

# TOWN OF PARADISE VALLEY

## Overview of the Town Manager's FY19 Recommended Budget Document





# TOWN OF PARADISE VALLEY

**TOWN MANAGER'S  
FISCAL YEAR 2018/19  
RECOMMENDED BUDGET**  
(July 1, 2018—June 30, 2019)

**[WWW.PARADISEVALLEYAZ.GOV](http://WWW.PARADISEVALLEYAZ.GOV)**

## Overview of the Document



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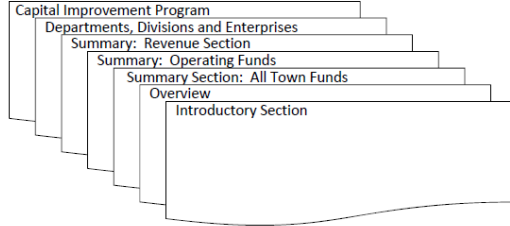
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# BUDGET DOCUMENT

## DESIGN OF THIS DOCUMENT

This budget document is designed to introduce the reader to a broad overview of the Town's finances and then gradually become more familiar as varied levels of further detail are progressively added with each section of the document. Reading the entire document is not intended for everyone. Whether it's the high level "executive summary" in the overview, various informative and easy to read "exhibits and schedules" in the Summary section or into the weeds with line items at the end of each "department budgets" in the Departments, Divisions and Enterprise section; finding that comfortable layer of information, is up to the individual.



The **Introduction** section contains a welcome from the Town Manager and an overall snap-shot of the organization structure.

The **Overview** section is comprised of tables and graphs to give a broad view of important financial information about the overall budget of the Town, information on it is designed to assist the reader when looking through all other aspects of this document and a quick calendar reference guide of when budget hearings are tentatively being scheduled with the Town Council.

The **Summary** section contains many summary schedules at a varied level of detail. Such items include, revenues, expenditures, changes in fund balances and changes in authorized full-time equivalents. The first part focuses on all Town funds, as a whole. The second part looks at the "operating fund" and the final part examines Public Safety.

The **Department, Division and Enterprises** section breaks down the Town's various programs and functions into operating budgets. It focuses on each department's operations and does not include major capital projects, contingencies and assignments, or revenues. Those are found in other sections of this document.

The **Capital Improvement Program (CIP)** is the final section of this budget document. This section contains a summary of projects by funding sources.



# BUDGET DOCUMENT

## ROLE OF THE BUDGET

One of the most important duties of the Town Council is to adopt an annual budget for the Town. The budget process provides the Council with the opportunity to match the needs of its customers (the community) and available resources with the intent of gaining the maximum return on each tax dollar. Sound financial planning is integral with the delivery of effective and efficient.

But the budget is **not** merely *sketchy calculations, thousands of line items, and a painful academic exercise*; budget appropriations ought **not** be viewed as Use it or Lose it... and next year's too; and very importantly: A budget is **NOT** a mandate to spend, but only the **authority** to do so.

A well-constructed budget is more than just a financial plan. It is intended to fulfill four major functions through its role as:

- ▶ A **Policy Document**
- ▶ A **Financial Plan**
- ▶ An **Operations Guide**, and
- ▶ A **Communications Medium**

# BUDGET CALENDER

This schedule of budget hearing days and listing of topics is **NOT** an official public notice. Times contained in these schedules are for illustrative and time-management purposes only. This schedule is flexible and subject to change.

