



TOWN OF
QUEEN CREEK
ARIZONA

12.A

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: CONSIDERATION AND POSSIBLE ACTION ON THE TOWN'S FY 2024-25 TENTATIVE BUDGET OF \$723.8M AND REQUEST TO SET THE PUBLIC HEARING FOR MAY 15, 2024 FOR THE FINAL BUDGET PER REQUIREMENTS UNDER ARIZONA STATE STATUTES.
DATE: May 1, 2024

Suggested Action:

Motion to approve the Town's FY 2024-25 Tentative Budget of \$723.8 million and set May 15, 2024 at 6:30 p.m. as the date and time of the public hearing for the FY 2024-25 Final Budget as required under Arizona State statutes.

Relevant Council Goal(s):

- Effective Government
- Safe Community
- Secure Future
- Superior Infrastructure
- Quality Lifestyle

Discussion:

On April 8 and 9, 2024 the Town Council considered the Town Manager's FY 2024-25 Recommended Budget, hearing from the Town Manager, Finance Director, and other Department Directors. With input from the Town Council, the Tentative Budget is now ready for consideration.

TENTATIVE BUDGET

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

As part of approving the Tentative Budget, the Town Council also approves the time and place for conducting the public hearing on the Town's Final Budget. The public hearing and final action on the Town's FY 2024-25 Final Budget is scheduled for the Town Council meeting on May 15, 2024.

Adoption of the Final Budget on May 15, 2024 is predicated on the Town Council approving the

Tentative Budget on May 1, 2024. The legal posting requirements to adopt the Final Budget on this timeline must begin by May 2nd with submittal of the required newspaper budget advertisement.

PRIMARY PROPERTY TAXES

For FY 2024-25, primary property taxes are estimated to be \$13.9 million. The primary property tax is dedicated to fund Public Safety, and funds about 23% of the Public Safety Budget of \$60.2M. The public safety budget includes the Fire/Medical Department and the Police Department.

For a second year, the Tentative Budget was developed under the Town Council's adopted policy of "freezing" property taxes for existing property owners. By doing so, the Town is not required to hold a "Truth in Taxation" hearing as we have in prior years. The Town Council is still required to adopt the FY 2024-25 property tax levy by ordinance at a separate meeting from adoption of the Final Budget. The property tax ordinance is currently scheduled for June 4, 2024.

BUDGET DISCUSSION

The budget is one of the most significant policy documents considered by the Town Council. The FY 2024-25 Tentative Budget is balanced and allocates resources consistent with the needs of a growing community. It was developed in accordance with the Council's strategic priorities identified in the Corporate Strategic Plan.

The Fiscal Year 2024-25 budget totals \$723.8 million, with nearly 60% of the budget dedicated to building infrastructure. Major cost drivers include building facilities identified in the Master Plans of Police, Fire, and Parks; continued investments in critical transportation and utilities infrastructure; additional staffing resources for the Police Department; and opening the new Recreation & Aquatics Center.

The budget was developed in an environment of moderating inflation rates, tight labor markets, supply-chain issues, and competing economic forecasts about the impacts of federal fiscal policy on the national economy. The Town's financial condition has weathered the uncertainty better than expected, with actual revenues continuing to exceed initial projections and overall development activity remaining strong in spite of higher interest rates that continue to weigh on the housing market.

Queen Creek remains a preferred community in the entire Phoenix region for residential and non-residential investment. The rate of growth in both residential and non-residential investment is directly driving the Town's infrastructure needs to service this growth and position the Town competitively. Since 2010, Queen Creek has tripled in size, making it one of the fastest growing communities in Arizona, with a population now of about 83,000. The Tentative Budget reflects our objectives to maintain service levels and the Council's commitment to the community's infrastructure needs. This investment is essential to accommodate the Council's vision for the community and to position Queen Creek as a preferred choice for families and businesses to thrive in the southeast valley. Preserving and advancing the community's quality of life has always been at the forefront of our budget development process.

The FY2024-25 budget maintains our tradition and organizational culture of spending within our means, where we have developed contingencies to our revenue and expenditure plans and continue to monitor economic conditions regularly. Our budget practices, including Council-adopted financial policies, compel us to design internal controls for evaluating real-time budget-to-actual expenditures, allowing us to adjust very quickly as needed.

Consistent with the needs of our growing community and the Council's priorities, the budget includes funding to continue building the Queen Creek Police Department as well as resources to operate and maintain new parks and recreation facilities that will soon open. The budget also includes \$40 million in funding to acquire water resources to meet our long-term objective of becoming an assured water provider. Finally, the budget includes funding to continue our investments in new streets, water and

wastewater infrastructure, and construction of roads and utilities to accommodate future development on the State Lands parcels.

GUIDING PRINCIPLES AND KEY ISSUES

The following guiding principles and key issues shaped the FY 2024-25 budget:

- Prioritization of Resources. The budget follows the Town’s 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 economies are poised to expand, bringing higher consumer confidence and strong demand for goods and services. Growth expectations have been tempered by persistent inflation pressures, rising unemployment levels, and elevated long-term interest rates. However, economists are optimistic that the U.S. economy will continue to grow and any slowdown in economic activity will be modest and short-lived.
- 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 population and business investment is critical to ensure both operational and infrastructure needs are met.
- Public Safety and Infrastructure. The budget continues investments in these critical areas to ensure we are providing appropriate levels of service to our current residents as well as those who will live, work, and shop here in the future.
- Maintain a Balanced Five-Year Operating Budget. The five-year financial plan remains balanced, reflecting increased revenues and expenses based on population growth and new commercial development.
- Town Council Fiscal Policies. The Town Council adopted a policy to “freeze” property taxes for existing residents for five years. The FY 2024-25 budget is the second year to reflect that policy, with the increase in property tax revenue coming solely from new construction.

BUDGET HIGHLIGHTS

Following are the highlights of the FY 2024-25 Tentative Budget:

- Police Services. The budget includes 48 new positions for the Queen Creek Police Department, as well as funding for the necessary software, hardware, vehicles and equipment for these new staff.
- Public Safety Facilities. The budget includes \$54.0 million for critical facilities identified in the recently adopted Police Master Plan, as well as \$15.1 million for the Fire/Medical portion of the soon-to-be renovated Public Safety Complex.
- Parks and Recreation. The budget includes \$73.3 million to complete the Recreation & Aquatic Center and finish Frontier Family Park and Mansel Carter Oasis Park. It also includes \$10.2 million and 12 new positions for operating and maintaining the new parks as well as the Recreation & Aquatics Center that will open at the end of the calendar year.
- Acquisition of Water Rights. Ensuring the Town has adequate water resources is a top priority of the Town Council. The budget includes \$40 million for acquisition of additional water rights.
- Comprehensive Capital Improvement Plan (CIP). As a growing community, the need for new infrastructure for transportation, water, and wastewater remains a priority. The budget includes \$231 million to build such infrastructure as well as continue planning for future infrastructure needs. The Town has been successful in securing commitments from regional partners towards these infrastructure needs to help defray the costs of certain major projects. Pinal County, Maricopa County, and the Flood Control District have committed millions of dollars towards road, drainage, and utility projects. The Town will also pursue funding from the

state's Public Infrastructure Reimbursement program to offset a portion of the costs of infrastructure in the State Lands area. Contingency allocations have been included to ensure we have the authority to meet the dynamic environment's infrastructure needs. The budget acknowledges the critical nexus infrastructure plays in increasing opportunities for private sector investment within the community, particularly as it relates to the State Route 24 freeway corridor and development of the State Lands parcels.

- Additional Staffing. In addition to the positions mentioned above, the budget includes funding for 24 other new positions:
 - Four Fire Captains and three fire fighters to augment the Fire & Medical Department's management structure and staffing levels.
 - Five Information Technology staff (three of which are dedicated to the Police Department) to maintain critical technology infrastructure, deploy new hardware and software, and service the day-to-day needs of the Town's employees.
 - Four new Fleet Services positions to expand the resources available for maintaining the Town's growing fleet of vehicles, which is especially critical for the Town's Police Department that operates around the clock.
 - Three Public Works and three Utilities staff to operate, maintain, and service the Town's streets, traffic signals, utility systems, and facilities. These positions are critical to protect the Town's multi-million dollar investments in infrastructure and maintain existing service levels to our residents and businesses.
 - Four staff among Human Resources and Finance to support other departments' administrative, budget, accounting, and project management activities.
 - One CIP Senior Inspector to ensure adequate oversight and review of the construction and installation of the Town's CIP infrastructure projects.
- Employee Compensation. Resources have been allocated to fund a 4.0% market increase tied to indicators identified in the Town Council's adopted compensation policy.
- Healthcare Costs. The Town has a very active wellness program, which is a positive factor that has helped manage healthcare costs for both the Town and our employees. The budget includes a 3.6% increase in medical premiums, which is being absorbed by the Town, and no increase in medical premiums for Town employees.

