TOWN OF PARADISE VALLEY, ARIZONA

FISCAL YEAR 2019/20 RECOMMENDED BUDGET

July 1, 2019 – June 30, 2020

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TOWN OF PARADISE VALLEY

FISCAL YEAR 2019/20 RECOMMENDED BUDGET

(July 1, 2019—June 30, 2020)

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TOWN COUNCIL

Mayor:

Jerry Bien-Willner

Vice Mayor:

Scott Moore

Council:

Ellen Andeen

Paul Dembow

Julie Pace

Mark Stanton

Anna Thomasson

MANAGEMENT

Interim Town Manager:

Brian Dalke

Town Attorney:

Andrew M. Miller

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INTRODUCTORY SECTION

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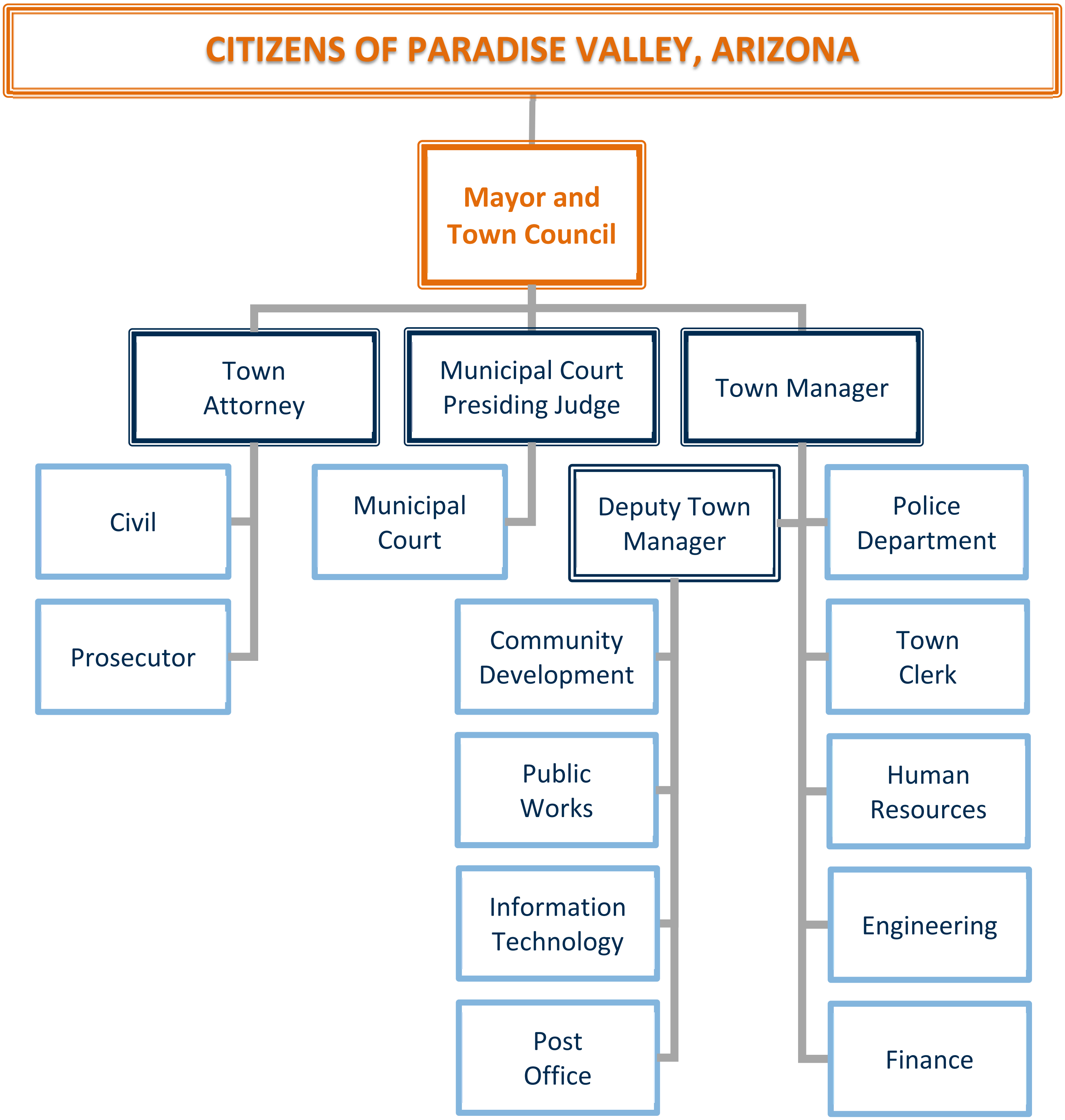
ORGANIZATION CHART



Effective: September 14, 2017

BOARDS & COMMISSIONS

LAND USE / REGULATORY

- Board of Adjustment
- Planning Commission
- Hillside Building Review Committee

ADMINISTRATIVE

- Mummy Mountain Preserve Trust
- Municipal Property Corporation Board
- Personnel Appeals Board
- Public Safety Personnel Retirement Board

ADVISORY COMMITTEES

- Arts
- Historical
- Advisory Committee on Public Safety

AD HOC COMMITTEES

- HOA Forum
- Sustainability Task Force
- Vintage Car Show Co-chairs (2)

TOWN PROFILE

OVERVIEW

Named by **Time Magazine** as the "*Best Place to Live*" in Arizona, the Town of Paradise Valley is a small suburb nestled in the mountains between Scottsdale and Phoenix. The Town is predominantly comprised of residential and resort properties. Paradise Valley's highly educated residents are actively engaged in the community and its local government. The Town has as many volunteer positions as employees, including its all-volunteer Council and Municipal Court judges.

Paradise Valley is home to many world-class destinations: El Chorro Lodge, Doubletree Paradise Valley, Hermosa Inn, Hyatt ANdAZ, JW Marriott Camelback Inn, Mountain Shadows Resort, Omni Montelucia, Scottsdale Plaza, Sanctuary of Camelback, Smoke Tree, the Paradise Valley Ritz Carlton, which is currently under construction.

United States

Arizona

BASIC FACTS

Date of incorporation:	May 21, 1961
Elevation:	1,165 miles
Population:	14,400 (2017 estimated)
Land area:	16.5 square miles
Median household income:	$134,097 (Maricopa Assc. Govts.)
Single-family homes	6,113
Owner-occupied	4,860

Climate	
Rainfall (inches)	7.3
Snowfall	-0-
Sunny days	294
Average High (July)	104F
Average Low (Jan)	35.9F

Education (graduated)	
High school	97.5%
Bachelors	69.8%
Graduate	34.5%

Areas of interest	
Resorts	9
Places of worship	15
Golf courses	3
Medical centers	4

Age & gender (2010 census)	
Male	6,370
Female	6,450
Under 18	2,873
18 and over	9,947

TOWN PROFILE

HISTORY

During the late 1800s, cattle grazed in the area surrounded by the McDowell Mountains to the east and Camelback Mountain to the south. In the 1880s, the Rio Verde Canal Company turned this open grazing area into irrigated farmland. In 1889, the Rio Verde Canal Company sent three surveyors to this area who were so taken by the beauty and tranquility of the desert landscape that they named this area Paradise Valley.

Settlement in Paradise Valley did not begin in earnest until post World War II. Paradise Valley, which is in Maricopa County, was a rural residential area with few commercial entities. Though the homes were modest in size and style, they were on large parcels of land, usually one to five acres.

In the late 1950s, Phoenix and Scottsdale were looking to expand their respective boundaries. Residents who lived in Paradise Valley area feared that they would lose the rural lifestyle they had become accustomed to and would soon be swallowed up by Phoenix or Scottsdale, and eventually subdivisions, shopping centers, new zoning laws and property taxes would be a commonality.

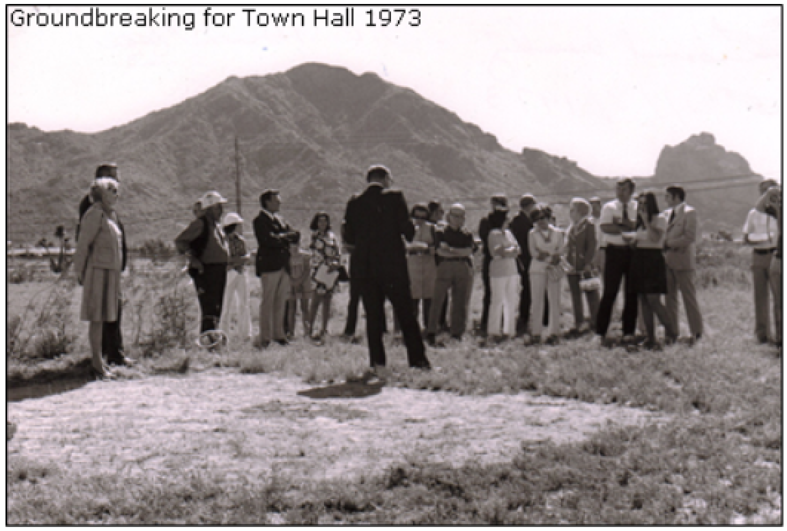
These concerned residents formed a “Citizens Committee for the Incorporation of the Town of Paradise Valley, Arizona”, who set out with petitions urging residents to join them in their attempt to incorporate Paradise Valley. The residents’ main goals were to keep zoning to a one house per acre minimum; to keep the area entirely residential; and to keep government regulations to a minimum. In April 1961, the Citizens Committee for Incorporation presented their petition to the Maricopa County Board of Supervisors. On May 24, 1961, incorporation was granted and the Town of Paradise Valley was established.

With a population of approximately 2,000, the first Town Council was formed. During the early years of the Town’s history, the Council spent much of its time establishing the Planning and Zoning Commission, the Board of Adjustment, redefining zoning ordinances, and annexing property. By 1968, the boundaries of the Town of Paradise Valley were pretty well set, with only a few scattered county islands and a handful of neighborhoods adjacent to the Town boundaries that would eventually be annexed. In 2000, with a population over 13,000, only two county islands remain – the community of Clearwater Hills west of Tatum Boulevard and the Franciscan Center on Lincoln Drive.

Throughout the Town’s 50-plus-year history, the residents have strived to preserve the Town’s original mission –

“to maintain a residential community in a quiet and country-like setting with little government intervention.”

Groundbreaking for Town Hall 1973



OVERVIEW

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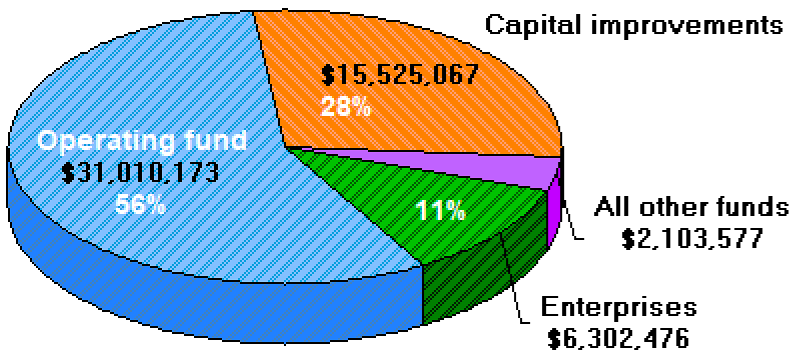
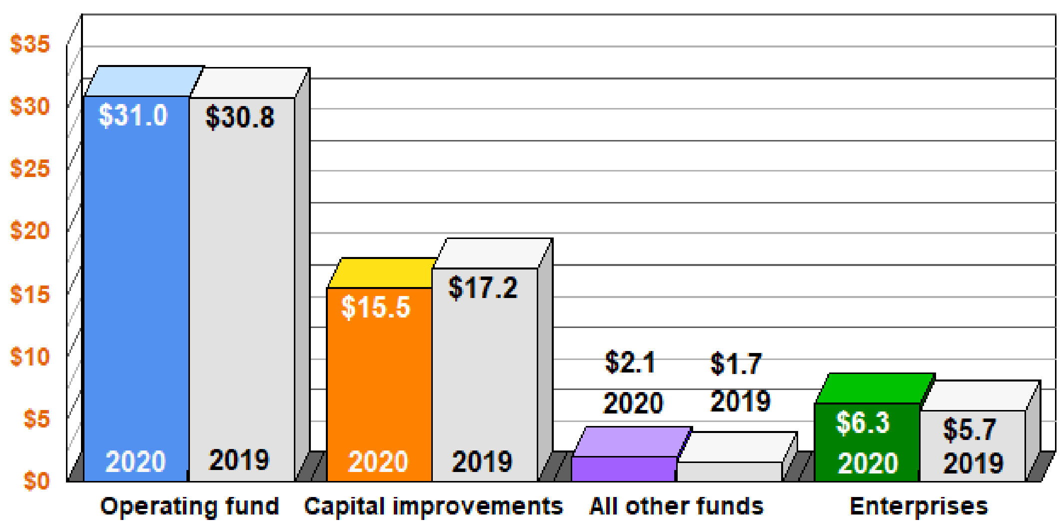
TOTAL BUDGET

The 2019/20 recommended budget is balanced and totals **$54,941,293** and includes an authorized workforce of **105.5** *full-time equivalents*. This is a **$453,207 (0.8%) decrease** from last fiscal year's budget. The "*Operating fund*", accounts for $31,010,173, which is 56% of the total recommended budget. These amounts include expenditures and contingencies and does not include transfers out.



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

The Operating fund remained constant with a 0.7% increase; CIP decreased by $1.7M; Enterprises increased by $0.6M; and all other funds, including debt service increased by $0.4M.



Executive Table 1 - TOTAL BUDGET				
All Town Funds by Fund Type	**Budget 2019/20***	**Budget 2018/19**	**Change $**	**Change %**
Operating fund	$ 31,010,173	$30,791,116	$ 219,057	0.7%
Capital projects	15,525,067	17,189,563	(1,664,496)	-9.7%
All other governmental funds	2,103,577	1,700,895	402,682	23.7%
Enterprise funds	6,302,476	5,712,926	589,550	10.3%
Total Budget	**$ 54,941,293**	**$55,394,500**	**$ (453,207)**	**-0.8%**

* Recommended funding levels

OPERATING SOURCES AND USES OVERVIEW

The Town's ***Operating fund*** 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, Community Development and the Municipal Court.

The 2019/20 recommended budget for the **Operating fund** is balanced and totals **$35,478,667.** This is a **$2,417,212 (6.4%) decrease** from last fiscal year's budget. Transfers from and to other funds are included in this total, which is greater than reported on the previous page that eliminates transfer and only reports revenues and expenditures.

Comparing budget-to-budget, **major revenues** are estimated to increase by $333,907 (1.2%) and non-major revenues are anticipated to increase by $203,290 (3.7%). A transfer from the Capital projects fund is a result of reconciling and closing old projects. This reconciliation is still underway and is expected to be completed before the close of FY2019.

To maintain a structurally sound budget, non-recurring transfer in from CIP and the planned use of operating fund balance are not used to pay for recurring uses. The planned us of fund balance is significantly less than last year's budget-to-budget comparison and is further discussed in the *Financial Forecast* at the end of this *Executive Summary.*

Table 2 shows the Town's **total sources** and **total uses**.

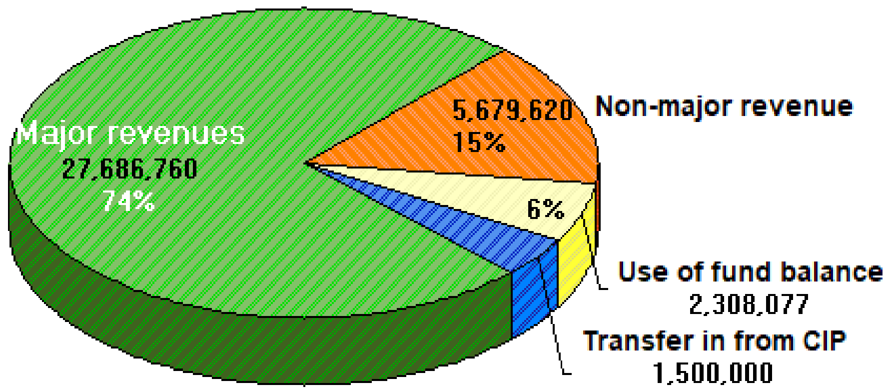
Executive Table 2 - OPERATING FUND SOURCES AND USES

Operating fund Total Sources & Uses	Budget 2019/20*	Budget 2018/19	Change $	Change %
Sources:				
Major revenue sources	$27,686,760	$27,352,853	$ 333,907	1.2%
Non-major revenue sources	5,679,620	5,476,330	203,290	3.7%
Transfer in from CIP **	1,500,000	-	1,500,000	n/a
Planned use of fund balance	612,287	5,066,696	(4,454,409)	-87.9%
Total sources	**$35,478,667**	**$37,895,879**	**$ (2,417,212)**	**-6.4%**
Uses:				
Personnel	$18,034,857	$17,833,114	$ 201,743	1.1%
Supplies and services	9,434,380	9,428,751	5,629	0.1%
Capital outlay	309,000	382,000	(73,000)	-19.1%
Transfer to CIP and debt service	4,468,494	7,104,763	(2,636,269)	-37.1%
Contingencies and assignments	3,231,936	3,147,251	84,685	2.7%
Total uses	**$35,478,667**	**$37,895,879**	**$ (2,417,212)**	**-6.4%**

* Recommended funding levels ** CIP = Capital Improvement Plan

OPERATING SOURCES AND USES OVERVIEW

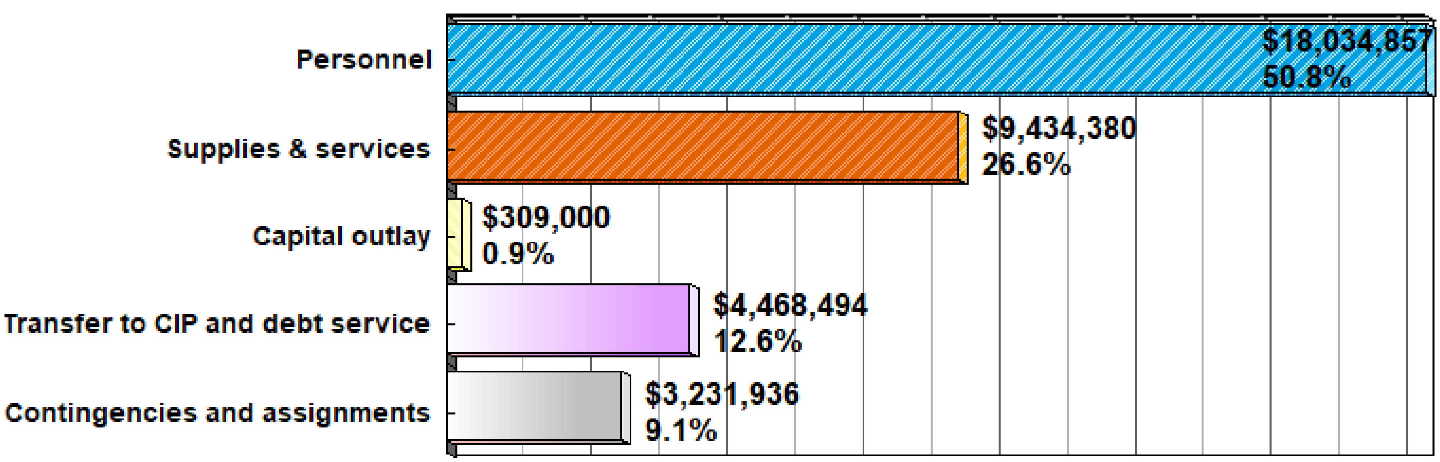
Major revenues are the individual revenue sources that account for the approximately 74% of “total sources”. **Planned use of fund balance** is the Town’s conscious use of its “savings account” for one-time uses that are in the best interest of the Town. The graph to the right illustrates total sources, as estimated for this recommended budget.



Categories for **operating uses** for the recommended budget includes Personnel, Supplies & services, Capital Improvement Program. Budgeted amounts for reducing the Town’s liability in the Public Safety Public Retirement System (“PSPRS”) include $5 million in the personnel category and $1 million in contingencies. More detail breakdowns of expenditures are available progressively through this budget document.

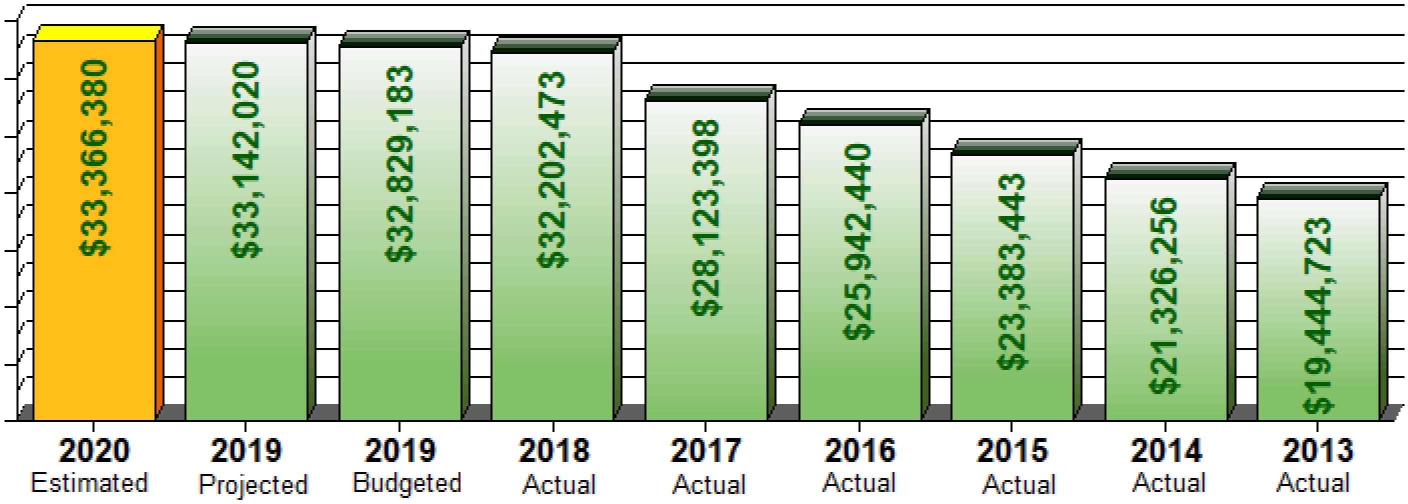
Recommended **personnel expenditures** are $18,034,857, which is 50.8% of total **operating uses**. and includes $5,000,000 for reducing the liability to **PSPRS** payable the first week of the fiscal year. Recommended supplies and services are $9,434,380, which is 26.6% of total **operating uses**; Capital outlay of $309,000 is 0.09% of the total operating uses; Transfers to CIP and debt service are 12.6% of total operating uses; and Contingencies and assignments are 9.1% of total operating uses.

The graph below illustrates the Town’s uses, by type in amounts and as a % of the total.



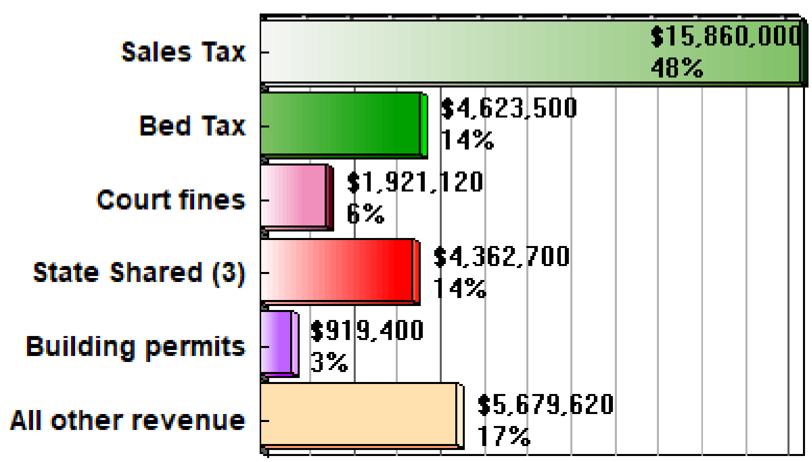
EXECUTIVE SUMMARY

OPERATING REVENUE



Total operating revenues are estimated to be $33,366,380 in the 2020 recommended budget. Local sales tax is by far the leading revenue as it is estimated to account for $15,860,000, which is 48% of total revenue. Revenues do not include transfers in from CIP or the planned use of fund balance.

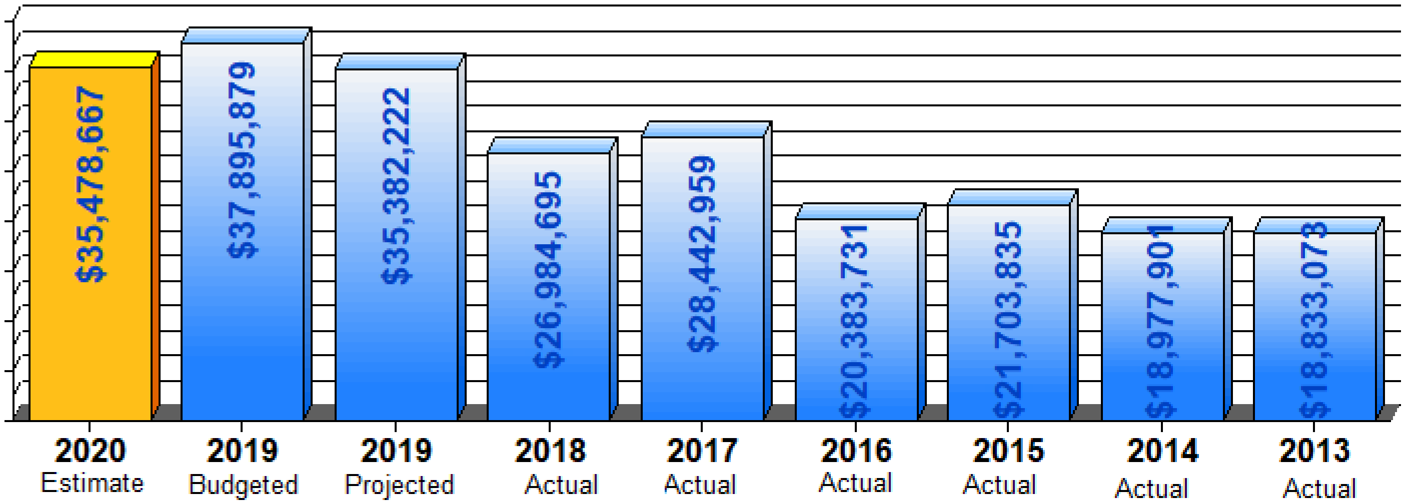
The graph to the right shows each operating revenue. Further information for each revenue source can be found in the Revenue section of this document.



Executive Table 3 - OPERATING FUND REVENUE & TRANSFER IN				
Operating Revenue by Source	Budget 2019/20*	Budget 2018/19	Change #	Change %
Sales tax	$ 15,860,000	$ 15,713,312	$ 146,688	0.9%
Bed tax	4,623,500	4,574,600	48,900	1.1%
Court fines - counter	1,921,120	1,921,120	-	0.0%
State shared revenues (3)	4,362,700	4,244,721	117,979	2.8%
Building permits	919,440	899,100	20,340	2.3%
Total major revenue	**27,686,760**	**27,352,853**	**333,907**	**1.2%**
All other non-major revenue sources	5,679,620	5,476,330	203,290	3.7%
Total operating revenue	**$ 33,366,380**	**$ 32,829,183**	**$ 537,197**	**1.6%**
Transfer in from CIP	1,500,000	-	1,500,000	n/a
Total revenue and transfer in	**$ 34,866,380**	**$ 32,829,183**	**$ 2,037,197**	**6.2%**

* Recommended funding levels

OPERATING USES



Total Operating fund uses are recommended at $35,478,667 which is $2,417,212 or 6.4% less than last fiscal year. Table 4 below provides a summary of all departments in the Town's Operating fund. More detailed information on each of these departments and their budgets can be found in the department section of this document.

