



FY 2021-22 Truth in Taxation Public Hearing and Final Budget Public Hearing / Budget Adoption

Town Council Meeting

May 19, 2021



Tonight's Actions

Property Taxes

- 1. Conduct Truth in Taxation Public Hearing For Property Tax Levy Increase**
- 2. Consider a Motion to Increase the Property Tax Levy and Set June 2 to Adopt the Property Tax Revenue Amount and Levy Rate (Roll Call Vote Required)**



FY 21-22 Final Budget

1. Conduct Public Hearing on FY 21-22 Final Budget

2. Consider Approval of Resolution #1410-21 Adopting the FY 21-22 Final Budget (Special Meeting Required)





Property Taxes

QC Property Tax History

- **2007 Voter Approved Primary Property Tax**
 - **Dedicated for Public Safety**
 - **Created to Provide a Stable Revenue Source to Pay for Public Safety**
 - **“Not to Exceed to \$1.95 Levy”**
- **QC Does Not Have a Secondary Property Tax (Voter Approved for Capital)**



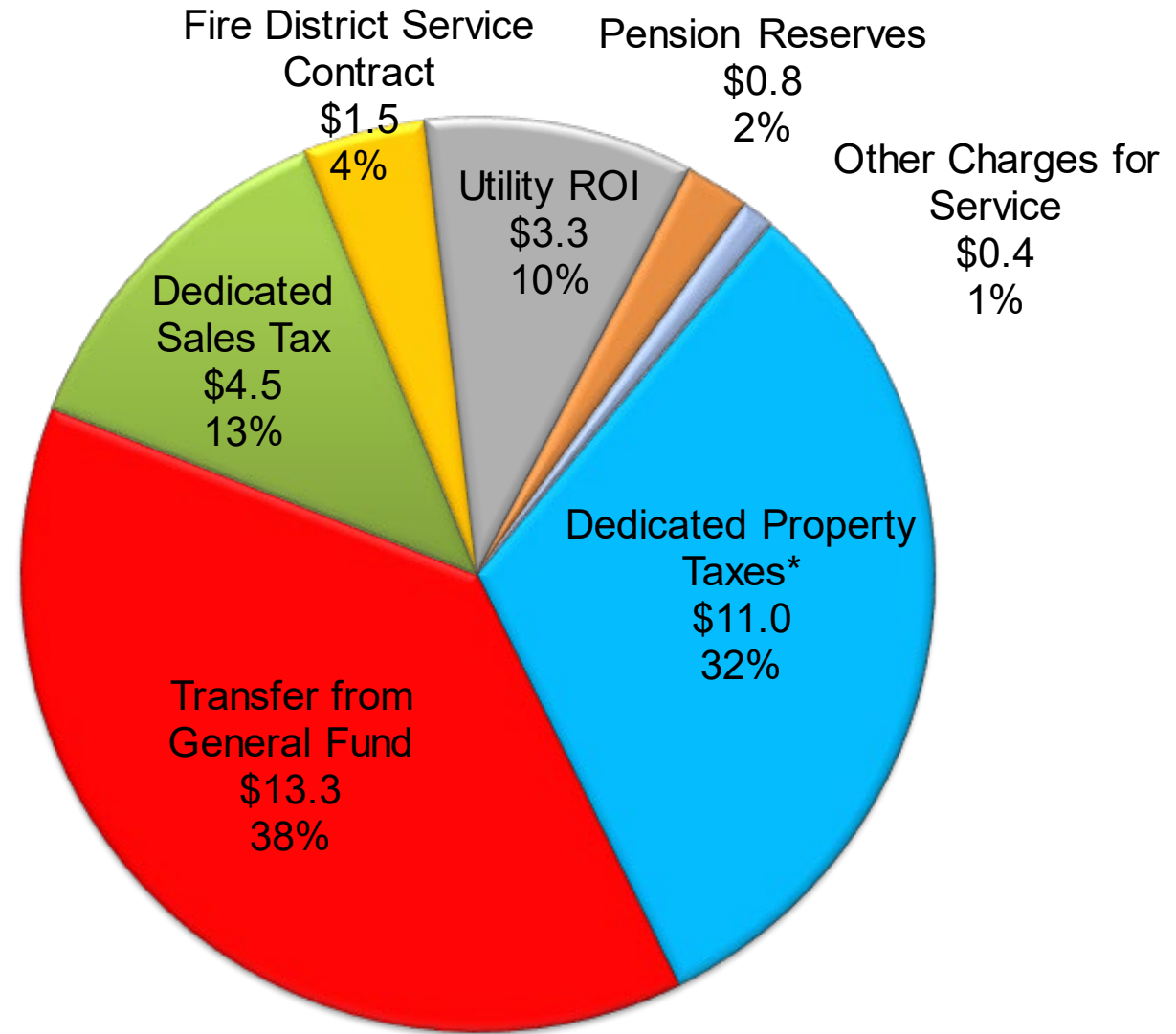
EMS Fund Overview

- **The FY 2021-22 Budget Forecast Expenses are \$34.8M**
 - **Fire: \$15.7M**
 - **Police: \$15.2M**
 - **MCSO Contract: \$3.9M**
- **Property Tax is The Largest Dedicated Funding Source at \$11.0M (Covers 32% of Expenses)**
- **Over the Next 5 Years, Annual Costs are Expected to Increase by ~\$8M for Additional Fire and Police Staffing**