Fiscal Impact:

The Tentative Budget for FY 2024-25 totals \$723.8 million. The required Auditor General Schedules, which provide all the allocations by fund, are included as an Attachment to this staff report.

Alternatives:

The Town Council can modify the Tentative Budget in any manner prior to adoption. The Council could delay adoption of the Tentative Budget until the next Council meeting on May 15th, which would delay adoption of the Final Budget until June 5, 2024 and move the property tax levy ordinance to June 19, 2024. The Town would also be required to re-publish the budget notices in the newspaper.

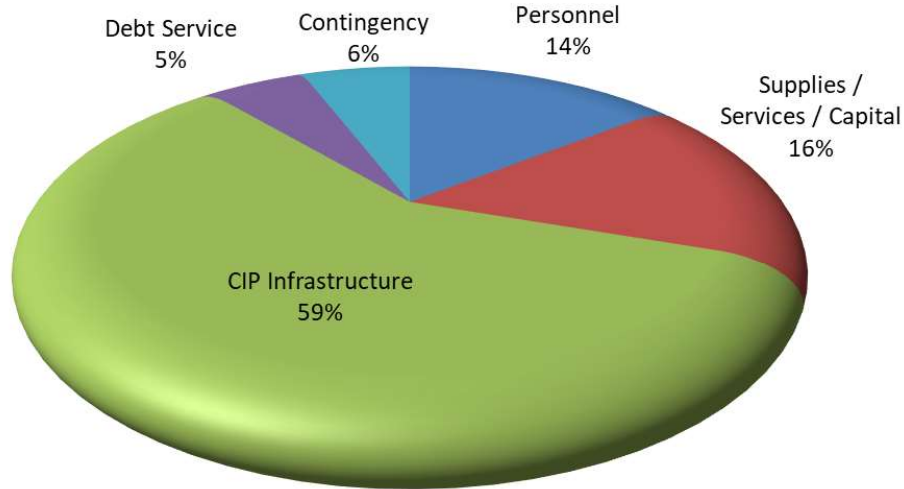
Attachment(s):

1. [Schedule of FY 2024-25 Tentative Budget by Fund](#)
2. [Required State Budget Forms \(Schedules A-G\)](#)
3. [FY 2024-25 Budget Meeting Follow-Up Memo](#)
4. [FY 24-25 Tentative Budget Presentation](#)



Total Appropriations Schedule

FY 2024/25 Tentative Budget \$723.8M by Category



FY 2024/25 Total Appropriations - Budget by Fund

	General Fund	EMS Fund	HURF	HPEC	Enterprise	Special Revenue	Capital	Debt	Healthcare	Grand Total
Sources										
Local Sales Tax	\$ 51,610,384	\$ 6,451,298	\$ -	\$ -	\$ -	\$ 336,000	\$ -	\$ -	\$ -	\$ 58,397,682
Construction Sales Tax	14,647,709	1,830,964	-	-	-	14,647,709	-	-	-	31,126,382
State Shared Revenue	27,149,642	-	9,897,300	-	-	-	-	-	-	37,046,942
Property Tax	-	13,920,642	-	-	-	-	-	-	-	13,920,642
Charges for Services	16,804,056	8,386,852	40,000	1,610,639	51,819,400	-	-	-	11,206,137	89,867,084
License & Fees	103,000	-	-	-	-	-	-	-	-	103,000
Franchise Fees	200,000	-	-	-	-	-	-	-	-	200,000
Special Assessments	-	-	-	-	-	-	-	1,679,273	-	1,679,273
Interest Income	4,503,923	-	-	-	1,519,336	1,929,957	2,355,070	-	-	10,308,286
Capacity Fees	-	-	-	-	7,417,314	-	-	-	-	7,417,314
Impact Fees	-	-	-	-	-	15,845,161	-	-	-	15,845,161
Other	640,000	705,872	362,000	14,585	45,781,811	5,000,000	153,266,817	-	100,000	205,871,085
Total Revenues	\$ 115,658,714	\$ 31,295,628	\$ 10,299,300	\$ 1,625,224	\$ 106,537,861	\$ 37,758,827	\$ 155,621,887	\$ 1,679,273	\$ 11,306,137	\$ 471,782,851
Transfers In	-	28,849,103	-	2,192,075	23,744,264	-	116,752,055	23,397,502	-	194,934,999
Total Sources	\$ 115,658,714	\$ 60,144,731	\$ 10,299,300	\$ 3,817,299	\$ 130,282,125	\$ 37,758,827	\$ 272,373,942	\$ 25,076,775	\$ 11,306,137	\$ 666,717,850
Uses										
Personnel	31,677,729	43,472,045	2,477,995	1,017,333	11,730,000	-	3,454,877	-	10,567,137	104,397,116
Supplies & Services	23,844,267	14,671,437	7,640,463	1,562,152	35,941,980	5,515,070	1,008,206	-	739,000	90,922,575
Capital	7,962,112	498,049	662,100	1,023,945	28,812,669	158,000	64,449,158	-	-	103,566,033
Debt Service	-	-	-	-	13,518,944	-	-	25,076,775	-	38,595,719
Contingency / Carryforward	-	-	-	-	100,131,761	42,600,000	243,624,261	-	-	386,356,022
Total Expenses	\$ 63,484,108	\$ 58,641,531	\$ 10,780,558	\$ 3,603,430	\$ 190,135,354	\$ 48,273,070	\$ 312,536,502	\$ 25,076,775	\$ 11,306,137	\$ 723,837,465
Transfers Out	51,404,024	1,503,200	263,372	213,869	23,744,264	42,931,050	74,875,220	-	-	194,934,999
Total Uses	\$ 114,888,132	\$ 60,144,731	\$ 11,043,930	\$ 3,817,299	\$ 213,879,618	\$ 91,204,120	\$ 387,411,722	\$ 25,076,775	\$ 11,306,137	\$ 918,772,464
Change in Fund Balance	\$ 770,582	\$ -	\$ (744,630)	\$ -	\$ (83,597,493)	\$ (53,445,293)	\$ (115,037,780)	\$ -	\$ -	\$ (252,054,614)

**Town of Queen Creek
Summary Schedule of estimated revenues and expenditures/expenses
Fiscal year 2025**

Fiscal year	S c h	Funds	Funds										Total all funds
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds				
2024	E 1	Adopted/adjusted budgeted expenditures/expenses*	53,372,364	93,165,825	23,902,824	361,046,497	0	325,902,270	9,731,219	867,120,999			
2024	E 2	Actual expenditures/expenses**	53,372,364	93,165,825	23,902,824	228,422,236	0	268,212,488	9,731,219	676,806,956			
2025		Beginning fund balance/(deficit) or net position/(deficit) at July 1***	141,566,076	59,550,218	1,569	138,328,842	0	148,449,548	1,457,860	489,354,113			
2025	B 4	Primary property tax levy		13,920,642						13,920,642			
2025	B 5	Secondary property tax levy								0			
2025	C 6	Estimated revenues other than property taxes	115,658,714	67,058,337	1,679,273	15,621,887	0	106,537,861	11,306,137	317,862,209			
2025	D 7	Other financing sources	0	0	0	140,000,000	0	0	0	140,000,000			
2025	D 8	Other financing (uses)	0	0	0	0	0	0	0	0			
2025	D 9	Interfund transfers in	0	31,041,178	23,397,502	116,752,065	0	23,744,264	0	194,934,999			
2025	D 10	Interfund Transfers (out)	51,404,024	44,911,491	0	74,875,220	0	23,744,264	0	194,934,999			
2025		Line 11: Reduction for fund balance reserved for future budget year expenditures											
		Maintained for future debt retirement											
		Maintained for future capital projects											
		Maintained for future financial stability											
		Maintained for future retirement contributions											
2025		Total financial resources available	205,820,766	126,658,884	25,078,344	335,827,564	0	254,987,409	12,763,997	961,136,964			
2025	E 13	Budgeted expenditures/expenses	63,484,108	121,298,589	25,076,775	312,536,502	0	190,135,354	11,306,137	723,837,465			

Expenditure limitation comparison

	2024	2025
1 Budgeted expenditures/expenses	\$ 867,120,999	\$ 723,837,465
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	867,120,999	723,837,465
4 Less: estimated exclusions	510,825,251	522,666,459
5 Amount subject to the expenditure limitation	\$ 356,295,748	\$ 201,171,006
6 EEC expenditure limitation or voter-approved alternative expenditure limitation	\$ 631,421,266	\$ 704,292,166

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

* Includes expenditure/expense adjustments approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent beginning fund balance/(deficit) or net position/(deficit) amounts except for nonspendable amounts (e.g., prepaids and inventories) or amounts legally or contractually required to be maintained intact (e.g., principal of a permanent fund). See the instructions tab, cell C17 for more information about the amounts that should and should not be included on this line.

