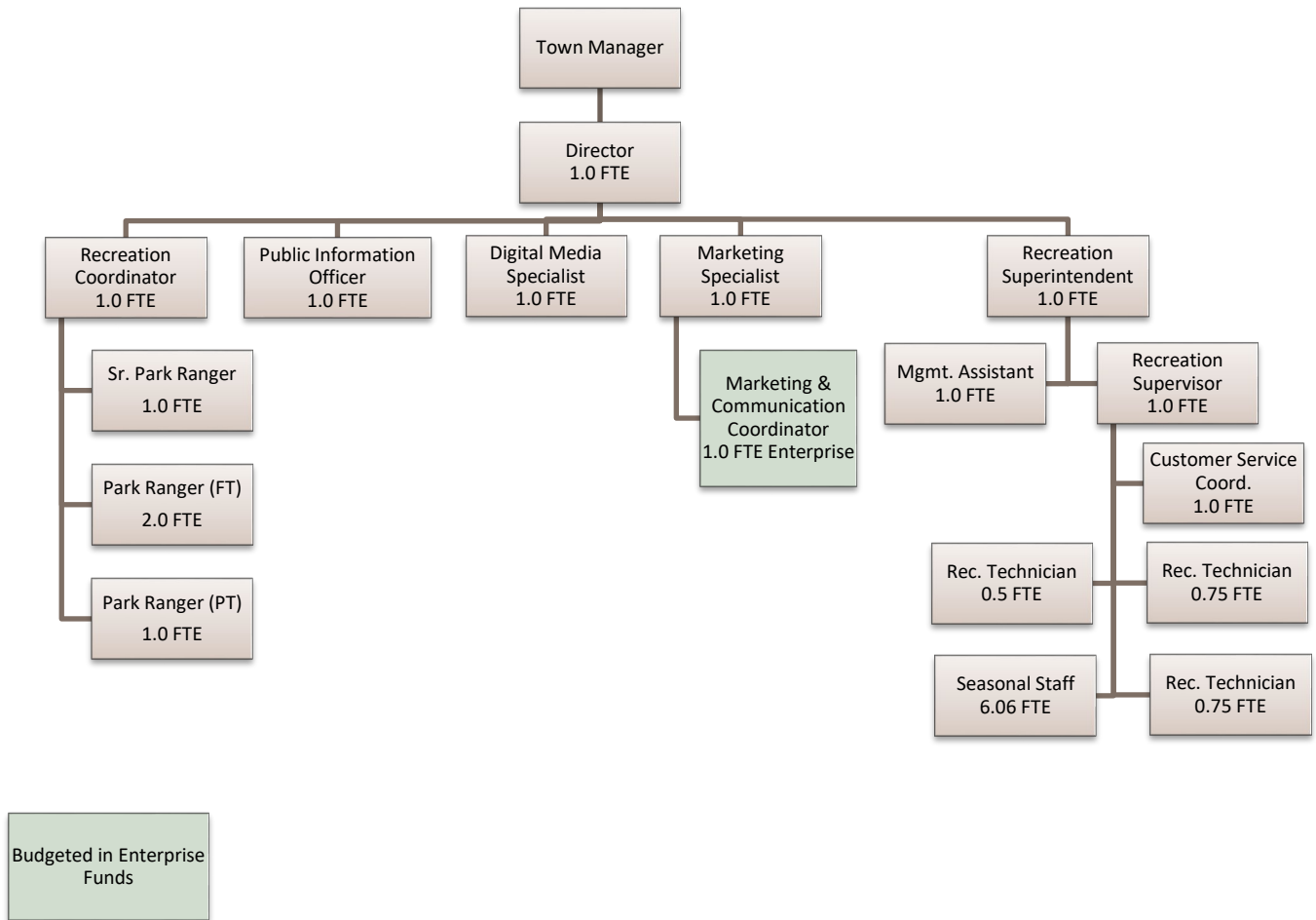
## Analysis of Performance

1. New performance measure for FY 2018/19. Relevant background data was previously tracked, so historical information is included for FY 2017/18.
2. In January 2019, a single outage caused 13 hours of downtime.





# Communications, Marketing & Recreation



## Department Description and Programs

The department is comprised of three divisions: Communications and Marketing, and Recreation Services, and Park Rangers. Through these divisions, the department is responsible for:

- Coordinating the Town’s public outreach programs, including events, publications and digital media
- Managing media and community relations
- Coordinating and marketing Town-hosted special events
- Managing the Town's brand
- Coordinating tourism efforts in the community
- Providing recreational programs and classes for all ages and interests
- Managing partnerships, including the Town’s Youth Sports Partnership Program, the Boys & Girls Club, Town-sponsored events and Visit Mesa
- Administering the Town’s Special Event Permit Application process
- Coordinating the rental of parks, ramadas, fields, courts and meeting rooms



# Communications, Marketing & Recreation

All programs in these areas are funded by the General Fund, with support received from enterprise funds via interdepartmental cross charges for marketing and communication services.

## Department Mission

The goal of the Communications, Marketing and Recreation Department is to create a strong sense of community through public outreach programs, events, partnerships and marketing campaigns, enhancing the quality of life in Queen Creek.

## Strategic Priorities

### Quality Lifestyle



### Safe Community



## FY 2019/20 Objectives

- Improve the mix of park amenities, including updating older facilities
- Continue advancements in resident participation through multiple opportunities and strategies, such as community events and targeted outreach programs in public safety
- Continue development of the Town's brand awareness via existing and new partnerships
- Continue advancements in parks, trails and open space design by encouraging frequent use by members of the community
- Providing parks, trails and amenities to create a strong sense of community
- Strengthening the Town's identity by providing cohesive marketing, branding and collateral for all Town departments
- Providing a variety of recreational programs and opportunities to continue the tradition of a high quality of life for all Queen Creek residents



# Communications, Marketing & Recreation

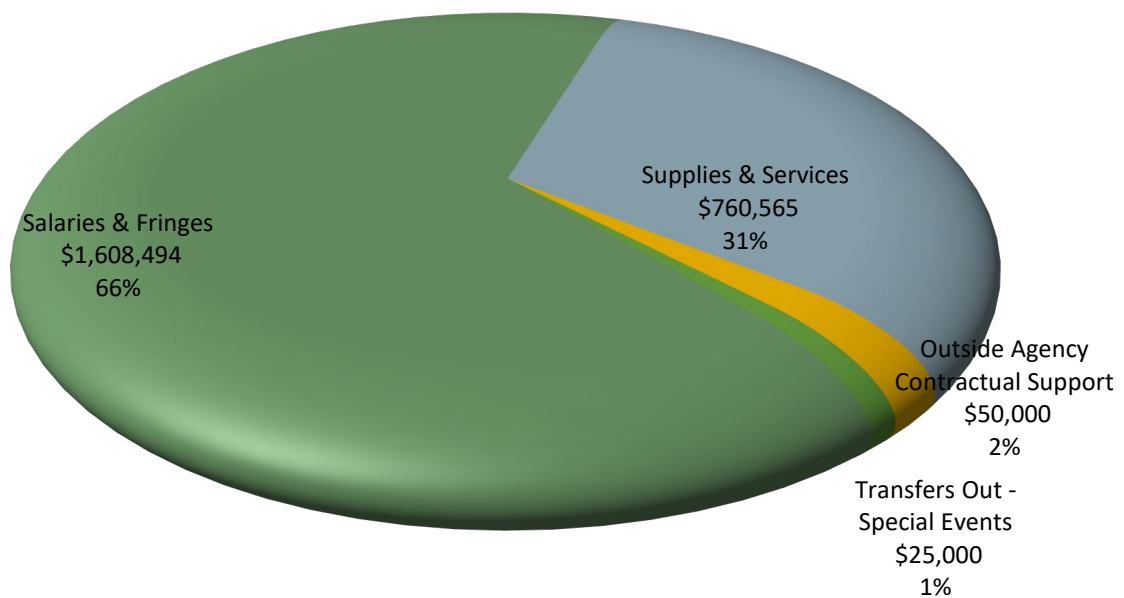
Staffing by Division					
Division	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
	Actual	Actual	Actual	Revised	Recommended
Communications & Marketing	4.00 <sup>1</sup>	4.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>	5.00 <sup>1</sup>
Recreation Programs	8.71	8.71	8.71	13.06	13.06
Parks Ranger	3.00	3.00	3.00	4.00	4.00
<b>Department FTE</b>	<b>15.71</b>	<b>15.71</b>	<b>16.71</b>	<b>22.06</b>	<b>22.06</b>

<sup>1</sup>1.00 FTE allocated to Enterprise Funds

## FTE Changes

There were no changes in staffing between the FY 2018/19 Revised Budget and the FY 2019/20 Recommended Budget. Included in the FY 2018/19 Revised Budget are additions to Recreation Programs. This includes a 0.75 Rec Tech and an additional 3.6 FTE in hours for part-time seasonal recreation staff. The Town’s growth has resulted in additional events and offerings which require ongoing staffing. Additionally, due to the opening of Mansel Carter Park a Park Ranger was added to support the Towns increased sites and facilities. In prior years a Marketing and Communications Coordinator was added to improve the Towns outreach and communications, with other positions and staffing remaining static.

Communications, Marketing & Recreation Services  
FY 2019/20 Recommended Budget \$2.4M





# Communications, Marketing & Recreation

## Funding Source

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Direct Revenues	\$ 425,463	\$ 430,374	\$ 478,401	\$ 529,740	\$ 545,600	\$ 15,860	3%
General Fund - Dept Support Cost Recovery Revenue	\$ 101,892	\$ 111,255	\$ 99,798	\$ 102,786	\$ 33,337	\$ (69,449)	
General Fund	\$ 1,175,184	\$ 1,167,056	\$ 1,570,667	\$ 1,881,503	\$ 1,865,122	\$ (16,381)	(1%)
<b>Total</b>	<b>\$ 1,702,539</b>	<b>\$ 1,708,685</b>	<b>\$ 2,148,866</b>	<b>\$ 2,514,029</b>	<b>\$ 2,444,059</b>	<b>\$ (69,970)</b>	<b>(3%)</b>
		\$ 6,145	\$ 440,181	\$ 365,163	\$ (69,970)		
		0%	26%	17%	(3%)		

## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,004,017	\$ 1,067,132	\$ 1,339,538	\$ 1,603,404	\$ 1,608,494	\$ 5,090	0%
Supplies & Services	\$ 623,522	\$ 541,567	\$ 729,013	\$ 732,255	\$ 760,565	\$ 28,310	4%
Capital Outlay	\$ -	\$ -	\$ 10,315	\$ 103,370	\$ -	\$ (103,370)	(100%)
Outside Agency Contractual Support	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
Operating Projects	\$ -	\$ 24,985	\$ -	\$ -	\$ -	\$ -	N/A
Transfers Out - Special Events	\$ 25,000	\$ 25,000	\$ 20,000	\$ 25,000	\$ 25,000	\$ -	0%
<b>Department Total</b>	<b>\$ 1,702,539</b>	<b>\$ 1,708,685</b>	<b>\$ 2,148,866</b>	<b>\$ 2,514,029</b>	<b>\$ 2,444,059</b>	<b>\$ (69,970)</b>	<b>(3%)</b>
		\$ 6,145	\$ 440,181	\$ 365,163	\$ (69,970)		
		0%	26%	17%	(3%)		

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Communications & Marketing	\$ 801,983	\$ 784,398	\$ 912,224	\$ 980,208	\$ 1,005,862	\$ 25,654	3%
Recreation Services	\$ 900,556	\$ 924,286	\$ 1,053,144	\$ 1,257,836	\$ 1,185,623	\$ (72,213)	(6%)
Park Rangers	\$ -	\$ -	\$ 183,498	\$ 275,985	\$ 252,574	\$ (23,411)	(8%)
<b>Department Total</b>	<b>\$ 1,702,539</b>	<b>\$ 1,708,685</b>	<b>\$ 2,148,866</b>	<b>\$ 2,514,029</b>	<b>\$ 2,444,059</b>	<b>\$ (69,970)</b>	<b>(3%)</b>
		\$ 6,145	\$ 440,181	\$ 365,163	\$ (69,970)		
		0%	26%	17%	(3%)		



# CMR- Communications & Marketing

## Operating Expenditures – Communications & Marketing

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 433,106	\$ 454,567	\$ 492,764	\$ 533,583	\$ 561,852	\$ 28,269	5%
Supplies & Services	\$ 368,877	\$ 304,846	\$ 419,459	\$ 446,625	\$ 444,010	\$ (2,615)	(1%)
Operating Projects	\$ -	\$ 24,985	\$ -	\$ -	\$ -	\$ -	N/A
<b>Division Total</b>	<b>\$ 801,983</b>	<b>\$ 784,398</b>	<b>\$ 912,224</b>	<b>\$ 980,208</b>	<b>\$ 1,005,862</b>	<b>\$ 25,654</b>	<b>3%</b>
		\$ Change from Prior	\$ (17,585)	\$ 127,825	\$ 67,984	\$ 25,654	

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

The printing, marketing, and postage budget lines combined account for \$278K, or 63% of the \$444K budget for this division.

The Communications & Marketing division reflects a net decrease totaling \$3K for FY 2019/20. One-time expenses planned in FY 2018/19 including Crisis Communication Plan (\$15K), Town of Queen Creek 30th Anniversary (\$25K), and the Mansel Carter Park grand opening (\$15K) have been removed from the budget resulting in an overall decrease of \$55K. Other savings identified in licensing and subscriptions (\$10K) were achieved by streamlining services and bringing budget in alignment with contractual amounts. Major changes to the FY 2019/20 budget reflect East Park Design public outreach project and a customer technology enhancements initiative, both totaling \$40K. In FY 2019/20 Communications and Marketing is recommending to update the Town's existing citizen work order system, along with moving services to a text based system for ease of resident use and reduction of phone calls and visits to Town Hall. Budget request for this project is set at \$25K for the first year.



# CMR- Communications & Marketing

## Program Performance – Communications & Marketing

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement  Image & Identity	Percent of residents rating effectiveness of Town communication as “good” or “excellent” <sup>1</sup>	93%	N/A	N/A	90%
	Millions of impressions generated by earned media directed at Queen Creek through the Visit Mesa marketing program	22	18	18	19
	Website activity on VisitMesa.com featuring Town of Queen Creek products and / or content	61,500	67,000	72,000	73,500

## Analysis of Performance

1. The Town conducts a biennial citizen every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).



# CMR – Recreation Services

## Program Operating Budget – Recreation Services

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 570,911	\$ 612,565	\$ 665,979	\$ 800,596	\$ 800,828	\$ 232	0%
Supplies & Services	\$ 254,645	\$ 236,721	\$ 306,851	\$ 278,870	\$ 309,795	\$ 30,925	11%
Capital Outlay	\$ -	\$ -	\$ 10,315	\$ 103,370	\$ -	\$ (103,370)	(100%)
Outside Agency Contractual Support	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
Transfers Out - Special Events	\$ 25,000	\$ 25,000	\$ 20,000	\$ 25,000	\$ 25,000	\$ -	0%
<b>Division Total</b>	<b>\$ 900,556</b>	<b>\$ 924,286</b>	<b>\$ 1,053,144</b>	<b>\$ 1,257,836</b>	<b>\$ 1,185,623</b>	<b>\$ (72,213)</b>	<b>(6%)</b>
		\$ Change from Prior	\$ 23,730	\$ 128,858	\$ 204,692	\$ (72,213)	
		% Change from Prior	3%	14%	19%	(6%)	

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The expected annual increase has been offset with new staff earning less than prior, more tenured staff. The FY 2018/19 budget was also revised once the new year had been established, further reducing the impact.

#### Supplies & Services:

The largest line item budget in this category is for contracted class instructor payments that account for \$185K or 67% of the \$309K budget.

Increases to the FY 2019/20 Recreation supplies and service budget total \$30K or 11%. Adjustments to the training budget were made to address needs of growing staff and industry changes (\$2K). Due to an increase in activity with both facility reservations and special interest registrations, fees associated with Recreation's on-line registration system (ActiveNet) are increasing an additional \$14K. A slight increase towards minor equipment reflects updated proposal amounts for equipment replacement program for the Recreation Annex location. The FY 2019/20 Recreation Services division is also requesting a one-time purchase of a single-axle box trailer to accommodate growing special event needs and requirements (\$10K).

#### Capital Outlay:

The revised FY2018/19 budget reflects one-time purchases that were removed from the recommended FY 2019/20 budget.

#### Outside Agency Contractual Support:

This category reflects the amount of support the Town of Queen Creek provides to the Boys and Girls Club on an annual basis. This budget reflects no change from FY 2018/19.

#### Transfers Out – Special Events

This category reflects the amount of support the General Fund provides to the Town sponsored special events - Founders Day (\$5K), 4th of July (\$5K), Spring into QC (\$5K), Holiday Tree Lighting (\$5K), and Trunk or Treat (\$5K).



# CMR – Recreation Services

## Program Performance – Recreation Services

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement	Percent of residents rating opportunities and service related to community parks and recreation services as “good” or “excellent” <sup>1</sup>	93%	N/A	N/A	90%
	Total number of Special Interest Class (SIC) participants	7,780 <sup>2</sup>	5,400	7,720 <sup>2</sup>	7,500
Image & Identity	Percent of recreation program users rating overall satisfaction with quality of program as “good” or better	96%	93%	96%	95%
Financial Management, Internal Services & Sustainability	Percent of special event process participants rating the process as “good” or “excellent”	67%	90%	85%	90%

## Analysis of Performance

1. The Town conducts a biennial citizen survey every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).
2. New and varying class offerings (Karate, Zumba, Silver Sneakers, etc.) and population growth are driving special interest class attendance higher





# CMR – Recreation Services

## Program Operating Budget – Parks Rangers

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 180,795	\$ 269,225	\$ 245,814	\$ (23,411)	(9%)
Supplies & Services	\$ -	\$ -	\$ 2,703	\$ 6,760	\$ 6,760	\$ -	0%
Outside Agency Contractual Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,498</b>	<b>\$ 275,985</b>	<b>\$ 252,574</b>	<b>\$ (23,411)</b>	<b>(8%)</b>
			\$ Change from Prior	\$ 92,487	\$ (23,411)		
			% Change from Prior	50%	(8%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The decrease is primarily related to turnover within the part-time positions and the new staff earning less than the previous, more tenured staff.

### Supplies & Services:

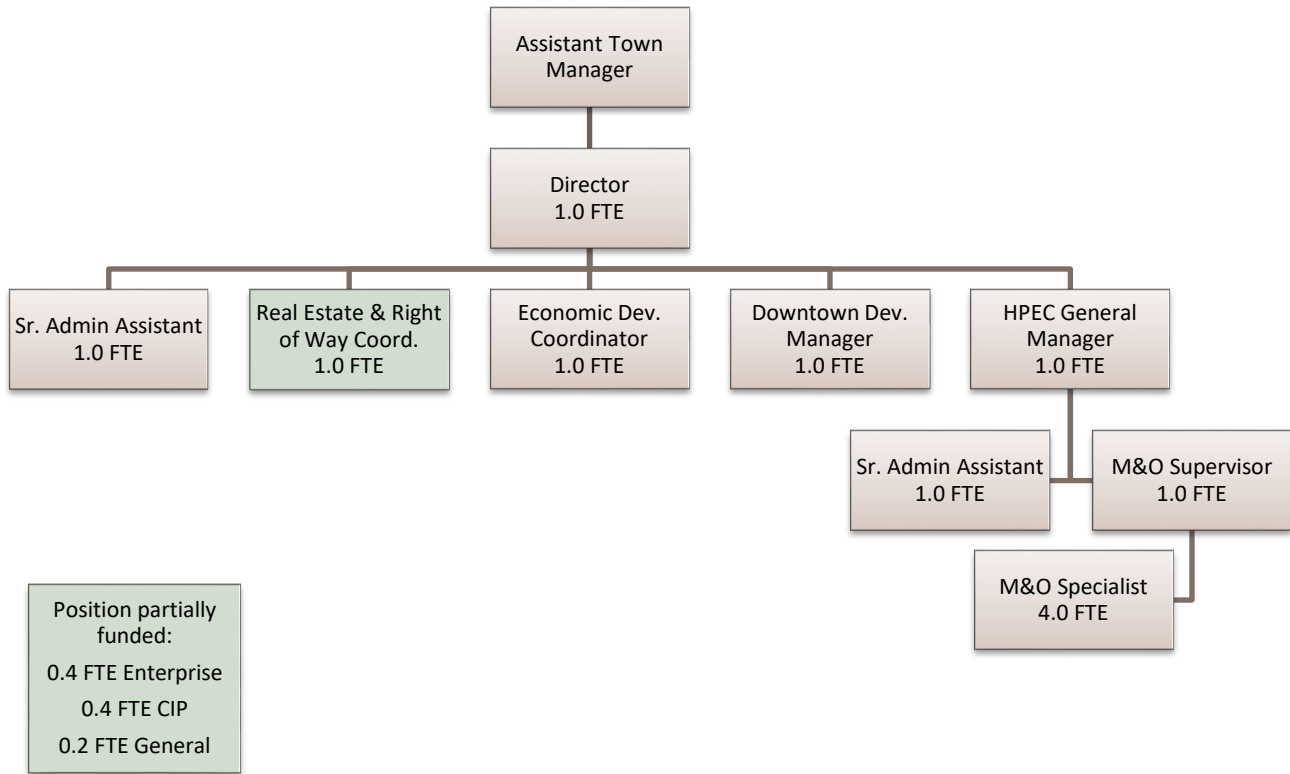
The FY 2019/20 supplies and service budget for the Park Rangers division reflects no changes.



FY 2019/20  
Budget



# Economic Development



## Department Description and Programs

The Economic Development Department consists of two divisions: Economic Development and Horseshoe Park and Equestrian Centre (HPEC). The Economic Development Division is responsible for business attraction, retention and expansion, as well as the promotion of opportunities available for private investment in the community.

The HPEC division is responsible for the management of HPEC, including event planning and coordination, promoter relations and facility maintenance.

## Department Mission

The goal of the Economic Development Department is to provide for the long-term economic sustainability of the community through a comprehensive and coordinated program of economic development, which includes business attraction, retention and expansion, real estate activities, event development and tourism activities.



# Economic Development

## Strategic Priorities

### Secure Future



### Quality Lifestyle



## FY 2019/20 Objectives

- Implement strategies outlined in the Economic Development Strategic Plan focusing on business development, entrepreneurship, agritainment/destination tourism, economic foundations and enhanced marketing and promotion.
- Enhance opportunities for business success and the Town as a premier investment choice within the region. Proactively market the Town as the place for new business investment and job creation; actively market existing businesses to residents.
- Implement the key action items identified in the adopted Town Center Plan. Generate more economic synergy within the Town Center, and enhance the sense of place by attracting additional investment.
- Assist with the real estate activities associated with key capital improvement and utility projects.

## Staffing by Division

Division	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
	Actual	Actual	Actual	Revised	Recommended
Economic Development	5.00	5.00	5.00	5.00	5.00
Horseshoe Park Equestrian Center	7.00	7.00	7.00	7.00	7.00
<b>Department FTE</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>

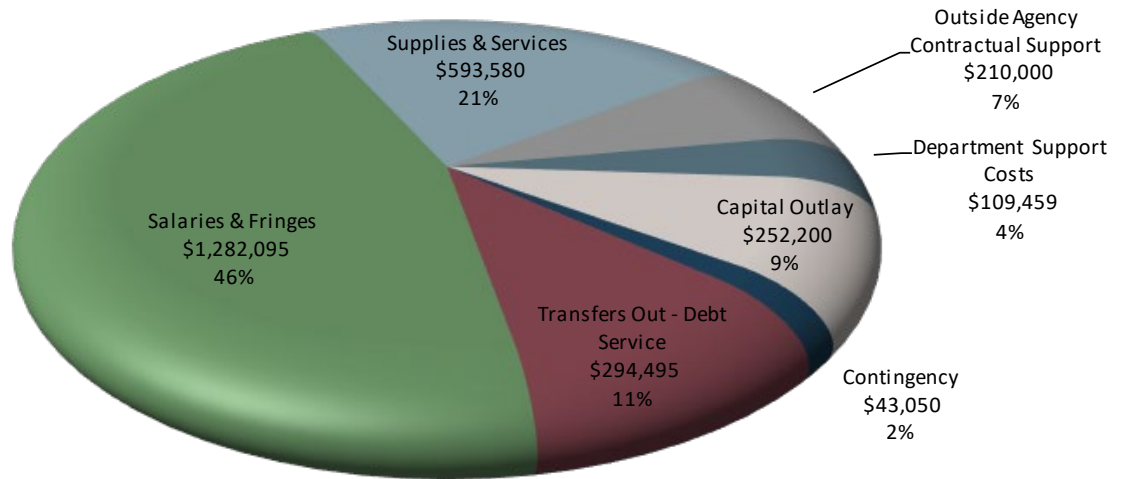
## FTE Changes

No staffing changes are included for FY 2019/20.



# Economic Development

## Economic Development FY 2019/20 Recommended Budget \$2.8M



### Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Horseshoe Park Equestrian Centre Fund	\$ 513,177	\$ 606,436	\$ 634,573	\$ 742,570	\$ 757,500	\$ 14,930	2%
General Fund	\$ 2,026,097	\$ 1,834,479	\$ 1,829,184	\$ 1,900,343	\$ 2,027,379	\$ 127,036	7%
<b>Total</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,463,757</b>	<b>\$ 2,642,913</b>	<b>\$ 2,784,879</b>	<b>\$ 141,966</b>	<b>5%</b>
\$ Change from Prior		\$ (98,359)	\$ 22,842	\$ 179,156	\$ 141,966		
% Change from Prior		(4%)	1%	7%	5%		

### Expenditure by Fund

Fund	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Horseshoe Park Equestrian Centre	\$ 1,654,157	\$ 1,596,775	\$ 1,650,941	\$ 1,799,535	\$ 1,881,948	\$ 82,413	5%
General Fund	\$ 885,117	\$ 844,140	\$ 812,816	\$ 843,378	\$ 902,931	\$ 59,553	7%
<b>Department Total</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,463,757</b>	<b>\$ 2,642,913</b>	<b>\$ 2,784,879</b>	<b>\$ 141,966</b>	<b>5%</b>
\$ Change from Prior		\$ (98,359)	\$ 22,842	\$ 179,156	\$ 141,966		
% Change from Prior		(4%)	1%	7%	5%		



# Economic Development

## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,147,184	\$ 1,172,779	\$ 1,155,939	\$ 1,227,160	\$ 1,282,095	\$ 54,935	4%
Supplies & Services	\$ 527,238	\$ 520,672	\$ 584,654	\$ 559,935	\$ 593,580	\$ 33,645	6%
Outside Agency Contractual Support	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	0%
Department Support Costs	\$ 167,248	\$ 174,273	\$ 173,064	\$ 108,230	\$ 109,459	\$ 1,229	1%
Capital Outlay	\$ 146,854	\$ 152,239	\$ 17,220	\$ 205,884	\$ 252,200	\$ 46,316	22%
Contingency	\$ -	\$ -	\$ -	\$ 34,500	\$ 43,050	\$ 8,550	25%
<b>Subtotal Expenses</b>	<b>\$ 2,198,524</b>	<b>\$ 2,229,963</b>	<b>\$ 2,140,877</b>	<b>\$ 2,345,709</b>	<b>\$ 2,490,384</b>	<b>\$ 144,675</b>	<b>6%</b>
Transfers Out - Debt Service	\$ 340,750	\$ 210,952	\$ 322,880	\$ 297,204	\$ 294,495	\$ (2,709)	(1%)
<b>Department Total</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,463,757</b>	<b>\$ 2,642,913</b>	<b>\$ 2,784,879</b>	<b>\$ 141,966</b>	<b>5%</b>
	\$ Change from Prior	\$ (98,359)	\$ 22,842	\$ 179,156	\$ 141,966		
	% Change from Prior	(4%)	1%	7%	5%		

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Economic Development	\$ 885,117	\$ 844,140	\$ 812,816	\$ 843,378	\$ 902,931	\$ 59,553	7%
Horseshoe Park Equestrian Centre	\$ 1,654,157	\$ 1,596,775	\$ 1,650,941	\$ 1,799,535	\$ 1,881,948	\$ 82,413	5%
<b>Department Total</b>	<b>\$ 2,539,274</b>	<b>\$ 2,440,915</b>	<b>\$ 2,463,757</b>	<b>\$ 2,642,913</b>	<b>\$ 2,784,879</b>	<b>\$ 141,966</b>	<b>5%</b>
	\$ Change from Prior	\$ (98,359)	\$ 22,842	\$ 179,156	\$ 141,966		
	% Change from Prior	(4%)	1%	7%	5%		



# Economic Development

## Operating Expenditures – Economic Development

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 552,047	\$ 539,553	\$ 508,508	\$ 550,813	\$ 576,796	\$ 25,983	5%
Supplies & Services	\$ 123,070	\$ 94,588	\$ 94,308	\$ 82,565	\$ 116,135	\$ 33,570	41%
Outside Agency Contractual Support	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ -	0%
<b>Division Total</b>	<b>\$ 885,117</b>	<b>\$ 844,140</b>	<b>\$ 812,816</b>	<b>\$ 843,378</b>	<b>\$ 902,931</b>	<b>\$ 59,553</b>	<b>7%</b>
	\$ Change from Prior	\$ (40,976)	\$ (31,324)	\$ 30,562	\$ 59,553		
	% Change from Prior	(5%)	(4%)	4%	7%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

Increases to the Economic Development supplies and service category totaling \$34K or 41% can be associated with the Town’s real estate team now reporting to the director of Economic Development. Recurring expenses involving travel (\$3.2K), dues/membership (\$1.8K), and CoStar software renewal (\$15K) have been added to the Economic Development base budget. Additional increases reflect increases to the annual Greater Phoenix Economic Council (GPEC) fees based on population growth (\$11K).

### Outside Agency Contractual Support:

This category reflects the amount of support the Town of Queen Creek provides the Queen Creek Performing Arts Center (\$135K), and the Queen Creek Chamber of Commerce (\$75K). This budget reflects no change in FY 2019/20.



# Economic Development

## Program Performance – Economic Development

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement	Number of staff-assisted locates, staff-assisted business expansion and staff-assisted business retention special projects <sup>1</sup>	41	40	45	45
Image & Identity	Average weekly users of Gangplank Program <sup>2</sup>	11	15	14	15
Land Use & Economic Development	Percent increase in sales tax revenue <sup>3</sup>	15%	12%	16%	8%

### Analysis of Performance

1. This includes the number of total prospects, including GPEC RFIs, staff assisted business expansion and retention projects.
2. Number of average weekly users of Gangplank Program. These numbers do not include weekly Hacknight attendance or any other special programs that Gangplank hosts outside the hours of 8am-5pm, Mon-Fri.
3. Sales tax revenue is highly dependent on the larger Arizona economy. The target and actual are based on year over year increases in sales tax collections excluding construction sales tax, communications and utilities, and real estate and rentals activity.





# Economic Development - HPEC

## Operating Expenditures – Horseshoe Park & Equestrian Centre (HPEC)

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 595,137	\$ 633,227	\$ 647,431	\$ 676,347	\$ 705,299	\$ 28,952	4%
Supplies & Services	\$ 404,168	\$ 426,085	\$ 490,346	\$ 477,370	\$ 477,445	\$ 75	0%
Department Support Costs	\$ 167,248	\$ 174,273	\$ 173,064	\$ 108,230	\$ 109,459	\$ 1,229	1%
Capital Outlay	\$ 146,854	\$ 152,239	\$ 17,220	\$ 205,884	\$ 252,200	\$ 46,316	22%
Contingency	\$ -	\$ -	\$ -	\$ 34,500	\$ 43,050	\$ 8,550	25%
Transfers Out - Debt Service	\$ 340,750	\$ 210,952	\$ 322,880	\$ 297,204	\$ 294,495	\$ (2,709)	(1%)
<b>Division Total</b>	<b>\$ 1,654,157</b>	<b>\$ 1,596,775</b>	<b>\$ 1,650,941</b>	<b>\$ 1,799,535</b>	<b>\$ 1,881,948</b>	<b>\$ 82,413</b>	<b>5%</b>
	\$ Change from Prior	\$ (57,383)	\$ 54,166	\$ 148,594	\$ 82,413		
	% Change from Prior	(3%)	3%	9%	5%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

Utilities (\$100K), stall supplies (\$90K), and arena maintenance (\$45K) account for \$235K or 48% of HPEC's supplies and services budget.

The FY 2019/20 HPEC supplies and service budget reflects only a realignment as savings in some areas have been reprogrammed to accommodate increases in other areas.

Savings within the HPEC budget include a reduction in the telephone budget as fiber was successfully brought into the park allowing voice and data systems to tie in with the Town's fiber ring and eliminating the cost of 3rd party carrier infrastructure (\$7.5K), reductions to the HPEC training budget bringing budget closer to actuals over the last year (\$2.5K) as well as a decrease to sponsorship expenses (\$5K). Increases to line items within the HPEC supplies and service budget have been made to address larger events impacting the facility and operations. Temporary labor budget will increase \$1.5K to be in alignment with recent State mandates involving minimum wages; liability insurance (\$3.4K), stall supplies (\$10K), and shop supplies (\$1K) are all result of event growth.

### Support Costs:

Support Costs (overhead) are the charges from the General Fund for services such as Human Resources, Finance, Payroll, Information Technology, Town Manager and Town Clerk. Any changes identified in this budget are the result of a service/support change from partnering departments.

### Capital Outlay:

The FY 2019/20 budget includes \$100K in annual funding to address significant park repair and replacement needs. The HPEC Capital Outlay also includes a \$5.2K budget to fund the Show Office lease/rental agreement. In FY 2019/20 the Fleet Division has requested that a 10-yard dump truck be added to the budget in order to address an aging, undersized, and over used piece of equipment currently on site. The cost to replace the existing 5-yard



# Economic Development - HPEC

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dump truck with a 10-yard dump truck totals \$147K. This increase is offset by the one-time budget for an arena cover in FY 2018/19 that has been removed from the FY2019/20 budget.

Contingency:

Because HPEC operates within its own fund, a separate contingency is included in this budget. Originally established at a flat amount of \$50K, this amount is now recalibrated to equal 3% of operating expenditures, and is adjusted annually to be consistent with other operating funds.

## Program Performance - Horseshoe Park & Equestrian Centre

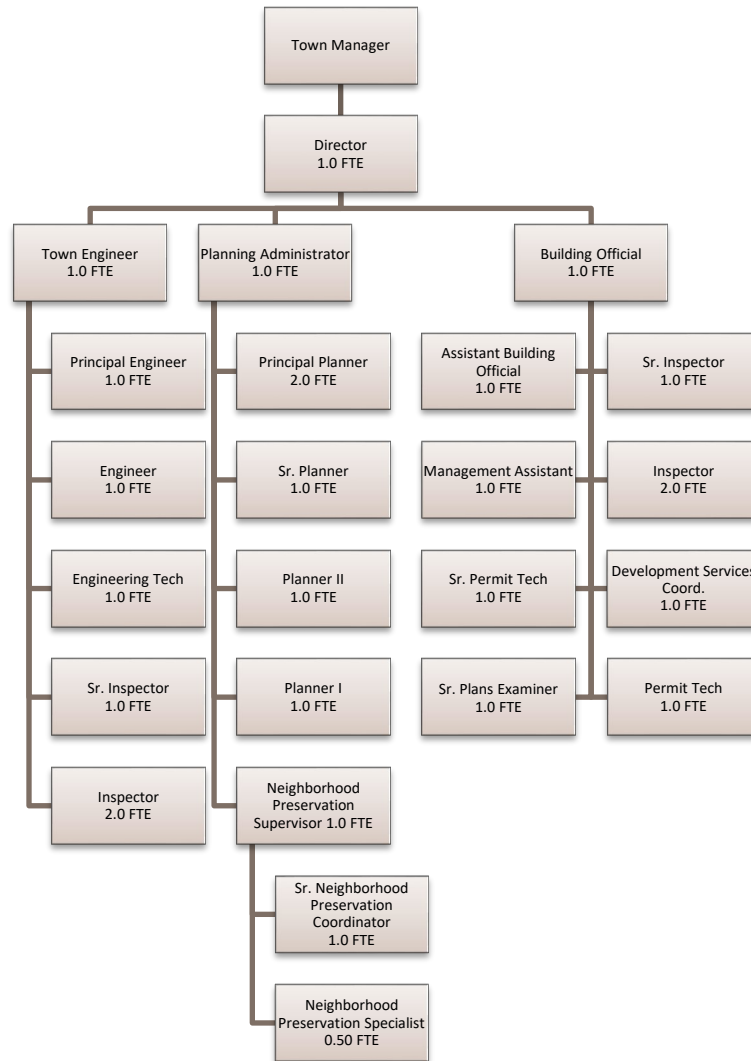
Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Community Involvement	Number of HPEC event days – Equestrian Driven	236	260	251	260
Image & Identity	Number of HPEC event days – Non-Equestrian Driven	86	85	70 <sup>1</sup>	80

## Analysis of Performance

1. Projected figure reflects a change in event type using the facility. Fewer overall event days are expected through the end of the fiscal year, but the events are using larger numbers of stalls and supplies.



# Development Services



## Department Description and Programs

The Development Services Department provides current and long-range planning programs, along with building safety and inspection, code enforcement, and engineering services. The department executes directives from the Town Manager and Council for the benefit of the Town’s residents, businesses and visitors.

## Department Mission

Development Services serves the Queen Creek community by planning and administering land use, transportation, housing, and economic development opportunities. Development Services works to encourage investment in the community by providing excellent services oriented towards sustaining and creating a community with a high quality of life and environmental benefits for all.



# Development Services

## Strategic Priorities

Effective Government



Secure Future



Superior Infrastructure



Quality Lifestyle



## FY 2019/20 Objectives

- Plan for an economically sustainable build-out
- Continue to provide quality customer service and efficient plan review using the Town's electronic plan review and permitting system
- Continue to update the Town's Zoning Ordinance and Design Guidelines to reflect current needs and continue to provide high quality service to our citizens and the development community
- Cooperatively complete the specific area plan zoning with the Arizona State Land Department for the portion of Superstition Vistas in the Town's Planning area
- Continue evaluating potential annexations of strategic lands within the Town's planning area
- Facilitate the implementation and realization of the Town Center Plan Update and Downtown Core Zoning District
- Preserve and enhance neighborhoods

## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Development Services Admin	4.00	4.00	2.00	1.00	1.00
Planning	5.00	5.00	6.00	6.00	6.00
Engineering	5.00	5.00	6.00	6.00	7.00
Building Safety	10.00	9.00	9.00	10.00	10.00
Neighborhood Preservation	1.50	2.50	2.50	2.50	2.50
<b>Department FTE</b>	<b>25.50</b>	<b>25.50</b>	<b>25.50</b>	<b>25.50</b>	<b>26.50</b>

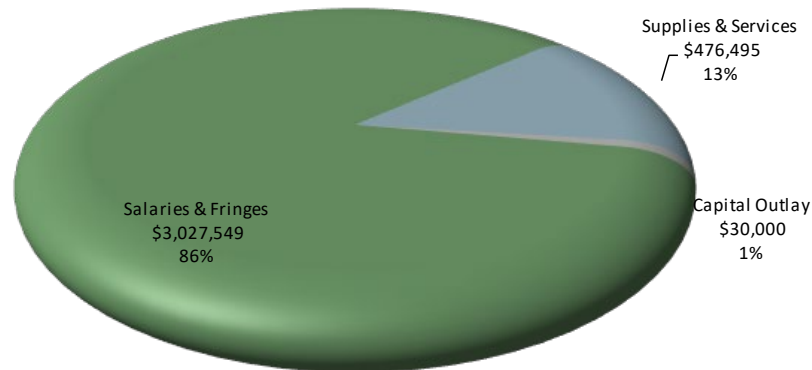
## FTE Changes

Included in the FY 2019/20 Recommended Budget is one additional Inspector position due to ongoing growth in construction related activity. There were no additions to staffing in FY 2018/19, only internal reclassifications which were used to align existing staff with current service requirements. This was also the case for previous fiscal years, no additions to staffing only modifications to existing staff assignments.



# Development Services

Development Services  
FY 2019/20 Recommended Budget \$3.5M



## Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund - Direct Revenues	\$ 5,189,643	\$ 5,086,792	\$ 6,228,398	\$ 5,392,400	\$ 5,398,400	\$ 6,000	0%
General Fund	\$ (2,496,607)	\$ (2,211,506)	\$ (2,964,313)	\$ (2,054,170)	\$ (1,864,356)	\$ 189,814	(9%)
<b>Total</b>	<b>\$ 2,693,036</b>	<b>\$ 2,875,286</b>	<b>\$ 3,264,085</b>	<b>\$ 3,338,230</b>	<b>\$ 3,534,044</b>	<b>\$ 195,814</b>	<b>6%</b>
		\$ 182,250	\$ 388,799	\$ 74,145	\$ 195,814		
		7%	14%	2%	6%		

## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 2,525,795	\$ 2,622,952	\$ 2,702,964	\$ 2,935,872	\$ 3,027,549	\$ 91,677	3%
Supplies & Services	\$ 167,241	\$ 252,334	\$ 561,121	\$ 402,358	\$ 476,495	\$ 74,137	18%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	N/A
<b>Department Total</b>	<b>\$ 2,693,036</b>	<b>\$ 2,875,286</b>	<b>\$ 3,264,085</b>	<b>\$ 3,338,230</b>	<b>\$ 3,534,044</b>	<b>\$ 195,814</b>	<b>6%</b>
		\$ 182,250	\$ 388,799	\$ 74,145	\$ 195,814		
		7%	14%	2%	6%		

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Development Services Admin	\$ 507,395	\$ 533,479	\$ 501,659	\$ 431,752	\$ 275,654	\$ (156,098)	(36%)
Planning	\$ 606,748	\$ 727,668	\$ 911,632	\$ 801,598	\$ 807,631	\$ 6,033	1%
Building Safety	\$ 849,637	\$ 865,088	\$ 925,866	\$ 1,118,946	\$ 1,143,576	\$ 24,630	2%
Engineering	\$ 553,731	\$ 570,733	\$ 711,193	\$ 745,669	\$ 1,056,928	\$ 311,259	42%
Neighborhood Preservation	\$ 175,526	\$ 178,318	\$ 213,735	\$ 240,265	\$ 250,255	\$ 9,990	4%
<b>Department Total</b>	<b>\$ 2,693,036</b>	<b>\$ 2,875,286</b>	<b>\$ 3,264,085</b>	<b>\$ 3,338,230</b>	<b>\$ 3,534,044</b>	<b>\$ 195,814</b>	<b>6%</b>
		\$ 182,250	\$ 388,799	\$ 74,145	\$ 195,814		
		7%	14%	2%	6%		



# Development Services

## Operating Expenditures – Development Services Admin

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 492,663	\$ 513,599	\$ 485,864	\$ 395,832	\$ 248,474	\$ (147,358)	(37%)
Supplies & Services	\$ 14,732	\$ 19,880	\$ 15,795	\$ 35,920	\$ 27,180	\$ (8,740)	(24%)
<b>Division Total</b>	<b>\$ 507,395</b>	<b>\$ 533,479</b>	<b>\$ 501,659</b>	<b>\$ 431,752</b>	<b>\$ 275,654</b>	<b>\$ (156,098)</b>	<b>(36%)</b>
	\$ Change from Prior	\$ 26,084	\$ (31,820)	\$ (69,907)	\$ (156,098)		
	% Change from Prior	5%	(6%)	(14%)	(36%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining decrease is related to employee turnover and other employee movement within the Town.