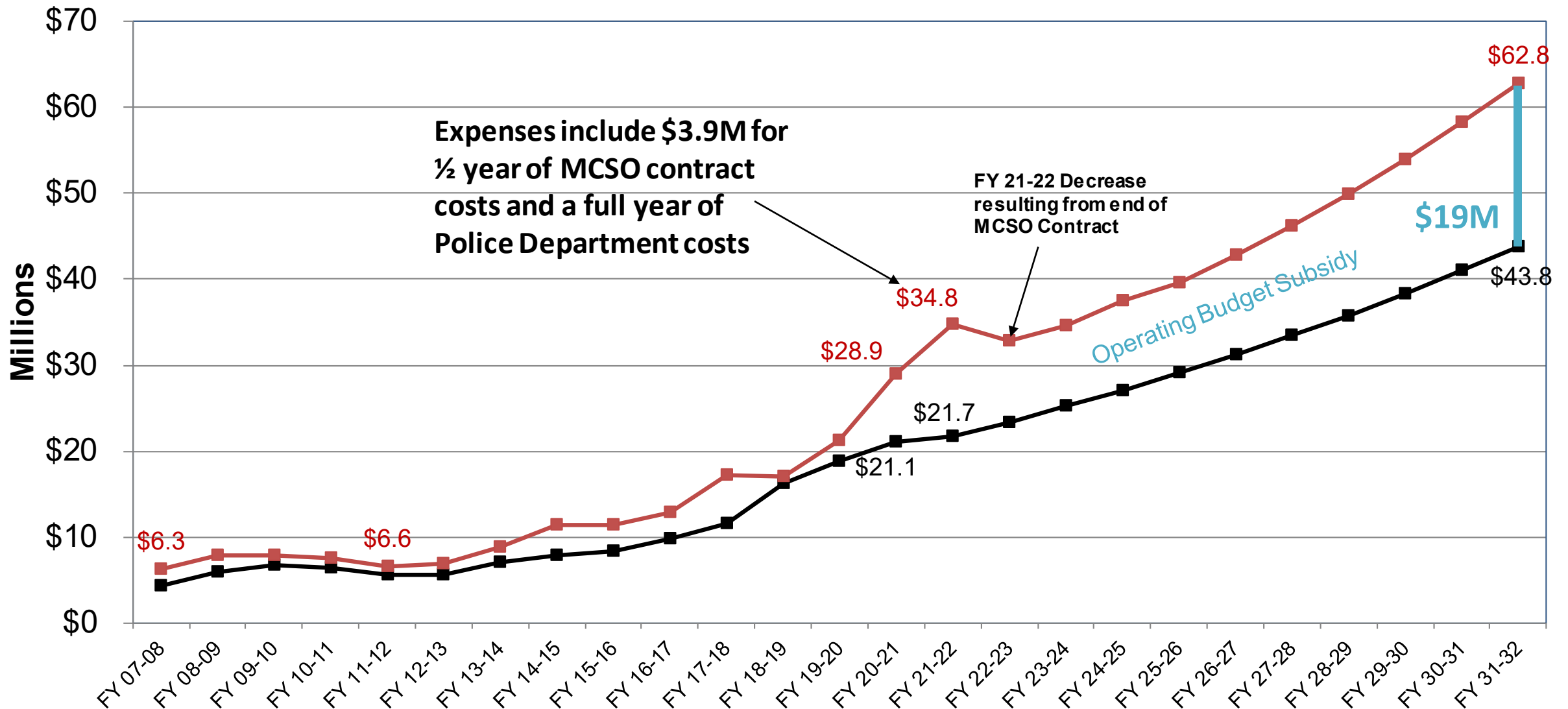
FY 2021-22 Forecast Budget

EMS Revenues: \$34.8M



*Assumes Levy Rate @ \$1.83 per \$100 Assessed Value

EMS Fund Revenues and Expenses





Primary Property Taxes

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%
FY 21-22 Increase	\$69.3M	
FY 21-22	\$605.0M	+13%

Property Tax Revenue Formula


$$\begin{array}{ccc} \text{Assessed Value (AV)} & \times & \text{Levy Rate (per \$100 AV)} \\ \$605\text{M} & & \$1.83 \\ & & = \\ & & \text{Annual Revenues} \\ & & \$11.0\text{M} \end{array}$$

Maricopa /
Pinal
County

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	\$9.8M	\$0	+\$0.7M	-\$0.7M	\$1.62	29%
B. Same <u>Revenue</u> as Current Year from Existing Properties and Additional Revenue from New Properties Only	\$10.5M	+\$0.7M	+\$0.7M	\$0	\$1.74	31%
C. Same Levy Rate as FY 20-21 (RECOMMENDED)	\$11.0M	+\$1.2M	+\$0.7M	+\$0.5M	\$1.83	32%
D. Maximum Revenue Amount	\$11.8M	+\$2.0M	+\$0.8M	+\$1.2M	\$1.95	34%