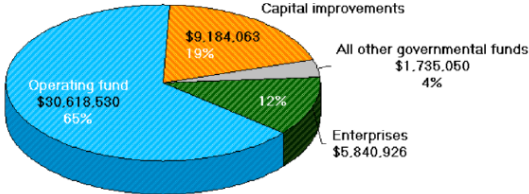
| Discussion / Presentation<br>Agenda item | Date<br>Time    | Council<br>Meeting type | Discussion / Presentation<br>Topics  | Est.<br>Time          | Document<br>Page # |     |
|--|-----------------|-------------------------|--------------------------------------|-----------------------|--------------------|-----|
| <b>DAY 1</b>                             | <b>April 12</b> |                         | Introduction                         | 0:20                  | -                  |     |
| Introduction                             | 0:20            | Work session            | Overview section                     | 0:10                  | 13-31              |     |
| Overview / summary                       | 0:20            |                         | Revenue section                      | 0:10                  | 36-53              |     |
| Departments                              | 1:40            |                         | <b>Public safety</b>                 | Fire                  | 0:05               | 121 |
| Discussion                               | 0:15            |                         | Municipal court                      | 0:40                  | 133                |     |
|  |                 |                         | Police                               | 0:05                  | 123                |     |
| <b>DAY 2</b>                             | <b>April 26</b> |                         | Alarm                                | 0:10                  | 125                |     |
| Follow up from Day 1                     | 0:15            | Work session            | <b>Development &amp; Maintenance</b> | Community development | 0:10               | 71  |
| Departments                              | 0:40            |                         | Engineering                          | 0:10                  | 79                 |     |
| CIP                                      | 0:30            |                         | Public works                         | 0:10                  | 95                 |     |
| Discussion                               | 0:20            |                         | Wastewater                           | 0:05                  | 155                |     |
| <b>DAY 3</b>                             | <b>May 10</b>   |                         | Wastewater impact fees               | 0:05                  | 157                |     |
| Follow up from Days 1 & 2                | 0:45            | Work session            | <b>Central services</b>              | Finance               | 0:05               | 83  |
| Add / Deletes                            | 0:45            |                         | Information technology               | 0:10                  | 87                 |     |
| State forms                              | 0:05            |                         | <b>Leadership</b>                    | Town attorney         | 0:05               | 107 |
| Discussion                               | 0:10            |                         | Mayor and Council                    | 0:05                  | 91                 |     |
| <b>DAY 4</b>                             | <b>May 24</b>   |                         | Town manager                         | 0:10                  | 111                |     |
| Tentative Budget discussion and          | -               | Regular session         | <b>Other sections</b>                | Tourism               | 0:10               | 105 |
| Approval on AZ State forms               | -               |                         | Human resources                      | 0:10                  | -                  |     |
| <b>DAY 5</b>                             | <b>June 14</b>  |                         | Debt service                         | 0:05                  | 151                |     |
| Public hearing                           | -               | Public hearing          | Summary section                      | 0:10                  | 36-53              |     |
| Final Budget discussion & Adoption       | -               | Special session         | CIP                                  |                       | 161                |     |
| Adjustments for 2017/18                  | -               | Regular session         |                                      |                       |                    |     |
| Budget Document                          | <b>Aug 15</b>   | Information             |                                      |                       |                    |     |



# EXECUTIVE SUMMARY

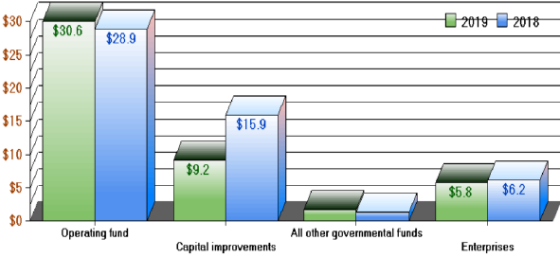
## TOTAL BUDGET

The 2018/19 recommended budget is balanced and totals \$47,378,569 and includes an authorized workforce of 102.7 full-time equivalents. This is a \$5,021,731 (-10%) decrease from last fiscal year's budget. The "operating fund", accounts for \$30,618,530, which is 65% of the total recommended budget. These amounts include direct expenditures & contingencies; they do not include transfers out.



The graph (in millions) to the right and chart below illustrate a two-year budget comparison by fund type (in millions).

The operating fund uses increased from \$28.9M to \$30.6M, and CIP decreased from \$15.9M to \$9.2M



Executive Table 1 - TOTAL RECOMMENDED BUDGET

| All Town Funds by Fund Type     | Budget 2018/19*      | Budget 2017/18      | Change \$            | Change %    |
|---------------------------------|----------------------|---------------------|----------------------|-------------|
| Operating fund                  | \$ 30,618,530        | \$28,868,400        | \$ 1,750,130         | 6%          |
| Capital projects                | 9,184,063            | 15,946,400          | (6,762,337)          | -42%        |
| All other governmental funds    | 1,735,050            | 1,366,100           | 368,950              | 27%         |
| Enterprise funds                | 5,840,926            | 6,219,400           | (378,474)            | -6%         |
| <b>Total Recommended Budget</b> | <b>\$ 47,378,569</b> | <b>\$52,400,300</b> | <b>\$(5,021,731)</b> | <b>-10%</b> |

\* Recommended funding levels for the 2018/19 budget year



# EXECUTIVE SUMMARY

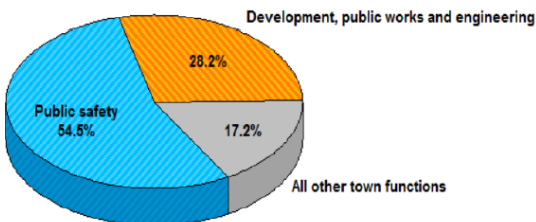
## STAFFING

Staffing levels are measured in *full-time equivalents* ("FTEs"). The total workforce in the recommended budget is **102.7 FTEs**, which is an increase of **8.7 FTEs (9%)**. The chart below displays the Town's FTEs by operating function.