### Supplies & Services:

For FY 2019/20 the supplies and services budget decreases slightly because of a reduction of travel and conference expenses as a result of a position being reclassified and moved from the Admin Department to Building Safety (\$4K) last year. A FY 2018/19 carryforward amount of \$7.5K for offsite records management has been removed for the FY 2019/20 budget. The decreases are offset by an increase in equipment (\$1K for an iPad), and increased budget for training (\$1.5K).

## Program Performance – Development Services Admin

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Land Use & Economic Development	Percent of citizens ranking the overall quality of new development in Queen Creek as “Good” to “Excellent” <sup>1</sup>	88%	N/A	N/A	85%
Capital Improvement Program	Percent of citizens ranking the overall appearance of Queen Creek roads, parks, trails, and public facilities as “Good” to “Excellent” <sup>1</sup>	94%	N/A	N/A	90%

## Analysis of Performance

1. The Town conducts a biennial citizen survey every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).



# Development Services

## Operating Expenditures - Planning

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 545,319	\$ 561,270	\$ 486,633	\$ 610,798	\$ 727,654	\$ 116,856	19%
Supplies & Services	\$ 61,428	\$ 166,398	\$ 424,999	\$ 190,800	\$ 79,977	\$ (110,823)	(58%)
<b>Division Total</b>	<b>\$ 606,748</b>	<b>\$ 727,668</b>	<b>\$ 911,632</b>	<b>\$ 801,598</b>	<b>\$ 807,631</b>	<b>\$ 6,033</b>	<b>1%</b>
	\$ Change from Prior	\$ 120,920	\$ 183,964	\$ (110,034)	\$ 6,033		
	% Change from Prior	20%	25%	(12%)	1%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to reclassifications of existing positions.

### Supplies & Services:

The Planning division supplies and service budget is decreasing by \$111K over the prior year. In FY 2018/19 \$128K for consulting services related to the San Tan Vistas Masterplan project and other professional services, has been removed from the FY 2019/20 budget. In addition, the travel and conference budget was reduced by about \$3K and the professional dues and membership fees declined by about \$2K. Offsetting the decrease is a \$20K increase for Professional and Technical Services for contracted architectural and consulting services related to major special projects and annexations.

## Program Performance - Planning

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Land Use & Economic Development	Average number of days from plan submittal to pre-application meeting	14	14	14	14
	Percent of Planning construction plan reviews completed within 15 calendar days	90% <sup>1</sup>	100%	100%	100%
	Percent of Planning case reviews completed within 15 calendar days	100%	100%	100%	100%
	Percent of Planning inspections completed within 3 calendar days	100%	100%	100%	100%

## Analysis of Performance

1. Staff attrition and related vacancies against an increasing workload is attributed to the lower actual figures for FY 2017/18.



# Development Services

## Operating Expenditures – Building Safety

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 795,123	\$ 828,273	\$ 864,158	\$ 1,005,096	\$ 1,024,701	\$ 19,605	2%
Supplies & Services	\$ 54,514	\$ 36,815	\$ 61,708	\$ 113,850	\$ 118,875	\$ 5,025	4%
<b>Division Total</b>	<b>\$ 849,637</b>	<b>\$ 865,088</b>	<b>\$ 925,866</b>	<b>\$ 1,118,946</b>	<b>\$ 1,143,576</b>	<b>\$ 24,630</b>	<b>2%</b>
	\$ Change from Prior	\$ 15,451	\$ 60,778	\$ 193,080	\$ 24,630		
	% Change from Prior	2%	7%	21%	2%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining differences are related to employee turnover with new incumbents earning less.

### Supplies & Services:

The building safety supplies and services budget is increasing by about \$5K over the previous fiscal year. The increase stems from necessary supplies and services (\$2K) for the Assistant Building Official position which was reclassified from the Admin department during FY 2018/19. The department also plans to purchase new plan review monitors to more effectively accommodate electronic plan review (\$3K).

## Program Performance – Building Safety

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Land Use & Economic Development	Percent of building permits processed in 5 days or less from plan review completion to applicant notification	100%	100%	100%	100%
	Percent of inspections completed within 1 business day of the requested inspection	100%	100%	100%	100%





# Development Services

## Operating Expenditures – Engineering

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 524,481	\$ 550,534	\$ 665,287	\$ 703,701	\$ 796,125	\$ 92,424	13%
Supplies & Services	\$ 29,250	\$ 20,199	\$ 45,907	\$ 41,968	\$ 230,803	\$ 188,835	450%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000	N/A
<b>Division Total</b>	<b>\$ 553,731</b>	<b>\$ 570,733</b>	<b>\$ 711,193</b>	<b>\$ 745,669</b>	<b>\$ 1,056,928</b>	<b>\$ 311,259</b>	<b>42%</b>
	\$ Change from Prior	\$ 17,003	\$ 140,460	\$ 34,476	\$ 311,259		
	% Change from Prior	3%	25%	5%	42%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to the addition of a 1.0 FTE Inspector position which was added in FY 2019/20 at approximately \$80K.

### Supplies & Services:

The Engineering supplies and services budget is increasing by about \$180K in FY 2019/20. A budget of \$140K is allocated for an on-site engineering plan review consultant to support the department as it receives submissions for major residential subdivision projects. The engineering reviews performed by the consultant will allow the department to maintain adequate workload capacity and processing times to complete engineering reviews in a timely fashion. This category also includes increases for contracted engineering support services (\$15K) and video sewer inspection services (\$15K). Sewer services are fully paid by developers during the permit process, with the Town acting as a conduit for the developer and the sewer video vendor. An additional \$7K is budgeted for one-time costs to outfit a workstation for the on-site consultant.

### Capital Outlay:

One-time vehicle purchase costs are included in the capital budget for the new Engineering Inspector position being added in FY 2019/20 (\$30K).

## Program Performance – Engineering

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Land Use & Economic Development	Percent of Engineering construction plan reviews completed within 21 business days	100%	100%	100%	100%
	Percent of encroachment permit requests processed within established timeframes <sup>1</sup>	95%	100%	100%	100%
	Percent of final plat case reviews completed within 21 business days	95%	100%	85%	90% <sup>2</sup>



# Development Services

## Analysis of Performance

1. Established timeframes for street maintenance, construction projects, and private development construction permits is 2-5 business days. Timeframes for general franchise utilities is up to 8 business days.
2. Increased workload demands against current staffing levels is driving this measure lower in FY 2018/19 projection and FY 2019/20 target

## Operating Expenditures – Neighborhood Preservation

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 168,209	\$ 169,276	\$ 201,023	\$ 220,445	\$ 230,595	\$ 10,150	5%
Supplies & Services	\$ 7,317	\$ 9,042	\$ 12,712	\$ 19,820	\$ 19,660	\$ (160)	(1%)
<b>Division Total</b>	<b>\$ 175,526</b>	<b>\$ 178,318</b>	<b>\$ 213,735</b>	<b>\$ 240,265</b>	<b>\$ 250,255</b>	<b>\$ 9,990</b>	<b>4%</b>
	\$ Change from Prior	\$ 2,792	\$ 35,417	\$ 26,530	\$ 9,990		
	% Change from Prior	2%	20%	12%	4%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

The supplies and services budget for Neighborhood Preservation is roughly flat with the previous fiscal year.

## Program Performance – Neighborhood Preservation

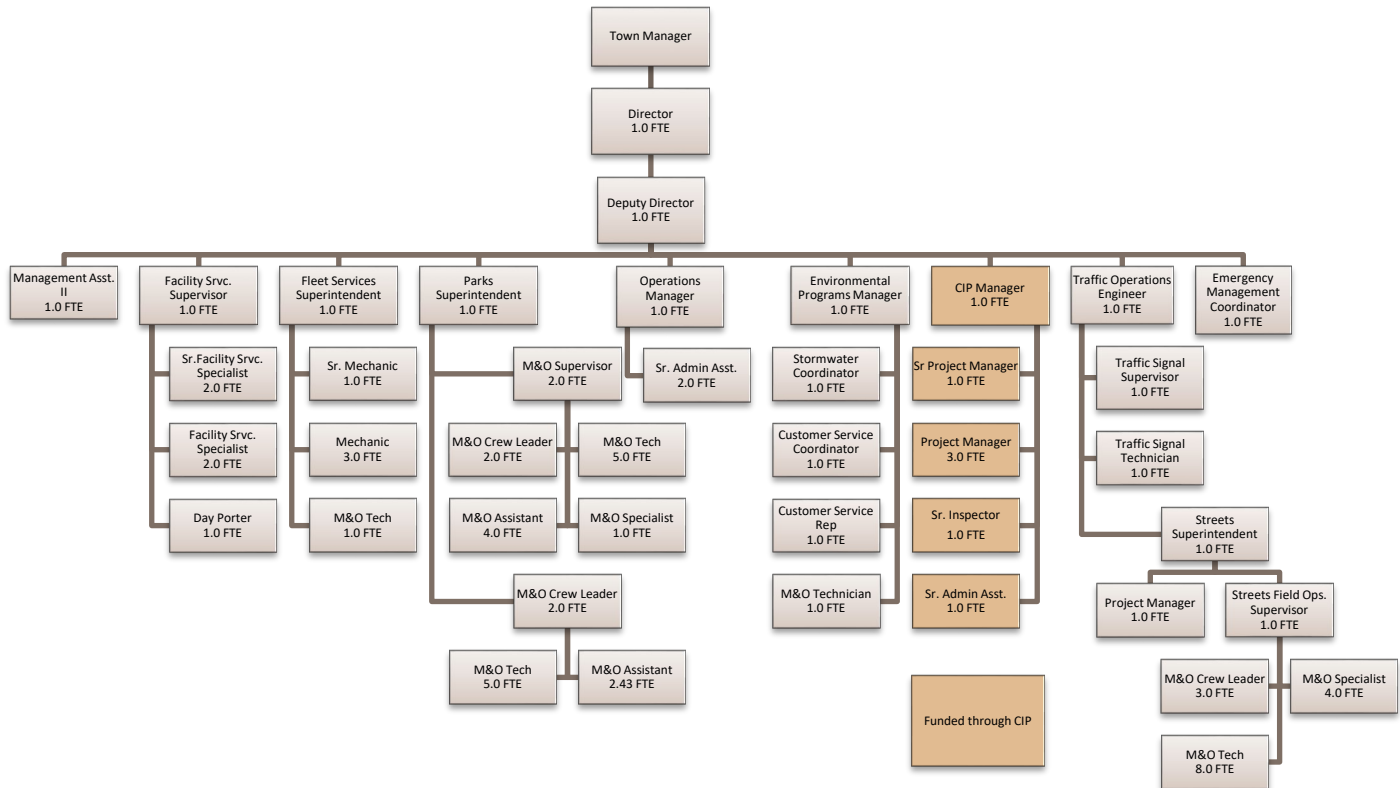
Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Land Use & Economic Development	Total number of unique (individual) staff initiated actions completed monthly <sup>1</sup>	170	100	180	120
	Average calendar days between receiving complaint to first investigation	<1	<1	<1	<1
	Average number of cases managed per FTE inspector monthly <sup>1</sup>	116	85	120	110

## Analysis of Performance

1. This division now requires staff to complete a minimum number of assignments daily and implemented improved tracking processes, resulting in an increased FY 2017/18 Actuals, Projected FY 2018/19, and Target for FY 2019/20.



# Public Works



## Department Description

The Public Works Department oversees the maintenance of facilities, fleet, streets, grounds and provides solid waste services. The department actively implements the Capital Improvement Program (CIP), the pavement maintenance plans, and maintains public parks and grounds. This department is vital in managing Queen Creek’s rapid growth.

Solid Waste is a contracted program within the Public Works Department. The services provided through Solid Waste are refuse collection, recycling and community outreach. The Solid Waste program is funded by rate-payers. The current rate for a residential customer who has one refuse bin and one recycling bin is \$16.22 per month.

## Department Mission

Building a sustainable community and maintaining superior Town infrastructure through innovation and dedication to excellence.

## Strategic Priorities



# Public Works

## Effective Government



## Superior Infrastructure



## Quality Lifestyle



### FY 2019/20 Objectives

- Completion of a Solid Waste Study for Trash and Recycling Services as the contract with RAD expires in 2020.
- Development of an operations and maintenance plan for taking on the maintenance of over 3,500 streetlights as the Town’s contract with Salt River Project ends in 2019.
- Implementation of Ironwood Road improvements per the Arizona Department of Transportation Road Safety Audit.
- Design and construction of the East Park Regional Flood Control Basin in coordination with the Flood Control District of Maricopa County.
- Implement the Transportation Improvement Plan that includes the beginning of a 3-year stretch of 8 new projects, the most at one time in our 10-year plan.
- Develop a fleet fueling plan for the Town.
- Continued coordination between the Town’s Transportation Improvement Plan and Private Development road improvements to ensure the timing of construction is least prohibitive for motorists.

### Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Public Works Administration	4.00	4.00	5.00	7.00	7.00
Facilities Maintenance	4.75	4.75	5.00	6.00	6.00
Fleet Maintenance	4.00	4.00	4.00	4.00	6.00
Street Maintenance	13.00	14.00	15.00	17.00	18.00
Traffic	3.00	3.00	4.00	3.00	3.00
Parks & Grounds Maintenance	16.61	16.61	18.43	24.43	24.43
Solid Waste	4.75	4.75	4.00	4.00	4.00
Stormwater	-	-	-	1.00	1.00
CIP- Drainage & Transportation	-	5.50	5.50	7.00	7.00
<b>Department FTE</b>	<b>53.11</b>	<b>56.61</b>	<b>60.93</b>	<b>73.43</b>	<b>76.43</b>

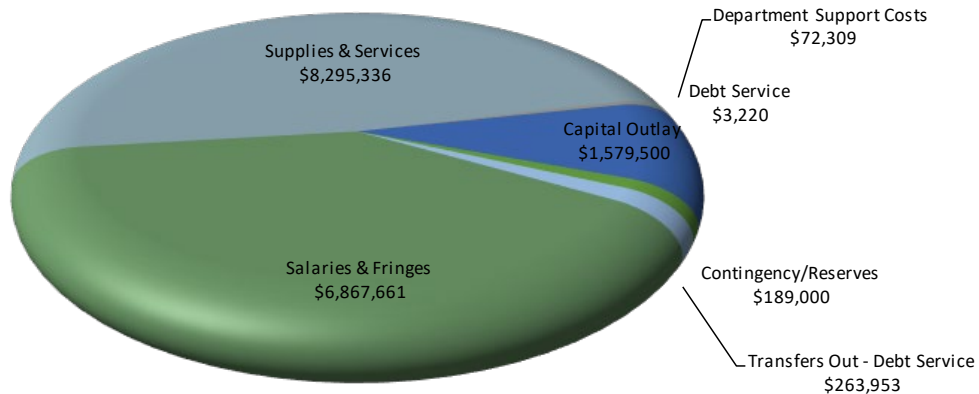
### FTE Changes

In FY 2019/20 there were 3.0 additional FTE added to the Public Works Department. These included Fleet Maintenance adding a Mechanic and an M&O Tech, and Streets adding an M&O Crew Leader. These additions are due to growing demands the Town continues to face and aiding in maintaining service levels. Included in FY 2018/19 Revised Budget is a reclassification of the Town’s Transportation Engineer to Deputy Director due to departmental growth. Additional positions included: Facility Services Specialist, an M&O Specialist and M&O Tech in Streets, 6 additional positions in Parks & Grounds due to the opening of Mansel Carter Park, 1.5 additional FTE in CIP which included a 1.0 FTE Sr. Inspector and an increase of 0.5 FTE Admin Asst position to full-time, and a Stormwater Coordinator now rolling up to Public Works versus Wastewater. In previous years there have been additions which have all been related to the Town’s overall growth and include new roads, parks, and Town facilities and assets, all of which requires ongoing maintenance and support.



# Public Works

Public Works  
FY 2019/20 Recommended Budget \$17.3M



## Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund-Department Support Cost Recovery Revenue	\$ 231,570	\$ 306,104	\$ 331,941	\$ 393,695	\$ 384,668	\$ (9,027)	(2%)
General Fund	\$ 4,784,782	\$ 4,705,941	\$ 6,025,996	\$ 7,519,088	\$ 8,046,716	\$ 527,628	7%
Streets/HURF Revenues	\$ 2,874,325	\$ 3,637,818	\$ 3,857,634	\$ 4,155,360	\$ 4,371,200	\$ 215,840	5%
Solid Waste	\$ 2,107,488	\$ 2,601,470	\$ 2,338,071	\$ 3,109,331	\$ 3,371,202	\$ 261,871	8%
CIP	\$ 86,141	\$ 750,227	\$ 719,216	\$ 1,151,368	\$ 843,343	\$ (308,025)	(27%)
Sewer/Stormwater	\$ 54,490	\$ 72,302	\$ 70,377	\$ 250,000	\$ 253,850	\$ 3,850	2%
<b>Total</b>	<b>\$ 10,138,796</b>	<b>\$ 12,073,862</b>	<b>\$ 13,343,235</b>	<b>\$ 16,578,842</b>	<b>\$ 17,270,979</b>	<b>\$ 701,164</b>	<b>4%</b>
		\$ Change from Prior	\$ 1,935,066	\$ 1,269,373	\$ 3,235,607	\$ 692,137	

## Expenditure by Fund

Funding	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
General Fund	\$ 4,179,775	\$ 4,250,506	\$ 4,619,274	\$ 5,993,265	\$ 6,887,374	\$ 894,109	15%
Streets/HURF	\$ 3,710,902	\$ 4,399,357	\$ 5,592,451	\$ 6,043,878	\$ 5,915,210	\$ (128,668)	(2%)
Solid Waste	\$ 2,107,488	\$ 2,601,470	\$ 2,338,071	\$ 3,109,331	\$ 3,371,202	\$ 261,871	8%
CIP	\$ 86,141	\$ 750,227	\$ 723,062	\$ 1,182,368	\$ 843,343	\$ (339,025)	(29%)
Sewer/Stormwater	\$ 54,490	\$ 72,302	\$ 70,377	\$ 250,000	\$ 253,850	\$ 3,850	2%
<b>Department Total</b>	<b>\$ 10,138,796</b>	<b>\$ 12,073,862</b>	<b>\$ 13,343,235</b>	<b>\$ 16,578,842</b>	<b>\$ 17,270,979</b>	<b>\$ 692,137</b>	<b>4%</b>
		\$ Change from Prior	\$ 1,935,066	\$ 1,269,373	\$ 3,235,607	\$ 692,137	
		% Change from Prior	19%	11%	24%	4%	



# Public Works

## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 4,255,344	\$ 4,723,118	\$ 5,134,822	\$ 6,735,825	\$ 6,867,661	\$ 131,836	2%
Supplies & Services	\$ 4,846,523	\$ 6,019,066	\$ 6,993,431	\$ 8,115,918	\$ 8,295,336	\$ 179,418	2%
Department Support Costs	\$ 51,741	\$ 67,215	\$ 65,787	\$ 66,249	\$ 72,309	\$ 6,060	9%
Debt Service	\$ 26,176	\$ 20,396	\$ 20,396	\$ 20,398	\$ 3,220	\$ (17,178)	(84%)
Capital Outlay	\$ 649,002	\$ 975,767	\$ 839,838	\$ 1,284,835	\$ 1,579,500	\$ 294,665	23%
Contingency/Reserves	\$ -	\$ -	\$ -	\$ 90,000	\$ 189,000	\$ 99,000	110%
<b>Subtotal Expenses</b>	<b>\$ 9,828,787</b>	<b>\$ 11,805,562</b>	<b>\$ 13,054,274</b>	<b>\$ 16,313,225</b>	<b>\$ 17,007,026</b>	<b>\$ 693,801</b>	<b>4%</b>
Transfers Out - Debt Service	\$ 310,010	\$ 268,300	\$ 288,961	\$ 265,617	\$ 263,953	\$ (1,664)	(1%)
<b>Department Total</b>	<b>\$ 10,138,796</b>	<b>\$ 12,073,862</b>	<b>\$ 13,343,235</b>	<b>\$ 16,578,842</b>	<b>\$ 17,270,979</b>	<b>\$ 692,137</b>	<b>4%</b>
	\$ Change from Prior	\$ 1,935,066	\$ 1,269,373	\$ 3,235,607	\$ 692,137		
	% Change from Prior	19%	11%	24%	4%		

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Public Works Admin	\$ 722,301	\$ 518,584	\$ 626,809	\$ 996,704	\$ 1,032,515	\$ 35,811	4%
Facilities Maintenance	\$ 569,682	\$ 640,441	\$ 693,102	\$ 981,094	\$ 1,164,089	\$ 182,995	19%
Fleet Maintenance	\$ 791,128	\$ 740,258	\$ 883,419	\$ 798,058	\$ 1,217,637	\$ 419,579	53%
Traffic	\$ 543,492	\$ 728,818	\$ 879,756	\$ 579,979	\$ 1,302,114	\$ 722,135	125%
Streets & Pavement Maintenance	\$ 3,710,902	\$ 4,399,357	\$ 5,592,451	\$ 6,043,878	\$ 5,915,210	\$ (128,668)	(2%)
Grounds Maintenance	\$ 1,553,172	\$ 1,622,404	\$ 1,536,188	\$ 2,637,430	\$ 2,171,019	\$ (466,411)	(18%)
Solid Waste	\$ 2,107,488	\$ 2,601,470	\$ 2,338,071	\$ 3,109,331	\$ 3,371,202	\$ 261,871	8%
Stormwater	\$ 54,490	\$ 72,302	\$ 70,377	\$ 250,000	\$ 253,850	\$ 3,850	2%
CIP Management	\$ 86,141	\$ 750,227	\$ 723,062	\$ 1,182,368	\$ 843,343	\$ (339,025)	(29%)
<b>Department Total</b>	<b>\$ 10,138,796</b>	<b>\$ 12,073,862</b>	<b>\$ 13,343,235</b>	<b>\$ 16,578,842</b>	<b>\$ 17,270,979</b>	<b>\$ 692,137</b>	<b>4%</b>
	\$ Change from Prior	\$ 1,935,066	\$ 1,269,373	\$ 3,235,607	\$ 692,137		
	% Change from Prior	19%	11%	24%	4%		



# Public Works

## Program Operating Budget - PW Admin

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 704,987	\$ 507,878	\$ 576,638	\$ 960,554	\$ 998,180	\$ 37,626	4%
Supplies & Services	\$ 17,314	\$ 10,706	\$ 50,171	\$ 36,150	\$ 34,335	\$ (1,815)	(5%)
<b>Division Total</b>	<b>\$ 722,301</b>	<b>\$ 518,584</b>	<b>\$ 626,809</b>	<b>\$ 996,704</b>	<b>\$ 1,032,515</b>	<b>\$ 35,811</b>	<b>4%</b>
	\$ Change from Prior	\$ (203,717)	\$ 108,225	\$ 369,895	\$ 35,811		
	% Change from Prior	(28%)	21%	59%	4%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is due to the Transportation Engineer being moved from Traffic Engineering into the Public Works Administration and reclassified as the Public Works Deputy Director as part of the Town's succession planning. Additionally one other employees was reclassified based on new duties assigned which resulted in a current year budget increase.

### Supplies & Services:

The Public Works Administrative budget reflects a \$1.8K (or 5%) decrease to the overall budget. The driving force resulting in this budget reduction reflects \$10K that was originally established to accommodate anticipated expenses for hazardous waste disposal services (Stericycle) for the entire Public Works department. FY 2018/19 accounting practices put into place changed the direction of the expense rendering this budget line no longer necessary to this particular General Fund budget line. Increases to the FY 2019/20 reflect organizational changes involving the addition of a Public Works Deputy Director position. An increase to the training/conference (\$6.7K), membership (\$.04), and cellular service (\$.06) line now reflects this organizational change. Other minor adjustments have been made to the FY 2019/20 office supply and minor equipment budgets based on trends and staffing needs.

## Performance - PW Admin

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Capital Improvement Program	Percent of design and construction contracts not exceeding 10% of bid award amount	100%	95%	100%	95%
	Percent of Town projects completed per adopted contractors construction schedule (excluding unforeseen delays)	100%	95%	100%	95%



# Public Works

## Program Operating Budget - Facilities Maintenance

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 329,602	\$ 331,489	\$ 369,034	\$ 447,055	\$ 457,864	\$ 10,809	2%
Supplies & Services	\$ 240,080	\$ 308,952	\$ 308,757	\$ 390,500	\$ 456,225	\$ 65,725	17%
Capital Outlay	\$ -	\$ -	\$ 15,311	\$ 143,539	\$ 250,000	\$ 106,461	74%
<b>Division Total</b>	<b>\$ 569,682</b>	<b>\$ 640,441</b>	<b>\$ 693,102</b>	<b>\$ 981,094</b>	<b>\$ 1,164,089</b>	<b>\$ 182,995</b>	<b>19%</b>
	\$ Change from Prior	\$ 70,759	\$ 52,661	\$ 287,992	\$ 182,995		
	% Change from Prior	12%	8%	42%	19%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). A position in the prior year was filled at a rate less than estimated resulting in a smaller percentage increase shown than would typically represent annual compensation increases in FY 2019/20.

### Supplies & Services:

FY 2019/20 Facilities budget reflects a \$66K increase (17%). This increase can be attributed to new facilities including Mansel Carter Oasis Park and the Field Operations Facility that require additional custodial services, janitorial supplies, and general upkeep. Facilities Maintenance is also experiencing an upsurge of facility usage within the Community Center and Town parks, Library, and Recreation Annex resulting in the need to increase services to maintain acceptable level of service at these locations. Budgeted increases include:

- Increased costs within the General Services (\$7K)
- Maintenance/Repair (\$4K)
- Janitorial Supplies (\$5K)

Public Works Facilities Division requests one-time funding totaling \$48K for the upcoming FY 2019/20 budget:

- Funding totaling \$35K provides the opportunity for the Facilities division to replace an existing and antiquated maintenance work order system and integrate with a newly introduced Cartegraph software system currently being utilized by multiple Town divisions.
- One time funding of \$13K to address the need for additional ice machines to be installed at two Town locations for utilization by the Town's field operation crews.

### Capital Outlay:

Budget included in Capital Outlay is to address Town building and system repairs and maintenance. This budget will be an annual repair and maintenance budget.





# Public Works

## Program Performance - Facilities Maintenance

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Financial Management	Custodial expenditures per square foot: all facilities (total, in-house and contractual)	\$1.22 <sup>1</sup>	\$1.10	\$1.33 <sup>2</sup>	\$1.38 <sup>2</sup>
	Percent of preventative maintenance activities completed by town staff and contracted services as a percent of total preventative maintenance activities	91%	90%	90%	90%
	Percent of high-priority service requests addressed within 24 hours of request receipt	91%	90%	91%	91%

### Analysis of Performance

1. FY 2017/18 actuals reflect the net increase of 46,740 square feet to maintain.
2. The FY 2018/19 projection and FY 2019/20 target reflect increases in the costs for contracted custodial services and increasing personnel costs.



# Public Works

## Program Operating Budget - Fleet Maintenance

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 276,360	\$ 306,750	\$ 312,515	\$ 332,235	\$ 491,592	\$ 159,357	48%
Supplies & Services	\$ 243,093	\$ 209,614	\$ 244,123	\$ 243,030	\$ 269,545	\$ 26,515	11%
Capital Outlay	\$ 271,675	\$ 223,894	\$ 326,781	\$ 222,793	\$ 456,500	\$ 233,707	105%
<b>Division Total</b>	<b>\$ 791,128</b>	<b>\$ 740,258</b>	<b>\$ 883,419</b>	<b>\$ 798,058</b>	<b>\$ 1,217,637</b>	<b>\$ 419,579</b>	<b>53%</b>
	\$ Change from Prior	\$ (50,870)	\$ 143,161	\$ (85,361)	\$ 419,579		
	% Change from Prior	(6%)	19%	(10%)	53%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to the addition of a Mechanic and an M&O Technician, both being added in FY 2019/20.

### Supplies & Services:

FY 2019/20 reflects a \$27K (or 11%) increase to the Fleet Services supplies and service budget. The Public Works Fleet division is experiencing an increase of \$20K in regards to vehicle maintenance and repairs associated with consumable supplies involving oils, cleaners and replacement parts (hoses, belts, etc.). Additionally, the Fleet division is recognizing a rising cost of fuel of \$7K in combination with an increased workload being placed on equipment and vehicles. This increase of use is also impacting the Town's contracted fuel supplier (Queen Creek Unified Schools) that sometimes causes the site to run out of fuel - requiring users to utilize commercial fuel sites at a higher rate.

### Capital Outlay:

The capital budget fluctuates each year based on the vehicles and equipment that are replaced. Vehicle replacement is based on a combination of factors including age, mileage and overall condition of vehicle engine systems. FY 2019/20 reflects six (6) vehicles to be replaced, compared to the four (4) identified in FY 2018/19. In addition to the vehicle replacement list, Fleet division is requesting an additional \$144K to be added to the FY 2019/20 budget to address one-time purchase of a tractor for Public Works use (\$110K), a gantry lift to assist lifting heavy equipment in order to conduct required repairs and maintenance (\$18K), and vehicle outfitting (\$15.5K).



# Public Works

## Program Performance - Fleet Maintenance

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Financial Management	Percent of repair and maintenance activities completed by Town fleet staff	97%	95%	97%	95%
	Percent of vehicle and equipment repairs completed within one day of drop-off with Fleet Services	77% <sup>1</sup>	95%	67% <sup>1</sup>	95%

### Analysis of Performance

1. FY 2017/18 actuals and FY 2018/19 projection reflect an increase in vehicle equipment units (VEU) and productivity constraints from operating out of a temporary facility. The department expects these figures to rebound when the new corp yard is fully operational.



# Public Works

## Program Operating Budget - Traffic

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ 336,089	\$ 317,245	\$ 361,147	\$ 285,199	\$ 303,734	\$ 18,535	6%
Supplies & Services	\$ 207,403	\$ 411,573	\$ 276,306	\$ 294,780	\$ 419,180	\$ 124,400	42%
Capital Outlay	\$ -	\$ -	\$ 242,303	\$ -	\$ 579,200	\$ 579,200	N/A
<b>Division Total</b>	<b>\$ 543,492</b>	<b>\$ 728,818</b>	<b>\$ 879,756</b>	<b>\$ 579,979</b>	<b>\$ 1,302,114</b>	<b>\$ 722,135</b>	<b>125%</b>
	\$ Change from Prior	\$ 185,326	\$ 150,938	\$ (299,777)	\$ 722,135		
	% Change from Prior	34%	21%	(34%)	125%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

- The FY 2019/20 Traffic Supplies and Services budget reflects an additional \$124K:
- As new Traffic Signals, signs, and ITS infrastructure is installed by private development and Public Works CIP projects, staff is recommending \$15K be added to the budget in order to maintain these systems that are vitally important aspects of traffic control.
- Due to the increasing number of citizen complaints regarding neighborhood speeding, staff is seeking \$35K to purchase five additional speed feedback signs in an effort to reduce residential speeding through Town. Additionally, staff is seeking an additional \$60k for required traffic studies via the Town's Neighborhood Traffic Calming Policy.
- The damage to Town infrastructure related to traffic accidents is trending higher; therefore, staff is requesting in additional \$25K to cover the cost related to accidents (most of this money is recovered through insurance claims).
- As event traffic continues to trend higher, staff is seeking \$15K to provide appropriate levels of staffing and signage to ensure efficient movement of traffic during the events
- Due to new infrastructure and updated signage along old roadways staff is requesting a decrease in the signal signage budget of \$25K

### Capital Outlay:

Expenditure authority totaling \$579K has been included in the FY 2019/20 budget as a placeholder for potential one-time purchases/projects.

- 3/4 ton utility truck to assist with all requested inspections, work orders and call outs (\$44K). Staff is currently using a large bucket truck for all work orders. Using the Bucket Truck is not practical for a significant amount of maintenance or call outs and requires additional traffic control. (\$44K)
- Traffic street name signage: One time cost to replace fading signs in need of replacement on major arterials intersections (\$35.2K)
- Streetlight Purchase: The contract with SRP that ends June 30, 2019 and it stipulates the Town must purchase and maintain the streetlights throughout Town after this date. Therefore, staff is recommending a placeholder for the purchase of \$380K and \$120K for annual ongoing maintenance (\$500K).



# Public Works

## Program Performance – Traffic

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Capital Improvement Plan	Percentage of residents rating the overall traffic speeds and flow within the Town as "Good" to "Excellent" <sup>1</sup>	51%	N/A	N/A	55%
	Percent of emergency traffic signal malfunction responses within 1 hour of notification <sup>2</sup>	N/A	85%	95%	95%

### Analysis of Performance

1. The Town conducts a biennial citizen survey every 18 months. The next survey is scheduled for Fall 2019 (FY 2019/20).
2. New measure in FY 2018/19. Data for FY 2017/18 is unavailable.



# Public Works

## Program Operating Budget - Street Maintenance

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,025,876	\$ 1,138,522	\$ 1,230,696	\$ 1,464,278	\$ 1,583,607	\$ 119,329	8%
Supplies & Services	\$ 2,097,185	\$ 2,657,087	\$ 3,824,745	\$ 4,023,585	\$ 3,815,930	\$ (207,655)	(5%)
Debt Service	\$ 20,396	\$ 20,396	\$ 20,396	\$ 20,398	\$ 3,220	\$ (17,178)	(84%)
Capital Outlay	\$ 529,110	\$ 538,946	\$ 554,433	\$ 492,793	\$ 248,500	\$ (244,293)	(50%)
Transfers Out - Debt Service	\$ 310,010	\$ 268,300	\$ 288,961	\$ 265,617	\$ 263,953	\$ (1,664)	(1%)
<b>Division Total</b>	<b>\$ 3,982,577</b>	<b>\$ 4,623,251</b>	<b>\$ 5,919,232</b>	<b>\$ 6,266,671</b>	<b>\$ 5,915,210</b>	<b>\$ (351,461)</b>	<b>(6%)</b>
	\$ Change from Prior	\$ 640,674	\$ 1,295,980	\$ 347,439	\$ (351,461)		
	% Change from Prior	16%	28%	6%	(6%)		

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to an M&O Crew Leader position being requested for FY 2019/20, estimated at \$75K, and newer employees coming in at rates higher than the base rate.

#### Supplies & Services:

Of the \$3.8M budgeted, \$2.9M will be used for arterial and residential pavement preservation, targeted pavement repairs and upgrades, as well as concrete repairs. Several adjustment have been made within the supplies and service budget reflecting an overall net decrease. Based on trending expenditures, reductions to pavement marking repairs and crack seal material budgets have been made totaling \$88K (2%).

#### Capital Outlay:

The FY 2019/20 capital outlay budget reflects an overall decrease as items were addressed in FY 2018/19 including variable message boards, asphalt ripper attachment, pavement crack seal machine, concrete truck and vehicle replacement purchases. Streets division is requesting a \$128.5K one-time spending authority to recognize an efficiency opportunity by outfitting and modifying existing equipment for right of way maintenance (\$30K), along with a new vehicle and message board (\$65K) for the safety of crews working on the road for things such as emergency repairs, debris pick-up, etc. Additionally, the FY 2019/20 HURF budget is recommending a one-time spending authority totaling \$120K to accomplish the following projects:

- Fiber to Ellsworth Pump Station – Replacing wireless communications with Town fiber network. The wireless is sporadic during storm events which is when the system is needed the most.
- Remote camera and flow meter installation at Sossaman Channel to give crews advance warning of possible flooding conditions along Cloud Road. Advanced warning will allows crews to respond in time to prevent flooding.



# Public Works

## Program Performance – Street Maintenance

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Capital Improvement Program	Percentage of pavement in satisfactory or better condition per Pavement Condition Index (PCI) <sup>1</sup>	85%	85%	84%	85%
	Percent of pothole repairs completed within 24 hours of notification	100%	85%	100%	100%
	Percent of responses to street maintenance issues completed within 24 hours of notification	92%	98%	98%	98%

### Analysis of Performance

1. Pavement maintenance management software is used to track inventory and condition, and to predict and analyze future maintenance needs and condition.



# Public Works

## Program Operating Budget - Parks/Grounds Maintenance

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 1,195,922	\$ 1,303,391	\$ 1,216,586	\$ 1,828,547	\$ 1,706,494	\$ (122,053)	(7%)
Supplies & Services	\$ 351,469	\$ 286,088	\$ 295,657	\$ 341,380	\$ 419,225	\$ 77,845	23%
Debt Service	\$ 5,780	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ -	\$ 32,925	\$ 23,945	\$ 467,503	\$ 45,300	\$ (422,203)	(90%)
<b>Division Total</b>	<b>\$ 1,553,172</b>	<b>\$ 1,622,404</b>	<b>\$ 1,536,188</b>	<b>\$ 2,637,430</b>	<b>\$ 2,171,019</b>	<b>\$ (466,411)</b>	<b>(18%)</b>
	\$ Change from Prior	\$ 69,232	\$ (86,216)	\$ 1,101,242	\$ (466,411)		
	% Change from Prior	4%	(5%)	72%	(18%)		

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The variance is related to the 6 positions which were added during FY 2018/19. Each position was budgeted with a high cost medical plan that only one employee selected and also includes the differences between the amount budgeted and the rate at which employees were actually hired.

#### Supplies & Services:

- Grounds Maintenance supplies and service budget reflects an overall increase of \$78K (21%). Increases to this budget reflect in multiple areas throughout the Grounds Maintenance budget and can mostly be attributed to growth.
- The general services line in this section is experiencing a 42% increase (\$47K) as the Right-of-Way Maintenance Service contract has been adjusted to accommodate new property maintenance (Sossaman Road: Applebee to Twin acres - East side 1/4 mile; Applebee Road: 1/2 mile N and S sides and center median; Ellsworth/QC Rd). Additionally, the fish stocking contract with Arizona Game and Fish has been added to this budget.
- Training and uniform expenses reflect an increase as additional staff (5.5 FTE) have been added over the last year (\$10K).
- Staff is also requesting \$17.7 k for additional sign replacement, equipment repairs, additional landscape maintenance for new areas of maintenance (such as the new, larger, Corporation yard), and for resurfacing of the splash pad surface at Founders Park.

#### Capital Outlay:

The Grounds Maintenance FY 2019/20 capital budget reflects requests totaling \$45.3K and involves the purchase of a new stump grinder (\$8.3K), replacement playground equipment at both Desert Mountain Park and Founders locations (\$22K), and spending authority to rebuild the fountain feature in front of the Historic Town Hall Building (\$15K). This is reflecting a decrease from FY 2018/19 as the result of one-time projects that were completed in FY 2018/19.





# Public Works

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## Program Performance - Parks/Grounds Maintenance

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Image & Identity	Percent of graffiti or vandalism repaired within 24 hours of notification	97%	95%	95%	95%



# Public Works

## Program Operating Budget - Solid Waste

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 377,602	\$ 457,754	\$ 429,895	\$ 467,278	\$ 487,223	\$ 19,945	4%
Supplies & Services	\$ 1,558,253	\$ 1,672,606	\$ 1,842,390	\$ 2,335,804	\$ 2,622,670	\$ 286,866	12%
Department Support Costs	\$ 51,741	\$ 67,215	\$ 65,787	\$ 66,249	\$ 72,309	\$ 6,060	9%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Capital Outlay	\$ 119,892	\$ 403,896	\$ -	\$ 150,000	\$ -	\$ (150,000)	(100%)
Contingency	\$ -	\$ -	\$ -	\$ 90,000	\$ 189,000	\$ 99,000	110%
<b>Division Total</b>	<b>\$ 2,107,488</b>	<b>\$ 2,601,470</b>	<b>\$ 2,338,071</b>	<b>\$ 3,109,331</b>	<b>\$ 3,371,202</b>	<b>\$ 261,871</b>	<b>8%</b>
	\$ Change from Prior	\$ 493,982	\$ (263,399)	\$ 771,260	\$ 261,871		
	% Change from Prior	23%	(10%)	33%	8%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

This category contains the contract to provide trash/recycling services. The base rate increased 5% over the prior year, and the overall contract also increased due to growth in residential customers at approximately \$175K for FY 2019/20. The total cost to administer this contract is forecasted to be \$2.0M for FY 2019/20. Other large costs include the purchase of new trash and recycling carts, and increases in utility billing and credit card fees, both of which are due to growth in customers.

### Support Costs:

Support Costs (overhead) are the charges from the General Fund for services such as Human Resources, Finance, Payroll, Information Technology, Town Manager and Town Clerk. Any changes identified in this budget are the result of a service/support change from those departments.

### Capital Outlay:

The Capital Outlay decrease is related to one-time funding for prior year projects which included the recycling center moving to the new corp yard.

### Contingency:

The Solid Waste Fund operates as an Enterprise fund which includes its own, separate contingency. This increase represents the need for additional reserves as operations continue to expand.



# Public Works

## Program Performance – Solid Waste

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Environment	Percent of recycled or diverted material as a percentage of total solid waste collections	19%	22%	21%	21%
	Percent increase in recyclable material within selected residential neighborhood resulting from targeted inspection program <sup>1</sup>	N/A	85%	90%	90%

## Analysis of Performance

1. New measure in FY 2018/19; data is not available for FY 2017/18 actuals. The department performs an audit on residential collections within a subdivision to establish a starting point, then performs targeted outreach and education efforts for 2-3 months and then measures the impact of the program on the amount of non-contaminated, recyclable material.