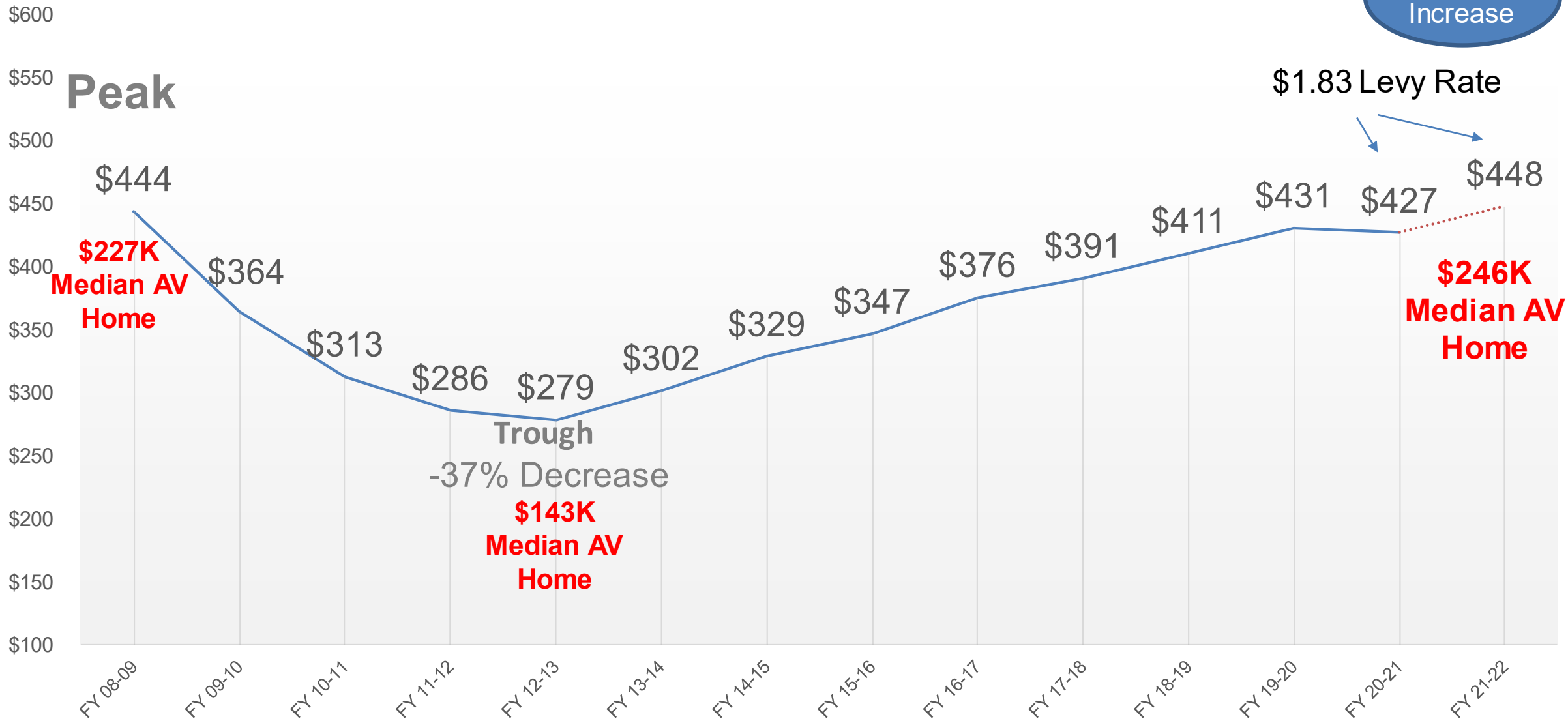
* Ballot language stated "Under no circumstances shall the primary property tax rate exceed \$1.95 per \$100 of assessed valuation"