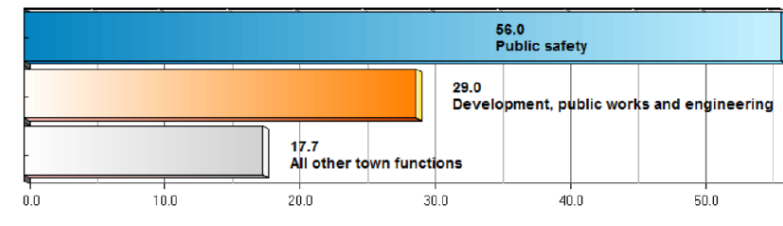
| All Town FTEs by Function                 | Budget 2018/19* | Budget 2017/18 | Change #   | Change %  |
|---|-----------------|----------------|------------|-----------|
| Public safety                             | 56.0            | 50.0           | 6.0        | 12%       |
| Development, public works and engineering | 29.0            | 28.0           | 1.0        | 4%        |
| All other town functions                  | 17.7            | 16.0           | 1.7        | 11%       |
| <b>Total Staffing levels</b>              | <b>102.7</b>    | <b>94.0</b>    | <b>8.7</b> | <b>9%</b> |

\* Recommended funding levels for the 2018/19 budget year

Public safety's workforce of 56.0 FTEs is **54.5%** of the total FTEs for the Town. **Development, public works and engineering** has 29.0 FTEs, which is **28.2%**; and all other town functions account for the remaining 17.2%, which is 17.7 FTEs.



The graphs to the right and below illustrate the percentage (%) of and total FTEs by function.



# EXECUTIVE SUMMARY

## EXPENDITURE LIMITATION

The Town's statutory Expenditure Limitation for fiscal year 2018/19 is \$40,907,550. The recommended budget is **under** the Expenditure Limitation by **\$42,769**. The table below shows the calculation based on the recommended budget.

The State of Arizona imposes a constitutional and statutory limitation on the annual expenditures on all municipalities. This limit is annually set by the Economic Estimates Commission ("EEC") based on population growth and inflation.

The limit can be adjusted by the local municipality through a note of its electors. In 2016, the Town of Paradise valley approved a base adjustment.

To ensure the Town remains in compliance with this limitation, the Town monitors its spending before, during and at the close of each fiscal year.

| All Town Funs by Classification | Budget 2018/19*  |
|---------------------------------|------------------|
| Total budgeted expenditures     | \$ 47,378,569    |
| Net reconcilable items (+/-)    | (467,697)        |
| Estimated exclusions            | (2,031,137)      |
| Budget as adjusted              | 44,879,735       |
| Assigned to future years        | (1,559,878)      |
| Carry forward available         | (2,455,076)      |
| Budget subject to Exp. Limit    | 40,864,781       |
| EEC limit for Paradise Valley   | 40,907,550       |
| <b>Amount under Exp. Limit</b>  | <b>\$ 42,769</b> |

\* Calculation based on all factors within the Recommended budget

# EXECUTIVE SUMMARY

## OPERATING SOURCES AND USES OVERVIEW

This section focuses on the **operating fund** which is a combination of the general fund and HURF. The operating fund is commonly the most important to residents as it provides basic services such as Public Safety, Development and the Municipal Court.

The 2018/19 recommended budget for the **operating fund** is balanced and totals \$37,753,293. This is a **\$196,600 (1%) increase** from last fiscal year's budget. When looking at the single fund level, **total uses** includes expenditures, contingencies **and transfers out to other funds**. This differs from the "TOTAL BUDGET" page where "transfers out" are not presented, because that is looking from Town-wide perspective.

Comparing budget-to-budget, **major revenues** are anticipated to increase by \$3,680,952 (15%) and non-major revenues are expected to decrease by \$179,670 (-4%).

It is recommended to use operating fund balance to pay for the difference of Total uses and revenues in the amount of \$4,925,011; which is a significant decrease of compared to last year budget-to-budget.

The table below shows the Town's **total sources** and **total uses**.

| Executive Table 4 - OPERATING SOURCES AND USES |                     |                     |                   |             |
|--|---------------------|---------------------|-------------------|-------------|
| Operating fund<br>Total Sources & Uses         | Budget<br>2018/19*  | Budget<br>2017/18   | Change<br>\$      | Change<br>% |
| <b>Sources:</b>                                |                     |                     |                   |             |
| Major revenue sources                          | \$28,196,952        | \$24,516,000        | \$3,680,952       | 15%         |
| Non-major revenue sources                      | 4,631,330           | 4,811,000           | (179,670)         | -4%         |
| Planned use of fund balance                    | 4,925,011           | 8,229,693           | (3,304,682)       | -40%        |
| <b>Total sources</b>                           | <b>\$37,753,293</b> | <b>\$37,556,693</b> | <b>\$ 196,600</b> | <b>1%</b>   |
| <b>Uses:</b>                                   |                     |                     |                   |             |
| Personnel                                      | \$12,424,452        | \$11,528,351        | \$ 896,101        | 8%          |
| Supplies and services                          | 9,012,778           | 10,299,100          | (1,286,322)       | -12%        |
| Capital improvement plan                       | 6,294,787           | 8,350,121           | (2,055,334)       | -25%        |
| PSPRS additional payments                      | 6,000,000           | 6,000,000           | -                 | 0%          |
| All other uses                                 | 4,021,276           | 1,379,121           | 2,642,155         | 192%        |
| <b>Total uses</b>                              | <b>\$37,753,293</b> | <b>\$37,556,693</b> | <b>\$ 196,600</b> | <b>1%</b>   |