# Public Works

## Program Operating Budget – Stormwater

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ -	\$ 75,666	\$ 74,034	\$ (1,632)	(2%)
Supplies & Services	\$ 54,490	\$ 72,302	\$ 70,377	\$ 174,334	\$ 179,816	\$ 5,482	3%
<b>Division Total</b>	<b>\$ 54,490</b>	<b>\$ 72,302</b>	<b>\$ 70,377</b>	<b>\$ 250,000</b>	<b>\$ 253,850</b>	<b>\$ 3,850</b>	<b>2%</b>
	\$ Change from Prior	\$ 17,811	\$ (1,925)	\$ 179,623	\$ 3,850		
	% Change from Prior	33%	(3%)	255%	2%		

## Budget Notes and Changes

### Salaries & Fringe:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The FY 2018/19 budget included benefit elections that have changed for FY 2019/20, creating a reduction in the budget, which offset the other budgeted increases.

### Supplies & Services:

The budget for Supplies & Services represents compliance costs to operate and maintain stormwater permitting as required by the Arizona Department of Environmental Quality (ADEQ).

## Program Operating Budget – CIP Management

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 8,906	\$ 360,089	\$ 638,311	\$ 875,013	\$ 764,933	\$ (110,080)	(13%)
Supplies & Services	\$ 77,234	\$ 390,138	\$ 80,905	\$ 276,355	\$ 78,410	\$ (197,945)	(72%)
<b>Division Total</b>	<b>\$ 86,141</b>	<b>\$ 750,227</b>	<b>\$ 719,216</b>	<b>\$ 1,151,368</b>	<b>\$ 843,343</b>	<b>\$ (308,025)</b>	<b>(27%)</b>
	\$ Change from Prior	\$ 664,086	\$ (31,011)	\$ 432,152	\$ (308,025)		
	% Change from Prior	771%	(4%)	60%	(27%)		

## Budget Notes and Changes

### Salaries and Fringes:

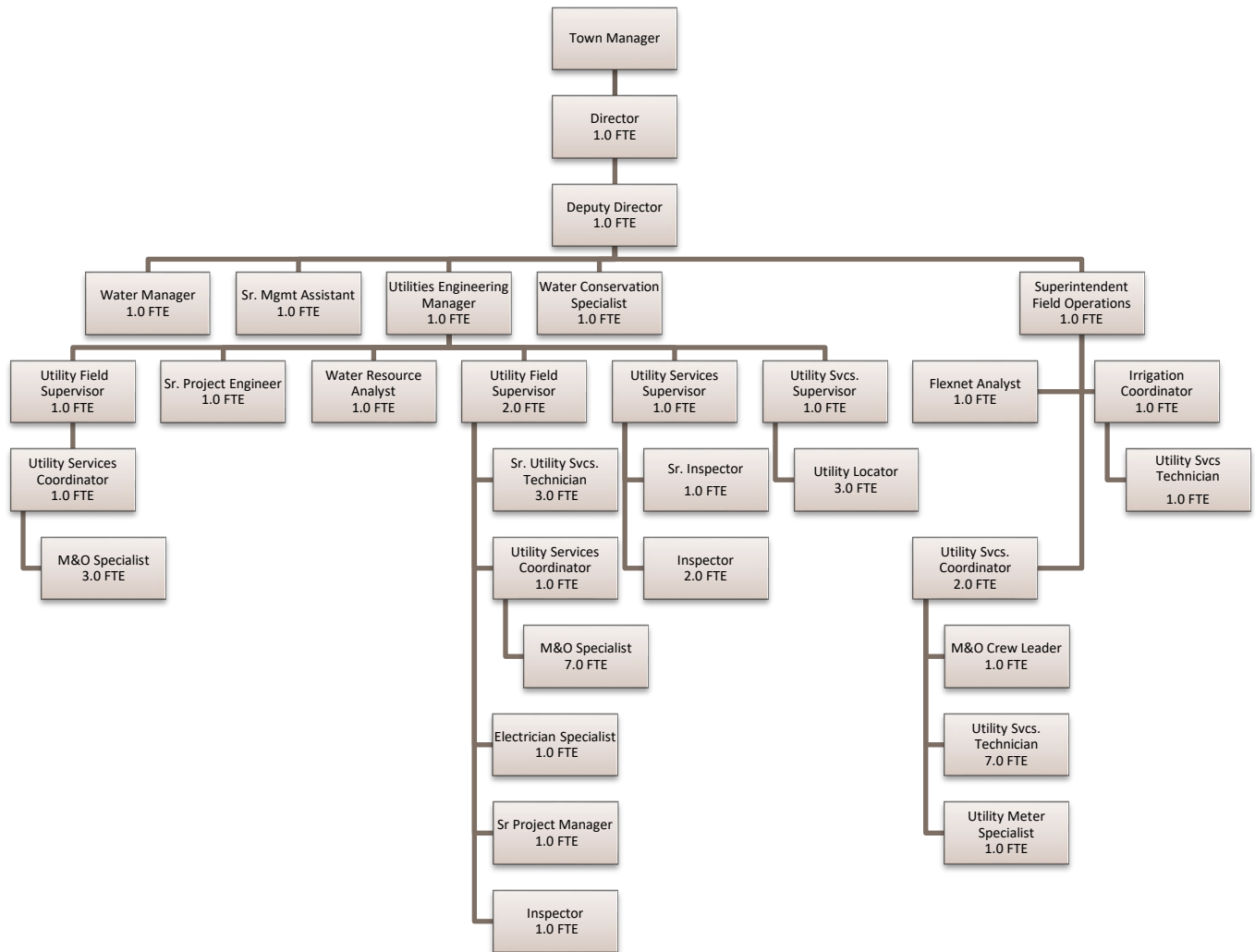
Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining variance is related to a position which was moved to another operation area during FY 2019/20, reducing the CIP Personnel costs.

### Supplies & Services:

The FY 2018/19 included a construction management consulting services contract totaling \$225K, and has been reduced to \$50K in FY 2019/20 based on using in-house personnel vs. contracted services. The Town's real estate team has been moved to the Economic Development department for FY 2018/19. Along with staff, miscellaneous expenses involving software support, training, memberships, and supplies budget (\$15K) have been moved from this budget resulting in a further reduction.



# Utility Services – Water & Wastewater



## Department Description and Programs

The Utility Services Department is composed of the water and sewer enterprise funds, which are used to account for the services provided to the Town’s utility customers. The department is responsible for the operation and maintenance of Queen Creek’s potable water, irrigation, reclaimed water, sewer facilities, and infrastructure in a manner that satisfies federal, state, county and local agency permits and ensures regulatory compliance through regular sample collection, laboratory testing, and backflow prevention. The Town is the sole water utility provider for the residents of Queen Creek. All programs in these areas are funded through water and sewer funds.

## Department Mission

The Utility Services Department is committed to excellence in providing safe, reliable, and efficient water and wastewater services in a manner that is environmentally responsible and maintains quality of life for the community and its residents. The department strives to meet or exceed the expectations of Queen Creek residents, businesses, outside customers, and visitors whom we serve.



# Utility Services – Water & Wastewater

## Strategic Priority

### Secure Future



## FY 2019/20 Objectives

- Continue development of sustainable long-range plans for water, reclaimed water, and wastewater by adjusting projections for community growth
- Ensure a continued safe and sustainable water supply that fully implements the General Plan
- Proactively work to secure the best opportunity for the 5.5 square miles of state lands and include them in the Town’s planning area. Work with the State Land Department on a CAG 208 permit

## Staffing by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Water – Administration	2.00	2.00	3.00	5.00	5.00
Water – Customer Service*	1.00	1.00	-	-	-
Water – Engineering	1.00	1.00	1.00	2.00	2.00
Water – Field Ops Meters	11.00	11.00	10.00	12.00	12.00
Water – GIS	3.00	3.00	4.00	4.00	4.00
Water – Irrigation	1.00	1.00	1.00	2.00	2.00
Water – CIP	3.00	3.00	3.00	3.00	4.00
Water – Conservation*	1.25	1.25	2.00	1.00	1.00
Water – Distribution	9.00	10.00	11.00	15.00	16.00
Water – Resources	1.00	1.00	1.00	1.00	1.00
Sewer – Water Reclamation	4.00	5.00	5.00	5.00	5.00
<b>Department FTE</b>	<b>37.25</b>	<b>39.25</b>	<b>41.00</b>	<b>50.00</b>	<b>52.00</b>

\*Beginning in FY 2019/20, Water – Customer Service positions are shown in the Finance section where these positions have always reported while still being funded by Water.

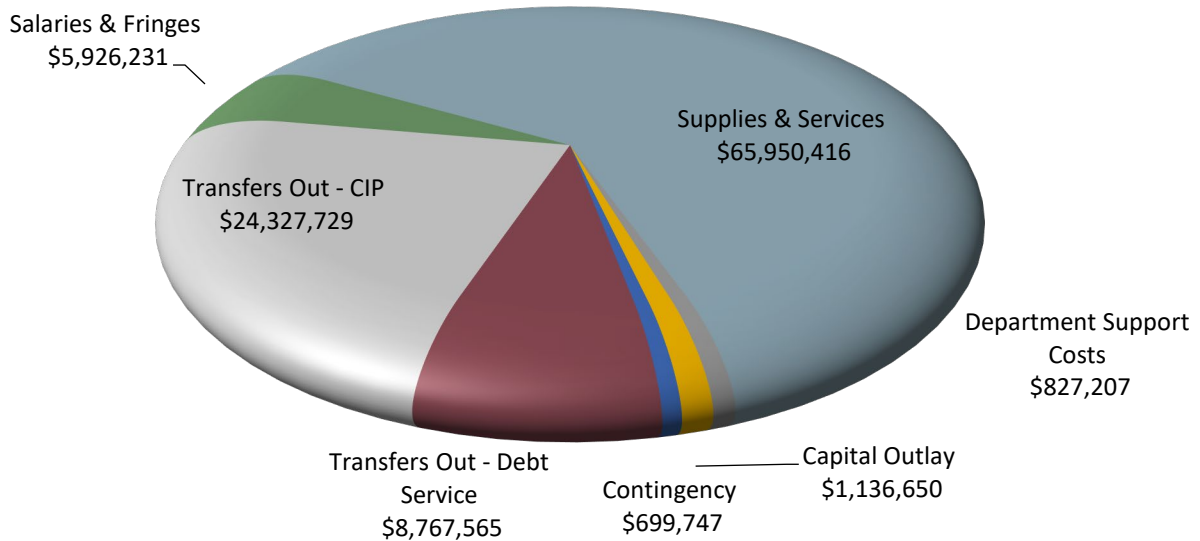
## FTE Changes

Included in the FY 2019/20 Recommended Budget are 2 additional positions which include an Inspector, and an M&O Specialist. There were 9 additional positions added during FY 2018/19, 7 of which were recommended in a business assessment completed by an outside consultant hired to review water operations. These positions included a Deputy Director, Water Flexnet Analyst, Sr. Project Engineer, Irrigation Coordinator, Electrician Specialist, M&O Specialist, and Utility Meter Specialist. The remaining position includes a Water Manager for departmental technical assistance, along with other reclassifications within the organization aligning staffing with workload, which also affected the FTE count for the Department. In prior fiscal years other positions were added - all of which are related to sustained and ongoing growth and expansion of the utility system.



# Utility Services – Water & Wastewater

## Utilities - Water/Wastewater FY 2019/20 Recommended Budget 107.6M



### Funding Source

Funding Source	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Water Revenues	\$ 16,591,872	\$ 16,447,211	\$ 14,914,496	\$ 102,545,620	\$ 91,953,177	\$ (10,592,443)	(10%)
Sewer Revenues	\$ 7,415,418	\$ 5,752,348	\$ 6,596,458	\$ 20,352,510	\$ 15,682,368	\$ (4,670,142)	(23%)
<b>Department Total</b>	<b>\$ 24,007,290</b>	<b>\$ 22,199,559</b>	<b>\$ 21,510,954</b>	<b>\$ 122,898,130</b>	<b>\$ 107,635,545</b>	<b>\$ (15,262,585)</b>	<b>(12%)</b>
	\$ Change from Prior	\$ (1,807,731)	\$ (688,606)	\$ 101,387,176	\$ (15,262,585)		
	% Change from Prior	(8%)	(3%)	471%	(12%)		

### Department Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 3,926,238	\$ 4,468,230	\$ 4,219,136	\$ 5,391,826	\$ 5,926,231	\$ 534,405	10%
Supplies & Services	\$ 7,154,837	\$ 7,805,339	\$ 8,215,530	\$ 83,211,341	\$ 65,950,416	\$ (17,260,925)	(21%)
Department Support Costs	\$ 792,466	\$ 905,835	\$ 929,250	\$ 736,490	\$ 827,207	\$ 90,717	12%
Capital Outlay	\$ 411,417	\$ 317,402	\$ 33,673	\$ 426,500	\$ 1,136,650	\$ 710,150	167%
Contingency	\$ -	\$ -	\$ -	\$ 74,100	\$ 699,747	\$ 625,647	844%
<b>Subtotal Expenses</b>	<b>\$ 12,284,959</b>	<b>\$ 13,496,806</b>	<b>\$ 13,397,589</b>	<b>\$ 89,840,257</b>	<b>\$ 74,540,251</b>	<b>\$ (15,300,006)</b>	<b>(17%)</b>
Transfers Out - Debt Service	\$ 8,336,274	\$ 8,574,402	\$ 7,154,109	\$ 8,588,740	\$ 8,767,565	\$ 178,825	2%
Transfers Out - CIP	\$ 3,386,058	\$ -	\$ -	\$ 24,469,133	\$ 24,327,729	\$ (141,404)	(1%)
Transfers Out-Operating	\$ -	\$ 128,351	\$ 959,255	\$ -	\$ -	\$ -	N/A
<b>Department Total</b>	<b>\$ 24,007,290</b>	<b>\$ 22,199,559</b>	<b>\$ 21,510,954</b>	<b>\$ 122,898,130</b>	<b>\$ 107,635,545</b>	<b>\$ (15,262,585)</b>	<b>(12%)</b>
	\$ Change from Prior	\$ (1,807,731)	\$ (688,606)	\$ 101,387,176	\$ (15,262,585)		
	% Change from Prior	(8%)	(3%)	471%	(12%)		



# Utility Services – Water & Wastewater

## Program Performance – Utilities

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Environment	Number of violations of state and federal drinking water standards	0	0	0	0
	Total water service cost per million gallons produced annually <sup>1</sup>	\$1,992	\$1,850	\$2,100	\$2,200
Financial Management, Internal Services & Sustainability	Percentage of lost/unaccounted for water (non-metered water due to leaks, theft, meter inefficiencies, etc.) <sup>2</sup>	6.37%	6.50%	6.50%	6.50%
	Number of sanitary sewer overflows	0	0	0	0
	Total wastewater service costs (dollars) per million gallons generated annually <sup>1</sup>	\$3,287	\$4,450	\$3,900	\$4,100

## Analysis of Performance

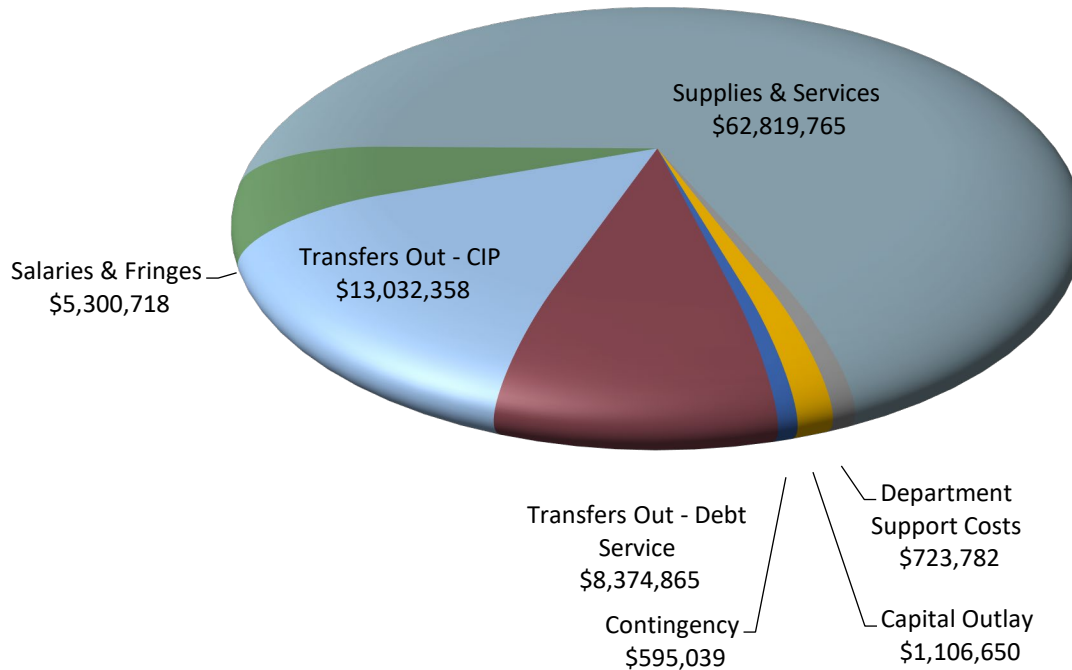
1. Based only on direct operation and maintenance costs. Operating expenditures are increasing due to aging infrastructure requiring costlier maintenance or replacement.
2. According to the Arizona Department of Water Resources (ADWR), lost/unaccounted for water should not account for more than 10% of water losses annually.





# Utility Services – Water Operating

Water  
FY 2019/20 Recommended Budget \$91.9M



## Water Operating Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 3,476,592	\$ 3,947,461	\$ 3,689,860	\$ 4,819,006	\$ 5,300,718	\$ 481,712	10%
Supplies & Services	\$ 5,315,848	\$ 5,906,031	\$ 6,376,286	\$ 79,936,736	\$ 62,819,765	\$ (17,116,971)	(21%)
Department Support Costs	\$ 704,988	\$ 817,731	\$ 829,424	\$ 633,600	\$ 723,782	\$ 90,182	14%
Capital Outlay	\$ 411,417	\$ 256,396	\$ 33,673	\$ 386,500	\$ 1,106,650	\$ 720,150	186%
Contingency	\$ -	\$ -	\$ -	\$ -	\$ 595,039	\$ 595,039	N/A
<b>Subtotal Expenses</b>	<b>\$ 9,908,844</b>	<b>\$ 10,927,620</b>	<b>\$ 10,929,242</b>	<b>\$ 85,775,842</b>	<b>\$ 70,545,954</b>	<b>\$ (15,229,888)</b>	<b>(18%)</b>
Transfers Out - Debt Service	\$ 5,333,022	\$ 5,391,241	\$ 3,985,254	\$ 5,414,838	\$ 8,374,865	\$ 2,960,027	55%
Transfers Out - CIP	\$ 1,350,006	\$ -	\$ -	\$ 11,354,940	\$ 13,032,358	\$ 1,677,418	15%
Transfers Out-Operating	\$ -	\$ 128,351	\$ -	\$ -	\$ -	\$ -	N/A
<b>Department Total</b>	<b>\$ 16,591,872</b>	<b>\$ 16,447,211</b>	<b>\$ 14,914,496</b>	<b>\$ 102,545,620</b>	<b>\$ 91,953,177</b>	<b>\$ (10,592,443)</b>	<b>(10%)</b>
	\$ Change from Prior	\$ (144,661)	\$ (1,532,715)	\$ 87,631,124	\$ (10,592,443)		
	% Change from Prior	(1%)	(9%)	588%	(10%)		



# Utility Services – Water Operating

## Water Operating Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Water (All Operations)	\$ 9,908,844	\$ 11,055,915	\$ -	\$ -	\$ -	\$ -	N/A
Water Admin	\$ -	\$ 56	\$ 2,880,763	\$ 5,231,511	\$ 6,535,924	\$ 1,304,413	25%
Engineering	\$ -	\$ -	\$ 244,820	\$ 382,531	\$ 471,686	\$ 89,155	23%
Field Operations - Meters	\$ -	\$ -	\$ 1,873,606	\$ 2,352,998	\$ 2,170,219	\$ (182,779)	(8%)
GIS	\$ -	\$ -	\$ 447,681	\$ 522,670	\$ 531,119	\$ 8,449	2%
Irrigation	\$ -	\$ -	\$ 252,142	\$ 347,449	\$ 345,279	\$ (2,170)	(1%)
CIP	\$ -	\$ -	\$ 324,461	\$ 359,052	\$ 494,206	\$ 135,154	38%
Conservation	\$ -	\$ -	\$ 236,886	\$ 363,696	\$ 348,896	\$ (14,800)	(4%)
Distribution	\$ -	\$ -	\$ 4,358,574	\$ 5,840,099	\$ 8,323,661	\$ 2,483,562	43%
Water Resources	\$ -	\$ -	\$ 310,309	\$ 70,375,836	\$ 51,324,964	\$ (19,050,872)	(27%)
Water Debt Transfers	\$ 5,333,022	\$ 5,391,241	\$ 3,985,254	\$ 5,414,838	\$ 8,374,865	\$ 2,960,027	55%
Water CIP Transfers	\$ 1,350,006	\$ -	\$ -	\$ 11,354,940	\$ 13,032,358	\$ 1,677,418	15%
<b>Department Total</b>	<b>\$ 16,591,872</b>	<b>\$ 16,447,211</b>	<b>\$ 14,914,496</b>	<b>\$ 102,545,620</b>	<b>\$ 91,953,177</b>	<b>\$ (10,592,443)</b>	<b>(10%)</b>
	\$ Change from Prior	\$ (144,661)	\$ (1,532,715)	\$ 87,631,124	\$ (10,592,443)		
	% Change from Prior	(1%)	(9%)	588%	(10%)		

## Program Operating Budget – Water Admin

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 661,427	\$ 910,235	\$ 1,160,106	\$ 249,871	27%
Supplies & Services	\$ -	\$ 56	\$ 1,356,239	\$ 3,301,176	\$ 3,671,497	\$ 370,321	11%
Department Support Costs	\$ -	\$ -	\$ 829,424	\$ 633,600	\$ 723,782	\$ 90,182	14%
Capital Outlay	\$ -	\$ -	\$ 33,673	\$ 386,500	\$ 385,500	\$ (1,000)	(0%)
Contingency	\$ -	\$ -	\$ -	\$ -	\$ 595,039	\$ 595,039	N/A
Transfers Out - Debt Service	\$ 5,333,022	\$ 5,391,241	\$ 3,985,254	\$ 5,414,838	\$ 8,374,865	\$ 2,960,027	55%
Transfers Out - CIP	\$ 1,350,006	\$ -	\$ -	\$ 11,354,940	\$ 13,032,358	\$ 1,677,418	15%
<b>Division Total</b>	<b>\$ 6,683,028</b>	<b>\$ 5,391,296</b>	<b>\$ 6,866,017</b>	<b>\$ 22,001,289</b>	<b>\$ 27,943,147</b>	<b>\$ 5,941,858</b>	<b>27%</b>
	\$ Change from Prior	\$ (1,291,732)	\$ 1,474,720	\$ 15,135,272	\$ 5,941,858		
	% Change from Prior	(19%)	27%	N/A	27%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). This remaining variance is related to vacant positions and recruitment.

### Supplies & Services:

The Water Admin Division represents the costs associated with the management and oversight of the Town's water utility. Overall, the budget is estimated to increase by about 11% or \$370K in FY 2019/20. Due to projected revenue growth, a \$244K increase in utility franchise fees and a \$37K increase to return on investment (ROI) costs are included in the budget as these expenses reflect a portion of total water utility revenues. Additional costs include a \$51K increase related to conferences and training and a \$50K increase in legal services.



# Utility Services – Water Operating

Department Support Costs:

Support costs (overhead) consist of charges from the General Fund for internal services such as Human Resources, Finance, Payroll, IT, Town Manager, and Town Clerk. Any changes identified in this budget are the result of a service or support change from supporting departments. In FY 2019/20, department support costs are projected to increase by \$90K driven primarily by Information Technology (IT) at \$75K.

Capital Outlay:

The capital outlay budget funds the purchase of new and replacement vehicles, equipment, and rolling stock. While no new purchases are planned, vehicle and equipment replacement costs are projected to remain steady at \$385K in FY 2019/20.

Contingency:

Each year, an operational contingency equal to 3% of operating expenditures is included in Water’s Administration division. Due to various unexpected costs that are incurred throughout the year, this total is typically reallocated in full by the end of each fiscal year leading to the zero balance displayed in FY16-19 above.

Transfer Out – Debt Service:

Budget in this category represents the non-growth share of debt service and is adjusted annually per the debt service schedule. Please refer to the Debt Section for additional information and details.

Transfers Out – CIP:

Budget in this category represents the non-growth share of infrastructure improvements that are planned for FY 2019/20.

## Program Operating Budget – Water Engineering

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 144,647	\$ 257,531	\$ 296,686	\$ 39,155	15%
Supplies & Services	\$ -	\$ -	\$ 100,174	\$ 125,000	\$ 175,000	\$ 50,000	40%
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 244,820</b>	<b>\$ 382,531</b>	<b>\$ 471,686</b>	<b>\$ 89,155</b>	<b>23%</b>
	\$ Change from Prior	\$ -	\$ 244,820	\$ 137,711	\$ 89,155		
	% Change from Prior	N/A	N/A	56%	23%		

## Budget Notes and Changes

Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to a new incumbent hired at a rate that exceeded the original budget for the position.

Supplies & Services:

The Water Engineering Division is responsible for the oversight of the Utilities Capital Improvement Program. The Supplies and Services budget consists of professional and technical services from outside engineering and consulting firms. In FY 2019/20, this division is projecting a \$50K increase for consulting costs related to water resource planning.



# Utility Services – Water Operating

## Program Operating Budget – Water Field Ops (Meters)

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 870,459	\$ 1,176,558	\$ 1,125,758	\$ (50,800)	(4%)
Supplies & Services	\$ -	\$ -	\$ 1,003,147	\$ 1,176,440	\$ 1,044,461	\$ (131,979)	(11%)
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,873,606</b>	<b>\$ 2,352,998</b>	<b>\$ 2,170,219</b>	<b>\$ (182,779)</b>	<b>(8%)</b>
	\$ Change from Prior	\$ -	\$ 1,873,606	\$ 479,392	\$ (182,779)		
	% Change from Prior	N/A	N/A	26%	(8%)		

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The decrease is related to a position added during FY 2018/19 (Flexnet Analyst) which was ultimately placed in a different department. This resulted in a reduced current year budget, which was then offset with compensation increases for the year.

#### Supplies & Services:

The Field Ops (Meters) Division is responsible for the installation, maintenance, and monthly reading of meters and their associated components. The Supplies and Service budget consists of shop supplies and meter reading software support. This division is projecting a decrease of \$132K in meter replacement expenses as these costs are being partially offset by the meter replacement project (WA139).

## Program Operating Budget – Water GIS

Division by Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	From Prior Revised	
	Actual	Actual	Actual	Revised	Recommended	Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 435,801	\$ 503,670	\$ 509,119	\$ 5,449	1%
Supplies & Services	\$ -	\$ -	\$ 11,880	\$ 19,000	\$ 22,000	\$ 3,000	16%
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 447,681</b>	<b>\$ 522,670</b>	<b>\$ 531,119</b>	<b>\$ 8,449</b>	<b>2%</b>
	\$ Change from Prior	\$ -	\$ 447,681	\$ 74,989	\$ 8,449		
	% Change from Prior	N/A	N/A	17%	2%		

### Budget Notes and Changes

#### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The increase is slightly less than expected due to employee movement within the organization.

#### Supplies & Services:

The Water GIS Division provides visual and spatial data of the Town’s water system. The location based mapping assists with identifying buried assets, optimizing performance, and extending the life of the utility’s assets. A nominal increase of \$3K (16%) is projected due to elevated Blue Stake membership fees.



# Utility Services – Water Operating

## Program Operating Budget – Water Irrigation

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 112,528	\$ 187,449	\$ 185,279	\$ (2,170)	(1%)
Supplies & Services	\$ -	\$ -	\$ 139,614	\$ 160,000	\$ 160,000	\$ -	0%
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 252,142</b>	<b>\$ 347,449</b>	<b>\$ 345,279</b>	<b>\$ (2,170)</b>	<b>(1%)</b>
	\$ Change from Prior	\$ -	\$ 252,142	\$ 95,307	\$ (2,170)		
	% Change from Prior	N/A	N/A	38%	(1%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The FY18/19 budget for new positions was higher than the rate at which the new employees were hired. When factoring in current rates and compensation increases the FY 2019/20 budget was able to come down slightly.

### Supplies & Services:

The Water Irrigation Division provides Flood Irrigation Services to approximately 350 residential customers as well as various schools and contractors. The Supplies and Services budget totals \$160K and supports a number of contracted irrigation services. No increases are projected in FY 2019/20.

## Program Operating Budget – Water Construction and Inspection

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 303,759	\$ 329,052	\$ 416,456	\$ 87,404	27%
Supplies & Services	\$ -	\$ -	\$ 20,702	\$ 30,000	\$ 46,750	\$ 16,750	56%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 31,000	\$ 31,000	N/A
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 324,461</b>	<b>\$ 359,052</b>	<b>\$ 494,206</b>	<b>\$ 135,154</b>	<b>38%</b>
	\$ Change from Prior	\$ -	\$ 324,461	\$ 34,591	\$ 135,154		
	% Change from Prior	N/A	N/A	11%	38%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related a new 1.0 FTE Inspector position for FY 2019/20, estimated at \$79K. Growth within the Town and current and expected construction has put pressure on the Town to continue to meet existing service levels.

### Supplies & Services:

The Water Construction and Inspection Division is responsible for managing in-house construction and inspection services. The supplies and services budget of \$30K includes \$25K for outside engineering services as well as \$5K for shop supplies. The increase totaling \$16.8K reflects on-going supplies and support costs for the new CIP Inspector position.



# Utility Services – Water Operating

## Capital Outlay:

Additional capital costs displayed above (\$31K) represents the vehicle costs associated with the requested Inspector position.

## Program Operating Budget – Water Conservation

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 197,301	\$ 218,935	\$ 230,465	\$ 11,530	5%
Supplies & Services	\$ -	\$ -	\$ 39,585	\$ 144,761	\$ 118,431	\$ (26,330)	(18%)
<b>Division Total</b>	\$ -	\$ -	\$ <b>236,886</b>	\$ <b>363,696</b>	\$ <b>348,896</b>	\$ <b>(14,800)</b>	<b>(4%)</b>
	\$ Change from Prior		\$ -	\$ 236,886	\$ 126,810	\$ (14,800)	
	% Change from Prior		N/A	N/A	54%	(4%)	

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).

### Supplies & Services:

The Water Conservation Division provides programs to educate residents on how to sustainably manage their water usage. The largest expense in this category is for conservation outreach which includes marketing and educational materials as well as signage and outreach activities for HOA's, schools, business, and residential customers totaling \$105K. Overall, this division's supply and service budget is projecting a decrease of \$26,330 due to the cessation of the Reduce the Use campaign and Xeriscape Garden projects.

## Program Operating Budget – Water Distribution

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 946,754	\$ 1,137,514	\$ 1,270,921	\$ 133,407	12%
Supplies & Services	\$ -	\$ -	\$ 3,411,821	\$ 4,702,585	\$ 6,331,590	\$ 1,629,005	35%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 721,150	\$ 721,150	N/A
<b>Division Total</b>	\$ -	\$ -	\$ <b>4,358,574</b>	\$ <b>5,840,099</b>	\$ <b>8,323,661</b>	\$ <b>2,483,562</b>	<b>43%</b>
	\$ Change from Prior		\$ -	\$ 4,358,574	\$ 1,481,525	\$ 2,483,562	
	% Change from Prior		N/A	N/A	34%	43%	

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to a new 1.0 FTE M&O Specialist in FY 2019/20, estimated at \$71K and required due to the growth and expansion of the Town's expanding water system.



# Utility Services – Water Operating

## Supplies & Services:

The Water Distribution Division is responsible for the maintenance and repairs of the Town’s wells and water delivery systems. Overall, the budget is estimated to increase by about 35% or \$1.6M in FY 2019/20. Additional costs include a \$1.0M increase to well site electricity and a \$48K increase to chemical costs due to the addition of eight new wells. The division is also projecting a \$430K increase to well site repairs and maintenance due primarily to system growth.

## Capital Outlay:

The Water Distribution Division requested four new pieces of equipment in FY 2019/20 totaling \$721K including costs related to ongoing operations and maintenance. Equipment costs include:

- \$571K for the replacement of a vacuum truck
- \$56K for a new propane forklift: equipment will be used to move heavy equipment and supplies at Utilities’ new Field Operations Facility
- \$54K for a new truck for a new full-time temporary Utility Project Manager
- \$40K for a new truck for a new full-time temporary CIP Inspector

## Program Operating Budget – Water Resources

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ -	\$ -	\$ 17,184	\$ 98,062	\$ 105,928	\$ 7,866	8%
Supplies & Services	\$ -	\$ -	\$ 293,125	\$ 70,277,774	\$ 51,219,036	\$ (19,058,738)	(27%)
<b>Division Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 310,309</b>	<b>\$ 70,375,836</b>	<b>\$ 51,324,964</b>	<b>\$ (19,050,872)</b>	<b>(27%)</b>
	\$ Change from Prior	\$ -	\$ 310,309	\$ 70,065,527	\$ (19,050,872)		
	% Change from Prior	N/A	N/A	22579%	(27%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The cost is higher than expected due to the current incumbent in the position exceeding what the original budget established for the position.

### Supplies & Services:

The Water Resources Division manages the Town’s water supplies and plans for the community’s future water needs. The FY 2018/19 Budget included \$70M for the acquisition of water rights and water extinguishment credits. This amount has been reduced to \$50M in the FY 2019/20 Budget.

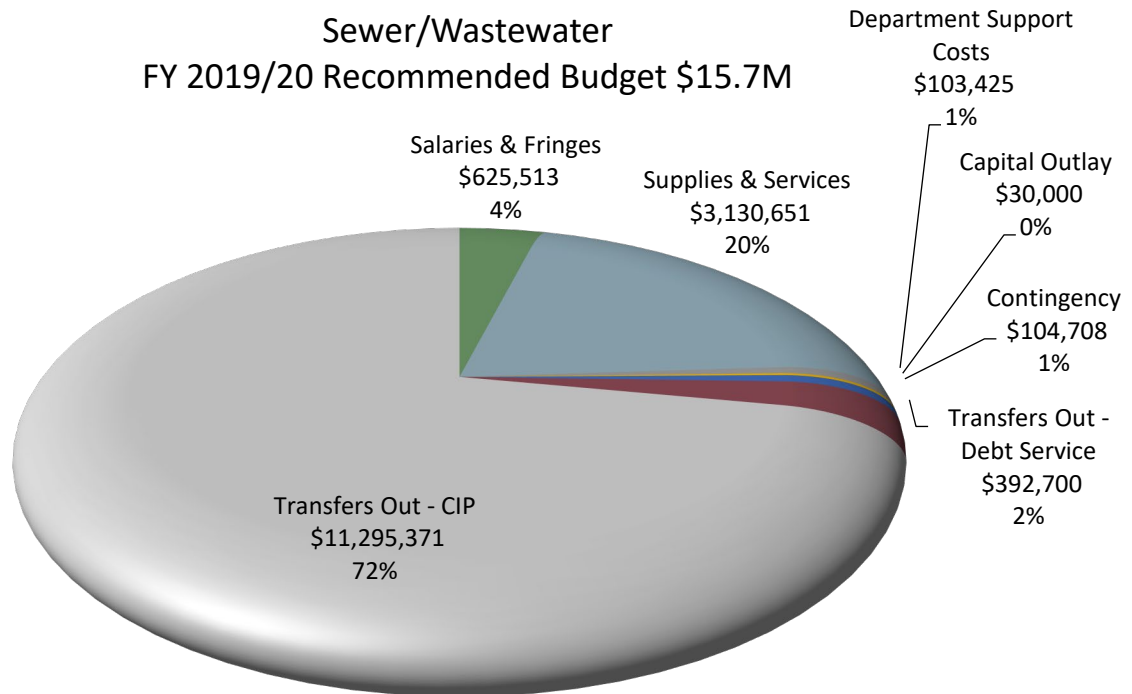


FY 2019/20  
Budget





# Utility Services – Sewer/Wastewater Operating



## Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 449,646	\$ 520,769	\$ 529,276	\$ 572,820	\$ 625,513	\$ 52,693	9%
Supplies & Services	\$ 1,838,990	\$ 1,899,307	\$ 1,839,244	\$ 3,274,605	\$ 3,130,651	\$ (143,954)	(4%)
Department Support Costs	\$ 87,479	\$ 88,104	\$ 99,826	\$ 102,890	\$ 103,425	\$ 535	1%
Capital Outlay	\$ -	\$ 61,006	\$ -	\$ 40,000	\$ 30,000	\$ (10,000)	(25%)
Contingency	\$ -	\$ -	\$ -	\$ 74,100	\$ 104,708	\$ 30,608	41%
Transfers Out - Debt Service	\$ 3,003,251	\$ 3,183,161	\$ 3,168,856	\$ 3,173,902	\$ 392,700	\$ (2,781,202)	(88%)
Transfers Out - CIP	\$ 2,036,052	\$ -	\$ -	\$ 13,114,193	\$ 11,295,371	\$ (1,818,822)	(14%)
Transfers Out-Operating	\$ -	\$ -	\$ 959,255	\$ -	\$ -	\$ -	N/A
<b>Department Total</b>	<b>\$ 7,415,418</b>	<b>\$ 5,752,348</b>	<b>\$ 6,596,458</b>	<b>\$ 20,352,510</b>	<b>\$ 15,682,368</b>	<b>\$ (4,670,142)</b>	<b>(23%)</b>
		\$ Change from Prior	\$ 844,110	\$ 13,756,052	\$ (4,670,142)		
		% Change from Prior	15%	209%	(23%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a merit increase of up to 3%, based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute).



# Utility Services – Sewer/Wastewater Operating

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## Supplies & Services:

The Sewer/Wastewater Operating fund accounts for the operation and administration of the Town's sewer and wastewater systems as well as the Greenfield Water Reclamation Plant (GWRP) – a shared wastewater treatment plant operated by the City of Mesa under an intergovernmental agreement (IGA) between Mesa, Gilbert, and Queen Creek.

While increases are projected for operations and maintenance costs related to GWRP (\$117K, 8%), franchise fees (\$114K, 43%), and legal services (\$95K, 1900%), this division's budget is projected to decrease by \$146K due to GWRP's revised IGA which no longer requires a contingency allotment (\$50,000) and a repair and replacement reserve (\$415,920) to be set aside.

## Support Costs:

Support costs (overhead) consist of charges from the General Fund for internal services such as Human Resources, Finance, Payroll, IT, Town Manager, and Town Clerk. Any changes identified in this budget are the result of a service or support change from supporting departments. Department support costs for Sewer are projected to remain stable in FY 2019/20.

## Capital Outlay:

The capital outlay category contains funds for the purchase of new vehicles and equipment as well as the anticipated replacement of equipment and rolling stock. Costs in this category are estimated to fall by \$10K (25%) in FY 2019/20 due to the elimination of an underutilized line item.

## Transfer Out – Debt Service:

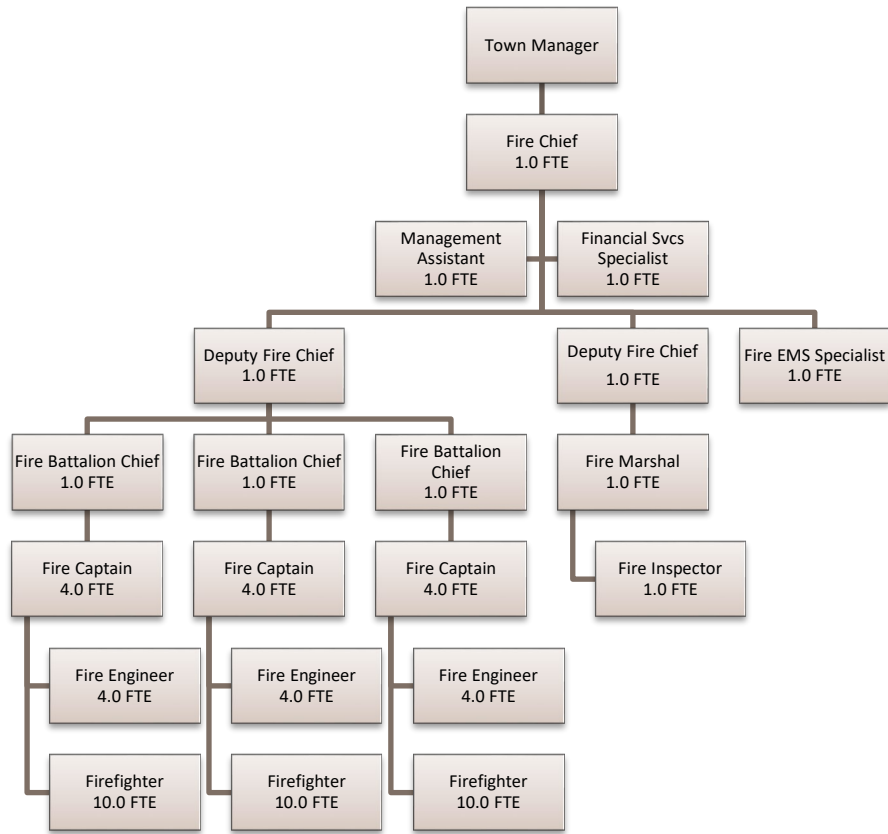
Budget in this category represents the non-growth share of debt service and is adjusted annually per the debt service schedule. Please refer to the Debt Section for additional information and details.

## Transfers Out – CIP:

Budget in this category represents the non-growth share of infrastructure improvements that are planned for FY 2019/20.



# Fire & Medical



## Department Description and Programs

The Emergency Services Department provides programs and services that fall into two broad categories:

1) Emergency Services

Emergency services are provided to the citizens of Queen Creek by the Operations, Medical and Public Safety Divisions. These divisions are responsible for 911 responses to fires, medical emergencies, hazardous materials emergencies and technical rescue, as well as disaster response to a major or widespread incident in the Town. The Operations Division also conducts code enforcement, public safety education and safety preparations for special events.

Queen Creek’s contract for police services with the Maricopa County Sheriff’s Office (MCSO) is also administered by the department. These services consist of patrol, crime prevention, investigations, school resource officers and district command oversight.

2) Non-Emergency Services

Non-emergency services support the response capabilities for the department’s paramedic engine companies and include the Administration, Training, and Resource Management Divisions.