Individual Parcel Impact

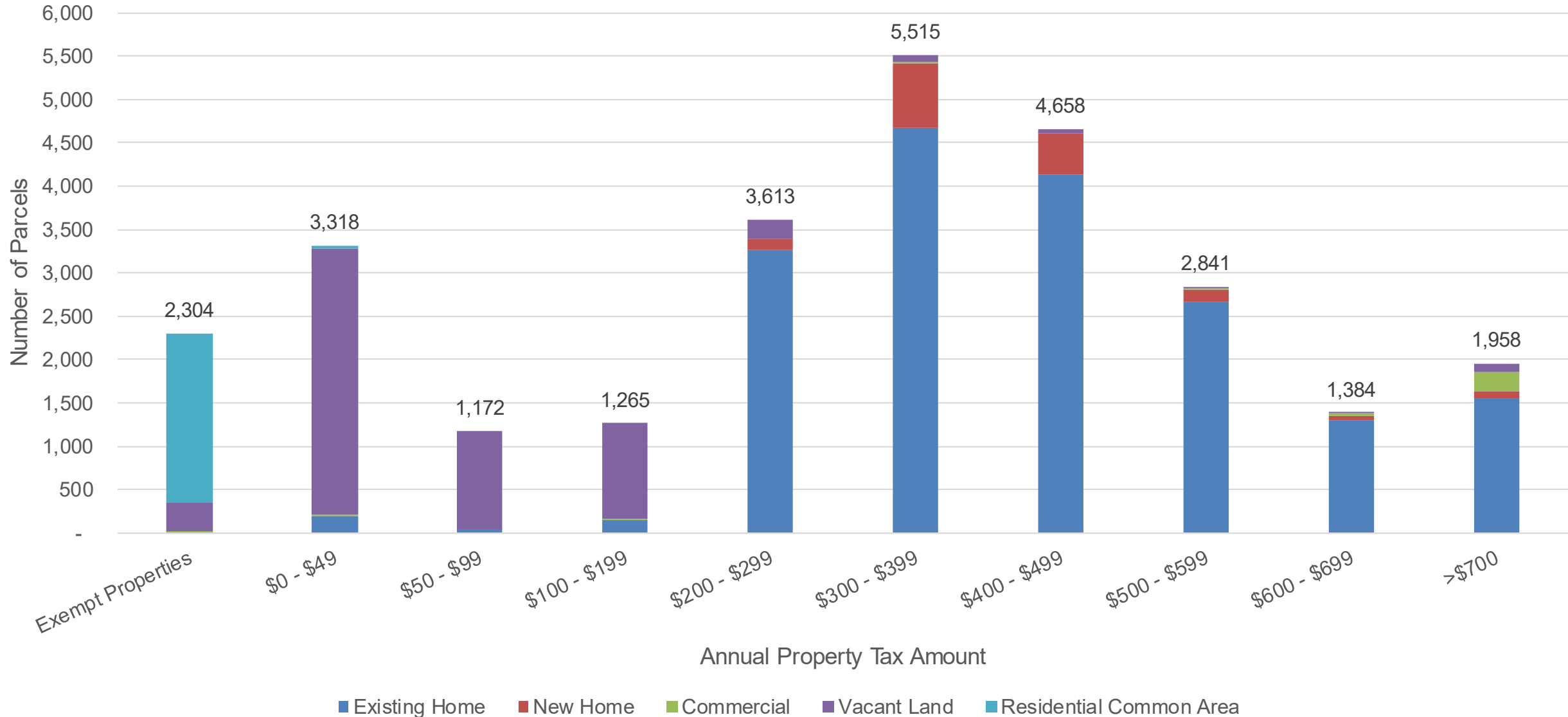
- **About 28K Parcels**
- **Property Taxes Paid by Each Parcel Could Increase, Decrease, or Have No Change from the Prior Year**
 - **The Individual Parcel Appreciation Increase is Limited by State Statute to 5% (Assuming Land Use Remains the Same)**



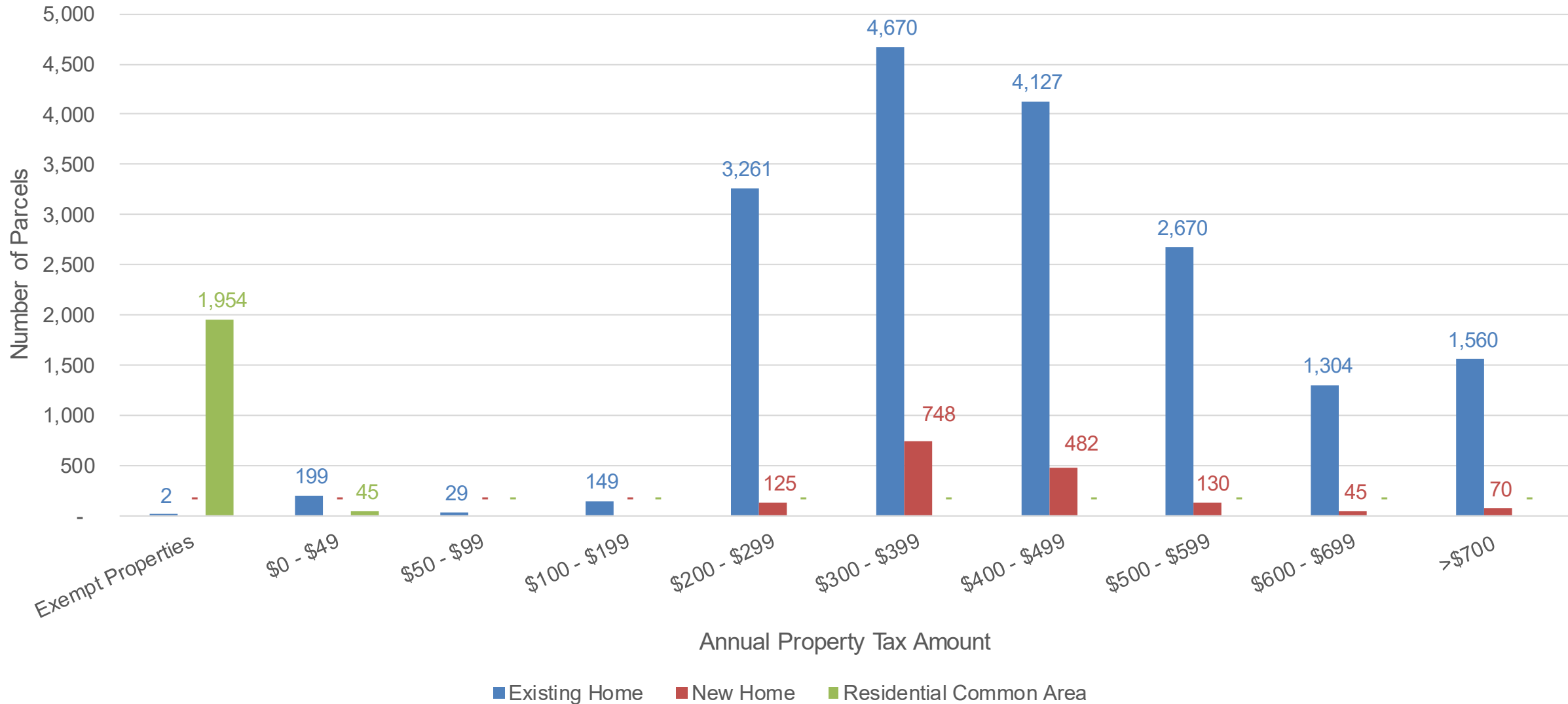
QC Property Tax Paid on a Median Value Home



