



FY 2022-23 Truth in Taxation Public Hearing and Final Budget Public Hearing / Budget Adoption

Town Council Meeting

May 18, 2022



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 1, 2022 to Adopt the Property Tax Revenue Amount and Levy Rate (Roll Call Vote Required)**





FY 22-23 Final Budget

- 1. Conduct Public Hearing on FY 22-23 Final Budget**
- 2. Consider Approval of Resolution #1459-22 Adopting the FY 22-23 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 Infrastructure)**



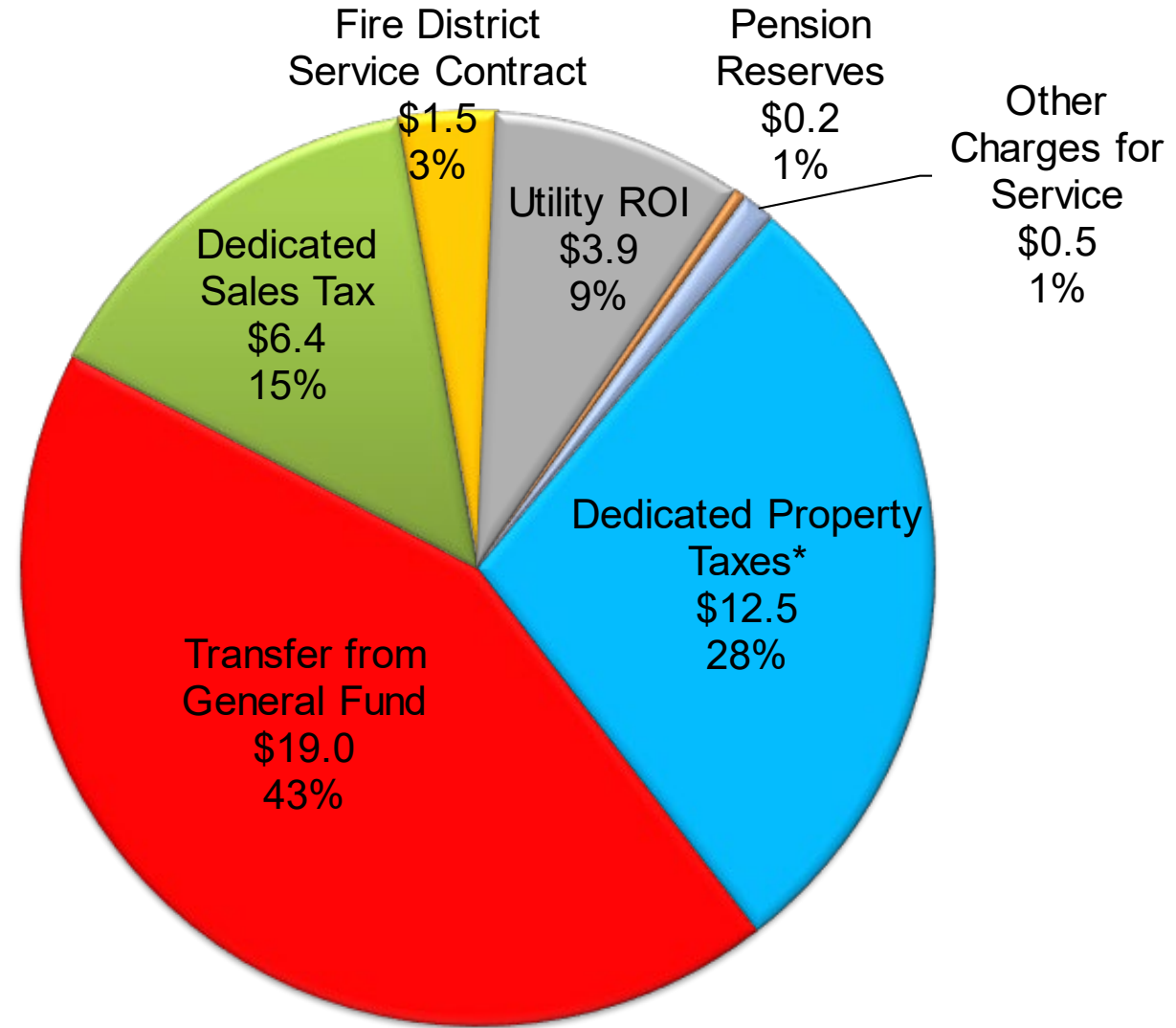
EMS Fund Overview

- **The FY 2022-23 Budget Forecast Expenses are \$44.0M**
 - **Fire: \$22.2M**
 - **Police: \$21.8M**
- **Property Tax is The Largest Dedicated Funding Source at \$12.5M (Covers 28% of Public Safety Expenses)**
- **Over the Next 5 Years, Costs are Expected to Increase by ~\$2.5M Annually for Additional Fire and Police Staffing**



