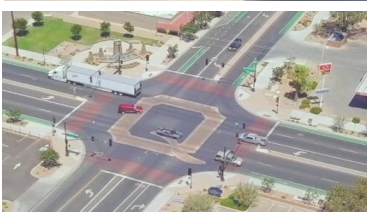


# FY 2021-22 TENTATIVE BUDGET ADOPTION

Town Council Meeting

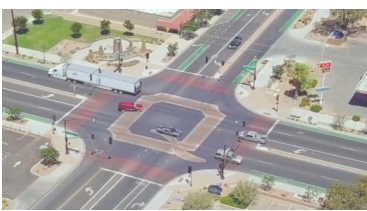
May 5, 2021

# BUDGET DISCUSSIONS THUS FAR ...



Date	Item
February 27	Budget Introduction and Overview
April 12	Budget Committee Meeting

# Budget Committee Actions

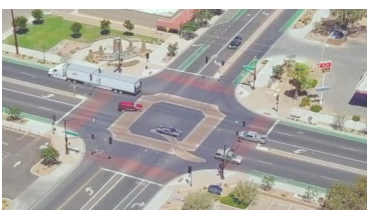


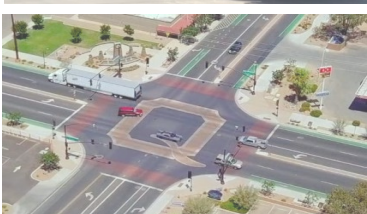
- Motion to Recommend Approval of the FY 21-22 Budget to the full Town Council, except for the following three items:
  - \$5M Placeholder for Parks Design/Development
  - \$10M Placeholder for Park Land Acquisition
  - \$23,320 for Non-Profit Funding
    - Motion Passed Unanimously
- Motion to Recommend Approval of the three items listed above to the full Town Council:
  - Motion Passed 2-1

# Purpose of Presentation

## FY 2021-22 Budget Overview

- Economic Overview and Growth Projections
- Policy Issues
- Total Budget
- Operating Budget
- Other Major Budgets
- Infrastructure Budgets
- Debt Budgets
- Contingencies
- Budget Adoption Calendar

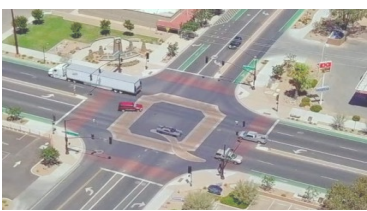




# *ECONOMIC OVERVIEW*

# The Economy

- Financial Markets Are Better Than Expected
  - Stock Market Has Recovered
  - Mortgage Rates Near Historical Low
- Federal Fiscal Stimulus Helped Tremendously
- Sectors Have Been Impacted Differently
  - Online Sales vs. Leisure / Hospitality Sector
- Greater Loss of Low Wage Jobs
- Results in Arizona are Better than the US



# What Does the Future Look Like?

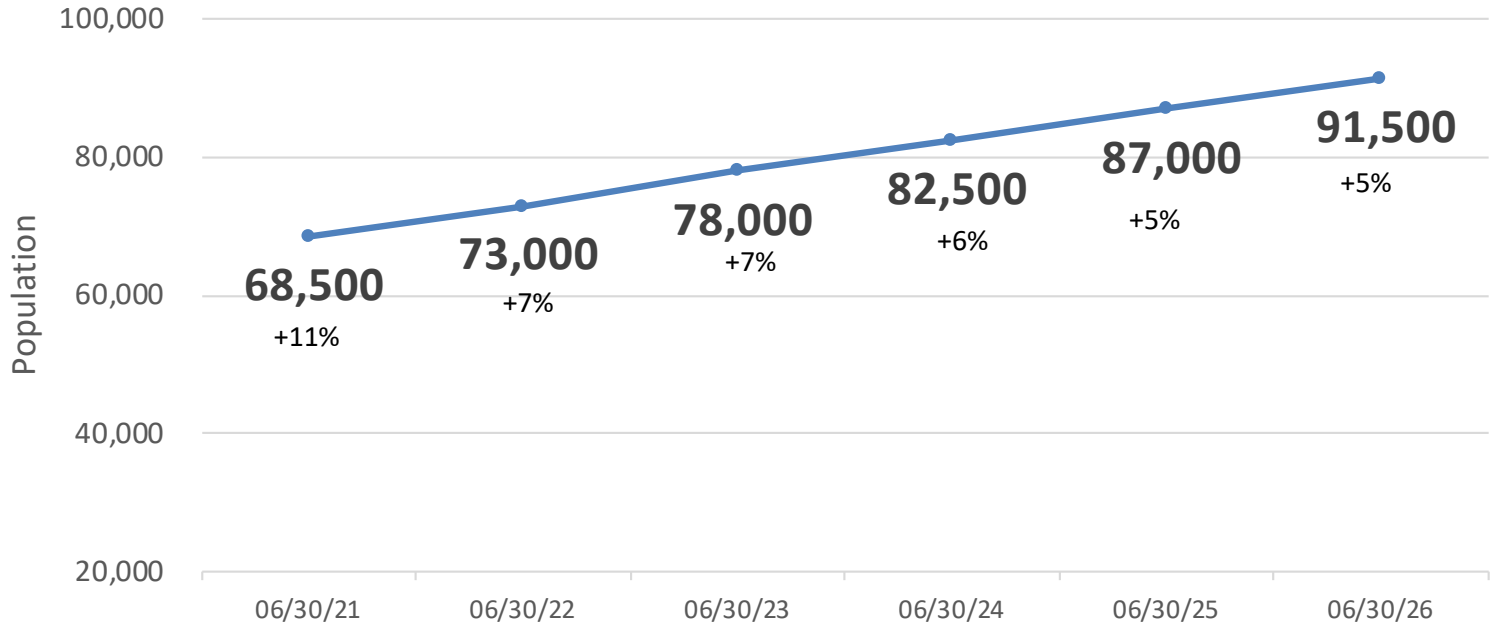
- Effectiveness of the COVID Vaccine
  - Fast Vaccinations are the Best Economic Catalyst
- Certain Business Sectors are Becoming More Predictable (i.e. Online Retailers)
- Impact of New Federal Aid Packages
- January 2021 JLBC: Optimistic about AZ Economy
  - AZ Will Continue to Do Better Than US
  - AZ 3<sup>rd</sup> in Job Growth
  - “Pent Up” Consumer Demand
  - AZ Housing Will Remain Strong



# 5-YEAR POPULATION PROJECTION

35% Population Increase in 5 Years (+23K)

Build-Out Population: 175K



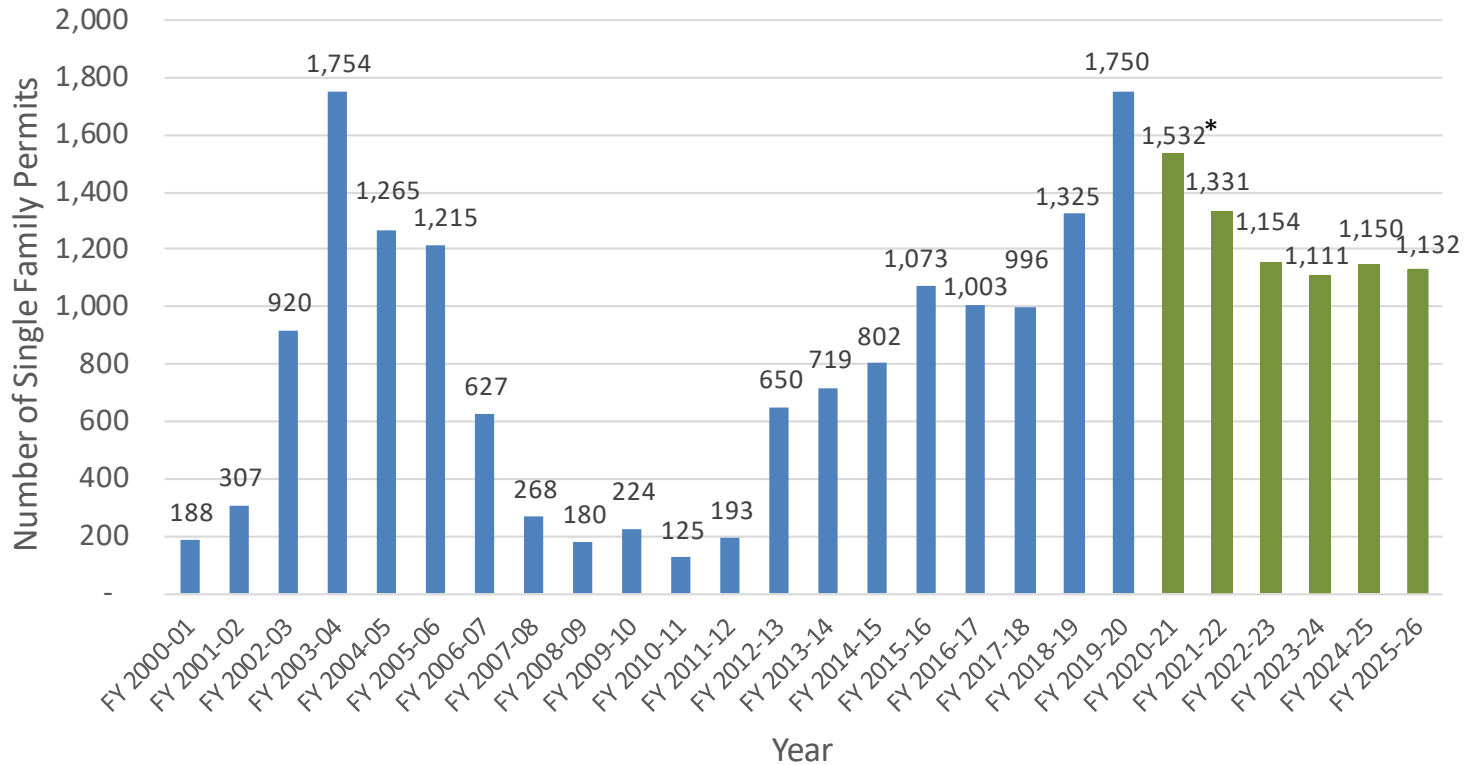


# WHY IS THE POPULATION PROJECTION SO IMPORTANT?

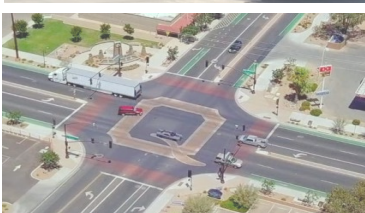
- Determines Sales Tax Revenues (QC and State Shared)
- Indicates Expected Demand on Service Levels (Staffing Needs)
- Indicates Expected Demand on Infrastructure (New and Existing)
- Determines One-Time Revenues
  - Building Permit Revenues
  - Construction Sales Tax Revenues

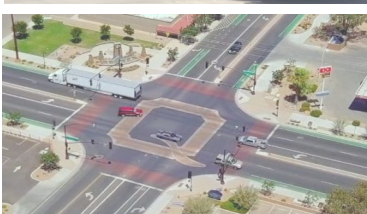


# NEW HOUSING STARTS



\* 1,623 NSF permits have been issued fiscal YTD through 3/31/2021





# *POLICY ISSUES*

# KEY POLICIES IN PLACE

## 1. Pension Funding Policy

- Fire (Fully Funded)

- \$1.5M Unfunded Liability Paid off in FY 2014/15
- Annual Savings: \$140K at that time

- MCSO Reserve (Fully Funded)

- Amount: \$23.9M
- Annual Savings: \$1.7M

- ASRS Reserve (Partially Funded)