Property Taxes: All Property Types (28K Parcels)

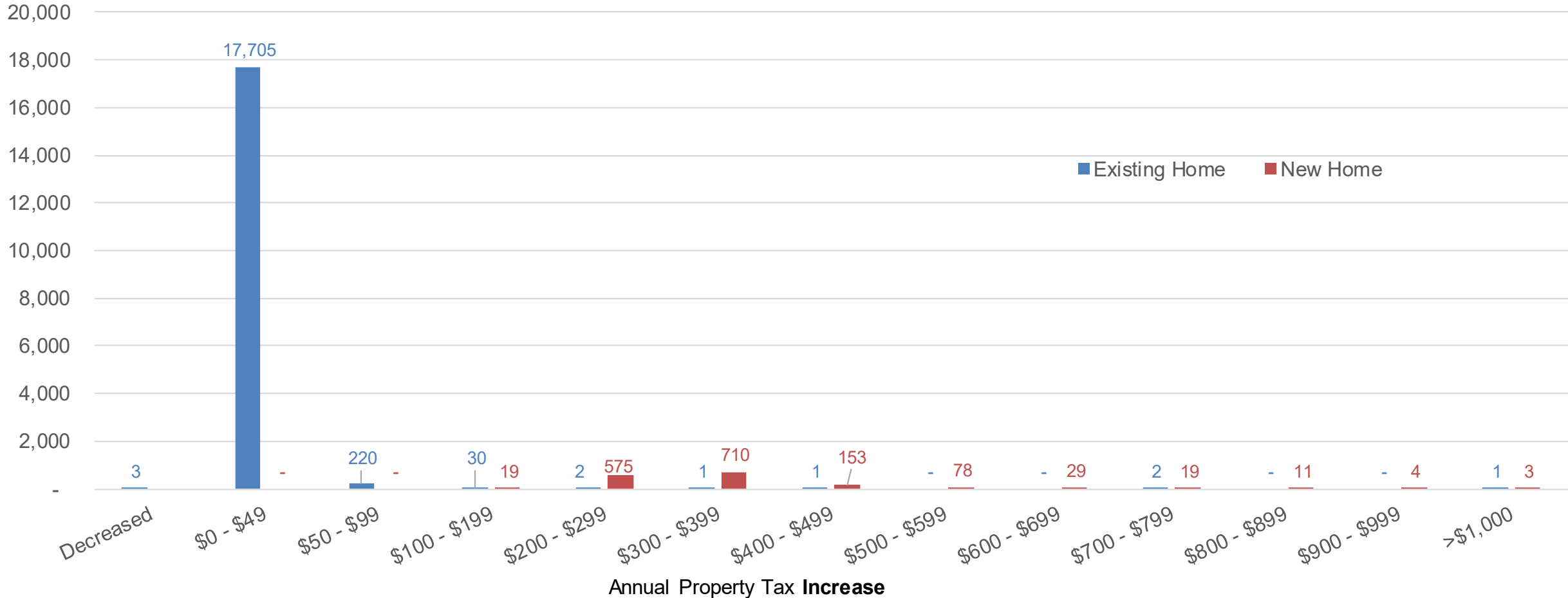


Property Taxes: Homes Only

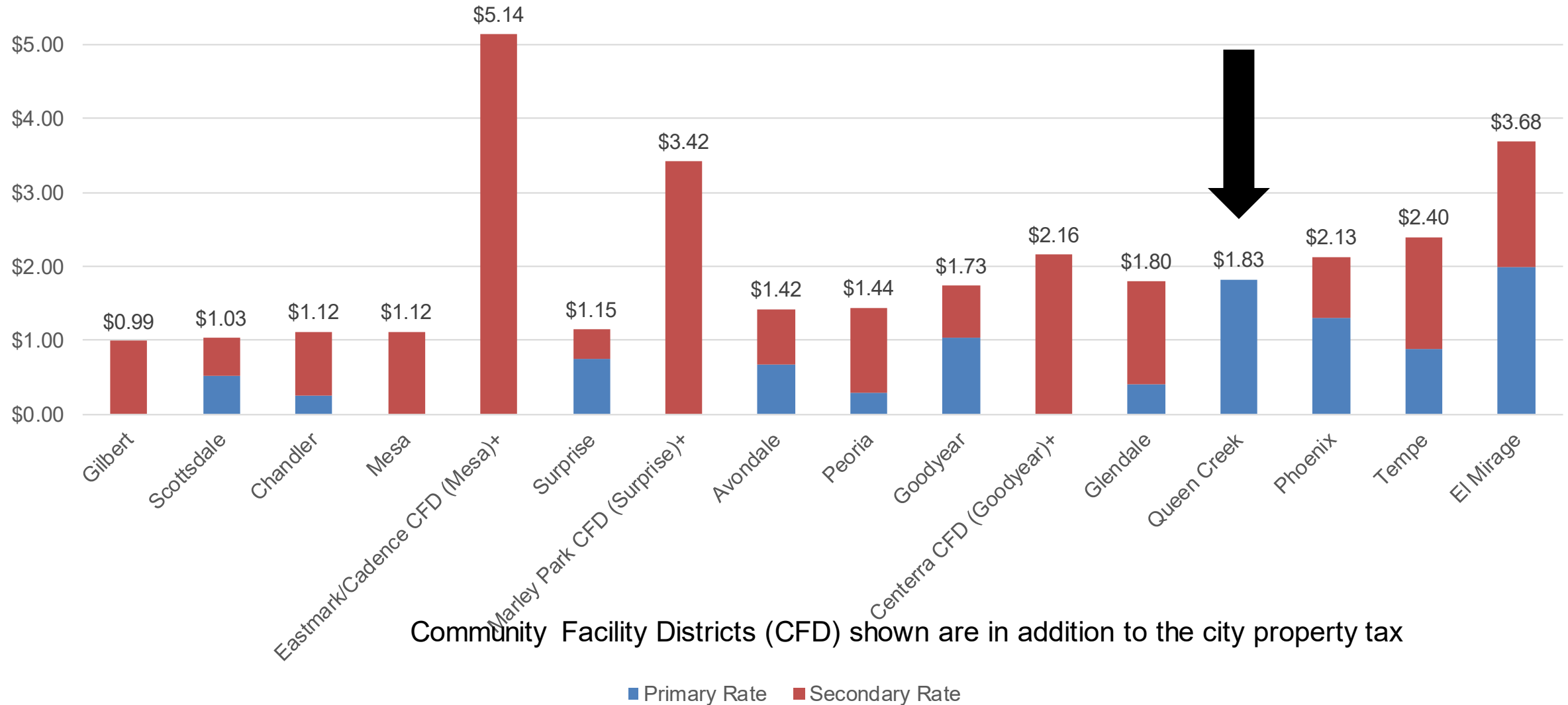


Home Property Tax Increase @ \$1.83 Levy Rate

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.



Tonight's Actions

Property Taxes

- 1. Conduct Truth in Taxation Public Hearing For Property Tax Levy Increase**
- 2. Recommended Motion (Roll Call Vote Required)**
 - Motion to Approve the Property Tax Levy Increase of \$494,666 Dedicated for Public Safety and Set the Final Property Tax Levy Assessment Date for June 2, 2021**





June 2 Council Meeting (Last Step)

Adopt FY 2021-22 Property Tax Assessments (Primary and Secondary for Street Light Improvement Districts) by Ordinance



FY 21-22 Final Budget Adoption

TOWN MANAGER'S RECOMMENDED BUDGET

(IN MILLIONS)