Executive Table 4 - OPERATING USES

Operating Uses by Department	Budget 2019/20*	Budget 2018/19	Change #	Change %
Community development	$ 1,371,597	$ 1,369,345	$ 2,252	0.2%
Engineering	839,044	750,403	88,641	11.8%
Finance	653,905	582,203	71,702	12.3%
Information technology	1,780,118	1,897,327	(117,209)	-6.2%
Mayor & Council	177,720	182,200	(4,480)	-2.5%
Public works (facilities & fleet)	862,235	869,992	(7,757)	-0.9%
Streets & pavement plan	3,054,013	3,291,461	(237,448)	-7.2%
Tourism	1,817,302	1,514,011	303,291	20.0%
Town attorney's office	683,792	613,447	70,345	11.5%
Town manager's office	1,630,499	1,599,288	31,211	2.0%
Municipal court	860,980	816,543	44,437	5.4%
Police department	14,047,032	14,157,645	(110,613)	-0.8%
Total expenditures	**27,778,237**	**27,643,865**	**162,595**	**0.5%**
Contingencies and assignments	3,231,936	3,147,251	84,685	2.7%
Transfers in from / out to other funds	4,468,494	7,104,763	(2,636,269)	-37.1%
Total operating uses	**$ 35,478,667**	**$ 37,895,879**	**$(2,417,212)**	**-6.4%**

* Recommended funding levels

EXECUTIVE SUMMARY

STAFFING

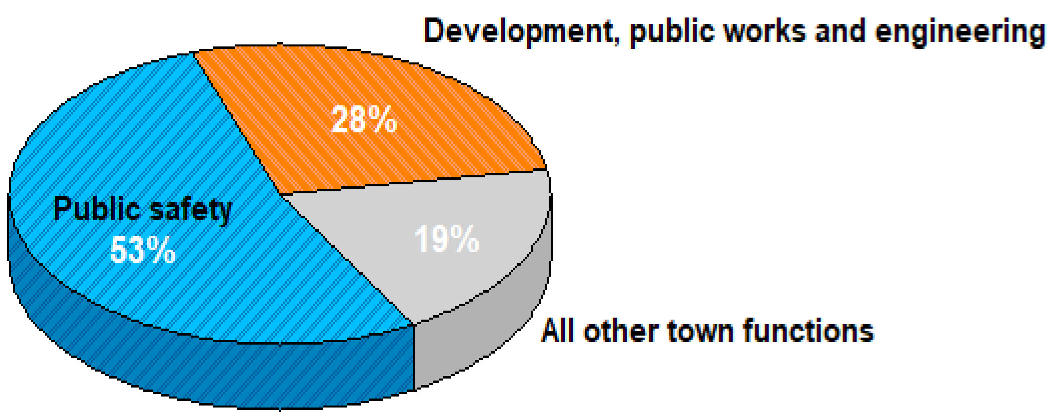
Staffing levels are measured in *full-time equivalents* ("FTEs"). The total workforce in the recommended budget is **105.5 FTEs**, which is an increase of **2.5 FTEs (2%).** The chart below displays the Town's FTEs by operating function.

Executive Table 5 - TOTAL STAFFING (in full time equivalents)				
All Town FTEs by Function	Budget 2019/20*	Budget 2018/19	Change #	Change %
Public safety	56.0	56.0	-	0%
Development, public works and engineering	29.0	27.0	2.0	7%
All other town functions	20.5	20.0	0.5	3%
Total Staffing levels	**105.5**	**103.0**	**2.5**	**2%**

* Recommended funding levels

Public safety's workforce of 56.0 FTEs is **53%** of the total FTEs for the Town. Development, public works and engineering have 29.0 FTEs, or **28%;** and all other town functions account for the remaining **19%,** or 20.5 FTEs.

The graph illustrates the percentage (%) of and total FTEs by function.



There are 2.5 new positions included in the recommended budget:

- One full-time Permit Technician to support all department operations, improve customer service, and resolve front counter coverage issues in Community Development
- One full-time Engineering Technician to address ongoing workload needs and assist in the increase of town-wide construction activities
- A part-time Procurement Coordinator to assist all departments with the essentials of meeting procurement laws, including soliciting bids and contracting.

EXECUTIVE SUMMARY

COSTS ESTIMATES

In preparing the recommended budget costs estimates were made using the following assertions:

- Personnel hours for the fiscal year are 2,096 (leap year)
- Post office moved from Community Development to Town Manager's office
- PSPRS rate went down from 59.96% to 58.03%
- ASRS rate was up from 11.80% to 12.11%
- EPO & PPO plans increased 1%
- HDHP decreased by -0.4%
- HSA contributions increased and is reduce 457 plan contributions by the same amount
- Dental increased by 6.5%
- Liability and property insurance increase by 4%
- Merit increases of 4.4% and increase ranges 2%
- Change in budgeting for personnel including using actual amounts for individualized benefits and leave payouts

EXPENDITURE LIMITATION

The Town's statutory Expenditure Limitation for fiscal year 2019/20 is **$42,196,582**. The recommended budget is **balanced** with the Expenditure Limitation. Though not anticipated, this calculation is as if every budgeted dollar was spent.

Table 6 shows the calculation based on the recommended budget.

The State of Arizona imposes a constitutional and statutory limitation on the annual expenditures of 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 vote of its electors. In 2016, the Town of Paradise Valley approved a base adjustment that was effective in 2017.

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

Executive Table 6 - EXPENDITURE LIMITATION

All Town Funds by Classification	Budget 2019/20*
Budgeted expenditures / expenses	$ 54,941,293
Quasi-external transactions	(10,220)
Debt repayment	(1,882,864)
Grants & donations	(150,000)
HURF in excess of FY1980	(797,350)
Assigned to future years	(479,210)
Non-Town CIP	(9,425,067)
Carry forward exemptions	-
Budget subject to exp. limit	**$ 42,196,582**
EEC limit for Paradise Valley	**42,196,582**
Sub total (over) under	**$ -**

* Calculation bases on factors within the Recommended budget

EXECUTIVE SUMMARY

FINANCIAL FORECAST

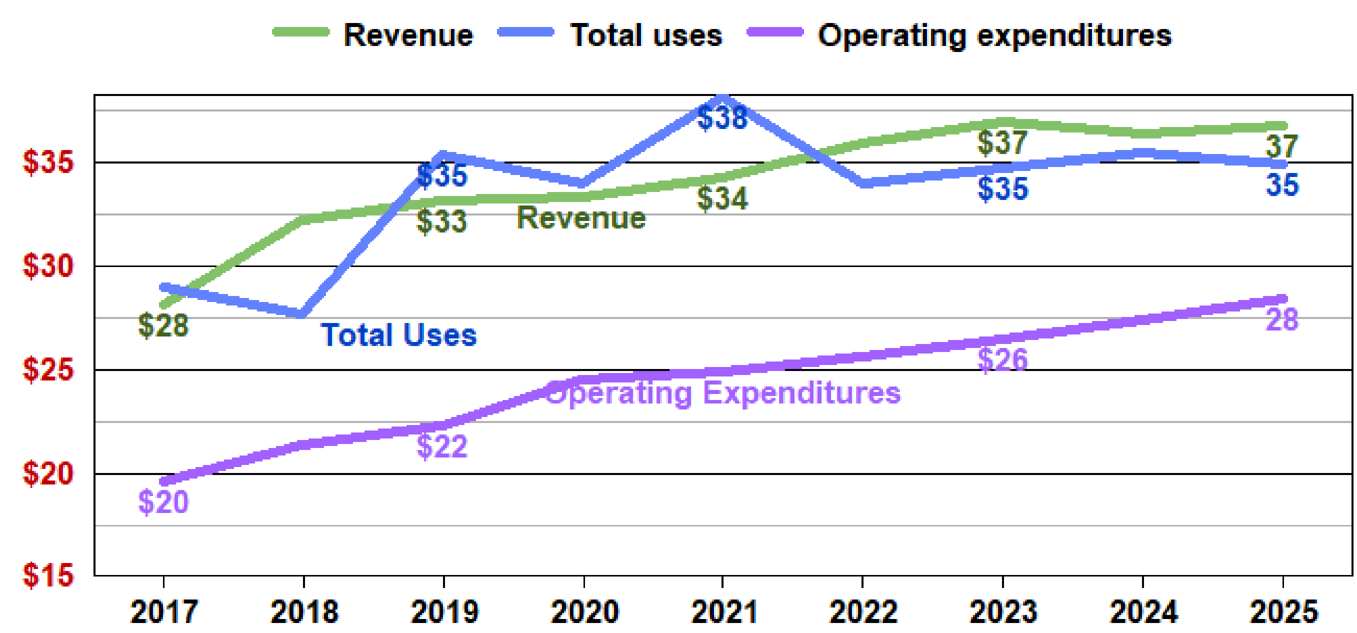
The Financial Forecast is instrumental in navigating the road map to maintain financial stability. The forecast is fluid and intended as a guide to keep on track to meet the Town's strategic goals. It is based on current and anticipated trends and reasonable assertions based on current data. Like a weather 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 is a composite of a forecast for each individual source from 2021-2025, it includes incremental increases for new retail and amenities in 2021-2023 from new and remodeled resorts based on a revenue per square foot model. Building permits and construction TPT are regressed in 2023-2025 for the anticipation of the completion of major projects and less new construction.

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 results in an average growth rate of 2.8-3.6% from 2022-2025.

Total uses are only foreseeable expenditures at the date of this Forecast. These include CIP, Debt Service, assignments to Facilities, Fleet and Information Technology Hardware life cycles, Tourism and other liabilities such as PSPRS. Town contributions to CIP are forecast at $6,000,000 per year through 2025. Debt service is from the debt repayment schedule with no early pay off. PSPRS is $6,000,000 in 2020 and finalized in 2021, unless other actions are taken for an earlier paydown. Facilities, Fleet and IT repair and replacement amounts are based on the respective long-range plans.

If the **total uses line** is over the **revenue line**, then the Town is using fund balance, like in FY2019-2021. If the **revenue** line is over the **total uses line**, then the town is accruing fund balance that is carried for future years like FY2022-2025. If the **operating expenditure line** was over the **revenue line**, then the Town would be facing a structural deficit.



FINANCIAL FORECAST

Unassigned **Fund balance** is the cumulative difference of revenue and expenditures carried forward to the next fiscal year, that is not assigned or restricted. 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 for the unfunded liability to PSPRS.

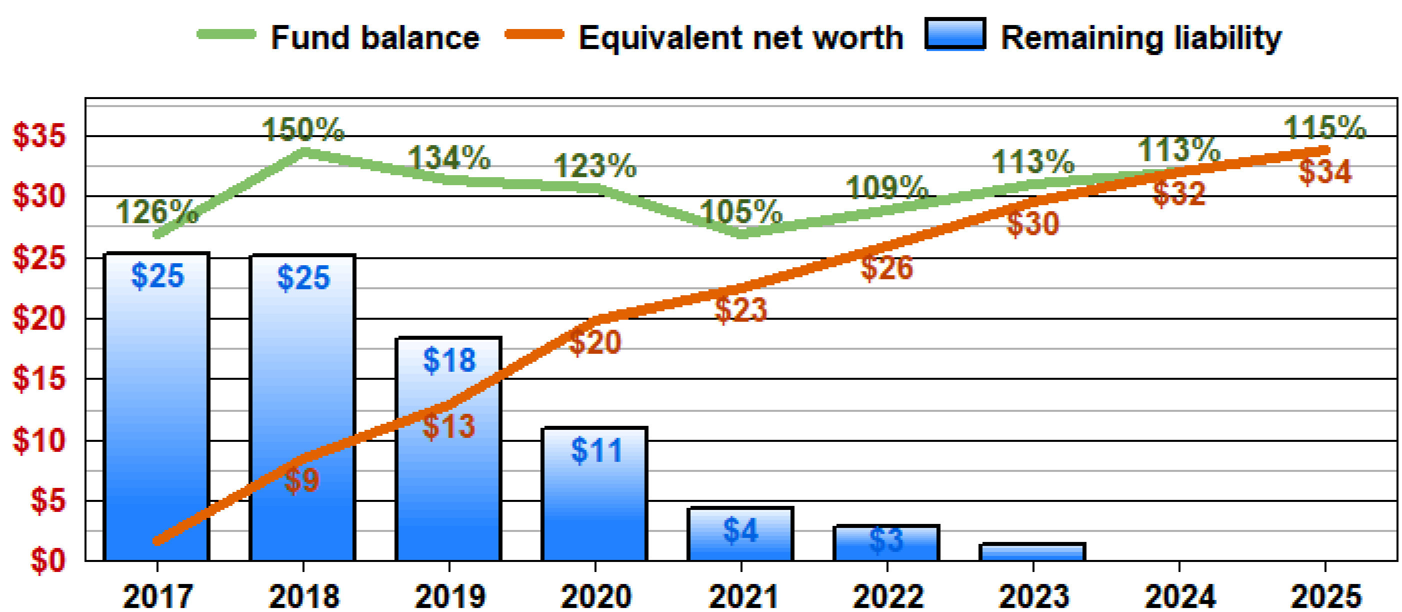
Equivalent net worth is **Fund balance** minus **remaining liability**.

Looking at the graph below may seem alarming with the dip in unassigned **fund balance** through 2021. But when viewing the graph on this page with the one on the previous page, it can be seen that the dip in unassigned **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 unassigned **fund balance** was $26.9M, but its **equivalent net worth** was $1.7M. On this trend, the Town will reduce unassigned **fund balance** to $26.8M (105%) in 2021, and its **equivalent net worth** increases to $22.5M and having only $4.3M **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.*

This plan reflects the current approach to paying the PSPRS unfunded liability. Other options will be presented to Council for considerations, such as using excise tax obligations or paying up to an additional $3M in FY2019. The differences in fund balances from the FY19 forecast is primarily from using "unassigned fund balance" and resources realized from reconciling the Capital projects fund.



FINANCIAL FORECAST

OPERATING FUNDS (General & HURF)

REVENUE	Actual 2017	Actual 2018	Budget 2019	Projected 2019
Major revenue	$ 23,593,356	$ 25,788,185	$ 27,352,853	$ 27,374,494
Non-major revenue	4,530,042	6,414,288	5,476,330	5,767,526
TOTAL REVENUE	**$ 28,123,398**	**$ 32,202,473**	**$ 32,829,183**	**$ 33,142,020**

USES	Actual 2017	Actual 2018	Budget 2019	Projected 2019
Operating expenditures	**$ 19,565,320**	**$ 21,401,296**	**$ 23,361,816**	**$ 22,325,251**
Personnel (net PSPRS liability payments)	12,111,409	11,725,472	12,833,114	12,117,406
Supplies and services	5,929,632	6,620,574	7,985,309	7,899,835
Street pavement plan	1,524,279	3,055,250	1,825,442	1,823,601
Use of general contingency	-	-	717,951	484,409
Long term liabilities	**$ 5,133,172**	**$ 1,253,026**	**$ 6,789,976**	**$ 6,789,976**
PSPRS I	5,000,000	-	5,000,000	5,000,000
PSPRS II	-	1,001,164	1,000,000	1,000,000
2016 Debt repayment	133,172	251,862	789,976	789,976
Repair and replacements:	**$ 494,500**	**$ 674,000**	**$ 1,195,000**	**$ 1,195,000**
Assigned to fleet	282,500	282,500	282,500	282,500
Assigned to facilities	212,000	391,500	912,500	912,500
Assigned to techology	-	-	-	-
Other Uses	**$ 3,744,467**	**$ 4,330,373**	**$ 6,549,087**	**$ 5,071,995**
Transfer to CIP	3,827,639	4,530,851	6,314,787	4,713,713
Transfers to other funds (net)	*(83,172)*	*(200,478)*	-	-
Assigned to tourism	-	-	234,300	358,282
TOTAL USES & ASSIGNED	**$ 28,937,459**	**$ 27,658,695**	**$ 37,895,879**	**$ 35,382,222**
Change in unassigned fund balance	(814,061)	4,543,778	(5,066,696)	(2,240,202)
Beginning unassigned fund balance	29,837,356	26,934,439	33,598,255	33,598,255
Change in restricted fund balance	(2,088,856)	2,120,038		
Ending unassigned fund balance	**$ 26,934,439**	**$ 33,598,255**	**$ 28,531,559**	**$ 31,358,052**

Unassigned fund balance as percentage of Operating expenditures for:

Current fiscal year	**138%**	**157%**	**102%**	**140%**
Next fiscal year	**126%**	**150%**	**90%**	**134%**

Remaining liability for:				
PSPRS unfunded liability	$ 17,398,284	$ 17,322,469	$ 11,233,108	$ 11,322,469
2016 Debt principal	7,880,000	7,725,000	7,065,000	7,065,000
Equivalent net worth	$ 1,656,155	$ 8,550,786	$ 10,233,451	$ 12,970,583

FINANCIAL FORECAST

OPERATING FUNDS (General & HURF)

Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
$ 27,686,760	$ 29,019,949	$ 30,734,630	$ 31,755,374	$ 31,226,413	$ 31,560,568
5,679,620	5,209,620	5,209,620	5,209,620	5,209,620	5,209,620
$ 33,366,380	**$ 34,229,569**	**$ 35,944,250**	**$ 36,964,994**	**$ 36,436,033**	**$ 36,770,188**

Budget 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
$ 24,530,963	**$ 24,925,949**	**$ 25,622,328**	**$ 26,491,082**	**$ 27,393,062**	**$ 28,383,990**
13,034,857	13,556,251	14,098,501	14,662,441	15,248,939	15,858,897
8,123,380	8,607,698	8,708,967	9,013,781	9,329,263	9,655,787
1,620,000	1,762,000	1,814,860	1,814,860	1,814,860	1,869,306
1,752,726	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
$ 6,168,494	**$ 6,707,693**	**$ 1,475,883**	**$ 1,471,800**	**$ 1,472,337**	**$ -**
5,000,000	5,000,000	-	-	-	-
1,000,000	233,108				
168,494	1,474,585	1,475,883	1,471,800	1,472,337	-
$ 405,500	**$ 447,918**	**$ 796,500**	**$ 720,800**	**$ 490,000**	**$ 474,000**
204,500	189,418	374,500	500,000	249,500	274,500
111,000	168,500	332,000	130,800	135,500	109,500
90,000	90,000	90,000	90,000	105,000	90,000
$ 2,873,710	**$ 6,075,184**	**$ 6,076,688**	**$ 6,078,222**	**$ 6,079,786**	**$ 6,081,382**
4,300,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
(1,500,000)	-	-	-	-	-
73,710	75,184	76,688	78,222	79,786	81,382
$ 33,978,667	**$ 38,156,744**	**$ 33,971,399**	**$ 34,761,904**	**$ 35,435,185**	**$ 34,939,372**
(612,287)	(3,927,175)	1,972,851	2,203,090	1,000,848	1,830,816
31,358,052	30,745,765	26,818,590	28,791,441	30,994,531	31,995,379
$ 30,745,765	**$ 26,818,590**	**$ 28,791,441**	**$ 30,994,531**	**$ 31,995,379**	**$ 33,826,195**

125%	**108%**	**112%**	**117%**	**117%**	**119%**
123%	**105%**	**109%**	**113%**	**113%**	**115%**

$ 5,233,108	-	-	-	-	-
5,700,000	$ 4,310,000	$ 2,895,000	$ 1,460,000	-	-
$ 19,812,657	$ 22,508,590	$ 25,896,441	$ 29,534,531	$ 31,995,379	$ 33,826,195

AEL FORECAST

ANNUAL EXPENDITURE LIMITATION

STATUS QUO	Projected 2019	Estimated 2020	Forecast 2021	Forecast 2022
Expenditure limitation:	**$ 40,907,550**	**$ 42,196,582**	**$ 43,251,497**	**$ 44,332,784**
Operating expenditures	22,325,251	24,530,963	24,925,949	25,622,328
Enterprise expenditures	5,518,611	6,302,476	6,491,550	6,686,297
Other expenditures (exclusions)	(673,625)	(736,857)	(705,324)	(708,377)
Total Operations	**27,170,237**	**30,096,582**	**30,712,175**	**31,600,248**
Limitation after operations	**$ 13,737,313**	**$ 12,100,000**	**$ 12,539,322**	**$ 12,732,536**
Repair and replacement spending	in operating expenditures above		563,582	557,000
Town funded CIP spending	4,713,713	6,100,000	6,000,000	6,000,000
PSPRS unfunded liability	6,000,000	6,000,000	5,233,108	-
Sub total	**10,713,713**	**12,100,000**	**11,796,690**	**6,557,000**
Available limitation	**$ 3,023,600**	**$ -**	**$ 742,632**	**$ 6,175,536**
	(1)			

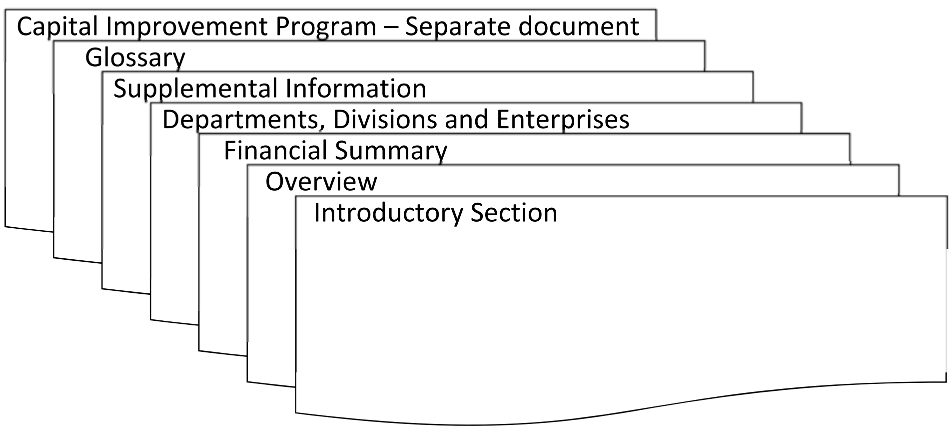
(1) Use of excess AEL can be applied directed to the PSPRS unfunded liability;
as recommended in budget amendments section 1.

Note: Fire vehicles due for replacement 2023-2024

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. Weather 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 for all individuals.



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 being presented as a separate document than the recommended budget, but will be included in the Final adopted budget document.

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 CALENDAR

The Town undertakes a hybrid budget process, incorporating elements of zero-based, priority-setting, and program budgeting. The budget process starts with Council goals. Departments' submit their budget requests for their programs, incorporating specific needs. These requests are presented and prioritized. A balanced "***Recommended***" budget is presented to Council for review and consideration.

All departments are discussed with Council through a series of public meetings. Council then adopts a "***Tentative***" budget that sets the maximum spending for the fiscal year, which is posted for public inspection, and a public hearing is then held for public comment. After public comments, the Council can still modify the tentative budget categorically, but cannot increase the maximum spending amounts. Council then adopts the final budget referred to as the "***Adopted***" budget.

During the fiscal year, requested budget amendments follow Town policy, including Council consideration and action when required.

The schedule below is **NOT** an official public notice. Times estimates are for illustrative and time-management purposes only. This schedule is flexible and subject to change.

APRIL 18		
DAY 1	*Work session*	**Time**
PSPRS		1:00
Introduction		
Budget overview		0:05
Executive section		0:15
Revenue section		0:10
Personnel overview		0:05
Public safety		
Fire		0:05
Municipal court		0:15
Police		0:30
Alarm		0:05
Development		
Community development		0:10
Engineering		0:10
Public works		0:10
Wastewater		0:03
Wastewater impact fees		0:02
Central services		
Finance office		0:05
Information technology		0:10
Capital Improvement Plan		
2020 projects & 5-year plan		0:40
Direction from Council		TBD
ESTIMATED TIME		**4:00**

CONSIDERATIONS & ACTIONS

MAY 23	
DAY 4	*Regular Session*
Tentative budget discussion	
Resolution:	
Adopt tentative budget	

JUNE 13	
DAY 5a	*Special Session*
Public hearing & discussion	
Resolution:	
Final budget adoption 2020	

JUNE 13	
DAY 5b	*Regular Session*
Resolutions:	
Adoption of PSPRS policy	
Resolutions:	
Adoption of Strategic revenue plan	
Resolutions:	
Budget amendments 2019	

APRIL 25		
DAY 2	*Work session*	**Time**
Follow up from Day 1		0:10
Leadership		
Town attorney		0:05
Mayor and Council		0:10
Town manager		0:10
Other sections		
Tourism		0:02
Public transit		0:02
Debt service		0:02
Contingencies		0:04
CIP Follow up		0:30
Direction from Council		TBD
ESTIMATED TIME		**1:15**

MAY 9		
DAY 3	*Work session*	**Time**
Follow up from Day 1 & 2		0:10
Introduction		
Financial schedules		0:10
Strategic revenue plan		0:20
PSPRS follow-up		0:20
Changes to recommended		0:30
Direction from Council		TBD
ESTIMATED TIME		**1:30**

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SUMMARY SECTION

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All TOWN FUNDS

SOURCES & USES

ALL TOWN FUNDS: SOURCES AND USES

SOURCES AVAILABLE	General & HURF	Court Grants	Capital Projects	Debt Service
Major revenue	$ 27,686,760	$ 425,000	-	-
Non-major revenue	5,679,620	11,500	-	-
Enterprise fee	-	-	-	-
Net transfers (out) and in	(2,968,494)	-	$ 2,800,000	$ 168,494
Planned use of fund balance	612,287	39,213	1,500,000	1,309,370
Carry forward - Town projects	-	-	1,800,000	-
Non-Town funded projects	-	-	9,425,067	-
TOTAL SOURCES	**$ 31,010,173**	**$ 475,713**	**$ 15,525,067**	**$ 1,477,864**

EXPENDITURES	General & HURF	Court Enhancement	Capital Projects	Debt Service
Community development	$ 1,371,597	-	-	-
Engineering	839,044	-	-	-
Finance	653,905	-	-	-
Information technology	1,780,118	-	-	-
Mayor & Council	177,720	-	-	-
Public works (facilities & fleet)	862,235	-	-	-
Streets & pavement plan	3,054,013	-	-	-
Tourism	1,817,302	-	-	-
Town attorney's office	683,792	-	-	-
Town manager's office	1,630,499	-	-	-
Municipal court	860,980	$ 65,650	-	-
Police department	14,047,032	-	-	-
Enterprise (and non-department)	-	-	-	-
Debt service: principal	-	405,000	-	$ 1,365,000
Debt service: interest and fees	-	5,063	-	112,864
Capital outlay (Town)	-	-	$ 6,100,000	-
CIP (Non-Town funded)	-	-	9,425,067	-
TOTAL EXPENDITURES	**27,778,237**	**475,713**	**15,525,067**	**1,477,864**
Contingencies	2,752,726	-	-	-
Assigned for subsequent year	479,210	-	-	-
TOTAL BUDGET 2019/20*	**$ 31,010,173**	**$ 475,713**	**$ 15,525,067**	**$ 1,477,864**

PRIOR YEAR'S BUDGETS:				
Adopted Budget 2018/19	$ 30,791,116	$ 263,038	$ 17,189,563	$ 1,257,673
Adopted Budget 2017/18	28,868,400	161,700	15,946,400	1,101,400
Adopted Budget 2016/17	21,957,851	204,438	8,862,069	1,115,997

* Total budget as recognized on the AZ State forms

SOURCES & USES

ALL TOWN FUNDS: SOURCES AND USES

Grants & Donations	Alarm Services	Fire Services	Wastewater Funds	Wastewater Impact fees	2019/20 Total
-	-	-	-	-	$ 28,111,760
$ 130,000	-	$ 292,000	$ 10,000	-	6,123,120
-	$ 185,000	2,850,000	2,400,000	$ 100,000	5,535,000
-	-	-	100,000	(100,000)	-
20,000	-	193,239	247,237	25,000	3,946,346
-	-	-	-	-	1,800,000
-	-	-	-	-	9,425,067
$ 150,000	**$ 185,000**	**$ 3,335,239**	**$ 2,757,237**	**$ 25,000**	**$ 54,941,293**

Grants & Donations	Alarm Services	Fire Services	Wastewater Funds	Wastewater Impact fees	2019/20 Total
-	-	$ 95,524	$ 4,186	-	$ 1,471,307
-	-	-	62,389	-	901,433
-	$ 7,799	61,869	37,712	-	761,285
-	10,631	-	-	-	1,790,749
-	-	-	-	-	177,720
-	-	21,028	-	-	883,263
	-	-	-	-	3,054,013
-	-	-	-	-	1,817,302
-	-	21,246	16,859	-	721,897
-	-	21,244	-	-	1,651,743
-	-	-	-	-	926,630
$ 150,000	92,027	27,015	-	-	14,316,074
-	46,330	2,987,029	1,818,987	$ 25,000	4,877,346
-	-	-	-	-	1,770,000
-	-	-	-	-	117,927
-	-	-	-	-	6,100,000
-	-	-	734,200	-	10,159,267
150,000	**156,787**	**3,234,955**	**2,674,333**	**25,000**	**51,497,956**
-	4,860	100,284	82,904	-	2,940,774
-	23,353	-	-	-	502,563
$ 150,000	**$ 185,000**	**$ 3,335,239**	**$ 2,757,237**	**$ 25,000**	**$ 54,941,293**

$ 180,184	$ 339,968	$ 3,156,000	$ 2,191,958	$ 25,000	$ 55,394,500
103,000	631,400	3,226,800	2,311,200	50,000	52,400,300
290,000	413,500	2,900,154	2,416,709	50,000	38,210,718

ALL TOWN FUNDS: FULL TIME EQUIVELENTS

DEPARTMENT	Rec* 2019/20	Projected 2018/19	Change in #	Change in %	Actual 2017/18	Actual 2016/17	Actual 2015/16
Mayor & Council	-	-	-	n/a	-	-	-
Tourism	-	-	-	n/a	-	-	-
Town manager's office	7.0	7.0	-	0.0%	7.0	6.0	6.0
Town attorney's office	4.0	4.0	-	0.0%	3.0	3.0	3.0
Municipal court	7.0	7.0	-	0.0%	6.0	5.0	5.0
Police department	49.0	49.0	-	0.0%	44.0	42.0	41.0
Public works (facilities & fleet)	3.0	3.0	-	0.0%	3.0	3.0	3.0
Streets & pavement plan	10.0	10.0	-	0.0%	10.0	10.0	10.0
Community development	10.0	9.0	1.0	11.1%	9.0	8.0	8.0
Engineering	6.0	5.0	1.0	20.0%	4.0	4.0	4.0
Information technology	5.0	5.0	-	0.0%	4.0	3.0	3.0
Finance	4.5	4.0	0.5	12.5%	4.0	4.0	4.0
Contingencies	-	-	-	n/a	-	-	-
Full Time Equivalents (FTE)	**105.5**	**103.0**	**2.5**	**2.4%**	**94.0**	**88.0**	**87.0**