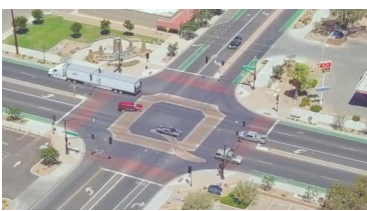
- Amount: \$6.5M in Utility Funds; \$16.8M Operating Budget (Expect Fully Funding at 6/30/22)
- Annual Savings: \$300K (Utilities), \$740K in Operating Budget (once fully funded)



# KEY POLICIES IN PLACE

(CONCLUDED)

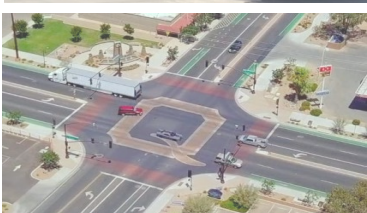
2. Utility ROI Funding for Police & Fire: \$3M
3. Infrastructure Repair/Replacement Funds
  - IT: \$325K Annually
  - HPEC: \$100K Annually
  - Buildings: \$250K Annually
4. Employee Compensation Indexed Annually



# FY 2021-22 POLICY DECISIONS

1. Eliminated \$11M COVID Reserve
2. \$11M Primary Property Taxes
  - Maintain \$1.83 Levy Rate
3. Some Funding for Parks Master Plan
  - \$5M Placeholder for Design/Development
  - \$10M Placeholder for Land Acquisition





# *TOTAL BUDGET*

# TOWN MANAGER'S RECOMMENDED BUDGET

(IN MILLIONS)

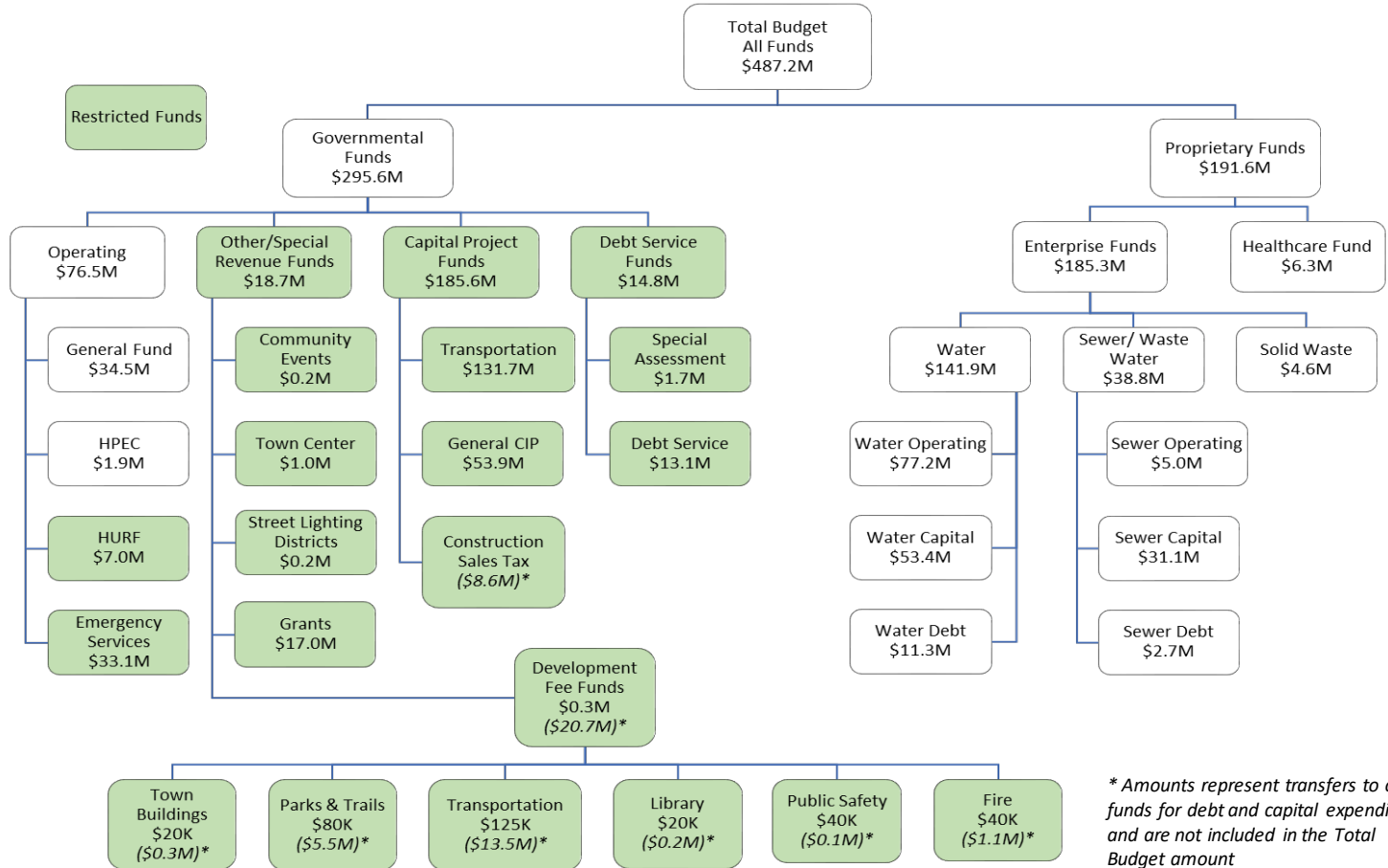
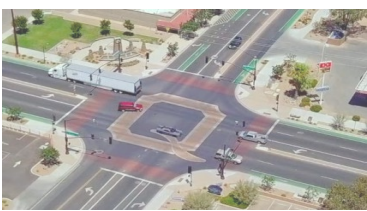
	FY 20/21 Revised	FY 21/22 Recommended	\$ Change	% Change
<b>Total Expenses</b>	<b>\$409.1</b>	<b>\$487.2</b>	<b>+\$78.1</b>	<b>+19%</b>
	FY 20/21 Revised	FY 21/22 Recommended	\$ Change	% Change
<b>Revenues</b>	<b>\$287.4</b>	<b>\$277.5*</b>	<b>-\$9.9</b>	<b>-3%</b>
<b>Use of Fund Balance</b>	<b><u>\$121.7</u></b>	<b><u>\$209.7</u></b>		
<b>Total Sources</b>	<b>\$409.1</b>	<b>\$487.2</b>		

\*Loan Proceeds of \$53M are included in FY 21/22 Revenues for new water rights.





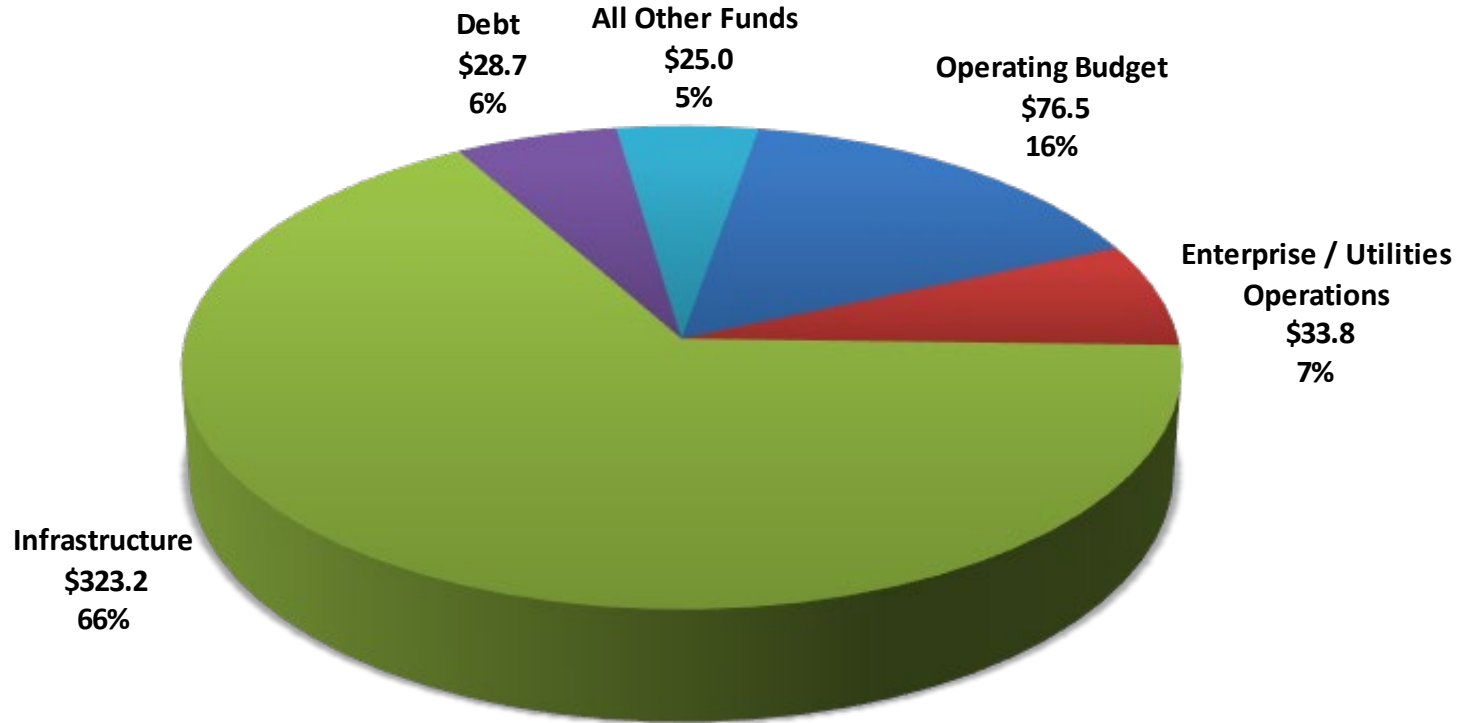
# BUDGET/FUND STRUCTURE : \$487.2M



\* Amounts represent transfers to other funds for debt and capital expenditures and are not included in the Total Budget amount

# FY 21-22 RECOMMENDED BUDGET

## \$487.2M



# BUDGET SUMMARY AND COMPARISON

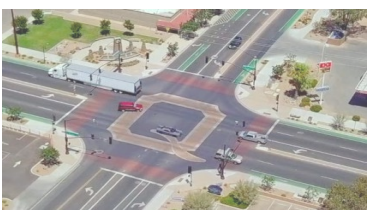
	FY 2020/21 Revised	FY 2021/22 Recommended	\$ Change from Revised
Operating Budget	\$65.1	\$76.5	\$11.4
Enterprise/Utilities	<u>\$32.8</u>	<u>\$33.8</u>	<u>\$1.0</u>
Subtotal Operating	\$97.9	\$110.3	\$12.4
Transportation Infrastructure	\$99.9	\$131.7	\$31.8
Water Infrastructure	\$53.3	\$53.5	\$0.2
Wastewater Infrastructure	\$41.2	\$31.1	(\$10.1)
Water Rights	\$50.0	\$53.0	\$3.0
All Other Infrastructure	<u>\$40.5</u>	<u>\$53.9</u>	<u>\$13.4</u>
Subtotal - Infrastructure	\$284.9	\$323.2	\$38.3
Debt	\$17.7	\$28.7	\$11.0
All Other Funds	<u>\$8.6</u>	<u>\$25.0</u>	<u>\$16.4</u>
<b>Total Budget</b>	<b>\$409.1</b>	<b>\$487.2</b>	<b>\$78.1</b>

# FY 21-22 NEW POSITIONS: 79

- Police Department: 70 Positions
  - 58 Sworn PD
  - 7 Civilian PD
  - 5 support positions (HR, IT, Payroll, Fleet, and PIO)
- Other: 9
  - Public Works: 5
  - HPEC: 1
  - Utilities: 2
  - Utilities-Finance: 1