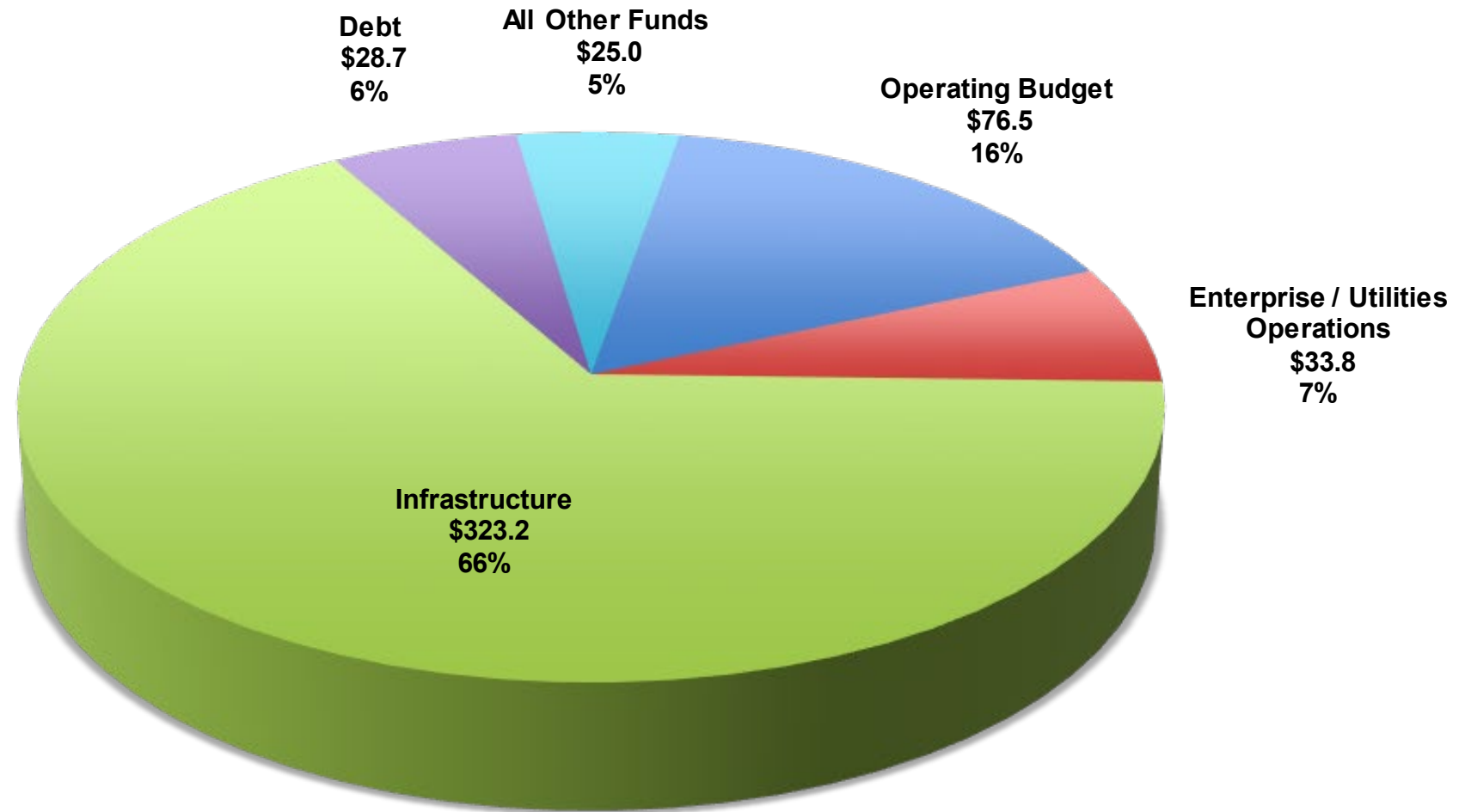


	FY 20/21 Revised	FY 21/22 Recommended	\$ Change	% Change
Total Expenses	\$409.1	\$487.2	+\$78.1	+19%
	FY 20/21 Revised	FY 21/22 Recommended	\$ Change	% Change
Revenues	\$287.4	\$277.5*	-\$9.9	-3%