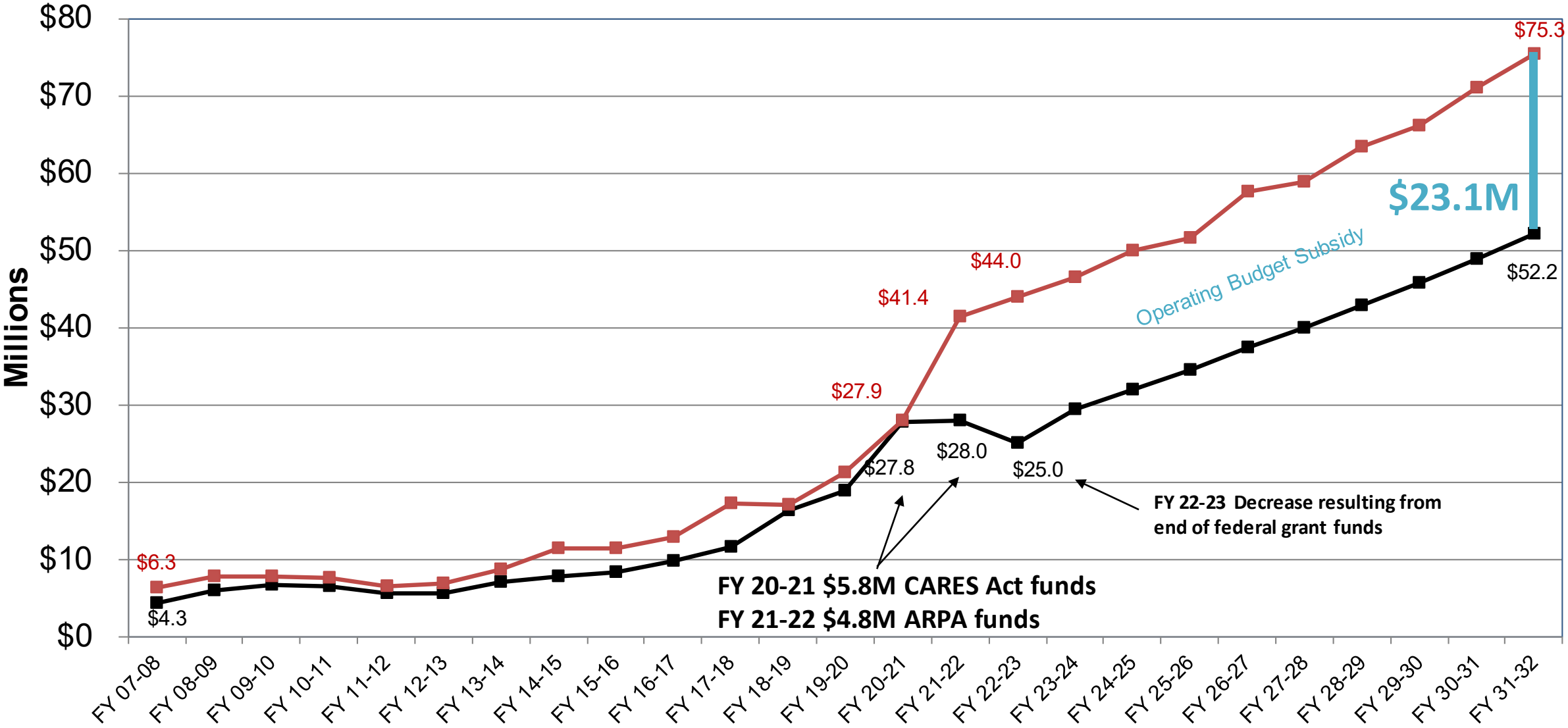
FY 2022-23 Forecast Budget

EMS Revenues: \$44.0M



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

EMS Fund Revenues and Expenses





Primary Property Taxes

FY 22-23 Assessed Value Increase



	Assessed Value	% Change
FY 21-22 Total	\$605.0M	
FY 22-23 Increase:		
Existing Property	\$33.1M	+5%
New Construction	<u>\$45.0M</u>	+8%
FY 22-23 Increase	\$78.1M	
FY 22-23 Total	\$683.1M	+13%

FY 22-23 Assessed Value By Legal Class



Legal Class	Net Assessed Value	% of NAV	Property Tax	% of Property Tax
Residential	\$538.8M	79%	\$9.8M	79%
Commercial/Other	\$108.9M	16%	\$2.0M	16%
Vacant Land	<u>\$35.4M</u>	<u>5%</u>	<u>\$0.7M</u>	<u>5%</u>
Totals	\$683.1M	100%	\$12.5M	100%

Property Tax Revenue Formula


$$\begin{array}{ccc} \text{Assessed Value (AV)} & \times & \text{Levy Rate (per \$100 AV)} \\ \$683\text{M} & & \$1.83 \\ & & = \\ & & \text{Annual Revenues} \\ & & \$12.5\text{M} \end{array}$$

Maricopa /
Pinal
County

Town
Council



Discuss Financial Impacts

1. Aggregate Impact

2. Individual Parcel Impacts

Aggregate Impact

	Annual Revenue	Total Increase	Increase From New Properties	Change from Existing Properties	Levy Rate ^(a)	% of EMS Funded
FY 21-22 Amount	\$11.0M				\$1.83	27%
<u>FY 22-23 Options</u>						
A. Same <u>Revenue</u> as Current Year	\$11.0M	\$0	+\$0.7M	-\$0.7M	\$1.62	25%
B. Same <u>Revenue</u> as Current Year from Existing Properties and Additional Revenue from New Properties Only	\$11.8M	+\$0.8M	+\$0.8M	\$0	\$1.73	27%
C. Same Levy Rate as FY 21-22 RECOMMENDATION	\$12.5M	+\$1.5M	+\$0.8M	+\$0.7M	\$1.83	28%
D. Maximum Revenue Amount	\$13.3M	+\$2.3M	+\$0.9M	+\$1.4M	\$1.95	30%