# FTE HISTORICAL SUMMARY

Department	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Revised	FY 2021/22 Recommended
Mayor & Town Council	7.00	7.00	7.00	7.00	7.00	7.00
Town Manager, Clerk, Legislative & Legal Services	8.00	8.00	8.00	8.00	8.00	8.00
Finance	17.98	22.18	30.48	32.48	34.48	36.48
Workforce & Technology	12.00	12.00	14.00	15.00	17.00	19.00
Communications, Marketing & Recreation Services	16.71	16.71	22.06	23.06	23.06	24.06
Economic Development	12.00	12.00	12.00	12.00	12.00	13.00
Development Services	25.50	25.50	25.50	26.50	26.50	26.50
Public Works	50.86	56.93	69.43	72.43	73.43	79.43
Solid Waste	4.00	4.00	4.00	4.00	3.00	3.00
Utilities	39.25	41.00	50.00	55.00	61.00	63.00
Fire & Medical	51.00	51.00	63.00	65.00	81.00	81.00
Police	-	-	-	-	6.00	71.00
<b>Total Full Time Equivalents</b>	<b>244.30</b>	<b>256.32</b>	<b>305.47</b>	<b>320.47</b>	<b>352.47</b>	<b>431.47</b>
<b># Change from Prior Year</b>	<b>19.5</b>	<b>12.02</b>	<b>49.15</b>	<b>15.0</b>	<b>32.00</b>	<b>79.00</b>
<b>% Change from Prior Year</b>	<b>9%</b>	<b>5%</b>	<b>19%</b>	<b>5%</b>	<b>10%</b>	<b>22%</b>
<b>Population Growth</b>	<b>10%</b>	<b>8%</b>	<b>20%</b>	<b>21%</b>	<b>11%</b>	<b>7%</b>



# *OPERATING BUDGET*

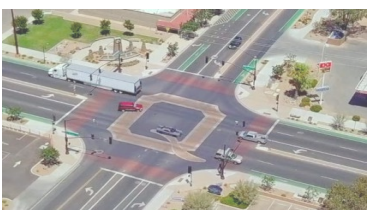
# 5-YEAR PLANNING THOUGHTS AND GOALS

1. Economy Recovers From COVID
2. Fully Operational PD
3. New Library Operating Costs
4. Fully Funded Pensions



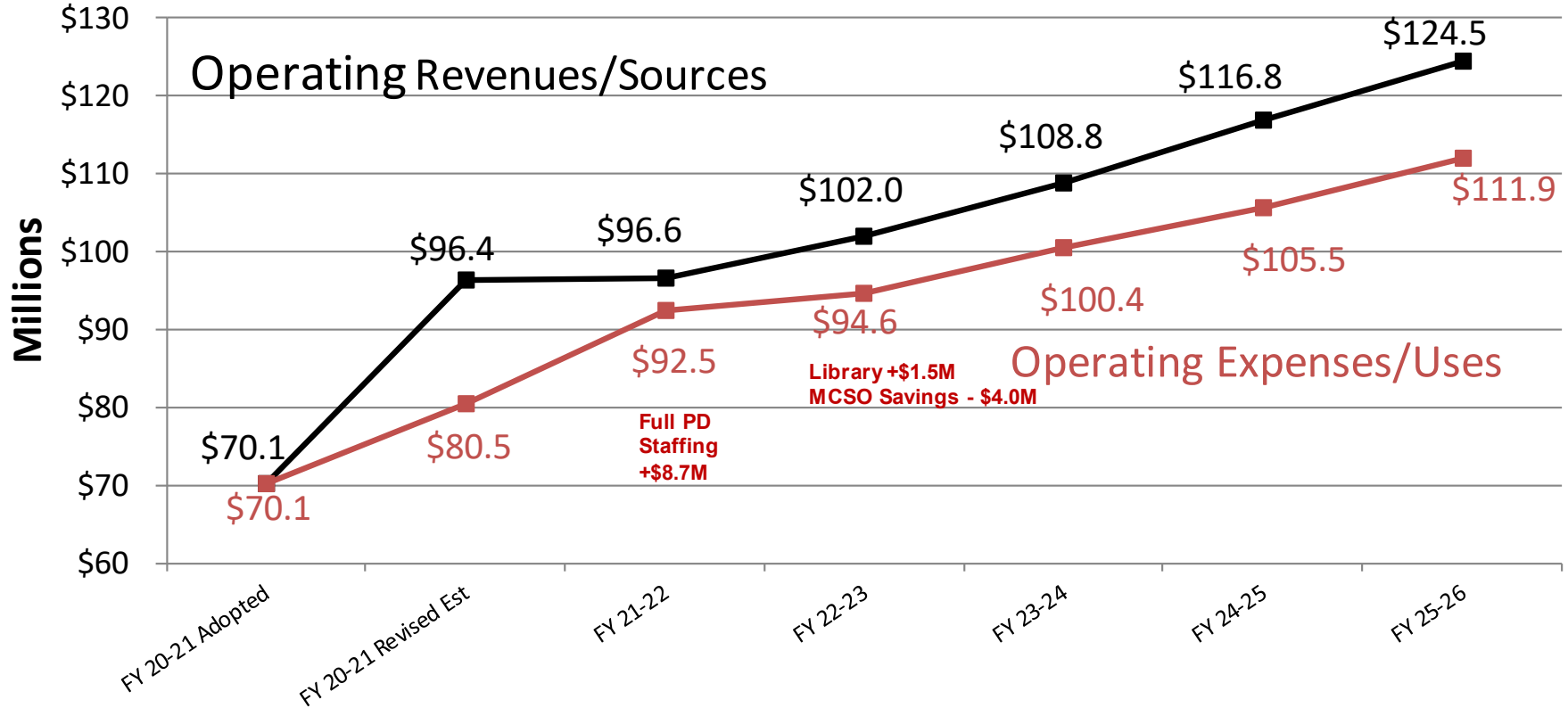
# BUDGET PARAMETERS

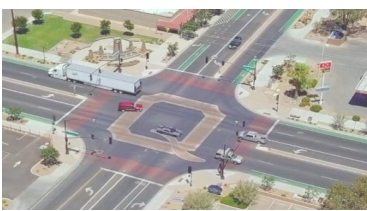
- Maintain Existing Service Levels
  - Additional Positions Needed
- No Increased Service Levels
- No New Services or Programs