Use of Fund Balance	<u>\$121.7</u>	<u>\$209.7</u>		
Total Sources	\$409.1	\$487.2		

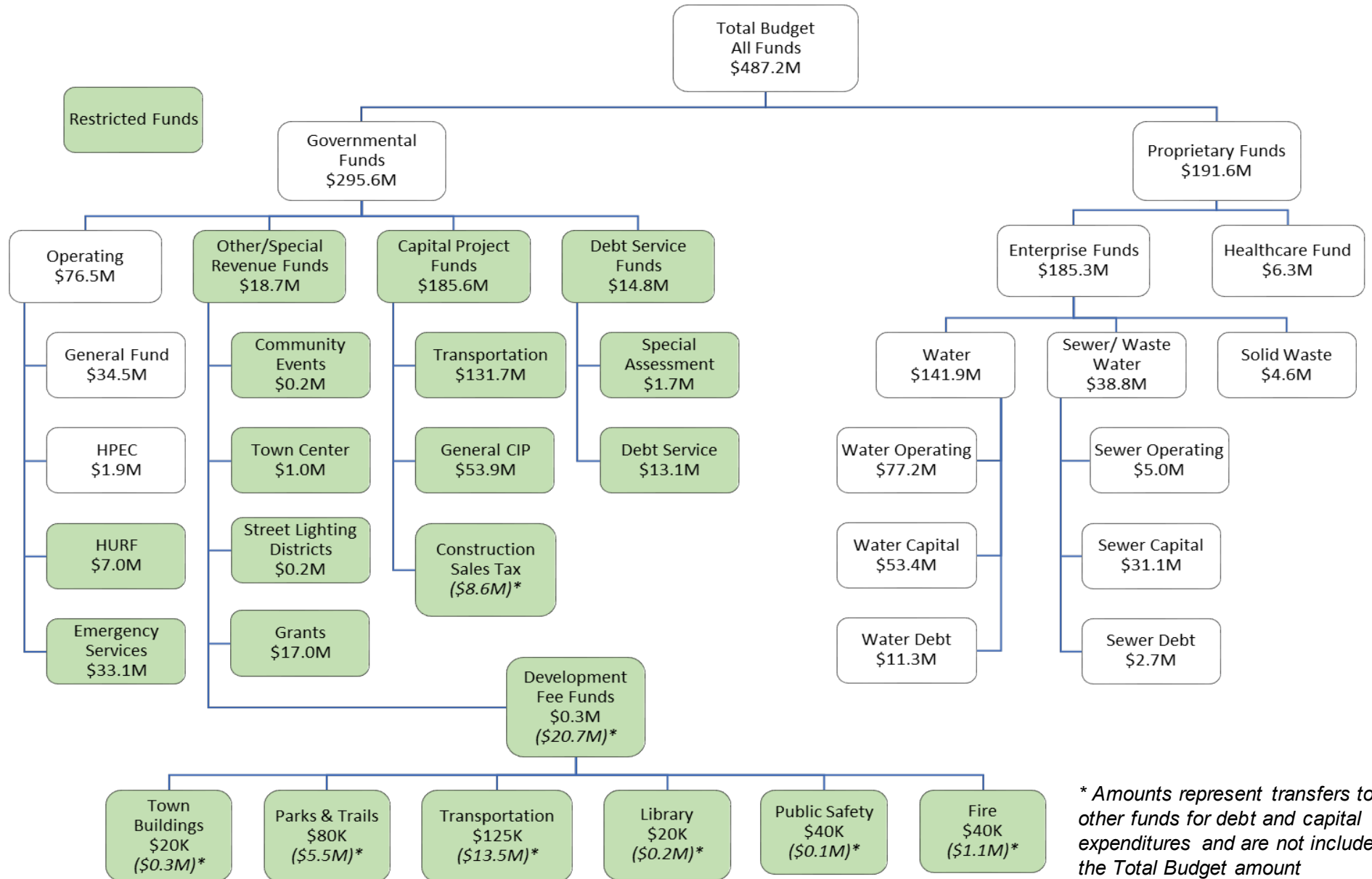
*Loan Proceeds of \$53M are included in FY 21/22 Revenues for new water rights.