## Department Mission

- Prevent or minimize the loss of life and property for our citizens through emergency planning and the response of skilled fire crews
- Provide the highest level of emergency medical services to each Queen Creek citizen and family



# Fire & Medical

## Department Mission (cont'd)

- Successfully mitigate the potential damage of man-made or natural disasters in cooperation with neighboring communities, county governments, and the State of Arizona
- Promote fire, safety, and medical training for families and businesses throughout the community
- Foster goodwill within the community by developing mutual respect and trust
- Safeguard the economic and environmental base of the Town and its neighbors

## Strategic Priority

### Safe Community



## FY 2019/20 Objectives

- Continue efforts towards a reduction in overall response times through progressive, enhanced emergency service delivery to the east side of Queen Creek. Examples of these services include the opening of a permanent Fire Station #4 in the northeast part of Queen Creek in June 2020 and the continued staffing of the temporary Fire Station #5 in the southeast part of Queen Creek in June of 2020, pending the outcome of future annexations.
- Recruit, hire and train 15 new firefighters to staff the temporary Fire Station #5. This would also include promoting three Captains and three Engineers.
- Continue working with Maricopa County Sheriff's office and the school districts as well as other community partners in on-going training for hostile events within the community. These response plans will include working with regional fire department partners and Maricopa County Sheriff Office, District 6.
- Begin planning phases to add future buildings included in the Capital Improvements Plan that include a permanent Fire Station #2 (FY 20/21) and a Resource/Skills Center Building (completion date not determined).
- Continue to grow and support our public education program for a safe community. Examples include public interactions during school programs, fire safety talks during station and truck tours, CPR programs for the community and drowning awareness.
- If approved, the addition of two 40-hour support positions would be hired: a Fire Inspector and an Emergency Medical Services Specialist. These positions would support the Fire Prevention and Emergency Medical Divisions of the fire and medical department respectively.
- Place into service Queen Creek's first ladder truck in the fall of 2019. This piece of equipment will supplement and increase the level of service provided to Queen Creek residents.
- Develop a Strategic Plan for the Queen Creek Fire and Medical Department.



# Fire & Medical

Staffing by Division					
Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended
Administration	4.00	4.00	4.00	4.00	4.00
Operations	28.00	43.00	43.00	58.00	58.00
Training	1.00	1.00	1.00	0.00	0.00
Fire Prevention Bureau	1.00	1.00	1.00	1.00	2.00
Resource Management	1.00	1.00	1.00	0.00	0.00
Medical	1.00	1.00	1.00	0.00	1.00
<b>Department FTE</b>	<b>36.00</b>	<b>51.00</b>	<b>51.00</b>	<b>63.00</b>	<b>65.00</b>

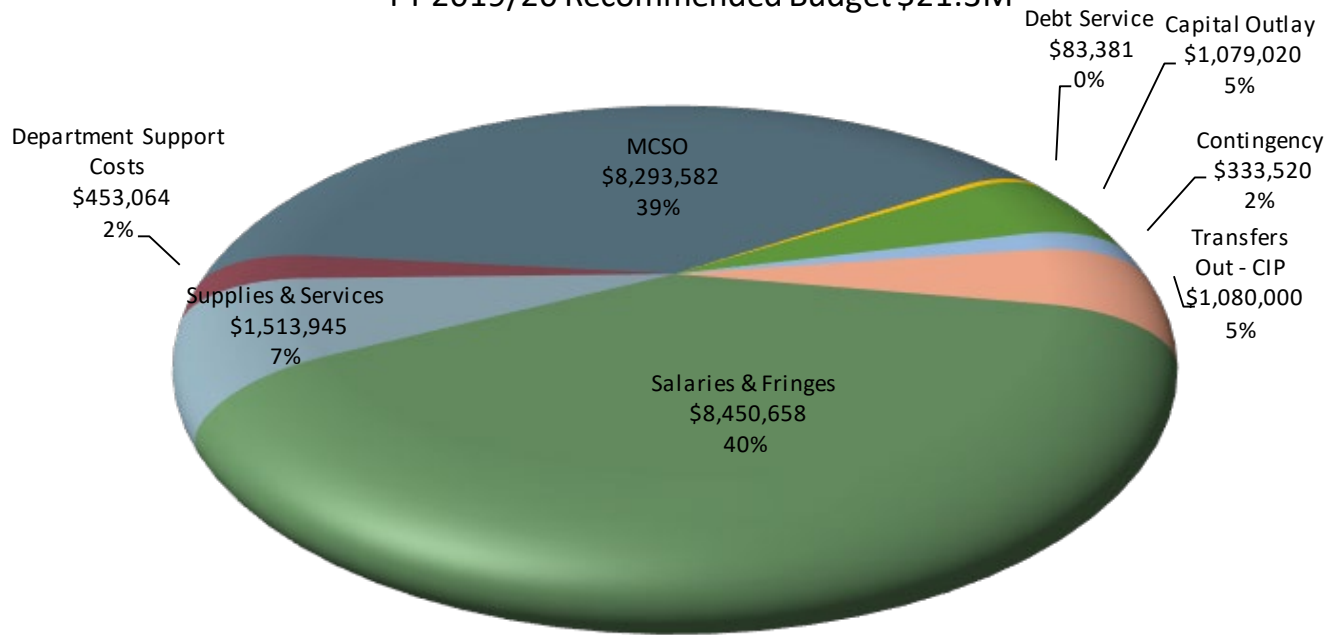
## FTE Changes

Included in the FY 2019/20 Recommended Budget are two additional positions: an EMS Specialist to aid in training, management of certifications and other medical related best practices, and a Fire Inspector/Investigator which will help with commercial inspections and fire investigations. During FY 2018/19 the Town recruited for the staffing of Fire Station #4 which resulted in the hiring of 12 additional sworn staff (6 Firefighters, 3 Fire Engineers, 3 Fire Captains), and a Deputy Chief to help manage the growing operations. There was additional re-organization within the department moving supervisory staff in alignment with existing staff. Similarly, in FY 2016/17 the Town hired 15 additional sworn staff for the operations at Fire Station #3.



# Fire & Medical

Fire/Medical & Public Safety  
FY 2019/20 Recommended Budget \$21.3M



## Funding Sources

Funding Sources	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
EMS Fund - Direct Revenues	\$ 8,360,975	\$ 9,777,271	\$ 11,588,700	\$ 11,692,606	\$ 16,089,000	\$ 4,396,394	38%
Pension Reserve Funding	\$ -	\$ -	\$ -	\$ 1,320,369	\$ 1,650,000	\$ 329,631	25%
Utility ROI	\$ -	\$ -	\$ -	\$ 2,468,100	\$ 2,835,055		
General Fund	\$ 3,050,292	\$ 3,106,842	\$ 5,653,532	\$ 6,301,978	\$ 713,115	\$ (5,588,863)	(89%)
<b>Net Operating Result</b>	<b>\$ 11,411,267</b>	<b>\$ 12,884,113</b>	<b>\$ 17,242,232</b>	<b>\$ 21,783,053</b>	<b>\$ 21,287,170</b>	<b>\$ (862,838)</b>	<b>(2%)</b>
\$ Change from Prior		\$ 1,472,846	\$ 4,358,119	\$ 4,540,821	\$ (495,883)		
% Change from Prior		13%	34%	26%	(2%)		



# Fire & Medical

## Department Expenditure by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 4,575,768	\$ 5,647,903	\$ 6,992,529	\$ 8,219,678	\$ 8,450,658	\$ 230,980	3%
Supplies & Services	\$ 716,797	\$ 763,803	\$ 695,986	\$ 1,050,874	\$ 1,513,945	\$ 463,071	44%
Department Support Costs	\$ 320,882	\$ 348,936	\$ 404,100	\$ 417,350	\$ 453,064	\$ 35,714	9%
MCSO	\$ 5,468,842	\$ 5,982,348	\$ 6,214,856	\$ 7,687,215	\$ 8,293,582	\$ 606,367	8%
Debt Service	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,381	\$ 1	0%
Capital Outlay	\$ 245,598	\$ 57,742	\$ 496,099	\$ 523,929	\$ 1,079,020	\$ 555,091	106%
Contingency	\$ -	\$ -	\$ -	\$ 229,310	\$ 333,520	\$ 104,210	45%
Transfers Out - CIP	\$ -	\$ -	\$ 2,355,282	\$ 3,498,617	\$ 1,080,000	\$ (2,418,617)	(69%)
Transfers Out-Grants Match	\$ -	\$ -	\$ -	\$ 72,700	\$ -	\$ (72,700)	(100%)
<b>Department Total</b>	<b>\$ 11,411,267</b>	<b>\$ 12,884,113</b>	<b>\$ 17,242,232</b>	<b>\$ 21,783,053</b>	<b>\$ 21,287,170</b>	<b>\$ (495,883)</b>	<b>(2%)</b>
	\$ Change from Prior	\$ 1,472,846	\$ 4,358,119	\$ 4,540,821	\$ (495,883)		
	% Change from Prior	13%	34%	26%	(2%)		

## Expenditure by Division

Division	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Fire Administration	\$ 1,032,448	\$ 990,775	\$ 1,108,306	\$ 1,367,562	\$ 1,676,492	\$ 308,930	23%
Operations	\$ 3,579,419	\$ 4,665,621	\$ 5,918,204	\$ 7,107,458	\$ 7,662,980	\$ 555,522	8%
Training	\$ 218,261	\$ 250,113	\$ 193,708	\$ 268,154	\$ 63,084	\$ (205,070)	(76%)
Fire Prevention	\$ 156,431	\$ 164,039	\$ 173,786	\$ 205,842	\$ 382,059	\$ 176,217	86%
Resource Management	\$ 696,095	\$ 561,655	\$ 3,338,503	\$ 3,500,235	\$ 2,878,873	\$ (621,362)	(18%)
Medical	\$ 259,771	\$ 269,563	\$ 294,870	\$ 366,495	\$ 315,100	\$ (51,395)	(14%)
Public Safety (MCSO)	\$ 5,468,842	\$ 5,982,348	\$ 6,214,856	\$ 8,902,307	\$ 8,293,582	\$ (608,725)	(7%)
Wildland	\$ -	\$ -	\$ -	\$ 65,000	\$ 15,000	\$ (50,000)	(77%)
<b>Department Total</b>	<b>\$ 11,411,267</b>	<b>\$ 12,884,113</b>	<b>\$ 17,242,232</b>	<b>\$ 21,783,053</b>	<b>\$ 21,287,170</b>	<b>\$ (495,883)</b>	<b>(2%)</b>
	\$ Change from Prior	\$ 1,472,846	\$ 4,358,119	\$ 4,540,821	\$ (495,883)		
	% Change from Prior	13%	34%	26%	(2%)		



# Fire & Medical

## Program Performance – Non-Emergency

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Public Safety	Number of emergency response training hours per operations employee <sup>1</sup>	Fire: 297 Medical: 76 Rescue: 51	Fire: 250 Medical: 75 Rescue: 25	Fire: 250 Medical: 100 Rescue: 25	Fire: 250 Medical: 75 Rescue: 25
	Number of annual commercial occupancy inspections, by Risk Category <sup>2</sup>	High: 88 Medium: 39 Low: 26	High: 168 Medium: 44 Low: 105	High: 180 Medium: 50 Low: 88	High: 181 Medium: 51 Low: 89
Public Safety /Community Involvement	Child car seat installations	68	60	58	68
	Public Education program hours delivered <sup>3</sup>	542	260	500	300
	Community CPR course participant certifications earned <sup>4</sup>	N/A	N/A	N/A	1,000

## Analysis of Performance

1. To perform emergency response training required to meet National Fire Protection Association (NFPA) standards, state statutes, federal mandates, Insurance Services Office (ISO), and local requirements.
2. High-risk occupancies inspections are conducted by the Fire Marshal once every year. Medium and Low risk occupancies are inspected by Fire Operations staff once every two years and once every three years, respectively.
3. The addition of Fire Station 3 has allowed for additional public education hours.
4. New measure for FY 2019/20.

## Program Performance – Fire Emergency

Key Result Area	Program Performance	Actual FY2017/18	Target FY2018/19	Projected FY2018/19	Target FY2019/20
Public Safety	Number of emergency response incidents / response time.	4,206/ 4:40	4,206/ 4:40	4,500/ 4:00	4,900/ 4:00
Public Safety & Community Involvement	CERT Basic Training Class Delivered <sup>1</sup>	1	1	1	1
	Disaster Management and Awareness Training Classes Delivered <sup>2</sup>	3	3	3	3

## Analysis of Performance

1. Community Emergency Response Team (CERT) is a disaster training program designed to teach citizens basic emergency preparedness skills to help themselves, their families, and their neighbors in the event of a catastrophic disaster where emergency services personnel will be unable to respond immediately.
2. Delivering disaster preparedness and awareness training classes, demonstrations and presentations to the community (CERT continuing education).





# Fire & Medical

## Program Operating Budget - Fire Admin

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 483,629	\$ 504,468	\$ 541,058	\$ 439,639	\$ 625,482	\$ 185,843	42%
Supplies & Services	\$ 227,937	\$ 137,371	\$ 163,148	\$ 208,563	\$ 264,426	\$ 55,863	27%
Department Support Costs	\$ 320,882	\$ 348,936	\$ 404,100	\$ 417,350	\$ 453,064	\$ 35,714	9%
Contingency	\$ -	\$ -	\$ -	\$ 229,310	\$ 333,520	\$ 104,210	45%
Transfers Out - Grant Match	\$ -	\$ -	\$ -	\$ 72,700	\$ -	\$ (72,700)	(100%)
<b>Division Total</b>	<b>\$ 1,032,448</b>	<b>\$ 990,775</b>	<b>\$ 1,108,306</b>	<b>\$ 1,367,562</b>	<b>\$ 1,676,492</b>	<b>\$ 308,930</b>	<b>23%</b>
	\$ Change from Prior	\$ (41,673)	\$ 117,531	\$ 259,256	\$ 308,930		
	% Change from Prior	(4%)	12%	23%	23%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a 5% step program for Sworn staff which is based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased based on the actuarial results and statute. In the Public Safety Personnel Retirement System the rate paid by the employee and Town vary depending on the hire date of the employee and in certain instances the employee's plan selection. Non-sworn personnel budgets include a merit increase of up to 3%, based on employee performance and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is due to the new Deputy Fire Chief position.

### Supplies & Services:

The increase in this category is due to funding a CPSM Public Safety staffing and response study at \$50K through the Center for Public Safety Management. This is to ensure the department is providing service at a level that meets standards and complies with best practices.

### Support Costs:

Support costs (overhead) are the charges from the General Fund for services such as Human Resources, Finance, Payroll, Information Technology (IT), Town Manager and Town Clerk. Overall this is an increase of 9% related to these services.

### Contingency:

Contingency is recalculated and reset annually at 3% of operating costs.



# Fire & Medical

## Program Operating Budget - Fire Operations

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 3,425,203	\$ 4,454,458	\$ 5,742,200	\$ 6,910,350	\$ 7,376,878	\$ 466,528	7%
Supplies & Services	\$ 104,422	\$ 171,357	\$ 142,854	\$ 186,751	\$ 267,162	\$ 80,411	43%
Capital Outlay	\$ 49,794	\$ 39,807	\$ 33,150	\$ 10,357	\$ 18,940	\$ 8,583	83%
<b>Division Total</b>	<b>\$ 3,579,419</b>	<b>\$ 4,665,621</b>	<b>\$ 5,918,204</b>	<b>\$ 7,107,458</b>	<b>\$ 7,662,980</b>	<b>\$ 555,522</b>	<b>8%</b>
	\$ Change from Prior	\$ 1,086,202	\$ 1,252,583	\$ 1,189,254	\$ 555,522		
	% Change from Prior	30%	27%	20%	8%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a 5% step program for Sworn staff which is based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased based on the actuarial results and statute. In the Public Safety Personnel Retirement System the rate paid by the employee and Town vary depending on the hire date of the employee and in certain instances the employee's plan selection actually elected by new employees. The remaining increase is due to realigning all existing Battalion Chiefs to reside in the Operations budget.

### Supplies & Services:

The increase in this category is related to dispatch services increasing by \$13K or 20% due to run volume. Other increases are training costs by \$15K due to a larger sworn work force, and smaller increases in other supplies totaling \$26K, largely related to the sworn work force increasing by over 30% due to staffing fire station #4.

### Capital Outlay:

The increase in this category is related to increases to the TOPAZ agreement costs. As the town grows and run volume increases, the Town will continue to see the fees associated with dispatch and automatic aid increase.



# Fire & Medical

## Program Operating Budget - Fire Training

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 201,797	\$ 200,552	\$ 169,572	\$ 193,186	\$ -	\$ (193,186)	(100%)
Supplies & Services	\$ 16,464	\$ 49,560	\$ 24,135	\$ 74,968	\$ 63,084	\$ (11,884)	(16%)
<b>Division Total</b>	<b>\$ 218,261</b>	<b>\$ 250,113</b>	<b>\$ 193,708</b>	<b>\$ 268,154</b>	<b>\$ 63,084</b>	<b>\$ (205,070)</b>	<b>(76%)</b>
	\$ Change from Prior	\$ 31,851	\$ (56,405)	\$ 74,446	\$ (205,070)		
	% Change from Prior	15%	(23%)	38%	(76%)		

## Budget Notes and Changes

### Salaries and Fringes:

Beginning in FY 2019/20, all Battalion Chiefs will reside in the Fire Operations budget.

### Supplies & Services:

The FY 2018/19 budget included one-time costs associated with a fire academy. While this expense was removed, this savings was partially offset by an increase for small equipment and training.

## Program Operating Budget - Fire Prevention

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 141,362	\$ 148,435	\$ 159,641	\$ 187,361	\$ 288,938	\$ 101,577	54%
Supplies & Services	\$ 15,069	\$ 15,604	\$ 14,144	\$ 18,481	\$ 48,121	\$ 29,640	160%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000	N/A
<b>Division Total</b>	<b>\$ 156,431</b>	<b>\$ 164,039</b>	<b>\$ 173,786</b>	<b>\$ 205,842</b>	<b>\$ 382,059</b>	<b>\$ 176,217</b>	<b>86%</b>
	\$ Change from Prior	\$ 7,608	\$ 9,747	\$ 32,056	\$ 176,217		
	% Change from Prior	5%	6%	18%	86%		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a 5% step program for Sworn staff which is based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased based on the actuarial results and statute. In the Public Safety Personnel Retirement System the rate paid by the employee and Town vary depending on the hire date of the employee and in certain instances the employee's plan selection. Non-sworn personnel budgets include a merit increase of up to 3%, based on employee performance and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The remaining increase is related to a 1.0 FTE Fire Inspector/Investigator position added during the FY 2019/20 budget, estimated at \$110K.



# Fire & Medical

**Supplies & Services:**

The increase in this category is related to the new position and costs of onboarding a new employee. There is also a Town-wide initiative to train 10% of the Town population in CPR within 5 years. The budget includes \$20K in initial funds to begin this program.

**Capital Outlay:**

This category represents the one-time purchase of a Town vehicle for the new position.

## Program Operating Budget - Fire Resource

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 151,298	\$ 158,006	\$ 178,158	\$ 193,937	\$ -	\$ (193,937)	(100%)
Supplies & Services	\$ 265,613	\$ 302,334	\$ 258,734	\$ 425,821	\$ 700,412	\$ 274,591	64%
Debt Service	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,380	\$ 83,381	\$ 1	0%
Capital Outlay	\$ 195,804	\$ 17,935	\$ 462,949	\$ 513,572	\$ 1,015,080	\$ 501,508	98%
Transfers Out - CIP	\$ -	\$ -	\$ 2,355,282	\$ 2,283,525	\$ 1,080,000	\$ (1,203,525)	(53%)
<b>Division Total</b>	<b>\$ 696,095</b>	<b>\$ 561,655</b>	<b>\$ 3,338,503</b>	<b>\$ 3,500,235</b>	<b>\$ 2,878,873</b>	<b>\$ (621,362)</b>	<b>(18%)</b>
	\$ Change from Prior		\$ (134,440)	\$ 2,776,848	\$ 161,732	\$ (621,362)	
	% Change from Prior		(19%)	494%	5%	(18%)	

## Budget Notes and Changes

**Salaries and Fringes:**

Beginning in FY 2019/20, all Battalion Chiefs will reside in the Fire Operations budget.

**Supplies & Services:**

The large increase in FY 2019/20 is related to the one-time purchase of personal protective equipment for \$300K. Due to health and safety reasons, the department wants to purchase a back-up set of PPE for each sworn fire member. The department also shifted approximately \$70K from Supplies and Services to Capital Outlay to begin funding new and replacement radio purchases.

**Capital Outlay:**

The FY 2019/20 budget in this category is for the one-time purchase of a new pumper truck for \$943K. This represents the majority of the request in this category. The Town is also purchasing additional radios throughout the year for new staff.

**Transfers Out - CIP Funding:**

The amount in FY 2019/20 budget in this category is for the one-time purchase of a new pumper truck for \$943K. The department will also purchase additional radios throughout the year for new staff.



# Fire & Medical

## Program Operating Budget - Fire Medical

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Salaries & Fringes	\$ 172,479	\$ 181,985	\$ 201,899	\$ 245,205	\$ 159,360	\$ (85,845)	(35%)
Supplies & Services	\$ 87,291	\$ 87,578	\$ 92,970	\$ 121,290	\$ 155,740	\$ 34,450	28%
<b>Division Total</b>	<b>\$ 259,771</b>	<b>\$ 269,563</b>	<b>\$ 294,870</b>	<b>\$ 366,495</b>	<b>\$ 315,100</b>	<b>\$ (51,395)</b>	<b>(14%)</b>
	\$ Change from Prior	\$ 9,792	\$ 25,307	\$ 71,625	\$ (51,395)		
	% Change from Prior	4%	9%	24%	(14%)		

## Budget Notes and Changes

### Salaries and Fringes:

Personnel budgets include an allowance for a market increase of 2.1% (tied to Bureau of Labor Statistics Cost Indexes), as well as a 5% step program for Sworn staff which is based on employee performance. Medical Premiums increased 4.2% and annual pension rates increased based on the actuarial results and statute. In the Public Safety Personnel Retirement System the rate paid by the employee and Town vary depending on the hire date of the employee and in certain instances the employee's plan selection. Non-sworn personnel budgets include a merit increase of up to 3%, based on employee performance and annual pension rates increased by 2.5% from 11.8% to 12.1% (driven by statute). The decrease is due to realigning all Battalion Chiefs to reside in the Fire Operations budget but is offset by the addition of 1.0 FTE EMS Specialist, a new position in FY 2019/20, estimated at \$110K.

### Supplies & Services:

Changes in this category are related to drug replacements, which is forecasted to increase by \$13K. The remainder of the increase is related to Travel and Training increasing by \$6K, increases of \$3K in Cellular Telephone, and \$7K for the purchase of various smaller equipment as the need arises. There were also smaller increases spread amongst various expected expenses.



# Fire & Medical

## Program Operating Budget - Public Safety/Maricopa County Sheriff's Office

Division by Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Supplies & Services	\$ 5,468,186	\$ 5,982,348	\$ 6,195,520	\$ 7,687,215	\$ 8,293,582	\$ 606,367	8%
Capital Outlay	\$ 656	\$ -	\$ 19,336	\$ -	\$ -	\$ -	N/A
Transfers Out - CIP	\$ -	\$ -	\$ -	\$ 1,215,092	\$ -	\$ (1,215,092)	(100%)
<b>Division Total</b>	<b>\$ 5,468,842</b>	<b>\$ 5,982,348</b>	<b>\$ 6,214,856</b>	<b>\$ 8,902,307</b>	<b>\$ 8,293,582</b>	<b>\$ (608,725)</b>	<b>(7%)</b>
	\$ Change from Prior	\$ 513,506	\$ 232,508	\$ 2,687,451	\$ (608,725)		
	% Change from Prior	9%	4%	43%	(7%)		

### Budget Notes and Changes

#### Supplies & Services:

The contract with Maricopa County Sheriff's Office (MCSO) for law enforcement services has increased for the 2019/20 fiscal year. The primary drivers are additional Sherriff staff, increased pension costs and overtime hours. The Town has reserved the Town's estimated share of the MCSO unfunded liability (\$19.3M) and will use this reserve towards reducing the unfunded liability portion of the annual pension expense. Approximately 74% of the pension cost included in the MCSO contract is attributed to the unfunded liability with Public Safety Pension Retirement System (PSPRS). By reserving this amount in fund balance, annual revenues are not needed to cover that portion of the cost. This amounts to a savings of about \$1.7M annually.

The contract included an increase of \$240K related to a 3% indirect cost allocation the Sheriff's Office is now charging on the contract.

#### Transfers Out – CIP:

Reduced due to one-time purchase of new equipment needed for the newly established beat, as well as the non-growth funding share related to Fire Station #4 that were included in the FY 2018/19 Revised Budget.



# Centralized Services

## Department Description and Programs

The Centralized Services group of the General Fund contains expenditures for resources used by all departments or those that cannot be applied to individual departments. They are not reported in individual departments' base budgets due to the high cost and variable nature of the expenses. These include obligations such as:

- Town support of local non-profit agencies that provide social services for residents
- Town liability and casualty insurance premiums
- The Town's charge from ADOR to administer the transaction privilege tax collection system
- Town dues and memberships in the Maricopa Association of Governments (MAG), League of Arizona Cities and Towns, and Alliance for Innovation
- The Town's annual assessment as a member of the Phoenix-Mesa Gateway Airport Authority
- Taxes on property owned by the Town
- Utility payments for Town facilities
- Transportation Development Agreements
- Transfers to fund debt service and capital programs

## FY 2019/20 Objectives

- Monitor and control overhead expenditures, providing efficient and effective services to internal stakeholders, ensuring security and protection of Town interests, and ensuring payment of Town obligations

## Expenditures by Type

Expense Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Revised	FY 2019/20 Recommended	From Prior Revised	
						Dollar Change	% Change
Census Expenses (non-personnel)	\$ 37,980	\$ (1,569)	\$ -	\$ -	\$ -	\$ -	N/A
Supplies & Services	\$ 1,603,713	\$ 1,696,824	\$ 1,771,667	\$ 2,230,285	\$ 2,230,285	\$ -	0%
Outside Agency Support - San Tan Historical Society	\$ -	\$ -	\$ -	\$ 12,768	\$ 13,000	\$ 232	2%
Non-Profit Support	\$ 16,225	\$ 19,475	\$ 17,972	\$ 41,750	\$ 51,380	\$ 9,630	23%
Transportation Development Agreements	\$ 2,293,675	\$ 6,947,199	\$ 2,227,365	\$ 2,087,924	\$ 1,075,400	\$ (1,012,524)	(48%)
Capital Outlay	\$ -	\$ 8,639	\$ 1,500	\$ -	\$ -	\$ -	N/A
Contingency	\$ -	\$ -	\$ -	\$ 322,783	\$ 948,780	\$ 625,997	194%
Transfers Out - Debt Service	\$ 1,377,990	\$ 441,446	\$ 1,332,632	\$ 3,623,454	\$ 6,213,398	\$ 2,589,944	71%
Transfers Out - CIP Funding	\$ 8,500,000	\$ -	\$ 1,092,669	\$ 8,740,404	\$ 3,924,200	\$ (4,816,204)	(55%)
<b>Department Total</b>	<b>\$ 13,829,583</b>	<b>\$ 9,112,013</b>	<b>\$ 6,443,804</b>	<b>\$ 17,059,368</b>	<b>\$ 14,456,443</b>	<b>\$ (2,602,925)</b>	<b>(15%)</b>
		\$ Change from Prior \$ (4,717,569)	\$ (2,668,209)	\$ 10,615,564	\$ (2,602,925)		
		% Change from Prior (34%)	(29%)	165%	(15%)		

\*Non-Profit historical actuals are only reflective of monetary support. In-kind services are an absorbed expense in the appropriate departmental budget.

## Budget Notes and Changes

### Supplies & Services:

Supplies and services covers Town utility costs, liability insurance, contracts for auditing, studies and tests, and other town-wide professional and general services not specific to any one department.



# Centralized Services

## Non-Profit Support:

Annually the Town accepts applications from non-profit groups requesting support for the programs they offer to the Queen Creek community. In February 2014, Town Council established a total funding level of not more than 0.2% of the General Fund expenditures be allocated to fund non-profit agency requests in total for both monetary as well as in-kind services. It is Council's objective that funding provided offers direct benefit to Queen Creek residents. The maximum funding level established for FY 2019/20 is \$51,380. The total award recommendation for FY 2019/20 is \$27,944. The Town will consider providing monetary support and/or in-kind services for FY 2019/20 not to exceed the amounts specified for the following agencies:

Entity	Program Name	FY 18/19 Adopted	FY 19/20 Recommended
<b>Monetary Support</b>			
American Legion	Legion Programs	3,000	1,400
American Legion Auxiliary Unit #129	Girls State Program	1,500	1,200
Pan de Vida Foundation	Health and Community Fair	7,500	5,000
American Cancer Society	Relay for Life	1,500	2,000
About Care	Support Services for the Homebound	5,000	5,000
Community Alliance Against Family Abuse (CAFA)	Educate QC residents of abuse awareness/prevention	-	1,450
<b>Total Monetary Support</b>		<b>\$18,500</b>	<b>\$16,050</b>
<b>In-Kind Support</b>			
Queen Creek 4H	Various Events & Shows	7,000	6,950
Queen Creek 4H	Meeting Space	3,300	1,944
Pan de Vida Foundation	Health and Community Fair	3,500	-
American Legion	Office Space	3,000	3,000
American Cancer Society	Relay for Life	2,500	-
<b>Total In-Kind Support</b>		<b>\$19,300</b>	<b>\$11,894</b>
<b>Total Town Support – Monetary and In-Kind</b>		<b>\$37,800</b>	<b>\$27,944</b>





# Centralized Services

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## Transportation Development Agreements:

These agreements are with the major developers to reimburse for their cost of public infrastructure they installed. The budgeted amount represents the anticipated reimbursement to Fulton Homes for infrastructure installed related to the Ironwood Crossing annexation approved in FY 2017/18. The agreement included permitting and impact fee waivers that the Town pays on the developer's behalf as permits are issued for new home construction in the Ironwood Crossing subdivision. The total reimbursement under the agreement is estimated at \$4.7M, based on 447 permits, each averaging about \$10,292 in waivers. Through FY 2018/19 a total of 327 permits are projected. The FY 2019/20 budget includes an estimate of 104 permits, which is a reduction from FY 2018/19.

## CIP Transfers:

This is the support from the Operating Budget for cash funding the non-growth share of the Transportation Infrastructure Improvements. Funding for the following construction projects is included in the FY 2019/20 Budget:

- \$0.5M Trail extensions
- \$3.4M for Transportation projects

## Debt Transfers:

The non-growth share of debt service is transferred from the Operating Budget to the Debt Service fund. The FY 2018/19 budget anticipates the following debt transfers:

- \$0.2M for the 2016 Refunded 2004B GADA Loan (Town Buildings)
- \$0.1M for the 2016 Refunded 2005B GADA Loan (Library)
- \$0.3M for the 2016 Refunded 2006A GADA Loan (Library)
- \$0.3M for the 2016 Refunded 2007 Excise Tax Bond
- \$3.1M for the 2018 Excise Tax Bond (Transportation) (this increased by \$0.5M from the prior year)

The increase of \$2.6M in this category is mainly the result of the two new debt issues:

- \$1.3M for New Debt related to Mesa Roads
- \$0.8M for an inter-fund loan that Transportation CIP Fund has to the Water Operating Fund for roads related to the Ironwood Crossing annexation.

## Contingency:

The amount budgeted for FY 2019/20 is based on 3% of operating expenses in the General Fund and the HURF fund. The increase is the result of the calculation being reset, as well as contingency being reallocated in FY 2018/19 which reduced the revised budget.



FY 2019/20  
Budget



# Capital Program & Debt

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Capital Program Overview

FY 2019/20 Five-Year Capital Improvement Summary

FY 2019/20 Capital Funding Sources

FY 2019/20 Capital Funding Uses

Capital Budgets Year to Year Comparison

Major Funding Sources for CIP

Capital Funds Carryforward

Five-Year Forecast CIP Funds:

*Transportation*

*General Capital Fund*

*Utility Enterprise Funds*

*Development Fee Funds*

Other Funds:

*Municipal Town Center*

*Special Assessment*

*Construction Sales Tax*

*Healthcare Self-Insurance Fund*

*SLIDs*

*Community Events*

*Grants*

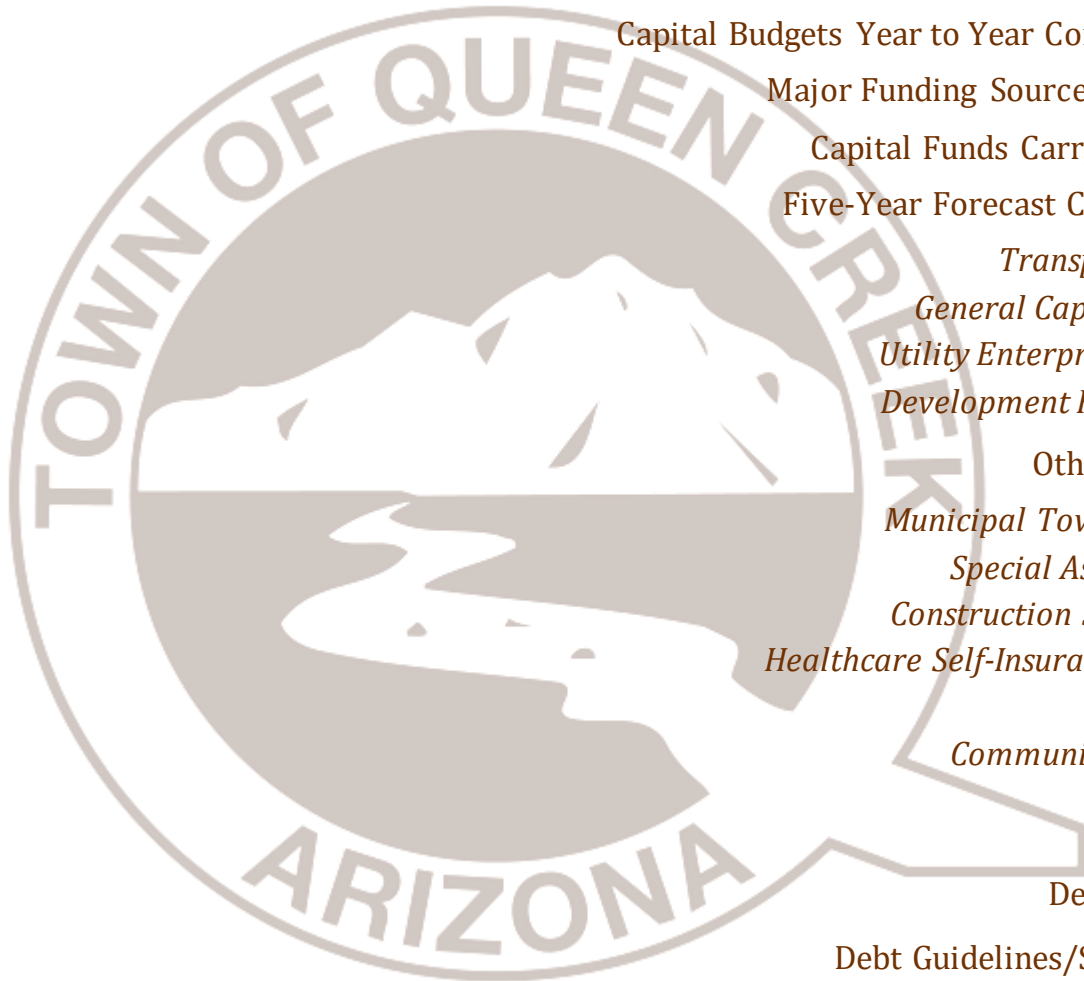
Debt Limits

Debt Guidelines/Summary

Debt by Type

Outstanding Debt Service

Debt Service by Fund





# Capital Program Overview

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## Capital Program Mission

With community input, Queen Creek will plan for sustainable infrastructure improvements that strengthen economic viability and quality of life, providing fiscal stewardship of public funds and balancing construction with the ability to effectively maintain and operate our current assets in a cost-effective and safe manner.

## Capital Program Summary FY 2020-FY 2024

The capital budget process determines which major projects will be financed and constructed. Capital projects are those with high monetary value (typically more than \$50,000) that add to the capital assets or infrastructure of the Town. These projects are long-term in nature (more than one year) and are generally financed on a long-term basis.

Funding for capital programs is appropriated annually. However, due to the fact that these projects are rarely completed within the fiscal year, carry-forward contingencies are budgeted to cover purchase orders that remain open at the end of the fiscal year and for projects that were not expended or encumbered by fiscal year end.

During the annual budget cycle, the Town of Queen Creek prepares a five-year infrastructure/capital improvements program (IIP/CIP) budget. The CIP shown in this budget document provides estimates for the fiscal years ranging from FY 2019/20 through FY 2023/24 and identifies fiscal year needs and financing sources. The FY 2019/20 CIP program is balanced including the use of revenues, fund balances, transfers and bond proceeds; however, future years contain undetermined funding requirements that will be addressed prior to projects moving forward. New in FY 2019/20 is a delegation resolution approved by Town Council allowing for a more streamlined CIP approval process. This change requires the funding for a project to be recognized entirely during the first year the project has activity, despite the likelihood the project will span additional years.

The Town of Queen Creek's capital program budget for FY 2019/20 amounts to \$157.2 million in expenditure authority for capital improvements related to General Government and Transportation. That amount includes \$66.6 million in new appropriations for capital projects, and \$90.6 million in carry forward appropriation for approved in prior years' budgets. Water and Wastewater CIP includes \$100.5 million in expenditure authority for capital improvements, which includes \$36.6 million in new appropriations for capital projects, and \$63.9 million in carry forward for projects approved in prior years' budgets. In total, the budget for new appropriations for capital improvements for FY 2019/20 is \$103.2 million. Other capital expenditures for studies as well as the growth portion of debt are shown in each of the capital and development fund's five-year financial forecast later in this section.

The Town Council adopts the five-year CIP on the same date as final adoption of the annual operating budget. Capital projects are scheduled throughout the five-year plan; however, only those projects scheduled during the first year of the CIP are financed and adopted as part of the annual budget. Details of the capital programs are presented in the following section along with funding sources.