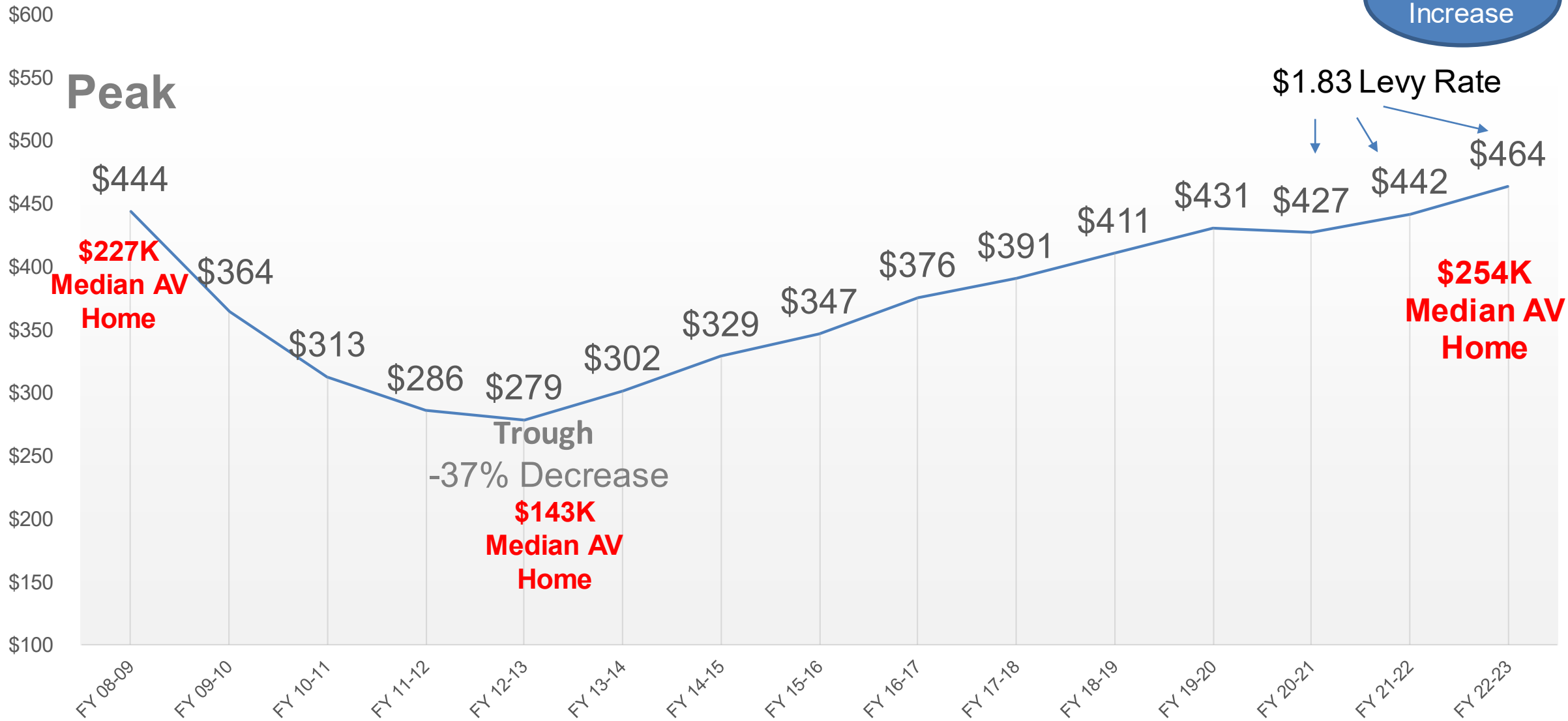
(a) Ballot language stated “Under no circumstances shall the primary property tax rate exceed \$1.95 per \$100 of assessed valuation.”