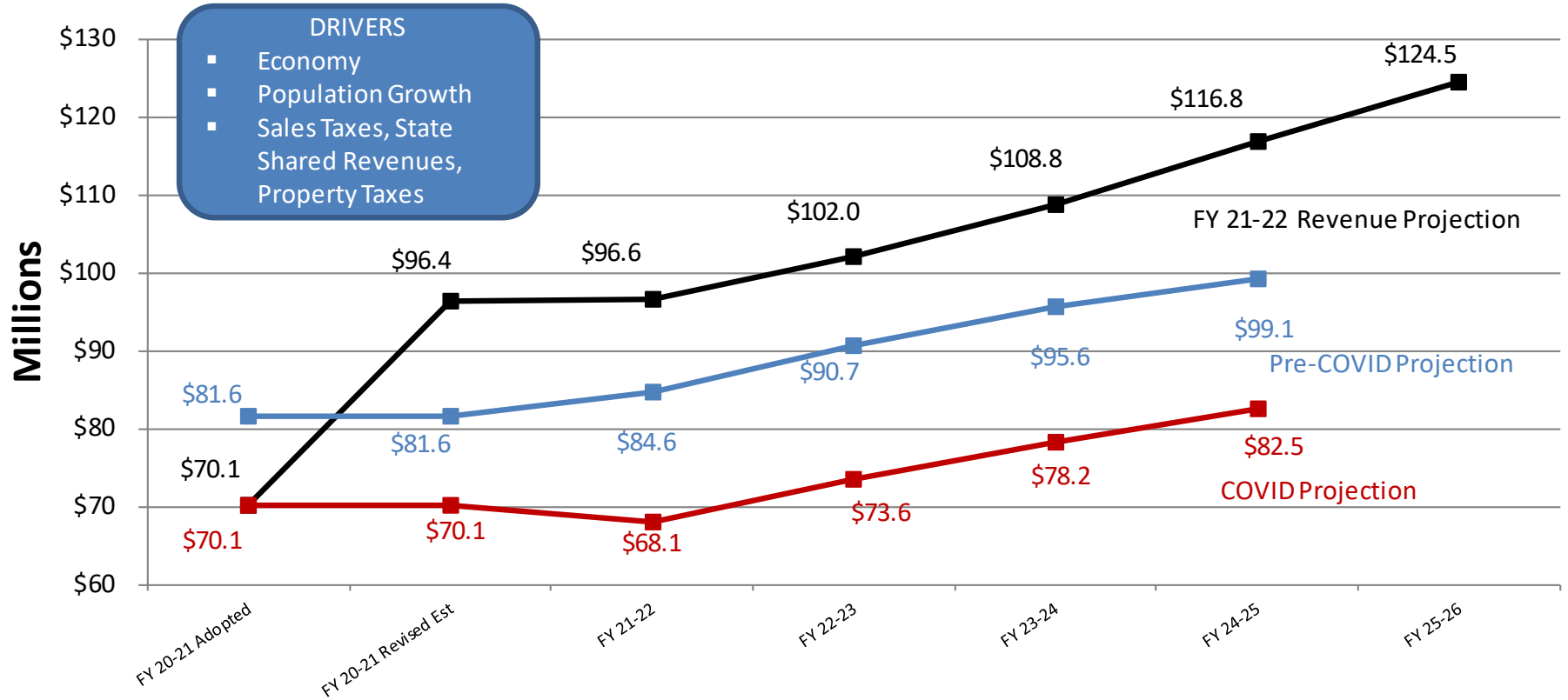
# 5-Year Operating Budget Projection





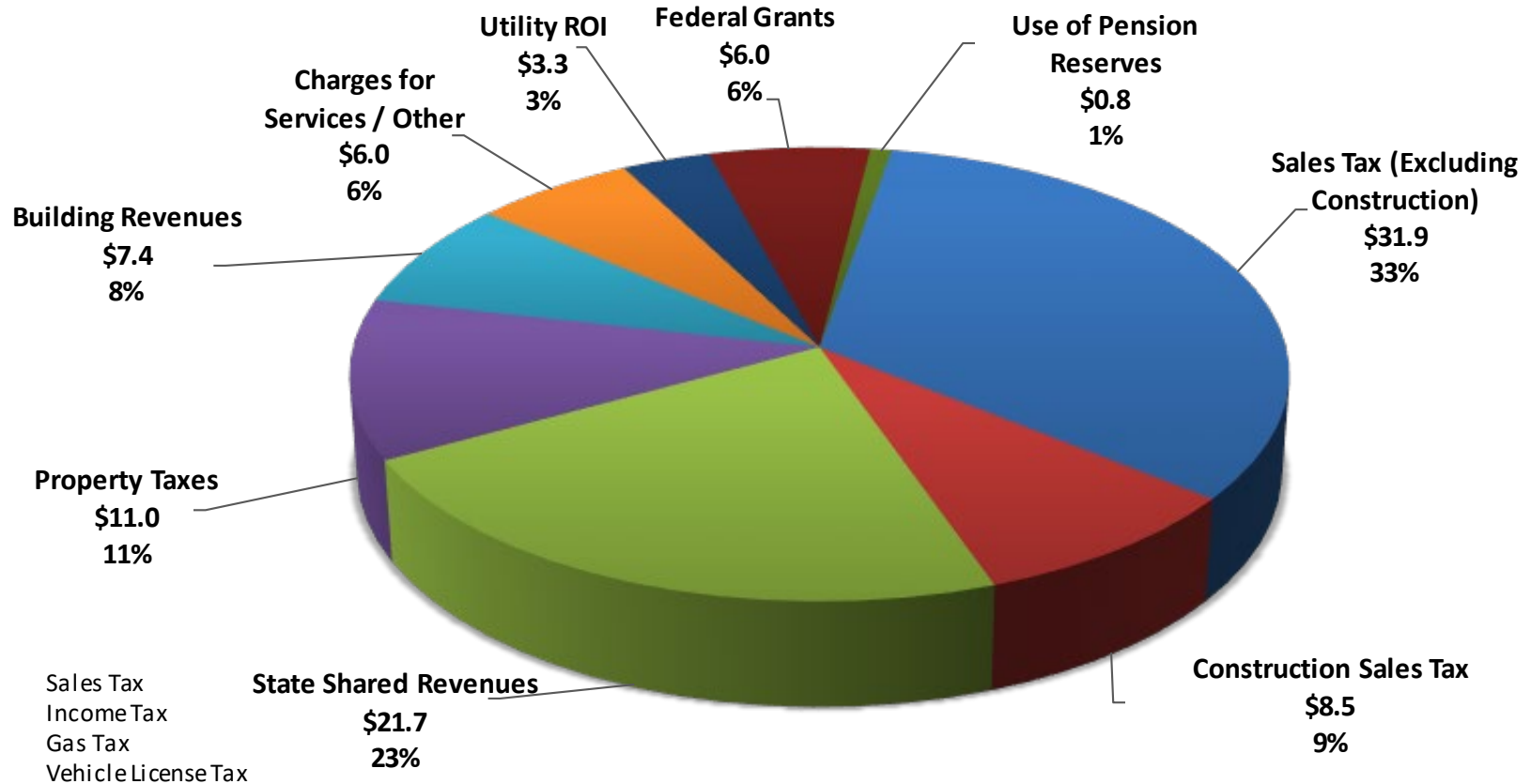
# *OPERATING BUDGET REVENUE / SOURCES PROJECTIONS*

# Various Operating Revenue Projections



# FY 21-22 OPERATING REVENUES / SOURCES

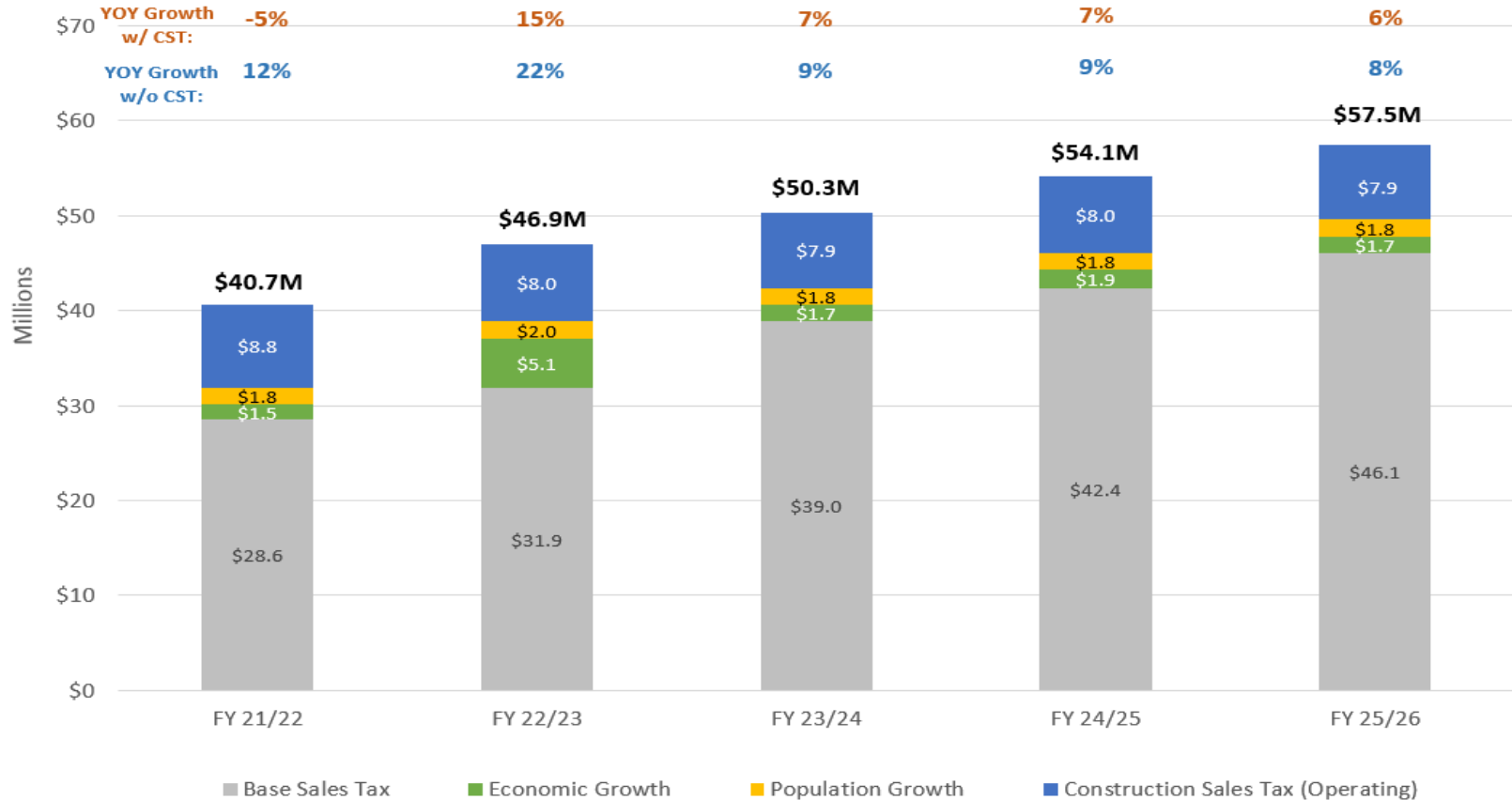
## \$96.6M



# REVENUE SUMMARY

	FY 20-21 Revised Budget	FY 21-22 Recommended	\$ Change	% Change
Sales Tax	\$28.6	\$31.9	\$3.3	+12%
Construction Sales Tax	\$14.1	\$8.5	(\$5.6)	(40%)
State Shared Revenue	\$18.9	\$21.7	\$2.8	+15%
Property Tax	\$9.8	\$11.0	\$1.2	+12%
Building Revenues	\$8.7	\$7.4	(\$1.3)	(15%)
Charges for Services	\$5.6	\$6.0	\$0.4	+7%
Utility ROI for Public Safety	\$3.0	\$3.3	\$0.3	+10%
Federal Grants (American Rescue Plan)	\$6.0	\$6.0	\$ -	- %
Use of Pension Reserves (MCSO)	<u>\$1.7</u>	<u>\$0.8</u>	<u>(\$0.9)</u>	<u>(53%)</u>
<b>Total Revenue</b>	<b>\$96.4</b>	<b>\$96.6</b>	<b>\$0.2</b>	<b>- %</b>

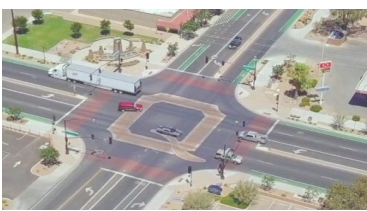
# Sales Tax Revenue Composition



# SALES TAX BREAKOUT

	FY 20-21 Revised Budget	FY 21-22 Recommended	\$ Change	% Change
Construction Sales Tax	\$14.1	\$8.5	(\$5.6)	(40%)
Retail	\$18.8	\$21.0	\$2.2	12%
Restaurants / Bars	\$3.7	\$4.1	\$0.4	11%
Communications / Utilities	\$2.6	\$2.9	\$0.3	12%
Real Estate, Rental, & Leasing	\$2.0	\$2.2	\$0.2	10%
All Other	<u>\$1.5</u>	<u>\$1.7</u>	<u>\$0.2</u>	<u>13%</u>
<b>Total Sales Tax</b>	<b>\$42.7</b>	<b>\$40.4</b>	<b>(\$2.3)</b>	<b>(5%)</b>



# FY 21-22 ASSESSED VALUE INCREASE



	Assessed Value	% Change
FY 20-21	\$535.7M	
FY 21-22 Increases:		
Existing Property	\$27.1M	+5%
New Construction	<u>\$42.2M</u>	+8%
<b>FY 21-22 Increase</b>	<b>\$69.3M</b>	
<b>FY 21-22</b>	<b>\$605.0M</b>	<b>+13%</b>



# PROPERTY TAX REVENUE FORMULA



Assessed  
Value (AV)

**\$605M**

Maricopa /  
Pinal  
County

X

Levy Rate  
(per \$100 AV)

**\$1.83**

=

Annual  
Revenues

**\$11.0M**

Town  
Council

# DISCUSS FINANCIAL IMPACTS

1. Aggregate Impact
2. Individual Parcel Impacts



# AGGREGATE IMPACT

	Annual Revenue	Total Increase from FY 20-21	Increase From New Properties	Change from Existing Properties	Levy Rate*	% of EMS Funded
FY 20-21 Amount	\$9.8M				\$1.83	35%
FY 21-22 Options:						
A. Same <u>Revenue</u> as Current Year	<b>\$9.8M</b>	\$0	+\$0.7M	<b>-\$0.7M</b>	\$1.62	29%
B. Same <u>Revenue</u> as Current Year from Existing Properties and Additional Revenue from New Properties Only	<b>\$10.5M</b>	+\$0.7M	+\$0.7M	\$0	\$1.74	31%
C. Same Levy Rate as FY 20-21 (RECOMMENDED)	<b>\$11.0M</b>	+\$1.2M	+\$0.7M	+\$0.5M	\$1.83	32%
D. Maximum Revenue Amount	<b>\$11.8M</b>	+\$2.0M	+\$0.8M	+\$1.2M	\$1.95	34%

\* Ballot language stated “Under no circumstances shall the primary property tax rate exceed \$1.95 per \$100 of assessed valuation”

# INDIVIDUAL PARCEL IMPACT

- About 28K Parcels
- Property Taxes Paid by Each Parcel Could Increase, Decrease, or Have No Change from the Prior Year
  - The Individual Parcel Appreciation Increase is Limited by State Statute to 5% (Assuming Land Use Remains the Same)