# Five-Year Capital Improvement Summary

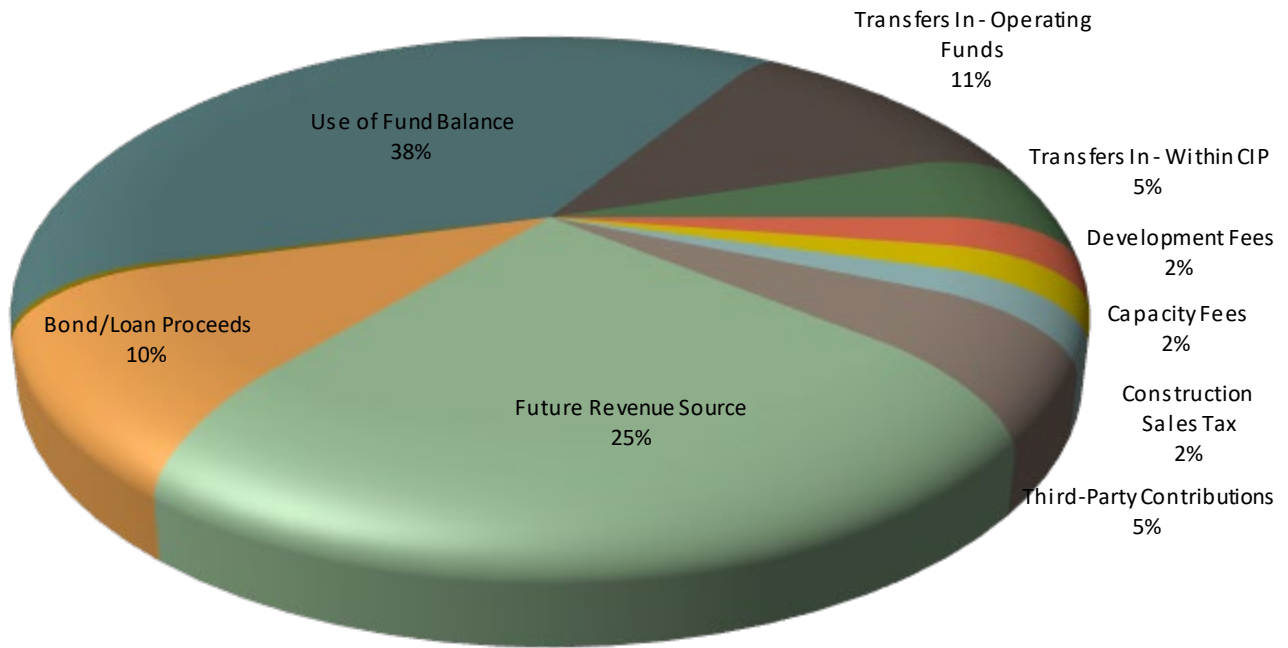
Summary 5-Year CIP	FY19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>New Single Family Home Permits</b>	820	830	1,170	1,460	1,560	5,840
<b>Revenues by Source</b>						
Development Fees	\$ 6,209,331	\$ 7,135,232	\$ 11,331,004	\$ 12,874,670	\$ 13,794,069	\$ 51,344,305
Capacity Fees	4,986,258	4,983,948	7,089,042	8,707,041	9,157,623	\$ 34,923,912
Construction Sales Tax	4,888,900	5,035,600	5,066,700	5,155,600	5,244,400	\$ 25,391,200
Third-Party Contributions	11,979,173	-	-	-	-	\$ 11,979,173
Future Revenue Source	65,000,000	-	-	-	-	\$ 65,000,000
Bond/Loan Proceeds	25,000,000	-	-	-	-	\$ 25,000,000
Interest Income	67,750	46,470	45,990	46,020	46,290	\$ 252,520
CIL - Formerly Restricted	750,000	175,000	1,675,216	250,000	-	\$ 2,850,216
<b>Total Revenues</b>	<b>\$ 118,881,412</b>	<b>\$ 17,376,250</b>	<b>\$ 25,207,952</b>	<b>\$ 27,033,331</b>	<b>\$ 28,242,382</b>	<b>\$ 216,741,326</b>
Transfers In - Operating	\$ 29,331,930	\$ 11,300,833	\$ 8,100,388	\$ 10,761,344	\$ 7,530,509	\$ 67,025,004
Transfers In -Within CIP	12,503,020	13,058,977	7,525,967	12,845,218	4,078,282	\$ 50,011,464
<b>Total Sources by Type</b>	<b>\$ 160,716,362</b>	<b>\$ 41,736,060</b>	<b>\$ 40,834,307</b>	<b>\$ 50,639,893</b>	<b>\$ 39,851,173</b>	<b>\$ 333,777,794</b>
<b>Sources by Fund</b>						
Drainage & Transportation	\$ 115,390,553	\$ 11,631,260	\$ 12,513,031	\$ 10,706,287	\$ 7,465,407	\$ 157,706,538
General CIP	4,000,000	7,082,848	140,590	8,164,649	-	\$ 19,388,087
Construction Sales Tax Fund	4,888,900	5,035,600	5,066,700	5,155,600	5,244,400	\$ 25,391,200
Wastewater Capital/Capacity	14,013,563	5,550,311	6,254,530	6,942,843	6,995,344	\$ 39,756,591
Water Capital/Capacity	15,300,425	5,254,339	5,482,462	6,749,824	6,305,663	\$ 39,092,713
Transportation Development Fund	2,121,906	2,775,121	4,630,779	4,891,243	5,234,050	\$ 19,653,100
Public Safety Development Fund	172,936	196,190	309,765	356,091	377,795	\$ 1,412,777
Fire Development Fund	875,277	1,052,639	1,713,337	1,912,035	2,012,349	\$ 7,565,637
Town Buildings Development Fund	98,415	98,937	134,974	159,066	169,878	\$ 661,271
Parks Development Fund	3,678,994	2,879,702	4,328,882	5,289,920	5,710,699	\$ 21,888,197
Library Development Fund	175,392	179,113	259,257	312,334	335,587	\$ 1,261,683
<b>Total Sources by Fund</b>	<b>\$ 160,716,362</b>	<b>\$ 41,736,060</b>	<b>\$ 40,834,307</b>	<b>\$ 50,639,893</b>	<b>\$ 39,851,173</b>	<b>\$ 333,777,794</b>
<b>Uses by Fund</b>						
Drainage & Transportation	\$ 122,304,081	\$ 32,740,084	\$ 1,533,975	\$ 19,457,889	\$ 1,646,006	\$ 177,682,036
General CIP	10,970,774	7,082,848	140,590	8,164,649	-	\$ 26,358,861
Construction Sales Tax Fund	3,100,864	5,347,083	5,066,667	5,155,556	5,244,357	\$ 23,914,527
Wastewater Capital/Capacity	38,559,409	6,463,172	2,769,931	2,333,923	2,077,448	\$ 52,203,883
Water Capital/Capacity	61,958,712	5,144,892	3,270,680	3,688,103	7,854,702	\$ 81,917,089
Transportation Development Fund	10,169,858	6,036,119	4,486,558	3,902,016	816,612	\$ 25,411,163
Public Safety Development Fund	140,250	540,717	209,527	540,017	139,175	\$ 1,569,686
Fire Development Fund	3,417,863	5,077,113	494,738	5,866,827	493,938	\$ 15,350,479
Town Buildings Development Fund	290,100	286,957	287,723	288,727	289,045	\$ 1,442,552
Parks Development Fund	6,603,064	2,412,526	4,107,543	6,530,773	35,323,738	\$ 54,977,644
Library Development Fund	232,890	232,910	232,116	232,731	231,601	\$ 1,162,248
<b>Total Uses by Fund</b>	<b>\$ 257,747,865</b>	<b>\$ 71,364,421</b>	<b>\$ 22,600,048</b>	<b>\$ 56,161,211</b>	<b>\$ 54,116,622</b>	<b>\$ 461,990,168</b>
Change in Fund Balance	\$ (97,031,503)	\$ (29,628,362)	\$ 18,234,259	\$ (5,521,319)	\$ (14,265,449)	\$ (128,212,374)



# Funding Sources FY 2019/20

## CIP FY 2019/20 Funding - \$257.7M

Capital Funding by Source	FY 2019/20 Requested	% of Total
Development Fees	\$ 6,209,331	2%
Capacity Fees	4,986,258	2%
Construction Sales Tax	4,888,900	2%
Third-Party Contributions	11,979,173	5%
Future Revenue Source	65,000,000	25%
Bond/Loan Proceeds	25,000,000	10%
Interest Income	67,750	0%
Use of Third Party Pre-Payments	750,000	0%
Use of Fund Balance	97,031,503	38%
<b>Total Revenues</b>	<b>\$ 215,912,915</b>	<b>84%</b>
Transfers In - Operating Funds	\$ 29,331,930	11%
Transfers In - Within CIP	12,503,020	5%
<b>Total Sources</b>	<b>\$ 257,747,865</b>	<b>100%</b>

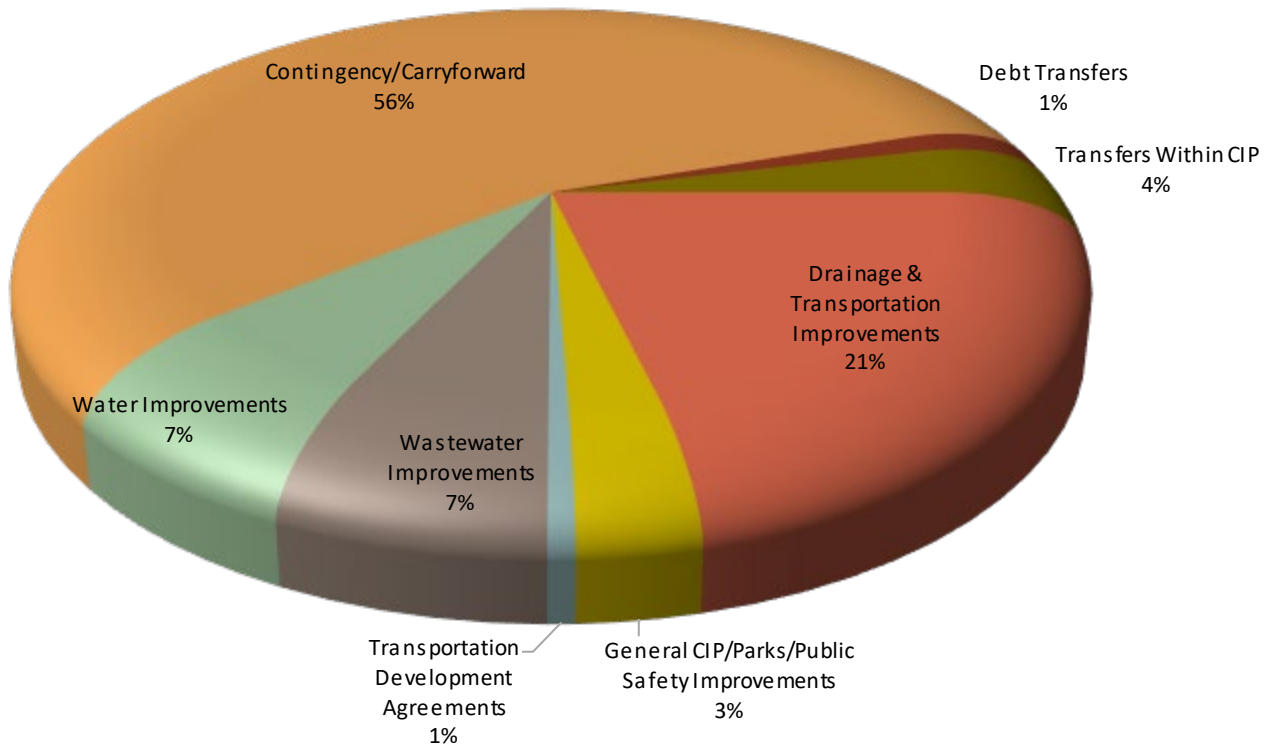




# Expenditures/Uses FY 2019/20

## CIP Expenditures/Uses FY 2019/20 - \$257.7M

Capital Expenditures by Program	FY 2019/20 Requested	% of Total
Drainage & Transportation Improvements	\$ 54,622,669	21%
General CIP/Parks/Public Safety Improvements	8,220,000	3%
Transportation Development Agreements	1,815,871	1%
Wastewater Improvements	18,238,245	7%
Water Improvements	18,348,724	7%
Contingency/Carryforward	143,373,486	56%
<b>Total Expenses</b>	<b>\$ 244,618,995</b>	<b>95%</b>
Debt Transfers	3,545,850	1%
Transfers Within CIP	9,583,020	4%
<b>Total Uses</b>	<b>\$ 257,747,865</b>	<b>100%</b>





# Capital Budgets Year to Year Comparison

Capital Funding by Source	FY 2018/19 Revised	FY 2019/20 Requested	% of Total
Development Fees	\$ 7,502,889	\$ 6,209,331	2%
Capacity Fees	11,190,250	4,986,258	2%
Construction Sales Tax	4,871,250	4,888,900	2%
Third-Party Contributions	5,000,000	11,979,173	5%
Future Revenue Source	-	65,000,000	25%
Bond/Loan Proceeds	1,989,713	25,000,000	10%
Interest Income	327,950	67,750	0%
Use of Third Party Pre-Payments	29,094	750,000	0%
Use of Fund Balance	-	97,031,503	38%
<b>Total Revenues</b>	<b>\$ 30,911,146</b>	<b>\$ 215,912,915</b>	<b>84%</b>
Transfers In - Operating Funds	\$ 24,459,999	\$ 29,331,930	11%
Transfers In - Within CIP	6,600,342	12,503,020	5%
<b>Total Sources</b>	<b>\$ 61,971,487</b>	<b>\$ 257,747,865</b>	<b>100%</b>

Capital Expenditures by Program	FY 2018/19 Revised	FY 2019/20 Requested	% of Total
Drainage & Transportation Improvements	\$ 78,082,022	\$ 54,622,669	21%
General CIP/Parks/Public Safety Improvements	18,373,044	8,220,000	3%
Transportation Development Agreements	8,785,606	1,815,871	1%
Wastewater Improvements	24,732,036	18,238,245	7%
Water Improvements	21,260,406	18,348,724	7%
Contingency/Carryforward	(137,402,698)	143,373,486	56%
<b>Total Expenses</b>	<b>\$ 13,830,416</b>	<b>\$ 244,618,995</b>	<b>95%</b>
Debt Transfers	3,821,471	3,545,850	1%
Transfers Within CIP	12,158,425	9,583,020	4%
<b>Total Uses</b>	<b>\$ 29,810,312</b>	<b>\$ 257,747,865</b>	<b>100%</b>





# Major Funding Sources for CIP

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## Capacity Fees

Capacity charges are a tool used by municipalities to pay the proportionate share of costs for utility infrastructure needs attributable to new growth. With the purchase of the H2O Water Company in 2014, the Town's service area extends beyond the Town's incorporated boundaries. Since development fee legislation only allows for fees in service areas within municipal boundaries, it is more appropriate to implement capacity charges, which are the only method allowed by state statute to collect for system improvement both inside and outside town boundaries. Like development fees, capacity charges are one-time charges paid at the time of building permit issuance for new construction and are based on meter size.

Capacity charges are assessed for both the water and wastewater functions and were approved by Council effective May 2, 2014. Future revenue projections are based on projected development activity at the 2014 rates. Studies are underway to update the charges based on Queen Creek's recently updated Infrastructure Improvement Plans that capture the growth related projects over the next ten years, which serves as a basis for setting the fees.

Total projected capacity charges revenue anticipated for FY 2019/20 amounts to \$5.0 million. This represents a (55%) decrease from the FY 2018/19 budget as a result of finalizing the rate study which reduces Water and Wastewater capacity fees and a forecasted reduction in Housing Permits.

## Development Fees (Impact Fees)

Development impact fees are one-time payments assessed by the Town to help offset costs associated with providing necessary public services to new development. Currently, the Town of Queen Creek assesses six development fees, each housed in a separate fund, which will be discussed in further detail later in this section. Total projected development fee revenues anticipated for FY 2019/20 amount to \$6.2 million.

In 2011, Arizona's Fiftieth Legislature passed Senate Bill 1525, which legislated a series of significant changes to the calculation, collection, and use of development fees. This legislation fundamentally moved away from the principle of new growth paying for itself, and shifted the burden of paying for this infrastructure on to existing residents and businesses. In addition, city and town councils previously had the ability to determine what constitutes "necessary public services" for their communities; the new bill now narrowly defines what these are allowed to include. The law took effect on January 1, 2012 and included a series of implementation dates, with a requirement that all development fee programs become fully compliant by August 1, 2014. In response to the established deadlines, the Town Council passed Resolution 892-11 on December 21, 2011, which dropped fees from \$15,007 to \$13,883 per single family home. The last change for development fees under SB 1525 went into effect August 1, 2014, and further reduced the fees to \$6,794 from \$8,941 (excluding the sewer fee, which has been replaced with a capacity fee).

Future revenue projections are based on projected development activity at the 2019 Draft rates. Studies are underway to update the fees based on Queen Creek's recently updated Infrastructure Improvement Plan that captures the growth related projects over the next ten years, which is the basis for setting the fees.

The following is a table of fees collected by category for a single-family home with a standard three-quarter inch water meter. Commercial construction impact fees vary depending on type of commercial development and size of water connection.



# Major Funding Sources for CIP

Category	FY 2018/19 Development Fees	DRAFT Development Fees
Library	\$ 723	\$ 167
Parks, Open Space & Recreational Facilities	\$ 3,681	\$ 3,022
Transportation	\$ 1,263	\$ 2,118
Public Safety (Police Services)	\$ 167	\$ 258
Town Buildings & Vehicles	\$ 470	\$ 76
Fire	\$ 490	\$ 888
Subtotal Impact Fees	\$ 6,794	\$ 6,529
Wastewater Capacity Fee*	\$ 5,082	\$ 2,901
Water Capacity Fee*	\$ 4,014	\$ 2,382
Total single family home fee	\$ 15,890	\$ 11,812

\* Capacity fees effective date was May 2, 2014. Amounts included to reflect all fees collected at time of permitting.

## Construction Sales Tax

Construction sales tax in the Town of Queen Creek is 4.25%, with 2.0% dedicated to financing projects in the Drainage and Transportation Fund. Effective in FY 2016/17, this funding source is also utilized to reimburse major development for the growth share of their contributions to transportation. This funding source also pays the growth share of debt service related to the Ellsworth Loop Road construction. For FY 2019/20, dedicated construction sales tax is projected at \$4.9 million.

## Building Permit Activity

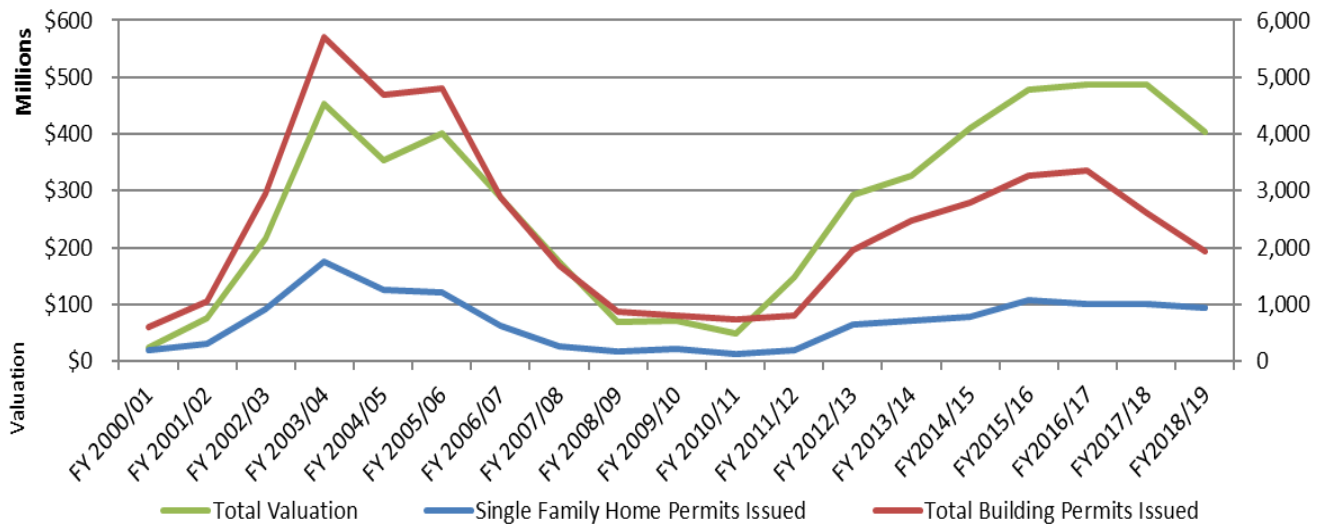
Since impact fees, capacity charges and construction sales tax are dependent on new construction, building permit activity is tracked and monitored throughout the year, with projections for future permitting estimated as part of the annual budget process. A table and chart of single family home activity, total building activity and total valuation of permits since FY 2001 follows.

The increase in valuation in FY 2011/12 was due to commercial permitting of light industrial, office/institution and charter schools in the Town.



# Major Funding Sources for CIP

Fiscal Year	Single Family	Total Building	Total Valuation
FY 2000/01	188	609	\$24,656,951
FY 2001/02	307	1,061	\$74,891,686
FY 2002/03	920	2,943	\$216,559,217
FY 2003/04	1754	5,703	\$452,591,435
FY 2004/05	1265	4,692	\$352,657,045
FY 2005/06	1215	4,789	\$400,141,504
FY 2006/07	627	2,876	\$287,343,796
FY 2007/08	268	1,684	\$174,150,962
FY 2008/09	180	875	\$68,056,680
FY 2009/10	224	812	\$70,811,968
FY 2010/11	125	731	\$49,554,857
FY 2011/12	193	801	\$147,525,972
FY 2012/13	647	1,946	\$292,920,680
FY 2013/14	719	2485	\$326,593,909
FY2014/15	792	2,783	\$410,805,749
FY2015/16	1073	3265	\$477,847,810
FY2016/17	1003	3,347	\$486,694,589
FY2017/18	996	2,606	\$486,045,529
FY2018/19	950	1,935	\$404,035,338



## Carryover Budget

As part of the Capital Budgeting process an assessment is made on the estimated completion of projects at year-end. In the event a project will not be completed within the fiscal year, provisions are made to move the remaining project budget into the next fiscal year. This process is completed on a project by project basis.



# Capital Funds Carryforward

Transportation Carryforward	FY 18/19	FY 18/19	FY 19/20	
Project	Under Contract	Remaining Approved Budget	New Budget	# of Projects
A0002 - TOWN CENTER: OCOTILLO RD-LOOP TO LO	44,135	325,957	-	
A0010 - TC:ALDECOA ELLWORTH TO ELLS LOOP	7,872	838,268	-	
A0702 - CRISMON: QUEEN CREEK RD TO GERMANN	217,256	1,256,220	-	
A0402 - HAWES RD @ CREEKVIEW RANCHES	290,950	29,095	-	
A0510 - RIGGS: ELLWORTH TO MERIDIAN	7,014,307	1,526,127	-	
A0520 - RIGGS RD: POWER TO HAWES	635,000	119,739	-	
A0208 - ELLSWORTH & EMPIRE IMPROVEMENTS	217,843	2,376	-	
A1403 - POWER: OCOTILLO TO BROOKS FARM	2,395,250	665,807	-	
A1702 - 220TH: RYAN RD TO QUEEN CREEK RD	79,354	431,522	-	
A2001 - RYAN: CRISMON TO 220TH	80,258	37,234	-	
D0200 - SONOQUI WASH EROSION REPAIRS	2,239	11,748	-	
I0028 - RIGGS @ HAWES (T.S.)	36,479	28,741	-	
<b>Subtotal Partially Under Contact - no new FY 19/20 Budget</b>	<b>11,020,943</b>	<b>5,272,834</b>	-	<b>12</b>
A0115 - OCOTILLO:SIGNAL BUTTE TO MERIDIAN	438,341	460,948	6,738,493	
A0116 - OCOTILLO: SOSSAMAN TO HAWES	733,305	105,057	7,404,824	
A1002 - QC RD-ELLSWORTH TO SIGNAL BUTTE	2,600,908	869,171	2,821,017	
A1404 - POWER: BROOKS FARM TO CHAND HGTS	332,773	2,914,031	4,469,470	
A1505 - MERIDIAN:COMBS TO QC WASH	9,488	967,696	7,398,787	
A0306 - RITTENHOUSE: VILLAGE LP TO ALLIANCE	1,376,417	7,069,367	4,864,133	
A0603 - CHANDLER HTS:SOSSAMAN TO POWER	493,132	302,948	7,410,029	
A0604 - CHANDLER HTS: RECKER TO POWER	320,718	32,072	6,000,000	
A0605 - SIGNAL:CHANDLER HTS AT 180TH	37,286	3,729	350,000	
I0010 - ELLSWORTH @ QUEEN CREEK (TEMP T.S.)	1,218,938	525,909	1,100,000	
<b>Subtotal Partially Under Contact - with new FY 19/20 Budget</b>	<b>7,561,307</b>	<b>13,250,928</b>	<b>48,556,753</b>	<b>10</b>
<b>Subtotal Projects - Under Contract</b>	<b>18,582,250</b>	<b>18,523,762</b>	<b>48,556,753</b>	<b>22</b>
A0802 - SIGNAL BUTTE: GERMANN TO SR24	-	12,000,000	-	
A0008 - TC: NORTH/SOUTH DUNCAN TO OCOTILLO	-	960,040	-	
A0009 - TC DUNCAN:ELLSWORTH TO ELLS LOOP	-	769,220	-	
A0905 - SOSSAMAN: OCOTILLO TO QUEEN CREEK	-	120,131	-	
A0107 - OCOTILLO RD-RECKER TO POWER	-	460,704	-	
A1302 - UPRR/RITTENHOUSE	-	175,740	-	
A1506 - MERIDIAN - GERMANN TO SR24	-	8,385,901	-	
A1802 - 196TH: OCOTILLO TO APPLEBY2	-	855,400	-	
A1803 - APPLEBY2: SOSSAMAN TO 196TH	-	709,822	-	
I0060 - ELLSWORTH @ VIA DE PALMAS (TS)	-	34,993	-	
I0061 - OCOTILLO @ VICTORIA (TS)	-	375,000	-	
I0069 - SIGNAL@ OCOTILLO & SCOTTLAND	-	307,690	-	
<b>Subtotal Not under contract - no new FY 19/20 budget</b>	-	<b>25,154,640</b>	-	<b>12</b>
A0207 - ELLSWORTH: RITTENHOUSE TO UPRR-N	-	420,760	1,686,121	
<b>Subtotal Not under contract - with new FY 19/20 budget</b>	-	<b>420,760</b>	<b>1,686,121</b>	<b>1</b>
<b>Subtotal Approved Projects - Not Yet Under Contract</b>	-	<b>25,575,400</b>	<b>1,686,121</b>	<b>13</b>
A1203 - GERMANN: ELLSWORTH TO CRISMON	-	-	1,000,000	
Ironwood Rd Improvements	-	-	1,000,000	
Cloud Road Drainage	-	-	450,000	
<b>Subtotal New Projects FY20</b>	-	-	<b>2,450,000</b>	<b>3</b>
Contingency not tied to specific project	-	-	5,500,000	
Internal Project Management/Other	-	-	1,009,035	
Construction Sales tax DA reimbursements	-	-	317,900	
<b>Total by Category</b>	<b>18,582,250</b>	<b>44,099,162</b>	<b>59,519,809</b>	<b>38</b>
		<b>Grand Total</b>	<b>122,201,221</b>	



# Capital Funds Carryforward

Water Carryforward Project	FY18/19 Under Contract	FY18/19 Remaining Approved Budget	FY 19/20 New Budget	# of Projects
WA140 - EMPIRE:ELLSWORTH TO PEGASIS WATER	13,567	-	-	
WA050 - CLOUD RD: POWER TO SOSSAMAN	17,338	-	-	
WA164 - JORDE-EMPIRE SOUTH WELL	21,828	-	-	
WA189 - GARY EAST WELL - MERIDIAN CROSSING	360,837	-	-	
MF015 - UTILITIES TENANT IMPROVEMENTS	294,599	-	-	
MF025 - UTILITY CORP YARD TI PHASE II	95,618	-	-	
<b>Subtotal All Under Contract</b>	<b>803,788</b>	-	-	<b>6</b>
WA120 - EMPIRE BLVD:GARY TO CRISMON	1,241,562	112,162	-	
WA193 - BARNEY FARMS LAKE WELL	1,080,089	746,864	-	
WA020 - BARNEY WELL,RESERVOIR, BOOSTER	1,075,078	3,910,376	-	
WA107 - NEW UTILITIES BILLING SOFTWARE	846,728	653,833	-	
WA190 - CLOUD RD:SIGNAL BUTTE TO RITTENHOUS	608,598	44,940	-	
WA156 - RIGGS PH3:SIG BUTTE TO MERIDIAN	495,765	923,507	-	
WA158 - JORDE WELL SIGNAL BUTTE	324,958	156,296	-	
WA197 - LINKS NORTH WELL	237,104	1,722,596	-	
WA007 - SOSSAMAN WELLS	166,862	400,480	-	
WA200 - SOSSAMAN:APPLEBY TO VILLA DEL JARDI	114,762	1,039,605	-	
WA005 - WELL SITE SECURITY	50,026	191,234	-	
WA204 - SIGNAL BUTTE:RIGGS TO EMPIRE & IRR	47,728	830,397	-	
WA138 - HASITNGS WELL REHAB	41,388	418,393	-	
WA157 - VILLAGES WELL REPLACEMENT	36,753	633,440	-	
WA195 - OCOTILLO:SIG BUTTE TO IRONWOOD	29,267	2,927	-	
WA161 - SIGNAL BUTTE:QUEEN CREEK TO GERMANN	12,672	796,595	-	
WA188 - GARY EAST WELL - TRANSMISSION LINE	10,518	377,432	-	
WA099 - ENCANTERRA/SHEA LINE INSTALL	6,978	1,201,541	-	
WA027 - SOSSAMAN WELL TRANSMISSION LINE	5,441	192,384	-	
WA104 - RITTENHOUSE TO ELLSWORTH LOOP NORTH	5,233	143,151	-	
WA078 - CHURCH FARMS EAST WELL	4,570	5,022,971	-	
WA079 - CHURCH FARMS WEST WELL	3,171	281,147	-	
WA134 - REPAIR & REPLACEMENT MASTER PLAN	1,547	163,662	-	
WA160 - MERIDIAN:OCOTILLO TO IRONWOOD CROSS	1,366	286,415	-	
<b>Subtotal Partially Under Contact - no new FY 19/20 Budget</b>	<b>6,448,162</b>	<b>20,252,349</b>	-	<b>24</b>
WA137 - RYAN; ELLSWORTH TO CRISMON WATER	2,290	34,715	264,887	
WA166 - CHANDLER HTS:POWER TO SOSSAMAN	91,502	9,179	795,073	
WA196 - CHANDLER HTS:RECKER TO POWER	61,298	81,130	795,073	
MF005 - CORPORATION YARD-PHASE 1	56,771	377,758	590,034	
WA067 - RIGGS RD PH1: ELLSWORTH CRISMON	52,330	443	264,404	
WA126 - POWER RD:OCOTILLO TO CHANDLER HEIGH	45,171	4,176	175,862	
WA252 - NEW WELL INVESTIGATION	42,250	88,920	102,590	
WA145 - WEST PARK WELL & EQUIPMENT	26,833	1,046	122,710	
WA139 - FLEXNET METER MXU REPLACEMENT	1,908,355	98,544	2,174,908	
WA288 - UTILITIES ADMIN OFFICES (FOF)	182,379	107,696	5,026,910	
WA147 - GARY:COMBS TO EMPIRE	116,671	23,873	101,447	
<b>Subtotal Partially Under Contact - with new FY 19/20 Budget</b>	<b>2,585,850</b>	<b>827,481</b>	<b>10,413,898</b>	<b>11</b>
WA131 - RYAN RD:CRISMON TO SIGNAL BUTTE	26,659	-	444,875	
WA162 - MERIDIAN:QUEEN CREEK TO GERMANN	19,881	-	816,092	
WA163 - GERMANN: SIGNAL BUTTE TO MERIDIAN	14,042	-	884,740	
WA191 - AIRPORT RD: COYOTE RD TO SCHNEPF	11,592	-	379,452	
<b>Subtotal All FY 18/19 under contract - with new FY 19/20 Budget</b>	<b>72,174</b>	-	<b>2,525,159</b>	<b>4</b>
<b>Subtotal Projects that are under contract</b>	<b>9,909,973</b>	<b>21,079,831</b>	<b>12,939,057</b>	<b>45</b>



# Capital Funds Carryforward

Water Carryforward	FY18/19	FY18/19	FY 19/20	
Project	Under Contract	Remaining Approved Budget	New Budget	# of Projects
WA202 - HARVEST TANK & SITE	-	3,779,598	-	
WA159 - JORDE-EMPIRE WEST WELL	-	697,026	-	
WA198 - LINKS SOUTH WELL	-	584,607	-	
WA203 - THOROBRED WELL	-	562,450	-	
WA124 - GERMANN RD:ELLSWORTH TO CRISMON	-	500,000	-	
WA199 - PECAN NORTH IRRIGATION & TRANS LINE	-	430,000	-	
WA088 - MSB 1ST FLOOR REMODEL	-	404,338	-	
WA149 - DUNCAN:ELLSWORTH TO ELLS LOOP +N.S	-	400,000	-	
WA201 - GANTZELWELL REHAB/EQUIPPING	-	392,700	-	
WA148 - ORCHARD RAND IRRIGATION IMROVEMENTS	-	350,000	-	
WA070 - ELLSWORTH:EMPIRE TO SAN TAN W/PRV	-	324,000	-	
WA143 - MERIDIAN:COMBS TO RED FERN PH II	-	297,736	-	
WA103 - ELLSWORTH INTERSECTION IMPROV. & QC	-	250,000	-	
WA150 - ALDECOA:ELLSWORTH TO ELLS LOOP	-	200,000	-	
WA017 - EMERGENCY GENERATOR CONTROLS	-	105,000	-	
WA116 - MERIDIAN & QUEEN CREEK PRV	-	100,000	-	
WA192 - MERIDIAN RD & COMBS PRV	-	100,000	-	
WA194 - GOLDMINE MOUNTAIN PARKING LOT WATER	-	100,000	-	
WA152 - QC RD:ELLSWORTH TO CRISMON	-	75,000	-	
WA125 - QUEEN CREEK RD:SIG BUTTETO MERIDIAN	-	50,000	-	
<b>Subtotal Not under contract - no new FY20 budget</b>	-	<b>9,702,454</b>	-	<b>20</b>
WA253 - MERIDIAN: RED FERN TO QC WASH	-	100,000	564,245	
WA066 - RIGGS RD: SOSSAMAN TO HAWES RD	-	95,877	336,578	
WA123 - CRISMON RD:QUEEN CREEK TO GERMANN	-	69,280	538,597	
WA077 - IRONWOOD @ OCOTILLO & MARILYN	-	50,000	205,180	
WA049 - FIRE HYDRANT INSTALLATIONS-SYS WIDE	-	25,000	25,648	
WA098 - PRV-OCOTILLO AND FULTON DR.	-	17,040	54,742	
WA132 - VILLAGES WATER RECONSTRUCTION	-	500,000	102,590	
WA062 - OCOTILLO TRANSMISSION	-	444,000	455,500	
WA119 - RITTENHOUSE RD: COMBS TO CLOUD	-	400,000	513,771	
WA141 - ORCHARD RANCH BOOSTER TO BOLLERO	-	225,000	307,618	
WA133 - RANCHO JARDINES WATER RECONSTRUCTIO	-	200,000	410,360	
<b>Subtotal Not under contract - with new FY 19/20 budget</b>	-	<b>2,126,197</b>	<b>3,514,829</b>	<b>11</b>
<b>Subtotal Approved Projects Not Yet Under Contract</b>	-	<b>11,828,651</b>	<b>3,514,829</b>	<b>31</b>
WA254 - QC RD: CRISMON TO SIGNAL BUTTE	-	-	51,295	
WA169 - OCOTILLO: SIGNAL BUTTE TO MERIDIAN	-	-	128,238	
WA800 - BARNEY FARMS GWEC	-	-	236,983	
WA801 - HARVEST GWEC	-	-	426,774	
WA167 - CHANDLER HTS:SOSSAMAN TO HAWES	-	-	692,483	
<b>Subtotal New Projects FY20</b>	-	-	<b>1,535,773</b>	<b>5</b>
WA900 - PROJECT MANAGEMENT	77,650	713,884	359,065	
<b>Grand Total</b>	<b>9,987,623</b>	<b>33,622,365</b>	<b>18,348,724</b>	<b>81</b>

**Grand Total 61,958,712**



# Capital Funds Carryforward

Wastewater Carryforward	FY18/19	FY18/19	FY 19/20	
Project	Under Contract	Remaining Approved	New Budget	# of Projects
WW015 - CLOUD RD - ELLSWORTH TO 220TH ST	7,726	-	-	
WW087 - SIGNAL BUTTE:FS#4 TO RYAN RD	6,220	-	-	
MF005 - CORPORATION YARD-PHASE 1	64,850	-	-	
WW071 - WATER RESOURCES MASTER PLAN	212,670	-	-	
WW027 - CLOUD RD - 220TH TO SIGNAL BUTTE	1,681,111	-	-	
<b>Subtotal All Under Contract</b>	<b>1,972,577</b>	-	-	<b>5</b>
MF015 - UTILITIES TENANT IMPROVEMENTS	126,257	24,291	-	
WW035 - RYAN RD: ELLSWORTH TO CRISMON	3,367	53,408	-	
WW060 - RIGGS RD:CRISMON TO RITTENHOUSE	152,889	995,386	-	
WW062 - EMPIRE & ELLSWORTH TO THOMPSON RD	9,967	1,150,000	-	
WW076 - SB:RYAN TO GERMANN@BARNEY PROP	10,646	1,286,000	-	
WW081 - SIGNAL BUTTE:RIGGS TO EMPIRE	48,228	1,147,147	-	
WW082 - EMPIRE: ELLSWORTH TO 209TH	8,797	90,563	-	
WW083 - QUEEN CREEK: 228TH TO MERIDIAN	699,785	238,704	-	
<b>Subtotal Partially Under Contact - no new FY 19/20 Budget</b>	<b>1,059,936</b>	<b>4,985,499</b>	-	<b>8</b>
WW025 - OCOTILLO RD - 188TH TO POWER	199,918	636,192	259,670	
WW064 - POWER: OCOTILLO TO CHANDLER HEIGHTS	3,546	175,000	125,120	
WW053 - RYAN RD: CRISMON TO SIGNAL BUTTE	25,666	64,904	249,696	
WW089 - OCOTILLO:MERIDIAN TO IRONWOOD	53,985	5,398	1,067,569	
WW090 - CHANDLER HTS:POWER TO SOSSAMAN	50,605	5,075	660,862	
<b>Subtotal Partially Under Contact - with new FY 19/20 Budget</b>	<b>333,719</b>	<b>886,569</b>	<b>2,362,917</b>	<b>5</b>
WW058 - GWRP CAPITAL CONSTRUCTION	390,843	-	210,358	
WW067 - RIGGS RD SEWER:ELLSWORTH TO CRISMON	103,754	-	67,893	
WW084 - GERMANN:SIGNAL BUTTE TO MERIDIAN	29,102	-	1,025,900	
WWT07 - GWRP EXPANSION 2018 FUTURE BUILDOUT	2,160,690	-	1,747,812	
WWT08 - GWRP 2018 EXPANSION - RERATING	1,840,658	-	1,488,877	
WWT09 - GWRP 2018 EXPANSION - RENOVATIONS	2,361,107	-	1,909,647	
<b>Subtotal All FY 18/19 under contract - with new FY 19/20 Budget</b>	<b>6,886,153</b>	-	<b>6,450,487</b>	<b>6</b>
<b>Subtotal Projects that are under contract</b>	<b>10,252,385</b>	<b>5,872,068</b>	<b>8,813,404</b>	<b>24</b>
WW057 - QUEEN CREEK & ELLSWORTH INTERSECTIO	-	50,000	-	
WW051 - MERIDIAN & COMBS RD SEWER EXT. ALA	-	654,259	-	
WW052 - RIGGS RD. & SOSSAMAN INTERSE. SOUTH	-	299,648	-	
WW059 - SEWER DOSING SITES	-	300,000	-	
WW063 - ALDECOA: ELLSWORTH TO ELLSWORTH LOO	-	400,000	-	
WW068 - MERIDIAN RD:COMBS TO RED FERN PH II	-	300,000	-	
WW072 - DUNCAN:ELLSWORTH TO ELLS LOOP	-	425,000	-	
<b>Subtotal Not under contract - no new FY 19/20 budget</b>	-	<b>2,428,907</b>	-	<b>7</b>
WW073 - OCOTILLO:SIGNAL BUTTE TO MERIDIAN	-	25,000	51,295	
WW086 - QUEEN CREEK: ELLSWORTH TO SIG BUTTE	-	25,000	153,885	
WW061 - SOSSAMAN & RIGGS TO SOUTHWEST TOWN BORDER	-	250,000	2,228,152	
WW070 - POWER RD T LOCK SLEEVING	-	1,400,000	861,756	
<b>Subtotal Not under contract - with new FY 19/20 budget</b>	-	<b>1,700,000</b>	<b>3,295,088</b>	<b>4</b>
<b>Subtotal Approved Projects Not Yet Under Contract</b>	-	<b>4,128,907</b>	<b>3,295,088</b>	<b>11</b>
WW075 - UTILITIES CORP YARD & IMPROVEMENTS	-	-	2,154,390	
WW091 - EMPIRE: 209TH TO 220TH	-	-	820,720	
WW500 - ENCANTERRA RECHARGE AGREEMENT	-	-	2,051,800	
WW501 - RECHARGE LAKE CONSTRUCTION	-	-	1,025,900	
<b>Subtotal New Projects FY 19/20</b>	-	-	<b>6,052,810</b>	<b>4</b>
WW900 - PROJECT MANAGEMENT	-	67,804	76,943	
<b>Grand Total</b>	<b>10,252,385</b>	<b>10,068,779</b>	<b>18,238,245</b>	<b>39</b>

Grand Total 38,559,409



# Capital Funds Carryforward

General CIP Carryforward	FY18/19	FY18/19	FY 19/20
Project	Under Contract	Remaining Approved	New Budget
MF005 - CORPORATION YARD-PHASE 1	504,818	596,728	-
MF007 - FIRE STATION #4/FIRE/PS EQUIPMENT	268,403	5,600,824	-
MF011 - FIRE RESOUCCE CENTER	-	-	4,000,000
<b>Grand Total</b>	<b>773,221</b>	<b>6,197,552</b>	<b>4,000,000</b>

<b>Grand Total</b>	<b>10,970,773</b>
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Parks Carryforward	FY18/19	FY18/19	FY 19/20
Project	Under Contract	Remaining Approved Budget	New Budget
P0620 - EAST PARK	-	2,000,000	-
P0630 - LANDFILL/EAGLE PARK	-	1,000,000	-
TE100 - QC WASH TRAIL: CRISMON TO UPRR	4,960	894,317	-
TE200 - SONOQUI WASH:HAWES TO ELLSWORTH	67,467	823,404	-
TE210 - SONOQUI WASH: ELLSWORTH TO CRISMON	-	-	1,300,000
<b>Grand Total</b>	<b>72,427</b>	<b>4,717,721</b>	<b>1,300,000</b>

<b>Grand Total</b>	<b>6,090,148</b>
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# Capital Funds Five-Year Projections

## Transportation Infrastructure Improvement Fund

Transportation IIP	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Future Revenue Source	-	65,000,000	-	-	-	-	\$ 65,000,000
Transfers In - Operating Budget	3,933,922	3,374,200	3,377,700	3,381,300	3,381,200	3,387,125	\$ 16,901,525
Transfer In - Construction Sales Tax (Growth Projects)	-	-	2,628,229	3,669,825	3,754,459	3,845,458	\$ 13,897,971
Transfers In - Impact Fees	-	9,583,020	5,450,331	3,786,690	3,320,628	232,824	\$ 22,373,493
Outside Town Streets - Financing TBD	-	25,000,000	-	-	-	-	\$ 25,000,000
Third Party Contributions	4,000,000	11,683,333	-	-	-	-	\$ 11,683,333
Use of Third Party Prepayments	29,094	750,000	175,000	1,675,216	250,000	-	\$ 2,850,216
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 7,963,016</b>	<b>\$ 115,390,553</b>	<b>\$ 11,631,260</b>	<b>\$ 12,513,031</b>	<b>\$ 10,706,287</b>	<b>\$ 7,465,407</b>	<b>\$ 157,706,538</b>
<b>EXPENDITURES/USES</b>							
Projects	54,138,199	53,613,634	31,690,688	442,603	18,322,862	465,578	\$ 104,535,365
Ellsworth Rd: Germann to SR24 (Mesa)*	-	-	-	-	-	-	\$ -
Signal Butte: Germann to SR24 (Mesa)*	12,000,000	-	-	-	-	-	\$ -
Meridian: Germann to SR24 (Pinal County)*	8,600,000	-	-	-	-	-	\$ -
Project Management Expenses	1,348,060	1,009,035	1,049,396	1,091,372	1,135,027	1,180,428	\$ 5,465,259
Contingency/Carryforward	(61,710,624)	67,681,412	-	-	-	-	\$ 67,681,412
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ 14,375,635</b>	<b>\$ 122,304,081</b>	<b>\$ 32,740,084</b>	<b>\$ 1,533,975</b>	<b>\$ 19,457,889</b>	<b>\$ 1,646,006</b>	<b>\$ 177,682,036</b>
Annual Result	(6,412,619)	(6,913,528)	(21,108,824)	10,979,056	(8,751,602)	5,819,401	
Beginning Balance	\$ 53,493,362	\$ 47,080,743	\$ 40,167,215	\$ 19,058,391	\$ 30,037,446	\$ 21,285,844	
Projected Ending Fund Balance	\$ 47,080,743	\$ 40,167,215	\$ 19,058,391	\$ 30,037,446	\$ 21,285,844	\$ 27,105,245	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the major transportation projects in the Town. Bond proceeds of \$65M were received in FY 2017/18 to fund projects anticipated over the next few years. Projects over the next five years are listed in the next table. Funding for these projects comes from bond proceeds, the operating budget, transportation impact fees, a portion of construction sales tax, and third parties. An allowance of \$21M is included in FY 2018/19 in anticipation of an Intergovernmental Agreements with neighboring jurisdictions to address roadway improvements leading out/into Town, the financing of which is still to be determined. The FY 2019/20 budget also includes project management costs of \$1M. Given the size of the transportation IIP, the contingency amount included for FY 2019/20 is \$67.7M – of which \$62.7M is for projects currently under contract or approved in prior years that need to carry forward. In addition, \$5M of expenditure authority is included for any unplanned projects that may arise after budget adoption.