Individual Parcel Impact

- **About 30K 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)**

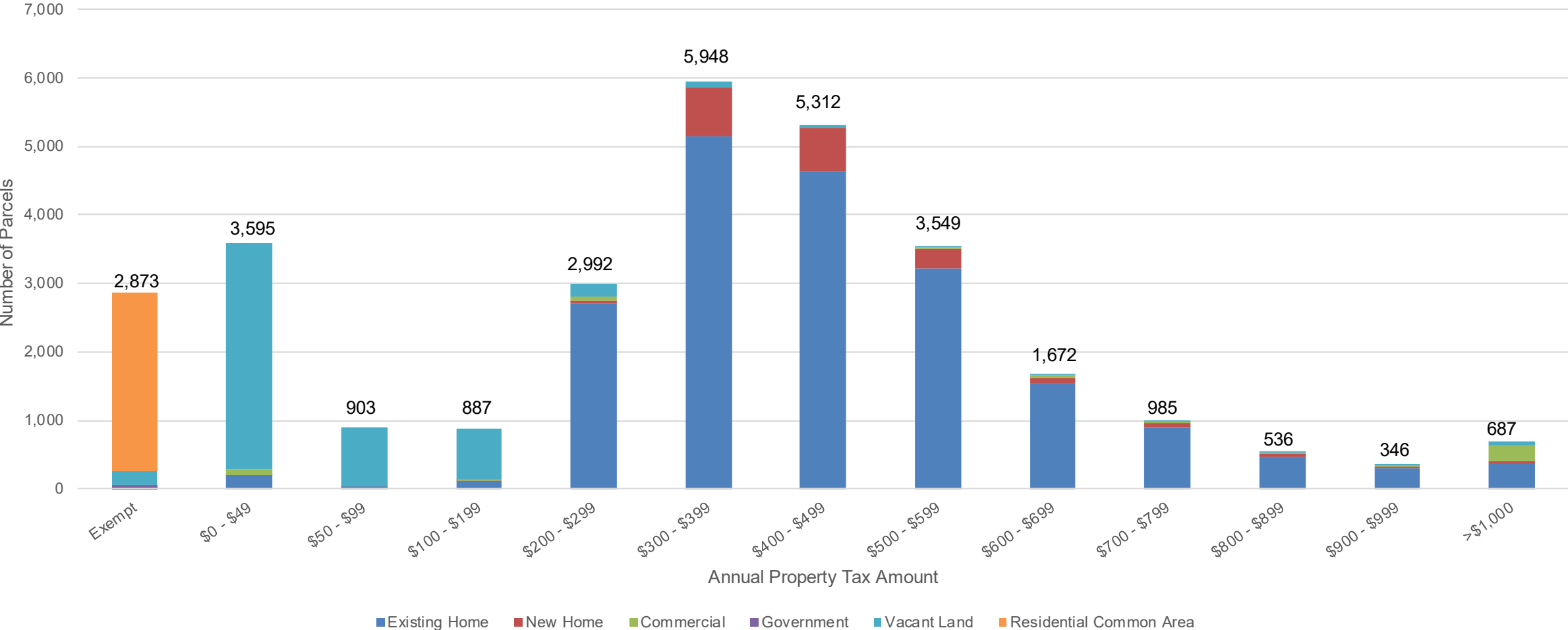


QC Property Tax Paid on a Median Value Home

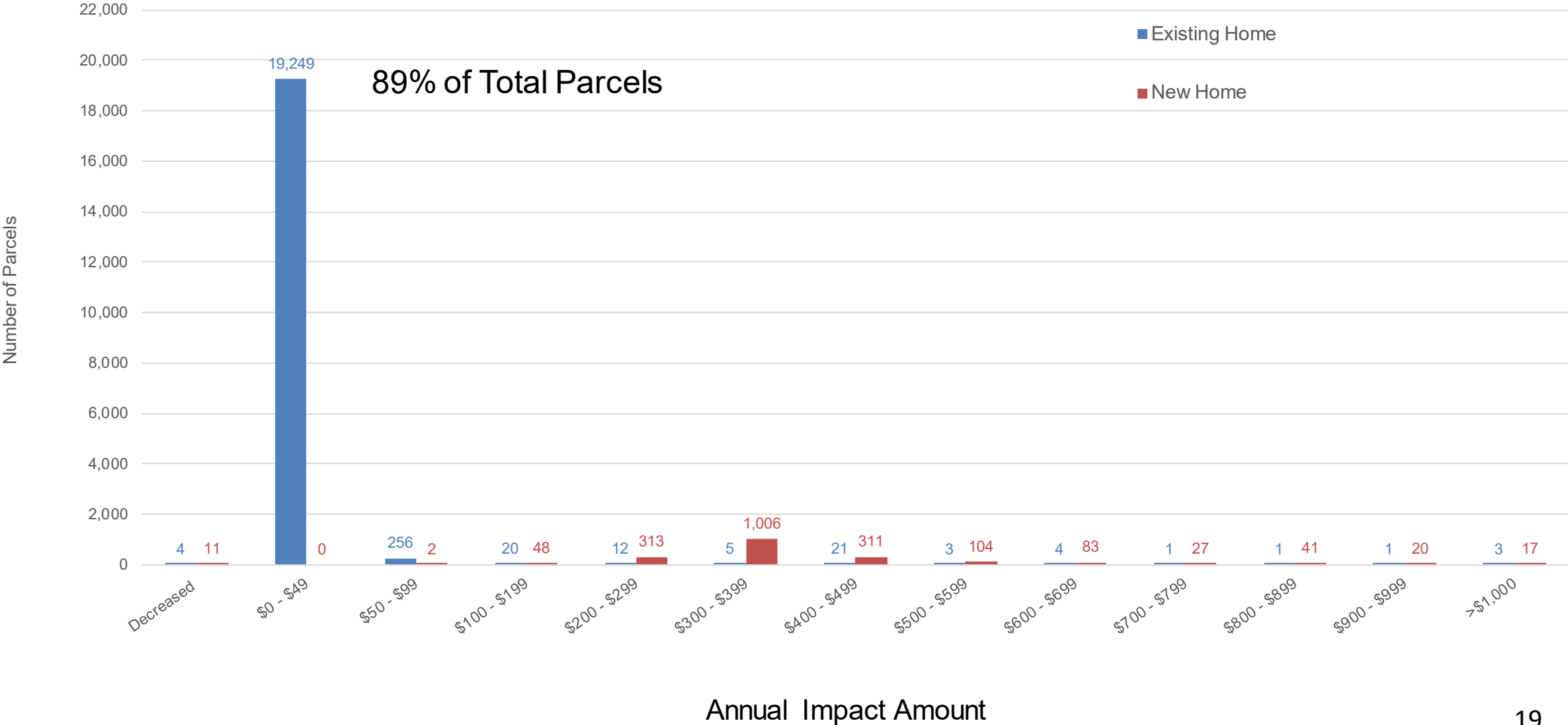


Property Taxes: All Property Types (~30K Parcels)