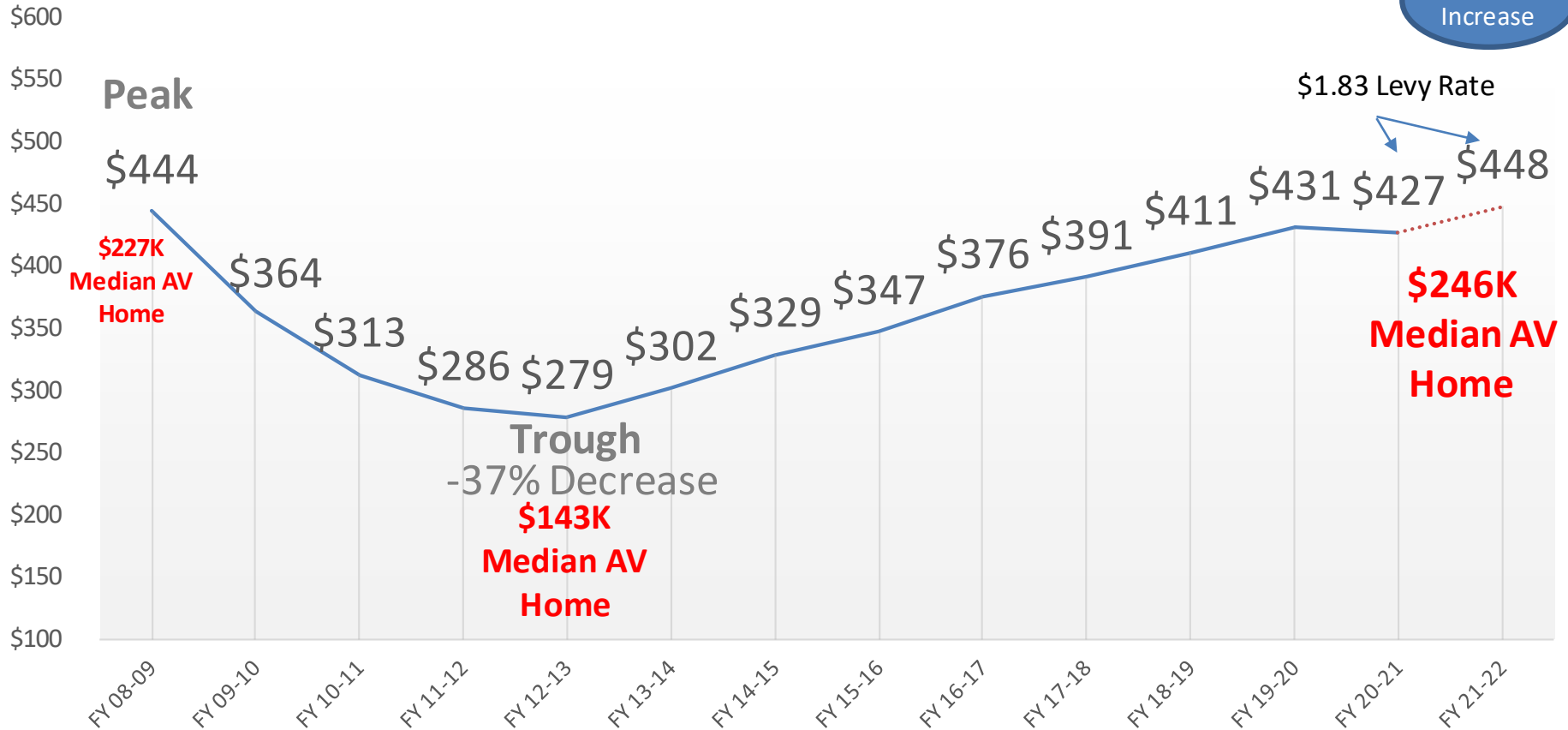
# INDIVIDUAL PARCEL IMPACT

(CONCLUDED)

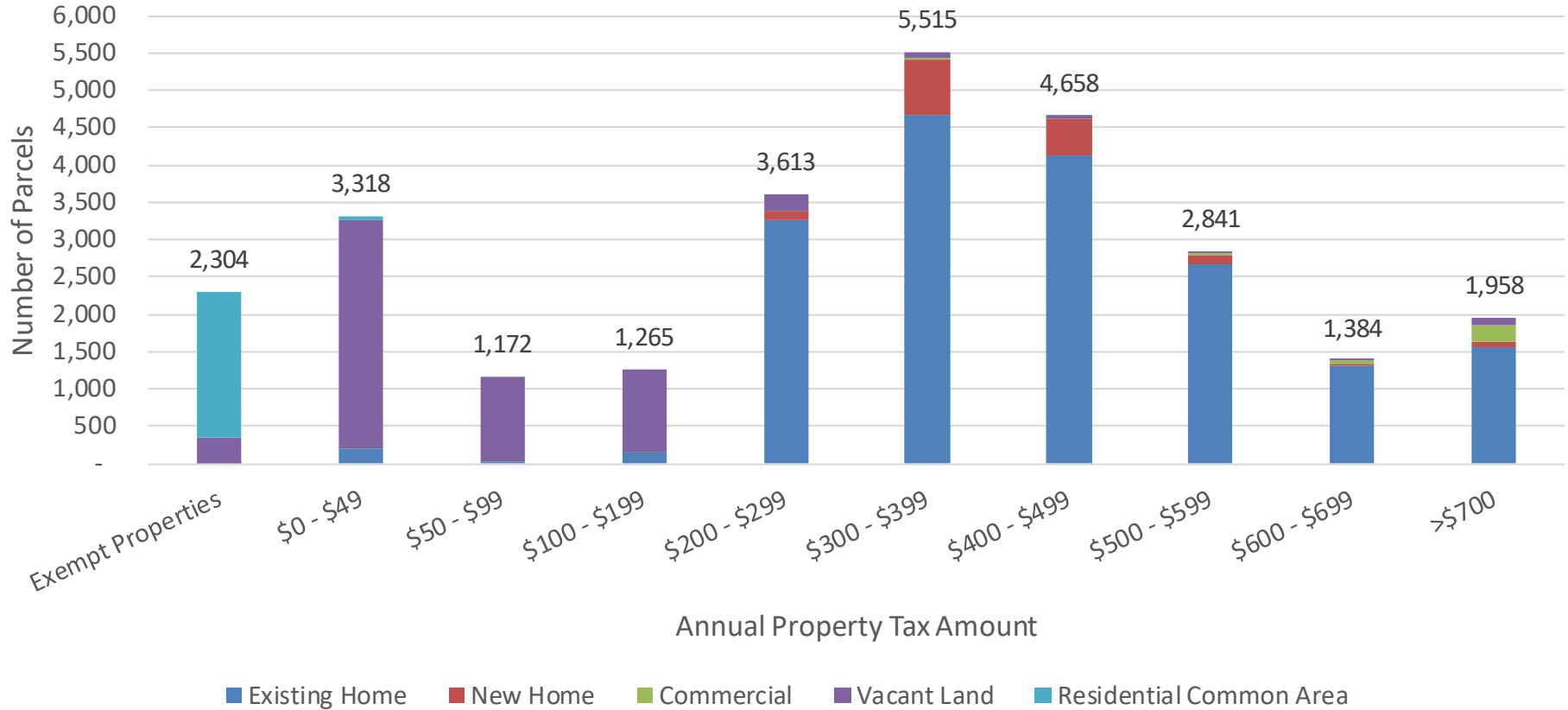
Single Family Residential	Median Home Value	Option A  Same Revenue as FY 20-21  \$1.62 Levy*	Option B  Same Revenue as FY 20-21 (plus new properties only)  \$1.74 Levy	Option C  Same Rate as FY 20-21  \$1.83 Levy	Option D  Maximum Revenue  \$1.95 Levy
FY 20-21	\$234K			\$427	
FY 21-22: AV +5%	\$246K	\$398 (-\$29)*	\$427(\$0)	\$448 (+\$21)	\$479 (+\$52)

\* At \$1.62 levy rate, 17,300 Single Family Parcels (96%) would see a savings in QC property tax up to \$50

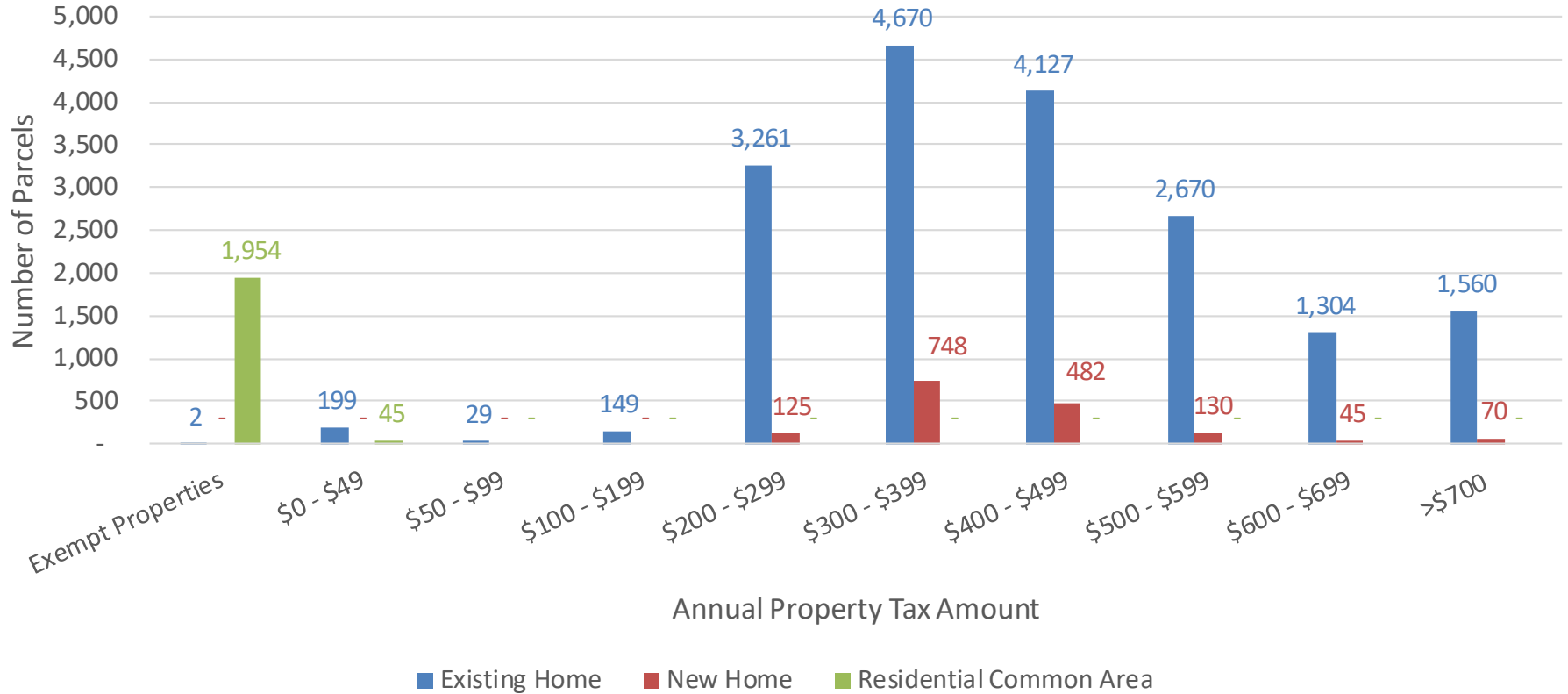
# QC PROPERTY TAX PAID ON A MEDIAN VALUE HOME