Town of Queen Creek
Tax levy and tax rate information
Fiscal year 2025

	2024	2025
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>20,088,147</u>	\$ <u>21,460,346</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ _____	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>13,285,644</u>	\$ <u>13,920,642</u>
Property tax judgment _____	_____	_____
B. Secondary property taxes	_____	_____
Property tax judgment _____	_____	_____
C. Total property tax levy amounts	\$ <u>13,285,644</u>	\$ <u>13,920,642</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>13,920,642</u>	
(2) Prior years' levies	<u>10,184</u>	
(3) Total primary property taxes	\$ <u>13,930,826</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ _____	
(2) Prior years' levies	_____	
(3) Total secondary property taxes	\$ _____	
C. Total property taxes collected	\$ <u>13,930,826</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>1.7231</u>	<u>1.6231</u>
Property tax judgment _____	_____	_____
(2) Secondary property tax rate	_____	_____
Property tax judgment _____	_____	_____
(3) Total city/town tax rate	<u>1.7231</u>	<u>1.6231</u>
B. Special assessment district tax rates		
Secondary property tax rates—As of the date the proposed budget was prepared, the city/town was operating <u>zero</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

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

Town of Queen Creek
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
General Fund			
Local taxes			
City Sales Tax	\$ 44,520,829	\$ 45,806,415	\$ 51,610,384
Construction Sales Tax	16,991,250	18,117,724	14,647,709
Licenses and permits			
Business Licenses	90,000	90,000	90,000
Liquor License	10,500	10,500	13,000
Building Revenue	5,740,000	10,040,000	8,568,600
Intergovernmental			
State Sales Tax	10,039,900	9,969,500	11,032,900
Urban Revenue Sharing	18,692,200	18,764,434	16,116,742
Charges for services			
Recreation User Fees	1,151,500	1,151,500	2,030,040
Fleet Charges Internal	446,800	600,000	700,000
Interest on investments			
Interest Income	3,707,500	3,707,500	4,503,923
Miscellaneous			
Telecommunications	175,000	175,000	175,000
Building Lease Revenue			92,680
Signage Revenue			25,000
Gas Franchises	135,000	135,000	200,000
Cable Licenses	360,000	360,000	
Government Agency Reimbursement			390,000
Miscellaneous	1,148,140	1,148,140	250,000
Departmental Support Revenue	5,105,923	5,105,923	5,212,736
Total General Fund	\$ 108,314,542	\$ 115,181,636	\$ 115,658,714

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Town of Queen Creek
Revenues other than property taxes
Fiscal Year 2025

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Special Revenue Funds			
Highway User Revenue Fund			
Highway Users Revenue	\$ 5,271,853	\$ 5,233,400	\$ 5,774,900
Pinal County Taxes	30,000	30,000	40,000
Vehicle License Tax	3,926,600	3,687,100	4,122,400
Grants			362,000
	\$ 9,228,453	\$ 8,950,500	\$ 10,299,300
Municipal Town Center Fund			
City Sales Tax	\$ 1,805,482	\$ 1,410,573	\$ 336,000
Building Lease Revenue	86,384	86,384	
Signage Revenue	20,000	20,000	
	\$ 1,911,866	\$ 1,516,957	\$ 336,000
Construction Sales Tax Fund			
Construction Sales Tax	\$ 16,991,250	\$ 18,117,724	\$ 14,647,709
	\$ 16,991,250	\$ 18,117,724	\$ 14,647,709
Grants and Contingency Fund			
Grants	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Parks Development Fund			
Development Impact Fees	\$ 4,700,000	\$ 6,400,000	\$ 6,754,606
Interest Income	500,000	377,295	903,257
	\$ 5,200,000	\$ 6,777,295	\$ 7,657,863
Town Buildings & Vehicle Fund			
Interest Income	51,000	1,000	
	\$ 51,000	\$ 1,000	\$
Transportation Development Fee Fund			
Development Impact Fees	\$ 3,300,000	\$ 5,600,000	\$ 4,912,828
Interest Income	320,000	267,621	655,703
	\$ 3,620,000	\$ 5,867,621	\$ 5,568,531
Library Development Fee Fund			
Development Impact Fees	\$ 120,000	\$ 35,000	\$
Interest Income	60,000	54,212	
	\$ 180,000	\$ 89,212	\$
Public Safety Development Fee Fund			
Development Impact Fees	\$ 1,000,000	\$ 1,500,000	\$ 1,473,020
Interest Income	25,000	56,828	90,571
	\$ 1,025,000	\$ 1,556,828	\$ 1,563,591
Street Light Improvement Districts			
Miscellaneous	200,000	200,000	
	\$ 200,000	\$ 200,000	\$
City Sales Tax	\$ 5,565,104	\$ 5,725,802	\$ 6,451,298
Construction Sales Tax	2,123,906	2,264,716	1,830,964
County Island Fire District	2,238,852	2,238,852	2,238,852
Fire Inspections	130,000	130,000	190,000
PSPRS Premium Tax Credit	244,163	317,958	350,000
ROI Utility Revenue	3,834,740	3,834,740	4,000,000
IGA	181,715	181,715	247,244
Charges for Services	265,000	390,000	390,000
Police Department Revenues	34,250	34,250	63,000
Government Agency Reimbursement	15,000	15,000	
Grants			98,628
Miscellaneous	11,500	11,500	15,000
Ambulance Service Revenue	1,900,000	500,000	1,500,000
	\$ 16,544,230	\$ 15,644,533	\$ 17,374,986

**Town of Queen Creek
Revenues other than property taxes
Fiscal Year 2025**

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Fire Development Fee Fund			
Development Impact Fees	\$ 1,800,000	\$ 2,900,000	\$ 2,704,707
Interest Income	60,000	173,316	280,426
	<u>\$ 1,860,000</u>	<u>\$ 3,073,316</u>	<u>\$ 2,985,133</u>
Horseshoe Park & Equestrian Center (HPEC) Fund			
Park Revenues	\$ 1,042,314	\$ 1,042,314	\$ 1,245,129
Sponsorships	320,954	320,954	367,500
Miscellaneous			12,595
	<u>\$ 1,363,268</u>	<u>\$ 1,363,268</u>	<u>\$ 1,625,224</u>
Total Special Revenue Funds	<u>\$ 63,175,067</u>	<u>\$ 68,158,254</u>	<u>\$ 67,058,337</u>
Debt Service Funds			
Special Assessment Fund			
Property Assessments	\$ 1,689,858	\$ 1,689,858	\$ 1,679,273
	<u>\$ 1,689,858</u>	<u>\$ 1,689,858</u>	<u>\$ 1,679,273</u>
Total Debt Service Funds	<u>\$ 1,689,858</u>	<u>\$ 1,689,858</u>	<u>\$ 1,679,273</u>
Capital Projects Funds			
Drainage & Transportation Fund			
Government Agency Reimbursement	\$ 30,000,000	\$ 30,000,000	\$ 10,018,387
Miscellaneous			3,248,430
Interest Income	899,420	899,420	930,359
	<u>\$ 30,899,420</u>	<u>\$ 30,899,420</u>	<u>\$ 14,197,176</u>
General CIP			
Bond/Loan Proceeds	\$ 130,000,000	\$	\$
Interest Income	1,710,000	1,710,000	1,424,711
	<u>\$ 131,710,000</u>	<u>\$ 1,710,000</u>	<u>\$ 1,424,711</u>
Total Capital Projects Funds	<u>\$ 162,609,420</u>	<u>\$ 32,609,420</u>	<u>\$ 15,621,887</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

**Town of Queen Creek
Revenues other than property taxes
Fiscal Year 2025**

Source of revenues	Estimated revenues 2024	Actual revenues* 2024	Estimated revenues 2025
Enterprise Funds			
Wastewater Fund			
User Fees	\$ 11,705,100	\$ 11,705,100	\$ 12,000,000
Capacity Fees	2,195,990	2,195,990	3,527,514
Miscellaneous	1,311,780	1,311,780	1,416,200
Interest Income	153,200	278,353	629,332
Government Agency Reimbursement	8,500,000	8,500,000	916,992
Bond/Loan Proceeds	6,139,935	6,139,935	
	<u>\$ 30,006,005</u>	<u>\$ 30,131,158</u>	<u>\$ 18,490,038</u>
Water Fund			
User Fees	\$ 29,678,080	\$ 31,413,965	\$ 32,741,000
Capacity Fees	2,684,510	2,684,510	3,889,800
Miscellaneous	533,270	1,046,847	609,500
Interest Income	116,000	65,564	856,582
Government Agency Reimbursement		1,193,610	
Bond/Loan Proceeds	183,420,321	183,420,321	44,559,719
	<u>\$ 216,432,181</u>	<u>\$ 219,824,817</u>	<u>\$ 82,656,601</u>
Solid Waste Fund			
User Fees	4,715,040	5,115,040	5,339,800
Interest Income	14,000	25,011	33,422
Miscellaneous			18,000
	<u>\$ 4,729,040</u>	<u>\$ 5,140,051</u>	<u>\$ 5,391,222</u>
Total Enterprise Funds	<u>\$ 251,167,226</u>	<u>\$ 255,096,026</u>	<u>\$ 106,537,861</u>
Internal service funds			
Healthcare Self-Insurance			
Premiums	\$ 9,531,219	\$ 9,531,219	\$ 11,206,137
Stop Loss Reimbursement	100,000	100,000	100,000
	<u>\$ 9,631,219</u>	<u>\$ 9,631,219</u>	<u>\$ 11,306,137</u>
Total Internal Service Funds	<u>\$ 9,631,219</u>	<u>\$ 9,631,219</u>	<u>\$ 11,306,137</u>
Total All Funds	<u>\$ 596,587,332</u>	<u>\$ 482,366,413</u>	<u>\$ 317,862,209</u>