FUNCTION	Rec* 2019/20	Projected 2018/19	Change in #	Change in %	Actual 2017/18	Actual 2016/17	Actual 2015/16
Public safety **	56.0	56.0	-	0.0%	50.00	47.00	46.00
Development and engineering	16.0	14.0	2.0	14.3%	13.00	12.00	12.00
Public works	13.0	13.0	-	0.0%	13.00	13.00	13.00
All other town functions	20.5	20.0	0.5	2.5%	18.00	16.00	16.00
Full Time Equivalents (FTE)	**105.5**	**103.0**	**2.5**	**2.4%**	**94.0**	**88.0**	**87.0**

* Rec = Recommended

** Public safety includes Municipal court & Police and the Alarm & Fire services

SCHEDULE OF TRANSFERS

Transfer in	Transfers out: General Fund	Transfers out: Wastewater Impact Fees	Transfers out: Capital Projects	Total
HURF fund (streets)	$ 2,085,113	-	-	$ 2,085,113
Capital projects fund	4,300,000	-	-	4,300,000
Debt service fund	168,494	-	-	168,494
General fund	-	-	1,500,000	1,500,000
Wastewater utility	-	$ 100,000	-	100,000
Total	**$ 6,553,607**	**$ 100,000**	**$ 1,500,000**	**$ 8,153,607**

SCHEDULE OF ADMINISTRATIVE COSTS

Servicing unit	Enterprise: Alarm	Enterprise: Fire	Enterprise: Wastewater	Total
Town attorney	$ -	$ 21,246	$ 16,859	$ 38,105
Police	92,027	27,015	-	119,042
Facilities	-	21,028	-	21,028
Engineering	-	-	62,389	62,389
Town manager	-	21,244	-	21,244
Community development	-	95,524	4,186	99,710
Information technology	10,631	-	-	10,631
Finance	7,799	61,869	37,712	107,380
Total	**$ 110,457**	**$ 247,926**	**$ 121,146**	**$ 479,529**

CONTINGENCIES & ASSIGNED

Purpose	Amount
PSPRS part II	$ 1,000,000
General contingency	1,207,726
Merit pool	482,000
IT life cycle management	90,000
HR studies	35,000
Town-wide fee study	28,000
Assigned to tourism	73,710
Fleet repair & replace	204,500
Facilities repair & replace	111,000
Total general fund	**$ 3,231,936**
Enterprise funds	211,401
Total all funds	**$ 3,443,337**

EXPENDITURE LIMITATION

Estimated Limit	Amount
Total budgeted expenditures	$ 54,941,293
Quasi-external transactions	(10,220)
Debt repayment	(1,882,864)
Grants & donations	(150,000)
HURF in excess of FY1980	(797,350)
Assigned to future years	(479,210)
Non-Town CIP	(9,425,067)
Budget subject to exp. limit	42,196,582
EEC limit for Paradise Valley	**42,196,582**
Sub total (over) under	**$ -**
Carry forward exemptions	-
Amount under exp. limit	**$ -**

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OPERATING FUNDS

SOURCES & USES

OPERATING FUNDS: SOURCES & USES

REVENUE AND TRANSFER IN	Recommended 2019/20	Amended 2018/19	Change $	Change %
Major revenue, by source				
Transaction privilege tax (sales)	$ 15,860,000	$ 15,713,312	$ 146,688	0.9%
Occupancy tax (bed)	4,623,500	4,574,600	48,900	1.1%
Court fines - counter	1,921,120	1,921,120	-	0.0%
Income tax	1,891,800	1,807,232	84,568	4.7%
State shared TPT (sales)	1,502,000	1,484,721	17,279	1.2%
Highway User Revenue (HURF)	968,900	952,768	16,132	1.7%
Building permits	919,440	899,100	20,340	2.3%
Total major revenue	**27,686,760**	**27,352,853**	**333,907**	**1.2%**
Non-major revenue, by type				
Taxes	1,275,380	1,269,380	$ 6,000	0.5%
Intergovernmental	715,640	667,950	47,690	7.1%
Fines and forfeitures	933,000	904,000	29,000	3.2%
License and permits	1,455,600	1,360,000	95,600	7.0%
Charges for services	370,000	350,000	20,000	5.7%
Rentals and royalties	70,000	98,000	(28,000)	-28.6%
Contributions and donations	100,000	77,000	23,000	29.9%
Interest income	760,000	750,000	10,000	1.3%
Total non-major revenue	**5,679,620**	**5,476,330**	**203,290**	**3.7%**
Transfer in from other funds	1,500,000	-	1,500,000	n/a
Total revenue & transfer in	**$ 34,866,380**	**$ 32,829,183**	**$ 2,037,197**	**6.2%**

EXPENDITURES	Recommended 2019/20	Amended 2018/19	Change $	Change %
Community development	$ 1,371,597	$ 1,369,345	$ 2,252	0.2%
Engineering	839,044	750,403	88,641	11.8%
Finance	653,905	582,203	71,702	12.3%
Information technology	1,780,118	1,897,327	(117,209)	-6.2%
Mayor & Council	177,720	182,200	(4,480)	-2.5%
Public works (facilities & fleet)	862,235	869,992	(7,757)	-0.9%
Streets & pavement plan	3,054,013	3,291,461	(237,448)	-7.2%
Tourism	1,817,302	1,514,011	303,291	20.0%
Town attorney's office	683,792	613,447	70,345	11.5%
Town manager's office	1,630,499	1,599,288	31,211	2.0%
Municipal court	860,980	816,543	44,437	5.4%
Police department	14,047,032	14,157,645	(110,613)	-0.8%
Contingencies and assignments	3,231,936	3,147,251	84,685	n/a
Total expenditures	**$ 31,010,173**	**$ 30,791,116**	**$ 219,057**	**1%**
Transfers in from / out to other funds	4,468,494	7,104,763	(2,636,269)	-37.1%
Total exenditures & transfers	**$ 35,478,667**	**$ 37,895,879**	**$ (2,417,212)**	**-6%**
Addition to (use of) fund balance	(612,287)	(5,066,696)	4,454,409	-87.9%
Change in assigned and restricted	-	-	-	n/a
Beginning unassigned fund balance	31,358,052	33,598,254	2,636,269	-6.7%
Ending unassigned fund balance	**$ 30,745,765**	**$ 28,531,558**	**$ 2,214,207**	**8%**

SOURCES & USES

OPERATING FUNDS: SOURCES & USES

Projected 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14
$ 15,727,000	$ 14,833,522	$ 13,818,317	$ 11,345,902	$ 11,447,449	$ 10,300,810
4,577,734	4,443,281	3,701,739	3,207,626	3,117,450	2,835,515
1,920,403	1,528,206	1,318,793	1,964,887	1,118,688	931,039
1,807,858	1,778,003	1,703,256	1,543,526	1,551,940	1,428,952
1,487,842	1,378,388	1,277,675	1,217,296	1,171,604	1,115,888
953,225	933,034	897,142	828,858	793,772	723,714
900,432	893,751	876,434	894,704	613,269	612,329
27,374,494	**25,788,185**	**23,593,356**	**21,002,799**	**19,814,172**	**17,948,247**
1,254,849	1,288,360	1,204,116	913,359	1,183,354	1,202,864
687,254	673,040	639,339	757,927	516,778	476,137
948,301	947,579	740,849	1,076,481	580,991	107,721
1,570,245	1,819,159	1,408,964	1,287,815	921,615	817,724
360,683	309,900	-	-	-	-
97,038	123,101	160,210	147,130	158,410	154,220
97,905	1,040,548	193,881	573,223	118,092	525,607
751,251	212,601	182,683	183,706	90,031	93,736
5,767,526	**6,414,288**	**4,530,042**	**4,939,641**	**3,569,271**	**3,378,009**
-	-	-	-	-	6,984,316
$ 33,142,020	**$ 32,202,473**	**$ 28,123,398**	**$ 25,942,440**	**$ 23,383,443**	**$ 28,310,572**
Projected 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14
$ 1,340,469	$ 1,469,245	$ 1,279,531	$ 1,095,077	$ 1,200,514	$ 1,107,841
611,312	533,169	461,488	371,206	379,429	380,560
513,422	535,232	641,255	559,764	496,641	706,798
1,896,646	1,518,214	1,077,281	867,583	896,203	795,157
172,487	156,946	150,435	97,432	136,673	81,193
864,591	818,503	834,049	739,140	820,353	849,314
3,286,230	4,410,776	2,787,263	2,217,105	3,014,861	2,694,052
1,514,011	1,311,900	1,325,037	1,230,626	1,165,708	1,057,025
561,067	566,392	567,918	555,785	420,474	478,132
1,457,546	1,410,426	786,775	675,343	810,289	658,617
770,935	758,783	687,140	547,771	551,444	497,895
13,852,126	8,915,073	13,967,149	7,876,899	7,379,748	6,215,922
3,037,691	(2,199)	-	-	-	-
$ 29,878,533	**$ 22,402,460**	**$ 24,565,320**	**$ 16,833,731**	**$ 17,272,338**	**$ 15,522,506**
5,503,689	4,582,235	3,877,639	3,550,000	4,431,498	3,455,395
$ 35,382,222	**$ 26,984,695**	**$ 28,442,959**	**$ 20,383,731**	**$ 21,703,835**	**$ 18,977,901**
(2,240,202)	5,217,778	(319,561)	5,558,709	1,679,608	9,332,671
-	1,446,038	(2,583,356)	(1,177,129)	338,762	(117,662)
33,598,254	26,934,439	29,837,356	25,455,776	23,437,406	14,222,397
$ 31,358,052	**$ 33,598,254**	**$ 26,934,439**	**$ 29,837,356**	**$ 25,455,776**	**$ 23,437,406**

USES by CATEGORY

OPERATING FUNDS: USES by CATEGORY

EXPENDITURES	Personnel	Supplies & Services	Capital	Debt Service
Community development	$ 1,033,478	$ 338,119	-	-
Engineering	626,318	187,726	$ 25,000	-
Finance	382,119	271,786	-	-
Information technology	558,289	1,221,829	-	-
Mayor & Council	320	177,400	-	-
Public works	1,188,994	2,727,254	-	-
Tourism	-	1,817,302	-	-
Town attorney's office	581,379	102,413	-	-
Town manager's office	992,604	637,895	-	-
Municipal court	650,689	210,291	-	-
Police department	12,020,667	1,742,365	284,000	-
TOTAL EXPENDITURES	**18,034,857**	**9,434,380**	**309,000**	**-**
CONTINGENCIES				
PSPRS part II	-	-	-	-
General contingency	-	-	-	-
Merit pool	-	-	-	-
IT life cycle management	-	-	-	-
HR studies	-	-	-	-
Town-wide fee study	-	-	-	-
Assigned to tourism	-	-	-	-
Fleet repair & replacement	-	-	-	-
Facilities repair & replacement	-	-	-	-
TOTAL CONTINGENCIES	**-**	**-**	**-**	**-**
TRANSFERS				
To capital projects	-	-	-	-
To debt services	-	-	-	$ 168,494
From capital projects				
TOTAL TRANSFERS	**-**	**-**	**-**	**168,494**
TOTAL USES 2019/20	**$ 18,034,857**	**$ 9,434,380**	**$ 309,000**	**$ 168,494**
AMENDED BUDGET 2018/19	**$ 17,833,114**	**$ 9,428,751**	**$ 382,000**	**$ 789,976**
Change in $	201,743	5,629	(73,000)	(621,482)
Change in %	1.1%	0.1%	-19.1%	-78.7%

USES by CATEGORY

OPERATING FUNDS: USES by CATEGORY

Capital Improvements	Use by other Funds	Specific use Contingency	General use Contingency	Assigned for Future year(s)	Total Budget 2019/20
-	-	-	-	-	$ 1,371,597
-	-	-	-	-	839,044
-	-	-	-	-	653,905
-	-	-	-	-	1,780,118
-	-	-	-	-	177,720
-	-	-	-	-	3,916,248
-	-	-	-	-	1,817,302
-	-	-	-	-	683,792
-	-	-	-	-	1,630,499
-	-	-	-	-	860,980
-	-	-	-	-	14,047,032
-	**-**	**-**	**-**	**-**	**27,778,237**
-	-	$ 1,000,000	-	-	1,000,000
-	-	-	1,207,726	-	1,207,726
-	-	482,000	-	-	482,000
-	-	90,000	-	-	90,000
-	-	35,000	-	-	35,000
-	-	28,000	-	-	28,000
-	-	-	-	$ 73,710	73,710
-	-	-	-	204,500	204,500
-	-	-	-	111,000	111,000
-	**-**	**1,635,000**	**1,207,726**	**389,210**	**3,231,936**
$ 4,300,000	-	-	-	-	$ 4,300,000
-	-	-	-	-	168,494
(1,500,000)					(1,500,000)
2,800,000	**-**	**-**	**-**	**-**	**2,968,494**
$ 2,800,000	**$ -**	**$ 1,635,000**	**$ 1,207,726**	**$ 389,210**	**$ 33,978,667**
$ 6,314,787	**$ -**	**$ 1,164,071**	**$ 553,880**	**$ 1,429,300**	**$ 37,895,879**
(3,514,787)	-	470,929	653,846	(1,040,090)	**(3,917,212)**
-55.7%	n/a	40.5%	118.0%	N/A	**-10.3%**

OPERATING FUNDS: Matching Recurring & Non-recurring Sources & Uses

Recommended budget 2019/20	Total	Operating Funds		Restricted /
SOURCES	Sources	Recurring	Non-recurring	Assigned
Revenues				
Transaction privilege tax (sales)	$ 15,860,000	$ 11,060,000	$ 4,800,000	-
Occupancy tax (bed tax)	4,623,500	4,549,790	-	$ 73,710
Court fines - counter	1,921,120	789,633	1,131,487	-
Urban revenue sharing	1,891,800	1,891,800	-	-
State shared TPT (sales)	1,502,000	1,502,000	-	-
Highway User Revenue (HURF)	968,900	968,900	-	-
Building permits	919,440	600,000	319,440	-
Taxes	1,275,380	1,275,380	-	-
Intergovernmental	715,640	715,640	-	-
Fines and forfeitures	933,000	933,000	-	-
License and permits	1,455,600	1,085,600	370,000	-
Charges for services	370,000	370,000	-	-
Rentals and royalties	70,000	70,000	-	-
Contributions and donations	100,000	100,000	-	-
Interest income	760,000	760,000	-	-
Transfer in from CIP	1,500,000	-	1,500,000	-
Recurring used for non-recurring	***-***	***(3,157,210)***	***3,157,210***	***-***
Planned use of Fund Balance	***612,287***	***-***	***-***	***612,287***
Total sources	**$ 35,478,667**	**$ 23,514,533**	**$ 11,278,137**	**$ 685,996**

	Total	Operating Funds		Use of
EXPENDITURES & TRANSFERS	Funded	Recurring	Non-recurring	Restricted
Community development	$ 1,371,597	$ 1,335,597	$ 36,000	-
Engineering	839,044	795,044	44,000	-
Finance	653,905	653,905	-	-
Information technology	1,780,118	1,348,362	431,756	-
Mayor & Council	177,720	145,320	32,400	-
Public works (facilities & fleet)	862,235	822,235	40,000	-
Streets & pavement plan	3,054,013	2,971,218	82,795	-
Tourism	1,817,302	1,817,302	-	-
Town attorney's office	683,792	683,792	-	-
Town manager's office	1,630,499	1,625,499	5,000	-
Municipal court	860,980	860,980	-	-
Police department	14,047,032	8,360,053	5,074,692	$ 612,287
Contingencies & assigments	3,231,936	2,095,226	1,063,000	73,710
Transfers out to CIP and debt service	4,468,494	-	4,468,494	-
Total expenditures & transfers	**$ 35,478,667**	**$ 23,514,533**	**$ 11,278,137**	**$ 685,996**
Net Sources and Expenditures & transfers	$ -	$ -	$ -	$ -

PUBLIC SAFETY

SOURCES & USES

PUBLIC SAFETY: SOURCES AND USES - ALL FUNDS

SOURCES AVAILABLE	General Fund	Court Enhancement	Court Grants	Police Grants
General fund general revenue	**$ 13,005,892**	**-**	**-**	**-**
Service fee	-	-	-	-
IGA service fee	-	-	-	-
Rents & reimbursements	-	-	-	-
Court enhancement fees	-	$ 425,000	-	-
Court fines - counter	1,921,120	-	-	-
Court PD technology fee	745,000	-	-	-
False alarm fines	-	-	-	-
Public safety fee	107,000	-	-	-
$4 citing agency-SB1398	48,000	-	-	-
Jail fee reimbursements	10,000	-	-	-
Indigent legal fee reimbursement	1,000	-	-	-
Process service fee - court	50,000	-	-	-
Police impound fee	20,000	-	-	-
Grants	-	-	$ 11,500	$ 60,000
Donations	-	-	-	
Planned use of fund balance	-	39,213	-	20,000
TOTAL SOURCES	**$ 15,908,012**	**$ 464,213**	**$ 11,500**	**$ 80,000**

EXPENDITURES	General Fund	Court Enhancement	Court Grants	Police Grants
Police department	$ 14,047,032	-	-	$ 80,000
Alarm supplies & services	-	-	-	-
Fire supplies & services	-	-	-	-
Municipal court	860,980	$ 54,150	$ 11,500	-
Debt service: principal	-	405,000	-	-
Debt service: interest	-	5,063	-	-
Billing and technical support	-	-	-	-
TOTAL EXPENDITURES	**14,908,012**	**464,213**	**11,500**	**80,000**
Contingencies	1,000,000	-	-	-
Assigned for subsequent year	-	-	-	-
TOTAL BUDGET	**$ 15,908,012**	**$ 464,213**	**$ 11,500**	**$ 80,000**

SOURCES & USES

PUBLIC SAFETY: SOURCES AND USES - ALL FUNDS

Police Donations	Total Governmental	Alarm Fund	Fire Fund	Total Enterprise	Total Public Safety
-	**$ 13,005,892**	**-**	**-**	**-**	**$ 13,005,892**
-	-	$ 185,000	$ 2,850,000	$ 3,035,000	3,035,000
-	-	-	245,000	245,000	245,000
-	-	-	47,000	47,000	47,000
-	425,000	-	-	-	425,000
-	1,921,120	-	-	-	1,921,120
-	745,000	-	-	-	745,000
-	-	-	-	-	-
-	107,000	-	-	-	107,000
-	48,000	-	-	-	48,000
-	10,000	-	-	-	10,000
-	1,000	-	-	-	1,000
-	50,000	-	-	-	50,000
-	20,000	-	-	-	20,000
-	71,500	-	-	-	71,500
70,000	70,000	-	-	-	70,000
-	59,213	-	193,239	193,239	252,452
$ 70,000	**$ 16,533,725**	**$ 185,000**	**$ 3,335,239**	**$ 3,520,239**	**$ 20,053,964**

Police Donations	Total Governmental	Alarm Fund	Fire Fund	Total Enterprise	Total Public Safety
$ 70,000	$ 14,197,032	$ 92,027	$ 27,015	$ 119,042	$ 14,316,074
-	-	46,330	-	46,330	46,330
-	-	-	2,987,029	2,987,029	2,987,029
-	926,630	-	-	-	926,630
-	405,000	-	-	-	405,000
-	5,063	-	-	-	5,063
-	-	18,430	220,911	239,341	239,341
70,000	**15,533,725**	**156,787**	**3,234,955**	**3,391,742**	**18,925,467**
-	1,000,000	4,860	100,284	105,144	1,105,144
-	-	23,353	-	23,353	23,353
$ 70,000	**$ 16,533,725**	**$ 185,000**	**$ 3,335,239**	**$ 3,520,239**	**$ 20,053,964**

USES by CATEGORY

PUBLIC SAFETY: USES by CATEGORY - ALL FUNDS

EXPENDITURES	Personnel	Supplies & Services*	Capital	Debt Service
Police department	$ 12,139,709	$ 1,892,365	$ 284,000	-
Alarm supplies & services	-	46,330	-	-
Fire supplies & services	-	2,987,029	-	-
Municipal court	650,689	275,941	-	$ 410,063
Billing and technical support	239,341	-	-	-
TOTAL EXPENDITURES	**13,029,739**	**5,201,665**	**284,000**	**410,063**
Assigned - Governmental				
PSPRS part II	-	-	-	-
Court enhancements	-	-	-	-
Court grants	-	-	-	-
TOTAL Assigned-Govt	**-**	**-**	**-**	**-**
Assigned - Enterprises				
Alarm services	-	-	-	-
Fire services	-	-	-	-
TOTAL Assigned-Entprs	**-**	**-**	**-**	**-**
TOTAL USES	**$ 13,029,739**	**$ 5,201,665**	**$ 284,000**	**$ 410,063**

USES by CATEGORY

PUBLIC SAFETY: USES by CATEGORY - ALL FUNDS

Capital Improvements	Transfer Out	Specific use Contingency	Spendable Contingency	Assigned for Future year(s)	Total
-	-	-	-	-	14,316,074
-	-		-	-	46,330
-	-	-	-	-	2,987,029
-	-			-	1,336,693
-	-	-	-	-	239,341
-	**-**	**-**	**-**	**-**	**18,925,467**
-	-	$ 1,000,000	-	-	1,000,000
-	-	-	-	-	-
-	-	-	-	-	-
-	**-**	**1,000,000**	**-**	**-**	**1,000,000**
-	-	-	4,860	23,353	28,213
-	-	-	100,284	-	100,284
-	**-**	**-**	**105,144**	**23,353**	**128,497**
$ -	**$ -**	**$ 1,000,000**	**$ 105,144**	**$ 23,353**	**$ 20,053,964**

GENERAL FUND

PUBLIC SAFETY: SOURCES & USES - GENERAL FUND

REVENUE	Recommended 2019/20	Amended 2018/19	Change $	Change %
General fund general revenue	**$ 13,005,892**	**$ 13,124,068**	**$ (118,176)**	**-0.9%**
Court fines - counter	1,921,120	1,921,120	-	0.0%
Court PD technology fee	745,000	735,000	10,000	1.4%
False alarm fines	-	-	-	n/a
Public safety fee	107,000	105,000	2,000	1.9%
$4 citing agency-SB1398	48,000	25,000	23,000	92.0%
Jail fee reimbursements	10,000	10,000	-	0.0%
Indigent legal fee reimbursement	1,000	-	1,000	n/a
Process service fee - court	50,000	35,000	15,000	42.9%
Police impound fee	20,000	19,000	1,000	n/a
TOTAL SOURCES	**$ 15,908,012**	**$ 15,974,188**	**$ (66,176)**	**0%**

EXPENDITURES	Recommended 2019/20	Amended 2018/19	Change $	Change %
Municipal court	860,980	816,543	44,437	5.4%
Police department	14,047,032	14,157,645	(110,613)	-0.8%
Total expenditures	**$ 14,908,012**	**$ 14,974,188**	**$ (66,176)**	**0%**
PSPRS Part II *	1,000,000	1,000,000	-	n/a
TOTAL USES	**$ 15,908,012**	**$ 15,974,188**	**$ (66,176)**	**0%**

* PSPRS is budgetd for as a contingency until it is acutally paid.
When PSPRS is paid, it is recorded as a Police Department expenditures

GENERAL FUND

PUBLIC SAFETY: SOURCES & USES - GENERAL FUND

Projected 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14
$ 12,678,403	**$ 7,155,497**	**$ 12,562,583**	**$ 5,328,916**	**$ 6,209,142**	**$ 5,656,797**
1,920,403	1,528,206	1,318,793	1,964,887	1,118,688	931,039
747,241	735,995	598,132	837,940	405,027	-
3,600	812	460	15	3,802	-
122,054	107,948	90,711	179,156	114,246	85,204
47,959	42,574	32,064	48,487	26,572	18,259
2,605	11,828	10,984	9,455	9,257	-
2,858	-	220	1,353	2,382	-
70,258	52,326	7,642	45,162	42,077	22,517
27,680	38,670	32,700	9,300	-	-
$ 15,623,061	**$ 9,673,856**	**$ 14,654,289**	**$ 8,424,671**	**$ 7,931,193**	**$ 6,713,816**

Projected 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15	Actual 2013/14
770,935	758,783	687,140	547,771	551,444	497,895
13,852,126	8,915,073	13,967,149	7,876,899	7,379,748	6,215,922
$ 14,623,061	**$ 9,673,856**	**$ 14,654,289**	**$ 8,424,671**	**$ 7,931,193**	**$ 6,713,816**
1,000,000	-	-	-	-	-
$ 15,623,061	**$ 9,673,856**	**$ 14,654,289**	**$ 8,424,671**	**$ 7,931,193**	**$ 6,713,816**

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REVENUE SECTION

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SUMMARY OF SOURCES

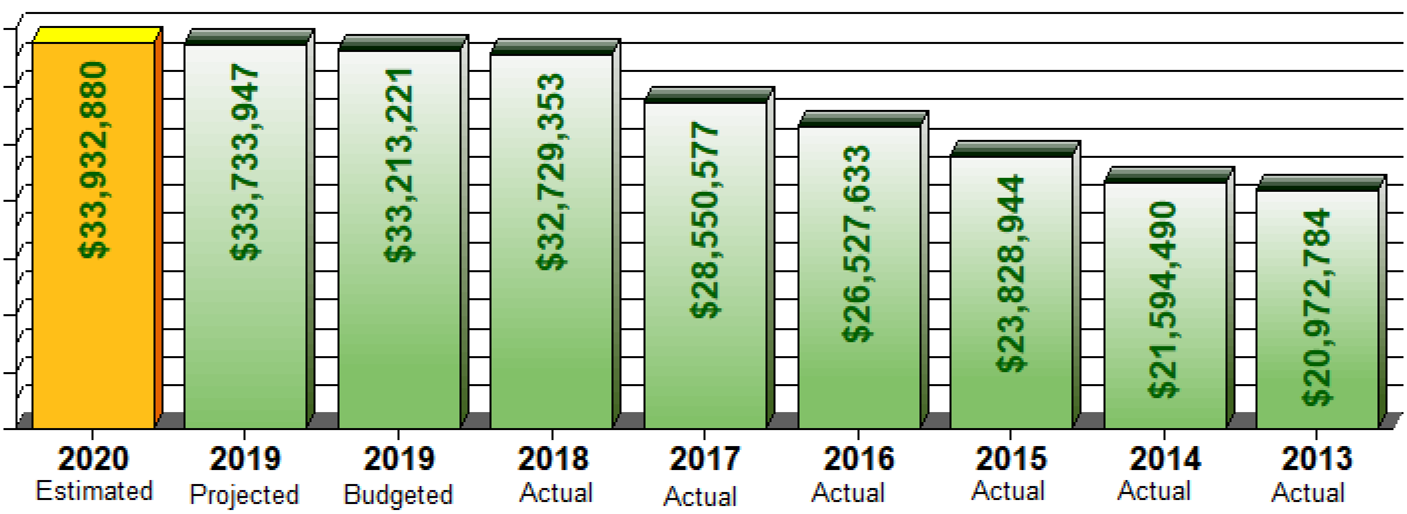
GOVERNMENTAL REVENUE

The *Summary of Sources* (the "SOS") section focuses on revenues that support the Town's governmental operations. Governmental revenue includes: the operating fund, grants, donations and other restrictive funds. Enterprise revenues are not included in this section. The Summary of Sources Section peals back layers into the revenue composition, trends and what forces drive them.

Total *estimated* governmental revenue for 2019/20 are $33,932,880; which is $198,933 (1%) more than **projected** for **2018/19** and $719,659 (2%) more than **budgeted** for **2018/19**. Overall, revenues are estimated to show flat growth in the 2019/20 recommended budget. The Town is also compiling a Strategic Revenue Plan concurrent with the recommended budget and may impact revenue estimates in the Tentative and Adopted budgets.

Estimating flat revenues has not impacted any programs in the recommended budget. Recurring revenues are sufficient to pay for all recurring expenditures and other spending. Should revenues continue on their current trend, they will exceed the recommended budget estimates. This will result in the Town using less amounts from fund balance to pay down long-term liabilities.

The graph below illustrates total governmental revenue from 2012/13 (in millions).



SUMMARY OF SOURCES

TOTAL REVENUE

Major revenues are a combination of seven (7) individually reported revenue sources. Trends show that historically, these seven revenues have combined to generally meet the benchmark of 80% of total governmental revenues (78%-83% from 2013 to 2020). Estimating these seven sources with reasonable accuracy is vital to adequately managing and supporting the Towns financial strategies.

Non-major revenues are all the other 30 distinctive operating revenues that the Town receives.