# PROPERTY TAXES: ALL PROPERTY TYPES (28K PARCELS)



# PROPERTY TAXES: HOMES ONLY



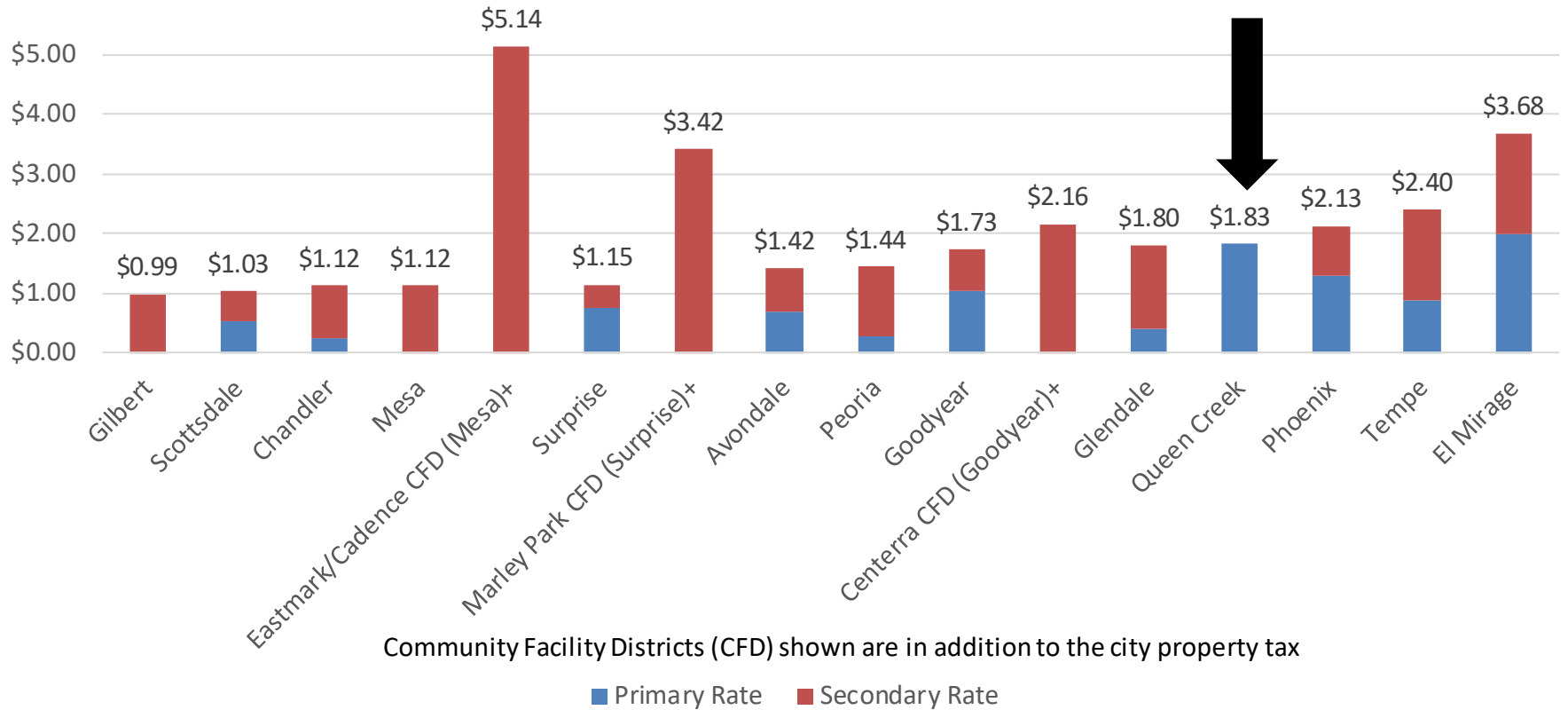


# HOME PROPERTY TAX INCREASE @ \$1.83 LEVY RATE

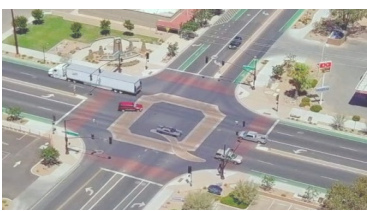
Increase Results from Increase in Assessed Value Only



# PROPERTY TAX COMPARISONS (FY 20-21 RATES)\*

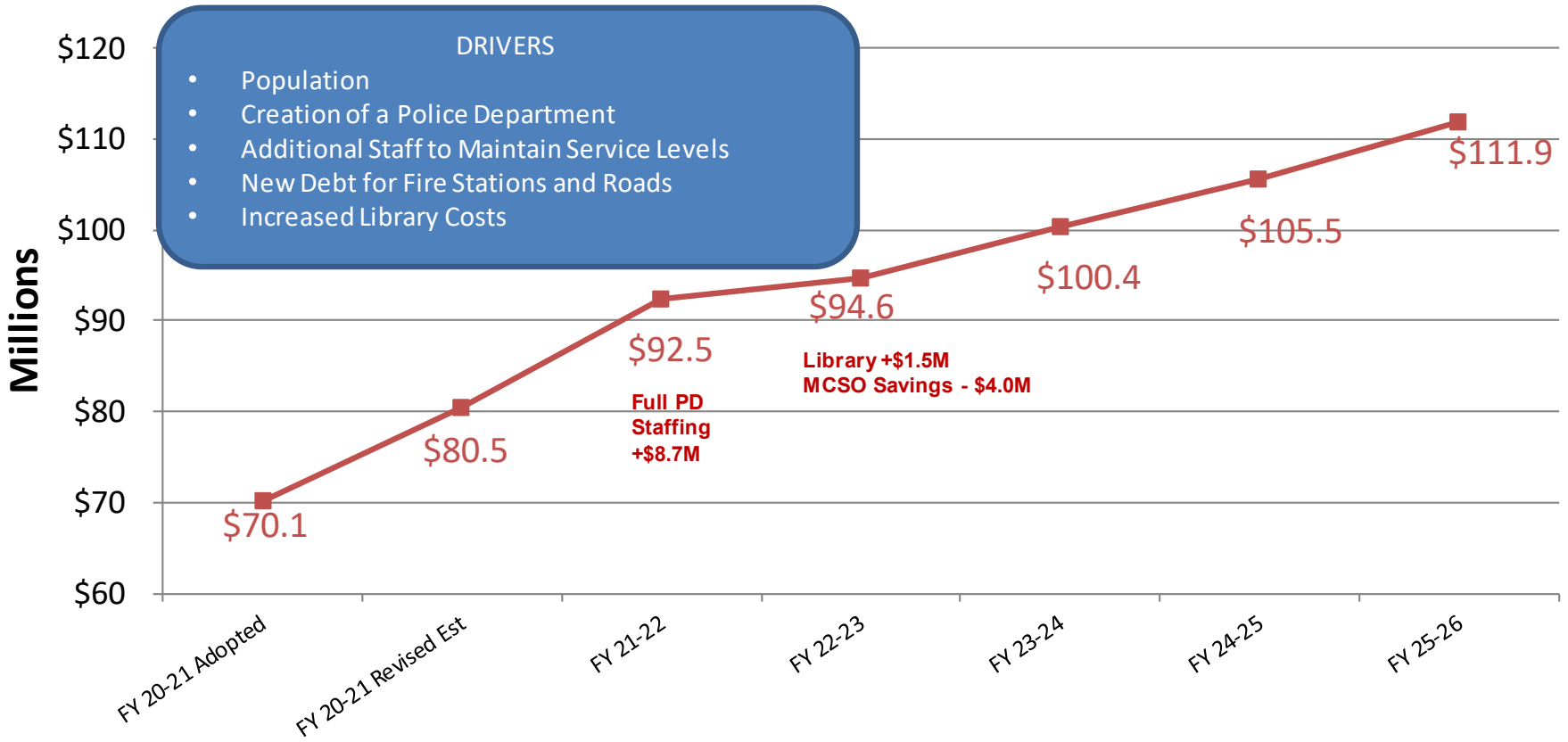


\*All cities are currently in the process of setting the FY 21-22 rates.



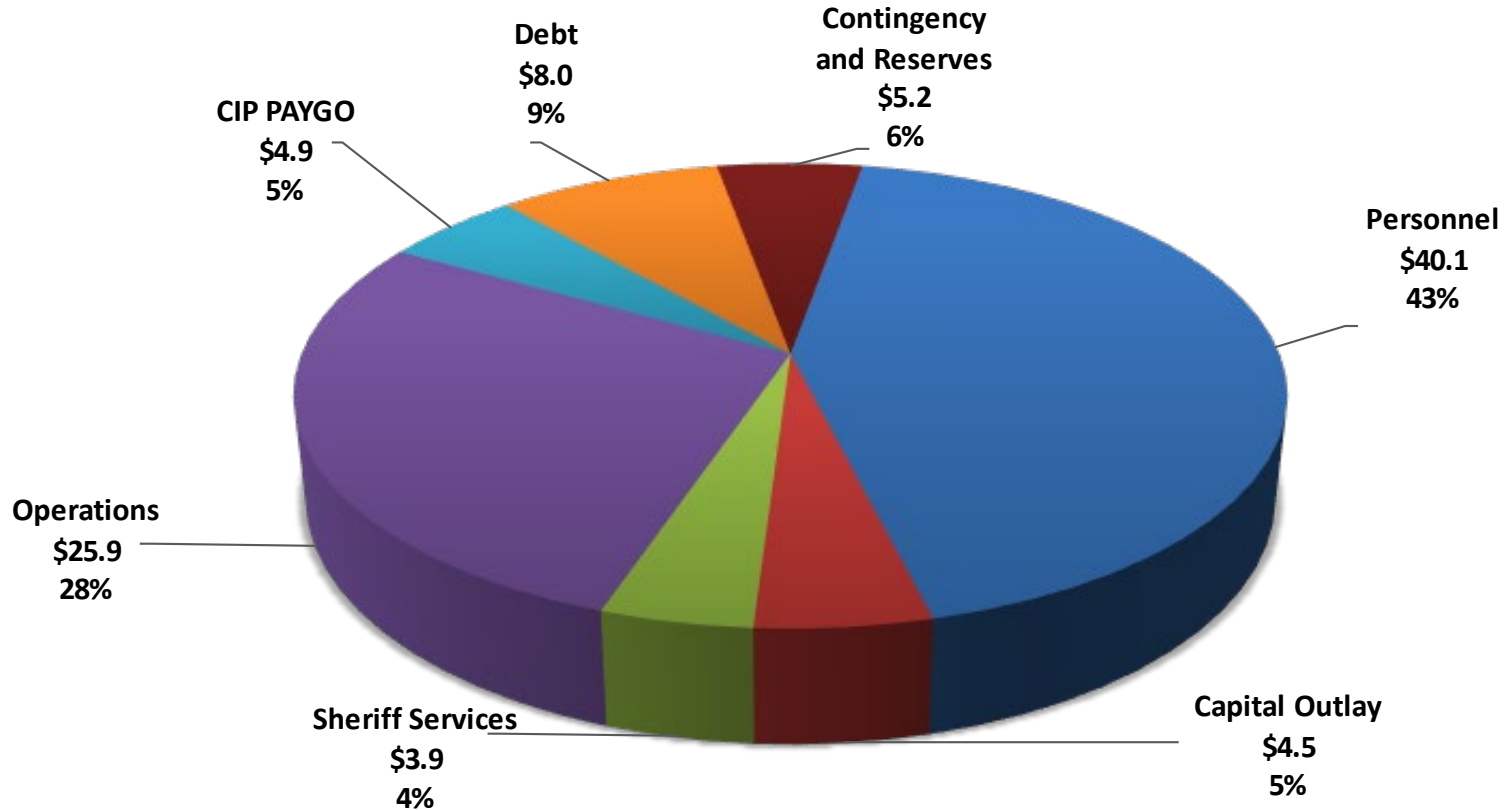
# *OPERATING BUDGET EXPENSE PROJECTIONS*