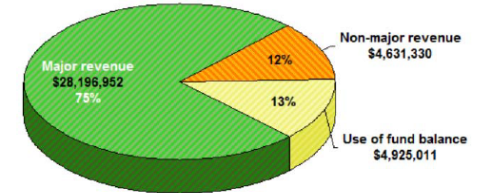
\* Recommended funding levels for the 2018/19 budget year



# EXECUTIVE SUMMARY

## OPERATING SOURCES AND USES OVERVIEW

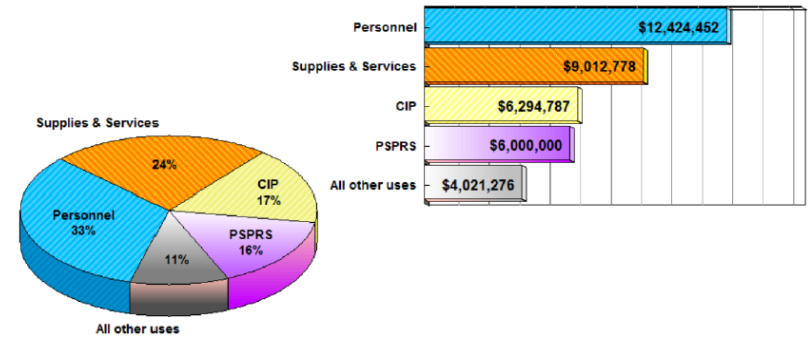
**Major revenues** are the individual revenue sources that account for the approximately 75% of "total sources". **Planned use of fund balance** is the Town's conscious use of its "savings account" for one-time uses that are in the best interest in the Town. The graph to the right illustrates total sources, as estimated for this recommended budget.



Categories for **operating uses** for the recommended budget includes Personnel, Supplies & services, Capital Improvement Program and reducing the Town's liability in the Public Safety Public Retirement System ("PSPRS"). More detail breakdowns of expenditures are available progressively through this budget document.

Recommended **personnel expenditures** are \$12,424,452, which is 33% of total operating uses. Reducing the liability to **PSPRS** is recommended at \$6,000,000; which is 16% of total operating uses and is larger than the recommendation for the planned use of fund balance of \$4.9 million.

The two graphs below illustrate the Town's uses, by type in amounts and as a % of the total.

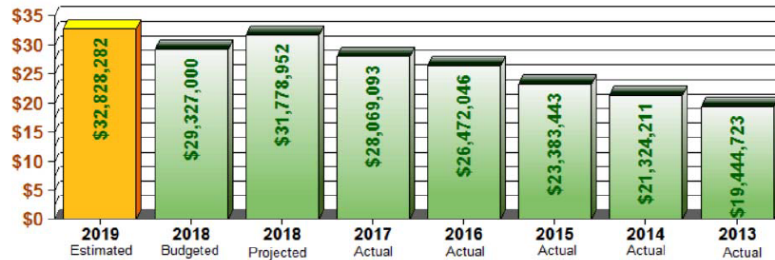




# EXECUTIVE SUMMARY

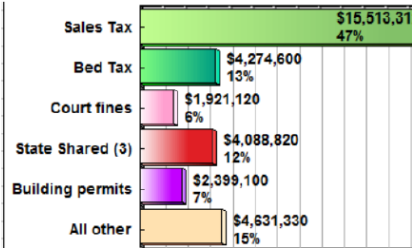
## OPERATING REVENUE

### OPERATING REVENUES (in millions)



Total operating revenues are estimated to be \$32,828,282 in the 2018/19 recommended budget. Local sales tax is by far the leading revenue as it is estimated to account for \$15,513,312, which is 47% of total revenue. Revenues do not include the planned use of fund balance.

The graph to the right shows the share of each revenue source. Further information, including historical trends for each revenue source can be found in the Revenue section of this document.