*Strategic Priorities that relate to the Drainage & Transportation fund are*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Transportation Project List

QUEEN CREEK TRANSPORTATION INFRASTRUCTURE IMPROVEMENT PLAN FY 2019/20											
Project Title	#	Project Total	3rd Party	Town	FY 2019						
					Revised	FY 2020	FY2021	FY2022	FY2022	FY 2023	Beyond 5
<b>Infrastructure Improvement Plan (IIP) Projects:</b>											
Town Center Street N/S: Duncan to Ocotillo	A0008	966,444	-	966,444	710,038	-	-	-	-	-	-
Duncan St: Ellsworth Loop to Ellsworth	A0009	769,220	-	769,220	769,220	-	-	-	-	-	-
Aldecoa: Ellsworth Loop to Ellsworth	A0010	846,140	-	846,140	846,140	-	-	-	-	-	-
Ocotillo Road : Power to Recker	A0107	3,901,700	3,108,678	793,022	285,154	-	-	-	-	-	-
Ocotillo Rd West of Railroad to 218th	A0114	3,101,141	109,213	2,991,928	-	-	-	-	-	-	-
Ocotillo Road: Signal Butte to Meridian	A0115	7,738,493	1,002,596	6,735,897	1,000,000	6,738,493	-	-	-	-	-
Ocotillo Road: West of Sossaman Rd to Hawes Rd	A0116	8,104,824	-	8,104,824	700,000	7,404,824	-	-	-	-	-
Ellsworth Rd: Ryan to Germann	A0206	3,932,144	27,000	3,905,144	-	-	-	-	-	-	-
Ellsworth: Rittenhouse to UPRR-N	A0207	2,106,881	850,000	1,256,881	420,760	1,686,121	-	-	-	-	-
Rittenhouse Rd Village Loop North to Alliance Lumber	A0306	13,387,936	2,627,000	10,760,936	7,373,720	4,864,133	-	-	-	-	-
Hawes Road: Ocotillo to Rittenhouse	A0401	2,570,074	1,222,901	1,347,173	-	-	2,570,074	-	-	-	-
Hawes Road @ Creekview Ranches	A0402	261,913	29,094	232,819	261,913	-	-	-	-	-	-
Riggs Road: Ellsworth to Meridian	A0510	23,174,029	5,205,000	17,969,029	766,765	-	-	-	-	-	-
Riggs Road: Hawes to Power (QC Irrigation)	A0520	1,402,544	-	1,402,544	-	-	-	-	-	-	-
Chandler Hts - Hawes to Ellsworth	A0601	3,347,663	-	3,347,663	-	-	3,347,663	-	-	-	-
Chandler Hts-Sossaman to Hawes	A0602	9,418,850	-	9,418,850	-	-	9,418,850	-	-	-	-
Chandler Hts-Power to Sossaman	A0603	8,304,150	-	8,304,150	894,121	7,410,029	-	-	-	-	-
Crison Road: Queen Creek to Germann	A0702	3,735,358	1,786,700	1,948,658	1,873,340	-	-	-	-	-	-
Signal Butte: Ocotillo to Queen Creek	A0801	6,174,708	2,394,000	3,780,708	-	-	-	-	-	-	6,174,708
Queen Creek Road - Ellsworth to Signal Butte	A1002	6,020,198	148,327	5,871,871	3,041,854	2,821,017	-	-	-	-	-
Germann Rd: Ellsworth to Crison	A1203	8,033,333	5,533,333	2,500,000	-	1,000,000	7,033,333	-	-	-	-
Power Road: Ocotillo to Brooks Farms	A1403	7,032,942	-	7,032,942	-	-	-	-	-	-	-
Power Road: Brooks Farms to Chandler Heights	A1404	4,816,349	-	4,816,349	346,879	4,469,470	-	-	-	-	-
Power Road: Chandler Heights to Riggs	A1405	6,306,482	452,315	5,854,167	-	-	6,306,482	-	-	-	-
Power Road: Riggs to Hunt Hwy	A1406	9,825,653	4,250,000	5,575,653	-	-	-	9,825,653	-	-	-
Meridian Road: Combs to Queen Creek Wash	A1505	8,398,787	-	8,398,787	1,000,000	7,398,787	-	-	-	-	-
196th: Ocotillo to Appleby 2	A1802	310,415	-	310,415	-	-	-	-	-	-	-
Appleby 2 - Sossaman to 196Th	A1803	2,358,938	-	2,358,938	1,572,489	-	-	-	-	-	-
Ryan Road: Crison to Signal Butte	A2001	3,085,114	907,228	2,177,886	185,696	-	2,582,741	-	-	-	-
Hunt Hwy: Power to Sossaman	A2101	8,043,264	3,525,000	4,518,264	-	-	-	8,043,264	-	-	-
Ellsworth @ Queen Creek Alignment	I0010	7,647,466	755,000	6,530,376	3,539,857	1,100,000	-	-	-	-	-
Signal: Riggs & Haws	I0028	529,501	-	529,501	-	-	-	-	-	-	-
Signal: Ellsworth @ Via de Palmas	I0060	307,266	-	307,266	-	-	-	-	-	-	-
Ocotillo @ Victoria Traffic Signal	I0061	378,203	250,000	128,203	-	-	-	-	-	-	-
Signal: Ocotillo & Scotland Court	I0069	307,690	-	307,690	307,690	-	-	-	-	-	-
<b>Other Projects:</b>											
Ironwood Road Improvements		1,500,000	-	-	-	1,500,000	-	-	-	-	-
Cloud Road Drainage		450,000	-	-	-	450,000	-	-	-	-	-
Ocotillo: Ellsworth Loop to Heritage Loop	A0002	5,951,640	1,760,000	4,191,640	370,092	-	-	-	-	-	-
Ellsworth & Empire Rd Improvements (j-curve)	A0208	3,261,800	-	3,261,800	-	-	-	-	-	-	-
Rittenhouse Rd, Sossaman to QC Marketplace	A0301	6,536,564	1,518,461	5,018,103	-	-	-	-	-	-	-
Chandler Heights: Recker to Power	A0604	6,352,790	6,352,790	-	352,790	6,000,000	-	-	-	-	-
Signal: Chandler Hts at 180th	A0605	350,000	350,000	-	-	350,000	-	-	-	-	-
Signal Butte: Germann to SR24	A0802	12,000,000	-	12,000,000	12,000,000	-	-	-	-	-	-
Sossaman: Ocotillo to Queen Creek	A0905	585,436	-	585,436	249,867	-	-	-	-	-	-
UPRR/Rittenhouse Improvements	A1302	175,740	-	175,740	-	-	-	-	-	-	-
Meridian Rd: Germann to State Route 24 IGA	A1506	8,600,000	4,000,000	8,600,000	8,600,000	-	-	-	-	-	-
220th: Queen Creek to Ryan	A1702	1,396,896	1,396,896	642,789	-	-	-	-	-	-	-
Sonoqui Wash Erosion Repairs	D0200	129,224	-	129,224	129,224	-	-	-	-	-	-
Project Management Costs		4,504,737	-	4,504,737	420,760	420,760	431,545	442,603	453,945	465,578	1,469,546
<b>Total</b>		<b>228,440,640</b>	<b>49,561,532</b>	<b>181,209,807</b>	<b>48,018,369</b>	<b>53,613,634</b>	<b>31,690,688</b>	<b>442,603</b>	<b>18,322,862</b>	<b>465,578</b>	<b>7,644,254</b>



# Capital Funds Five-Year Projections

## General Capital Improvement Fund

General CIP Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Transfers from Public Safety Impact Fees	426,367	-	397,842	69,452	397,842	-	\$ 865,136
Transfers from Fire Impact Fees	6,173,975	2,920,000	4,582,575	-	5,372,289	-	\$ 12,874,864
Transfers from Operating Budget	2,720,248	1,080,000	2,102,431	71,138	2,394,518	-	\$ 5,648,087
<b>TOTAL REVENUES</b>	<b>\$ 9,320,590</b>	<b>\$ 4,000,000</b>	<b>\$ 7,082,848</b>	<b>\$ 140,590</b>	<b>\$ 8,164,649</b>	<b>\$ -</b>	<b>\$ 19,388,087</b>
<b>General Government CIP</b>							
<b>EXPENDITURES</b>							
<b>CONSTRUCTION SERVICES</b>							
<b>Public Safety</b>							
Fire Resource Center	-	4,000,000	-	-	-	-	\$ 4,000,000
Fire Station #5 Land	750,000	-	-	-	-	-	\$ -
Fire Station #412 Permanent Replacement	-	-	6,277,500	-	-	-	\$ 6,277,500
Fire Station -#4 Northeast	6,277,500	-	-	-	-	-	\$ -
Fire Station -#5 Southwest	-	-	-	-	6,277,500	-	\$ 6,277,500
Pumper (Type 1)	180,000	-	-	-	1,081,801	-	\$ 1,081,801
Ladder Truck	1,250,000	-	-	-	-	-	\$ -
PS Equipment	140,590	-	82,848	140,590	82,848	-	\$ 306,286
Sheriff Office Space at Fire Stations	722,500	-	722,500	-	722,500	-	\$ 1,445,000
<b>OTHER</b>							
Contingency/Carry Forward	(6,970,774)	6,970,774	-	-	-	-	\$ 6,970,774
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,349,816</b>	<b>\$ 10,970,774</b>	<b>\$ 7,082,848</b>	<b>\$ 140,590</b>	<b>\$ 8,164,649</b>	<b>\$ -</b>	<b>\$ 26,358,861</b>
<b>Annual Result</b>	<b>6,970,774</b>	<b>(6,970,774)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Beginning Balance	\$ 1,077,551	\$ 8,048,325	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551
Projected Ending Fund Balance	\$ 8,048,325	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551	\$ 1,077,551

### Fund Description and Relation to Corporate Strategic Plan

General Capital Improvement is the Town's primary capital fund for municipal facilities. Revenues into this fund are primarily transfers in from operating and development fee funds. Construction of the Town's newest fire station is included in the FY 2018/19, along with the fire apparatus needed for the new station. Funding is split between the Operating Budget (18%) and Impact Fees (82%). Public Safety equipment is also anticipated for a new patrol/traffic unit with funding from the Operating Budget (50.6%) and Impact Fees (49.4%).

Strategic Priorities that relate to the General Government CIP fund are:



Effective Government



Superior Infrastructure



Safe Community



# Capital Funds Five-Year Projections

## Utility Enterprise Funds

The funding mechanisms for utility infrastructure improvements are capacity charges collected from new construction permits from improvements attributed to growth, and user rates for improvements attributed to non-growth (repair/replacement of existing infrastructure). Capacity fees are also used to make debt service payments on the growth share of capital that was financed, as identified in the current Capacity Fee Study from 2014.

## Wastewater CIP

Wastewater Capacity Fee & Capital Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Wastewater Capacity Fee	5,630,860	2,718,192	2,736,780	3,861,618	4,739,723	4,987,145	\$ 19,043,458
Interest Income	86,000	-	-	-	-	-	\$ -
Transfers in from Sewer Operating Budget	10,985,289	11,295,371	2,813,531	2,392,912	2,203,120	2,008,199	\$ 20,713,133
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 16,702,149</b>	<b>\$ 14,013,563</b>	<b>\$ 5,550,311</b>	<b>\$ 6,254,530</b>	<b>\$ 6,942,843</b>	<b>\$ 6,995,344</b>	<b>\$ 39,756,591</b>
<b>EXPENDITURES/USES</b>							
<b>PROJECTS</b>							
Wastewater Projects	24,632,036	18,238,245	6,463,172	2,769,931	2,333,923	2,077,448	\$ 31,882,719
<b>OTHER</b>							
Capacity Fee Update	100,000	-	-	-	-	-	\$ -
Contingency/Carryover	(20,321,164)	20,321,164	-	-	-	-	\$ 20,321,164
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ 4,410,872</b>	<b>\$ 38,559,409</b>	<b>\$ 6,463,172</b>	<b>\$ 2,769,931</b>	<b>\$ 2,333,923</b>	<b>\$ 2,077,448</b>	<b>\$ 52,203,883</b>
Annual Result	12,291,277	(24,545,846)	(912,861)	3,484,599	4,608,920	4,917,896	
Beginning Balance	\$ -	\$ 12,291,277	\$ (12,254,569)	\$ (13,167,430)	\$ (9,682,831)	\$ (5,073,911)	
Projected Ending Fund Balance	\$ 12,291,277	\$ (12,254,569)	\$ (13,167,430)	\$ (9,682,831)	\$ (5,073,911)	\$ (156,015)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Wastewater Capacity fees, which, like impact fees, are assessed at the time of building permit issuance and are based on water meter size. The capacity fee for a single family home with a 3/4" meter is \$5,082. Capacity fees are used towards growth projects identified in the Wastewater Infrastructure Improvement Plan (IIP). The non-growth share is funded by a transfer in from the Wastewater/Sewer Operating Fund.

Strategic priorities that relate to the Wastewater Capacity/CIP Fund are:



Effective Government



Secure Future



Superior Infrastructure



# Capital Funds Five-Year Projections

## Queen Creek Wastewater Infrastructure Improvement Plan FY 2019/20

Project Title	Proj #	Total	FY2020	FY2021	FY2022	FY2023	FY2024	Beyond 5
<b>IDENTIFIED NEEDS</b>								
Riggs Rd: Ellsworth to Crismon	WW067	\$ 67,893	67,893	-	-	-	-	-
Ryan Rd: Crismon to Signal Butte	WW053	\$ 249,696	249,696	-	-	-	-	-
Ocotillo Rd: Sonoqui to 190th	WW025	\$ 259,670	259,670	-	-	-	-	-
Sossaman & Riggs to Box Canyon	WW061	\$ 2,228,152	2,228,152	-	-	-	-	-
Empire: 209th to 220th	WW091	\$ 820,720	820,720	-	-	-	-	-
Signal Butte: Riggs to Cloud	WW029	\$ 512,950	-	512,950	-	-	-	-
Crismon: Riggs to Empire	WW080	\$ 718,130	-	718,130	-	-	-	-
Power: Riggs to Hunt Hwy	WW065	\$ 641,188	-	641,188	-	-	-	-
Germann: Signal Butte to Meridian	WW084	\$ 1,025,900	1,025,900	-	-	-	-	-
<b>WATER RESOURCE PROJECTS</b>								
Encanterra Effluent/Lake Recharge Agreement	WW500	\$ 9,130,510	2,051,800	1,795,325	1,795,325	1,795,325	1,692,735	-
Encanterra Construction/Permitting & Frisbee Lake	WW501	\$ 1,025,900	1,025,900	-	-	-	-	-
<b>MISCELLANEOUS PROJECTS</b>								
GWRP 2018 Plant Expansion - Expansion Future Buildout 34%	WWT07	\$ 1,747,812	1,747,812	-	-	-	-	-
GWRP 2018 Plant Expansion - Rerating Capacity 29%	WWT08	\$ 1,488,877	1,488,877	-	-	-	-	-
GWRP 2018 Plant Expansion - Renovations 37%	WWT09	\$ 1,909,647	1,909,647	-	-	-	-	-
GWRP Capital Construction	WW058	\$ 210,358	210,358	-	-	-	-	-
Utilities Corp Yard Building and Improvements	WW075	\$ 2,154,390	2,154,390	-	-	-	-	-
GWRP Reclaimed Water Storage Tank	ST16	\$ 2,564,750	-	2,564,750	-	-	-	-
WW089 - Ocotillo: Meridian to Ironwood	WW089	\$ 1,067,569	1,067,569	-	-	-	-	-
WW090 - Chandler Hts: Power to 188th	WW090	\$ 660,862	660,862	-	-	-	-	-
<b>RECONSTRUCTION PROJECTS</b>								
Power Road T Lock Sleeving	WW070	\$ 861,756	861,756	-	-	-	-	-
Queen Creek Rd: Ellsworth to Signal Butte (PWP)	WW086	\$ 153,885	153,885	-	-	-	-	-
Power: Ocotillo to Chandler Heights (PWP)	WW064	\$ 125,120	125,120	-	-	-	-	-
Ocotillo Rd: Signal Butte to Meridian (PWP)	WW073	\$ 51,295	51,295	-	-	-	-	-
Hawes: Ocotillo to Rittenhouse (PWP)	WW066	\$ 76,943	-	76,943	-	-	-	-
Chandler Heights: Hawes to Ellsworth (PWP)	WW074	\$ 76,943	-	76,943	-	-	-	-
Power Rd: Chandler Heights to South of Riggs (PWP)	WW026	\$ 179,533	-	-	179,533	-	-	-
Meridian Rd: Combs to Queen Creek Wash (PWP)	WW079	\$ 51,295	-	-	-	51,295	-	-
Future Reconstruction Projects	ST21	\$ 307,770	-	-	-	-	-	307,770
<b>RECURRING PROJECTS</b>								
Project Management	WW900	\$ 615,543	76,943	76,943	76,943	76,943	76,943	230,828
Sewer Line Rehabilitation	WW077	\$ 1,538,850	-	-	256,475	256,475	256,475	769,425
Manhole Rehabilitation	WW078	\$ 307,770	-	-	51,295	51,295	51,295	153,885
<b>MASTER PLANNING PROJECTS</b>								
Capacity Fee Study	ST08	\$ 102,590	-	-	-	102,590	-	-
Sewer Master Plan 2022	ST09	\$ 410,360	-	-	205,180	-	-	205,180
Water Resources Master Plan 2018	ST10	\$ 410,360	-	-	205,180	-	-	205,180
<b>TOTAL</b>		<b>\$ 33,754,987</b>	<b>\$ 18,238,245</b>	<b>\$ 6,463,172</b>	<b>\$ 2,769,931</b>	<b>\$ 2,333,923</b>	<b>\$ 2,077,448</b>	<b>\$ 1,872,268</b>



# Capital Funds Five-Year Projections

## Water CIP

Water Capacity Fee & Capital Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Water Capacity Fee	5,559,390	2,268,066	2,247,168	3,227,424	3,967,318	4,170,478	\$ 15,880,454
Interest Income	69,000	-	-	-	-	-	\$ -
Transfer in from Water Operating Budget	2,792,563	13,032,359	3,007,171	2,255,038	2,782,506	2,135,185	\$ 23,212,259
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 8,420,953</b>	<b>\$ 15,300,425</b>	<b>\$ 5,254,339</b>	<b>\$ 5,482,462</b>	<b>\$ 6,749,824</b>	<b>\$ 6,305,663</b>	<b>\$ 39,092,713</b>
<b>EXPENDITURES/USES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2014 WIFA Loan - H2O purchase	205,893	-	-	-	-	-	\$ -
<b>PROJECTS</b>							
Water Projects	21,160,406	18,348,724	5,144,892	3,270,680	3,688,103	7,854,702	\$ 38,307,101
<b>OTHER</b>							
Capacity Fee Update	100,000	-	-	-	-	-	\$ -
Contingency/Carryover	(43,609,988)	43,609,988	-	-	-	-	\$ 43,609,988
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ (22,143,689)</b>	<b>\$ 61,958,712</b>	<b>\$ 5,144,892</b>	<b>\$ 3,270,680</b>	<b>\$ 3,688,103</b>	<b>\$ 7,854,702</b>	<b>\$ 81,917,089</b>
Annual Result	30,564,642	(46,658,287)	109,447	2,211,782	3,061,721	(1,549,039)	
Beginning Balance	\$ -	\$ 30,564,642	\$ (16,093,645)	\$ (15,984,198)	\$ (13,772,416)	\$ (10,710,695)	
Projected Ending Fund Balance	\$ 30,564,642	\$ (16,093,645)	\$ (15,984,198)	\$ (13,772,416)	\$ (10,710,695)	\$ (12,259,734)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Water Capacity fees, which, like impact fees, are assessed at the time of building permit issuance and are based on meter size. The capacity fee for a single family home with a ¾" meter is \$4,014. The debt service transfers represent the growth share of debt service related to the purchase of the H2O Water Company. Capacity fees are also used towards growth projects identified in the Water Infrastructure Improvement Plan (IIP). The non-growth share is funded by a transfer in from the Water Operating Fund. Since the Town is currently in the process of recalculating the capacity fee based on the update to the IIP, an estimation of a 50% split between growth and non-growth share was used in determining the operating transfer in. A list of projects follows.

*Strategic priorities that relate to the Water Development/CIP Fund are:*



Secure Future: Environment



Superior Infrastructure



# Capital Funds Five-Year Projections

## Queen Creek Water Infrastructure Improvement Plan FY 2019/20

Project Title	Proj#	Project Total	FY2020	FY2021	FY2022	FY2023	FY2024	Beyond 5
<b>Identified Needs</b>								
Gary Rd: Combs to Empire (PWP)	WA147	\$ 101,447	101,447	-	-	-	-	-
Ryan Rd: Ellsworth to Crimson	WA137	\$ 264,887	264,887	-	-	-	-	-
Ryan Rd: Crimson to Signal Butte	WA131	\$ 444,875	444,875	-	-	-	-	-
Meridian Rd: Combs to Red Fern Phase II	WA143	\$ 307,770	-	-	-	-	307,770	-
Crimson Rd: Queen Creek to Germann	WA123	\$ 538,597	538,597	-	-	-	-	-
Rittenhouse Rd: Combs to Cloud	WA119	\$ 513,771	513,771	-	-	-	-	-
Ocotillo & Meridian PRV	WA098	\$ 54,742	54,742	-	-	-	-	-
Ironwood Rd & Ocotillo & Marilyn	WA077	\$ 205,180	205,180	-	-	-	-	-
Riggs Rd Phase I: Ellsworth to Crimson (PWP)	WA067	\$ 264,404	264,404	-	-	-	-	-
Riggs Rd: Sossaman to Hawes Rd (PWP)	WA066	\$ 336,578	336,578	-	-	-	-	-
Ocotillo Rd: 186th to Sossaman	WA062	\$ 455,500	455,500	-	-	-	-	-
Germann Rd: Signal Butte to Meridian	WA163	\$ 884,740	884,740	-	-	-	-	-
Meridian Rd: Germann to Queen Creek (WA162)	WA162	\$ 816,092	816,092	-	-	-	-	-
Orchard Ranch Booster to Bellerio (WA141)	WA141	\$ 307,618	307,618	-	-	-	-	-
Hunt Hwy: Power to Sossaman - Upper Zone (WA129)	WA129	\$ 861,859	-	-	-	-	861,859	-
Germann Rd: Ellsworth to Crismon (WA124)	WA124	\$ 436,008	-	436,008	-	-	-	-
Bell Rd: Hunt to Sun Dance Transmission (Box Canyon Upper Zone Tanks)	T48	\$ 974,605	-	-	-	-	974,605	-
Chandler Heights: Power to Sossaman(PWP)	WA166	\$ 795,073	795,073	-	-	-	-	-
Germann Rd: Crismon to Signal Butte	T08	\$ 872,015	-	-	-	-	872,015	-
Ironwood Rd: Pima to Westbrook (WA121)	WA121	\$ 436,008	-	-	-	-	436,008	-
Germann Rd: Sossaman to 196th (WA063)	WA063	\$ 461,655	-	461,655	-	-	-	-
Sossaman Rd: Via Del Jardine to Empire Transmission (WA065)	WA065	\$ 2,171,112	-	-	-	-	2,171,112	-
Crismon Rd: Empire to Hunt (WA059)	WA059	\$ 256,475	-	256,475	-	-	-	-
Chandler Heights Rd: Sossaman to Hawes (PWP)	WA167	\$ 692,483	692,483	-	-	-	-	-
Mandarin: Riggs to Hunt	T09	\$ 769,425	-	-	-	-	769,425	-
Thompson (Borgata): Empire to Skyline	T04	\$ 923,310	-	0	923,310	-	-	-
Hunt Hwy: Sossaman to Hawes	T10	\$ 872,015	-	-	-	-	872,015	-
Airport Road: Coyote Rd. to Schnepf	WA191	\$ 379,452	379,452	-	-	-	-	-
Chandler Heights: Recker to Power	WA196	\$ 795,073	795,073	-	-	-	-	-
<b>Miscellaneous Projects</b>								
Meridian Rd: Red Fern to Queen Creek Wash (PWP)	WA253	\$ 564,245	564,245	-	-	-	-	-
Ocotillo Rd: Sossaman to Hawes (PWP)	T14	\$ 872,015	-	-	-	872,015	-	-
Signal Butte Rd: Ocotillo to Queen Creek (PWP)	T15	\$ 872,015	-	-	-	-	102,590	769,425
Red Fern: Meridian to Green Acres	T24	\$ 410,360	-	-	-	-	102,590	307,770
Hunt Hwy: Hawes to Ellsworth	T16	\$ 872,015	-	-	-	-	-	872,015
Sherry: Kenworthy to Schnepf	T17	\$ 820,720	-	-	-	-	-	820,720
Combs: Schnepf to Coyote	T18	\$ 410,360	-	-	-	-	-	410,360
Schnepf: Chandler Heights to Combs	T19	\$ 872,015	-	-	-	-	-	872,015
Hashknife: Kenworthy to Schnepf	T20	\$ 769,425	-	-	-	-	-	769,425
Schnepf: Hashknife to Combs	T21	\$ 769,425	-	-	-	-	-	769,425
Pima: Kenworthy to Schnepf	T22	\$ 872,015	-	-	-	-	-	872,015
Pima: Ironwood to Kenworthy	T25	\$ 872,015	-	-	-	-	-	872,015
Crismon: Queen Creek to Ocotillo	T23	\$ 153,885	-	-	-	-	-	153,885
Crismon Rd: Cloud to Riggs	T03	\$ 410,360	-	-	-	-	-	410,360



# Capital Funds Five-Year Projections

## Queen Creek Water Infrastructure Improvement Plan FY 2019/20

Project Title	Proj#	Project Total	FY2020	FY2021	FY2022	FY2023	FY2024	Beyond 5
<b>Reconstruction Projects</b>								
West Park Well & Equipment	WA145	\$ 122,710	122,710	-	-	-	-	-
Jorde - Empire South Well	WA164	\$ 1,744,030	-	-	-	-	-	1,744,030
Villages Water Reconstruction (PWP)	WA132	\$ 102,590	102,590	-	-	-	-	-
Rancho Jardines Water Reconstruction (PWP)	WA133	\$ 1,641,440	410,360	410,360	410,360	410,360	-	-
Queen Creek Rd: Crismon to Signal Butte (PWP)	WA254	\$ 51,295	51,295	-	-	-	-	-
Queen Creek Rd: Signal Butte to Meridian (PWP)	WA125	\$ 25,648	-	25,648	-	-	-	-
Power Rd: Ocotillo to Chandler Heights (PWP)	WA126	\$ 175,862	175,862	-	-	-	-	-
Ocotillo: Signal Butte to Meridian (PWP)	WA169	\$ 128,238	128,238	-	-	-	-	-
Chandler Heights: Hawes to Ellsworth (PWP)	T39	\$ 282,123	-	282,123	-	-	-	-
Hawes Rd: Ocotillo to Rittenhouse (PWP)	WA130	\$ 76,943	-	76,943	-	-	-	-
Power Rd: Riggs to Hunt (PWP)	WA127	\$ 846,368	-	846,368	-	-	-	-
Power Rd: Chandler Heights to Riggs (PWP)	T40	\$ 128,238	-	-	128,238	-	-	-
Cloud Rd: Power to Sossaman	WA050	\$ 757,802	-	-	-	757,802	-	-
<b>Resource Projects</b>								
Barney farms GWEC	WA800	\$ 236,983	236,983	-	-	-	-	-
Harvest GWEC	WA801	\$ 852,523	426,774	425,749	-	-	-	-
<b>Recurring Projects</b>								
Emergency Generator Controls	WA017	\$ 1,025,900	-	1,025,900	-	-	-	-
Flexnet - Meter & MUX replacement	WA139	\$ 4,053,661	2,174,908	666,835	666,835	545,083	-	-
Corp Yard Interim Building & Improvements	MF005	\$ 590,034	590,034	-	-	-	-	-
Project Management & Inspections	WA900	\$ 1,077,195	359,065	102,590	102,590	512,950	-	-
Utilities Admin Building (FOF)	WA288	\$ 5,026,910	5,026,910	-	-	-	-	-
Fire Hydrant Installation Project	WA049	\$ 256,478	25,648	25,648	25,648	25,648	25,648	128,238
New Well Investigation	WA252	\$ 718,130	102,590	102,590	102,590	102,590	-	307,770
Water Line Replacement Improvements	T42	\$ 2,051,800	-	-	256,475	256,475	256,475	1,282,375
Well Site Upgrades	T43	\$ 820,720	-	-	102,590	102,590	102,590	512,950
<b>Master Planning Projects</b>								
Power Master Plan (WA142)	WA142	\$ 102,590	-	-	-	-	-	102,590
Repair & Replacement Master Plan (WA134)	WA134	\$ 102,590	-	-	-	-	-	102,590
Well Site Security (WA005)	WA005	\$ 151,152	-	-	-	-	-	151,152
Water Master Plan 2017 (WA154)	WA154	\$ 346,864	-	-	346,864	-	-	-
Capacity Fee & Rate Study	T44	\$ 205,180	-	-	-	102,590	-	102,590
Water Master Plan	T45	\$ 410,360	-	-	205,180	-	-	205,180
Water Resources Master Plan	T46	\$ 205,180	-	-	-	-	-	205,180
<b>TOTAL</b>		<b>\$ 51,051,176</b>	<b>\$ 18,348,724</b>	<b>\$ 5,144,892</b>	<b>\$ 3,270,680</b>	<b>\$ 3,688,103</b>	<b>\$ 7,854,702</b>	<b>\$ 12,744,075</b>





# Capital Funds Five-Year Projections

## Development Fee Funds

Development impact fees charged by the Town are used to pay for the growth portion of new infrastructure. Impact fees are collected for the library, municipal government buildings, parks, transportation, public safety and fire. The following five-year projections are provided to show the revenues anticipated and the transfers out from the various development funds to cover growth share of debt for completed capital improvements, as well as any the growth share of new capital anticipated along with projected fund balances.

## Transportation Development

Transportation Development Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Transportation Development Fee	1,643,588	2,121,906	2,775,121	4,630,779	4,891,243	5,234,050	\$ 19,653,100
Interest Income	90,000	-	-	-	-	-	\$ -
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 1,733,588</b>	<b>\$ 2,121,906</b>	<b>\$ 2,775,121</b>	<b>\$ 4,630,779</b>	<b>\$ 4,891,243</b>	<b>\$ 5,234,050</b>	<b>\$ 19,653,100</b>
<b>EXPENDITURES/USES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2018 Bond Debt Service	471,755	586,838	585,788	583,688	581,388	583,788	\$ 2,921,490
<b>CIP Transfers</b>							
Transportation Projects IIP	5,558,083	9,583,020	5,450,331	3,786,690	3,320,628	232,824	\$ 22,373,493
<b>OTHER</b>							
Update Infrastructure Improvement Plan & Impact Fee Calc	6,050	-	-	116,180	-	-	\$ 116,180
Reimbursement to Other Sources	1,989,713	-	-	-	-	-	-
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ 8,025,601</b>	<b>\$ 10,169,858</b>	<b>\$ 6,036,119</b>	<b>\$ 4,486,558</b>	<b>\$ 3,902,016</b>	<b>\$ 816,612</b>	<b>\$ 25,411,163</b>
<b>Annual Result</b>	<b>(6,292,013)</b>	<b>(8,047,952)</b>	<b>(3,260,998)</b>	<b>144,221</b>	<b>989,227</b>	<b>4,417,438</b>	
<b>Beginning Balance</b>	<b>\$ 6,472,759</b>	<b>\$ 180,746</b>	<b>\$ (7,867,206)</b>	<b>\$ (11,128,203)</b>	<b>\$ (10,983,982)</b>	<b>\$ (9,994,755)</b>	
<b>Projected Ending Fund Balance</b>	<b>\$ 180,746</b>	<b>\$ (7,867,206)</b>	<b>\$ (11,128,203)</b>	<b>\$ (10,983,982)</b>	<b>\$ (9,994,755)</b>	<b>\$ (5,577,317)</b>	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Transportation Impact Fee assessed on new building activity in Queen Creek. The current fee for a single family home is \$1,263 and is collected when a building permit is issued. This revenue is used to pay for growth share of Transportation Improvements and/or debt service related to those improvements. The debt service transfers represent the growth share of the 2018 Excise Tax Bond issued to fund roadway improvements. The Town recently updated its Transportation Infrastructure Improvement Plan based on current development needs, and a new Impact Fee is anticipated by the end of FY 2019/20.

*Strategic priorities that relate to the Transportation Development Fund are:*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Parks, Open Space and Recreation

PARKS & OPEN SPACE RECREATION DEVELOPMENT							
FUND	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Parks Development Fee	3,719,063	2,813,154	2,879,702	4,328,882	5,289,920	5,710,699	\$ 21,022,357
Interest Income	21,500	20,000	-	-	-	-	\$ 20,000
Operating Budget - Parks/Trails Non-growth	4,027,977	550,000	-	-	-	-	\$ 550,000
Grants	1,000,000	-	-	-	-	-	\$ -
Census Funding- QC Wash	-	295,840	-	-	-	-	\$ 295,840
<b>TOTAL REVENUES</b>	<b>\$ 8,768,540</b>	<b>\$ 3,678,994</b>	<b>\$ 2,879,702</b>	<b>\$ 4,328,882</b>	<b>\$ 5,289,920</b>	<b>\$ 5,710,699</b>	<b>\$ 21,888,197</b>
<b>EXPENDITURES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2016 Refinancing of the 2007 Excise Tax Bond	218,440	203,937	203,873	203,038	203,886	203,801	\$ 1,018,535
2016 Refinancing of the 2007 Excise Tax Bond - HPEC	240,895	224,883	224,813	223,891	224,827	224,733	\$ 1,123,147
2016 Refinancing of the 2008A GADA Loan - HPEC	62,736	84,096	83,840	80,614	84,915	81,344	\$ 414,809
<b>PROJECTS</b>							
Sossaman Cloud Park	-	-	-	-	4,717,145	-	\$ 4,717,145
West Park Improvements 40 acres (30 acres Growth, 10 Non Growth Acres)	2,900,682	-	-	-	-	-	\$ -
Eagle Park (Old Landfill Park)	1,000,000	-	-	-	-	-	\$ -
QC Sports Complex	2,000,000	-	-	-	-	33,513,860	\$ 33,513,860
QC Wash Rittenhouse to Town Limits	-	-	-	-	1,300,000	-	\$ 1,300,000
QC Wash Trail Improvements - Crismon Rd to Rittenhouse	1,545,524	-	1,900,000	-	-	-	\$ 1,900,000
Sonoqui Wash - Riggs Road Channel - Hawes to Ellsworth	1,300,000	-	-	-	-	-	\$ -
Sonoqui Wash - Riggs Road Channel - Ellsworth to Crismon	-	1,300,000	-	-	-	-	\$ 1,300,000
SRP Utility Easement Trail - Ellsworth to Signal Butte	-	-	-	3,600,000	-	-	\$ 3,600,000
Sonoqui Wash Power to Recker	-	-	-	-	-	1,300,000	\$ 1,300,000
<b>OTHER</b>							
Update Infrastructure Improvement Plan & Impact Fee Calc	128,800	-	-	-	-	-	\$ -
Contingency/Carry Forward	(4,790,148)	4,790,148	-	-	-	-	\$ 4,790,148
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,606,929</b>	<b>\$ 6,603,064</b>	<b>\$ 2,412,526</b>	<b>\$ 4,107,543</b>	<b>\$ 6,530,773</b>	<b>\$ 35,323,738</b>	<b>\$ 54,977,644</b>
Annual Result	4,161,611	(2,924,070)	467,176	221,339	(1,240,853)	(29,613,039)	
Beginning Balance	\$ 3,700,761	\$ 7,862,372	\$ 4,938,302	\$ 5,405,478	\$ 5,626,817	\$ 4,385,964	
Projected Ending Fund Balance	\$ 7,862,372	\$ 4,938,302	\$ 5,405,478	\$ 5,626,817	\$ 4,385,964	\$ (25,227,075)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Parks Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$3,681 and is collected when a building permit is issued. The Town is in the process of updating its Parks Master Plan to identify the needs for the growing community, which will also be the basis for an update to the Impact Fees.

The landfill park included in FY 2018/19 is being funded through a grant. Other improvements planned for FY 2018/19 are trail improvements along Queen Creek Wash and Sonoqui Wash, along with design work related to the next major park.

The debt service transfers represent the growth share of debt related to Parks land and Horseshoe Park as well as the new debt issue for West Park. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure.

*Strategic priorities that relate to the Parks Development Fund are:*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Public Safety

PUBLIC SAFETY DEVELOPMENT FUND	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Public Safety Development Fee	223,075	172,936	196,190	309,765	356,091	377,795	\$ 1,412,777
Interest Income	10,000	-	-	-	-	-	\$ -
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 233,075</b>	<b>\$ 172,936</b>	<b>\$ 196,190</b>	<b>\$ 309,765</b>	<b>\$ 356,091</b>	<b>\$ 377,795</b>	<b>\$ 1,412,777</b>
<b>EXPENDITURES/USES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2018 Bond Issue - PS Admin Building	102,257	140,250	142,875	140,075	142,175	139,175	\$ 704,550
<b>PROJECT TRANSFERS</b>							
New Equipment Funding Transfers	426,367	-	397,842	69,452	397,842	-	\$ 865,136
<b>OTHER</b>							
Update Infrastructure Improvement Plan & Impact Fee	65,283	-	-	-	-	-	\$ -
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ 593,907</b>	<b>\$ 140,250</b>	<b>\$ 540,717</b>	<b>\$ 209,527</b>	<b>\$ 540,017</b>	<b>\$ 139,175</b>	<b>\$ 1,569,686</b>
<b>Annual Result</b>	<b>(360,832)</b>	<b>32,686</b>	<b>(344,527)</b>	<b>100,238</b>	<b>(183,926)</b>	<b>238,620</b>	
Beginning Balance	\$ 189,032	\$ (171,800)	\$ (139,114)	\$ (483,641)	\$ (383,403)	\$ (567,329)	
Projected Ending Fund Balance	\$ (171,800)	\$ (139,114)	\$ (483,641)	\$ (383,403)	\$ (567,329)	\$ (328,709)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Public Safety Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$167 and is collected when a building permit is issued. The 2018 Excise Tax Bond was issued for the growth share of the recent construction of the Public Safety Administration Building. Impact fees will be used to pay the debt service on this portion of the bond. In addition, impact fees will be used to fund 49.4% of equipment purchases needed for a new patrol/traffic unit anticipated in FY 2019/20.

*Strategic priorities that relate to the Public Safety Development Fund are:*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Fire

Fire Development Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Fire Development Fee	602,100	875,277	1,052,639	1,713,337	1,912,035	2,012,349	\$ 7,565,637
Interest Income	12,100	-	-	-	-	-	\$ -
Loan/Bond Proceeds	-	-	-	-	-	-	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 614,200</b>	<b>\$ 875,277</b>	<b>\$ 1,052,639</b>	<b>\$ 1,713,337</b>	<b>\$ 1,912,035</b>	<b>\$ 2,012,349</b>	<b>\$ 7,565,637</b>
<b>EXPENDITURES</b>							
<b>DEBT SERVICE</b>							
Apparatus Lease/Purchase	173,319	-	-	-	-	-	\$ -
2018 Bond - Fire Station 1 & Fire Station 3	357,521	497,863	494,538	494,738	494,538	493,938	\$ 2,475,615
<b>PROJECT TRANSFERS</b>							
Fire Resource Center	-	2,920,000	-	-	-	-	\$ 2,920,000
Fire Station #5 Land	547,500	-	-	-	-	-	\$ -
Fire Station #412 Permanent Facility	-	-	4,582,575	-	-	-	\$ 4,582,575
Fire Station -#4 Northeast	4,582,575	-	-	-	-	-	\$ -
Fire Station - #5 Southwest	-	-	-	-	4,582,575	-	\$ 4,582,575
Pumper (Type 1)	131,400	-	-	-	789,714	-	\$ 789,714
Ladder Truck	912,500	-	-	-	-	-	\$ -
<b>OTHER</b>							
Impact Fee Update	85,385	-	-	-	-	-	\$ -
<b>TOTAL EXPENDITURES/USES</b>	<b>\$ 6,790,200</b>	<b>\$ 3,417,863</b>	<b>\$ 5,077,113</b>	<b>\$ 494,738</b>	<b>\$ 5,866,827</b>	<b>\$ 493,938</b>	<b>\$ 15,350,479</b>
Annual Result	(6,176,000)	(2,542,586)	(4,024,474)	1,218,599	(3,954,792)	1,518,411	
Beginning Balance	\$ 2,410,171	\$ (3,765,829)	\$ (6,308,415)	\$ (10,332,889)	\$ (9,114,290)	\$ (13,069,082)	
Projected Ending Fund Balance	\$ (3,765,829)	\$ (6,308,415)	\$ (10,332,889)	\$ (9,114,290)	\$ (13,069,082)	\$ (11,550,671)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Fire Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$490 and is collected when a building permit is issued. The 2018 Excise Tax Bond was issued for the growth share of the recent construction of Fire Station #1 and Fire Station #3. Impact fees will be used to pay the debt service on this portion of the bond. In addition, impact fees will be used to fund 82% of construction of the newest Fire Station #4 and related equipment needed as a result of growth from annexations that became effective during FY 2017/18.

*Strategic priorities that relate to the Fire Development Fund are:*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Town Buildings & Vehicles

TOWN BUILDINGS & VEHICLES DEVELOPMENT FUND	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Town Buildings & Vehicles Development Fee	584,438	70,665	72,467	108,984	133,046	143,588	\$ 528,751
Interest Income	19,350	27,750	26,470	25,990	26,020	26,290	\$ 132,520
<b>TOTAL REVENUES</b>	<b>\$ 603,788</b>	<b>\$ 98,415</b>	<b>\$ 98,937</b>	<b>\$ 134,974</b>	<b>\$ 159,066</b>	<b>\$ 169,878</b>	<b>\$ 661,271</b>
<b>EXPENDITURES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2016 Refinancing of 2004 GADA Loan- Municipal Services Building	222,111	224,128	221,005	222,042	222,771	223,117	\$ 1,113,063
2016 Refinancing of the 2007 Excise Tax Bond - Buildings	70,666	65,972	65,952	65,681	65,956	65,928	\$ 329,489
<b>OTHER</b>							
Update Infrastructure Improvement Plan & Impact Fee Calc	6,156	-	-	-	-	-	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 298,933</b>	<b>\$ 290,100</b>	<b>\$ 286,957</b>	<b>\$ 287,723</b>	<b>\$ 288,727</b>	<b>\$ 289,045</b>	<b>\$ 1,442,552</b>
Annual Result	304,855	(191,685)	(188,020)	(152,749)	(129,661)	(119,167)	
Beginning Balance	\$ 2,190,610	\$ 2,495,465	\$ 2,303,780	\$ 2,115,760	\$ 1,963,011	\$ 1,833,351	
Projected Ending Fund Balance	\$ 2,495,465	\$ 2,303,780	\$ 2,115,760	\$ 1,963,011	\$ 1,833,351	\$ 1,714,184	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Town Buildings Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$470 and is collected when a building permit is issued. The debt service transfers represent the growth share of debt related Town building improvements. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure.