# 5-Year Operating Budget Expenses/Uses



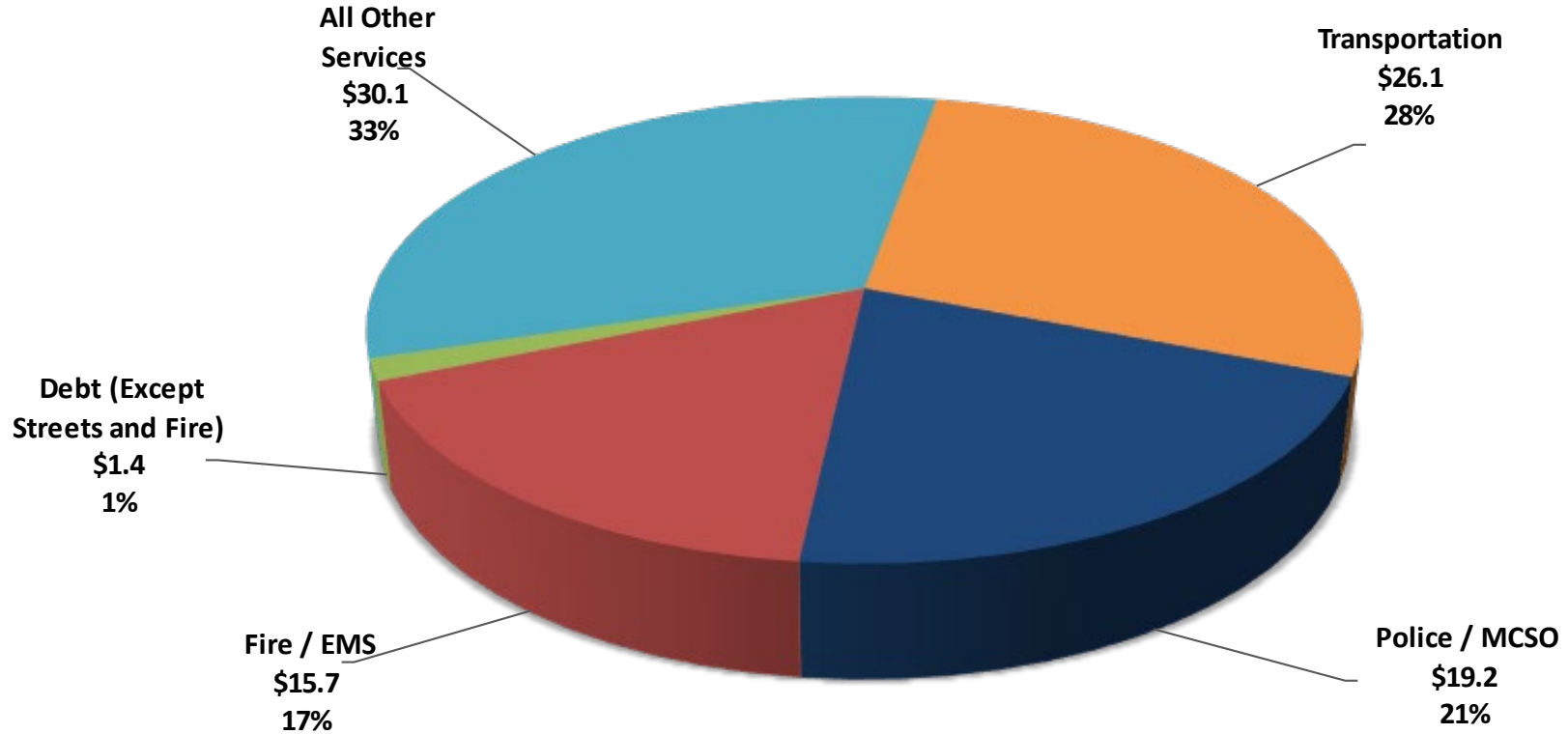
# FY 21-22 OPERATING EXPENSES / USES

## \$92.5M BY CATEGORY



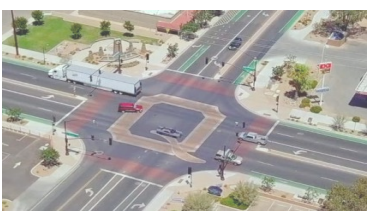
# FY 21-22 OPERATING EXPENSES / USES

## \$92.5M BY PROGRAM



# EXPENSE SUMMARY

- QC Police Department: +\$6.3M (Net)
  - \$8.7M for 65 New FTE
  - \$1.7M for Additional Operating Expenses
  - \$4.1M Reduction to MCSO Contract Expenses
- Debt Service for Non-Growth Share of Infrastructure: +\$1.7M
  - \$1.3M for Transportation
  - \$0.4M for Fire



# EXPENSE SUMMARY

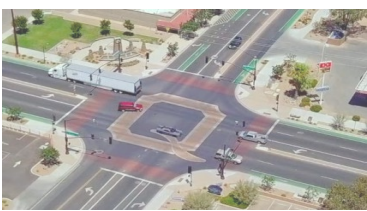
(CONCLUDED)

- Other Highlights:
  - Replacement Fire Pumper Truck: \$1.0M
  - Personnel Changes: +\$1.6M
    - \$1.0M for 11 New FTE
    - \$0.6M for Market Increases and Merit Program





# EXPENSE SUMMARY



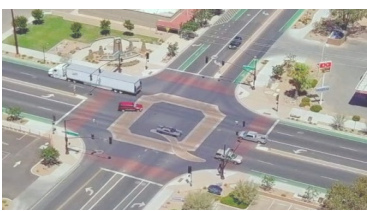
	FY 20-21 Revised Budget	FY 21-22 Recommended	\$ Change	% Change
Personnel	\$30.1	\$40.1	\$10.0	+33%
Operating	\$21.1	\$25.9	\$4.8	+23%
MCSO	\$8.0	\$3.9	(\$4.1)	(51%)
Capital Outlay	\$4.7	\$4.5	(\$0.2)	(4%)
Contingency	<u>\$1.2</u>	<u>\$2.1</u>	<u>\$0.9</u>	<u>+75%</u>
Subtotal Expense	\$65.1	\$76.5	\$11.4	+18%
Debt	\$6.3	\$8.0	\$1.7	+27%
CIP Funding	\$3.4	\$4.9	\$1.5	+44%
Increase to 25% Reserve*	<u>\$5.7</u>	<u>\$3.1</u>	(\$2.6)	(46%)
<b>Total Uses</b>	<b>\$80.5</b>	<b>\$92.5</b>	<b>\$12.0</b>	<b>+15%</b>

\*Reserve Fully Funded

# Important Expense Changes: +\$12M



Item	Amount
Police Department – Full Staffing	\$8.7M
Police Department – Start Up / Outfitting	\$1.7M
MCSO Contract Savings – ½ Year Funding	(\$4.1M)
New Debt Service – Streets & Fire (full year principal + interest)	\$1.7M
Personnel Changes – 11 New FTEs, Continue Compensation Program	\$1.6M
Commitments Under Development Agreements	\$1.5M
Fire – Apparatus Replacement (Pumper)	\$1.0M
Additional Contingency	\$0.9M
New Software and Maintenance Agreements	\$0.6M
Other – Maintain Service Levels, Contract Increases, Restore COVID Cuts	\$0.6M
Studies / Development (State Lands, Comp/Class Study)	\$0.4M
Subtotal	\$14.6M
Amount added to 25% Reserve is less than prior year	(\$2.6M)
<b>Total</b>	<b>\$12.0M</b>

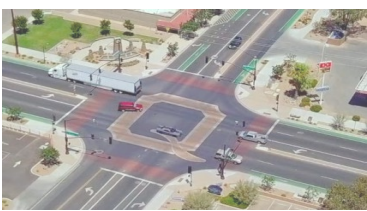


# *OPERATING BUDGET RESERVES*

# FY 2021-22 ENDING RESERVES

	FY 2021-22 Estimates	
Revenues / Sources	\$96.6	
Expenses / Uses	<u>(\$92.5)</u>	
Net FY 21-22	<u>\$4.1</u>	
Ending Fund Balance		\$87.7
Restrictions:		
COVID Reserve	Eliminated	
Federal Grant Funds Reserve (NEW)	\$12.0	
25% Revenue Reserve Requirement	\$25.5	
MSCO Pension Reserve (Fully Funded)	\$25.2	
ASRS Pension Reserve (Fully Funded)	<u>\$18.5</u>	
Total Restrictions		\$81.2
Available		\$6.5
		<u>\$87.7</u>





# *OTHER MAJOR BUDGETS*

# STREETLIGHT IMPROVEMENT DISTRICTS

- Property Tax Assessments: \$29K
- Number of SLIDs: 109 (23 with a Levy)
- Number of Parcels: 15,750 (3,212 with a Levy)



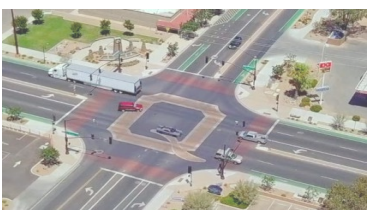


# WATER FUND (SELF-FUNDED)

- \$53M Placeholder for Water Rights Purchases
- Operational Increases Due to System Growth Partially Offset by Changes in Other Expenses
  - \$0.6M Increase for Electricity, Chemicals, ROI
  - \$0.4M New / Replacement Vehicles
  - \$0.3M Reduction in Legal Fees and Contract Payments
  - \$0.6M Well Site Maintenance & Repairs Moved to CIP Budget
- No Rate Increase but Rate Study Underway

# WASTEWATER FUND (SELF-FUNDED)

- Operational Increases Offset by Reduction in Equipment Funding
  - \$0.5M Increase in Treatment Plant O&M due to growth and interconnection agreement
  - \$0.5M Decrease for Vac Truck & Heavy Truck Replacement in prior year's budget
- No Rate Increase but Study Underway
  - Residential Rate Cap Forthcoming





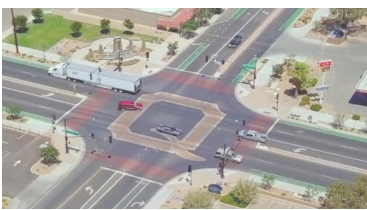
# SOLID WASTE/RECYCLING FUND (SELF-FUNDED)

- Service Provider Costs increasing 16% due to Account Growth (\$427K)
- Revenue from New Accounts Will Cover Increased Costs
- Contract Renewed through 2027
  - Followed by Option to Renew for 3 Years
- No Rate Increase but Study Underway



# TOWN CENTER FUND

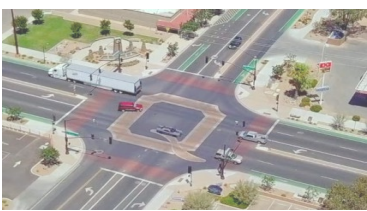
- Dedicated 0.25% Sales Tax: \$1.0M Annually
- Implement Town Center Master Plan
  - Drainage Improvements
  - Transportation and Utilities Infrastructure (Budgeted Separately in Appropriate Funds)



# HEALTHCARE FUND

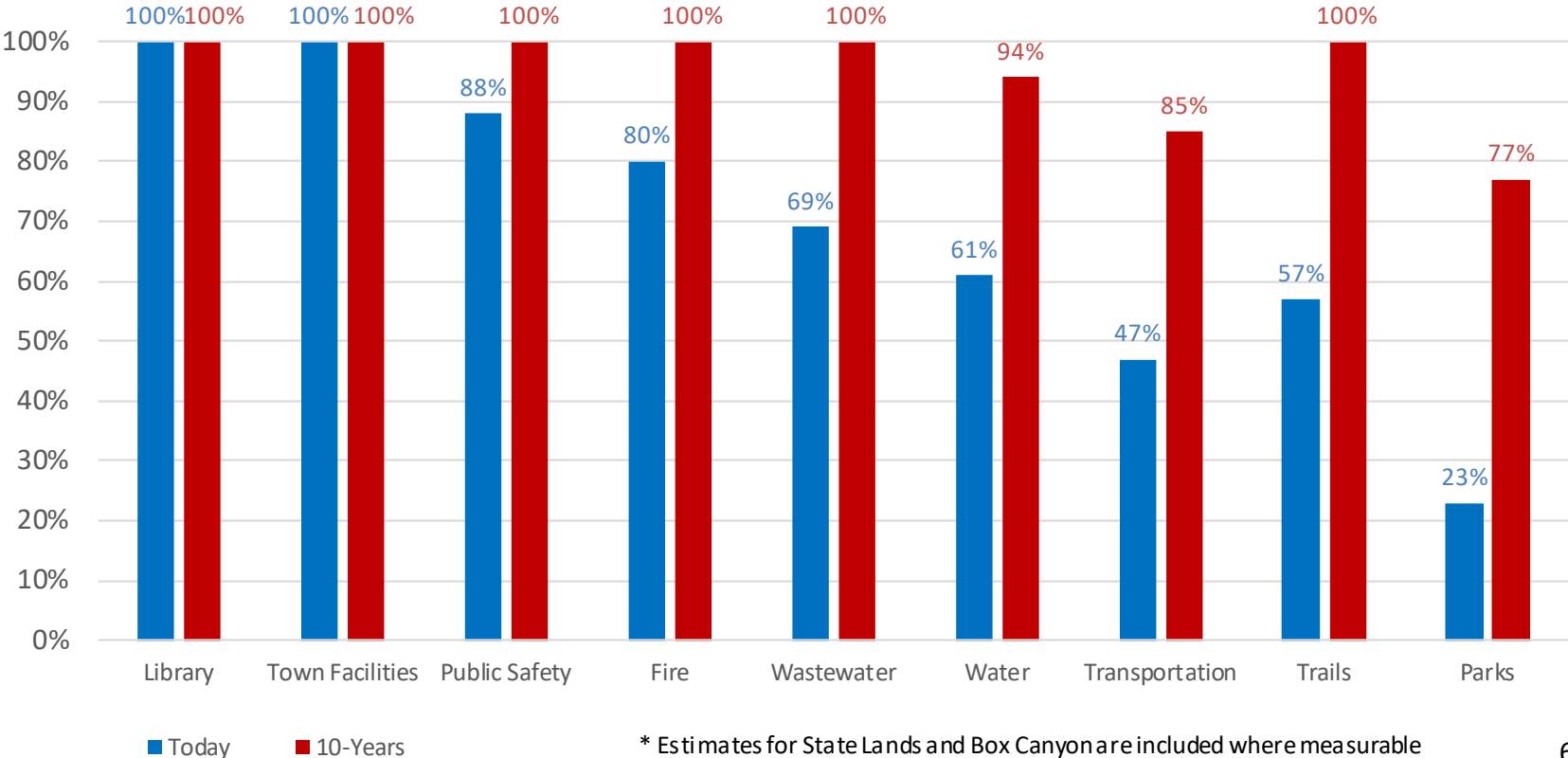
- Self-Funded
- Revenues: \$7.1M Annually
  - No Change to Employer Premiums
  - No Change to Employee Premiums
- Healthcare Claims/Costs: \$6.3M Annually
- Objective: Build Reserves to Offset Future Premium Increases