Executive Table 5 - OPERATING REVENUE

| Operating Revenue by Source         | Budget 2018/19*   | Budget 2017/18    | Change #         | Change %     |
|-------------------------------------|-------------------|-------------------|------------------|--------------|
| Sales tax                           | \$ 15,513,312     | \$ 14,295,000     | \$ 1,218,312     | 8.5%         |
| Bed tax                             | 4,274,600         | 3,984,000         | 290,600          | 7.3%         |
| Court fines - count                 | 1,921,120         | 1,762,000         | 159,120          | 9.0%         |
| State shared revenues (3)           | 4,088,820         | 3,640,000         | 448,820          | 12.3%        |
| Building permits                    | 2,399,100         | 835,000           | 1,564,100        | 187.3%       |
| <b>Total Major revenue</b>          | <b>28,196,952</b> | <b>24,516,000</b> | <b>3,680,952</b> | <b>15.0%</b> |
| All other non-major revenue sources | 4,631,330         | 4,811,000         | (179,670)        | -3.7%        |
| <b>Total operating revenue</b>      | <b>32,828,282</b> | <b>29,327,000</b> | <b>3,501,282</b> | <b>11.9%</b> |

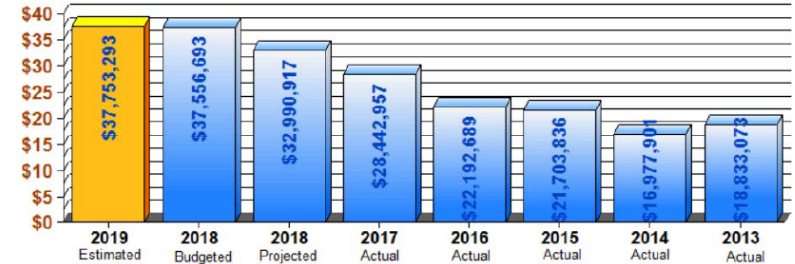
\* Recommended funding levels for the 2018/19 budget year



# EXECUTIVE SUMMARY

## OPERATING USES

### OPERATING USES (in millions)



For this section, categories of uses include direct expenditures that are further detailed in the "Departments, Divisions, and Enterprise" section; and Transfer out to other funds and Contingencies & assignments (set-asides) that are further detailed in the "Summary" Section.

Direct expenditures and transfers out decreased by \$413,521 (-1.9%) and \$1,553,530 (-17.9%), respectively. The increase of \$2,163,651 in Contingencies & assignments is directly tied in support of the Town's strategic financial planning as outlined in the Financial Forecast (Exhibit A1)

Executive Table 6 - OPERATING USES

| Operating Uses by Category                   | Budget 2018/19*      | Budget 2017/18       | Change #           | Change %      |
|--|----------------------|----------------------|--------------------|---------------|
| Personnel                                    | \$ 12,424,452        | \$ 11,528,351        | \$ 896,101         | 7.8%          |
| Supplies and services                        | 9,012,778            | 10,299,100           | (1,286,322)        | -12.5%        |
| Capital outlay                               | 382,000              | 405,300              | (23,300)           | -5.7%         |
| <b>Total direct expenditures</b>             | <b>21,819,230</b>    | <b>22,232,751</b>    | <b>(413,521)</b>   | <b>-1.9%</b>  |
| Debt service                                 | 789,976              | 288,172              | 501,804            | 174.1%        |
| Capital improvement plan                     | 6,294,787            | 8,350,121            | (2,055,334)        | -24.6%        |
| Other funds                                  | 50,000               | 50,000               | -                  | 0.0%          |
| <b>Total transfer out to other funds for</b> | <b>7,134,763</b>     | <b>8,688,293</b>     | <b>(1,553,530)</b> | <b>-17.9%</b> |
| Specific use contingency                     | 6,455,000            | 5,291,549            | 1,163,451          | 22.0%         |
| General use contingency                      | 915,000              | 1,344,100            | (429,100)          | -31.9%        |
| Assigned for future years                    | 1,429,300            | -                    | 1,429,300          | n/a           |
| <b>Total contingencies &amp; assignments</b> | <b>8,799,300</b>     | <b>6,635,649</b>     | <b>2,163,651</b>   | <b>32.6%</b>  |
| <b>Total Operating Uses</b>                  | <b>\$ 37,753,293</b> | <b>\$ 37,556,693</b> | <b>\$ 196,600</b>  | <b>0.5%</b>   |

\* Recommended funding levels for the 2018/19 budget year

# EXECUTIVE SUMMARY

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# EXECUTIVE SUMMARY

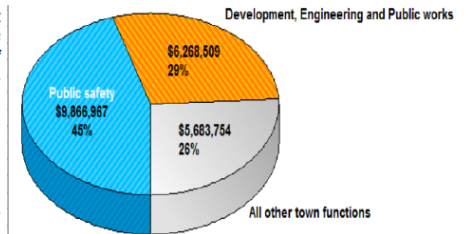
## OPERATING DIRECT EXPENDITURES

Operating expenditures are also presented department or functional unit. Operating direct expenditures do not include contingencies or transfer out to other funds. To keep this discussion at a high level, direct expenditures have been segregated into three units: (1) Public Safety, (2) Development, Public Works and engineering, and (3) all other town functions. The table below and graph to the right show the recommended budget by these functions.