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

Town of Queen Creek
Other financing sources/(uses) and interfund transfers
Fiscal year 2025

Fund	Other financing 2025		Interfund transfers 2025	
	Sources	(Uses)	In	(Out)
General Fund				
Debt Service	\$	\$	\$	\$ 17,188,618
Infrastructure (CIP)				3,174,228
Emergency Services Fund				28,849,103
Horseshoe Park & Equestrian Center Fund				2,192,075
HURF				
Total General Fund	\$	\$	\$	\$ 51,404,024
Special Revenue Funds				
Library Development Fee Fund	\$	\$	\$	\$ 228,919
Emergency Services Fund			28,849,103	1,503,200
Parks Development				555,713
Public Safety Development Fee Fund				9,172,164
Town Buildings & Vehicles Development Fund				288,982
Fire Development Fee Fund				3,636,773
Transportation Development Fund				5,162,232
Construction Sales Tax				23,554,280
Town Center				331,987
HURF				263,372
Horseshoe Park & Equestrian Center Fund			2,192,075	213,869
Total Special Revenue Funds	\$	\$	\$ 31,041,178	\$ 44,911,491
Debt Service Funds				
Special Assessment Fund	\$	\$	\$	\$
Debt service			23,397,502	
Total Debt Service Funds	\$	\$	\$ 23,397,502	\$
Capital Projects Funds				
Transportation CIP	\$	\$	\$ 20,765,835	\$
General CIP	140,000,000		95,986,220	74,875,220
Total Capital Projects Funds	\$ 140,000,000	\$	\$ 116,752,055	\$ 74,875,220
Enterprise Funds				
Water Fund	\$	\$	\$	\$ 12,667,402
Water Capacity				3,214,303
Water CIP			3,691,003	
Water Debt			12,190,702	
Sewer / Wastewater Fund				7,002,148
Sewer / Wastewater Capacity				860,411
Sewer / Wastewater CIP			6,534,316	
Sewer / Wastewater Debt			1,328,243	
Total Enterprise Funds	\$	\$	\$ 23,744,264	\$ 23,744,264
Total All Funds	\$ 140,000,000	\$	\$ 194,934,999	\$ 194,934,999

**Town of Queen Creek
Expenditures/expenses by fund
Fiscal year 2025**

Fund/Department	Adopted budgeted expenditures/expenses 2024	Expenditure/expense adjustments approved 2024	Actual expenditures/expenses* 2024	Budgeted expenditures/expenses 2025
General Fund				
Town Council	\$ 493,552	\$	\$ 493,552	\$ 518,649
Town Manager	1,283,132	23,471	1,306,603	1,248,854
Legal Services	945,000		945,000	1,039,500
Town Clerk	382,805		382,805	410,751
Finance	3,568,836	(62,565)	3,506,271	4,017,988
Human Resources	1,130,617	113,808	1,244,425	1,447,107
Information Technology	8,422,333	(16,809)	8,405,524	9,235,264
Community Services	6,846,508	1,521,499	8,368,007	14,290,955
Economic Development	1,357,471	(99,800)	1,257,671	1,548,518
Development Services	5,506,652	89,498	5,596,150	4,895,867
Public Works	14,934,203	3,289,838	18,224,041	21,487,701
Centralized Services	6,743,000	(3,100,685)	3,642,315	3,342,954
Total General Fund	\$ 51,614,109	\$ 1,758,255	\$ 53,372,364	\$ 63,484,108
Special revenue funds				
HURF	\$ 9,472,169	\$ 483,051	\$ 9,955,220	\$ 10,780,558
Municipal Town Center Fund	1,580,060		1,580,060	433,000
Streetlight Improvement District	232,059		232,059	240,070
Grants & Contingency Fund	23,000,000	(2,504,222)	20,495,778	47,600,000
Parks Development Fund	80,000	12,328	92,328	
Town Buildings & Vehicles Fund				
Transporation Development Fund	125,000	12,328	137,328	
Library Development Fund	20,000		20,000	
Public Safety Development Fund	40,000	12,328	52,328	
Fire Development Fund	40,000	12,328	52,328	
Emergency Services Fund	49,140,464	8,216,547	57,357,011	58,641,531
Horseshoe Park & Equestrian Fund	3,057,934	133,451	3,191,385	3,603,430
LTAf				
Community Events Fund				
Total special revenue funds	\$ 86,787,686	\$ 6,378,139	\$ 93,165,825	\$ 121,298,589
Debt service funds				
Debt Service Fund	\$ 27,864,091	\$ (5,697,972)	\$ 22,166,119	\$ 23,397,502
Special Assessment Fund	1,689,858	46,847	1,736,705	1,679,273
Total debt service funds	\$ 29,553,949	\$ (5,651,125)	\$ 23,902,824	\$ 25,076,775
Capital projects funds				
Drainage & Transportation	\$ 141,905,241	\$ (1,574,841)	\$ 140,330,400	\$ 159,695,173
General CIP	220,815,292	(99,195)	220,716,097	152,841,329
Carryforward Allowance			(132,624,261)	
Total capital projects funds	\$ 362,720,533	\$ (1,674,036)	\$ 228,422,236	\$ 312,536,502
Enterprise funds				
Sewer/Wastewater Funds				
Sewer Operating	\$ 13,366,151	\$ (3,543,739)	\$ 9,822,412	\$ 12,017,933
Sewer Capacity	50,000	7,268	57,268	50,000
Sewer Capital	25,893,739	(589,654)	25,304,085	24,978,630
Carryforward Allowance			(17,527,322)	
Sewer Debt	2,757,506		2,757,506	1,328,243
Subtotal enterprise funds	\$ 42,067,396	\$ (4,126,125)	\$ 20,413,949	\$ 38,374,806
Water Funds				
Water Operating	\$ 44,876,994	(7,854,916)	37,022,078	47,814,228
Water Capacity	50,000	7,268	57,268	50,000
Water Capital	221,677,639	11,471,877	233,149,516	86,295,442
Carryforward Allowance			(40,162,460)	
Water Debt	12,633,376		12,633,376	12,190,701
Subtotal Water	\$ 279,238,009	\$ 3,624,229	\$ 242,699,778	\$ 146,350,371
Solid Waste Fund				
Solid Waste	\$ 5,408,098	(309,337)	5,098,761	5,410,177
Subtotal Solid Waste	\$ 5,408,098	(309,337)	\$ 5,098,761	\$ 5,410,177
Total Enterprise Funds	\$ 326,713,503	\$ (811,233)	\$ 268,212,488	\$ 190,135,354
Internal service funds				
Medical Self-Insurance	\$ 9,731,219		\$ 9,731,219	\$ 11,306,137
Total internal service funds	\$ 9,731,219		\$ 9,731,219	\$ 11,306,137
Total all funds	\$ 867,120,999	\$ (0)	\$ 676,806,956	\$ 723,837,465

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Town of Queen Creek
Expenditures/expenses by department
Fiscal year 2025**

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2024	2024	2024	2025
Town Council				
General Fund	\$ 493,552		493,552	518,649
Town Council Total	\$ 493,552	\$	\$ 493,552	\$ 518,649
Town Manager				
General Fund	\$ 1,283,132	23,471	1,306,603	1,248,854
Town Manager Total	\$ 1,283,132	\$ 23,471	\$ 1,306,603	\$ 1,248,854
Legal Services				
General Fund	\$ 945,000		945,000	1,039,500
Legal Services Total	\$ 945,000	\$	\$ 945,000	\$ 1,039,500
Town Clerk				
General Fund	\$ 382,805		382,805	410,751
Town Clerk Total	\$ 382,805	\$	\$ 382,805	\$ 410,751
Finance				
General Fund	\$ 3,568,836	(62,565)	3,506,271	4,017,988
Finance Total	\$ 3,568,836	\$ (62,565)	\$ 3,506,271	\$ 4,017,988
Community Services				
General Fund	\$ 6,846,508	1,521,499	8,368,007	14,290,955
Parks Development Fund	80,000	12,328	92,328	
Library Development Fund	20,000		20,000	
Community Services Total	\$ 6,946,508	\$ 1,533,827	\$ 8,480,335	\$ 14,290,955
Development Services				
General Fund	\$ 5,506,652	89,498	5,596,150	4,895,867
Development Services Total	\$ 5,506,652	\$ 89,498	\$ 5,596,150	\$ 4,895,867
Public Works				
General Fund	\$ 14,934,203	3,289,838	18,224,041	21,487,701
HURF	9,472,169	483,051	9,955,220	10,780,558
Solid Waste Fund	5,408,098	(309,337)	5,098,761	5,410,177
Transportation Development Fund	125,000	12,328	137,328	
Drainage & Transportation Fund	141,905,241	(1,574,841)	140,330,400	159,695,173
Carryforward Allowance			(74,863,077)	
Public Works Total	\$ 171,844,711	\$ 1,901,039	\$ 98,882,673	\$ 197,373,609
Human Resources				
General Fund	\$ 1,130,617	113,808	1,244,425	1,447,107
Human ResourceTotal	\$ 1,130,617	\$ 113,808	\$ 1,244,425	\$ 1,447,107
Information Technology				
General Fund	\$ 8,422,333	(16,809)	8,405,524	9,235,264
Information Technology Total	\$ 8,422,333	\$ (16,809)	\$ 8,405,524	\$ 9,235,264