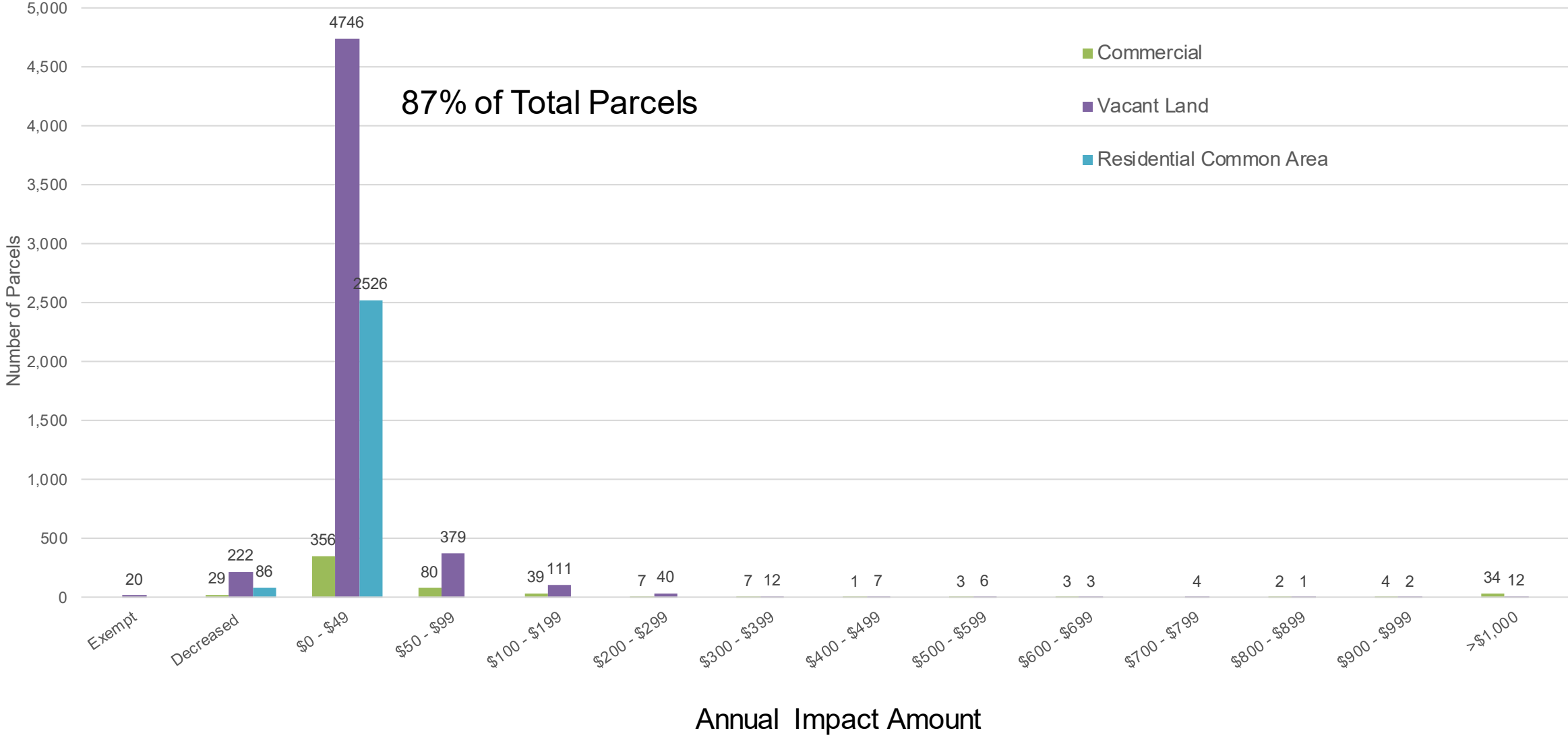
The Annual Property Tax Bill for 49% of Parcels Ranges from \$300 to \$599.



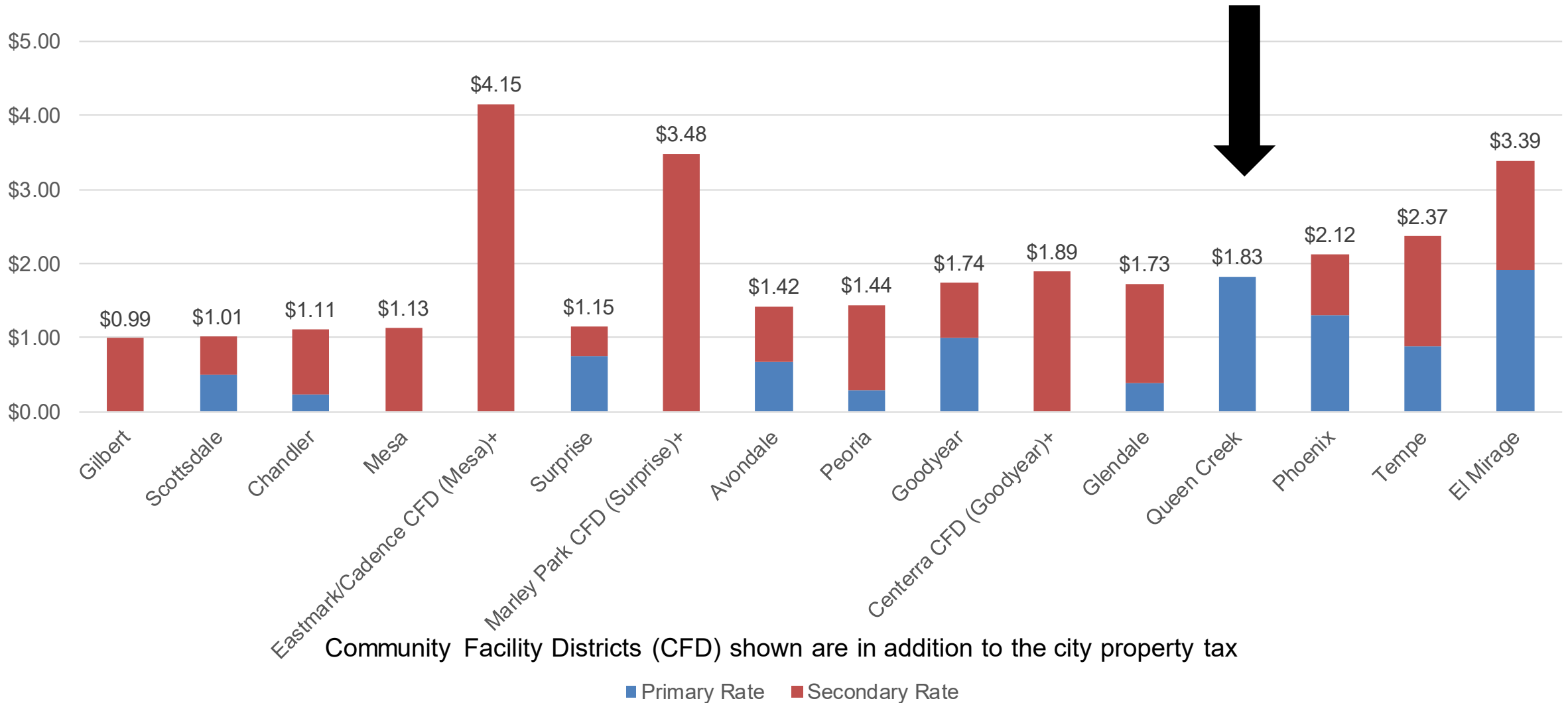
Residential Property Impact @ \$1.83 Levy Rate