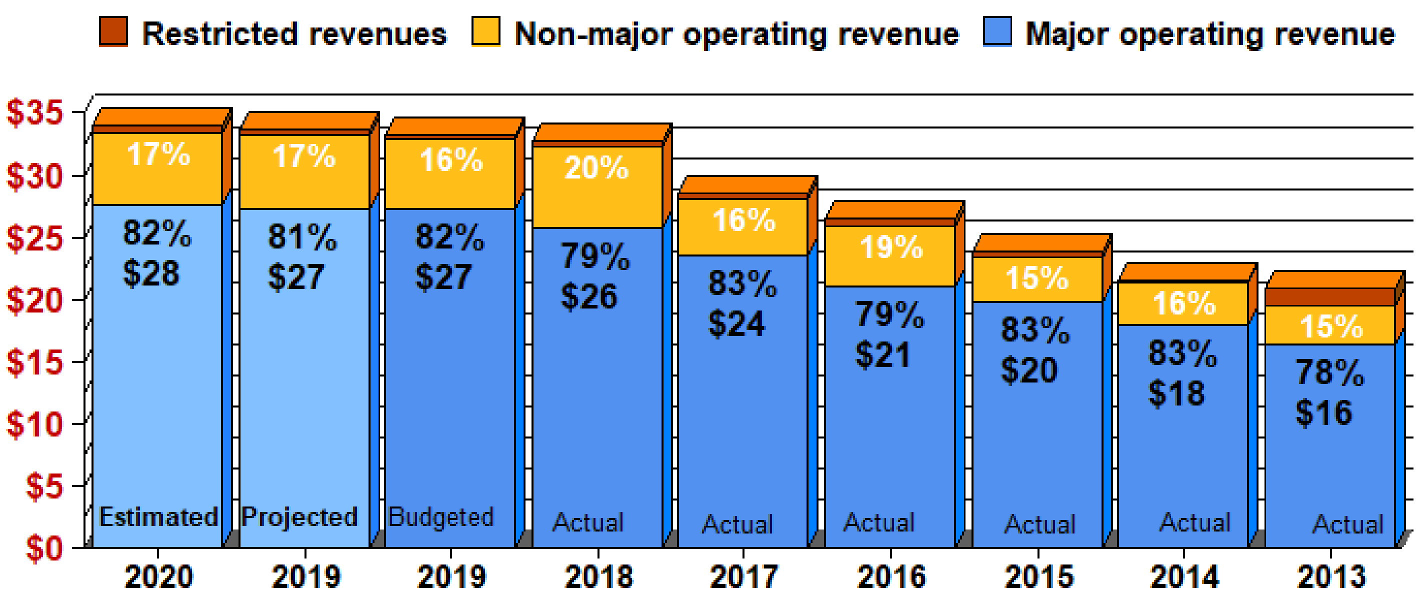
Restricted revenues are sources that have specific restrictions in their use. Certain grants and fees are in this category.

The chart and graph below illustrate major, non-major and restricted revenues that support the Town's governmental operations.

REVENUE Table 1 - GOVERNMENTAL REVENUE

Revenue by Type	Budget 2019/20	Budget 2018/19*	Change $	Change %	Projected 2018/19	Actual 2017/18
Major operating revenue	$27,686,760	$27,352,853	$ 333,907	1%	$27,374,494	$ 25,788,185
Non-major operating revenue	5,679,620	5,476,330	203,290	4%	5,767,526	6,414,288
Restricted revenues	566,500	384,038	182,462	48%	591,927	526,880
Total revenue	**$33,932,880**	**$33,213,221**	**$ 719,659**	**2%**	**$33,733,947**	**$ 32,729,353**

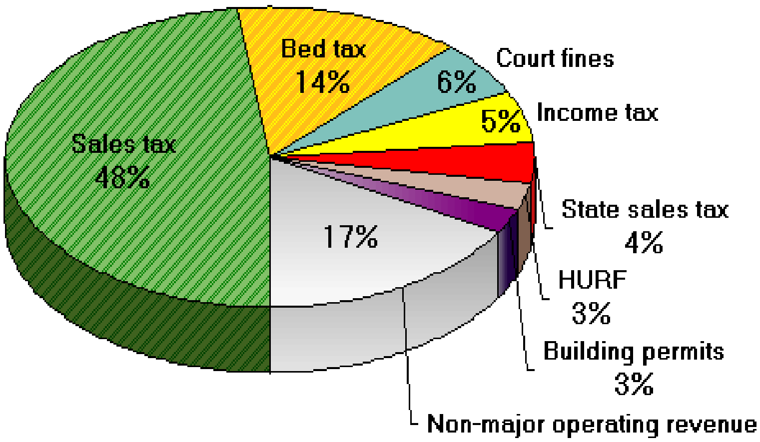
* includes recommended budget amendments section 6



SUMMARY OF SOURCES

MAJOR REVENUES

Major revenues are estimated at $27,686,760 for 2019/20. This is an increase of $333,907 (1%) compared to last year's budget and $312,266 more than is being projected for last year's actual collections. The graph to the left shows the proportionate amount for each revenue, by major source. The chart and graph below illustrate each of the seven major revenues.



Of the seven major revenues, the local sales tax (TPT) is the most predominant; accounting for approximately 487% of total estimated governmental revenue.

The occupancy (bed) tax is the next largest major revenue accounting for 14% of total revenue.

Overall, major revenues were estimated flat for the recommended FY2019/20 and subject to adjustment with the Town's Strategic Revenue Plan for FY2020.

REVENUE Table 2 - MAJOR REVENUE

Operating Revenue by Source	Budget 2019/20	Budget 2018/19*	Change $	Change %	Projected 2018/19	Actual 2017/18
Major operating revenue						
Transaction privilege tax (sales)	$15,860,000	$15,713,312	$ 146,688	1%	$15,727,000	$ 14,833,522
Occupancy tax (bed)	4,623,500	4,574,600	48,900	1%	4,577,734	4,443,281
Court fines - counter	1,921,120	1,921,120	-	0%	1,920,403	1,528,206
Income tax	1,891,800	1,807,232	84,568	5%	1,807,858	1,778,003
State shared TPT (sales)	1,502,000	1,484,721	17,279	1%	1,487,842	1,378,388
Highway User Revenue (HURF)	968,900	952,768	16,132	2%	953,225	933,034
Building permits	919,440	899,100	20,340	2%	900,432	893,751
Total Major Revenue	**$27,686,760**	**$27,352,853**	**$ 333,907**	**1%**	**$27,374,494**	**$ 25,788,185**
Non-major operating revenue	5,679,620	5,476,330	203,290	4%	5,767,526	6,414,288
Total Operating Revenue	**$33,366,380**	**$32,829,183**	**$ 871,104**	**2%**	**$33,142,020**	**$ 32,202,473**

* includes recommended budget amendments section 6

SUMMARY OF SOURCES

LOCAL SALES TAX (TPT)

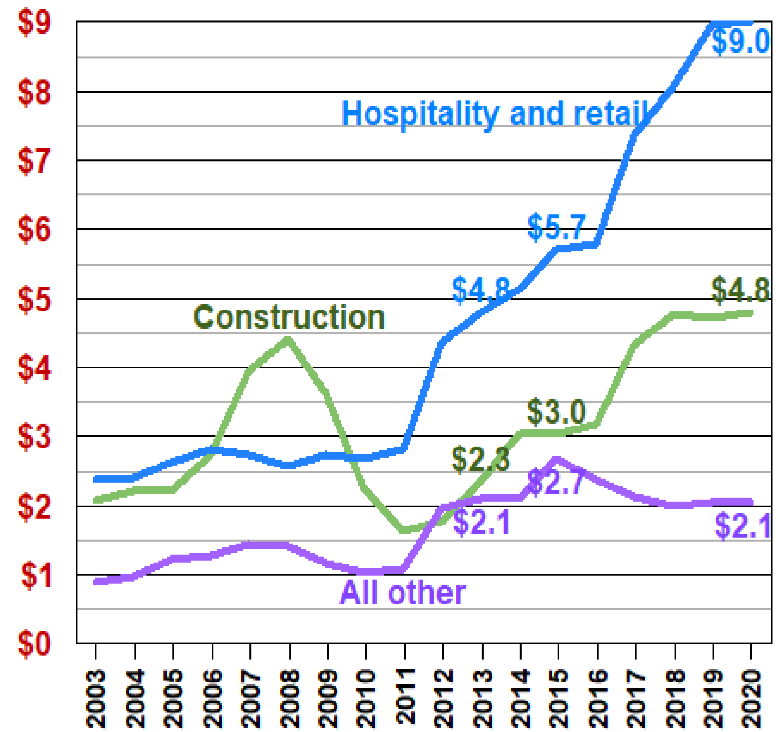
There are numerous components and taxable activities within the local sales tax (TPT) and can be simplified into three (3) main categories: Construction, Hospitality and Retail, and All Other.

Construction is generally considered a non-recurring revenue, because once the a specific construction project is completed, that activity is done.

Per Town policy, all construction sales tax received in excess of $500,000 is transferred to the Capital Improvement Program.

Hospitality and Retail is a significant category for the Town because of its potential to be recurring year-to-year and recent growth.

The line graph to the right shows the 3-main categories for local sales tax from 2003-2020 (**in millions**).



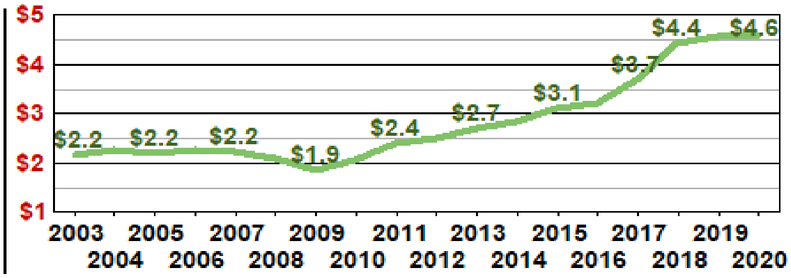
REVENUE Table 3 - Major Revenue: TRANSACTION PRIVILEGE TAX (SALES)						
Revenue All Sources	Budget 2019/20	Projected 2018/19*	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
Hospitality and retail	$ 9,000,000	$ 8,960,000	$ 8,088,233	$ 7,370,408	$ 5,788,062	$ 5,705,830
Construction	4,800,000	4,708,000	4,762,342	4,327,639	3,181,485	3,049,241
All other	2,060,000	2,059,000	1,982,947	2,120,270	2,376,355	2,692,378
Total Sales tax	$15,860,000	$15,727,000	$14,833,522	$13,818,317	$11,345,902	$ 11,447,449

* estimated based on 8 months of actual (unaudited) data

SUMMARY OF SOURCES

OCCUPANCY (BED) TAX

Tourism and the hospitality industry are critical elements and contribute greatly to the Town's character. This industry generates a good portion of the Town's operating revenue. As a result, the Town dedicates significant resources to invest in tourism promotion.



REVENUE Table 4 - Major Revenue: OCCUPANCY (BED) TAX						
Revenue All Sources	Budget 2019/20	Projected 2018/19*	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
Town's portion	$ 2,732,488	$ 2,705,441	$ 2,625,979	$ 2,187,728	$ 1,895,707	$ 1,842,413
Tourism (Current year) **	1,817,302	1,514,011	1,311,919	1,275,037	1,159,726	1,165,708
Tourism (Subsequent year)***	73,710	358,282	505,383	238,974	152,193	109,329
Total occupancy (bed) tax	$ 4,623,500	$ 4,577,734	$ 4,443,281	$ 3,701,739	$ 3,207,626	$ 3,117,450

* estimated based on 8 months of actual (unaudited) data ** Current year is 40.9% of audited revenue two years ago *** 40.9% of current revenue, due in 2 years

STATE SHARED REVENUES

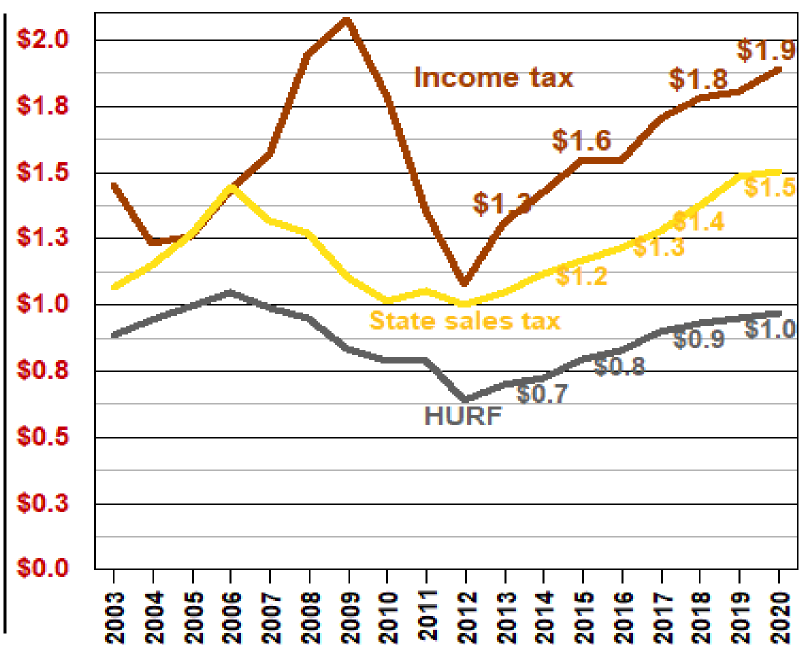
Three (3) revenue sources are part of the "State Shared" revenues: Income tax, Sales tax and HURF. These have been steady and consistent since 2012.

The line graph to the right shows each state shared revenue's trend (in millions).

Income tax and shared sales tax are considered general revenues for the town's governmental operations.

HURF has specific restrictions on its use. The town meets those restrictions by using 100% of HURF in the streets department.

The chart and graph show history of these revenue sources.

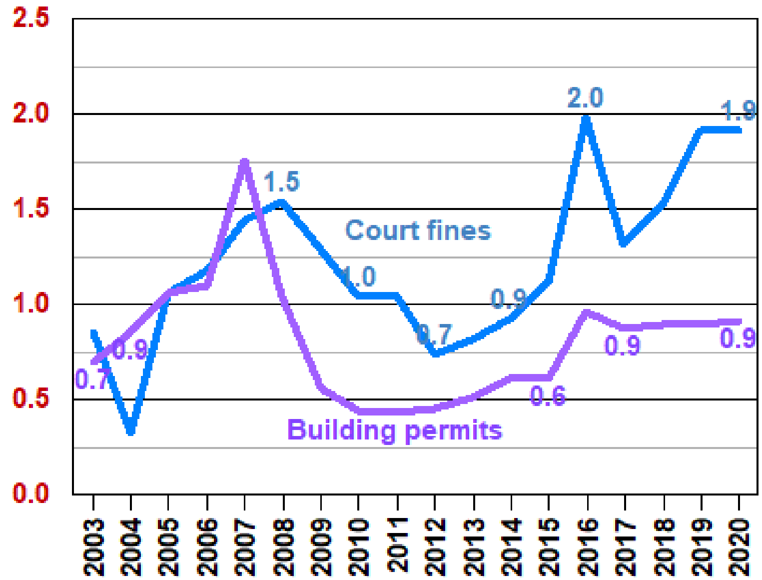


REVENUE Table 5 - Major Revenue: STATE SHARED REVENUE						
Revenue All Sources	Budget 2019/20	Projected 2018/19*	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
Income tax	$ 1,891,800	$ 1,807,858	$ 1,778,003	$ 1,703,256	$ 1,543,526	$ 1,551,940
Sales tax	1,502,000	1,487,842	1,378,388	1,277,675	1,217,296	1,171,604
HURF **	968,900	953,225	933,034	897,142	828,858	793,772
Total state shared revenue	$ 4,362,700	$ 4,248,925	$ 4,089,425	$ 3,878,073	$ 3,589,680	$ 3,517,316

* estimated based on 8 months of actual (unaudited) data ** 2017/18 HURF included one-time funding

SUMMARY OF SOURCES

BUILDING PERMITS & COURT FINES



Building permits and court fines are the two most volatile of the major revenues.

Building permits spiked in 2016. But this level of revenue is not expected to be sustained in the long run. It is expected to continue approximately 2-4 years and then tapper back the levels of 2013-2015.

Court fines spiked in 2016 and then leveled back to the trend in 2017 and 2018.

The line graph to the left illustrates each revenues trend since 2003 (in millions).

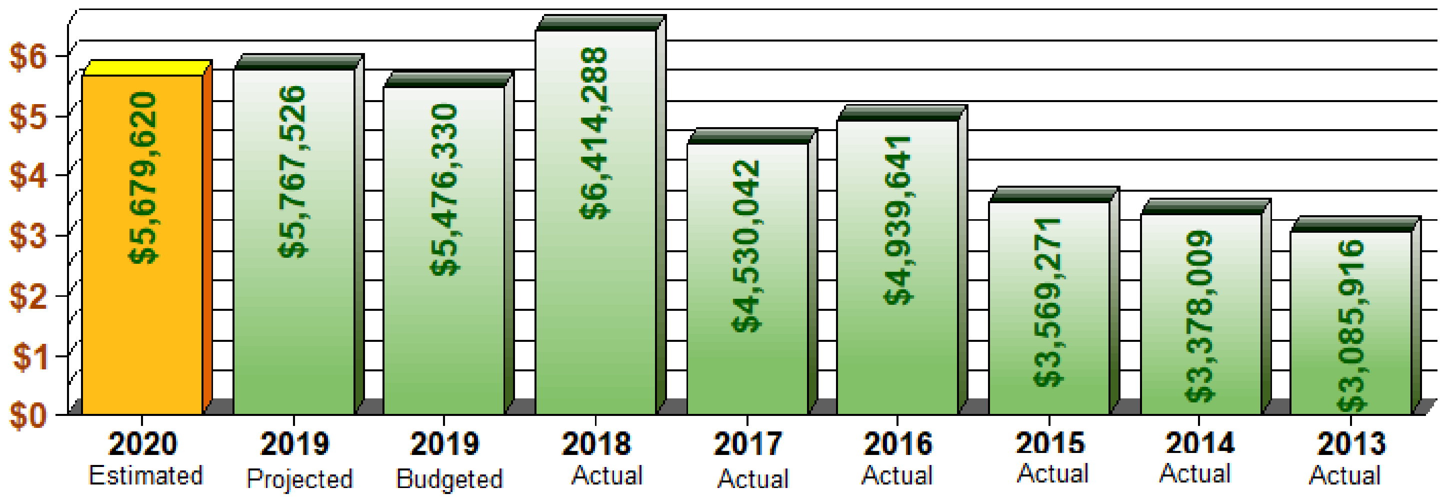
The graph and chart below show history of these two sources.

REVENUE Table 6 - Major Revenue: OTHER MAJOR REVENUE						
Revenue All Sources	Budget 2019/20	Projected 2018/19*	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
Court fines - counter	$ 1,921,120	$ 1,920,403	$ 1,528,206	$ 1,318,793	$ 1,964,887	$ 1,118,688
Building permits	919,440	900,432	893,751	876,434	894,704	613,269
Total Other major revenues	$ 2,840,560	$ 2,820,835	$ 2,421,957	$ 2,195,227	$ 2,859,591	$ 1,731,957

* includes recommended budget amendments section 6

NON MAJOR REVENUES

Though non-major revenues are not individually as large as the seven major revenues, they shouldn't be overlooked. The graph and chart below show that total non-major revenue are estimated to **decrease** by $179,670 (-4%) compared to the 2018 budget; but an **increase** of $97,217 (2%) compared to current estimates for 2018. The graph below shows a history of total non-major revenues. FY2017/18 contains a one-time $1,000,000 contribution.



REVENUE Table 7 - Non-major Revenue: BY CATEGORY

Operating Revenue by Source	Budget 2019/20	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Taxes	$ 1,275,380	$ 1,269,380	$ 6,000	0%	$ 1,254,849	$ 1,288,360
Intergovernmental	715,640	667,950	47,690	0	687,254	673,040
Fines and forfeitures	933,000	904,000	29,000	3%	948,301	947,579
License and permits	1,455,600	1,360,000	95,600	7%	1,570,245	1,819,159
Charges for services	370,000	350,000	20,000	6%	360,683	309,900
Rentals and royalties	70,000	98,000	(28,000)	-29%	97,038	123,101
Contributions and donations	100,000	77,000	23,000	30%	97,905	1,040,548
Interest income	760,000	750,000	10,000	1%	751,251	212,601
Total non-major revenue	**$ 5,679,620**	**$ 5,476,330**	**$ 203,290**	**4%**	**$ 5,767,526**	**$ 6,414,288**

* includes recommended budget amendments section 6

The following five (5) tables display each of the non-major revenues within their revenue category.

REVENUE Table 8 - Non-major Revenue: TAXES

Revenue All Sources	Budget 2019/20	Projected 2018/19*	Actual 2017/18	Actual 2016/17	Actual 2015/16	Actual 2014/15
APS franchise fee	$ 630,000	$ 610,534	$ 635,070	$ 592,752	$ 477,269	$ 655,689
Cox Com franchise fee	265,000	263,815	279,748	241,488	183,619	246,353
Southwest gas franchise fee	230,000	230,000	223,098	221,801	106,012	148,874
New Path franchise fee	150,000	150,427	150,108	147,569	146,343	146,097
Other taxes franchise fee	380	73	336	506	116	(13,659)
Total Non-major Taxes	**$ 1,275,380**	**$ 1,254,849**	**$ 1,288,360**	**$ 1,204,116**	**$ 913,359**	**$ 1,183,354**

* estimated based on 8 months of actual (unaudited) data

SUMMARY OF SOURCES

REVENUE Table 9 - Non-major Revenue: INTERGOVERNMENTAL						
Revenue	Budget	Projected	Actual	Actual	Actual	Actual
All Sources	2019/20	2018/19*	2017/18	2016/17	2015/16	2014/15
Auto lieu tax	$ 652,640	$ 624,295	$ 595,778	$ 548,523	$ 455,653	$ 490,206
$4 Citing agency - SB1398	48,000	47,959	42,574	32,064	48,487	26,572
Fire service fee	15,000	15,000	20,000	-	-	-
Other intergovernmental	-	-	14,688	58,752	253,787	-
Total Non-major Intergov.	$ 715,640	$ 687,254	$ 673,040	$ 639,339	$ 757,927	$ 516,778
* estimated based on 8 months of actual (unaudited) data						

REVENUE Table 10 - Non-major Revenue: FINES AND FEES						
Revenue	Budget	Projected	Actual	Actual	Actual	Actual
All Sources	2019/20	2018/19*	2017/18	2016/17	2015/16	2014/15
Court PD technology fee	$ 745,000	$ 744,241	$ 735,995	$ 598,132	$ 837,940	$ 405,027
Public safety fee	107,000	107,054	107,948	90,711	179,156	114,246
Jail fee reimbursements	10,000	5,210	11,828	10,984	9,455	9,257
Indigent legal fee reibursements	1,000	2,858	-	220	1,353	2,382
Process service fee - courts	50,000	60,258	52,326	7,642	45,162	42,077
Police impoud vehicle	20,000	25,680	38,670	32,700	9,300	-
Other fines and fees	-	3,000	812	460	(5,885)	8,002
Total Non-major fines & fees	$ 933,000	$ 948,301	$ 947,579	$ 740,849	$ 1,076,481	$ 580,991
* estimated based on 8 months of actual (unaudited) data						

REVENUE Table 11 - Non-major Revenue: LICENSE AND PERMITS						
Revenue	Budget	Projected	Actual	Actual	Actual	Actual
All Sources	2019/20	2018/19*	2017/18	2016/17	2015/16	2014/15
In-house plan review	$ 700,000	$ 711,812	$ 744,124	$ 627,194	$ 563,328	$ 496,208
Grading permits	80,000	80,734	98,174	253,188	74,630	39,395
Development in lieu	155,600	155,599	155,599	108,000	108,000	108,000
Haul / evacuation permit	95,000	95,582	95,652	93,183	94,154	68,186
Fire marshall	50,000	65,130	58,799	71,787	55,544	34,353
Hillside application fee	150,000	145,892	183,533	55,125	193,730	33,700
Right of way permit	90,000	87,103	101,552	50,869	53,992	25,477
Sub division permit	30,000	45,752	32,679	40,923	44,494	29,125
Special use permit	30,000	92,641	68,200	36,480	9,210	30,520
Other	75,000	90,000	280,847	72,215	90,733	56,651
Non-major Licesnse & permits	$ 1,455,600	$ 1,570,245	$ 1,819,159	$ 1,408,964	$ 1,287,815	$ 921,615
* estimated based on 8 months of actual (unaudited) data						

REVENUE Table 12 - Non-major Revenue: ALL OTHER						
Revenue	Budget	Projected	Actual	Actual	Actual	Actual
All Sources	2019/20	2018/19*	2017/18	2016/17	2015/16	2014/15
Wireless facility rental	$ 70,000	$ 72,038	$ 70,125	$ 73,210	$ 67,380	$ 71,410
Post office sales	370,000	360,683	309,900	-	-	-
Post office rent	-	-	27,976	87,000	79,750	87,000
Courts land use	-	25,000	25,000	-	-	-
Miscellaneous	100,000	97,905	40,548	193,881	573,223	118,092
Other contributions	-	-	1,000,000	-	-	-
LGIP earnings	260,000	260,885	90,656	39,342	27,524	19,209
Investments	500,000	490,365	121,945	143,341	156,182	70,822
Non-major Licesnse & permits	$ 1,300,000	$ 1,306,876	$ 1,686,150	$ 536,774	$ 904,059	$ 366,533
* estimated based on 8 months of actual (unaudited) data						

DEPARTMENTS, DIVISIONS & ENTERPRISES

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GOVERNMENTAL OPERATIONS

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COMMUNITY DEVELOPMENT

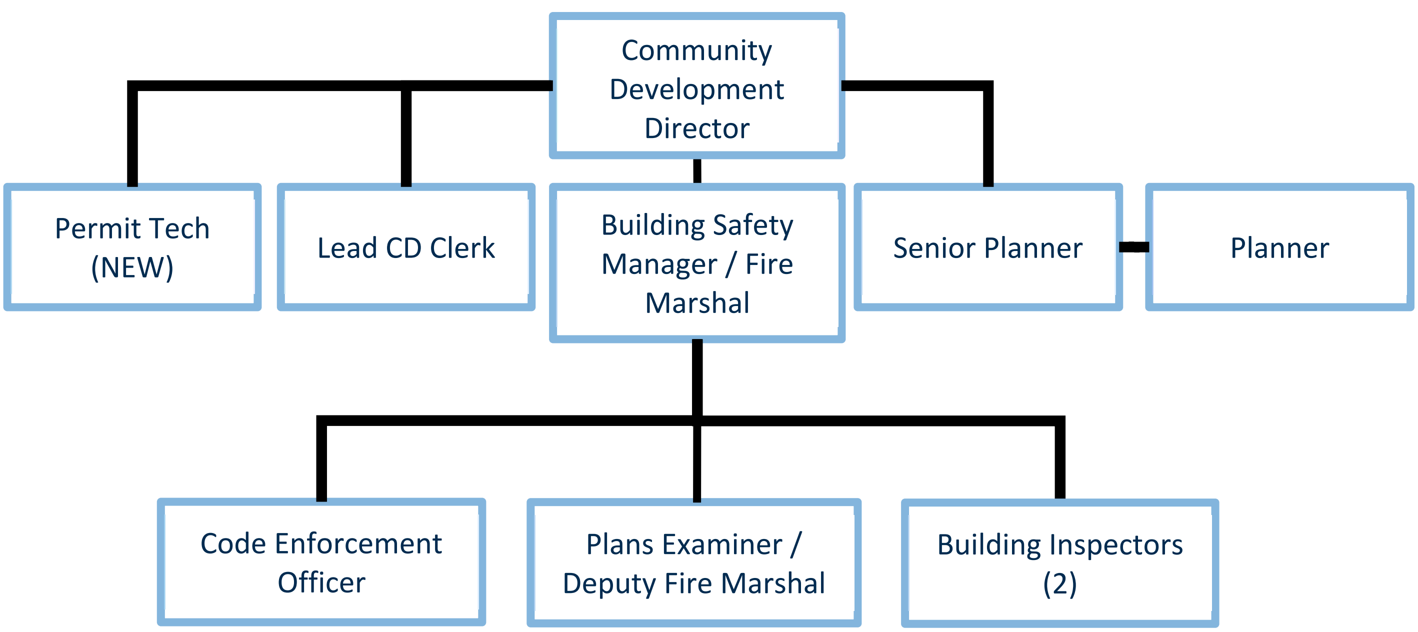
MISSION: To deliver personalized service while providing a comprehensive approach to planning, building, and code enforcement that meets the needs of the community and facilitates responsible, high quality, and well planned development. This development shall enable revitalization of existing resorts and residences while preserving the natural Sonoran Desert environment.

VISION: To enhance the present and future quality of life in Paradise Valley by ensuring an attractive, safe, and well-designed physical environment.

OFFICE PURPOSE & DESCRIPTION

The Department prepares and updates comprehensive plans, processes zoning cases, enforces the zoning code, reviews building plans, conducts zoning and building inspections, and provides information to the public on zoning and construction related activity. Responsibility for the Town's Post Office has moved to the Town Manager's Office.

ORGANIZATIONAL CHART



The Community Development Department is managed by the Director; the Director reports to Deputy Town Manager.