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Town of Queen Creek
Expenditures/expenses by department
Fiscal year 2025**

Department/Fund	Adopted budgeted expenditures/expenses	Expenditure/expense adjustments approved	Actual expenditures/expenses*	Budgeted expenditures/expenses
	2024	2024	2024	2025
Economic Development				
General Fund	\$ 1,357,471	(99,800)	1,257,671	1,548,518
Municipal Town Center Fund	1,580,060		1,580,060	433,000
Horseshoe Park Fund	3,057,934	133,451	3,191,385	3,603,430
Economic Development Total	\$ 5,995,465	\$ 33,651	\$ 6,029,116	\$ 5,584,948
Emergency Management Services (EMS)				
Emergency Services Fund	\$ 49,140,464	8,216,547	57,357,011	58,641,531
Public Safety Development Fund	40,000	12,328	52,328	
Fire Development Fund	40,000	12,328	52,328	
EMS Total	\$ 49,220,464	\$ 8,241,203	\$ 57,461,667	\$ 58,641,531
Utilities Department				
Sewer Utility Fund	\$ 13,366,151	(3,543,739)	9,822,412	12,017,933
Sewer Capacity Fund	50,000	7,268	57,268	50,000
Sewer Capital Fund	25,893,739	(589,654)	25,304,085	24,978,630
Sewer Debt Fund	2,757,506		2,757,506	1,328,243
Carryforward Allowance - Sewer CIP			(17,527,322)	
Water Operating Fund	44,876,994	(7,854,916)	37,022,078	47,814,228
Water Capacity Fund	50,000	7,268	57,268	50,000
Water Capital Fund	221,677,639	11,471,877	233,149,516	86,295,442
Water Debt Fund	12,633,376		12,633,376	12,190,701
Carryforward Allowance - Water CIP			(40,162,460)	
Utilities Department Total	\$ 321,305,405	\$ (501,896)	\$ 263,113,727	\$ 184,725,177
Centralized Service / General Operations				
General Fund	\$ 6,743,000	(3,100,685)	3,642,315	3,342,954
General CIP	220,815,292	(99,195)	220,716,097	152,841,329
Carryforward Allowance			(57,761,184)	
Grants & Contingency Fund	23,000,000	(2,504,222)	20,495,778	47,600,000
Streetlight Improvement Districts	232,059		232,059	240,070
Special Assessments Fund	1,689,858	46,847	1,736,705	1,679,273
Debt Service Fund	27,864,091	(5,697,972)	22,166,119	23,397,502
Healthcare / Self-Insurance	9,731,219		9,731,219	11,306,137
Centralized Svcs / General Ops. Total	\$ 290,075,519	\$ (11,355,227)	\$ 220,959,108	\$ 240,407,265
Total All Departments	\$ 867,120,999	\$	\$ 676,806,956	\$ 723,837,465

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

**Town of Queen Creek
Full-time employees and personnel compensation
Fiscal year 2025**

Fund	Full-time equivalent (FTE)	Employee salaries and hourly costs	Retirement costs	Healthcare costs	Other benefit costs	Total estimated personnel compensation
	2025	2025	2025	2025	2025	2025
General Fund	259.91	\$ 24,669,844	\$ 2,229,224	\$ 2,337,198	\$ 2,441,463	\$ 31,677,729
Special revenue funds						
Emergency Services	275.00	\$ 34,839,319	\$ 2,970,512	\$ 2,741,788	\$ 2,920,426	\$ 43,472,045
HPEC	8.00	756,592	89,094	88,630	83,017	1,017,333
HURF	23.00	1,868,335	199,543	234,552	175,565	2,477,995
Total special revenue funds	306.00	\$ 37,464,246	\$ 3,259,149	\$ 3,064,970	\$ 3,179,008	\$ 46,967,373
Capital projects funds						
CIP	17.00	\$ 2,686,178	\$ 292,022	\$ 255,494	\$ 221,183	\$ 3,454,877
Total capital projects funds	17.00	\$ 2,686,178	\$ 292,022	\$ 255,494	\$ 221,183	\$ 3,454,877
Enterprise funds						
Sewer Utility Fund	6.00	\$ 881,047	\$ 106,731	\$ 100,669	\$ 90,170	\$ 1,178,617
Water Fund	64.50	7,634,168	883,543	911,664	743,671	10,173,046
Solid Waste Fund	5.00	263,518	32,263	56,010	26,546	378,337
Total enterprise funds	75.50	\$ 8,778,733	\$ 1,022,537	\$ 1,068,343	\$ 860,387	\$ 11,730,000
Total all funds	658.41	\$ 73,599,001	\$ 6,802,932	\$ 6,726,005	\$ 6,702,041	\$ 93,829,979

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: SCOTT MCCARTY, FINANCE DIRECTOR
RE: FY 24-25 BUDGET MEETING FOLLOW-UP MEMO
DATE: April 22, 2024

During the Town Council’s Budget Meeting on April 8 and 9, several questions and comments were raised regarding the FY 24-25 Town Manager’s Recommended Budget. This memo is intended to provide follow-up information for items that were not fully addressed during the meetings.

1. What is the time lag between when a property’s classification changes (for example, from “Vacant Land” to “Single-Family Residential”) and when the property taxes are received by the Town?

The transition from one classification to another typically takes two to three years to show up on the property tax bill. A property’s valuation date is as of January 1st, and those valuations are included on notices of valuation sent out in February for the following tax year (e.g., notices received in Feb 2024 detail the valuation of your home for the tax bill you'll receive in Fall 2025). The assessor works throughout the year to address any appeals after initial valuation notices are sent. The assessor has until September 30th to issue an updated notice of valuation if they find that a property changed in some way throughout the year (such as with new construction), either through an appeal or other investigative methods. The assessor then certifies the property tax roll in December for the bills that will go out the following calendar year.

For example, a home completed in August 2023 (in the Town’s fiscal year 2024) would see the new property classification show up on the valuation notice that goes out in February 2024, and then the tax owed for that valuation is due and collected more than a year later in November 2025 and May 2026 (in the Town’s fiscal year 2026).

The process and timelines are similar for nonresidential property.

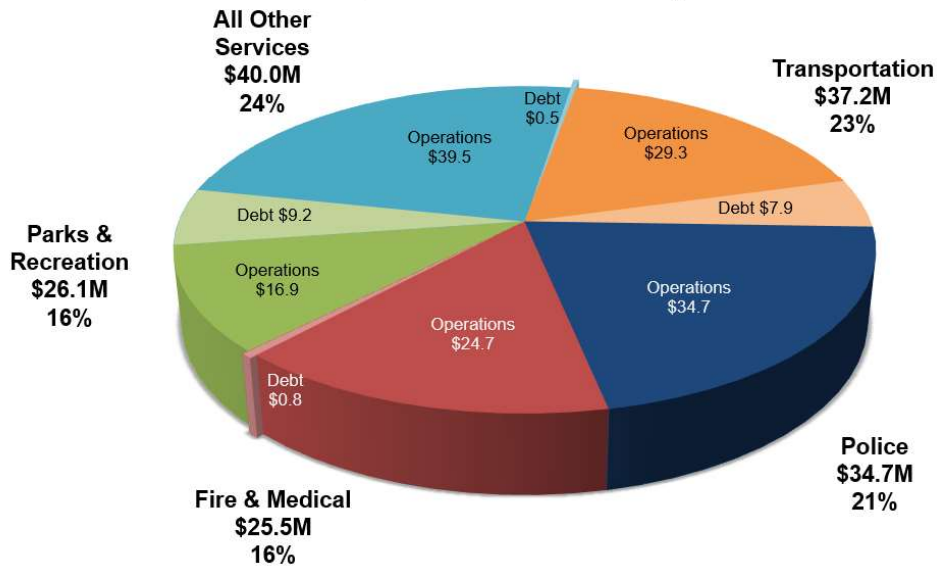
Please note that the timelines for property tax assessment, valuation, and billing are set by Arizona statutes, not the Town or the counties.