FY 21-22 FINAL BUDGET

\$487.2M

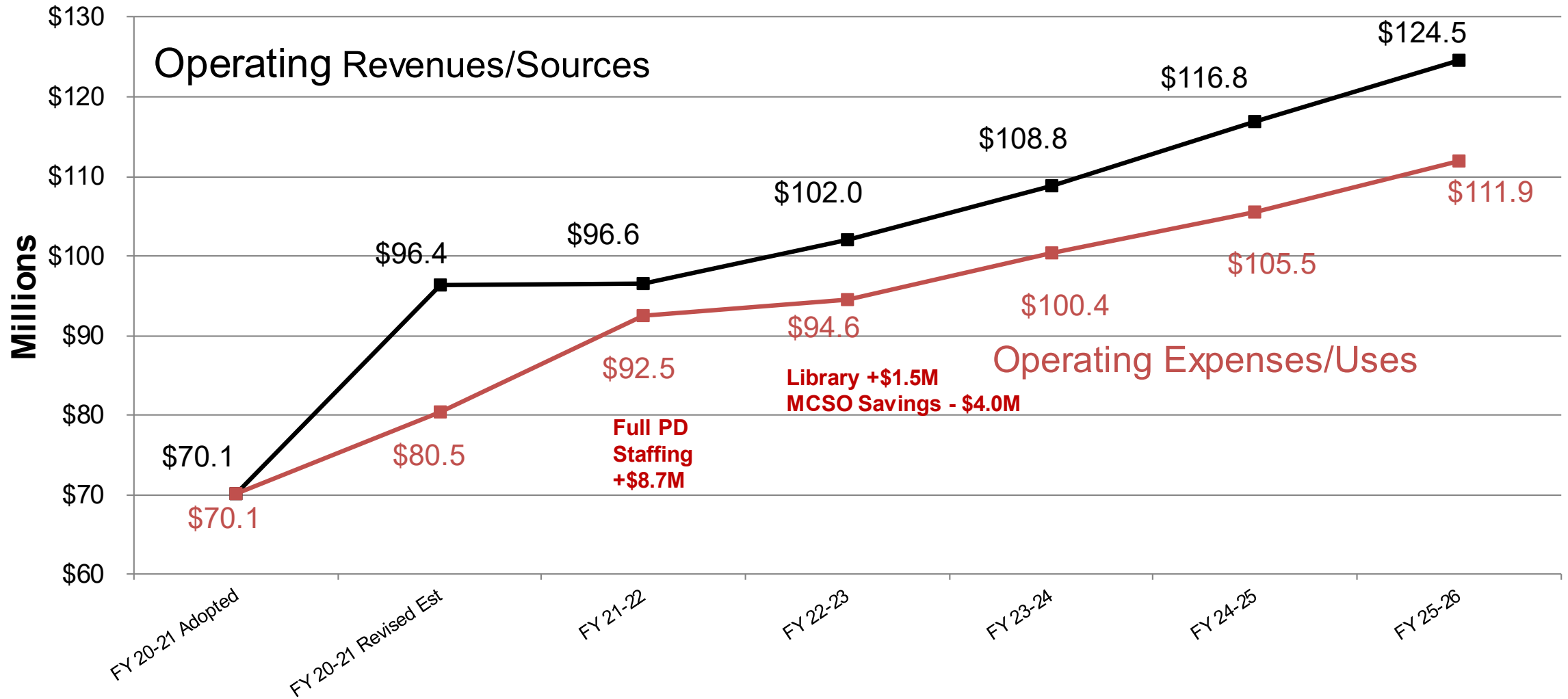


BUDGET/FUND STRUCTURE : \$487.2M



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

5-Year Operating Budget Projection



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>



Tonight's Actions

FY 2021-22 Final Budget

- 1. Conduct Public Hearing on FY 2021-22 Final Budget**
- 2. Adjourn Regular Meeting**
- 3. Convene Special Meeting**
- 4. Consider Approval of Resolution #1410-21 Adopting the FY 2021-22 Final Budget**