Non-Residential Property Impact @ \$1.83 Levy Rate



Property Tax Comparisons (FY 21-22 Rates)*



*All cities are currently in the process of setting the FY 22-23 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 \$602,945 Dedicated for Public Safety and Set the Final Property Tax Levy Assessment Date for June 1, 2022**



June 1 Council Meeting



Adopt FY 2022-23 Property Tax Assessments

- Primary
- Secondary for Street Light Improvement Districts



FY 22-23 Final Budget Adoption

Total Budget Summary

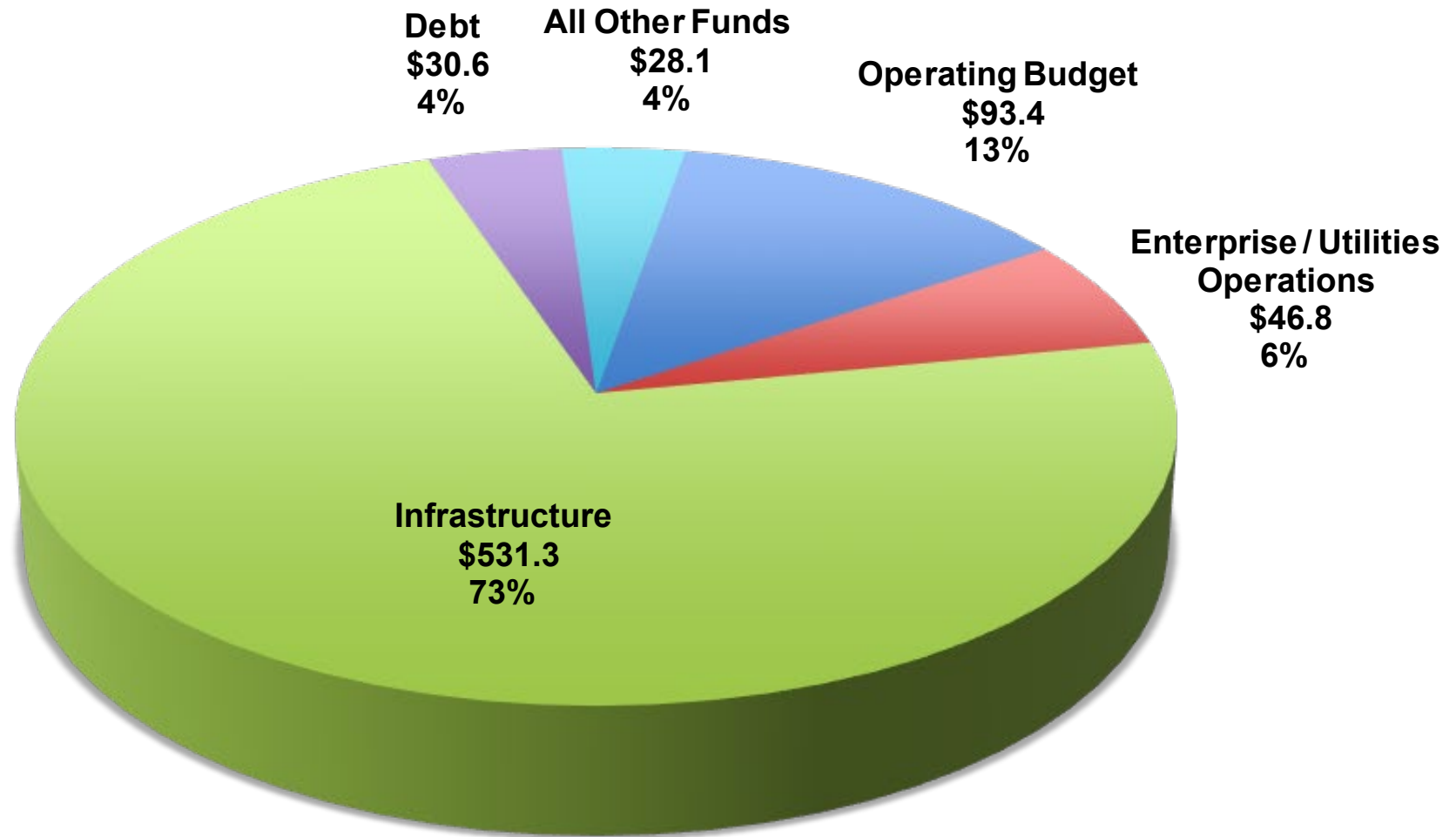


	FY 21/22 Revised Budget	FY 22/23 Proposed Budget	\$ Change	% Change
Total Expenses	\$487.2M	\$730.2M	+\$243.0M	+50%