COMMUNITY DEVELOPMENT

GOALS

- Preserve the premiere residential character of the community
- Provide professional and thorough guidance and coordination of all land planning and development activities
- Facilitate public participation and awareness of projects through improved public outreach
- Implement the town's regulations and policies fairly and consistently
- Review planning and building applications thoroughly and expeditiously
- Identify and implement technology to improve efficiency and service levels
- Treat all customers in a respectful and helpful manner

HIGHLIGHTS

- Adoption of the Visually Significant Corridors Master Plan
- Multiple Zoning Code Updates including Hillside and Home Occupation
- Participation in the Cell Phone Task Force
- Assisted in finalizing inspections and approvals for the first residents to move into Area B of the Five Star Development
- Approved permits for the first structures on the Five Star Development
- Executed an agreement to utilize third party inspections are the Five Star Development project
- Granted approvals for improvements to multiple SUP properties including Hermosa Inn, Montessori School, Ritz Carlton

SERVICE STATS

- Approximately 700 building permits issued, valued at over $125,000,000 of construction
- 100 single family homes reviewed, permitted, and inspected
- Plan reviews completed in expeditious manner
- Inspection requests completed on the next business day
- Five Board of Adjustment Cases processed
- More than 10 land use applications processed through the Planning Commission

COMMUNITY DEVELOPMENT

STAFFING LEVELS

Staffing levels have remained consistent in 2015/16 and 2016/17. One (1) Plans Examiner was added in 2017/18; and one Permit Technician is recommmended to be added in 2019/20 to support all department operations, improve customer service, and resolve front counter coverage issues. Table 1 below displays the department's positions by classification; and Table 2 shows the positions by their primary service function.

COMMUNITY DEVELOPMENT Table 1 - Authorized positions by CLASSIFICATION

POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Community development director	1.0	1.0	1.0	1.0	1.0
Senior planner	1.0	1.0	1.0	1.0	1.0
Planner	1.0	1.0	1.0	1.0	1.0
Lead planning & building clerk	1.0	1.0	1.0	1.0	1.0
Permit technician	1.0	-	-	-	-
Building safety manager / fire marshal	1.0	1.0	1.0	1.0	1.0
Plans examiner / deputy fire marshal	2.0	2.0	2.0	1.0	1.0
Building & zoning inspector	1.0	1.0	1.0	1.0	1.0
Code enforcement officer	1.0	1.0	1.0	1.0	1.0
Total full time equivalents	**10.0**	**9.0**	**9.0**	**8.0**	**8.0**
Inspector (temp FT)	-	-	-	1.0	-

COMMUNITY DEVELOPMENT Table 2 - Authorized positions by PRIMARY FUNCTION

PRIMARY FUNCTION**	2019/20	2018/19	2017/18	2016/17	2015/16
Building	5.0	5.0	5.0	4.0	4.0
Planning	5.0	4.0	4.0	4.0	4.0
Total full time equivalents	**10.0**	**9.0**	**9.0**	**8.0**	**8.0**

** the CD Director is listed in Planning

FUNDING LEVELS

Funding for Community development consists General Fund and Enterprise resources. Funding is budgeted to **increase by $101,962 (7%)**.

COMMUNITY DEVELOPMENT Table 3 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$1,371,597	$1,369,345	$ 2,252	0%	$1,340,469	$1,469,245
Enterprises**	99,710	-	99,710	n/a	-	-
Total Sources	**$1,471,307**	**$1,369,345**	**$ 101,962**	**7%**	**$1,340,469**	**$1,469,245**

* Recommended funding levels

**Building provides services to Fire; Planning (customer service) provides services to Fire and Wastewater.

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COMMUNITY DEVELOPMENT

EXPENDITURES

The Community Development recommended budget of $1,471,307 is $101,962 or 7% more than the prior fiscal year. This results primarily from changes in:

Personnel: Changes reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits and the addition of one Permit Technician position.

Supplies and services: The net increase of $79,597 or 7% is comprised of increases in professional services which is attributed to third party inspections related to the Ritz Carlton Resort which is reimbursed to the Town by the developer ($57,700), travel and training for increased training related to the towns permitting software to improve efficiency ($4,800) and publications and general plan costs as the Town's General Plan is approaching its statutory requirement for an update ($33,000). Decreases are found in liability insurance ($7,528), subscriptions and publications the Town's updated ICC codes were purchased in FY19 ($2,000), miscellaneous ($8,000), and net all other supplies and services ($375). With the request for a new employee, some areas such as General Professional Services and Temporary Help were reduced ($20,800) as some of this work could now be done in house.

Capital: There is no recommended capital this year.

COMMUNITY DEVELOPMENT Table 4 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$1,133,188**	**$1,110,823**	**$ 22,365**	**2%**	**$1,063,718**	**$1,161,800**
Supplies & Services	Professional services	219,100	161,400	57,700	36%	190,400	208,400
	Liability insurance	40,669	48,197	(7,528)	-16%	39,484	46,567
	Travel and training	17,700	12,900	4,800	37%	9,800	8,548
	Miscellaneous	2,000	10,000	(8,000)	-80%	10,000	6,156
	Publications & general plan	36,000	3,000	33,000	1100%	3,000	-
	Other supplies & services	22,650	23,025	(375)	-2%	24,067	16,876
	Total Supplies & Services	**338,119**	**258,522**	**79,597**	**31%**	**276,751**	**286,547**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**20,898**
	Total Expenditures	**$1,471,307**	**$1,369,345**	**$ 101,962**	**7%**	**$1,340,469**	**$1,469,245**

* Recommended funding levels ** Includes recommended budget amendments to reallocate Post office to Town manager's office

There are two functional areas (cost centers) in Community Development for budgetary purposes.

COMMUNITY DEVELOPMENT Table 5 - Expenditures by PRIMARY FUNCTION

PRIMARY FUNCTION	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Building	$ 852,389	$ 786,650	$ 65,739	8%	$ 788,578	$ 834,358
Planning	618,918	582,695	36,223	6%	551,891	634,887
Total Expenditures	**$1,471,307**	**$1,369,345**	**$ 101,962**	**7%**	**$1,340,469**	**$1,469,245**

* Recommended funding levels

COMMUNITY DEVELOPMENT

LINE ITEMS (DETAIL) - PLANNING

COMMUNITY DEVELOPEMENT Table 6 - Line item expenditures: PLANNING

CDD: PLANNING		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-48-100	SALARIES AND WAGES	$ 551,388	$ 480,420	$ 468,495	$ 481,973	$ 384,902	$ (97,071)	-20%
10-48-105	OVERTIME	12,959	5,050	12,000	12,000	2,500	(9,500)	-79%
10-48-115	EMPLOYEE BENEFITS-FICA	40,946	31,950	35,715	36,551	30,046	(6,505)	-18%
10-48-120	EMPLOYEE BENEFITS-RETIREMENT	55,693	61,063	50,768	52,358	47,539	(4,819)	-9%
10-48-125	EMPLOYEE BENEFITS-WORKERS COMP	1,094	712	1,293	1,293	993	(300)	-23%
10-48-130	EMPLOYEE BENEFITS-MEDICAL	40,214	33,531	41,510	41,510	43,450	1,940	5%
10-48-131	EMPLOYEE BENEFITS-DENTAL	3,327	2,805	3,270	3,270	3,840	570	17%
10-48-135	EMPLOYEE BENEFITS-DISABIL/LIFE	464	350	2,915	2,915	542	(2,373)	-81%
10-48-136	EMPLOYEE BENEFITS - STD	2,715	2,061	3,559	3,559	2,292	(1,267)	-36%
10-48-160	EMPLOYEE BENEFITS-CLOTHING	-	201	200	200	200	-	0%
10-48-161	EMPLOYEE BENEFIT - CELL PHONE	1,035	460	1,380	1,380	2,760	1,380	100%
10-48-186	EMPLOYEE BENEFITS - H S A	5,200	3,800	5,200	5,200	2,600	(2,600)	-50%
10-48-191	DEFERRED COMPENSATION-457	4,420	3,037	4,420	4,420	2,400	(2,020)	-46%
N/A	LESS: POST OFFICE	(144,496)	(149,948)	(149,948)	(149,948)	-	149,948	-100%
	TOTAL PERSONNEL	574,957	475,492	480,777	496,681	524,064	27,383	6%
10-48-330	GENERAL PROFESSIONAL SERVICES	19,400	40,400	40,400	40,400	22,100	(18,300)	-45%
10-48-331	GENERAL PLAN UPDATE	-		-	-	35,000	35,000	n/a
10-48-341	CREDIT CARD EXPENSE	2,494		-	-	-	-	n/a
10-48-375	TEMPORARY HELP	2,303	2,500	2,500	2,500	-	(2,500)	-100%
10-48-465	OFFICE SUPPLIES	2,233	2,000	2,000	2,000	2,000	-	0%
10-48-485	PRINTING	-	300	300	300	300	-	0%
10-48-540	LIABILITY INSURANCE	25,400	18,528	25,106	25,106	19,085	(6,021)	-24%
10-48-541	PROPERTY INSURANCE	-	828	829	829	854	25	3%
10-48-542	VEHICLE INSURANCE	-	356	354	354	365	11	3%
10-48-670	MEALS	238	350	600	600	600	-	0%
10-48-675	DUES	1,639	1,987	1,675	1,675	2,000	325	19%
10-48-770	STAFF TRAINING	1,069	2,800	2,800	2,800	3,100	300	11%
10-48-790	SUBSCRIPTIONS & PUBLICATIONS	-	200	200	200	200	-	0%
10-48-815	TRAINING TRAVEL	4,426	3,500	6,600	6,600	6,600	-	0%
10-48-840	MISCELLANEOUS	(2)	150	150	150	150	-	0%
10-48-845	BOARDS AND COMMISSION EXPENSES	730	1,500	1,500	1,500	1,500	-	0%
10-48-866	OFFICE FURNITURE & FIXTURES	-	1,000	1,000	1,000	1,000	-	0%
	TOTAL SUPPLIES & SERVICES	59,930	76,399	86,014	86,014	94,854	8,840	10%
10-48-961	CAPITAL LEASE - PRINCIPAL	-		-	-	-	-	n/a
	TOTAL CAPITAL OUTLAY	-	-	-	-	-	-	n/a
	TOTAL EXPENDITURES	$ 634,887	$ 551,891	$ 566,791	$ 582,695	$ 618,918	36,223	6%

LINE ITEMS (DETAIL) - BUILDING

COMMUNITY DEVELOPEMENT Table 7 - Line item expenditures: BUILDING

CDD: BUILDING		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-47-100	SALARIES AND WAGES	$ 420,915	$ 431,158	$ 419,238	$ 435,987	$ 434,790	$ (1,197)	0%
10-47-105	OVERTIME	1,668	2,425	4,000	4,000	4,000	-	0%
10-47-115	EMPLOYEE BENEFITS-FICA	32,505	33,139	31,791	32,829	34,458	1,629	5%
10-47-120	EMPLOYEE BENEFITS-RETIREMENT	50,159	57,160	50,645	52,621	54,317	1,696	3%
10-47-125	EMPLOYEE BENEFITS-WORKERS COMP	6,119	5,183	8,306	8,306	8,192	(114)	-1%
10-47-130	EMPLOYEE BENEFITS-MEDICAL	46,139	39,374	47,313	47,313	47,721	408	1%
10-47-131	EMPLOYEE BENEFITS-DENTAL	4,099	3,455	4,350	4,350	4,416	66	2%
10-47-135	EMPLOYEE BENEFITS-DISABIL/LIFE	418	355	2,702	2,702	501	(2,201)	-81%
10-47-136	EMPLOYEE BENEFITS - STD	2,452	2,108	3,174	3,174	2,589	(585)	-18%
10-47-160	EMPLOYEE BENEFITS-CLOTHING	1,775	1,900	1,900	1,900	1,900	-	0%
10-47-161	EMPLOYEE BENEFIT - CELL PHONE	5,100	3,400	5,100	5,100	5,100	-	0%
10-47-186	EMPLOYEE BENEFITS - H S A	9,000	5,000	9,100	9,100	6,500	(2,600)	-29%
10-47-191	DEFERRED COMPENSATION-457	6,493	3,569	6,760	6,760	4,640	(2,120)	-31%
	TOTAL PERSONNEL	**586,842**	**588,226**	**594,379**	**614,142**	**609,124**	**(5,018)**	**-1%**
10-47-327	EMERGENCY MANAGEMENT	1,532	4,100	4,100	4,100	4,100	-	0%
10-47-330	GENERAL PROFESSIONAL SERVICES	189,000	150,000	121,000	121,000	197,000	76,000	63%
10-47-420	EXPENDABLE TOOLS	-	500	1,000	1,000	500	(500)	-50%
10-47-435	GAS & OIL	3,365	4,980	3,000	3,000	5,300	2,300	77%
10-47-465	OFFICE SUPPLIES	1,219	1,500	2,000	2,000	2,000	-	0%
10-47-485	PRINTING	37	2,000	2,000	2,000	2,000	-	0%
10-47-495	SAFETY EQUIPMENT SUPPLIES	318	500	500	500	500	-	0%
10-47-540	LIABILITY INSURANCE	21,167	15,440	17,577	17,577	15,904	(1,673)	-10%
10-47-541	PROPERTY INSURANCE	-	2,268	2,268	2,268	2,336	68	3%
10-47-542	VEHICLE INSURANCE	-	2,064	2,063	2,063	2,125	62	3%
10-47-565	CAR WASHES	14		-	-	-	-	n/a
10-47-675	DUES	755	500	500	500	500	-	0%
10-47-770	STAFF TRAINING	2,383	3,000	3,000	3,000	7,500	4,500	150%
10-47-790	SUBSCRIPTIONS & PUBLICATIONS	-	3,000	3,000	3,000	1,000	(2,000)	-67%
10-47-815	TRAINING TRAVEL	670	500	500	500	500	-	0%
10-47-840	MISCELLANEOUS	6,156	10,000	10,000	10,000	2,000	(8,000)	-80%
	TOTAL SUPPLIES & SERVICES	**226,618**	**200,352**	**172,508**	**172,508**	**243,265**	**70,757**	**41%**
10-47-870	VEHICLES	20,898	-	-	-	-	-	n/a
	TOTAL CAPITAL OUTLAY	**20,898**	**-**	**-**	**-**	**-**	**-**	**n/a**
	TOTAL EXPENDITURES	**$ 834,358**	**$ 788,578**	**$ 766,887**	**$ 786,650**	**$ 852,389**	**65,739**	**8%**

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ENGINEERING

MISSION: To maintain and improve the quality of the community through economically sound infrastructure preservation and enhancement while providing customer-focused, innovative, efficient and reliable municipal service to our residents.

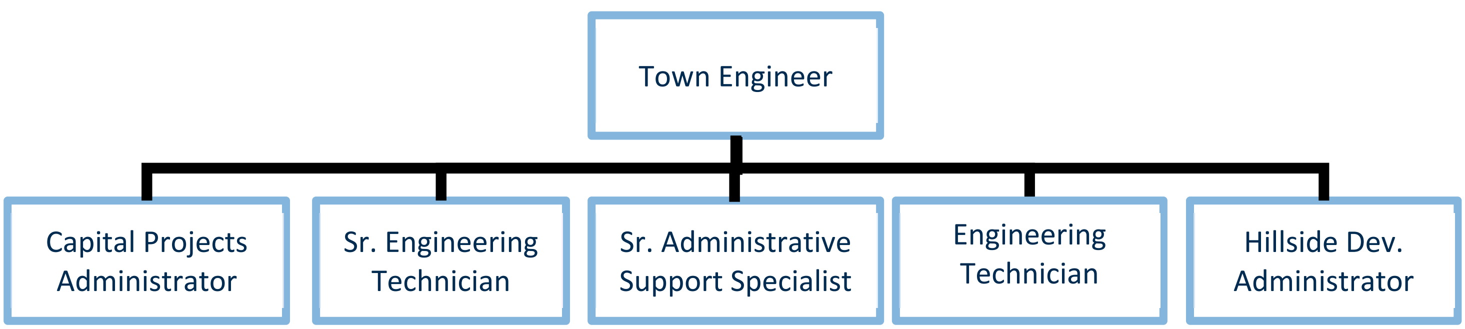
VISION: Engineering strives to be a leading organization helping to preserve a vibrant, innovative, world-class community. This is accomplished by meeting or exceeding resident needs through accountability, fairness, consistency, and increased communication. We will maintain and improve existing infrastructure in an effective manner. We are committed to supporting a positive work environment in which employees can share in the overall health, safety and welfare of the community.

OFFICE PURPOSE & DESCRIPTION

The Engineering department provides many of the services that affect the daily lives of those who live and work in the town. Primarily, the department is responsible for the plan review and inspection of residential and resort properties related to grading & drainage as well as infrastructure. The department is also responsible for the planning and implementation of the capital improvement program and facilitation of the hillside development process. Some of the department's activities include:

- Capital Improvement Program planning and implementation;
- Development and Right-of-Way Plan review and inspection;
- Long range planning for Town infrastructure; and
- Hillside development process.

ORGANIZATIONAL CHART



The Engineering Department is managed by the Town Engineer; the Town Engineer reports to the Town Manager.

ENGINEERING

GOALS

- Complete sewer assessments per the updated IGA with the City of Scottsdale
- Conduct inspection services for resort development
- Construction of the Lincoln Drive, Mockingbird Ln and Indian Bend Rd improvements
- Initiate SRP Denton Lane District electric underground
- Construction of Lincoln Dr. sidewalk improvements
- Locate remaining sanitary sewer manholes and assess improvements required

HIGHLIGHTS

- Approval of ADEQ MS4 Permit
- Completion of the SRP Keim District – electrical underground
- Design of the Lincoln Dr., Mockingbird Ln and Indian Bend Rd improvements

STAFFING LEVELS

Staffing levels have remained consistent from 2015/16 through 2017/18. One (1) Hillside development administrator was added in the 2018/19 budget to primarily focus on Hillside development; and one (1) Engineering technician is recommended to be added in 2019/20 to address ongoing workload needs and assist in the increase of town-wide construction activities.

Table 1 below displays the department's positions by classification.

ENGINEERING Table 1 - Authorized positions by CLASSIFICATION

POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Town engineer	1.0	1.0	1.0	1.0	1.0
Engineering service analyst	-	-	1.0	1.0	1.0
Capital project administrator	1.0	1.0	-	-	-
Sr. engineering technician	1.0	1.0	1.0	1.0	1.0
Hillside development administrator	1.0	1.0	-	-	-
Engineering technician	1.0	-	-	-	-
Sr. administrative support specialist	1.0	1.0	1.0	1.0	1.0
Total full time equivalents	6.0	5.0	4.0	4.0	4.0

ENGINEERING

▶ FUNDING LEVELS ◀

Funding for Engineering consists of General Fund resources and the Wastewater Enterprise. Overall, funding is recommended to **increase by $116,430 (15%)**.

ENGINEERING Table 2 - Funding by Source						
Funding by Source	**Budget 2019/20***	**Budget 2018/19**	**Change $**	**Change %**	**Projected 2018/19**	**Actual 2017/18**
General Fund	$ 839,044	$ 750,403	$ 88,641	12%	$ 611,312	$ 533,169
Enterprises**	62,389	34,600	27,789	80%	34,600	34,600
Total Sources	**$ 901,433**	**$ 785,003**	**$ 116,430**	**15%**	**$ 645,912**	**$ 567,769**

* Recommended funding levels ** Engineering provides services to Wastewater (enterprise)

▶ EXPENDITURES ◀

The Engineering recommended budget of $901,433 is $116,430 or 15% more than the prior fiscal year. This results primarily from changes in:

Personnel: Changes reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits and the addition of one (1) Engineering technician position.

Supplies and services: The net increase of $11,499 or 7% is primarily to provide necessary supplies and materials for the recommended new position.

Capital: The recommended budget of $25,000 is for a vehicle for the recommended new position.

ENGINEERING Table 3 - Expenditures by CATEGORY							
	EXPENDITURES BY CATEGORY	**Budget 2019/20***	**Budget 2018/19**	**Change $**	**Change %**	**Projected 2018/19**	**Actual 2017/18**
	Total Personnel	**$ 688,707**	**$ 608,776**	**$ 79,931**	**13%**	**$ 520,110**	**$ 477,521**
Supplies&Services	Professional services	130,000	130,000	-	0%	96,112	49,260
	Liability & property insurance	18,176	17,527	649	4%	17,644	16,934
	Travel and training	8,000	8,000	-	0%	-	2,878
	NPA/NPDES Compliance	6,500	6,500	-	0%	6,500	5,000
	Other supplies & services	25,050	14,200	10,850	76%	5,546	16,176
	Total Supplies & Services	**187,726**	**176,227**	**11,499**	**7%**	**125,802**	**90,248**
	Total Capital	**25,000**	**-**	**25,000**	**n/a**	**-**	**-**
	Total Expenditures	**$ 901,433**	**$ 785,003**	**$ 116,430**	**15%**	**$ 645,912**	**$ 567,769**

* Recommended funding levels

ENGINEERING

LINE ITEMS (DETAIL)

ENGINERRING Table 4 - Line item expenditures

ENGINEERING		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-49-100	SALARIES AND WAGES	$ 343,047	$ 365,396	$ 431,881	$ 442,727	$ 484,958	$ 42,231	10%
10-49-115	EMPLOYEE BENEFITS-FICA	25,708	27,381	31,483	32,155	38,128	5,973	19%
10-49-120	EMPLOYEE BENEFITS-RETIREMENT	40,054	49,359	49,503	50,783	60,058	9,275	18%
10-49-125	EMPLOYEE BENEFITS-WORKERS COM	4,312	3,662	15,844	15,844	8,139	(7,705)	-49%
10-49-130	EMPLOYEE BENEFITS-MEDICAL	43,357	47,812	41,473	41,473	66,486	25,013	60%
10-49-131	EMPLOYEE BENEFITS-DENTAL	3,941	4,220	4,170	4,170	6,229	2,059	49%
10-49-135	EMPLOYEE BENEFITS-DISABIL/LIFE	335	423	3,325	3,325	572	(2,753)	-83%
10-49-136	EMPLOYEE BENEFITS - STD	2,003	2,465	3,142	3,142	2,887	(255)	-8%
10-49-160	EMPLOYEE BENEFITS-CLOTHING	485	2,372	2,470	2,470	2,470	-	0%
10-49-161	EMPLOYEE BENEFIT - CELL PHONE	2,979	3,651	3,847	3,847	5,820	1,973	51%
10-49-186	EMPLOYEE BENEFITS - H S A	6,900	9,880	5,200	5,200	7,800	2,600	50%
10-49-191	DEFERRED COMPENSATION-457	4,400	3,488	3,640	3,640	5,160	1,520	42%
	TOTAL PERSONNEL	**477,521**	**520,110**	**595,978**	**608,776**	**688,707**	**79,931**	**13%**
10-49-205	CELLULAR PHONE CHARGES	168	-	400	400	-	(400)	-100%
10-49-330	GENERAL PROFESSIONAL SERVICES	49,260	96,112	130,000	130,000	130,000	-	0%
10-49-335	NPA/NPDES COMPLIANCE	5,000	6,500	6,500	6,500	6,500	-	0%
10-49-415	COMPUTER SUPPLIES	30		500	500	500	-	0%
10-49-435	GAS & OIL	481	465	1,500	1,500	1,500	-	0%
10-49-465	OFFICE SUPPLIES	7,922	2,678	1,400	1,400	2,000	600	43%
10-49-485	PRINTING	6,603		7,000	7,000	10,500	3,500	50%
10-49-540	LIABILITY INSURANCE	16,934	15,440	15,321	15,321	15,904	583	4%
10-49-541	PROPERTY INSURANCE	-	1,812	1,813	1,813	1,867	54	3%
10-49-542	VEHICLE INSURANCE	-	392	393	393	405	12	3%
10-49-675	DUES	794	1,500	1,700	1,700	1,350	(350)	-21%
10-49-720	LEGAL ADVERTISING	-	-	500	500	500	-	0%
10-49-770	STAFF TRAINING	1,978	-	6,000	6,000	6,000	-	0%
10-49-790	SUBSCRIPTIONS & PUBLICATIONS	-	600	800	800	800	-	0%
10-49-815	TRAINING TRAVEL	901	-	2,000	2,000	2,000	-	0%
10-49-840	MISCELLANEOUS	178	304	400	400	400	-	0%
TBD	OFFICE RENOVATION	-	-	-	-	7,500	7,500	n/a
	TOTAL SUPPLIES & SERVICES	**90,248**	**125,802**	**176,227**	**176,227**	**187,726**	**11,499**	**7%**
10-49-870	VEHICLE	-	-	-	-	25,000	25,000	n/a
	TOTAL CAPITAL OUTLAY	**-**	**-**	**-**	**-**	**25,000**	**25,000**	**n/a**
	TOTAL EXPENDITURES	**$ 567,769**	**$ 645,912**	**$ 772,205**	**$ 785,003**	**$ 901,433**	**116,430**	**15%**

FINANCE DIVISION

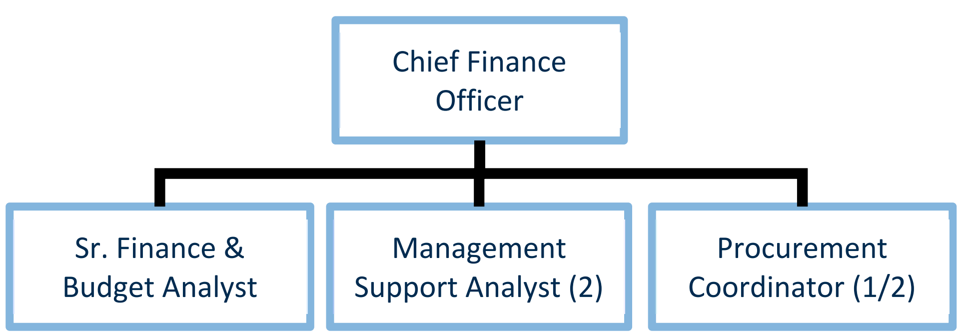
MISSION:

To provide our customers, both internal and external, with professional, courteous, and reliable services that are timely, accurate and valuable; while improving the efficiency and effectiveness of the division and its related functions in furnishing support, training, and financial information pertinent to determine the financial position of the Town that is interesting, relevant and user friendly.

OFFICE PURPOSE & DESCRIPTION

The Finance Division is a full service financial office. The Division maintains the Town's financial systems and fiscal controls over cash and investments, capital assets, payroll, accounts payable, procurement, cash receipts, debt and risk management, and alarm, fire and wastewater service billings & collections. Finance staff coordinates the Town's annual financial audit and prepares financial statements including the Popular Annual Financial Report (PAFR). The Division also coordinates the annual budget process, including long-range financial planning and internal and external financial performance reporting.

ORGANIZATIONAL CHART



The Finance Division is managed by the Chief Finance Officer (CFO); the CFO reports to the Town Manager.

FINANCE DIVISION

GOALS

- Implement and maintain system to improve departments access to online budget information
- Prepare the Comprehensive Annual Financial Report (CAFR) and Annual Expenditure Limitation (AELF) in-house
- Fully reconcile, re-implement and maintain a Capital Improvement Plan (CIP) tracking system
- Implement and maintain a single point of entry purchase order (PO) process
- Request for Qualifications for Audit services
- Update and align the Town's Financial Management and Investment Policies
- Full reconciliation of Impact fees and Sewer buy-back programs

HIGHLIGHTS

- Placing exceptional emphasis on recommended standard processes, the Finance Office focused on aligning, re-rolling out and enhancing processes;
- Re-aligned the Accounts Receivable process, Capital Asset recording and reporting, Interfund loans and debt reporting, employee benefit and insurance processes and reporting, revenue categorization, investment portfolio, and structure of the general ledger;
- Re-rolled out p-Card processes, Claims and insurance reporting, Excise tax bond spending and reporting, and accounting for grants and donations;
- Enhanced consistency in Accounts Payable processes;
- Enhanced financial reporting with a new annual budget document presentation, Quarterly reports that updates the Town's long-rang financial forecast, and introduced the Popular Annual Financial Report (PAFR); and
- Ability to prepare the CAFR and AEL in-house.

SERVICE STATS

- Below is a chart of primary billing services provided by the Finance office.
- There are other services billed through accounts receivable such as false alarms, reimbursable plan review and inspection fees and other charges for services.

Number of billings, by fiscal year

Primary services	2019 Est	2018	2017	2016	2015
Fire services	42,759	42,343	42,726	44,385	47,187
Sewer services	26,520	26,407	26,267	26,098	25,932
Alarm services	3,878	4,381	4,919	4,845	5,560
Late notices	1,617	1,743	1,851	1,957	2,234
Printed statements	37,574	37,929	39,238	38,842	45,054
Electronic statements *	51,615	50,926	50,627	48,140	53,915

* electronic statements may still require staff time in assisting customers to use online services

FINANCE DIVISION

STAFFING LEVELS

Staffing levels have remained consistent from 2015/16 through 2018/19. The recommended FY2019/20 budget includes the addition of ½ Procurement coordinator to assist all departments with the essentials of meeting procurement laws, including solicitations and contracting. This addition is listed under staffing; but contracting this service is also feasible.

Table 1 below displays the division's positions, by classification.