**Public Safety** accounts for the largest portion of the *operating direct expenditures* with \$9,866,967. This is an increase of \$735,201 (8%) from last fiscal year and is 45% of total operating expenditures.

Development, Public Works and Engineering decreased by \$1,461,559 (-19%) and is 29% of the total operating expenditures.

All other town functions increased by \$312,837 (6%) and is 26% of the total.



Executive Table 7 - OPERATING DIRECT EXPENDITURES

| Operating direct expenditures by Function  | Budget 2018/19*     | Budget 2017/18      | Change \$           | Change %   |
|--|---------------------|---------------------|---------------------|------------|
| Public safety                              | \$ 9,866,967        | \$ 9,131,766        | \$ 735,201          | 8%         |
| Development, public works and engineering  | 6,268,509           | 7,730,068           | (1,461,559)         | -19%       |
| All other town functions                   | 5,683,754           | 5,370,917           | 312,837             | 6%         |
| <b>Total operating direct expenditures</b> | <b>\$21,819,230</b> | <b>\$22,232,751</b> | <b>\$ (413,521)</b> | <b>-2%</b> |

\* Recommended funding levels for the 2018/19 budget year

A full listing of all Town departments can be found in the "Summary Section" of this document.

All Town departments have an individual section in the "Departments, Divisions, and Enterprises" Section of this document.

# EXECUTIVE SUMMARY

## FINANCIAL FORECAST

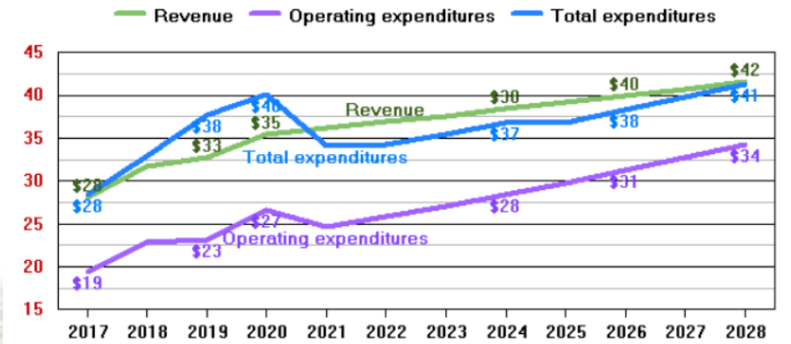
The Financial Forecast is instrumental in navigating the road map to maintain financial stability. The forecast is fluid and intended as a guide to keep on track to meet the Town's strategic goals. It is based on current and anticipated trends and reasonable assertions based on current data. Like a weather forecast (excluding desert summers), a financial forecast is adjusted over time as data materializes.

The **Revenue line** below includes all major and non-major revenue. The trend uses a flat growth rate of 2% annual increase from 2020-2028 (net one-time revenues); with an additional \$1.9 million from new and remodeled resort sales tax is anticipated in 2020 based on a revenue per square foot model.

The **Operating expenditures line** represents the base expenditures that are expected to recur each year for the general fund, HURF and spendable contingency; and is under the estimated Expenditure Limitation. The trend uses a growth rate of 3% from 2020-2021 and higher at 5% from 2022-2028; with an additional \$3,000,000 in 2020 for planned street improvements on Lincoln.

**Total expenditures** are all foreseeable expenditures at the date of the Forecast. This includes CIP, Debt Service, assignments to Facilities and Fleet life cycles, Tourism and other liabilities such as PSPRS. CIP is forecast as \$5,000,000 in 2020-2021 and \$6,000,000 annual from 2022-2028; Debt service is using the current debt repayment schedule with no early pay off. PSPRS is an additional \$6,000,000 through 2020 and final pay out in 2021. Fleet repair and replacement is \$494,500 annually; facilities repair and replacement varies from \$96,000 to \$270,500 through 2028, and tourism 40.9% of the net of current years less 2-years prior bed tax collected.

If the **total expenditures line** is over the **revenue line**, then the Town is using fund balance; like in FY2017-2020. If the **revenue line** is over the **total expenditures line**, then the town is accruing fund balance that is carried for future years like FY2021-2028. If the **operating expenditure line** is over the **revenue line**, then the Town would be facing a structural deficit.



# EXECUTIVE SUMMARY

## FINANCIAL FORECAST

**Fund balance** is the cumulative difference of revenue and expenditures carried forward to the next fiscal year. The line graph below shows the **fund balance amount** with a number indicating the percentage (%) of **fund balance** compared to the **next year's forecasted operating expenditures**.

**Remaining liability** is the amount the Town still owes on liabilities that are significant to cash flow. This includes debt issued in 2016; and payments to PSPRS.