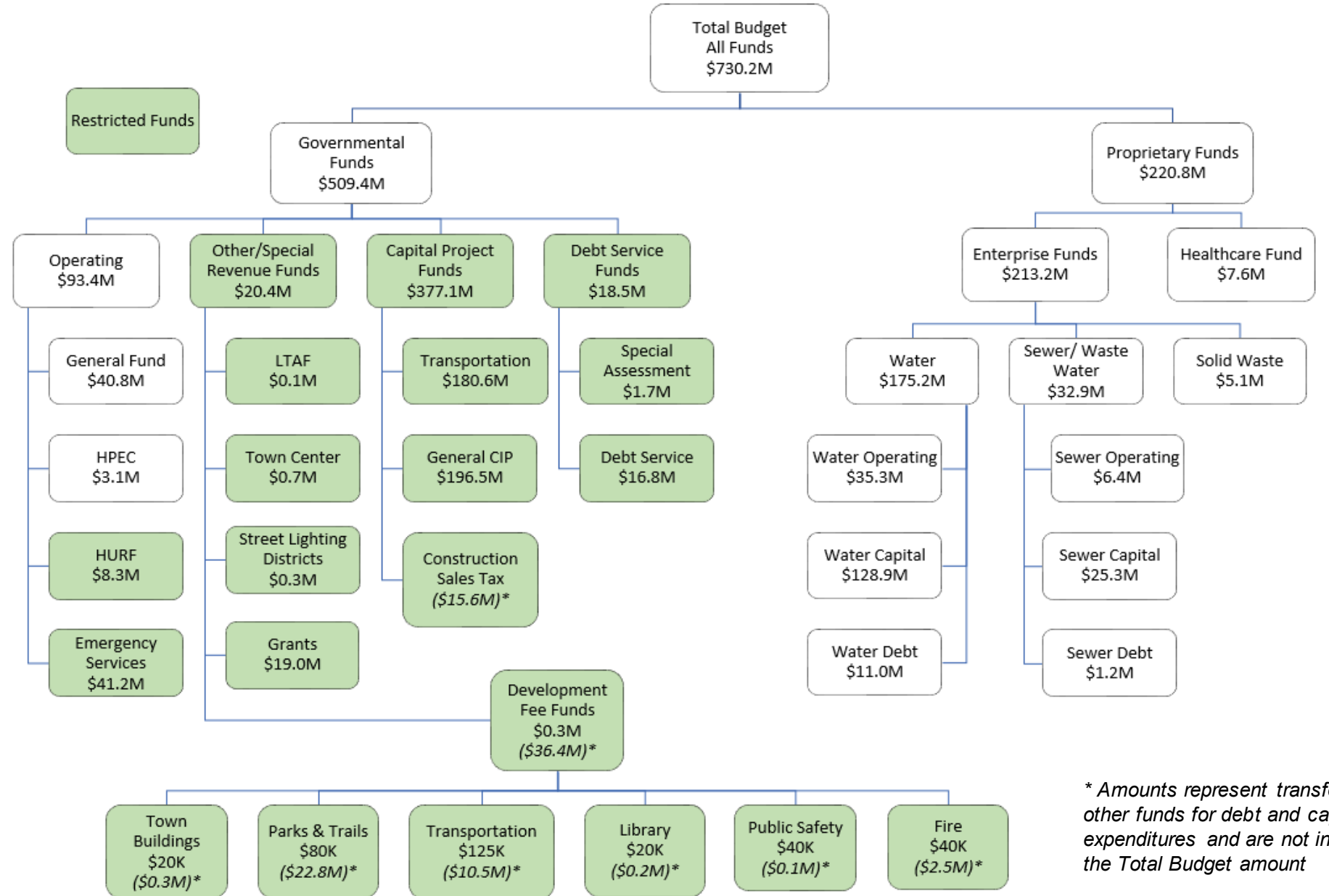
	FY 21/22 Revised Budget	FY 22/23 Proposed Budget	\$ Change	% Change
Revenues	\$300.4M	\$368.4M	+\$68.0M	+23%
Use of Fund Balances	<u>\$186.8M</u>	<u>\$361.8M</u>		
Total Sources	\$487.2M	\$730.2M		

FY 22-23 FINAL BUDGET: \$730.2M

(BY PURPOSE)