FINANCE Table 1 - Authorized positions by CLASSIFICATION

POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Director of admin & gov't affairs	-	-	-	1.0	1.0
Chief finance officer	1.0	1.0	1.0	-	-
Management support analyst	2.0	2.0	2.0	2.0	-
Sr. finance & budget analyst	1.0	1.0	1.0	1.0	1.0
Procurement coordinator	0.5	-	-	-	-
Accounting specialist	-	-	-	-	2.0
Total full time equivalents	**4.5**	**4.0**	**4.0**	**4.0**	**4.0**

FUNDING LEVELS

Funding for the Finance Division consists of General Fund resources and the Alarm, Fire and Wastewater enterprises. Overall, funding is anticipated to **decreased by $24,318 (3.1%)**. The change in Enterprise funding is a result of direct charging the Enterprises for services and allocating staff costs.

FINANCE Table 2 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$ 653,905	$ 582,203	$ 71,702	12%	$ 513,422	$ 535,232
Enterprises	107,380	203,400	(96,020)	-47%	203,400	197,603
Total Sources	**$ 761,285**	**$ 785,603**	**$ (24,318)**	**-3.1%**	**$ 716,822**	**$ 732,835**

* Recommended funding levels ** Finance provides services to Alarm, Fire and Wastewater (enterprise)

FINANCE DIVISION

EXPENDITURES

The Finance office recommended budget of $761,285 is $24,318 or 3.1% less than the prior fiscal year. This results primarily from changes in:

Personnel: The net increase of $11,879 or 2% is a product of changes that reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits and the recommended addition of one-half (1/2) Procurement coordinator.

Supplies and services: The net decrease of $36,197 or 12% is primarily due to directly charging enterprise operations for printing ($16,000) and processing fees ($25,454) rather than through an administrative allocation. Other decreases were in in insurances ($9,415) and training ($500). An increase is in professional services** of $12,467 and that account is further detailed below.

Capital: There is no recommended capital budget for 2019/20.

FINANCE Table 3 - Expenditures by CATEGORY

EXPENDITURES BY CATEGORY		Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Total Personnel		**$ 489,499**	**$ 477,620**	**$ 11,879**	**2%**	**$ 452,830**	**$ 372,457**
Supplies&Services	Professional services	146,782	134,315	12,467	9%	130,763	183,604
	Liability & property insurance	13,404	22,819	(9,415)	-41%	13,012	21,504
	Travel and training	13,400	13,900	(500)	-4%	2,476	10,769
	Processing fees	74,400	99,854	(25,454)	-25%	81,996	102,360
	Printing	10,000	26,000	(16,000)	-62%	24,124	25,996
	Other supplies & services	13,800	11,095	2,705	24%	11,621	16,145
Total Supplies & Services		**271,786**	**307,983**	**(36,197)**	**-12%**	**263,992**	**360,378**
Total Capital		**-**	**-**	**-**	**n/a**	**-**	**-**
Total Expenditures		**$ 761,285**	**$ 785,603**	**$ (24,318)**	**-3.1%**	**$ 716,822**	**$ 732,835**

* Recommended funding levels

****Professional Services**: The recommended budget of $146,782 is a comprised of seven (7) services:

- Arizona department of revenue for tax collections and distributions $38,282
- Independent and local Transaction Privilege Tax (TPT) audits $60,000
- Audit fees for the annual financial audit $33,000
- Federal single audit OMB-A133 if the Town is required $3,500
- Agreed upon procedures to assess the Town's financial processes, knowledge transfer, continuity of operations and document $6,000
- Investment custodial and bond trustee fees $3,000
- Other services on demand such as policies and internal control review $3,000

LINE ITEMS (DETAIL)

FINANCE Table 4 - Line item expenditures

GL	FINANCE Account Title	2017/18 Prior Year Actual	2018/19 Adopted Year end Projected	2018/19 Adopted Budget Original	2018/19 Adopted Budget Amended	2019/20 Recommended Budget	2019/20 Recommended Change in Amount	%
10-46-100	SALARIES AND WAGES	$ 276,657	$ 332,545	$ 333,751	$ 343,540	$ 367,864	$ 24,324	7%
10-46-105	OVERTIME	362	-	800	800	-	(800)	-100%
10-46-115	EMPLOYEE BENEFITS-FICA	20,464	28,602	25,022	25,629	28,602	2,973	12%
10-46-120	EMPLOYEE BENEFITS-RETIREMENT	32,302	41,822	39,915	41,070	41,822	752	2%
10-46-125	EMPLOYEE BENEFITS-WORKERS COMP	463	545	898	898	945	47	5%
10-46-130	EMPLOYEE BENEFITS-MEDICAL	24,925	32,637	40,180	40,180	32,637	(7,543)	-19%
10-46-131	EMPLOYEE BENEFITS-DENTAL	1,837	2,703	2,660	2,660	2,703	43	2%
10-46-135	EMPLOYEE BENEFITS-DISABIL/LIFE	183	354	2,080	2,080	386	(1,694)	-81%
10-46-136	EMPLOYEE BENEFITS - STD	1,575	1,630	2,503	2,503	2,020	(483)	-19%
10-46-161	EMPLOYEE BENEFIT - CELL PHONE	1,175	1,380	2,400	2,400	1,380	(1,020)	-43%
10-46-186	EMPLOYEE BENEFITS - H S A	7,740	6,500	9,100	9,100	6,500	(2,600)	-29%
10-46-191	DEFERRED COMPENSATION-457	4,774	4,640	6,760	6,760	4,640	(2,120)	-31%
	TOTAL PERSONNEL	**372,457**	**453,358**	**466,069**	**477,620**	**489,499**	**11,879**	**2%**
10-46-325	FINANCIAL AUDITORS	33,835	31,000	31,000	31,000	42,500	11,500	37%
10-46-330	GENERAL PROFESSIONAL SERVICES	149,769	99,763	103,315	103,315	104,282	967	1%
10-46-336	UTILITY CREDIT CARD PROCESSING	33,600	18,416	23,679	23,679	-	(23,679)	-100%
10-46-337	GG CREDIT CARD PROCESSING	9,845	9,954	10,000	10,000	12,000	2,000	20%
10-46-338	GG CREDIT CARD SERVICE FEE	559	582	550	550	800	250	45%
10-46-339	BANK SERVICE CHARGES	29,484	24,578	35,000	35,000	30,000	(5,000)	-14%
10-46-370	PAYROLL PROCESS SERVICE	28,873	28,466	30,625	30,625	31,600	975	3%
10-46-465	OFFICE SUPPLIES	6,510	6,504	5,000	5,000	7,000	2,000	40%
10-46-485	PRINTING-LTRHD-ENV.	25,996	24,124	26,000	26,000	10,000	(16,000)	-62%
10-46-540	LIABILITY INSURANCE	21,504	12,352	22,159	22,159	12,724	(9,435)	-43%
10-46-541	PROPERTY INSURANCE	-	660	660	660	680	20	3%
10-46-670	MEALS	838	-	600	600	600	-	0%
10-46-675	DUES	1,090	1,917	1,695	1,695	1,700	5	0%
10-46-685	POSTAGE MACHINE RENT & SUPPLY	1,725	1,750	1,800	1,800	1,800	-	0%
10-46-700	HISTORY BOOK	-	-	-	-	-	-	n/a
10-46-725	MILEAGE-MISCELLANEOUS TRAVEL	576	40	1,500	1,500	1,000	(500)	-33%
10-46-770	STAFF TRAINING	4,268	1,416	5,900	5,900	5,900	-	0%
10-46-790	SUBSCRIPTIONS & PUBLICATIONS	5,632	1,450	1,500	1,500	1,500	-	0%
10-46-815	TRAINING TRAVEL	5,925	1,020	6,500	6,500	6,500	-	0%
10-46-840	MISCELLANEOUS	179	-	500	500	-	(500)	-100%
10-46-866	OFFICE FURNITURE & FIXTURES	-	-	-	-	1,200	1,200	n/a
	TOTAL SUPPLIES & SERVICES	**360,377**	**263,992**	**307,983**	**307,983**	**271,786**	**(36,197)**	**-12%**
	TOTAL EXPENDITURES	**$ 732,835**	**$ 717,350**	**$ 774,052**	**$ 785,603**	**$ 761,285**	**(24,318)**	**-3%**

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IT DIVISION

MISSION: To provide the resources, infrastructure, and applications for internal staff and residents to securely store, access and work with the town's information.

VISION: Technology systems provide accurate information to any authorized user; whenever, wherever and in whatever format the users required to be useful.

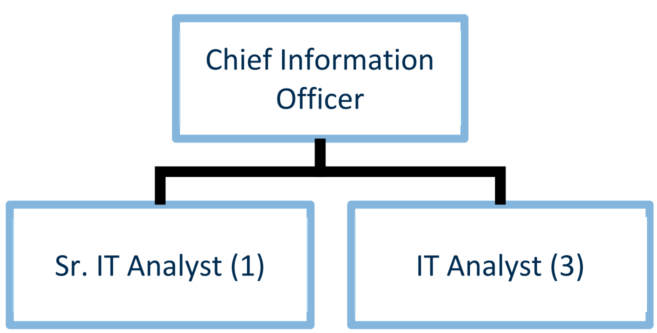
OFFICE PURPOSE & DESCRIPTION

Information Technology (IT) manages and maintains the Town's digital systems to ensure integrity and security of the information maintained within. Information is useful when it can provide value to our customers. IT supports, designs, and deploys computers, network systems and applications, public safety smart technology, geographic information systems (GIS), telephone and voicemail systems, internet and e-mail functionality to provide customer value.

The three business functional areas of IT are:

- Infrastructure support
- Application support
- Business system support

ORGANIZATIONAL CHART



The IT Division is managed by the Chief Information Officer (CIO);
the CIO reports to the Deputy Town Manager.

IT DIVISION

STAFFING LEVELS

Staffing levels remained constant through 2016/17. With the onset of higher demands for services including GIS, one (1) additional Information technology analyst position was added with the 2018/19 budget to assist in centralizing staffing for GIS and other programs to the Information Technology division, rather than decentralized among various departments. No changes in staffing is recommended with the 2019/20 budget. Table 1 displays the division's positions by classification.

INFORMATION TECHNOLOGY Table 1 - Authorized positions by CLASSIFICATION					
POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Chief information officer	1.0	1.0	1.0	-	-
Sr. information technology analyst	2.0	2.0	1.0	1.0	1.0
Information technology analyst	2.0	2.0	2.0	2.0	2.0
Total full time equivalents	5.0	5.0	4.0	3.0	3.0

Table 2 shows the Division's positions by their primary service function.

INFORMATION TECHNOLOGY Table 2 - Authorized positions by PRIMARY FUNCTION					
PRIMARY FUNCTION*	2019/20	2018/19	2017/18	2016/17	2015/16
Business system support	3.0	3.0	3.0	2.0	2.0
Infrastructure support	0.9	0.9	1.0	1.0	1.0
GIS support	1.1	1.1	-	-	-
Total full time equivalents	5.0	5.0	4.0	3.0	3.0
* the CIO is allocated evenly among functions					

FUNDING LEVELS

Funding for the Information Technology Division consists of General Fund resources and the Alarm, Fire and Wastewater enterprises. Overall, funding is budgeted to **decrease by $168,788 (-9%)**.

INFORMATION TECHNOLOGY Table 3 - Funding by Source						
Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$1,780,118	$1,897,327	$ (117,209)	-6%	$1,896,646	$1,518,214
Enterprises	10,021	61,600	(51,579)	-84%	61,600	61,600
Total Sources	$1,790,139	$1,958,927	$ (168,788)	-9%	$1,958,246	$1,579,814
* Recommended funding levels	** Information Technology provides services to Alarm, Fire and Wastewater (enterprise)					

EXPENDITURES

The recommended budget of $1,790,139 is $(168,788) or 9% less than the prior fiscal year. This results primarily from changes in:

Personnel: Changes reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits.

Supplies and services: The net decrease of $129,948 (-10%) is primarily due to a decrease in costs for professional services ($50,000), Software and maintenance ($29,975), and Hardware and equipment ($148,255) and increases in Liability and property insurance ($3,606), Travel and training ($16,577) and all other supplies and services ($78,099).

INFORMATION TECHNOLOGY Table 4 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$ 568,310**	**$ 607,150**	**$ (38,840)**	**-6%**	**$ 528,073**	**$ 373,807**
Supplies &Services	Professional services	25,000	75,000	(50,000)	-67%	22,000	32,611
	Liability & property insurance	16,751	13,145	3,606	27%	16,260	12,700
	Travel and training	31,895	15,318	16,577	108%	24,968	9,737
	Software & maint. contract	695,944	725,919	(29,975)	-4%	727,645	734,625
	Hardware & equipment	340,289	488,544	(148,255)	-30%	537,750	409,229
	Other supplies & services	111,950	33,851	78,099	231%	101,550	7,105
	Total Supplies & Services	**1,221,829**	**1,351,777**	**(129,948)**	**-10%**	**1,430,173**	**1,206,007**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
	Total Expenditures	**$1,790,139**	**$1,958,927**	**$ (168,788)**	**-9%**	**$1,958,246**	**$1,579,814**

* Recommended funding levels   ** includes amounts in the recommended budget amendments resolution; section 3

LINE ITEMS (DETAIL)

INFORMATION TECHNOLOGY Table 5 - Line item expenditures

INFORMATION TECHNOLOGY		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-52-100	SALARIES AND WAGES	$ 279,806	$ 392,911	$ 428,047	$ 432,967	$ 423,071	$ (9,896)	-2%
10-52-115	EMPLOYEE BENEFITS-FICA	21,172	30,447	31,947	32,252	33,076	824	3%
10-52-120	EMPLOYEE BENEFITS-RETIREMENT	29,609	51,737	51,316	51,897	52,360	463	1%
10-52-125	EMPLOYEE BENEFITS-WORKERS COMP	543	609	1,153	1,153	1,086	(67)	-6%
10-52-130	EMPLOYEE BENEFITS-MEDICAL	26,037	36,363	58,179	58,179	40,311	(17,868)	-31%
10-52-131	EMPLOYEE BENEFITS-DENTAL	2,384	2,920	3,350	3,350	3,512	162	5%
10-52-135	EMPLOYEE BENEFITS-DISABIL/LIFE	218	399	2,758	2,758	475	(2,283)	-83%
10-52-136	EMPLOYEE BENEFITS - STD	1,432	2,584	3,214	3,214	2,519	(695)	-22%
10-52-161	EMPLOYEE BENEFIT - CELL PHONE	3,659	5,980	5,520	5,520	6,900	1,380	25%
10-52-186	EMPLOYEE BENEFITS - H S A	5,400	2,000	9,100	9,100	2,600	(6,500)	-71%
10-52-191	DEFERRED COMPENSATION-457	3,549	2,123	6,760	6,760	2,400	(4,360)	-64%
	TOTAL PERSONNEL	**373,807**	**528,073**	**601,344**	**607,150**	**568,310**	**(38,840)**	**-6%**
10-52-200	TELEPHONE	1,341	27,293	9,100	9,100	25,000	15,900	175%
10-52-210	TELEPHONE SYSTEM	-	3,286	-	-	3,300	3,300	n/a
10-52-220	INTERNET SERVICES	-	42,000	-	-	42,000	42,000	n/a
10-52-275	COPIER, PRINTER LEASE	-	19,875	-	-	9,600	9,600	n/a
10-52-280	SOFTWARE ANNUAL LICENSES	-	74,801	-	-	74,801	74,801	n/a
10-52-290	SOFTWARE MAINTENANCE CONTRACT	606,946	620,000	715,619	715,619	599,293	(116,326)	-16%
10-52-305	IT SUPPORT	570	1,400	19,100	19,100	26,100	7,000	37%
10-52-330	GENERAL PROFESSIONAL SERVICES	32,611	22,000	75,000	75,000	25,000	(50,000)	-67%
10-52-415	COMPUTER SUPPLIES	1,671	6,000	1,500	1,500	3,500	2,000	133%
10-52-465	OFFICE SUPPLIES	1,875	996	2,000	2,000	1,000	(1,000)	-50%
10-52-540	LIABILITY INSURANCE	12,700	15,440	12,323	12,323	15,904	3,581	29%
10-52-541	PROPERTY INSURANCE	-	820	822	822	847	25	3%
10-52-570	COMPUTER HARDWARE MAINTENANCE	357	850	4,120	4,120	850	(3,270)	-79%
10-52-605	PHOTOCOPIER REPAIRS & MAINT	-	184	6,180	6,180	-	(6,180)	-100%
10-52-670	MEALS	20		721	721	750	29	4%
10-52-725	MILEAGE- MISCELLANEOUS TRAVEL	93	50	103	103	150	47	46%
10-52-770	STAFF TRAINING	5,708	20,418	9,215	9,215	22,370	13,155	143%
10-52-790	SUBSCRIPTIONS & PUBLICATIONS	1,452	600	1,030	1,030	600	(430)	-42%
10-52-815	TRAINING TRAVEL	3,936	4,500	6,000	6,000	9,375	3,375	56%
10-52-840	MISCELLANEOUS	176	100	400	400	100	(300)	-75%
10-52-860	COMPUTER PERIPHERALS	-	4,067	-	-	2,000	2,000	n/a
10-52-863	COMPUTER HARDWARE	370,092	470,000	290,879	470,879	152,500	(318,379)	-68%
10-52-864	COMPUTER SOFTWARE	127,322	31,810	-	-	21,000	21,000	n/a
10-52-865	NETWORK HARDWARE	-	54,588	-	-	135,789	135,789	n/a
10-52-868	CABLING INFRASTRUCTURE	-	-	-	-	36,000	36,000	n/a
10-52-869	IT EQUIPMENT	39,137	9,096	17,665	17,665	14,000	(3,665)	-21%
	TOTAL SUPPLIES & SERVICES	**1,206,006**	**1,430,172**	**1,171,777**	**1,351,777**	**1,221,829**	**(129,948)**	**-10%**
	TOTAL EXPENDITURES	**$ 1,579,814**	**$1,958,246**	**$1,773,121**	**$ 1,958,927**	**$1,790,139**	**(168,788)**	**-9%**

MAYOR & COUNCIL

MISSION: The Town of Paradise Valley provides high quality public services to the community which values limited government.

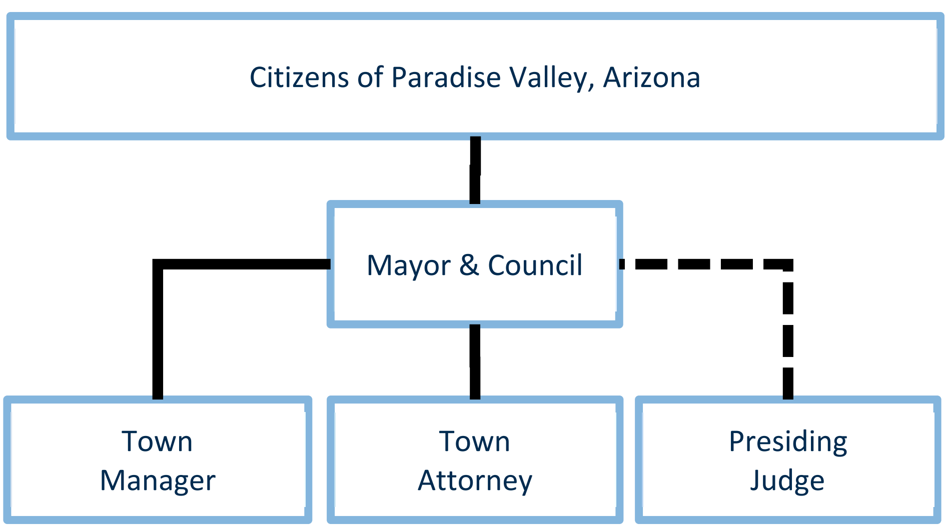
VISION: The Town of Paradise Valley makes every effort to enhance the community's unique character for its residents and people from around the world.

OFFICE PURPOSE & DESCRIPTION

The Mayor and six (6) Town Council Members are the elected representatives of the Town of Paradise Valley, Arizona. The Mayor is elected to a 2-year term and Council a 4-year staggered term. Every two years an election is held for the Mayor and three (3) Council members. Each year, the Council selects a Council member to serve as Vice-mayor. The Council appoints the Town Manager, the Town Attorney, the Presiding Judge and members of the Town's commissions and boards. The Judge serves for two (2) years and cannot be removed except for malfeasance.

The Mayor and Town Council are responsible for establishing goals and adopting public policy that meets the community's needs.

ORGANIZATIONAL CHART



Mayor and Council are elected by the Citizens of Paradise Valley, Arizona. The Mayor and Council appoint the Town Manager, the Town Attorney and the Presiding Judge.

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MAYOR & COUNCIL

FUNDING LEVELS

Funding for the Mayor & Council offices is solely General Fund resources and is recommended to **decrease by $4,480 (-2%)**.

MAYOR & COUNCIL Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$ 177,720	$ 182,200	$ (4,480)	-2%	$ 172,487	$ 156,946
Total Sources	**$ 177,720**	**$ 182,200**	**$ (4,480)**	**-2%**	**$ 172,487**	**$ 156,946**

* Recommended funding levels

EXPENDITURES

The recommended budget of $177,720 is $4,480 or 2% *less* than the prior fiscal year. This results primarily from changes in:

Personnel: though the Mayor and Council are uncompensated volunteers, to properly insure the Town, there are nominal workers' compensation costs associated with this department.

Supplies and services: The net decrease of reflects one-time funding in FY2018/19 that is not present in FY2019/20. The total recommended budget includes an allocation of $22,500 to upgrade the Council chamber(s) furnishings; $45,000 for recognition programs, $3,250 for the Historical and Arts committees.

MAYOR & COUNCIL Table 2 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$ 320**	**$ 1,300**	**$ (980)**	**-75%**	**$ 287**	**$ 239**
Supplies & Services	Human service organizations	50,000	50,000	-	0%	50,000	50,000
	Council recognition events	45,000	44,000	1,000	2%	44,000	39,605
	A/V and furniture upgrades	22,500	25,000	(2,500)	n/a	-	-
	Professional services	2,500	2,500	-	0%	33,000	11,556
	Boards, commissions, commit	28,250	28,000	250	1%	27,250	38,001
	Other supplies & services	29,150	31,400	(2,250)	-7%	17,950	17,545
	Total Supplies & Services	**177,400**	**180,900**	**(3,500)**	**-2%**	**172,200**	**156,707**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
	Total Expenditures	**$ 177,720**	**$ 182,200**	**$ (4,480)**	**-2%**	**$ 172,487**	**$ 156,946**

* Recommended funding levels

LINE ITEMS (DETAIL)

MAYOR & COUNCIL Table 3 - Line item expenditures

MAYOR & COUNCIL		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-43-125	EMPLOYEE BENEFITS-WORKERS COMP	$ 239	$ 297	$ 1,000	$ 1,000	$ 320	$ (680)	-68%
10-43-135	EMPLOYEE BENEFITS-DISABIL/LIFE	-	-	300	300	-	(300)	-100%
	TOTAL PERSONNEL	**239**	**297**	**1,300**	**1,300**	**320**	**(980)**	**-75%**
10-43-330	GENERAL PROFESSIONAL SERVICES	11,556	33,000	2,500	2,500	2,500	-	0%
10-43-333	CONTRIBUTION HUMAN SERVICE ORG	50,000	50,000	50,000	50,000	50,000	-	0%
10-43-334	PSPRS BOARD EXPENSES	33,690	25,000	25,000	25,000	25,000	-	0%
10-43-485	PRINTING	223	-	5,000	5,000	5,000	-	0%
10-43-660	COUNCIL RECOGNITION EVENTS	34,513	37,000	37,000	37,000	38,000	1,000	3%
10-43-670	DINNERS @ WORK SESSIONS, ETC	5,092	7,000	7,000	7,000	7,000	-	0%
10-43-675	DUES	12,918	14,500	14,500	14,500	14,500	-	0%
10-43-695	FLOWERS	893		2,000	2,000	1,500	(500)	-25%
10-43-735	PHOTOGRAPHER	13	1,750	1,750	1,750	-	(1,750)	-100%
10-43-770	STAFF TRAINING	3,064	1,200	2,000	2,000	2,000	-	0%
10-43-815	TRAINING TRAVEL	-	-	3,000	3,000	3,000	-	0%
10-43-840	MISCELLANEOUS	434	500	3,150	3,150	3,150	-	0%
10-43-866	OFFICE FURNITURE & FIXTURES	-	-	-	-	22,500	22,500	n/a
10-43-869	IT EQUIPMENT	-	-	25,000	25,000	-	(25,000)	-100%
10-43-920	HISTORICAL COMMITTEE	918	250	1,000	1,000	1,000	-	0%
10-43-922	ARTS COMMISSION	3,393	2,000	2,000	2,000	2,250	250	13%
	TOTAL SUPPLIES & SERVICES	**156,707**	**172,200**	**180,900**	**180,900**	**177,400**	**(3,500)**	**-2%**
	TOTAL EXPENDITURES	**$ 156,946**	**$ 172,497**	**$ 182,200**	**$ 182,200**	**$ 177,720**	**(4,480)**	**-2%**

PUBLIC WORKS

MISSION: To maintain and improve the quality of the community through economically sound infrastructure preservation and enhancement while providing customer-focused, innovative, efficient and reliable municipal service to our residents.

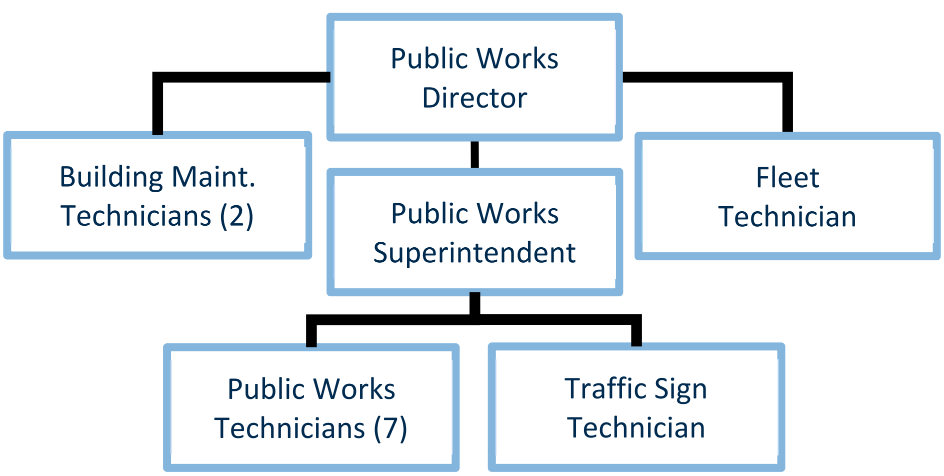
VISION: Public Works will strive to be a leading organization helping to preserve a vibrant, innovative, world-class community. This is accomplished by meeting or exceeding resident needs through accountability, fairness, consistency, and increased communication. We will maintain and improve existing infrastructure in an effective manner. We are committed to supporting a positive work environment in which employees can share in the overall health, safety and welfare of the community.

OFFICE PURPOSE & DESCRIPTION

The Town of Paradise Valley Public Works Department provides many of the services that affect the daily lives of those who live and work in the town. Primarily, the department is responsible for:

- Streets and right of way
- Facilities maintenance and physical enhancements of all public buildings and grounds:
  - Town Hall Complex, Town's two fire stations, and Court's building
  - Goldwater Memorial Park
  - Kiva Municipal Sports Complex
- Janitorial services for Town facilities
- Fleet maintenance services and repairs for all town vehicles and heavy equipment

ORGANIZATIONAL CHART



The Public Works Department is managed by the Public Works Director; the Director reports to the Deputy Town Manager.

PUBLIC WORKS

GOALS

- Install 500 tons of decomposed granite on various median islands
- GIS – Identify existing backflow valves, irrigation valves, storm drains and culvert locations and create GIS maps
- Pavement rehab/preservation (mill & overlay, crack seal and PMM) in maintenance sections, major/minor arterials and collector streets as identified through the final PCI rating report
- Provided professional preventative maintenance and repairs to Town equipment and vehicles
- Coordinate and inspect the installation of emergency response equipment to three, 2020 Police Chevy Tahoe patrol units
- Street striping – Apply thermoplastic paint to Doubletree Ranch Road
- Create asphalt surface treatment schedule map for Public viewing
- Provide high quality service to the Town Council, Town residents and staff

HIGHLIGHTS

- Continued to enhance color by planting trees and plants on the Tatum Boulevard median islands
- Install 500 tons of decomposed granite on Doubletree Ranch Road.
- Pavement rehab/preservation (mill & overlay, crack seal and PMM) in sections 13, 15 and 10.
- Acquired data on all streets using laser surface tester van to update the Pavement Condition Index (PCI) in the pavement management software program (Lucity).
- Provided professional preventative maintenance and repairs to Town equipment and vehicles
- Installed new multi-zone air conditioning units at the Public Safety Building and Public Works Admin area.
- Coordinated and inspected the installation of emergency response equipment to two, 2019 Police Chevy Tahoe patrol units.
- Completed the Town campus reflection path.
- Storm cleanup and repair: Removed approximately 385 tons of debris from wash inlets/outlets and ROW's; repaired damage to washes, streets and shoulders

PUBLIC WORKS

STAFFING LEVELS

Staffing levels have remained consistent from 2015/16 through 2018/19. There are no staffing level changes recommended in the 2019/20 budget. Table 1 below displays the department's positions by classification; Table 2 shows the positions by primary service function.