2. When did the Town implement its Operating Budget 25% Reserve Policy?

The Town formally implemented this policy for the FY 2008-09 budget year. Prior to that, the Town’s budget documents referred to the 25% fund balance target as a “best practice” or “industry standard.”

3. Please break out operating and debt expenses for each program of the Operating Budget. The chart below shows the operating and debt components of the Operating Budget:

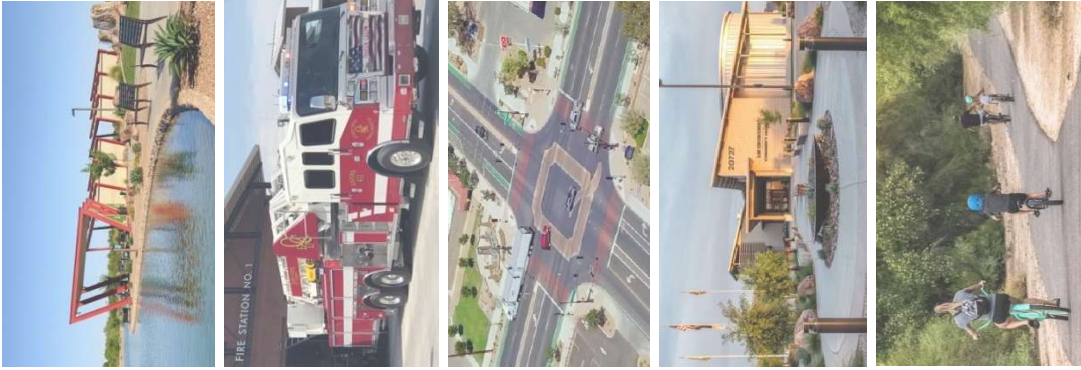
FY 24-25 OPERATING EXPENSES / USES: \$163.5M (BY PROGRAM)



4. What is the interest rate on the Parks & Recreation debt that was issued in 2022?

Following are the rates, amounts, and maturity dates of the excise tax/state-shared revenue bonds that were issued for construction of Frontier Family Park, Mansel Carter Oasis Phase II, the Recreation/Aquatic Center, and acquisition of land for a future park site:

	<u>Par Amount</u>	<u>Rate/Yield</u>	<u>Maturity Date</u>
Series #1	\$ 106,980,000	3.69%	8/1/2047 (25 years)
Series #2	\$ 24,223,000	3.30%	8/1/2037 (15 years)
Total	\$ 131,203,000		



FY 2024-25 Tentative Budget Adoption

Town Council Meeting

May 1, 2024



A Budget . . .

- **Is A Policy Document**
- **Reflects Town Council's Priorities**
- **Identifies Financial Goals**
- **Is A Spending Plan**
- **Is A Communication Tool**



Budget Calendar

Date	Item
February 7	Economic Overview and FY 24-25 Revenue Projections
February 24-25	Council Strategic Planning Session
March 28	Town Manager Recommended Budget Released
April 1 - 4	Budget Briefings with Town Council
April 8 and 9	Budget Committee Meetings (Full Council)
May 1	Tentative Budget Adoption
May 15	Adoption of Final Budget, Corporate Strategic Plan, and Updated Financial / Procurement Policies
June 5	Property Tax Levy Adoption, and Elimination of 0.25% Town Center Sales Tax

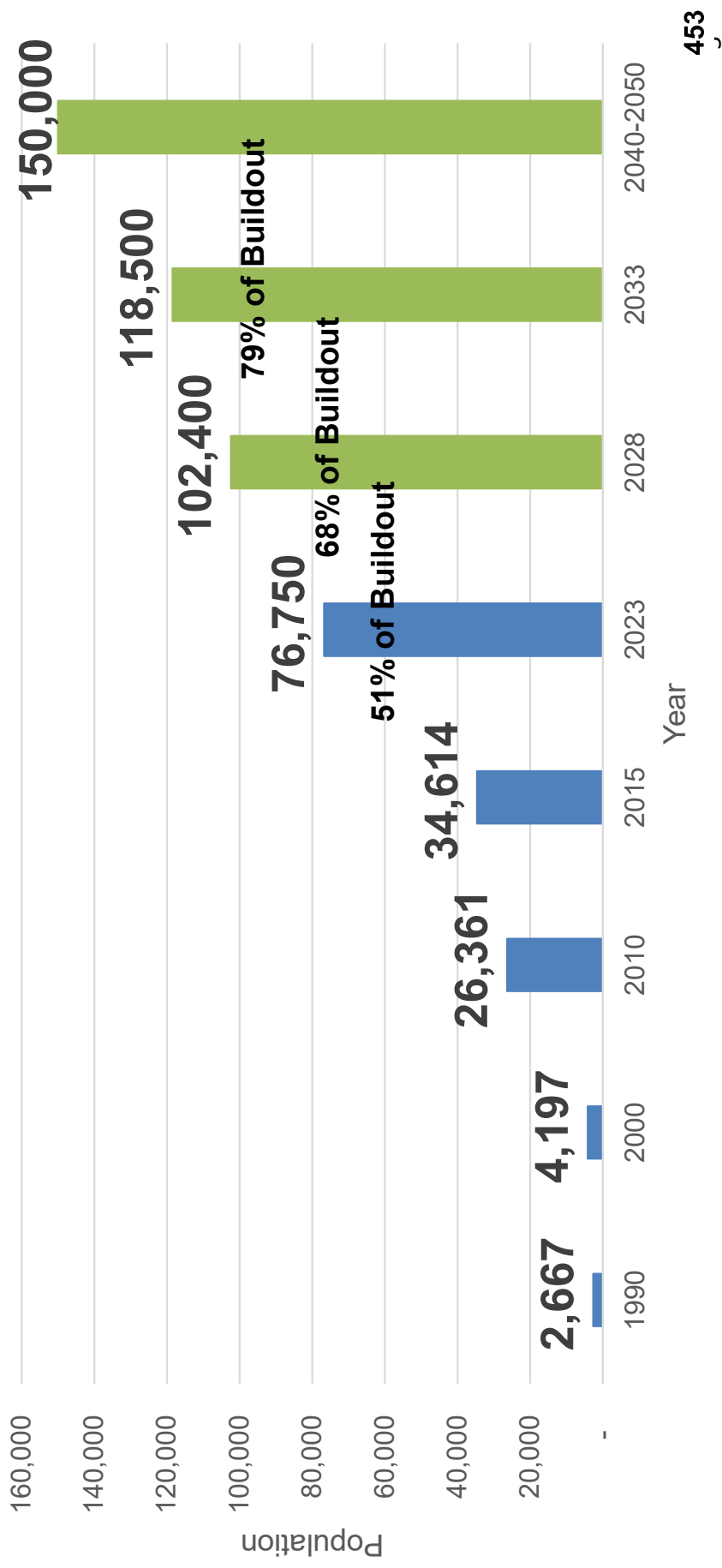


Changes to Recommended Budget as a Result of Town Council Review

1. Eliminated the 0.25% Town Center Tax (\$1.5M Annually)
 - Effective Date: October 1, 2024
 - Expenses Moved to the Operating Budget: \$272K
 - Expenses Removed from Town Center Budget: \$596K
 - \$1.7M Outstanding Debt Paid Off in August 2026 (\$309K Interest Costs Avoided)
 - Estimated \$1.2M Residual Balance Remains (Staff Recommendation Pending)

2. Added Water Conservation Position (\$130K Annually)

Buildout Population Projections: 150K



New Financial Policies

1. Eliminate the 0.25% Town Center Tax (\$1.5M Annually)

2. Voter Approved Property Taxes will **NOT** be Used to Fund Infrastructure (Secondary Property Tax)

3. Create a \$10M Construction Sales Tax Revenue Cap and a Pay-As-You Infrastructure Reserve in Operating Budget





New Financial Policies (concluded)



4. Create an Operating Budget Fund Balance Policy (Liquidity Ratio)

- 100% of Recurring Expenses
- Creates “Available Fund Balance” for One-Time Expenses



5. Create an Operating Capital Funding Policy

- Annual Amount in Excess of \$5M is Funded from Available Fund Balance in the Operating Budget





Budget Overview

- **Budget Reduced to \$723.8M** from Prior Year (-\$143M, -17%)



- Reflects **\$13.6M** in Tax and Fee Reductions

- Water Replenishment Fees: \$9.2M
- Primary Property Tax Freeze: \$2.7M
- Elimination of 0.25% Town Center Sales Tax: \$1.5M
- Elimination of Streetlight Property Taxes: \$0.2M



- **Pays Off \$1.7M of Outstanding Debt and Avoids \$309K of Interest Expense** (Town Center Share of Ellsworth Loop Road)





Budget Overview (continued)

• Increases Service Levels in

- Police
- Fire & Medical
- Transportation
- Parks and Recreation
- Water Conservation



• Adds 87 New Positions

- Police and Related: 55
- Fire & Medical: 7
- Public Works: 8
- Parks and Recreation: 7
- All Other Departments: 10