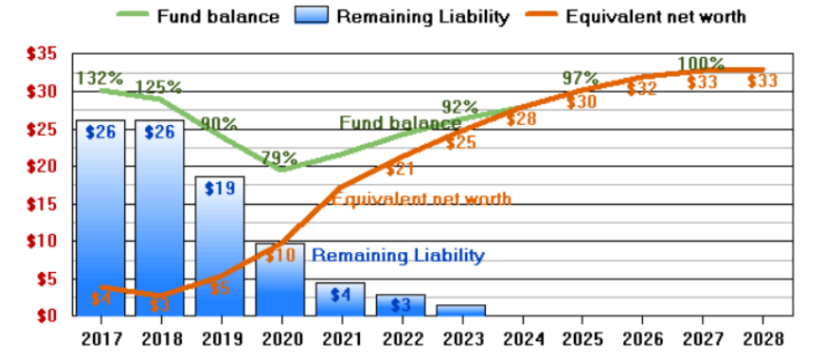
**Equivalent net worth** is **Fund balance** minus **remaining liability**.

Looking at the graph on this page alone, may seem alarming with the dip in **fund balance** through 2020. But when viewing the graph on this page with the one on the previous page, it can be seen that the dip in **fund balance** is not from **operating expenditures** or lagging **revenues** but spending in other areas. Those areas are in an effort to reduce the Town's **remaining liability** in PSPRS.

With the Town using **fund balance** to accelerate the reduction of the town's **remaining liability**, the Town's **equivalent net worth** increases. In 2017, the Town's **fund balance** was \$30M, but its **equivalent net worth** was \$4M. On this plan, the Town will reduce **fund balance** to \$20M (79%) in 2020, but its **equivalent net worth** increases to \$10M and having only \$10M **remaining liability**.

Per policy, if the Council approves the use of **fund balance** below 90% of the next year's **operating expenditures**, they will identify the time period over which it is replenished. Its in 2024 that the town's **remaining liability** can be eliminated which results in **fund balance** and **equivalent net worth** being the same at \$28M and 97-100% of the next years' **operating expenditures** costs by 2025.

Paying this now will save more money on interest than the Town would earn. Paying more than shown below would need to be offset by other Town departments, programs or CIP to remain under the Expenditure Limitation. But, this is a fluid plan and can be adjusted over time as more data materializes.



# FINANCIAL FORECAST

## OPERATING FUNDS (General & HURF)

| SOURCES                          | Actual 2017          | Budget 2018          | Projected 2018       | Recommended 2019     |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| Major revenue                    | \$ 23,593,356        | \$ 24,516,000        | \$ 27,244,839        | \$ 28,196,952        |
| Non-major revenue (in total now) | 4,471,289            | 4,811,000            | 4,534,113            | 4,631,330            |
| Transfer in                      |                      |                      |                      |                      |
| <b>TOTAL SOURCES</b>             | <b>\$ 28,064,645</b> | <b>\$ 29,327,000</b> | <b>\$ 31,778,952</b> | <b>\$ 32,828,282</b> |

| USES                            | Actual 2017          | Budget 2018          | Projected 2018       | Recommended 2019     |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Operating expenditures</b>   |                      |                      |                      |                      |
| General fund                    | \$ 16,676,511        | \$ 17,493,557        | \$ 17,512,191        | \$ 18,836,062        |
| HURF                            | 2,787,262            | 4,739,194            | 4,668,100            | 2,983,168            |
| Use of general contingency      | -                    | 635,649              | 672,333              | 1,370,000            |
| <b>PSPRS unfunded liability</b> |                      |                      |                      |                      |
| Baseline planned                | -                    | 1,000,000            | 1,000,000            | 1,000,000            |
| Additional (pending capacity)   | 5,000,000            | 5,000,000            | 450,000              | 5,000,000            |
| <b>Repair and replacements:</b> |                      |                      |                      |                      |
| Assigned to fleet               | -                    | -                    | -                    | 282,500              |
| Assigned to facilities          | -                    | -                    | -                    | 912,500              |
| <b>Other Uses</b>               |                      |                      |                      |                      |
| Debt service                    | 99,323               | 288,172              | 288,172              | 789,976              |
| Capital improvement plan        | 3,177,639            | 8,350,121            | 8,350,121            | 6,294,787            |
| Transfers to other funds        | 700,000              | 50,000               | 50,000               | 50,000               |
| Assigned to next year's tourism | -                    | -                    | -                    | 234,300              |
| <b>TOTAL USES</b>               | <b>\$ 28,440,735</b> | <b>\$ 37,556,693</b> | <b>\$ 32,990,917</b> | <b>\$ 37,753,293</b> |
| Change in fund balance          | (376,090)            | (8,229,693)          | (1,211,965)          | (4,925,011)          |
| Beginning fund balance          | 30,553,438           | 30,177,348           | 30,177,348           | 28,965,383           |
| <b>Ending fund balance</b>      | <b>\$ 30,177,348</b> | <b>\$ 21,947,655</b> | <b>\$ 28,965,383</b> | <b>\$ 24,040,372</b> |