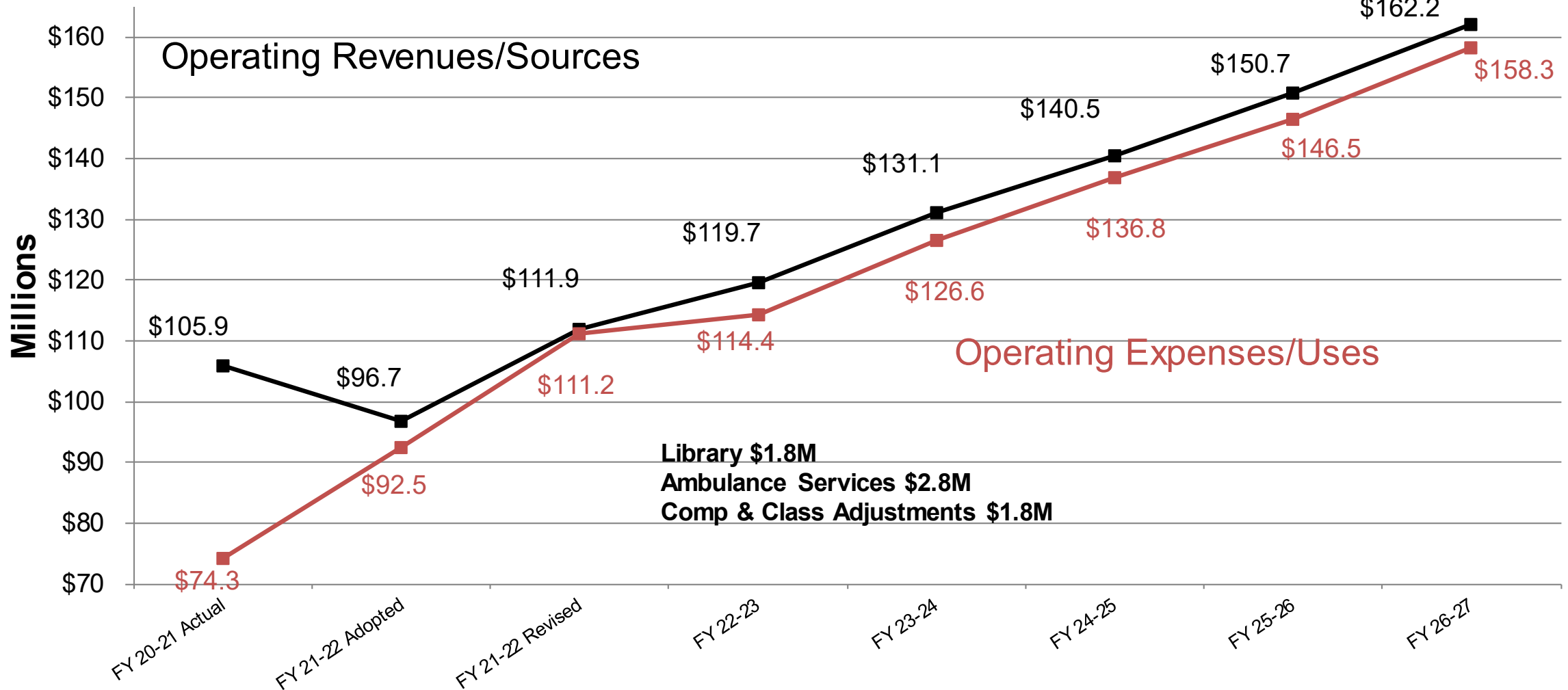


Budget / Fund Structure: \$730.2M

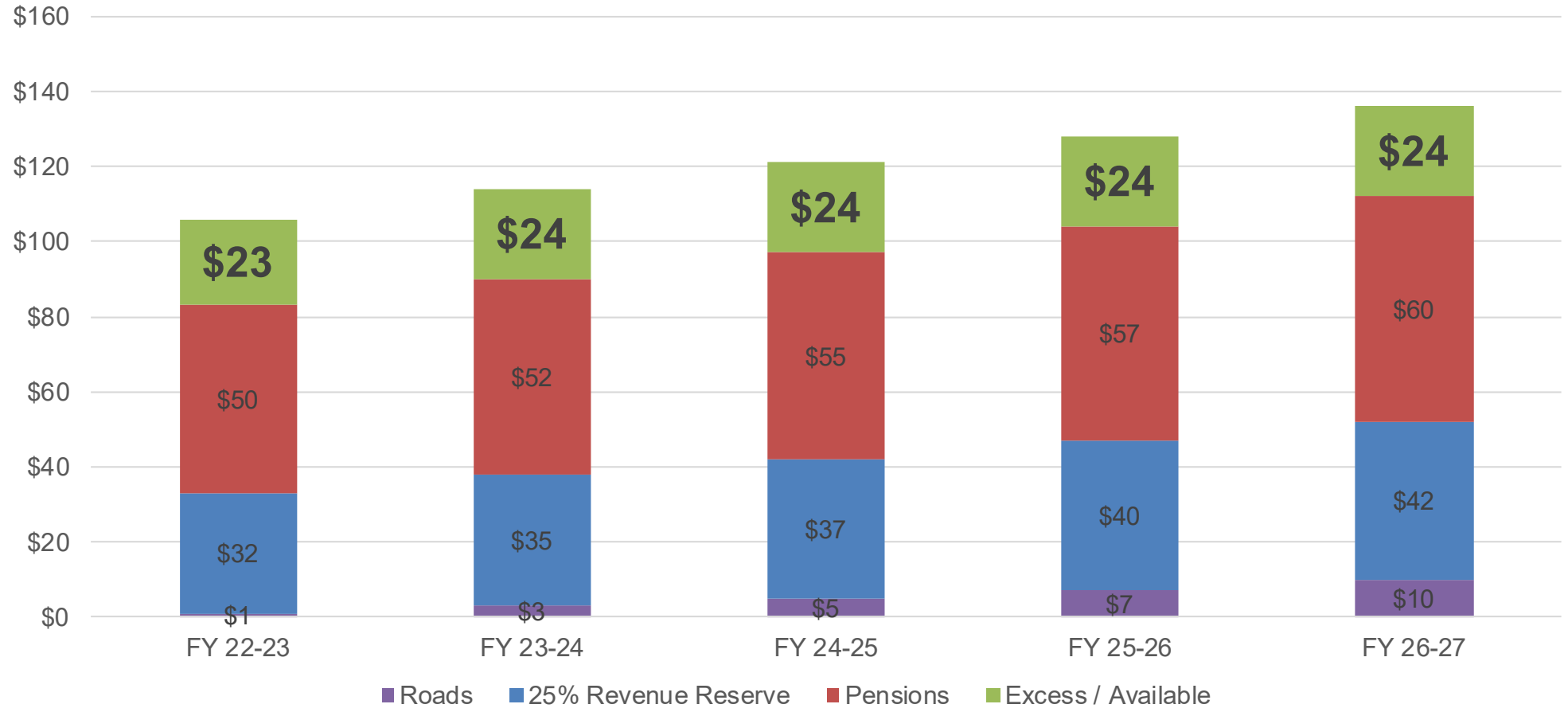


* Amounts represent transfers to other funds for debt and capital expenditures and are not included in the Total Budget amount

Operating Budget 5-Year Projection



Projected Operating Budget Reserves





Tonight's Actions

FY 2022-23 Final Budget

- 1. Conduct Public Hearing on FY 2022-23 Final Budget**
- 2. Adjourn Regular Meeting**
- 3. Convene Special Meeting**
- 4. Consider Approval of Resolution #1459-22 Adopting the FY 2022-23 Final Budget**