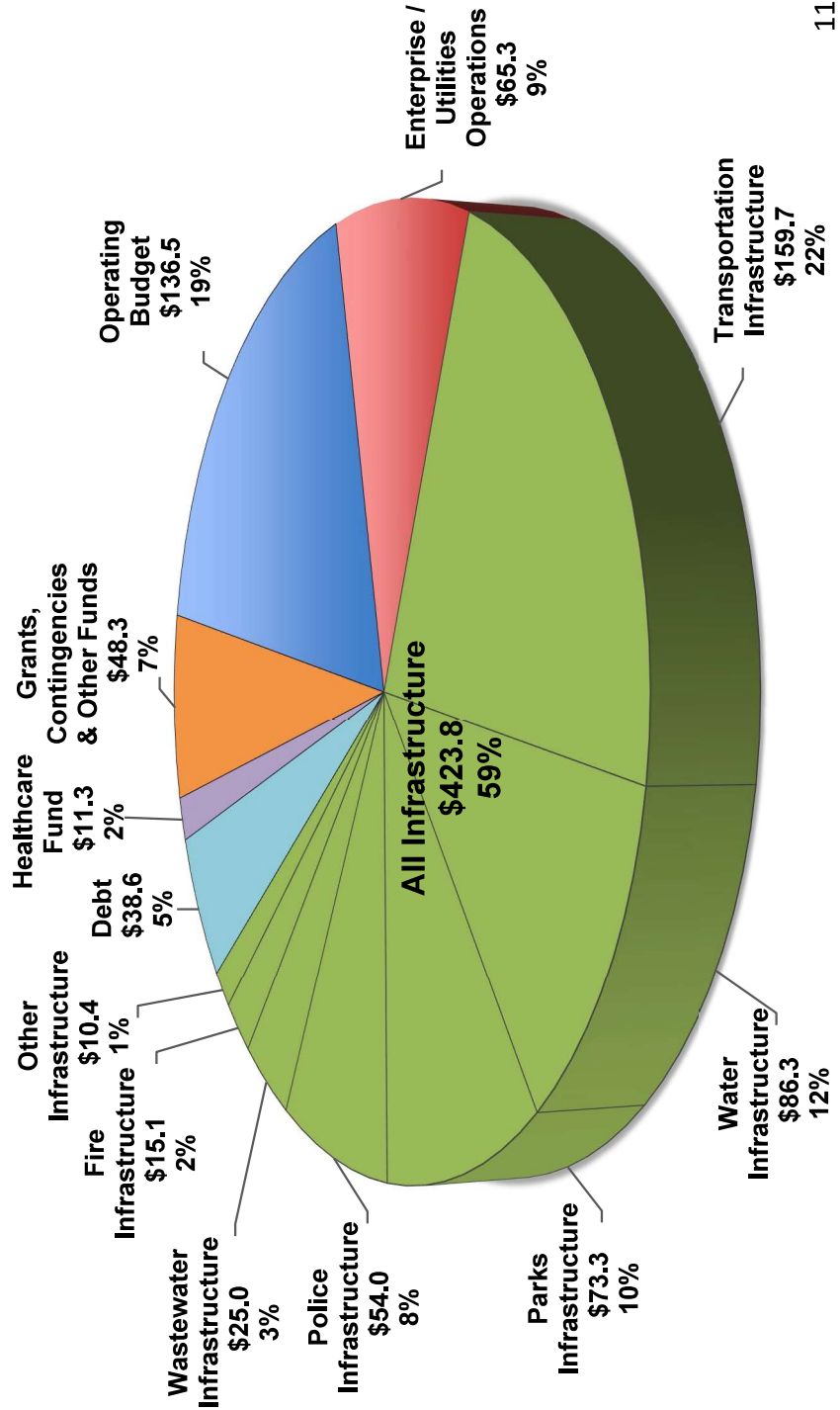
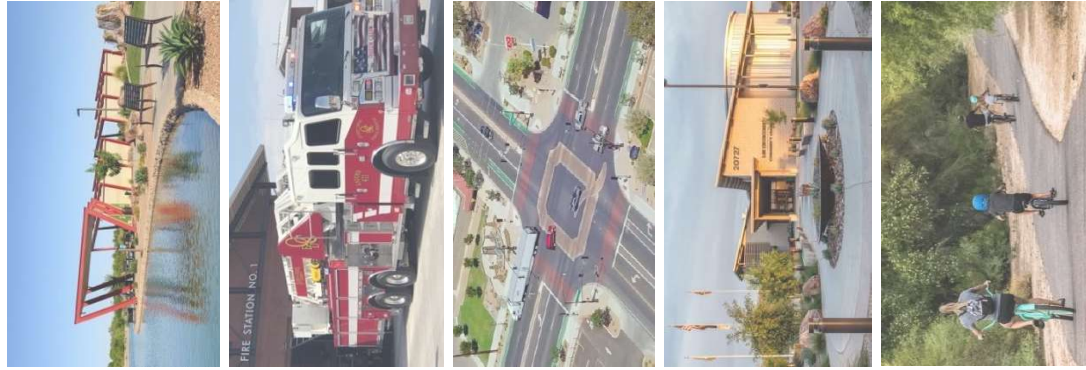
Budget Overview (concluded)

- Strong Reserves Continue
- Aggressive Infrastructure Construction Continues (\$424M)
- Infrastructure Funding Needed
 - \$140M+ Debt Issue Anticipated
 - Pay-As-You-Go Financing Increased, New Reserve Created
 - Ongoing Evaluation of Rates and Fees