*Strategic priorities that relate to the Town Buildings Development Fund are:*



Superior Infrastructure



# Capital Funds Five-Year Projections

## Library

LIBRARY DEVELOPMENT FUND	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Library Development Fee	730,625	155,392	159,113	239,257	292,334	315,587	\$ 1,161,683
Interest Income	20,000	20,000	20,000	20,000	20,000	20,000	\$ 100,000
<b>TOTAL REVENUES</b>	<b>\$ 750,625</b>	<b>\$ 175,392</b>	<b>\$ 179,113</b>	<b>\$ 259,257</b>	<b>\$ 312,334</b>	<b>\$ 335,587</b>	<b>\$ 1,261,683</b>
<b>EXPENDITURES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2016 Refinancing of the 2005B GADA Loan	75,027	39,426	39,841	40,069	40,242	40,346	\$ 199,924
2016 Refinancing of the 2006A GADA Loan	277,265	166,745	166,358	165,446	165,777	164,554	\$ 828,880
2016 Refinancing of the 2007 Excise Tax Bond	53,000	26,719	26,711	26,601	26,712	26,701	\$ 133,444
<b>OTHER</b>							
Impact Fee Calculation Update	20,624	-	-	-	-	-	\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 425,916</b>	<b>\$ 232,890</b>	<b>\$ 232,910</b>	<b>\$ 232,116</b>	<b>\$ 232,731</b>	<b>\$ 231,601</b>	<b>\$ 1,162,248</b>
<b>Annual Result</b>	<b>324,709</b>	<b>(57,498)</b>	<b>(53,797)</b>	<b>27,141</b>	<b>79,603</b>	<b>103,986</b>	
Beginning Balance	\$ 249,393	\$ 574,102	\$ 516,604	\$ 462,807	\$ 489,948	\$ 569,551	
Projected Ending Fund Balance	\$ 574,102	\$ 516,604	\$ 462,807	\$ 489,948	\$ 569,551	\$ 673,537	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the Library Impact Fee assessed on new building activity within Queen Creek. The current fee for a single family home is \$723 and is collected when a building permit is issued. The debt service transfers represent the growth share of debt service for the Library. The refinancing in 2016 resulted in substantial long-term savings, creating capacity for investment in new infrastructure.

*Strategic priorities that relate to the Library Development Fund are:*



Superior Infrastructure



Quality Lifestyle



# Other Funds

## Municipal Town Center Fund

TOWN CENTER FUND	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES</b>							
Retail Sales Tax 0.25%	859,200	1,005,830	1,076,240	1,151,580	1,232,190	1,318,440	\$ 5,784,280
Signage Revenue	20,000	20,000	20,000	20,000	20,000	20,000	\$ 100,000
Other Revenue	58,050	-	-	-	-	-	\$ -
Interest Income	10,000	21,000	10,000	10,000	10,000	10,000	\$ 61,000
<b>TOTAL REVENUES</b>	<b>\$ 947,250</b>	<b>\$ 1,046,830</b>	<b>\$ 1,106,240</b>	<b>\$ 1,181,580</b>	<b>\$ 1,262,190</b>	<b>\$ 1,348,440</b>	<b>\$ 5,945,280</b>
<b>EXPENDITURES/USES</b>							
<b>DEBT SERVICE TRANSFERS</b>							
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	335,044	333,775	333,875	331,475	332,500	331,806	\$ 1,663,431
<b>BUSINESS EXPENSES</b>							
Professional Services		25,000	25,000	25,000	25,000	25,000	\$ 125,000
QC Inc/Chamber Annex	14,700	15,400	15,900	16,400	16,900	17,400	\$ 82,000
Gangplank	8,000	8,000	8,000	10,000	10,000	10,000	\$ 46,000
Town Center Rental Properties (TC000)	1,500	1,500	1,550	1,600	1,650	1,700	\$ 8,000
<b>CONSTRUCTION SERVICES</b>							
Façade Improvements (TC001)	50,000	50,000	50,000	50,000	50,000	50,000	\$ 250,000
TC Decorative Elements/Art (TC006)	25,000	-	-	-	-	-	\$ -
<b>LAND</b>							
Interfund Loan Principal Repayment	-	-	-	-	1,600,000	-	\$ 1,600,000
Interfund Loan Interest Payment (2 parcels FY17)	40,000	40,000	40,000	40,000	40,000	-	\$ 160,000
<b>OTHER</b>							
Block Party	40,000	40,000	40,000	40,000	40,000	40,000	\$ 200,000
Trunk or Treat	25,000	25,000	25,000	25,000	25,000	25,000	\$ 125,000
Town Center/Banner Signage (TC007)	10,000	10,000	10,000	10,000	10,000	10,000	\$ 50,000
Construction/Land Contingency	750,000	725,000	-	-	-	-	\$ 725,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,299,244</b>	<b>\$ 1,273,675</b>	<b>\$ 549,325</b>	<b>\$ 549,475</b>	<b>\$ 2,151,050</b>	<b>\$ 510,906</b>	<b>\$ 5,034,431</b>
Annual Result	(351,994)	(226,845)	556,915	632,105	(888,860)	837,534	
Beginning Balance	\$ 593,626	\$ 241,632	\$ 14,787	\$ 571,702	\$ 1,203,807	\$ 314,947	
Projected Ending Fund Balance	\$ 241,632	\$ 14,787	\$ 571,702	\$ 1,203,807	\$ 314,947	\$ 1,152,481	

### Fund Description and Relation to Corporate Strategic Plan

This fund is used to run beautification and business-related projects in Town Center. The funding mechanism for these projects is primarily the 0.25% dedicated sales tax charged within the major retail developments in Town Center. Included in the FY 2019/20 budget is continued operations of the Chamber of Commerce annex, the Façade Improvement program, decorative elements for Town Center, and funding for special events.

Debt service transfers for the non-growth share of the Improvement District debt have been moved to the Town Center Fund effective with FY 2018/19. A five year inter-fund loan was provided from the Utility Funds for property purchased in FY 2016/17, with interest only payments due annually. While the principal is scheduled to be repaid in FY 2022/23 a portion of the amount outstanding was paid early.

*Strategic priorities that relate to the Municipal Town Center Fund are:*



Secure Future



Quality Lifestyle



# Other Funds

## Special Assessment Fund

Special Assessment Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Property Assessment	1,760,910	1,735,235	1,736,651	1,737,221	1,732,010	1,731,009	\$ 8,672,126
<b>TOTAL REVENUES/SOURCES</b>	<u>\$ 1,760,910</u>	<u>\$ 1,735,235</u>	<u>\$ 1,736,651</u>	<u>\$ 1,737,221</u>	<u>\$ 1,732,010</u>	<u>\$ 1,731,009</u>	<u>\$ 8,672,126</u>
<b>EXPENDITURES/USES</b>							
Debt Service							
2016 Refunding of 2006 ID Bonds - Ellsworth Loop	1,760,910	1,735,235	1,736,651	1,737,221	1,732,010	1,731,009	\$ 8,672,126
<b>TOTAL EXPENDITURES</b>	<u>\$ 1,760,910</u>	<u>\$ 1,735,235</u>	<u>\$ 1,736,651</u>	<u>\$ 1,737,221</u>	<u>\$ 1,732,010</u>	<u>\$ 1,731,009</u>	<u>\$ 8,672,126</u>
<b>Annual Result</b>							
Beginning Balance	\$ 160,812	\$ 160,812	\$ 160,812	\$ 160,812	\$ 160,812	\$ 160,812	
Projected Ending Fund Balance	<u>\$ 160,812</u>	<u>\$ 160,812</u>	<u>\$ 160,812</u>	<u>\$ 160,812</u>	<u>\$ 160,812</u>	<u>\$ 160,812</u>	

### *Fund Description and Relation to Corporate Strategic Plan*

The fund only accounts for the non-Town owned portion of the Improvement District debt service for the 2006 Improvement District Bond for the construction of Ellsworth Loop Road, which was refinanced in 2016, resulting in significant savings. Debt service is paid by property owners within the Improvement District. The Town owned share of property in the district accounts for 48% of the debt service and is included in the debt service fund, with funding transfers from the Construction Sales Tax Fund (75%) and the Town Center Fund (25%).

*Strategic priorities that relate to the Special Assessment Fund are:*



Effective Government





# Other Funds

## Construction Sales Tax Fund

Construction Sales Tax Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Construction Sales Tax	4,871,250	4,888,900	5,035,600	5,066,700	5,155,600	5,244,400	\$ 25,391,200
Reimbursement from Other Source	1,989,713	-	-	-	-	-	\$ -
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 6,860,963</b>	<b>\$ 4,888,900</b>	<b>\$ 5,035,600</b>	<b>\$ 5,066,700</b>	<b>\$ 5,155,600</b>	<b>\$ 5,244,400</b>	<b>\$ 25,391,200</b>
<b>EXPENDITURES/USES</b>							
<b>Development Agreements</b>							
Interfund Loan Payment to Wastewater \$11.4M	8,665,606	1,695,871	1,313,649	-	-	-	\$ 3,009,520
Interfund Loan Payment of Water \$6.7M	120,000	120,000	120,000	120,000	120,000	120,000	\$ 600,000
<b>Transfers to Debt Service</b>							
2006 ID Bonds - Ellsworth Loop Rd	1,005,131	1,001,325	1,001,625	994,425	997,500	995,419	\$ 4,990,294
2016 Refinancing of 2007 Excise Tax Bond	285,455	283,668	283,580	282,417	283,597	283,480	\$ 1,416,742
<b>Transfers to CIP</b>							
Transportation Projects (Growth Projects)	-	-	2,628,229	3,669,825	3,754,459	3,845,458	\$ 13,897,971
<b>TOTAL EXPENDITURES</b>	<b>\$ 10,076,192</b>	<b>\$ 3,100,864</b>	<b>\$ 5,347,083</b>	<b>\$ 5,066,667</b>	<b>\$ 5,155,556</b>	<b>\$ 5,244,357</b>	<b>\$ 23,914,527</b>
Annual Result	(3,215,229)	1,788,036	(311,483)	33	44	43	
Beginning Balance	\$ 1,427,193	\$ (1,788,036)	\$ -	\$ (311,483)	\$ (311,450)	\$ (311,406)	
Projected Ending Fund Balance	\$ (1,788,036)	\$ -	\$ (311,483)	\$ (311,450)	\$ (311,406)	\$ (311,363)	

### Fund Description and Relation to Corporate Strategic Plan

This fund accounts for the dedicated 2.0% construction sales tax rate. Construction sales tax is used to pay the growth share (75%) of the Transportation Development Agreements and debt related to the 2006 Improvement District and the 2007 Bond. In FY 2016/17, a number of inter-fund loans were authorized by Council in order to pay off development agreements (\$18.8M), as well as advance the funds (on a short-term basis) needed to pay the Construction Sales Tax share of roadway improvements included in the 2014 Transportation Infrastructure Improvement Plan (\$2.2M). In FY 2018/19 the inter-fund loan related to Wastewater (\$11.4M) is forecasted to be paid in full. After these obligations, any remaining construction sales tax revenues are then transferred to fund ongoing roadway improvements.

*Strategic priorities that relate to the Construction Sales Tax Fund are:*



Superior Infrastructure



# Other Funds

## Healthcare Self-Insurance Fund

Healthcare Self-Insurance Fund	FY18/19 Revised	FY 19/20 Requested	FY 20/21 Requested	FY 21/22 Requested	FY 22/23 Requested	FY 23/24 Requested	Total 5 year Projection
<b>REVENUES/SOURCES</b>							
Employer Premiums - Medical	\$ 2,576,090	\$ 2,664,421	\$ 2,797,600	\$ 2,937,500	\$ 3,084,400	\$ 3,238,600	\$ 14,722,521
Employee Premiums - Medical	716,818	698,306	733,200	769,900	808,400	848,800	\$ 3,858,606
Employer Premiums - Dental	181,139	193,427	199,200	205,200	211,400	217,700	\$ 1,026,927
Employee Premiums - Dental	55,661	69,923	72,000	74,200	76,400	78,700	\$ 371,223
Employer Premiums - Vision	17,658	17,658	18,200	19,100	20,100	21,100	\$ 96,158
Employee Premiums - Vision	4,809	4,809	4,950	5,200	5,500	5,800	\$ 26,259
HSA Funding	463,586	523,197	538,900	555,100	571,800	589,000	\$ 2,777,997
Insurance Premiums	42,000	99,208	104,200	109,400	114,900	120,600	\$ 548,308
Interest	10,500	10,000	10,500	11,000	11,600	12,200	\$ 55,300
Stop Loss Rembursement	147,500	150,000	100,000	100,000	100,000	100,000	\$ 550,000
<b>TOTAL REVENUES/SOURCES</b>	<b>\$ 4,215,761</b>	<b>\$ 4,430,949</b>	<b>\$ 4,578,750</b>	<b>\$ 4,786,600</b>	<b>\$ 5,004,500</b>	<b>\$ 5,232,500</b>	<b>\$ 24,033,299</b>
<b>EXPENDITURES/USES</b>							
<b>Claims &amp; Ins Payments</b>							
Medical Claims	\$ 2,521,437	\$ 2,921,283	\$ 3,067,350	\$ 3,220,720	\$ 3,381,760	\$ 3,550,850	\$ 16,141,963
Fixed Expense	291,696	300,000	306,000	312,120	318,360	324,730	\$ 1,561,210
HSA Contributions	559,398	523,197	538,890	555,060	571,710	588,860	\$ 2,777,717
Short Term Disability Premiums	23,200	23,200	23,900	24,610	25,350	26,110	\$ 123,170
Dental Premiums	229,881	263,350	271,200	279,400	287,800	296,400	\$ 1,398,150
Vision Premiums	22,467	22,467	23,150	24,300	25,600	26,900	\$ 122,417
Flexible Spending premiums	1,700	1,700	1,750	1,800	1,860	1,910	\$ 9,020
Life Insurance Premiums	76,008	76,008	78,290	80,640	83,060	85,550	\$ 403,548
Wellness Initiatives	6,000	6,000	6,000	6,480	7,000	7,560	\$ 33,040
ACA Fees	22,896	22,896	24,730	26,710	28,840	31,150	\$ 134,326
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,754,683</b>	<b>\$ 4,160,101</b>	<b>\$ 4,341,260</b>	<b>\$ 4,531,840</b>	<b>\$ 4,731,340</b>	<b>\$ 4,940,020</b>	<b>\$ 22,704,561</b>
<b>Annual Result</b>	<b>461,078</b>	<b>270,848</b>	<b>237,490</b>	<b>254,760</b>	<b>273,160</b>	<b>292,480</b>	
Beginning Balance	\$ 665,470	\$ 1,126,548	\$ 1,397,396	\$ 1,634,886	\$ 1,889,646	\$ 2,162,806	
Projected Ending Fund Balance	\$ 1,126,548	\$ 1,397,396	\$ 1,634,886	\$ 1,889,646	\$ 2,162,806	\$ 2,455,286	

### Fund Description and Relation to Corporate Strategic Plan

This fund is used to account for the Town's self-insured medical benefits, as well as dental, vision and other insurances. Revenue to this fund is mainly derived from premiums charged to both the Town and employees. The premiums are collected each payroll for the Town's portion through an expense to the departments for the Town's share and payroll deductions for the employees' share. Revenues are also collected through insurance recoveries and interest earned. This fund provides payment of actual healthcare expenses, as well as claims administration and other benefit plan expenses.

*Strategic priorities that relate to the Healthcare Self-Insurance Fund are:*



Effective Government



## Other Funds

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### Street Light Improvement Districts Fund (SLIDs)

Queen Creek uses SLIDs to recover the electric costs of streetlights installed within subdivisions throughout the community. SLIDs are funded through a special levy placed on the secondary property tax collections, with expenditures in the fund being primarily electrical costs. Each year the appropriation is based on anticipated actual electrical consumption within the districts for the upcoming year. At the time of budget development, the Town is anticipating 102 districts for FY 2019/20.

The expenditure budget will remain unchanged for FY 2019/20 at \$700,000.

A contract is in place with the local utility company, who owns the streetlights, to conduct all maintenance and operations of the lights in the SLIDs; however, this contract is set to expire in 2019 and will not be renewed by the utility company. The Town anticipates and has planned for the purchase of the utility owned streetlights during FY 2019/20 and has set funds aside for this purchase.

### Community Events Fund

This fund was established to run recurring Town events. Currently, the Town runs the following annual events out of this fund:

- Trunk or Treat (October)
- Holiday Tree Lighting (December)
- Spring into QC (Springtime)
- 4<sup>th</sup> of July Fireworks
- Founder's Day (September)
- Town Center Block Party (February)

Revenues are generated through contributions and donations. With some exception, it is anticipated that events will be put on only to the extent to which they have collected contributions and donations in excess of the Town provided minimum funding. The General Fund provides \$25,000 in funding towards the events and the Block Party is specifically funded by a transfer from the Town Center Fund.

The total budget for all events in this fund is \$165,000 for FY 2019/20.

### Grants Fund

A grants fund has been established to house anticipated grant revenue and equivalent expenses. If a grant is not received, then expenses do not occur. However, the Town does need to have sufficient expenditure authority to take advantage of grant opportunities. The Town anticipates the following grants for FY 2019/20:

- Personal Protection Equipment (PPE). The Town will be seeking a grant to purchase second sets of personal protection equipment (turnouts) for the Fire Department – a total of 65 sets (\$302K) – no cost sharing. This grant will alleviate the need to borrow turnouts from Gilbert while Queen Creek's are being cleaned/launched following fire calls.
- Updating Town Facilities. Proposition 202 funds are being sought to update certain Town facilities which are sublet to The Boys and Girls Clubs of the East Valley. The Parks and Recreation Department is seeking this \$150,000 grant on behalf of the Town, which works in partnership with The Boys and Girls Club.

Taking into account these grants, as well as providing expenditure authority for any new grant opportunities, The FY 2019/20 grants budget is set at \$2.0M.



# Debt

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## Debt Capacity Analysis – Arizona Constitutional Limit

Under the provisions of the Arizona Constitution, outstanding general obligation bonded debt for combined water, sewer, light, parks and open space, transportation and public safety purposes may not exceed 20% of a municipality’s net assessed valuation, nor may outstanding general obligation bonded debt for all other purposes exceed 6% of a municipality’s net assessed valuation. The Town of Queen Creek has no outstanding general obligation debt at this time.

The Town of Queen Creek’s net valuation for FY 2019/20 is \$427,856,256. This includes both Maricopa County and Pinal County assessed values.

20% Debt Margin Limit:	\$ 85,571,251
Bonded Debt Outstanding:	<u>0</u>
Unused 20% Limitation Borrowing Capacity:	\$ 85,571,251
6% Debt Margin Limit:	\$ 25,671,375
Bonded Debt Outstanding:	<u>0</u>
Unused 6% Limitation Borrowing Capacity:	\$ 25,671,375

# Debt Guidelines

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The objective of the Town of Queen Creek’s debt management is two-fold: maintain the Town’s ability to incur present and future debt at the most beneficial interest rates for financing the adopted CIP, and ensure debt issuance does not adversely affect the Town’s ability to pay for essential Town services.

Analysis of every new debt issuance will be performed to ensure adequate debt capacity, as well as the Town’s ability to repay the debt. In addition, debt management policies of the Town will be followed.

Short-term borrowing or lease-purchase contracts will be considered for financing major operating capital equipment when it is determined to be in the Town’s best financial interest. Long-term debt will not be issued to finance current operations.

The Town has no immediate plans to issue General Obligation (GO) Bonds. While the Town prefers to rely on pay-as-you-go for financing CIP projects, the Town has issued debt in prior years for transportation, public safety, fire, and utility projects.

# Town Debt by Type

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## General Obligation Bonds:

The Town does not currently have any General Obligation Bonds outstanding. GO Bonds are “full faith and credit” bonds, secured by ad valorem taxes levied without limit against all taxable property within the Town. The issuance of GO bonds, and the projects funded by GO bonds require voter approval.



# Debt

## Excise Tax and State-Shared Pledged Revenue Bonds

The Town has issued debt secured by a pledge of excise taxes and state-shared revenue. The Town’s bond rating for Excise Tax Bonds was recently upgraded by S&P and Fitch. The Town’s rating is at AA for both S&P and Fitch.

In FY2018/19, the Town issued \$49,450,000 of new short-term subordinate lien excise tax and state-shared revenue debt to finance the purchase of approximately 175,000 acre-feet of groundwater extinguishment credits. These credits will be used to offset the Town’s water acquisition requirements for future growth. The debt was issued as a private-placement with Bank of America at a variable interest rate that resets each month based on the current LIBOR rate. Although the Town pledged excise taxes to secure the loan, interest costs will be repaid from water utility revenues. The Town intends to refinance the debt with long-term financing during FY2019/20.

Town of Queen Creek, Arizona  
Subordinate Lien Excise Tax and State-Shared Revenue Obligations, Series 2019 – \$49,450,000

The Town issued these bonds to purchase approximately 175,000 acre-feet of groundwater extinguishment credits. The bonds have a final maturity date in fiscal year 2020.

In FY2017/18, the Town issued \$65,960,000 of long-term excise tax and state-shared revenue bonds to provide funding for new transportation, public safety and fire projects. The debt was issued in two separate series in order to account for the Growth and Non-Growth portions of the projects. Series A accounts for \$47,945,000 of the total original principal amount and was issued for the Non-Growth portion of the projects. Series B accounts for \$18,015,000 of the total original principal amount and was issued for the Growth portion of the projects.

Town of Queen Creek, Arizona  
Excise Tax and State-Shared Revenue Obligations, Series 2018 – \$65,960,000

The Town issued these bonds to provide \$57,330,000 for transportation projects and \$8,630,000 for public safety and fire projects. The bonds have a final maturity date in fiscal year 2048.

In FY 2016/17, the Town refunded all of its outstanding Governmental Debt using a single \$47.990 million excise tax and state-shared revenue bond, resulting in savings of \$12.5 million. Although the Town pledged excise taxes to secure the debt, the refunding bonds are being repaid from various funding sources based on a pro-rata share of each debt’s outstanding balance prior to the refunding. Accordingly, the Town’s budget tracks the annual debt service requirements using the name of the old refunded bonds, as shown below and on the following pages:

Greater Arizona Development Authority (GADA)  
Infrastructure Revenue Bonds, Series 2004B – \$4,305,000

The Town used these funds for construction of a development service building and the acquisition of land for municipal purposes. The bonds have a final maturity date in fiscal year 2030.

Greater Arizona Development Authority (GADA)  
Infrastructure Revenue Bonds, Series 2005B – \$1,470,000

The Town used these funds for the acquisition of land for a library and other municipal purposes. The bonds have a final maturity date in fiscal year 2031.

Greater Arizona Development Authority (GADA)  
Infrastructure Revenue Bonds, Series 2006A – \$7,995,000

The Town used these funds to construct a library. The bonds have a final maturity date in fiscal year 2037.



# Debt

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Town of Queen Creek, Arizona

Excise Tax and State Shared Revenue Obligations, Series 2007 – \$18,210,000

The Town used these funds to provide funding for certain street intersection improvements, library improvements, park improvements and Town Hall improvements, as well as to refinance and repay in full certain outstanding lease-purchase obligations. The bonds have a final maturity date in fiscal year 2033.

Greater Arizona Development Authority (GADA)

Infrastructure Revenue Bonds, Series 2008A – \$985,000

The Town used these funds for improvements to the Horseshoe Park Equestrian Centre. The bonds have a final maturity date in fiscal year 2024.

Improvement District No. 001

Infrastructure Improvement Bonds, Series 2006 (Town portion) – \$15,025,000

The Town used these funds to pay for improvements to land owned by the Town in its central business district. The bonds have a final maturity date in fiscal year 2033.

In FY2013/14, the Town obtained financing of \$3,845,000 through the Greater Arizona Development Authority (GADA) to refinance a loan from 2003 that was used for wastewater system improvements. Although the Town pledged excise taxes to secure the debt, the loan is being repaid from wastewater utility revenues.

Greater Arizona Development Authority (GADA)

Infrastructure Revenue 2003 Refunding Bonds, Series 2014A - \$3,845,000

These bonds were issued to refund the 2003A issue used for wastewater system improvements. The bonds have a final maturity date in fiscal year 2029.

## Improvement District Bonds

Improvement District (ID) bonds issued by the Town are secured by special assessments levied upon the real property included within the improvement district. These bonds do not constitute a general obligation of the Town and are not backed by general taxing power, but the Town is contingently liable for their payment in the event that the property owners within the District do not make payments. Statutory provisions require that ID bonds bear a single-interest rate, have a final maturity no longer than twenty-five years and three months, and pay principal on January 1. The Town currently has one outstanding issue of ID bonds.

The original 2006 Improvement District bonds were used to provide funds for improvements to land in the Town's central business district. Improvements included construction and installation of certain street improvements, railroad facilities relocation, storm drain facilities, pump stations, water and sanitary sewer facilities, landscaping, lighting, irrigation, and related appurtenances.

In FY2016/17, the Town refunded a portion of the 2006 bonds related to Town-owned property. The new debt was included in the Series 2016 excise tax refunding bonds explained above. The remaining Improvement District bonds for parcels owned by private parties was refinanced through a private-placement issue with CoBiz Public Finance, Inc. The bonds have a final maturity date in fiscal year 2030, and a property owner can pay off his portion of the debt at any time without penalty.



# Debt

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Improvement District No. 001

Infrastructure Improvement Bonds, Series 2016I (Private portion) – \$18,445,000

The 2016I Improvement District Refunding Bonds were issued on November 30, 2016, with an interest rate of 2.45% and a final maturity of January 1, 2030. This re-issuance resulted in \$4.8M in savings.

## Water and Wastewater Pledged Revenue Loans

The Water Infrastructure Finance Authority of Arizona (WIFA) is an independent agency of the state of Arizona authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities and projects. Generally, WIFA offers borrowers below-market interest rates on loans for up to 100% of eligible project costs.

The Town has two outstanding WIFA loans, both secured by a pledge of the revenues of the respective Water and Wastewater funds. The total outstanding principal balance of the two loans is \$36,734,340 as of June 30, 2019. The most recent WIFA loan was issued in FY 2013/14 to finance \$16 million of the total H2O Water Company purchase price of \$25 million.

The remaining balance of the purchase price for the H2O Water Company was financed through issuance of a 30-year tax-exempt municipal revenue obligation to H2O. The original principal amount for this portion of the purchase was \$19,425,089. The debt is secured by a pledge of water utility revenues.

WIFA approved the Town's request to amend the Town's debt service reserve requirements on the Town's WIFA loans to eliminate the need for debt service reserve funds as long as the Town maintains debt service coverage of at least 1.5 times. The amended reserve requirements released approximately \$6.5 million that will be used for future water and wastewater system needs.

## Other – Capital Leases

The Town has utilized lease-purchase agreements for equipment in Grounds, Streets, and Fire. The original combined amount of these loans was \$2,580,922; the current outstanding balance as of June 30, 2019 is \$162,628.

The tables on the following page summarize the Town's outstanding obligations by debt type and the FY 2019/20 debt service requirements. The sources of payment for debt service are provided in the next section.



# Debt

Issue Date	Final Maturity Date	Bond Issue / Loan Type	Original Principal	6/30/2019 Outstanding Principal
<b>Excise Tax and State-Shared Pledged Revenue Bonds</b>				
2/26/2019	2020	2019 Subordinate Lien Excise Tax and State Shared Revenue Obligations, Series 2019	\$ 49,450,000	\$ 49,450,000
2/21/2018	2047	2018 Excise Tax and State Shared Revenue Obligations, Series 2018A Transportation	47,945,000	47,590,000
2/21/2018	2037	2018 Excise Tax and State Shared Revenue Obligations, Series 2018B Trans and Pub Safe	18,015,000	17,805,000
10/1/2016	2029	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2004B	4,305,000	3,750,000
10/1/2016	2030	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2005B	1,470,000	1,305,000
10/1/2016	2036	2016 Refunding - GADA - Infrastructure Revenue Bonds, Series 2006A	7,995,000	7,405,000
10/1/2016	2033	2016 Refunding - Excise Tax and State Shared Revenue Obligations, Series 2007	18,210,000	16,390,000
10/1/2016	2023	2016 Refunding - GADA- Infrastructure Revenue Bonds, Series 2008A	985,000	725,000
10/1/2016	2032	2016 Refunding - Improvement District No 001 Bonds, 2006	15,025,000	13,510,000
3/26/2014	2028	GADA - Infrastructure Revenue Refunding Bonds, Series 2014A	3,845,000	3,125,000
<i>Subtotal Excise Tax and State-Shared Pledged Revenue Bonds</i>			<i>\$ 167,245,000</i>	<i>\$ 161,055,000</i>
<b>Water and Wastewater Pledged Revenue Loans</b>				
3/27/2008	2028	WIFA Loan 2008 - QC Water Company Acquisition	\$ 40,000,000	\$ 23,907,243
11/1/2013	2033	WIFA Loan 2014 - H2O Company Acquisition	16,000,000	12,827,097
11/1/2013	2044	2014 Subordinate Lien Water System Revenue Obligations, Schnepf Trust - H2O Acquisition	\$ 19,425,089	\$ 19,425,088
<i>Subtotal Water and Wastewater Pledged Revenue Loans</i>			<i>\$ 75,425,089</i>	<i>\$ 56,159,428</i>
<b>Improvement District Bonds</b>				
11/30/2016	2030	2016I Refunding - Improvement District No 001 Bonds, 2006	\$ 18,445,000	\$ 15,634,170
<b>Other - Capital Leases</b>				
2013	2020	2013 Zions Bank - HURF- Dump Truck	124,294	3,176
2014	2021	2015 Oshkosh Capital - Fire Equipment	518,696	159,452
<i>Subtotal Other - Capital Leases</i>			<i>\$ 642,990</i>	<i>\$ 162,628</i>
<b>Total All Debts/Loans</b>			<b>\$ 261,758,079</b>	<b>\$ 233,011,226</b>

Loan/Bond Type	Interest Rate	Original Amount of Loan/Bond	6/30/2019 Outstanding Balance	FY 2019/20				Maturity Date (year)
				Annual Principal Amount	Annual Interest Amount	Annual Admin. Fee Amount	Annual Debt Service Amount	
<b>Excise Tax and State-Shared Pledged Revenue Bonds</b>								
2019 Sub-Lien Obligations - Water Extinguishment Credits	2.48% <sup>(1)</sup>	\$ 49,450,000	\$ 49,450,000	\$ -	\$ 115,000	\$ -	\$ 115,000	2020 <sup>(2)</sup>
2018 Series 2018A - Transportation	2-5%	47,945,000	47,590,000	800,000	2,325,800	-	3,125,800	2047
2018 Series 2018B - Transportation and Public Safety	2-5%	18,015,000	17,805,000	470,000	754,951	-	1,224,951	2037
2016 Refunding - 2004 GADA Loan Town Hall Bldgs	2-5%	4,305,000	3,750,000	275,000	162,750	-	437,750	2029
2016 Refunding - 2005 GADA Loan Library	2-5%	1,470,000	1,305,000	85,000	57,600	-	142,600	2030
2016 Refunding - 2006 GADA Loan Library	2-5%	7,995,000	7,405,000	280,000	323,100	-	603,100	2036
2016 Refunding - 2007 Excise Tax Bonds: Parks, Transportation, Town Buildings, Library	2-5%	18,210,000	16,390,000	870,000	740,650	-	1,610,650	2033
2016 Refunding - 2008 GADA Loan HPEC Facility	2-5%	985,000	725,000	135,000	29,250	-	164,250	2023
2016 Refunding - 2006 ID Bonds Ellsworth Loop Road	2-5%	15,025,000	13,510,000	725,000	610,100	-	1,335,100	2032
2014A GADA Revenue Refunding (Sewer Buy-in -GWRP)	2-5%	3,845,000	3,125,000	255,000	137,700	-	392,700	2028
<i>Subtotal Excise Tax and State-Shared Pledged Revenue Bonds</i>		<i>\$ 167,245,000</i>	<i>\$ 161,055,000</i>	<i>\$ 3,895,000</i>	<i>\$ 5,256,901</i>	<i>\$ -</i>	<i>\$ 9,151,901</i>	
<b>Water and Wastewater Pledged Revenue Loans</b>								
2008 WIFA Loan QC Water Company Acquisition	4.04%	\$ 40,000,000	\$ 23,907,243	\$ 1,987,797	\$ 556,206	\$ 328,792	\$ 2,872,795	2028
2014 WIFA Loan H2O Company Acquisition	3.15%	16,000,000	12,827,097	681,920	200,881	182,178	1,064,979	2033
2014 Schnepf Trust H2O Company Acquisition	8.00%	19,425,089	19,425,088	265,712	962,424	576,528	1,804,664	2044
<i>Subtotal Water and Wastewater Pledged Revenue Loans</i>		<i>\$ 75,425,089</i>	<i>\$ 56,159,428</i>	<i>\$ 2,935,429</i>	<i>\$ 1,719,511</i>	<i>\$ 1,087,498</i>	<i>\$ 5,742,438</i>	
<b>Improvement District Bonds</b>								
2016I Refunding - 2006 ID Bonds Ellsworth Loop Road	2.45%	18,445,000	15,634,170	1,352,198	383,037	-	1,735,235	2030
<b>Other - Capital Leases</b>								
2013 Zions Bank - HURF- Dump Truck	2.50%	124,294	3,176	3,176	40	-	3,216	2020
2015 Oshkosh Capital - Fire Equipment	5.02%	518,696	159,452	76,215	7,165	-	83,380	2021
<b>Totals</b>		<b>\$ 261,758,079</b>	<b>\$ 233,011,226</b>	<b>\$ 8,262,018</b>	<b>\$ 7,366,654</b>	<b>\$ 1,087,498</b>	<b>\$ 16,716,170</b>	





# Debt

## Debt Service Expenses by Fund

The following tables provide debt service payment amounts by fund, followed by a five-year debt service projection for the Town's outstanding bonds, loans, and lease purchases.

Source of Annual Debt Service Payments	
General Fund	\$ 4,206,128
Fire/EMS	83,380
HPEC	294,495
HURF/Streets	267,169
Town Center	333,775
Construction Sales Tax	1,284,993
Parks Development	512,916
Town Buildings Development	290,100
Transportation Development	586,838
Library Development	232,890
Public Safety Development	140,250
Fire Development	497,863
Improvement District Assessment	1,735,235
Sewer Operating	392,700
Water Operating	5,857,438
<b>TOTAL</b>	<b>\$ 16,716,170</b>



# Debt

Loan/Bond Type	FY 2019/20 Annual Debt Service Amount	FY 2020/21 Annual Debt Service Amount	FY 2021/22 Annual Debt Service Amount	FY 2022/23 Annual Debt Service Amount	FY 2023/24 Annual Debt Service Amount
2016 Refunding - 2004B GADA - Town Buildings	213,622	210,645	211,633	212,329	212,658
2016 Refunding - 2005B GADA - Library	103,174	104,259	104,856	105,308	105,580
2016 Refunding - 2006A GADA - Library	436,355	435,342	432,954	433,823	430,621
2016 Refunding - 2007 Excise Tax Bond	327,177	327,075	325,735	327,096	326,958
2018 Series 2018A - Transportation	3,125,800	3,122,300	3,118,700	3,118,800	3,112,875
<b>Subtotal General Fund</b>	<b>\$ 4,206,128</b>	<b>\$ 4,199,621</b>	<b>\$ 4,193,878</b>	<b>\$ 4,197,356</b>	<b>\$ 4,188,692</b>
2015 Oshkosh Capital - Fire Equipment	83,380	83,380	-	-	-
<b>Subtotal EMS-Fire Fund</b>	<b>\$ 83,380</b>	<b>\$ 83,380</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
2016 Refunding - 2007 Excise Tax Bond	214,341	214,275	213,397	214,288	214,198
2016 Refunding - 2008A GADA - HPEC	80,154	79,910	76,836	80,935	77,531
<b>Subtotal HPEC Fund</b>	<b>\$ 294,495</b>	<b>\$ 294,185</b>	<b>\$ 290,233</b>	<b>\$ 295,223</b>	<b>\$ 291,729</b>
2016 Refunding - 2007 Excise Tax Bond	263,953	263,871	262,790	263,888	263,777
2013 Zions Bank - HURF Dump Truck	3,216	-	-	-	-
<b>Subtotal HURF Fund</b>	<b>\$ 267,169</b>	<b>\$ 263,871</b>	<b>\$ 262,790</b>	<b>\$ 263,888</b>	<b>\$ 263,777</b>
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	333,775	333,875	331,475	332,500	331,806
<b>Subtotal Town Center Development Fund</b>	<b>\$ 333,775</b>	<b>\$ 333,875</b>	<b>\$ 331,475</b>	<b>\$ 332,500</b>	<b>\$ 331,806</b>
2016 Refunding - 2006 ID Bonds - Ellsworth Loop Rd	1,001,325	1,001,625	994,425	997,500	995,419
2016 Refunding - 2007 Excise Tax Bond	283,668	283,580	282,417	283,597	283,479
<b>Subtotal Construction Sales Tax</b>	<b>\$ 1,284,993</b>	<b>\$ 1,285,205</b>	<b>\$ 1,276,842</b>	<b>\$ 1,281,097</b>	<b>\$ 1,278,898</b>
2016 Refunding - 2007 Excise Tax Bond	203,937	203,873	203,038	203,886	203,801
2016 Refunding - 2007 Excise Tax Bond - HPEC	224,883	224,813	223,891	224,827	224,733
2016 Refunding - 2008A GADA - HPEC	84,096	83,840	80,614	84,915	81,344
<b>Subtotal Parks &amp; Open Space Development Fund</b>	<b>\$ 512,916</b>	<b>\$ 512,526</b>	<b>\$ 507,543</b>	<b>\$ 513,628</b>	<b>\$ 509,878</b>
2016 Refunding - 2004B GADA - Town Buildings	224,128	221,005	222,042	222,771	223,117
2016 Refunding - 2007 Excise Tax Bond	65,972	65,952	65,681	65,956	65,928
<b>Subtotal Town Buildings Development Fund</b>	<b>\$ 290,100</b>	<b>\$ 286,957</b>	<b>\$ 287,723</b>	<b>\$ 288,727</b>	<b>\$ 289,045</b>
2018 Series 2018B - Transportation	586,838	585,788	583,688	581,388	583,788
<b>Subtotal Transportation Development Fund</b>	<b>\$ 586,838</b>	<b>\$ 585,788</b>	<b>\$ 583,688</b>	<b>\$ 581,388</b>	<b>\$ 583,788</b>
2016 Refunding - 2005B GADA - Library	39,426	39,841	40,069	40,242	40,346
2016 Refunding - 2006A GADA - Library	166,745	166,358	165,446	165,777	164,554
2016 Refunding - 2007 Excise Tax Bond	26,719	26,711	26,601	26,712	26,701
<b>Subtotal Library Development Fund</b>	<b>\$ 232,890</b>	<b>\$ 585,788</b>	<b>\$ 583,688</b>	<b>\$ 581,388</b>	<b>\$ 583,788</b>
2018 Series 2018B - Public Safety	140,250	142,875	140,075	142,175	139,175
<b>Subtotal Public Safety Fund</b>	<b>\$ 140,250</b>	<b>\$ 142,875</b>	<b>\$ 140,075</b>	<b>\$ 142,175</b>	<b>\$ 139,175</b>
2018 Series 2018B - Public Safety	497,863	494,538	494,738	494,538	493,938
<b>Subtotal Fire Development Fund</b>	<b>\$ 497,863</b>	<b>\$ 494,538</b>	<b>\$ 494,738</b>	<b>\$ 494,538</b>	<b>\$ 493,938</b>
2016I Refunding - 2006 ID Bonds - Ellsworth Loop Rd	1,735,235	1,736,651	1,737,221	1,732,010	1,731,009
<b>Subtotal Special Assessment ID Fund</b>	<b>\$ 1,735,235</b>	<b>\$ 1,736,651</b>	<b>\$ 1,737,221</b>	<b>\$ 1,732,010</b>	<b>\$ 1,731,009</b>
2014A GADA Revenue Refunding (Sewer Buy-in GWRP)	392,700	392,100	388,350	384,100	384,100
<b>Subtotal Sewer Operating Fund</b>	<b>\$ 392,700</b>	<b>\$ 392,100</b>	<b>\$ 388,350</b>	<b>\$ 384,100</b>	<b>\$ 384,100</b>
2008 WIFA Loan QC Water Co Acquisition	2,872,795	2,869,554	2,866,183	2,862,676	2,859,026
2014 WIFA Loan H2O Water Co Acquisition	1,064,979	1,064,300	1,063,600	1,062,879	1,062,134
2014 Schnepf Trust H2O Water Co Acquisition	1,804,664	1,803,675	1,802,615	1,801,479	1,800,259
2019 Sub-Lien Obligations Water Extinguishment Credit	115,000	-	-	-	-
<b>Subtotal Water Operating Fund</b>	<b>\$ 5,857,438</b>	<b>\$ 5,737,529</b>	<b>\$ 5,732,398</b>	<b>\$ 5,727,034</b>	<b>\$ 5,721,419</b>
<b>Total Debt Service</b>	<b>\$ 16,716,170</b>	<b>\$ 16,582,011</b>	<b>\$ 16,459,070</b>	<b>\$ 16,466,395</b>	<b>\$ 16,438,855</b>



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# Outstanding Debt Schedules