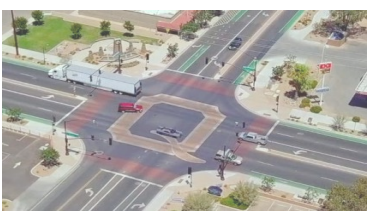
# *INFRASTRUCTURE BUDGETS*

# TOWN INFRASTRUCTURE: PERCENT COMPLETE TODAY VS IN 10-YEARS \*



\* Estimates for State Lands and Box Canyon are included where measurable

# INFRASTRUCTURE SUMMARY



	Projects Under Contract	Previously Approved Projects	New Projects	Total FY 21-22 Budget
<b>Transportation</b>	\$14.9	\$85.6	\$18.7	\$119.2
<b>Water</b>	8.5	18.5	24.0	51.0
<b>Wastewater</b>	6.5	14.0	8.1	28.6
<b>Water Rights</b>	-	-	53.0	53.0
<b>Fire</b>	0.4	21.6	1.0	23.0
<b>Police</b>	-	1.5	-	1.5
<b>Parks and Trails</b>	1.7	9.3	15.0	26.0
<b>Municipal Facilities</b>	-	0.4	0.5	0.9
<b>Contingencies</b>	<u>-</u>	<u>-</u>	<u>20.0</u>	<u>20.0</u>
<b>Total Infrastructure</b>	<b>\$32.0</b>	<b>\$150.9</b>	<b>\$140.3</b>	<b>\$323.2</b>

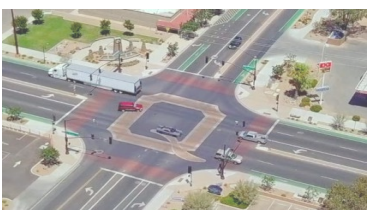
# STREET INFRASTRUCTURE

- 10-Year Capital Plan: \$303M
- FY 21-22 CIP Budget: \$119M
  - \$100M Carry-Forward Projects
  - \$19M New Projects



# WATER INFRASTRUCTURE

- 10-Year Capital Plan \$144M
- FY 21-22 CIP Budget: \$51M
  - \$27M Carry-Forward Projects
  - \$24M New Projects
- WIFA and Bank Loans Pending





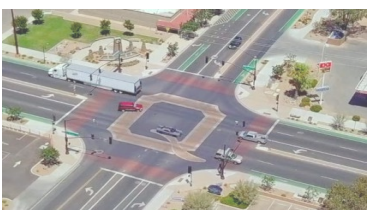
# WASTEWATER INFRASTRUCTURE

- 10-Year Capital Plan \$78M
- FY 21-22 CIP Budget: \$29M
  - \$21M Carry-Forward Projects
  - \$8M New Projects
- WIFA and Bank Loans Pending



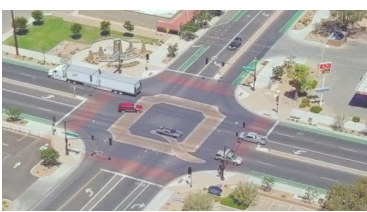
# FIRE / LAW ENFORCEMENT

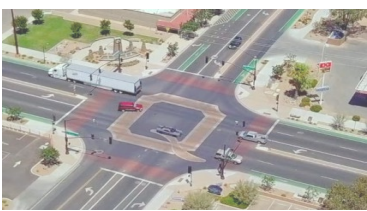
- FY 21-22 CIP Budget: \$24.5M
  1. \$1.0M Replacement Pumper Truck
  2. \$23.5M Projects Underway (carry-forward)
    1. \$8.6M Station #2 (in construction)
    2. \$9.2M Station #5 (in construction)
    3. \$5.0M Resource Center (in design)
    4. \$0.7M Station #4 (close-out/warranty items)



# PARKS AND TRAILS INFRASTRUCTURE: \$26M

- Trails \$2.6M
  - \$2.3M Sonoqui Wash design and construction, 2 segments (carry-forward from FY 20-21)
  - \$0.3M QC Wash design (carry-forward from FY20-21)
- Parks \$23.4M
  - \$8.4M East Park Design/Construction for Site/Drainage (carry-forward from FY 20-21)
  - \$5.0M Placeholder for Park Design/Development
  - \$10.0M Placeholder for Park Land Acquisition





# *DEBT BUDGETS*

# OUTSTANDING BONDED DEBT (1)

Purpose	Outstanding Amount 6/30/21	% of Total (2)
Transportation	\$127.0M	71%
Fire	\$29.6M	17%
Law Enforcement	\$1.8M	1%
Library	\$4.8M	3%
Town Buildings	\$4.4M	2%
Parks	\$3.6M	2%
HPEC	\$4.4M	2%
Recreation Annex	<u>\$4.1M</u>	<u>2%</u>
<b>TOTAL</b>	<b>\$179.7M</b>	<b>100%</b>

(1) Excludes Water, Wastewater, and Non-Town Improvement District Debt.

(2) 89% of outstanding debt is for Transportation, Fire, and Law Enforcement.

# ANNUAL BOND DEBT PAYMENT (1)

Funding Source	FY 21-22 Payment	% of Total Payment
Operating Budget	\$8.0M	62%
Dedicated Transportation Sales Tax	\$1.5M	12%
Town Center Sales Tax	\$0.3M	2%
Transportation Impact Fees	\$0.9M	7%
Fire Impact Fees	\$1.1M	8%
Law Enforcement Impact Fees	\$0.2M	2%
Library Impact Fees	\$0.2M	2%
Town Building Impact Fees	\$0.3M	2%
Parks Impact Fees	<u>\$0.5M</u>	<u>4%</u>
<b>TOTAL</b>	<b>\$13.0M</b>	<b>100%</b>

(1) Excludes Water, Wastewater, and Non-Town Improvement District Debt

# OPERATING BUDGET PAYMENT

Purpose	FY 21-22 Payment	% of Total Payment
Transportation	\$5.8M	73%
Fire	\$0.8M	10%
Library	\$0.3M	3%
Town Buildings	\$0.3M	3%
HPEC	\$0.3M	4%
Parks	\$0.2M	3%
Recreation	<u>\$0.3M</u>	<u>4%</u>
<b>TOTAL</b>	<b>\$8.0M</b>	<b>100%</b>

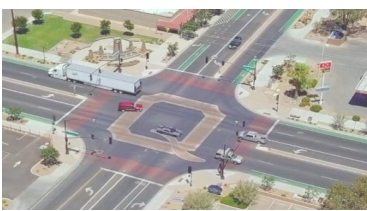
# OUTSTANDING BONDED DEBT - UTILITIES

Purpose	Outstanding Amount 12/31/20	% of Total	Estimated FY 20-21 WIFA and Bank Loans	Total Outstanding Amount 6/30/21	% of Total
Water – Company Acquisitions	\$65.5M	49%	\$ -	\$65.5M	25%
Water – Water Resources	\$66.6M	49%	\$ -	\$66.6M	25%
Water – CIP	-	-	\$80M	\$80.0M	30%
Wastewater – GWRP Buy-in	\$ 2.6M	2%	-	\$2.6M	1%
Wastewater – CIP	—	—	<u>\$50M</u>	<u>\$50.0M</u>	<u>19%</u>
<b>TOTAL</b>	<b>\$134.7M</b>	<b>100%</b>	<b>\$130M</b>	<b>\$264.7M</b>	<b>100%</b>



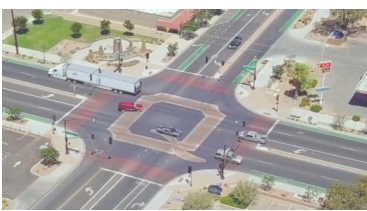
# ANNUAL DEBT SERVICE - UTILITIES

Purpose	Operating Revenues / Rates	Capacity Fees	Total FY 21-22 Payment
Water – Company Acquisitions	\$4.5M	\$ -	\$4.5M
Water – Water Resources	\$2.9M	\$ -	\$2.9M
Water – CIP	\$1.7M	\$2.2M	\$3.9M
Wastewater – GWRP Buy-in	\$0.4M	\$ -	\$0.4M
Wastewater – CIP	<u>\$0.7M</u>	<u>\$1.6M</u>	<u>\$2.3M</u>
<b>TOTAL</b>	<b>\$10.2M</b>	<b>\$3.8M</b>	<b>\$14.0M</b>
<b>% of Total</b>	<b>73%</b>	<b>27%</b>	

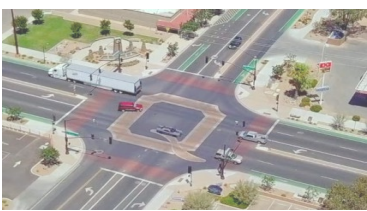


# *CONTINGENCIES*

# Infrastructure Carry-Forward / Contingencies

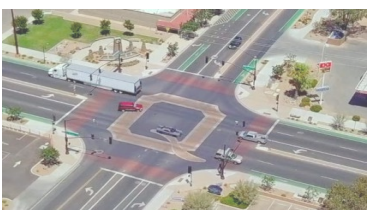


Purpose	Description	Amount
1. Projects Under Contract	Carryforward of approved contracts into FY 21-22	\$31.9M
2. Project Budgets Approved – Not yet under Contract	Expenditure authority for projects previously approved but not under contract by end of fiscal year	\$150.9M
3. Unanticipated Expenses	Expenditure authority for private development partnerships, new projects, or emergency needs	<u>\$20.0M</u>
	<b>Total CIP Contingency</b>	\$202.8
4. Police / Grants Contingency	Expenditure authority for potential additional PD start-up costs and/or receipt of grants for PD, Trails, Traffic	\$5.0M
5. Federal Grants Contingency	Expenditure authority for possible uses of the Town's federal stimulus funding	\$12.0M
	<b>Total FY 21-22 Contingency</b>	<b><u>\$219.8M</u></b>



# *BUDGET ADOPTION CALENDAR*

# REMAINING BUDGET DATES

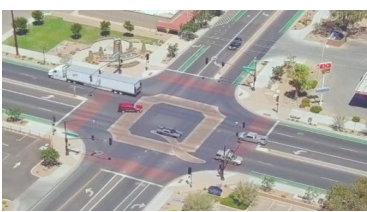


Date	Item
May 5	Tentative Budget Approval
May 19	Final Budget Adoption
June 2	Property Tax Levy Adopted

# RECOMMENDED MOTION

Move to Approve the FY 2021/22 Tentative Budget of \$487.2M and Set May 19, 2021 as the date of the Public Hearing for the FY 2021/22 Final Budget and the Truth-in-Taxation Hearing as required under Arizona Revised Statutes





# DISCUSSION AND QUESTIONS