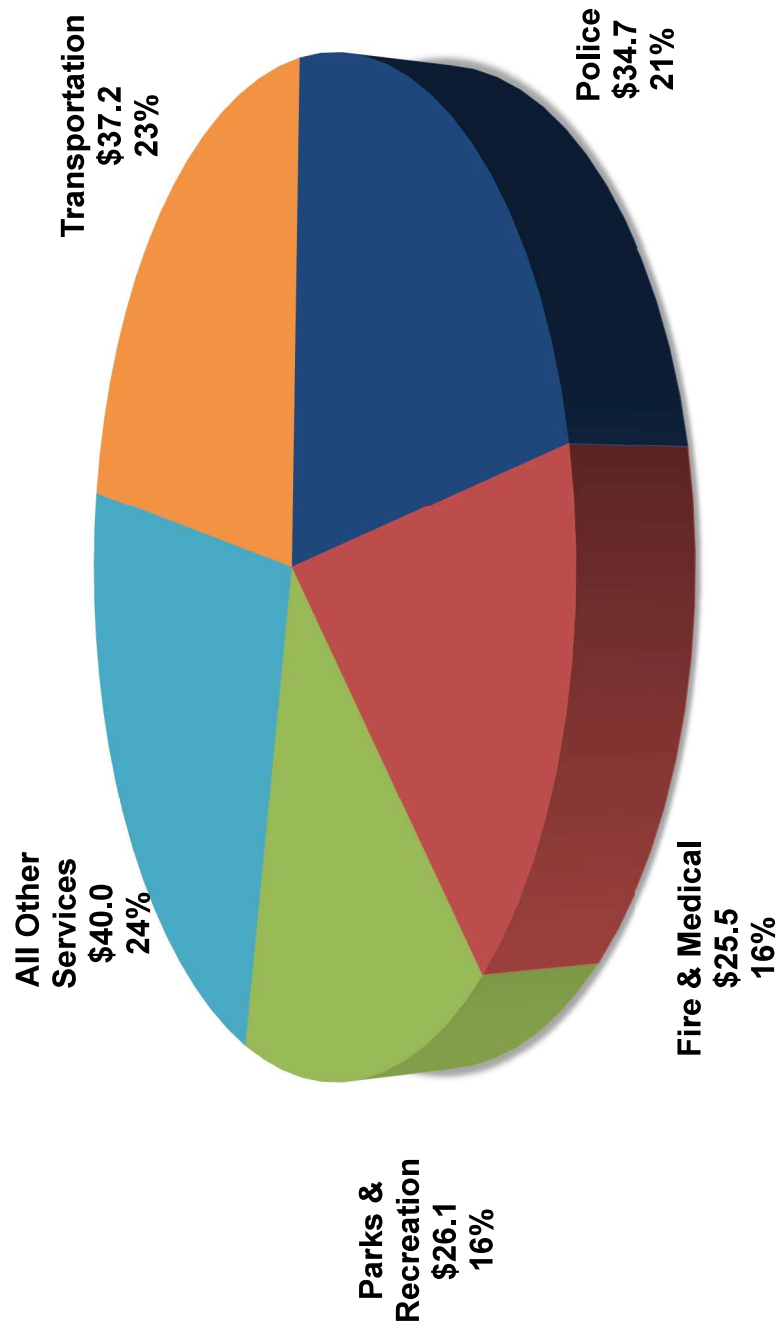


FY 24-25 RECOMMENDED BUDGET

\$723.8M

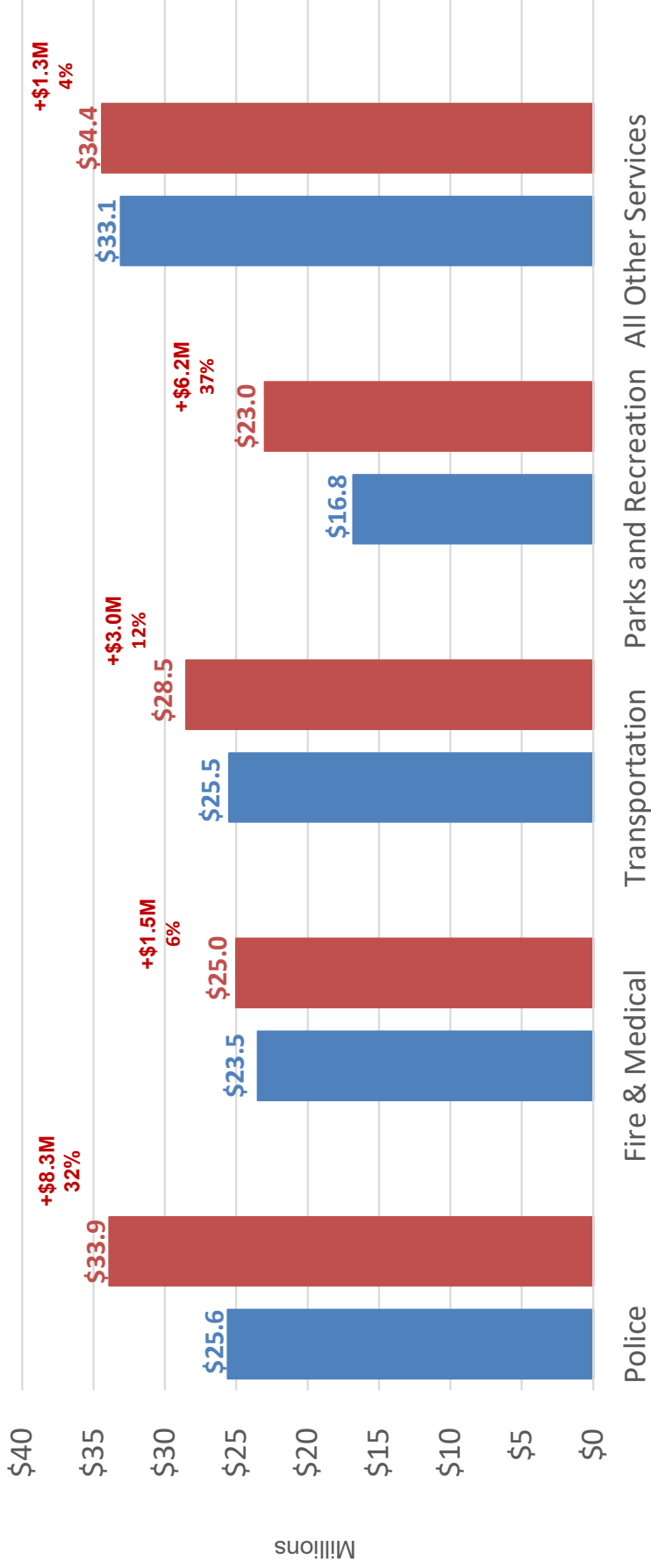


FY 24-25 OPERATING EXPENSES / USES: \$1663.5M (BY PROGRAM)



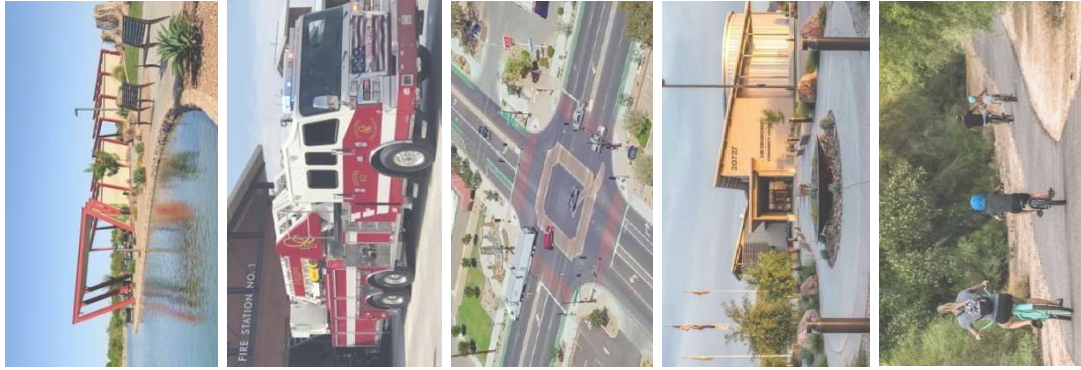
PROGRAM EXPENSE COMPARISON*

FY 23-24 VS. FY 24-25



*Excludes Capital

Large Priority Projects



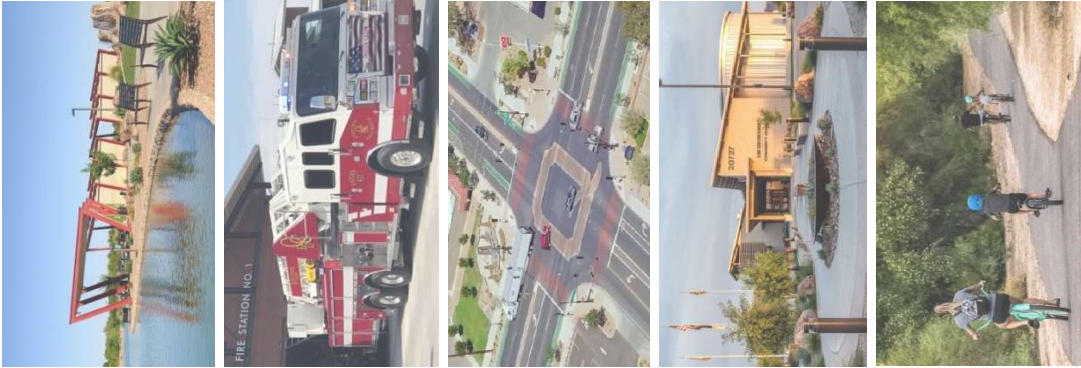
	FY 24-25 Recommended Budget
Parks Master Plan Phase I Projects	\$73M
State Lands Infrastructure (Roads, Water, Wastewater)	\$66M
Police Master Plan / Joint PD-Fire Facility	\$52M
Water Resources	\$40M
Water / Wastewater Projects Funded by Pinal County	\$31M
PD Master Plan Improvements w/ Fleet Expansion	\$26M
Total	\$288M



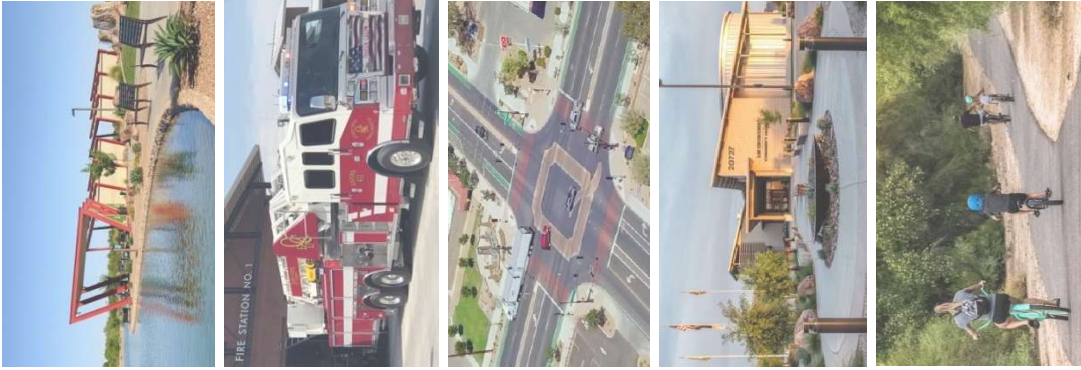
Most Immediate Financial Priorities

- Financial Reporting
 - Continue Budget to Actual Variance Analysis
 - Create Monthly Utility Funds' Financial Report
 - Recreation and Aquatic Center
- Infrastructure and Debt
 - Continue Evaluation of Infrastructure Budgeting Approach
 - Update Debt Policy
 - \$140M+ Debt Issue
- Update Rates and Fees

Rates and Fees



Rate and Fee	Timeline
1. Impact Fees	March - October
2. Parks and Recreation User Fees	August - September
3. Water and Wastewater Capacity Fees 4. Water, Wastewater, Solid Waste Rates	September - October
5. LGES Infrastructure Funding / Water and Wastewater Rates	Ongoing



Recommended Motion

Move to Approve the FY 2024-25 Tentative Budget of \$723.8M and Set May 15, 2024 at 6:30 p.m. as the date and time of the Public Hearing for the FY 2024-25 Final Budget as required under Arizona Revised Statutes

- Sets the Maximum Budget Amount



Discussion and Questions