Town of Queen Creek Outstanding Debt FY2020- FY2048								
Principal, Interest and Fees Combined								
	2018 Bond	2016 Excise Tax and State-Shared Revenue Refunding Bond						2016 Refunding Bond
	Excise Tax Bond 2018 \$57,330,000 Transportation & \$8,630,000 Public Safety	Excise Tax Bond 2007 \$18,210,000 Parks -52% Buildings -8% Library -6% Streets -34%				ID Bond 2006 \$15,025,000		ID Bond 2006 \$18,445,000
Year		GADA 2004B \$4,305,000 Town Buildings	GADA 2005B \$1,470,000 Library	GADA 2006A \$7,995,000 Library	GADA 2008 \$985,000 HPEC			
FY19-20	\$ 4,350,751	\$ 437,750	\$ 142,600	\$ 603,100	\$ 164,250	\$ 1,610,650	\$ 1,335,100	\$ 1,735,235
FY20-21	4,345,501	431,650	144,100	601,700	163,750	1,610,150	1,335,500	1,736,651
FY21-22	4,337,201	433,675	144,925	598,400	157,450	1,603,550	1,325,900	1,737,221
FY22-23	4,336,901	435,100	145,550	599,600	165,850	1,610,250	1,330,000	1,732,010
FY23-24	4,329,776	435,775	145,925	595,176	158,875	1,609,575	1,327,225	1,731,009
FY24-25	4,332,351	435,850	136,300	595,250		1,607,100	1,327,950	1,739,030
FY25-26	4,328,476	436,950	137,200	596,350		1,612,900	1,326,450	1,736,094
FY26-27	4,330,601	432,550	142,800	596,850		1,606,900	1,323,550	1,737,246
FY27-28	4,323,601	435,625	137,625	594,825		1,598,125	1,314,250	1,737,431
FY28-29	4,327,226	431,000	141,625	595,075		1,600,750	1,313,000	1,736,649
FY29-30	4,316,351	430,500	140,250	594,325		1,600,125	1,309,250	525,817
FY30-31	4,310,976		143,500	592,575		1,591,375	1,307,875	
FY31-32	4,322,431			594,700		1,589,375	1,303,750	
FY32-33	4,316,063			595,575		1,588,750	1,301,750	
FY33-34	4,315,381			597,800				
FY34-35	4,313,964			596,600				
FY35-36	4,311,563			594,600				
FY36-37	4,304,114			596,700				
FY37-38	4,311,188							
FY38-39	3,666,125							
FY39-40	3,664,000							
FY40-41	3,665,875							
FY41-42	3,656,625							
FY42-43	3,656,000							
FY43-44	3,653,500							
FY44-45	3,648,875							
FY45-46	3,641,875							
FY46-47	3,642,000							
FY47-48	3,638,750							
<b>Total</b>	<b>\$ 118,698,041</b>	<b>\$ 4,776,425</b>	<b>\$ 1,702,400</b>	<b>\$ 10,739,201</b>	<b>\$ 810,175</b>	<b>\$ 22,439,575</b>	<b>\$ 18,481,550</b>	<b>\$ 17,884,393</b>



# Outstanding Debt Schedules

Town of Queen Creek Outstanding Debt FY2020- FY2048									
Principal, Interest and Fees Combined									
Year	2014 Bond					Capital Leases			FY Total
	GADA 2014A Sewer	WIFA 2008 QC Water	WIFA 2014 H2O	Water Revenue Subordinate Lien 2014 (Schnepf Trust) H2O	Excise Tax Subordinate Lien 2019 Water Credits	Zions Lease 2013 HURF	Oshkosh Capital 2014 Fire		
	\$3,845,000	\$40,000,000	\$16,000,000	\$19,425,089	\$49,450,000	\$124,294	\$518,696		
FY19-20	\$ 392,700	\$ 2,872,795	\$ 1,064,979	\$ 1,804,664	\$ 115,000	\$ 3,216	\$ 83,380	\$ 16,716,170	
FY20-21	392,100	2,869,554	1,064,300	1,803,675			83,380	16,582,011	
FY21-22	388,350	2,866,183	1,063,600	1,802,615				16,459,070	
FY22-23	384,100	2,862,676	1,062,879	1,801,479				16,466,395	
FY23-24	384,100	2,859,026	1,062,134	1,800,259				16,438,855	
FY24-25	386,500	2,855,230	1,061,366	1,798,947				16,275,874	
FY25-26	385,000	2,851,280	1,060,573	1,797,539				16,268,812	
FY26-27	387,500	2,847,171	1,059,756	1,796,027				16,260,951	
FY27-28	384,250	2,842,897	1,058,914	1,794,402				16,221,945	
FY28-29	385,000	2,838,449	1,058,044	1,792,655				16,219,473	
FY29-30			1,057,146	1,790,777				11,764,541	
FY30-31			1,056,221	1,788,759				10,791,281	
FY31-32			1,055,266	1,786,589				10,652,111	
FY32-33			1,054,282	1,784,254				10,640,674	
FY33-34			1,053,266	1,781,741				7,748,188	
FY34-35				1,779,041				6,689,605	
FY35-36				1,776,134				6,682,297	
FY36-37				1,773,005				6,673,819	
FY37-38				1,769,637				6,080,825	
FY38-39				1,766,011				5,432,136	
FY39-40				1,762,109				5,426,109	
FY40-41				1,757,908				5,423,783	
FY41-42				1,753,380				5,410,005	
FY42-43				1,748,505				5,404,505	
FY43-44				1,743,253				5,396,753	
FY44-45								3,648,875	
FY45-46								3,641,875	
FY46-47								3,642,000	
FY47-48								3,638,750	
	\$3,869,600	\$ 28,565,261	\$ 15,892,726	\$ 44,553,365	\$ 115,000	\$ 3,216	\$ 166,760		



FY 2019/20  
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# Appendix

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- Acronyms
- Glossary
- Position Listing





# Acronyms

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<b>ACMA</b> – Arizona City/County Management Association	<b>GFOA</b> – Government Finance Officers Association
<b>ADEQ</b> – Arizona Department of Environmental Quality	<b>GFOAz</b> – Government Finance Officers Association of Arizona
<b>ADOT</b> – Arizona Department of Transportation	<b>GWRP</b> – Greenfield Water Reclamation Plant
<b>ADOR</b> – Arizona Department of Revenue	<b>HR</b> – Human Resources
<b>ADWR</b> – Arizona Department of Water Resources	<b>HPEC</b> – Horseshoe Park Equestrian Centre
<b>A.R.S</b> – Arizona Revised Statute	<b>HURF</b> – Highway User Revenue Fund
<b>ASRS</b> – Arizona State Retirement System	<b>ICMA</b> – International City Managers Association
<b>CAAG</b> – Central Arizona Association of Governments	<b>IIP</b> – Infrastructure Improvement Plan
<b>CAGRD</b> – Central Arizona Groundwater Replenishment District	<b>IT</b> – Information Technology
<b>CAFR</b> – Comprehensive Annual Financial Report	<b>KRA</b> – Key Result Area
<b>CAP</b> – Central Arizona Project	<b>LEED</b> – Leading Through Education & Environmental Design
<b>CDBG</b> – Community Development Block Grant	<b>LTAF</b> – Local Transportation Assistance Fund
<b>CERT</b> - Community Emergency Response Team	<b>MAG</b> – Maricopa Association of Governments
<b>CIL</b> - Cash-in-Lieu	<b>MCSO</b> – Maricopa County Sheriff’s Office
<b>CIP</b> – Capital Improvement Program	<b>M&amp;O</b> – Maintenance & Operations
<b>CMAQ</b> – Congestion Mitigation & Air Quality	<b>O &amp; M</b> – Operations & Maintenance
<b>CMR</b> – Communications, Marketing & Recreation	<b>OSHA</b> – Occupational Safety and Health Administration
<b>CPI</b> – Consumer Price Index	<b>PMGAA</b> – Phoenix Mesa Gateway Airport Authority
<b>CSP</b> – Corporate Strategic Plan	<b>PRV</b> – Pressure Reducing Valve
<b>CY</b> – Calendar Year	<b>PSPRS</b> – Public Safety Personnel Retirement System
<b>DEQ</b> – Department of Environmental Quality	<b>PSPRS TIER 1</b> – Sworn Fire staff hired prior to 1/1/2012
<b>EEO</b> – Equal Employment Opportunity	<b>PSPRS TIER 2</b> – Sworn Fire staff hired on/after 1/1/2012 but prior to 7/1/2017
<b>EMS</b> – Emergency Medical Services	<b>PSPRS TIER 3</b> – Sworn Fire staff hired on/after 7/1/2017
<b>EMT</b> – Emergency Medical Technician	<b>SLID</b> – Street Light Improvement District
<b>EOC</b> – Emergency Operations Center	<b>TIP</b> – Transportation Improvement Plan
<b>FASB</b> – Financial Accounting Standards Board	<b>WIFA</b> – Water Infrastructure Financing Authority
<b>FICA</b> – Federal Insurance Contribution Act	
<b>FMLA</b> – Family and Medical Leave Act	
<b>FTE</b> – Full-Time Equivalent	
<b>FY</b> – Fiscal Year	
<b>GAAP</b> – General Accepted Accounting Principles	
<b>GADA</b> – Greater Arizona Development Authority	
<b>GASB</b> – Government Accounting Standards Board	
<b>GIS</b> – Geographic Information System	





# Glossary

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## A

**Account** – An organizational budget/operating unit within a Town department or division.

**Accrual** – A liability due to an expense for which no invoice has yet been received.

**Actual** – As used in the fund summaries and division summaries within the budget document, represents the actual cost results of operations.

**Adopted Budget** – Represents the current fiscal year budget and spending limit as approved by formal action of the Town Council.

**Amortization** – Recognition of expense of a debt by regular intervals over a specific period of time.

**Allocation** – A part of a lump sum appropriation that is designated for expenditure by specific organization units and/or for special purposes, activities, or subjects.

**Appropriation** – Authorization by the Town Council which permits the Town to incur obligations to make expenditures for a specific purpose.

**Assessed Valuation** – A value that is established for real and personal property used as a basis for levying property taxes. Property values are established by the County Assessor and the State as a basis for levying taxes.

**Asset** – A resource owned or held by a government that has monetary value.

**Available Fund Balance** – Funds remaining from the prior year that are available for appropriation in the current year.

## B

**Balanced Budget** – A budget that contains ongoing revenues equal to the ongoing expenditures of the Town.

**Base Budget** – The ongoing expense necessary to maintain desired service levels. Changes in demand and activity level may create the need for additional resources or make available resources for other purposes.

**Bond** – A long-term “IOU” or promise to pay. It is a promise to repay a specified amount of money (the face value of the bond) on a particular date (maturity date). Bonds are used primarily for financing capital projects.

**Bond Rating** – The measure of the quality and safety of a bond. It indicates the likelihood that a debt issuer will be able to meet scheduled repayments and dictates the interest rate paid.

**Budget Amendment** – A change of budget appropriation between expenditure accounts that is different from the original adopted budget. Budget amendments do not change the legal spending limit adopted by the Town Council.

**Budget Calendar** – A schedule of key dates and milestones in preparation, adoption and administration of the budget.

**Budget Message** – The opening section of the budget document, which provides a general summary of the most important aspects of the budget, changes from the previous fiscal year, key issues impacting the budget and recommendations regarding the financial policy for the upcoming period.

**Budgetary Control** – The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.



# Glossary

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## C

**Capital Budget** – The first year of the five-year Capital Improvement Program (CIP) becomes the fiscal commitment to develop projects for the current fiscal year. The capital budget reflects appropriations for items that have a high monetary value (\$50,000 or more), are long-term in nature, add to the capital assets or infrastructure of the Town, and are financed on a long-term basis.

**Capital Improvement Program** – The Capital Improvement Program (CIP) is a comprehensive projection of capital investment projects, which identifies priorities as to need, method of financing, and project costs and revenues over a five-year period. It is a guide for identifying current and future fiscal year requirements and becomes the basis for determining the annual capital budget. The capital improvement program for the ensuing year must be formally adopted during the budget approval process.

**Capital Outlay** – Payments made in cash or cash equivalents over a period of more than one year; they are also known as capital expenditures. Capital outlays are used to acquire assets or improve the useful life of existing assets.

**Carry Over / Carry Forward** – Year-end unused expenditure authority from the prior fiscal year budget included in new year budget to cover obligations that cross fiscal years for approved capital projects or other one-time expenses.

**Cash-in-lieu** – Funding for capital projects the Town requires from developers in lieu of them constructing necessary off-site improvements related to their development project.

**Citizen Corps** – a program under the Department of Homeland Security that provides training for the population of the United States to assist in the recovery after a disaster or terrorist attack.

**Commodities** – Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants, etc.

**Consumer Price Index (CPI)** – A statistical description of price levels provided by the US Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

**Contingency** – A budgetary reserve set aside for emergency or unanticipated expenses and/or revenue shortfalls. The Town Council must approve all contingency expenditures.

**Contractual Services** – Expenditures for services such as rentals, insurance, maintenance, etc. that are generally purchased by the Town through an approved contract.

## D

**Debt Service** – The cost of paying principal, interest and related service charges on borrowed money according to a predetermined payment schedule.

**Department** – A major administrative division of the Town with overall management responsibility for an operation or a group of related operations.

**Depreciation** – Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

**Development Impact Fee** – Fee charged to new development to offset the cost of Town improvements that are required due to new growth.

**Disbursement** – The expenditure of money from an account.



# Glossary

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**Division** – An organized unit within a department.

## E

**Encumbrance** – The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Enterprise Fund** – A governmental accounting fund in which the services provided, such as water or sewer or sanitation, are financed and operated similarly to those of a private business. The rate schedules for the services are established to ensure that user revenues are adequate to meet necessary expenditures.

**Estimated Revenue** – The projected amount of revenues to be collected during a fiscal year.

**Expenditure** – Actual outlay of funds for an asset, good, or service obtained regardless of when expense is actually paid.

**Expenditure Limitation** – An amendment to the Arizona State Constitution that limits annual expenditures of all municipalities. The limit is set by the Economic Estimates Commission based on population growth and inflation. All municipalities have the option of adopting Home Rule, under which voters approve a four-year expenditure limit based on revenues received.

## F

**Fiscal Year** – The time period designated by a government or organization signifying the beginning and end of the financial reporting period. Queen Creek has established July 1 to June 30 as the municipal fiscal year.

**Fixed Assets** – Assets of a long-term character intended to be held or used, such as land, buildings, machinery, furniture and other equipment.

**Franchise Fees** – Annual fees paid by utilities (natural gas and cable TV) for use of Town public rights-of-way. Franchise fees are typically a set percentage of gross revenue within the Town.

**Fringe Benefits** – Contributions made by a government to meet commitments or obligations for employee-related expenses. Included is the Town's share of costs for social security, pension plans, medical and life insurance plans.

**Full-Time Equivalent (FTE)** – A calculation used to convert hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per fiscal year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

**Fund** – An accounting entity that has a set of self-balancing accounts and records all financial transactions for specific activities or government functions.

**Fund Balance** – Difference between assets and liabilities reported in a government fund.

**Assigned** – Amounts that are constrained by the government's intent to be used for specific purposes, but that are neither restricted nor committed.

**Committed** – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. In the case of the Town, this would be the Council and Mayor.

**Non-spendable** – Portions of fund balance that include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.



# Glossary

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**Restricted** – Portion of fund balance that reflects constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

**Unassigned** – Residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

## G

**General Fund** – The primary general purpose fund supported by taxes, fees, and other non-enterprise revenues.

**General Plan** – A planning and legal document that outlines the community vision in terms of land use.

**Generally Accepted Accounting Principles (GAAP)** – Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**Government Funds** – Refers to the use of fund accounting in which funds are set up for specific sources of revenues. Its main purpose is stewardship of financial resources received and expended in compliance with legal or other requirements.

**Grants** – State, federal or other subsidies received in aid of a public undertaking that do not need to be repaid.

## H

**Highway User Fuel Tax (HURF)** – Gasoline tax shared with municipalities; a portion is distributed based upon the population of the town and a portion is distributed based upon the origin of the sale of fuel. The Arizona State Constitution requires that this revenue be used solely for street and highway purposes.

## I

**Improvement Districts** – Improvement districts are composed of property owners who desire improvements that will benefit all properties within the district. Bonds are issued to finance these improvements, which are repaid by assessments on affected property owners.

**Indirect Cost** – A cost necessary for the functioning of the organization as a whole, but which cannot be directly assigned, such as administrative support, facility maintenance or custodial services.

**Inter-Fund Transfer** – The movement of monies between funds of the same governmental entity.

**Internal Service Funds** – A group of funds that account for services provided to other divisions and departments within the Town government.

## J

**Journal Entry** – An entry into the financial system that transfers actual amounts from one account, department, or fund to another.

## L

**Liability** – An obligation of the Town to convey something of value in the future.



# Glossary

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## M

**Modified Accrual Basis** – Under the modified accrual basis of accounting recommended for use by governmental funds, revenues are recognized in the period in which they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority.

## O

**Objective** – A mission, purpose, or standard that can be reasonably achieved within the expected timeframe and with available resources. Along with goals, objectives are basic planning tools underlying all strategic activities. They serve as the basis for policy and performance appraisals.

**Operating Budget** – The annual spending plan for a government's recurring non-capital expenses, including personnel salaries, fringe benefits, professional development, supplies, equipment, repairs and administrative expenses. The operating budget is distinct from expenses to build or acquire permanent infrastructure.

**Operating Expense** – Cost for necessary resources needed by a department to provide services and perform desired tasks.

**Operating Revenue** – Funds that a government receives as income to pay for ongoing operations, including taxes, user fees, interest earnings and grants. Operating revenues are used to pay for recurring, non-capital expenses.

**Ordinance** – A formal legislative enactment by the governing body of a municipality. If it is not in conflict with any higher form of law, such as a state statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies.

## P

**Performance Management** – A results-oriented system that allows the Town to set goals and targets for programs and services and assess whether those targets are being met on a recurring basis.

**Property Tax** – Total property tax levied by a municipality on the assessed value of a property within Town limits. In Arizona, the property tax system is divided into primary and secondary.

**Primary Property Tax** – A limited tax levy used for operations based on primary assessed valuation and primary tax rate. The tax rate is restricted to a 2% annual increase.

**Secondary Property Tax** – An unlimited tax levy restricted to voter-approved budget overrides. The tax is based on the secondary assessed valuation and secondary tax rate.

**Property Tax Levy** – The total amount that can be raised by property tax for purposes outlined in the Tax Levy Ordinance.

**Property Tax Rate** – The amount of tax stated in terms of a unit of the tax base expressed as dollars per \$100 of assessed valuation.

**Proprietary Funds** – These funds call for the services rendered under these accounts to be paid for by their patrons who use them, working like a business. Proprietary funds aren't eligible to make a profit. Therefore, the ideal situation is for its costs to balance out with its revenue.

**Program** – A group of related activities performed by one or more divisions or departments of the Town for the purpose of accomplishing a service the Town is responsible for delivering.



# Glossary

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## R

**Reserve/Contingency** – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. The Town Council must approve all contingency expenditures.

**Revenue** – The income of a government from all sources appropriated for the payment of the public expenses during a specified period of time. For Queen Creek, revenues may include receipts from taxes, intergovernmental sources, user fees, voter-authorized bonds, development fees and grants.

**Roll-Up/Roll-Up Code** – A set of like accounts linked together for the purpose of interactive budget management. An individual expense line under a designated roll-up code can be overdrawn as long as the sum of the whole has an available budget appropriation.

## S

**Scenario** – A tool used by the Town to understand different ways that future events might affect the projected budget.

**State Shared Revenue** – The portion of revenues collected by the state that are allocated to municipalities based on population data.

**Special Revenue Fund** – An account composed of receipts from specific revenues. Such funds are authorized by statutory or charter provisions to pay for specific activities with continuing revenues.

**Street Light Improvement District (SLID)** – A special district to fund the energy costs of streetlights placed in residential subdivisions. An assessment is levied against the property owners to cover the costs of electrical billings received and paid by the Town.

## T

**Transfers** – The authorized exchanges of cash or other resources between funds, departments and/or capital projects.

**Trust Funds** – Established to administer resources received and held by the Town as the trustee or agent for others. Use of these funds facilitates the discharge of responsibility placed upon the Town by virtue of law or other similar authority.

## U

**User Fees or Charges** – The payment of a fee for direct receipt of a public service by the party who benefits from the service.

## V

**Variance** – Comparison of actual expenditure and revenues from one year to the next and comparison of budget-to-actual in current fiscal year.

## W

**Working Capital** – A financial metric that represents operating liquidity available to the Town. It is calculated as current assets minus current liability.



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
<b>Elected Officials</b>			
MAYOR & COUNCIL	7.00	7.00	\$ 320,337
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC. <sup>(2)</sup>			883
<b>Total - Elected Officials</b>	<b>7.00</b>	<b>7.00</b>	<b>\$ 321,220</b>
<b>Town Manager</b>			
TOWN MANAGER	1.00	1.00	\$ 280,788
ASSISTANT TOWN MANAGER	1.00	1.00	265,624
ASSISTANT TO THE TOWN MANAGER	1.00	1.00	147,845
EXECUTIVE ADMIN ASSISTANT	1.00	1.00	83,477
COUNCIL ASSISTANT	1.00	1.00	88,035
INTERGOVERNMENTAL RELATIONS MANAGER	1.00	1.00	134,137
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			26,296
<b>Total Town Manager</b>	<b>6.00</b>	<b>6.00</b>	<b>\$ 1,026,202</b>
<b>Town Clerk</b>			
TOWN CLERK	1.00	1.00	\$ 167,589
TOWN CLERK ASSISTANT	1.00	1.00	80,003
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			1,050
<b>Total Town Clerk</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 248,642</b>
<b>Total Town Manager/Legal Services/Clerk</b>	<b>8.00</b>	<b>8.00</b>	<b>\$ 1,274,844</b>
<b>Finance</b>			
FINANCE DIRECTOR	1.00	1.00	\$ 229,813
FINANCE DEPUTY DIRECTOR	1.00	1.00	187,351
ACCOUNTING SUPERVISOR	1.00	1.00	129,968
ACCOUNTANT	1.00	1.00	94,450
FINANCIAL SERVICES SPECIALIST	2.00	2.00	144,440
PROCUREMENT OFFICER	2.00	2.00	196,462
PAYROLL SPECIALIST	1.00	1.00	78,721
ADMINISTRATIVE ASSISTANT	0.48	0.48	8,003
PROCUREMENT MANAGER	1.00	1.00	114,695
CIP ANALYST	1.00	1.00	109,433
FINANCIAL SERVICES SPECIALIST	1.00	1.00	72,220
FINANCIAL SERVICES MANAGER	1.00	1.00	165,754
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			19,766
Less Funding from Enterprise Funds			(294,176)
<b>Total Finance</b>	<b>13.48</b>	<b>13.48</b>	<b>\$ 1,256,900</b>
<b>Customer Service</b>			
CUSTOMER SERVICE MANAGER	1.00	1.00	\$ 126,174
UTILITY ACCOUNTING ANALYST	1.00	1.00	158,634
FINANCIAL SERVICES ANALYST	1.00	1.00	120,176
CUSTOMER SERVICE SUPERVISOR	1.00	1.00	101,762
CUSTOMER SERVICE COORDINATOR	1.00	1.00	89,369
CUSTOMER SERVICE REPRESENTATIVE	5.00	5.00	310,661
BILLING & COMPLIANCE SPECIALIST	1.00	1.00	96,459
ADMINISTRATIVE ASSISTANT I	1.00	1.00	46,431
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			11,903
Less Funding from Water Conservation for Coordinator			(89,369)
<b>Total Customer Service</b>	<b>12.00</b>	<b>12.00</b>	<b>\$ 972,200</b>
<b>Budget</b>			
BUDGET ADMINISTRATOR	1.00	1.00	\$ 173,119



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
SR. FINANCIAL SERVICES ANALYST	4.00	4.00	489,209
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			2,849
<b>Total Budget</b>	<b>5.00</b>	<b>5.00</b>	<b>\$ 665,177</b>

<b>Total Finance</b>	<b>30.48</b>	<b>30.48</b>	<b>\$ 2,894,277</b>
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<b>Workforce &amp; Technology</b>			
<b>Human Resources</b>			
HUMAN RESOURCES PROGRAM MANAGER	2.00	2.00	\$ 288,447
HUMAN RESOURCES SPECIALIST	1.00	1.00	90,036
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			40,503
<b>Total Human Resources</b>	<b>3.00</b>	<b>3.00</b>	<b>\$ 418,986</b>

<b>Information Technology</b>			
TECHNOLOGY SUPERVISOR	1.00	1.00	\$ 161,779
SR. DEVELOPER/IT PROJECT MANAGER	1.00	1.00	143,257
SR. SYSTEMS ADMINISTRATOR	1.00	1.00	117,093
APPLICATION & DESKTOP SUPPORT ANALYST	1.00	1.00	108,198
BUSINESS SYSTEMS & IT TRAINING ANALYST	2.00	2.00	259,251
BUSINESS SYSTEMS & IT TRAINING SUPERVISOR	1.00	1.00	147,092
GIS COORDINATOR	1.00	1.00	137,855
IT PROJECT MANAGER & SECURITY ANALYST	1.00	1.00	106,250
GIS ANALYST	1.00	1.00	78,279
SR IT TECHNICIAN	1.00	1.00	77,658
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			17,917
Less Funding from Enterprise Funds for Business Systems Analysts and GIS			(306,219)
<b>Total Information Technology</b>	<b>11.00</b>	<b>11.00</b>	<b>\$ 1,048,410</b>

<b>Total Workforce &amp; Technology</b>	<b>14.00</b>	<b>14.00</b>	<b>\$ 1,467,396</b>
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<b>Communications, Marketing &amp; Recreation Services</b>			
<b>Communications &amp; Marketing</b>			
DIRECTOR	1.00	1.00	\$ 198,312
PUBLIC INFORMATION OFFICER	1.00	1.00	113,817
MARKETING SPECIALIST	1.00	1.00	112,110
DIGITAL MEDIA SPECIALIST	1.00	1.00	102,315
MARKETING & COMMUNICATION COORDINATOR	1.00	1.00	77,980
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			35,298
Less Funding from Enterprise Funds for Communication Coordinator			(77,980)
<b>Total Communications &amp; Marketing</b>	<b>5.00</b>	<b>5.00</b>	<b>\$ 561,852</b>

<b>Recreation Programs</b>			
RECREATION SUPERINTENDENT	1.00	1.00	\$ 147,215
MANAGEMENT ASSISTANT I	1.00	1.00	93,414
CUSTOMER SERVICE COORDINATOR	1.00	1.00	88,055
RECREATION SUPERVISOR	1.00	1.00	80,991
RECREATION COORDINATOR	1.00	1.00	99,288
RECREATION TECHNICIAN (PT)	2.00	2.00	68,298
RECREATION POSITIONS (Seasonal)	6.06	6.06	188,691
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			34,876
<b>Total Recreation Programs</b>	<b>13.06</b>	<b>13.06</b>	<b>\$ 800,828</b>

<b>Parks Rangers</b>			
SR. PARK RANGER	1.00	1.00	\$ 69,284
PARK RANGER	2.00	2.00	125,932





# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
PARK RANGER (PT)	1.00	1.00	42,825
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			7,773
<b>Total Parks &amp; Grounds Maintenance</b>	<b>4.00</b>	<b>4.00</b>	<b>\$ 245,814</b>
<b>Total Communications, Marketing &amp; Recreation Services</b>	<b>22.06</b>	<b>22.06</b>	<b>\$ 1,608,494</b>
<b>Economic Development</b>			
<b>Economic Development</b>			
DEPARTMENT DIRECTOR	1.00	1.00	\$ 217,445
DOWNTOWN DEVELOPMENT MANAGER	1.00	1.00	147,072
ECONOMIC DEVELOPMENT COORDINATOR	1.00	1.00	104,723
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	74,555
REAL ESTATE & ROW COORDINATOR	1.00	1.00	126,606
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			20,340
Less Funding from Other Funds/Departments for Real Estate Coordinator			(113,945)
<b>Total Economic Development</b>	<b>5.00</b>	<b>5.00</b>	<b>\$ 576,796</b>
<b>Horseshoe Park Equestrian Centre (HPEC) Fund - Economic Development</b>			
HPEC GENERAL MANAGER	1.00	1.00	\$ 188,177
MAINTENANCE & OPERATIONS SUPERVISOR	1.00	1.00	111,665
MAINTENANCE & OPERATIONS SPECIALIST	4.00	4.00	258,097
SR. ADMINISTRATIVE ASSISTANT	1.00	1.00	73,902
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			73,458
<b>Total HPEC</b>	<b>7.00</b>	<b>7.00</b>	<b>\$ 705,299</b>
<b>Total Economic Development</b>	<b>12.00</b>	<b>12.00</b>	<b>\$ 1,282,095</b>
<b>Development Services</b>			
<b>Development Services Administration</b>			
DEPARTMENT DIRECTOR	1.00	1.00	\$ 197,257
FUNDING FOR REAL ESTATE & ROW COORDINATOR			12,665
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			38,552
<b>Total Development Services Administration</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 248,474</b>
<b>Planning</b>			
PLANNING ADMINISTRATOR	1.00	1.00	\$ 162,952
SR PLANNER	1.00	1.00	106,055
PLANNER II	1.00	1.00	90,127
PLANNER I	1.00	1.00	84,192
PRINCIPAL PLANNER	2.00	2.00	274,920
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			9,408
<b>Total Planning</b>	<b>6.00</b>	<b>6.00</b>	<b>\$ 727,654</b>
<b>Engineering</b>			
ENGINEER	1.00	1.00	\$ 110,476
ENGINEERING TECHNICIAN	1.00	1.00	78,570
INSPECTOR	1.00	2.00	171,261
PRINCIPAL ENGINEER	1.00	1.00	140,522
SR. INSPECTOR	1.00	1.00	85,489
TOWN ENGINEER	1.00	1.00	188,533
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			21,274
<b>Total Engineering</b>	<b>6.00</b>	<b>7.00</b>	<b>\$ 796,125</b>
<b>Building Safety</b>			
BUILDING OFFICIAL	1.00	1.00	\$ 187,346



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
ASSISTANT BUILDING OFFICIAL	1.00	1.00	127,117
INSPECTOR	2.00	2.00	159,043
MANAGEMENT ASSISTANT I	1.00	1.00	100,100
SR. INSPECTOR	1.00	1.00	74,987
DEVELOPMENT SERVICES COORDINATOR	1.00	1.00	62,115
SR. PERMIT TECHNICIAN	1.00	1.00	76,980
PERMIT TECHNICIAN	1.00	1.00	71,004
SR. PLANS EXAMINER	1.00	1.00	125,024
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			40,985
<b>Total Building Safety</b>	<b>10.00</b>	<b>10.00</b>	<b>\$ 1,024,701</b>
<b>Neighborhood Preservation</b>			
NEIGHBORHOOD PRESERVATION SUPERVISOR	1.00	1.00	\$ 102,277
SR. NEIGHBORHOOD PRESERVATION COORD	1.00	1.00	100,894
NEIGHBORHOOD PRESERVATION SPECIALIST (PT)	0.50	0.50	14,312
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			13,112
<b>Total Neighborhood Preservation</b>	<b>2.50</b>	<b>2.50</b>	<b>\$ 230,595</b>
<b>Total Development Services</b>	<b>25.50</b>	<b>26.50</b>	<b>\$ 3,027,549</b>
<b>Public Works</b>			
<b>Public Works Administration</b>			
DIRECTOR	1.00	1.00	\$ 197,162
DEPUTY DIRECTOR	1.00	1.00	188,453
OPERATIONS MANAGER	1.00	1.00	135,162
EMERGENCY MANAGEMENT COORDINATOR	1.00	1.00	147,376
SR. ADMINISTRATIVE ASSISTANT	2.00	2.00	159,324
MANAGEMENT ASSISTANT II	1.00	1.00	133,455
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			37,248
<b>Total Public Works Administration</b>	<b>7.00</b>	<b>7.00</b>	<b>\$ 998,180</b>
<b>Facilities Maintenance</b>			
DAY PORTER	1.00	1.00	\$ 43,955
FACILITY SERVICES SUPERVISOR	1.00	1.00	93,195
SR. FACILITY SERVICES SPECIALIST	2.00	2.00	155,240
FACILITY SERVICES SPECIALIST	2.00	2.00	124,804
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			40,670
<b>Total Facilities Maintenance</b>	<b>6.00</b>	<b>6.00</b>	<b>\$ 457,864</b>
<b>Fleet Maintenance</b>			
FLEET SERVICES SUPERINTENDENT	1.00	1.00	\$ 112,507
SR. MECHANIC	1.00	1.00	75,395
MECHANIC	2.00	3.00	214,795
MAINTENANCE & OPERATIONS TECHNICIAN	-	1.00	71,712
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			17,183
<b>Total Fleet Maintenance</b>	<b>4.00</b>	<b>6.00</b>	<b>\$ 491,592</b>
<b>Traffic</b>			
TRAFFIC SIGNAL SUPERVISOR	1.00	1.00	\$ 84,281
TRAFFIC SIGNAL TECHNICIAN	1.00	1.00	75,870
TRAFFIC OPERATIONS ENGINEER	1.00	1.00	115,420
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			28,163
<b>Total Traffic</b>	<b>3.00</b>	<b>3.00</b>	<b>\$ 303,734</b>

HURF/Streets Fund - Public Works



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
STREETS SUPERINTENDENT	1.00	1.00	\$ 150,199
PROJECT MANAGER	1.00	1.00	129,331
FIELD OPERATIONS SUPERVISOR	1.00	1.00	104,015
MAINTENANCE & OPERATIONS CREW LEADER	2.00	3.00	250,667
MAINTENANCE & OPERATIONS SPECIALIST	4.00	4.00	299,287
MAINTENANCE & OPERATIONS TECHNICIAN	8.00	8.00	496,661
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			153,447
<b>Total HURF/Streets</b>	<b>17.00</b>	<b>18.00</b>	<b>\$ 1,583,607</b>
<b>Parks and Grounds Maintenance</b>			
PARKS SUPERINTENDENT	1.00	1.00	\$ 140,580
MAINTENANCE & OPERATIONS SUPERVISOR	2.00	2.00	206,278
MAINTENANCE & OPERATIONS CREW LEADER	4.00	4.00	285,252
MAINTENANCE & OPERATIONS TECHNICIAN	10.00	10.00	599,073
MAINTENANCE & OPERATIONS SPECIALIST	1.00	1.00	76,733
MAINTENANCE & OPERATIONS ASSISTANT	6.00	6.00	281,122
MAINTENANCE & OPERATIONS ASSISTANT (PT)	0.43	0.43	6,617
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			110,839
<b>Total Parks &amp; Grounds Maintenance</b>	<b>24.43</b>	<b>24.43</b>	<b>\$ 1,706,494</b>
<b>Solid Waste - Solid Waste Enterprise Fund</b>			
ENVIRONMENTAL PROGRAMS MANAGER	1.00	1.00	\$ 145,481
CUSTOMER SERVICE COORDINATOR	1.00	1.00	101,973
MAINTENANCE & OPERATIONS TECHNICIAN	1.00	1.00	61,086
CUSTOMER SERVICE REPRESENTATIVE	1.00	1.00	61,856
FUNDING FOR COMMUNITY OUTREACH POSITION, ACCOUNTING MANAGER, ENTERPRISE FINANCE MANAGER			110,371
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			6,456
<b>Total Solid Waste</b>	<b>4.00</b>	<b>4.00</b>	<b>\$ 487,223</b>
<b>Stormwater - Wastewater Fund</b>			
STORMWATER COORDINATOR	1.00	1.00	\$ 71,424
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			2,610
<b>Total Stormwater</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 74,034</b>
<b>Capital Improvements Program (CIP)</b>			
CIP MANAGER	1.00	1.00	\$ 161,444
SR. PROJECT MANAGER	1.00	1.00	107,700
PROJECT MANAGER	3.00	3.00	291,964
SR. INSPECTOR	1.00	1.00	75,381
SR. ADMIN ASSISTANT	1.00	1.00	52,749
FUNDING FOR REAL ESTATE & ROW COORDINATOR			50,640
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			25,055
<b>Total CIP Program - Drainage &amp; Transportation Fund</b>	<b>7.00</b>	<b>7.00</b>	<b>\$ 764,933</b>
<b>Total Public Works</b>	<b>73.43</b>	<b>76.43</b>	<b>\$ 6,867,661</b>
<b>Utilities</b>			
<b>Water Fund</b>			
<b>Water - Administration</b>			
UTILITIES DIRECTOR	1.00	1.00	\$ 238,376
UTILITIES DEPUTY DIRECTOR	1.00	1.00	169,404
WATER MANAGER	1.00	1.00	151,430
SR. MANAGEMENT ASSISTANT	1.00	1.00	127,051



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
FLEXNET ANALYST	1.00	1.00	96,223
FUNDING FOR IT POSITIONS, FINANCE			344,286
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			33,336
<b>Total Water - Administration</b>	<b>5.00</b>	<b>5.00</b>	<b>\$ 1,160,106</b>
<b>Water - Engineering</b>			
UTILITY ENGINEERING MANAGER	1.00	1.00	\$ 165,651
SR. PROJECT ENGINEER	1.00	1.00	130,550
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			485
<b>Total Water - Engineering</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 296,686</b>
<b>Water - Field Ops Meters</b>			
FIELD OPERATIONS SUPERINTENDENT	1.00	1.00	\$ 140,016
UTILITY SERVICES COORDINATOR	2.00	2.00	175,525
UTILITY METER SPECIALIST	1.00	1.00	82,630
MAINTENANCE & OPERATIONS CREW LEADER	1.00	1.00	78,730
UTILITY SERVICES TECHNICIAN	7.00	7.00	483,042
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			165,815
<b>Total Water - Field Ops Meters</b>	<b>12.00</b>	<b>12.00</b>	<b>\$ 1,125,758</b>
<b>Water - GIS</b>			
UTILITY SERVICES SUPERVISOR	1.00	1.00	\$ 137,893
UTILITY LOCATOR	3.00	3.00	226,240
FUNDING FOR GIS ANALYST IN IT, REAL ESTATE COORDINATOR			97,608
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			47,378
<b>Total Water - GIS</b>	<b>4.00</b>	<b>4.00</b>	<b>\$ 509,119</b>
<b>Water - Irrigation</b>			
IRRIGATION COORDINATOR	1.00	1.00	\$ 96,926
UTILITY SERVICES TECHNICIAN	1.00	1.00	64,064
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			24,289
<b>Total Water - Irrigation</b>	<b>2.00</b>	<b>2.00</b>	<b>\$ 185,279</b>
<b>Water - CIP</b>			
UTILITY SERVICES SUPERVISOR	1.00	1.00	\$ 135,873
SR. INSPECTOR	1.00	1.00	95,146
INSPECTOR	1.00	2.00	158,191
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			27,246
<b>Total Water - CIP</b>	<b>3.00</b>	<b>4.00</b>	<b>\$ 416,456</b>
<b>Water - Conservation</b>			
WATER CONSERVATION SPECIALIST	1.00	1.00	\$ 112,378
FUNDING FOR CUSTOMER SERVICE COORDINATOR, COMMUNITY OUTREACH			108,862
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			9,225
<b>Total Water - Conservation</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 230,465</b>
<b>Water - Distribution</b>			
UTILITY SERVICES COORDINATOR	1.00	1.00	\$ 94,574
UTILITY FIELD SUPERVISOR	2.00	2.00	220,910
SR. UTILITY SERVICES TECHNICIAN	3.00	3.00	263,379
MAINTENANCE & OPERATIONS SPECIALIST	6.00	7.00	495,269
ELECTRICIAN SPECIALIST	1.00	1.00	83,106
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			113,683
<b>Total Water - Distribution</b>	<b>13.00</b>	<b>14.00</b>	<b>\$ 1,270,921</b>
<b>Water - Resources</b>			



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
WATER RESOURCE ANALYST	1.00	1.00	\$ 103,220
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			2,708
<b>Total Water - Resources</b>	<b>1.00</b>	<b>1.00</b>	<b>\$ 105,928</b>
<b>Total Water Fund</b>	<b>43.00</b>	<b>45.00</b>	<b>\$ 5,300,718</b>
<b>Wastewater Fund</b>			
UTILITY FIELD SUPERVISOR	1.00	1.00	\$ 108,745
UTILITY SERVICES COORDINATOR	1.00	1.00	81,885
MAINTENANCE & OPERATIONS SPECIALIST	3.00	3.00	234,813
FUNDING FOR FINANCE ACCOUNTING MANAGER, FINANCE ENTERPRISE MANAGER			152,891
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			47,179
<b>Total Wastewater</b>	<b>5.00</b>	<b>5.00</b>	<b>\$ 625,513</b>
<b>Total Utilities - Water &amp; Sewer Funds</b>	<b>48.00</b>	<b>50.00</b>	<b>\$ 5,926,231</b>
<b>Fire and Medical</b>			
<b>Fire Administration</b>			
FIRE CHIEF	1.00	1.00	\$ 202,161
DEPUTY FIRE CHIEF	1.00	1.00	185,799
MANAGEMENT ASSISTANT I	1.00	1.00	102,127
FINANCIAL SERVICES SPECIALIST	1.00	1.00	88,370
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			47,025
<b>Total Fire Administration</b>	<b>4.00</b>	<b>4.00</b>	<b>\$ 625,482</b>
<b>Fire Operations</b>			
DEPUTY FIRE CHIEF	1.00	1.00	\$ 179,309
FIRE BATTALION CHIEF	3.00	3.00	493,311
FIRE CAPTAIN	12.00	12.00	1,813,512
FIRE ENGINEER	12.00	12.00	1,586,084
FIREFIGHTER	30.00	30.00	2,564,081
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			740,581
<b>Total Fire Operations</b>	<b>58.00</b>	<b>58.00</b>	<b>\$ 7,376,878</b>
<b>Fire Prevention Bureau</b>			
FIRE MARSHALL	1.00	1.00	\$ 175,568
FIRE INSPECTOR/INVESTIGATOR	-	1.00	99,152
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			14,218
<b>Total Fire Prevention Bureau</b>	<b>1.00</b>	<b>2.00</b>	<b>\$ 288,938</b>
<b>Fire - Medical</b>			
FIRE EMS SPECIALIST	-	1.00	\$ 99,152
OTHER PERSONNEL COSTS - WORKERS COMP, OVERTIME, VACATION PAYOUTS, ETC.			60,208
<b>Total Fire - Medical</b>	<b>-</b>	<b>1.00</b>	<b>\$ 159,360</b>
<b>Total Fire and Medical</b>	<b>63.00</b>	<b>65.00</b>	<b>\$ 8,450,658</b>
<b>Personnel Contingency</b>			\$ 173,280
<b>Total Town Employees</b>	<b>303.47</b>	<b>311.47</b>	<b>\$ 33,293,705</b>
# - Change from Prior FY	47.15	8.00	
% - Change from Prior FY	18%	3%	



# Position Listing

Queen Creek Authorized Positions	FY 2018/19 Revised FTE	FY 2019/20 Requested FTE	FY 2019/20 Position Budget (1)
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Note 1: Position Budgets include Salary, Healthcare, Dental, Vision, Retirement, Social Security, Medicare, Life and Disability Insurances

Note 2: "Other" Personnel Costs includes all pay types not directly tied to an individual employee. These pay types include over time, stand by, call out, vacation payout, workers compensation, commuter insurance, annual medical exams (Sworn Fire), and in certain instances market and other compensation adjustments. These pay types may be earned by staff in each area and are budgeted based on historical usage and then adjusted for any known factors in the coming year.