PUBLIC WORKS Table 1 - Authorized positions by CLASSIFICATION

POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
PW Director	1.0	1.0	1.0	1.0	1.0
Lead building maintenance technician	1.0	1.0	1.0	1.0	1.0
Building maintenance technician	1.0	1.0	1.0	1.0	1.0
Lead fleet technician	1.0	1.0	1.0	1.0	1.0
Public works superintendent	1.0	1.0	1.0	1.0	1.0
Public works technician	7.0	7.0	7.0	7.0	7.0
Traffic sign technician	1.0	1.0	1.0	1.0	1.0
Total full time equivalents	**13.0**	**13.0**	**13.0**	**13.0**	**13.0**

PUBLIC WORKS Table 2 - Authorized positions by PRIMARY FUNCTION

PRIMARY FUNCTION*	2019/20	2018/19	2017/18	2016/17	2015/16
Facilities	2.0	2.0	2.0	2.0	2.0
Fleet	1.0	1.0	1.0	1.0	1.0
Streets	10.0	10.0	10.0	10.0	10.0
Total full time equivalents	**13.0**	**13.0**	**13.0**	**13.0**	**13.0**

* the PW Director is listed in Streets

FUNDING LEVELS

Funding for Public Works consists of General Fund resources, HURF and Enterprises. Overall, funding is budgeted to **decrease by $242,377 (-6%)**. HURF increased by $16,132, Enterprises increasing by $2,828 and General Fund resources reducing by $(261,337).

PUBLIC WORKS Table 3 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$2,947,348	$3,208,685	$ (261,337)	-8%	$3,197,596	$4,296,245
HURF	968,900	952,768	16,132	2%	953,225	933,034
Enterprises**	21,028	18,200	2,828	16%	18,200	18,200
Total Sources	**$3,937,276**	**$4,179,653**	**$ (242,377)**	**-6%**	**$4,169,021**	**$5,247,479**

* Recommended funding levels ** Facilities provides services to Fire (enterprise)

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EXPENDITURES

The Public Works recommended budget of $3,937,276 is $(242,377) or 6% *less* than the prior fiscal year. This results primarily from changes in:

Personnel: The net increase of $20,049 or 2% covers changes that reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits.

Supplies and services: The net decrease of $222,426 or -8% is primarily from reductions in the Street Preservation plan of $205,442, solar speed boards and equipment ($20,400), street asset collection services cost ($60,445); and increases in utilities ($13,340), professional services ($44,154) and liability and property insurance ($6,367).

Capital: There is no recommended capital budget for FY2019/20.

PUBLIC WORKS Table 4 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19 **	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$1,210,022**	**$1,189,973**	**$ 20,049**	**2%**	**$1,183,459**	**$1,149,522**
Supplies & Services	Utilities	274,517	261,177	13,340	5%	265,967	262,593
	Professional services	199,194	155,040	44,154	28%	138,211	125,594
	Liability & property insurance	63,328	56,961	6,367	11%	62,842	55,034
	Repair and maintenance	218,200	218,200	-	0%	229,836	232,595
	Streets & storm maintenance	121,700	142,100	(20,400)	-14%	155,926	93,652
	Street preservation	1,620,000	1,825,442	(205,442)	-11%	1,823,601	3,055,250
	Other supplies & services	230,315	290,760	(60,445)	-21%	277,158	214,708
	Total Supplies & Services	**2,727,254**	**2,949,680**	**(222,426)**	**-8%**	**2,953,541**	**4,039,426**
	Total Capital	**-**	**40,000**	**(40,000)**	**-100%**	**32,021**	**58,531**
	Total Expenditures	**$3,937,276**	**$4,179,653**	**$ (242,377)**	**-6%**	**$4,169,021**	**$5,247,479**

* Recommended funding levels ** includes amounts in the recommended budget amendments resolution; section 2

There are three primary functions (cost centers) in Public Works for budgetary purposes.

PUBLIC WORKS Table 5 - Expenditures by PRIMARY FUNCTION

PRIMARY FUNCTION	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Facilities	$ 595,300	$ 604,747	$ (9,447)	-2%	$ 598,800	$ 573,722
Fleet	287,963	283,445	4,518	2%	283,991	262,981
Streets	3,054,013	3,291,461	(237,448)	-7%	3,286,230	4,410,776
Total Expenditures	**$3,937,276**	**$4,179,653**	**$ (242,377)**	**-6%**	**$4,169,021**	**$5,247,479**

* Recommended funding levels

LINE ITEMS (DETAIL)

PUBLIC WORKS Table 6 - Line item expenditures: FACILITIES

PW: FACILITIES		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-41-100	SALARIES AND WAGES	$ 127,313	$ 131,072	$ 126,324	$ 131,573	$ 132,425	$ 852	1%
10-41-102	STANDBY PAY	8,204	13,078	-	-	8,000	8,000	n/a
10-41-105	OVERTIME	1,460	5,280	1,550	1,550	1,550	-	0%
10-41-115	EMPLOYEE BENEFITS-FICA	10,273	11,246	9,577	9,902	11,246	1,344	14%
10-41-120	EMPLOYEE BENEFITS-RETIREMENT	16,178	17,401	15,248	15,867	17,401	1,534	10%
10-41-125	EMPLOYEE BENEFITS-WORKERS COMP	3,938	5,663	5,191	5,191	5,377	186	4%
10-41-130	EMPLOYEE BENEFITS-MEDICAL	18,695	23,383	18,506	18,506	25,583	7,077	38%
10-41-131	EMPLOYEE BENEFITS-DENTAL	1,656	1,396	963	963	2,617	1,654	172%
10-41-135	EMPLOYEE BENEFITS-DISABIL/LIFE	127	107	925	925	153	(772)	-83%
10-41-136	EMPLOYEE BENEFITS - STD	745	642	959	959	788	(171)	-18%
10-41-160	EMPLOYEE BENEFITS-CLOTHING	2,479	2,310	2,310	2,310	2,310	-	0%
10-41-162	EMPLOYEE BENEFIT - TOOL	1,000	1,000	1,000	1,000	1,000	-	0%
10-41-186	EMPLOYEE BENEFITS - H S A	1,300	1,000	3,900	3,900	2,600	(1,300)	-33%
10-41-191	DEFERRED COMPENSATION-457	1,300	923	3,120	3,120	1,720	(1,400)	-45%
	TOTAL PERSONNEL	**194,668**	**214,500**	**189,573**	**195,766**	**212,770**	**17,004**	**9%**
10-41-200	TELEPHONE	-		-	-	-	-	n/a
10-41-205	CELLULAR PHONE CHARGES	364	450	450	450	450	-	0%
10-41-210	WATER	17,454	17,146	21,200	21,200	25,440	4,240	20%
10-41-214	FIRE SERVICE FEE	396		3,600	3,600	3,600	-	0%
10-41-215	ELECTRICITY	120,179	133,004	134,400	134,400	134,400	-	0%
10-41-217	SEWER SERVICE FEES	10,219	6,898	6,900	6,900	6,900	-	0%
10-41-220	NATURAL GAS	2,138	1,880	2,077	2,077	2,077	-	0%
10-41-226	KIVA FIELD ELECTRICITY	17,786	18,688	20,000	20,000	20,000	-	0%
10-41-330	GENERAL PROFESSIONAL SERVICES	13,957	2,646	20,880	20,880	22,475	1,595	8%
10-41-333	JANITORIAL SERVICE	63,042	71,498	69,100	69,100	75,813	6,713	10%
10-41-335	INDEPENDENT CONTRACTORS	4,890	4,300	3,960	3,960	4,400	440	11%
10-41-420	EXPENDABLE TOOLS	378	852	900	900	900	-	0%
10-41-430	FIRST AID SUPPLIES	253	197	200	200	200	-	0%
10-41-435	GAS & OIL	5,667	2,100	1,000	1,000	1,000	-	0%
10-41-445	JANITORIAL SUPPLIES	5,384	5,827	8,600	8,600	9,650	1,050	12%
10-41-455	MISC. PARTS & SUPPLIES	1,125	2,444	3,200	3,200	2,500	(700)	-22%
10-41-465	OFFICE SUPPLIES	3,528	2,214	2,000	2,000	3,600	1,600	80%
10-41-520	WEED CONTROL - TOWN COMPLEX	2,872	2,400	3,000	3,000	3,000	-	0%
10-41-540	LIABILITY INSURANCE	8,467	7,780	7,780	7,780	6,361	(1,419)	-18%
10-41-541	PROPERTY INSURANCE	-	738	984	984	1,014	30	3%
10-41-560	FACILITIES REPAIRS & MAINT.	73,911	52,168	39,600	39,600	39,600	-	0%
10-41-580	FIRE HYDRANTS MAINTENANCE	1,389		-	-	-	-	n/a
10-41-590	WASH MAINTENANCE	2,470	2,433	2,500	2,500	2,500	-	0%
10-41-595	LANDSCAPE MAINT. - TOWN COMPL.	3,232	3,916	3,900	3,900	3,900	-	0%
10-41-597	KIVA FIELD ELECTRICAL MAINT	-	500	500	500	500	-	0%
10-41-598	KIVA FIELD MAINTENANCE	-	7,100	7,100	7,100	7,100	-	0%
10-41-635	PEST CONTROL	-	4,800	4,850	4,850	4,850	-	0%
10-41-636	BERNEIL WASH WASTE REMOVAL	197	300	300	300	300	-	0%
	TOTAL SUPPLIES & SERVICES	**359,297**	**352,279**	**368,981**	**368,981**	**382,530**	**13,549**	**4%**
10-41-890	CAPITAL	19,757	32,021	40,000	40,000	40,000	-	0%
	TOTAL CAPITAL OUTLAY	**19,757**	**32,021**	**40,000**	**40,000**	**40,000**	**-**	**0%**
	TOTAL EXPENDITURES	**$ 573,722**	**$ 598,800**	**$ 598,554**	**$ 604,747**	**$ 635,300**	**30,553**	**5%**

LINE ITEMS (DETAIL)

PUBLIC WORKS Table 7 - Line item expenditures: FLEET

PW: FLEET		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-51-100	SALARIES AND WAGES	$ 67,974	$ 70,762	$ 67,977	$ 70,764	$ 71,306	$ 542	1%
10-51-115	EMPLOYEE BENEFITS-FICA	5,086	5,569	5,071	5,244	5,569	325	6%
10-51-120	EMPLOYEE BENEFITS-RETIREMENT	7,522	8,635	7,913	8,242	8,635	393	5%
10-51-125	EMPLOYEE BENEFITS-WORKERS COM	1,532	2,129	2,127	2,127	2,129	2	0%
10-51-130	EMPLOYEE BENEFITS-MEDICAL	9,532	9,633	9,810	9,810	9,633	(177)	-2%
10-51-131	EMPLOYEE BENEFITS-DENTAL	1,215	1,308	1,235	1,235	1,308	73	6%
10-51-135	EMPLOYEE BENEFITS-DISABIL/LIFE	68	82	497	497	82	(415)	-84%
10-51-136	EMPLOYEE BENEFITS - STD	401	425	510	510	425	(85)	-17%
10-51-160	EMPLOYEE BENEFITS-CLOTHING	707	985	985	985	985	-	0%
10-51-162	EMPLOYEE BENEFIT - TOOL	500	500	500	500	500	-	0%
10-51-199	WORKERS' COMPENSATION DED	2,000	-	-	-	-	-	n/a
	TOTAL PERSONNEL	**96,538**	**100,028**	**96,625**	**99,914**	**100,572**	**658**	**1%**
10-51-205	CELLULAR PHONE CHARGES	182	298	300	300	300	-	0%
10-51-420	EXPENDABLE TOOLS	975	259	2,100	2,100	4,400	(4,400)	110%
10-51-435	GAS & OIL	670	292	300	300	300	-	0%
10-51-465	OFFICE SUPPLIES	266	438	450	450	450	(408)	0%
10-51-502	SHOP SUPPLIES	5,693	5,000	5,000	5,000	5,000	-	0%
10-51-540	LIABILITY INSURANCE	4,233	3,088	978	978	3,181	2,203	225%
10-51-541	PROPERTY INSURANCE	-	2,904	2,904	2,904	2,991	87	3%
10-51-542	VEHICLE INSURANCE	-	500	499	499	514	15	3%
10-51-590	EQUIPMENT REPAIRS & MAINTENANC	148,525	161,019	161,300	161,300	161,300	-	0%
10-51-600	SHOP EQUIPMENT REPAIR & MAINT	1,423	3,514	3,600	3,600	2,755	(2,755)	-23%
10-51-634	ENVIRONMENTAL DISPOSAL FEES	2,135	2,970	3,000	3,000	3,000	-	0%
10-51-675	DUES	-	780	800	800	800	-	0%
10-51-770	STAFF TRAINING	418	1,000	400	400	500	(440)	25%
10-51-790	SUBSCRIPTIONS & PUBLICATIONS	1,923	1,901	1,900	1,900	1,900	-	0%
	TOTAL SUPPLIES & SERVICES	**166,443**	**183,963**	**183,531**	**183,531**	**187,391**	**3,860**	**2%**
	TOTAL EXPENDITURES	**$ 262,981**	**$ 283,991**	**$ 280,156**	**$ 283,445**	**$ 287,963**	**4,518**	**2%**

LINE ITEMS (DETAIL)

PUBLIC WORKS Table 8 - Line item expenditures: STREETS

PW: STREETS		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
20-40-100	SALARIES AND WAGES	$ 583,226	$ 611,247	$ 591,751	$ 611,116	$ 606,958	$ (4,158)	-1%
20-40-102	STANDBY PAY	13,003	9,255	15,000	15,000	15,000	-	0%
20-40-105	OVERTIME	3,315	5,640	3,500	3,500	3,500	-	0%
20-40-115	EMPLOYEE BENEFITS-FICA	46,110	48,139	45,304	46,505	49,246	2,741	6%
20-40-120	EMPLOYEE BENEFITS-RETIREMENT	70,779	79,153	71,927	74,212	77,448	3,236	4%
20-40-125	EMPLOYEE BENEFITS-WORKERS COMP	13,248	11,360	8,377	8,377	17,669	9,292	111%
20-40-130	EMPLOYEE BENEFITS-MEDICAL	77,769	62,662	78,318	78,318	79,338	1,020	1%
20-40-131	EMPLOYEE BENEFITS-DENTAL	7,564	6,203	8,885	8,885	7,826	(1,059)	-12%
20-40-135	EMPLOYEE BENEFITS-DISABIL/LIFE	581	529	4,186	4,186	701	(3,485)	-83%
20-40-136	EMPLOYEE BENEFITS - STD	3,404	2,866	4,614	4,614	3,614	(1,000)	-22%
20-40-160	EMPLOYEE BENEFITS-CLOTHING	5,837	6,570	5,700	5,700	5,700	-	0%
20-40-161	EMPLOYEE BENEFIT - CELL PHONE	1,380	1,770	1,380	1,380	2,400	1,020	74%
20-40-186	EMPLOYEE BENEFITS - H S A	18,200	13,600	18,200	18,200	15,600	(2,600)	-14%
20-40-191	DEFERRED COMPENSATION-457	13,899	9,938	14,300	14,300	11,680	(2,620)	-18%
	TOTAL PERSONNEL	**858,316**	**868,931**	**871,442**	**894,293**	**896,680**	**2,387**	**0%**

LINE ITEMS (DETAIL)

PUBLIC WORKS Table 8 - Line item expenditures: STREETS

PW: STREETS		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
20-40-205	CELLULAR PHONES	2,605	$3,367	3,600	3,600	3,600	-	0%
20-40-210	WATER	63,303	$56,861	43,000	43,000	52,100	9,100	21%
20-40-225	ELECTRICITY - APS/SRP	27,236	$27,965	30,000	30,000	30,000	-	0%
20-40-227	ELECTRICITY - LANDSCAPE MEDIAN	4,278	3,525	3,600	3,600	3,600	-	0%
20-40-330	GENERAL PROFESSIONAL SERVICES	43,705	59,767	61,100	61,100	96,506	35,406	58%
20-40-342	STORMWATER DRAINAGE MAINTENANC	69,624	101,774	93,000	93,000	93,000	-	0%
20-40-405	BEVERAGES/GATERADE/COFFEE	892	892	900	900	900	-	0%
20-40-420	EXPENDABLE TOOLS	2,929	3,000	3,000	3,000	3,400	400	13%
20-40-430	FIRST AID SUPPLIES	986	1,000	1,000	1,000	1,000	-	0%
20-40-435	GAS & OIL	23,515	25,132	30,000	30,000	30,000	-	0%
20-40-455	MISC. PARTS & SUPPLIES	3,640	3,494	3,500	3,500	3,500	-	0%
20-40-460	MISC. ROCK & FILL	14,849	22,305	22,400	22,400	22,400	-	0%
20-40-461	MISC ROAD & DRAINAGE REPAIRS	7,468	7,208	7,500	7,500	7,500	-	0%
20-40-465	OFFICE SUPPLIES	1,465	2,179	2,400	2,400	2,400	-	0%
20-40-470	STREET STRIPING	34,454	37,909	34,000	34,000	34,500	500	1%
20-40-495	SAFETY EQUIPMENT SUPPLIES	2,146	1,387	1,400	1,400	1,400	-	0%
20-40-502	STREET SHOP SUPPLIES	2,734	3,126	3,500	3,500	3,500	-	0%
20-40-510	STREET SIGNS & MATERIALS	13,366	11,606	11,700	11,700	11,700	-	0%
20-40-520	WEED CONTROL SUPPLIES	11,463	7,529	7,530	7,530	7,600	70	1%
20-40-540	LIABILITY INSURANCE	42,334	30,884	26,866	26,866	31,808	4,942	18%
20-40-541	PROPERTY INSURANCE	-	6,232	6,233	6,233	6,420	187	3%
20-40-542	VEHICLE INSURANCE	-	10,716	10,717	10,717	11,039	322	3%
20-40-595	LANDSCAPE ISLANDS/RIGHT OF WAY	9,687	9,650	9,700	9,700	9,700	-	0%
20-40-605	PHOTOCOPIER REPAIRS & MAINT	-	-	1,200	1,200	1,200	-	0%
20-40-615	RECREATION PATH MAINTENANCE	9,031	11,116	12,000	12,000	12,000	-	0%
20-40-630	TRAFFIC SIGNAL ROW LIGHT MAINT	7,530	35,828	28,400	28,400	8,000	(20,400)	-72%
20-40-634	ENVIRONMENTAL DISPOSAL FEES	26,870	26,400	29,100	29,100	29,100	-	0%
20-40-636	ANIMAL PICKUPS	160	755	1,200	1,200	1,200	-	0%
20-40-675	DUES	673	1,195	1,300	1,300	1,400	100	8%
20-40-765	CDL DRUG TESTING COSTS	845	1,200	1,200	1,200	900	(300)	-25%
20-40-770	STAFF TRAINING	3,084	4,915	4,915	4,915	4,850	(65)	-1%
20-40-790	SUBSCRIPTIONS & PUBLICATIONS	29	910	910	910	910	-	0%
20-40-840	MISCELLANEOUS	7,815	73,871	74,855	74,855	5,000	(69,855)	-93%
20-40-869	STREET DEPT. EQUIPMENT	19,720		-	-	5,200	5,200	n/a
20-40-871	STREET PRESERVATION	3,055,250	1,823,601	1,682,586	1,825,442	1,620,000	(205,442)	-11%
	TOTAL SUPPLIES & SERVICES	**3,513,687**	**2,417,299**	**2,254,312**	**2,397,168**	**2,157,333**	**(239,835)**	**-10%**
20-40-870	VEHICLES	38,774		-	-	-	-	n/a
	TOTAL CAPITAL OUTLAY	**38,774**	**-**	**-**	**-**	**-**	**-**	**n/a**
	TOTAL EXPENDITURES	**$ 4,410,776**	**$3,286,230**	**$ 3,125,754**	**$ 3,291,461**	**$3,054,013**	**(237,448)**	**-7%**

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TOWN ATTORNEY

OFFICE PURPOSE & DESCRIPTION

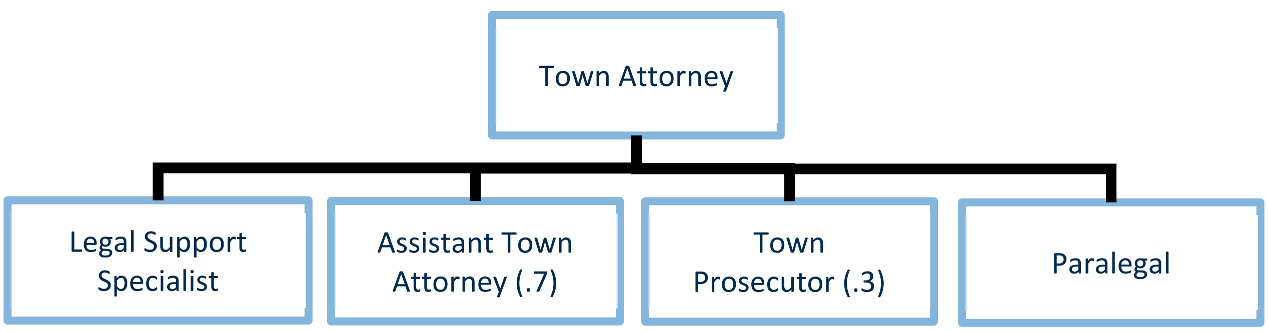
The Town Attorney is the legal advisor to the Town Council and a number of appointed bodies of the Town, including but not limited to the:

- Planning Commission
- Board of Adjustment
- Paradise Valley Mountain Preserve Trust
- Personnel Appeals, Arts, History, MPC, and other Boards

The Town Attorney represents the Town in all legal proceedings, reviews all ordinances, resolutions and contracts, and prepares legal opinions.

The Town Attorney's office handles all litigation concerning the Town and actively participates in risk analysis as a means to avoid costly claims or litigation. The office also handles the prosecution of all violations of Town codes and misdemeanor violations of state law within the Town, and all appeals from the Town's Municipal Court to the Superior Court.

ORGANIZATIONAL CHART



The Town Attorney's office is managed by the Town Attorney; the Town Attorney reports to the Town Council.

TOWN ATTORNEY

STAFFING LEVELS

Staffing levels have remained consistent from 2015/16 through 2017/18. Added in the 2018/19 budget was a part-time Assistant town attorney (0.7 FTE) and a part-time Prosecutor (0.3FTE) which were previously funded as contract positions. The recommended budget for 2019/20 includes a temporary position for administrative support, primarily in the prosecutor's office. Table 1 below displays the office's positions by classification.

TOWN ATTORNEY Table 1 - Authorized positions by CLASSIFICATION

POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Town attorney	1.0	1.0	1.0	1.0	1.0
Assistant town attorney (part-time)	0.7	0.7	-	-	-
Prosecutor (part-time)	0.3	0.3	-	-	-
Paralegal	1.0	1.0	1.0	1.0	1.0
Legal support specialist	1.0	1.0	1.0	1.0	1.0
Total full time equivalents	**4.0**	**4.0**	**3.0**	**3.0**	**3.0**
Admin. support (temporary Part-time)	0.4	-	0.5	0.5	0.5
Assistant town attorney (temp PT)	-	-	0.5	0.5	0.5

FUNDING LEVELS

Funding for the Town Attorney's office consists of General Fund resources and the Alarm, Fire and Wastewater enterprises. Overall, funding is budgeted to **increase by $51,850 (8%)**.

TOWN ATTORNEY Table 2 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$ 683,792	$ 613,447	$ 70,345	11%	$ 561,067	$ 566,392
Enterprises	38,105	56,600	(18,495)	-33%	56,600	56,600
Total Sources	**$ 721,897**	**$ 670,047**	**$ 51,850**	**8%**	**$ 617,667**	**$ 622,992**

* Recommended funding levels

** Town Attorney provides services to Alarm, Fire and Wastewater (enterprise)

EXPENDITURES

The Town Attorney's office recommended budget of $721,897 is $51,850 or 8% more than the prior fiscal year. This results primarily from changes in:

Personnel: The net increase of $49,097 or 9% is a product of changes that reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits and the addition of a temporary part-time position.

Supplies and services: The net increase of $2,753 or 3% is attribute nominal increases in liability and property insurance ($253) and all other supplies and services ($2,500), including new chairs and standing desks.

Capital: There is no capital in the Town Attorney's office budget this year.

TOWN ATTORNEY Table 3 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$ 619,484**	**$ 570,387**	**$ 49,097**	**9%**	**$ 531,753**	**$ 430,854**
Supplies &Services	Professional services	58,000	58,000	-	0%	47,571	79,279
	Liability & property insurance	13,398	13,145	253	2%	12,948	12,700
	Travel and training	8,130	8,130	-	0%	7,050	4,619
	Research & publications	13,790	13,790	-	0%	13,009	12,372
	Other supplies & services	9,095	6,595	2,500	38%	5,336	83,168
	Total Supplies & Services	**102,413**	**99,660**	**2,753**	**3%**	**85,914**	**192,138**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
	Total Expenditures	**$ 721,897**	**$ 670,047**	**$ 51,850**	**8%**	**$ 617,667**	**$ 622,992**

* Recommended funding levels

TOWN ATTORNEY

LINE ITEMS (DETAIL)

TOWN ATTORNEY Table 4 - Line item expenditures

TOWN ATTORNEY		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-45-100	SALARIES AND WAGES	$ 319,528	$ 423,447	$ 439,148	$ 442,876	$ 482,859	$ 39,983	9%
10-45-115	EMPLOYEE BENEFITS-FICA	20,899	23,723	27,065	27,296	34,195	6,899	25%
10-45-120	EMPLOYEE BENEFITS-RETIREMENT	36,834	36,811	47,108	47,548	53,006	5,458	11%
10-45-125	EMPLOYEE BENEFITS-WORKERS COMP	720	613	1,037	1,037	1,137	100	10%
10-45-130	EMPLOYEE BENEFITS-MEDICAL	27,655	22,781	23,635	23,635	22,846	(789)	-3%
10-45-131	EMPLOYEE BENEFITS-DENTAL	2,576	2,178	2,324	2,324	2,260	(64)	-3%
10-45-135	EMPLOYEE BENEFITS-DISABIL/LIFE	263	249	2,422	2,422	323	(2,099)	-87%
10-45-136	EMPLOYEE BENEFITS - STD	1,649	1,535	2,969	2,969	1,658	(1,311)	-44%
10-45-161	EMPLOYEE BENEFIT - CELL PHONE	1,380	1,196	2,760	2,760	1,380	(1,380)	-50%
10-45-165	EMPLOYEE BENEFIT-CAR ALLOWANCE	3,000	3,000	3,000	3,000	3,000	-	0%
10-45-186	EMPLOYEE BENEFITS - H S A	3,900	5,200	3,900	3,900	5,200	1,300	33%
10-45-191	DEFERRED COMPENSATION-457	12,451	11,020	10,620	10,620	11,620	1,000	9%
	TOTAL PERSONNEL	**430,854**	**531,753**	**565,988**	**570,387**	**619,484**	**49,097**	**9%**
10-45-330	GENERAL PROFESSIONAL SERVICES	2,945		4,000	4,000	4,000	-	0%
10-45-356	LEGAL-OUTSIDE - GENERAL LAW	76,334	47,571	54,000	54,000	54,000	-	0%
10-45-365	MESSENGER/PROCESS SERVICE	913	1,000	1,600	1,600	1,600	-	0%
10-45-375	TEMPORARY LABOR	78,945	-	-	-	-	-	n/a
10-45-465	OFFICE SUPPLIES	1,808	2,000	2,000	2,000	2,200	200	10%
10-45-485	PRINTING	-		100	100	100	-	0%
10-45-540	LIABILITY INSURANCE	12,700	12,352	12,549	12,549	12,784	235	2%
10-45-541	PROPERTY INSURANCE	-	596	596	596	614	18	3%
10-45-670	MEALS	125	136	300	300	300	-	0%
10-45-675	DUES	1,295	2,200	2,395	2,395	2,895	500	21%
10-45-725	MILEAGE-MISCELLANEOUS TRAVEL	1,771	350	500	500	500	-	0%
10-45-770	STAFF TRAINING	1,868	2,500	3,130	3,130	3,130	-	0%
10-45-775	RESEARCH	10,706	9,509	10,000	10,000	10,000	-	0%
10-45-790	SUBSCRIPTIONS & PUBLICATIONS	1,666	3,500	3,790	3,790	3,790	-	0%
10-45-815	TRAINING TRAVEL	979	4,200	4,500	4,500	4,500	-	0%
10-45-840	MISCELLANEOUS	83	-	200	200	2,000	1,800	900%
	TOTAL SUPPLIES & SERVICES	**192,138**	**85,914**	**99,660**	**99,660**	**102,413**	**2,753**	**3%**
	TOTAL EXPENDITURES	**$ 622,992**	**$ 617,667**	**$ 665,648**	**$ 670,047**	**$ 721,897**	**51,850**	**8%**

TOWN MANAGER

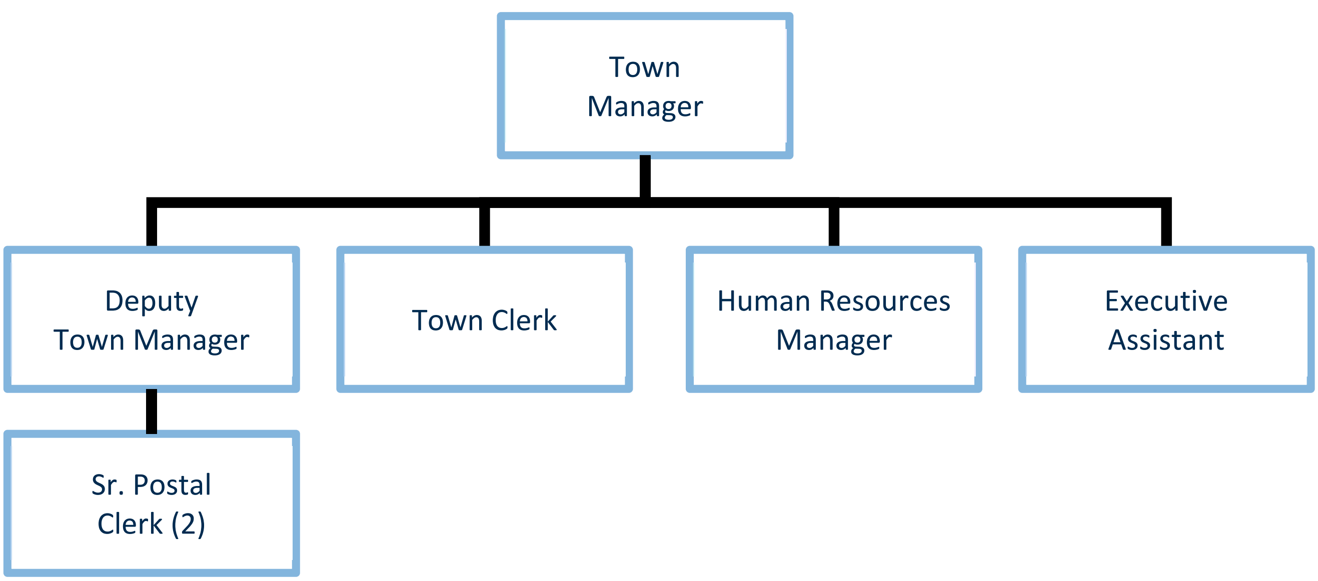
OFFICE PURPOSE & DESCRIPTION

The Town Manager provides the overall administrative leadership for the Town necessary for the implementation of:

- Town Council policies
- Management of the organization
- Delivery of services to the community

The Town Manager implements the Council's established goals and initiatives through professional leadership and management practices. It is also the responsibility of this office to ensure that Town operations are performed effectively, efficiently and economically, and that the Town services are responsive to community needs. The Town Manager or designee serves as the Secretary to the local Public Safety Personnel Retirement System (PSPRS) Board and is responsible for publishing the Town Reporter.