Fund balance as percentage of

Operating expenditures for:

|                     |      |     |      |      |
|---------------------|------|-----|------|------|
| Current fiscal year | 155% | 96% | 127% | 104% |
| Next fiscal year    | 132% | 96% | 125% | 90%  |

Remaining liability:

|                                |                     |                       |                     |                     |
|--------------------------------|---------------------|-----------------------|---------------------|---------------------|
| Outstanding debt               | \$ 8,758,788        | \$ 8,182,444          | \$ 8,182,444        | \$ 7,392,468        |
| Outstanding unfunded liability | 17,487,095          | 18,038,063            | 18,038,063          | 11,233,108          |
| <b>Equivalent net worth</b>    | <b>\$ 3,931,465</b> | <b>\$ (4,272,852)</b> | <b>\$ 2,744,876</b> | <b>\$ 5,414,796</b> |

# FINANCIAL FORECAST

## OPERATING FUNDS (General & HURF)

| Forecast 2020        | Forecast 2021        | Forecast 2022        | Forecast 2023        | Forecast 2024        | Forecast 2025        |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 30,754,321        | \$ 31,369,407        | \$ 31,996,796        | \$ 32,636,732        | \$ 33,289,466        | \$ 33,955,255        |
| 4,723,957            | 4,818,436            | 4,914,804            | 5,013,101            | 5,113,363            | 5,215,630            |
| <b>\$ 35,478,278</b> | <b>\$ 36,187,843</b> | <b>\$ 36,911,600</b> | <b>\$ 37,649,832</b> | <b>\$ 38,402,829</b> | <b>\$ 39,170,885</b> |

| Forecast 2020        | Forecast 2021        | Forecast 2022        | Forecast 2023        | Forecast 2024        | Forecast 2025        |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 19,401,144        | \$ 20,371,201        | \$ 21,389,761        | \$ 22,459,249        | \$ 23,582,212        | \$ 24,761,322        |
| 6,072,663            | 3,164,843            | 3,323,085            | 3,489,239            | 3,663,701            | 3,846,886            |
| 1,200,000            | 1,200,000            | 1,200,000            | 1,200,000            | 1,200,000            | 1,200,000            |
| 1,000,000            | 1,000,000            | -                    | -                    | -                    | -                    |
| 5,000,000            | 780,000              | -                    | -                    | -                    | -                    |
| 494,500              | 494,500              | 494,500              | 494,500              | 494,500              | 494,500              |
| 115,800              | 270,500              | 135,800              | 96,000               | 104,800              | 200,000              |
| 1,477,864            | 1,479,585            | 1,480,882            | 1,476,800            | 1,477,337            | -                    |
| 5,000,000            | 5,000,000            | 6,000,000            | 6,000,000            | 6,000,000            | 6,000,000            |
| 53,000               | 56,000               | 59,000               | 62,000               | 65,000               | 68,000               |
| 238,986              | 243,766              | 248,641              | 253,614              | 258,686              | 263,860              |
| <b>\$ 40,053,957</b> | <b>\$ 34,060,395</b> | <b>\$ 34,331,669</b> | <b>\$ 35,531,402</b> | <b>\$ 36,846,236</b> | <b>\$ 36,834,568</b> |
| (4,575,679)          | 2,127,448            | 2,579,931            | 2,118,430            | 1,556,593            | 2,336,317            |
| 24,040,372           | 19,464,693           | 21,592,141           | 24,172,072           | 26,290,502           | 27,847,094           |
| <b>\$ 19,464,693</b> | <b>\$ 21,592,141</b> | <b>\$ 24,172,072</b> | <b>\$ 26,290,502</b> | <b>\$ 27,847,094</b> | <b>\$ 30,183,411</b> |

|     |     |     |     |     |      |
|-----|-----|-----|-----|-----|------|
| 73% | 87% | 93% | 97% | 98% | 101% |
| 79% | 83% | 89% | 92% | 93% | 97%  |

|                     |                      |                      |                      |                      |                      |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 5,914,604        | \$ 4,435,019         | \$ 2,954,137         | \$ 1,477,337         | \$ -                 | \$ -                 |
| 3,883,756           | -                    | -                    | -                    | -                    | -                    |
| <b>\$ 9,666,332</b> | <b>\$ 17,157,122</b> | <b>\$ 21,217,935</b> | <b>\$ 24,813,165</b> | <b>\$ 27,847,094</b> | <b>\$ 30,183,411</b> |



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REVENUE  
SECTION

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Recommended Budget 2018/19 55