ORGANIZATIONAL CHART



The Town Manager's office is managed by the Town Manager; the Town Manager reports to the Town Council.

TOWN MANAGER

STAFFING LEVELS

There are no changes in the Staffing levels in the Town Manager's office with this fiscal year's budget. In fiscal year 2018/19, the Deputy Town Manager position was moved from Administrative Services to the Town Manager's Office. Oversight of the post office moved from Community Development in 2018/19. Table 1 displays the office's positions, by classification including the Post office's history.

TOWN MANAGER OFFICE Table 1 - Authorized positions by CLASSIFICATION					
POSITION CLASSIFICATION	**2019/20**	**2018/19***	**2017/18**	**2016/17**	**2015/16**
Town Manager	1.0	1.0	1.0	1.0	1.0
Deputy Town Manager	1.0	1.0	1.0	-	-
Executive Assistant to TM/Council	1.0	1.0	1.0	1.0	1.0
Town Clerk / Management Analyst	1.0	1.0	1.0	1.0	1.0
Human Resources Manager	1.0	1.0	1.0	1.0	1.0
Senior Postal Clerk	2.0	2.0	1.0	1.0	1.0
Postal Clerk	-	-	1.0	1.0	1.0
Total full time equivalents	**7.0**	**7.0**	**7.0**	**6.0**	**6.0**

* Oversight of the post office was moved from Community Development to Town Manager's office in 2018/19.

TOWN MANAGER'S OFFICE Table 2 - Authorized positions by PRIMARY FUNCTION					
PRIMARY FUNCTION*	**2019/20**	**2018/19***	**2017/18**	**2016/17**	**2015/16**
Administration	5	5.0	5.0	4.0	4.0
Post Office	2.0	2.0	2.0	2.0	2.0
Total full time equivalents	**7.0**	**7.0**	**7.0**	**6.0**	**6.0**

* Oversight of the post office was moved from Community Development to Town Manager's office in 2018/19.

FUNDING LEVELS

Funding for the Town Manager's Office consists General fund resources, Post office sales, and Fire enterprise. Funding needs are is budgeted to **increase by $52,455 (3%)**.

TOWN MANAGER Table 3 - Funding by Source						
Funding by Source	**Budget 2019/20***	**Budget 2018/19**	**Change $**	**Change %**	**Projected 2018/19**	**Actual 2017/18**
General Fund	$1,260,499	$1,239,288	$ 21,211	2%	$1,096,863	$1,100,526
Post Office Sales	370,000	360,000	10,000	3%	360,683	309,900
Enterprises**	21,244	-	21,244	n/a	-	-
Total Sources	**$1,651,743**	**$1,599,288**	**$ 52,455**	**3%**	**$1,457,546**	**$1,410,426**

* Recommended funding levels ** Provides services to Fire (enterprise)

EXPENDITURES

The Town Manager's office budget of $1,651,743 is $52,455 or 3% more than the prior fiscal year. This results primarily from changes in:

Personnel: The net increase of $46,607 or 5% is a product of changes that reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits.

Supplies and services: The net increase of $5,848 or 2% is reflects of increase $10,000 for employee programs; $10,000 for the Town Reporter and other nascent digital communication strategies, town-wide training and development, contributions towards the annual Martin Luther King, Jr. event, and implementation of town-wide innovation techniques; and $3,900 for advertisements and notices. The decrease of $19,570 in other supplies & services is primarily from the semi-annual costs of elections.

TOWN MANAGER Table 4 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel	**$1,013,848**	**$ 967,241**	**$ 46,607**	**5%**	**$ 841,858**	**$ 951,568**
Supplies & Services	Professional services	76,000	81,000	(5,000)	-6%	115,000	21,839
	Liability & property insurance	24,045	17,527	6,518	37%	15,412	16,934
	Employee programs	66,500	56,500	10,000	18%	45,000	16,585
	Town reporter & communications	26,500	16,500	10,000	61%	15,500	8,918
	Advertisement & notices	26,900	23,000	3,900	n/a	31,725	31,129
	Post office stamps & meter	335,000	335,000	-	n/a	330,500	312,924
	Other supplies & services	82,950	102,520	(19,570)	-19%	62,551	50,529
	Total Supplies & Services	**637,895**	**632,047**	**5,848**	**1%**	**615,688**	**458,858**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
	Total Expenditures	**$1,651,743**	**$1,599,288**	**$ 52,455**	**3%**	**$1,457,546**	**$1,410,426**

* Recommended funding levels ** includes administrative budget amendment for FY2018/19

There are two functional areas (cost centers) in the Town Manager's office for budgetary purposes.

TOWN MANAGER Table 5 - Expenditures by PRIMARY FUNCTION

PRIMARY FUNCTION	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
Town manager's office	$1,141,045	$1,102,340	$ 38,705	4%	$ 966,798	$ 943,633
Post office	510,698	496,948	13,750	3%	490,748	466,793
Total Expenditures	**$1,651,743**	**$1,599,288**	**$ 52,455**	**3%**	**$1,457,546**	**$1,410,426**

LINE ITEMS (DETAIL) – ADMINISTRATION

TOWN MANAGER'S OFFICE Table 6 - Line item expenditures: ADMINISTRATION

ADMINISTRATION		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-44-100	SALARIES AND WAGES	$ 600,163	$ 528,196	$ 602,933	$ 613,609	$ 628,323	$ 14,714	2%
10-44-105	OVERTIME	-	-	500	500	500	-	0%
10-44-115	EMPLOYEE BENEFITS-FICA	41,127	34,434	40,637	41,299	43,409	2,110	5%
10-44-120	EMPLOYEE BENEFITS-RETIREMENT	65,585	66,727	71,683	72,943	81,203	8,260	11%
10-44-125	EMPLOYEE BENEFITS-WORKERS COMP	2,547	2,089	1,624	1,624	3,327	1,703	105%
10-44-130	EMPLOYEE BENEFITS-MEDICAL	51,610	39,972	47,165	47,165	43,043	(4,122)	-9%
10-44-131	EMPLOYEE BENEFITS-DENTAL	4,354	3,808	4,695	4,695	4,844	149	3%
10-44-135	EMPLOYEE BENEFITS-DISABIL/LIFE	567	310	3,332	3,332	659	(2,673)	-80%
10-44-136	EMPLOYEE BENEFITS - STD	3,097	2,204	4,526	4,526	3,397	(1,129)	-25%
10-44-161	EMPLOYEE BENEFIT - CELL PHONE	3,550	2,520	3,780	3,780	6,180	2,400	63%
10-44-165	EMPLOYEE BENEFIT-CAR ALLOWANCE	4,200	350	4,200	4,200	6,900	2,700	64%
10-44-186	EMPLOYEE BENEFITS - H S A	6,910	6,500	5,200	5,200	9,100	3,900	75%
10-44-191	DEFERRED COMPENSATION-457	23,361	4,800	14,420	14,420	28,640	14,220	99%
	TOTAL PERSONNEL	**807,072**	**691,910**	**804,695**	**817,293**	**859,525**	**42,232**	**5%**

LINE ITEMS (DETAIL) – ADMINISTRATION

TOWN MANAGER'S OFFICE Table 6 - Line item expenditures: ADMINISTRATION

ADMINISTRATION		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-44-205	CELLULAR PHONE CHARGES	962	5,600	2,300	2,300	2,300	-	0%
10-44-310	COUNTY RECORDER	1,850	1,000	3,000	3,000	3,000	-	0%
10-44-330	GENERAL PROFESSIONAL SERVICES	21,676	115,000	35,000	71,000	71,000	-	0%
10-44-356	LEGAL-OUTSIDE - GENERAL LAW	163	-	10,000	10,000	5,000	(5,000)	-50%
10-44-380	TOWN-WIDE TRAINING	284	1,000	2,500	2,500	12,500	10,000	400%
10-44-465	OFFICE SUPPLIES	6,645	5,500	5,500	5,500	7,500	2,000	36%
10-44-485	PRINTING	2,254	-	7,500	7,500	5,000	(2,500)	-33%
10-44-540	LIABILITY INSURANCE	16,934	14,668	16,783	16,783	15,904	(879)	-5%
10-44-541	PROPERTY INSURANCE	-	744	744	744	766	22	3%
10-44-660	TWN MGR SPECIAL PERFORM AWARD	-	1,000	5,000	5,000	5,000	-	0%
10-44-661	EMPLOYEE AWARDS	6,448	4,000	4,000	4,000	4,000	-	0%
10-44-662	EMPLOYEE PROGRAMS	2,353	10,000	10,000	10,000	10,000	-	0%
10-44-663	EMPLOYEE TUITION REIMBURSEMENT	7,500	30,000	40,000	40,000	40,000	-	0%
10-44-670	MEALS	5,615	7,000	4,000	11,000	6,500	(4,500)	-41%
10-44-675	DUES	5,309	6,200	4,600	7,200	4,700	(2,500)	-35%
10-44-680	ELECTIONS	475	5,319	17,000	17,000	-	(17,000)	-100%
10-44-685	POSTAGE MACHINE RENT & SUPPLY	-	1,725	-	-	1,900	1,900	n/a
10-44-720	LEGAL ADVERTISING	9,342	3,000	4,000	4,000	4,000	-	0%
10-44-725	MILEAGE- MISCELLANEOUS TRAVEL	1,638	600	1,000	1,000	1,000	-	0%
10-44-753	POSTAGE ALLOCATION	9,888	12,000	12,000	12,000	13,500	1,500	13%
10-44-755	POTTED PLANTS	3,112	3,132	3,000	3,000	3,200	200	7%
10-44-765	RECRUITING & EMPLOYMENT	11,900	15,000	7,000	7,000	7,500	500	7%
10-44-770	STAFF TRAINING	5,322	6,700	6,700	10,220	8,750	(1,470)	-14%
10-44-790	SUBSCRIPTIONS & PUBLICATIONS	735	1,700	1,000	6,700	7,200	500	7%
10-44-810	TOWN REPORTER	8,918	15,500	16,500	16,500	16,500	-	0%
10-44-815	TRAINING TRAVEL	2,511	5,800	5,800	10,600	10,300	(300)	-3%
10-44-840	MISCELLANEOUS	4,729	2,700	500	500	2,500	2,000	400%
10-44-841	INTERGOVERNMENTAL AFFAIRS	-	-	45,700	-	-	-	n/a
10-44-866	OFFICE FURNITURE & FIXTURES	-	-	-	-	2,000	2,000	n/a
TBD	INNOVATION	-	-	-	-	7,500	7,500	n/a
TBD	COMMUNICATION BUDGET	-	-	-	-	2,500	2,500	n/a
	TOTAL SUPPLIES & SERVICES	136,561	274,888	271,127	285,047	281,520	(3,527)	-1%
	TOTAL EXPENDITURES	$ 943,633	$ 966,798	$1,075,822	$ 1,102,340	$1,141,045	38,705	4%

LINE ITEMS (DETAIL) – POST OFFICE

TOWN MANAGER'S OFFICE Table 7 - Line item expenditures: POST OFFICE

POST OFFICE		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-58-100	SALARIES AND WAGES	$ -	$ 104,104	$ -	$ 104,104	$ 107,281	$ 3,177	3%
10-58-105	OVERTIME	-	5,050	-	5,050	10,000	4,950	98%
10-58-115	EMPLOYEE BENEFITS-FICA	-	8,729	-	8,729	8,972	243	3%
10-58-120	EMPLOYEE BENEFITS-RETIREMENT	-	13,464	-	13,464	14,203	739	5%
10-58-125	EMPLOYEE BENEFITS-WORKERS COMP	-	285	-	285	293	8	3%
10-58-130	EMPLOYEE BENEFITS-MEDICAL	-	11,745	-	11,745	11,863	118	1%
10-58-131	EMPLOYEE BENEFITS-DENTAL	-	893	-	893	951	58	6%
10-58-135	EMPLOYEE BENEFITS-DISABIL/LIFE	-	108	-	108	121	13	12%
10-58-136	EMPLOYEE BENEFITS-STD	-	620	-	620	639	19	3%
	TOTAL PERSONNEL	**144,496**	**149,948**	**149,948**	**149,948**	**154,323**	**4,375**	**3%**
10-58-541	PROPERTY INSURANCE	-	-	-	-	1,014	1,014	n/a
10-58-540	LIABILITY INSURANCE	-	-	-	-	6,361	6,361	n/a
10-58-685	POST OFFICE SUPPLIES	4,661	3,500	5,000	5,000	5,000	-	0%
10-58-686	POST OFFICE CC PROCESSING	4,711	6,800	5,000	7,000	7,000	-	0%
10-58-687	POST OFFICE STAMP PURCHASES	80,941	127,500	-	130,000	130,000	-	0%
10-58-750	POST OFFICE METER REPLENISH	231,982	203,000	205,000	205,000	205,000	-	0%
10-58-770	STAFF TRAINING	-	-	-	-	2,000	2,000	n/a
	TOTAL SUPPLIES & SERVICES	**322,297**	**340,800**	**215,000**	**347,000**	**356,375**	**9,375**	**3%**
	TOTAL EXPENDITURES	**$ 466,793**	**$ 490,748**	**$ 364,948**	**$ 496,948**	**$ 510,698**	**13,750**	**3%**

PUBLIC SAFETY

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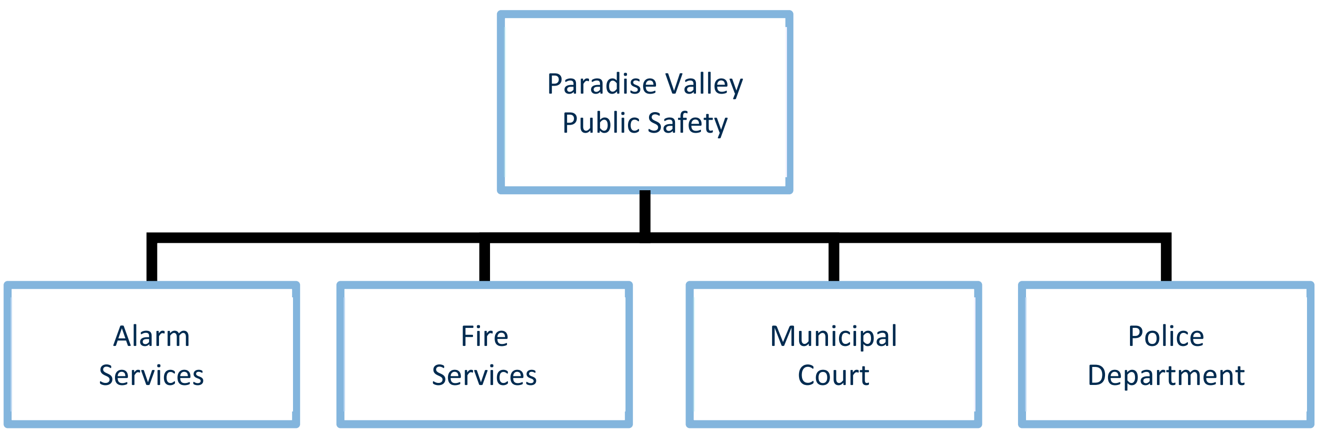
PUBLIC SAFETY

OFFICE PURPOSE & DESCRIPTION

Public Safety is one of the primary roles of local government. In the Town of Paradise Valley, public safety is comprised of the Police Department, the Municipal Court the fire contract with the City of Phoenix and the Town's alarm services. Other departments throughout the Town provide support to public safety, including the Town attorney's office, Information technology, Finance, the Town manager's office and Public works. The Police department and the Municipal court are primarily funded from the Town's general fund, while separate funds and revenue sources have been established for the Fire and Alarm services. Further details on each of these four units are in the pages that follow.

ORGANIZATIONAL CHART



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ALARM SERVICES

OFFICE PURPOSE & DESCRIPTION

The Alarm Services Enterprise accounts for the activities of the Town's alarm system monitoring services. As an enterprise, the rate structure for both residential and commercial customers is designed to recover the costs of providing services.

FUNDING LEVELS

Funding for the Alarm services consists of service fees paid by customers. Funding for operations is budgeted to **decrease by $154,968 (-46%)**.

ALARM Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Service fees	$ 185,000	$ 185,000	-	0%	$ 182,291	$ 168,127
Use of fund balance	-	154,968	$ (154,968)	-100%	113,374	111,373
Total Sources	**$ 185,000**	**$ 339,968**	**$ (154,968)**	**-46%**	**$ 295,665**	**$ 279,500**

* Recommended funding levels

EXPENDITURES

The Alarm Services budget of $185,000 is $154,968 (-46%) *less* than the prior fiscal year. This results primarily from changes in:

Personnel: Personnel expenditures are part of the Town's administrative allocation and includes services from the Police, Information technology and Finance. The net decrease was a product of re-assesses the allocation to better reflect services provided by Town departments.

Supplies and services: The decrease is a result of aligning the budget and spending.

ALARM Table 2 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
	Total Personnel **	**$ 110,458**	**$ 257,468**	**$ (147,010)**	**-57%**	**$ 257,468**	**$ 257,468**
Supplies &Services	Radio and service fees	11,830	9,000	2,830	31%	8,349	7,071
Supplies &Services	Computer maintenance	8,500	8,500	-	0%	-	-
Supplies &Services	Professional services	15,000	25,000	(10,000)	-40%	13,677	6,828
Supplies &Services	Computer hardware	10,000	10,000	-	0%	16,171	-
Supplies &Services	Assigned and contingency	28,212	30,000	(1,788)	-6%	-	8,096
Supplies &Services	Other supplies & services	1,000	-	1,000	n/a	-	37
	Total Supplies & Services	**74,542**	**82,500**	**(7,958)**	**-10%**	**38,197**	**22,032**
	Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
	Total Expenditures	**$ 185,000**	**$ 339,968**	**$ (154,968)**	**-46%**	**$ 295,665**	**$ 279,500**

* Recommended funding levels   ** Personnel costs are allocated via an administrative allocation.

ALARM SERVICES

LINE ITEMS (DETAIL)

ALARM SERVICES Table 3 - Line item revenue and expenses

GL	ALARM SERVICES Account Title	2017/18 Prior Year Actual	2018/19 Adopted Year end Projected	2018/19 Adopted Budget Original	2018/19 Adopted Budget Amended	2019/20 Recommended Budget	2019/20 Recommended Change in Amount	2019/20 Recommended Change in %
50-30-870	ALARM SERVICE FEE	$ 168,127	$ 182,291	$ 185,000	$ 185,000	$ 185,000	$ -	0%
TBD	PLANNED USE OF FUND BALANCE	-	-	154,968	154,968	-	(154,968)	-100%
	TOTAL REVENUE	**168,127**	**182,291**	**339,968**	**339,968**	**185,000**	**(154,968)**	**-46%**
50-40-235	RADIO SERVICE FEES	7,071	8,349	9,000	9,000	9,000	-	0%
50-40-290	SOFTWARE MAINTENANCE CONTRACT	-		4,500	4,500	4,500	-	0%
50-40-330	GENERAL PROFESSIONAL SERVICES	6,828	13,677	25,000	25,000	15,000	(10,000)	-40%
50-40-336	BILL PROCESSING FEES	-		-	-	300	300	n/a
50-40-339	BANK SERVICE CHARGES	-		-	-	750	750	n/a
50-40-341	CREDIT CARD EXPENSE	-		-	-	1,780	1,780	n/a
50-40-570	COMPUTER HARDWARE MAINTENANCE	-		4,000	4,000	4,000	-	0%
50-40-675	DUES	20		-	-	-	-	n/a
50-40-754	POSTAGE FOR MONTHLY BILLINGS	-		-	-	1,000	1,000	n/a
50-40-850	BAD DEBT EXPENSE	17		-	-	-	-	n/a
50-40-863	COMPUTER HARDWARE	-	16,171	10,000	10,000	10,000	-	0%
50-40-980	ADMIN FEE ALLOCATION	257,468	257,468	257,468	257,468	110,458	(147,010)	-57%
50-40-999	OPERATING CONTINGENCY	8,096	-	30,000	30,000	4,860	(25,140)	-84%
TBD	ASSIGNED FOR SUBSEQUENT YEARS	-	-	-	-	23,352	23,352	n/a
	TOTAL EXPENSES	**279,500**	**295,665**	**339,968**	**339,968**	**185,000**	**(154,968)**	**-46%**
	REVENUE OVER / (UNDER) EXPENSES	**$ (111,373)**	**$ (113,374)**	**$ -**	**$ -**	**$ -**	**-**	**n/a**

FIRE SERVICES

OFFICE PURPOSE & DESCRIPTION

The Fire Service Enterprise was established to record activity associated with the fire service fee which began January 1, 2013. State Legislation was passed in 2014 that permanently allows the collection of the Town's fee. The City of Phoenix provides fire services via a contract with the Town in which costs are shared equally. The Town constructed both fire stations (the associated debt service is not paid from this fund) and the station operating costs are reimbursed from the operating budget. Emergency medical services are provided by a private company which operates from leased Town property.

Fire Service Rates were designed to recover operating costs, but not the construction costs of the fire stations. The residential rate tiers and commercial rates are based on the zoned use of the property.

The revenue in this 2019/20 budget reflects the continuation of the one-month discount program if a customer pays the entire annual amount due by February 20th.

FUNDING LEVELS

Funding for Fire Services consists of fees paid by customers and an Intergovernmental Agreement, and rents & reimbursements. Funding is recommended to **increase by $179,239 (6%)**.

FIRE Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Fire service fee	$2,850,000	$2,850,000	$ -	0%	$2,849,678	$2,847,178
Fire service IGA fee	245,000	245,000	-	0%	245,000	250,806
Rents & reimbursements	47,000	51,000	(4,000)	-8%	45,123	40,487
Use (Savings) of fund balance	193,239	10,000	183,239	1832%	(112,722)	(131,348)
General fund transfer in	-	-	-	n/a	-	50,000
Total Sources	**$3,335,239**	**$3,156,000**	**$ 179,239**	**6%**	**$3,027,079**	**$3,057,123**

* Recommended funding levels

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FIRE SERVICES

EXPENDITURES

The Fire Services recommended budget of $3,335,239 is $179,239 (6%) more than the prior fiscal year. This results primarily from changes in:

Personnel: The net increase of $82,324 results from the updated personnel allocation plan of Town departments support Fire Services.

Supplies and services: The net increase of $179,239 or 6% is from an increase in the Phoenix IGA ($37,173), maintenance costs ($14,400), allocating billing and processing costs associated with Fire Services ($40,752) and all other supplies and services ($26,779); with reductions in utilities ($212) and the operating contingency ($21,977).

FIRE Table 2 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Total Personnel		$ 247,926	$ 165,602	$ 82,324	50%	$ 165,602	$ 165,602
Supplies &Services	Utilities	44,900	45,112	(212)	0%	43,526	36,257
	Phoenix IGA	2,646,298	2,609,125	37,173	1%	2,609,125	2,623,448
	Maintenance services	48,000	33,600	14,400	43%	34,847	62,464
	Third party reimbursements	129,000	129,000	-	0%	129,000	128,968
	Billing processing fees	40,752	-	40,752	n/a	-	-
	Operating contingency	100,284	122,261	(21,977)	-18%	-	-
	Other supplies & services	78,079	51,300	26,779	52%	44,979	40,384
Total Supplies & Services		3,087,313	2,990,398	96,915	3%	2,861,477	2,891,521
Total Expenditures		$3,335,239	$3,156,000	$ 179,239	6%	$3,027,079	$3,057,123

* Recommended funding levels for the 2018/19 budget year

LINE ITEMS (DETAIL)

FIRE SERVICES Table 6 - Line item revenue and expenses

FIRE SERVICES		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
53-30-870	FIRE SERVICE FEE	$ 2,847,178	$ 2,849,678	$ 2,850,000	$ 2,850,000	$ 2,850,000	$ -	0%
53-30-872	FIRE SERVICE IGA FEE	250,806	245,000	245,000	245,000	245,000	-	0%
53-37-616	MISC INTEREST	-	-	-	-	5,000	5,000	n/a
53-38-425	PROCESS SERVICE FEE - FIRE	2,503	588	1,000	1,000	1,000	-	0%
53-38-711	PMT HOUSE RENTAL	36,000	36,000	36,000	36,000	36,000	-	0%
53-38-766	THIRD PARTY FIRE SERV REIMBURS	1,984	8,535	24,000	24,000	5,000	(19,000)	-79%
53-39-991	INTERFUND TRANSFERS	50,000	-	-	-	-	-	n/a
TBD	PLANNED USE OF FUND BALANCE	-	-	-	-	193,239	193,239	n/a
	TOTAL REVENUE	$ 3,188,471	$ 3,139,800	$ 3,156,000	$ 3,156,000	$ 3,335,239	179,239	6%
53-40-210	WATER	4,681	5,000	5,400	5,400	5,000	(400)	-7%
53-40-214	FIRE SERVICE FEE	-	1,200	1,200	1,200	1,200	-	0%
53-40-215	ELECTRICITY	23,980	31,600	32,000	32,000	32,000	-	0%
53-40-217	SEWER SERVICE FEES	5,027	3,284	4,100	4,100	4,100	-	0%
53-40-220	NATURAL GAS	2,569	2,442	2,412	2,412	2,600	188	8%
53-40-330	GENERAL PROFESSIONAL SERVICES	11,412	13,718	15,100	15,100	14,500	(600)	-4%
53-40-333	JANITORIAL SERVICE	-		2,200	2,200	2,200	-	0%
53-40-335	PHOENIX IGA	2,623,448	2,609,125	2,609,125	2,609,125	2,646,298	37,173	1%
53-40-336	BILL PROCESSING FEES	-		-	-	4,320	4,320	n/a
53-40-339	BANK SERVICE CHARGES	-		-	-	10,800	10,800	n/a
53-40-341	CREDIT CARD & EFT EXPENSE	-		-	-	25,632	25,632	n/a
53-40-342	THIRD PARTY REIMBURSEMENTS	128,968	129,000	129,000	129,000	129,000	-	0%
53-40-435	GAS & OIL	17,133	19,345	20,000	20,000	20,000	-	0%
53-40-520	WEED CONTROL	-	700	-	-	900	900	n/a
53-40-541	PROPERTY INSURANCE	-	3,088	-	-	3,179	3,179	n/a
53-40-542	VEHICLE INSURANCE	-	8,148	-	-	8,200	8,200	n/a
53-40-560	FACILITIES REPAIRS & MAINT	35,769	16,960	18,500	18,500	18,500	-	0%
53-40-580	FIRE HYDRANT MAINTENANCE	15,283	4,168	-	-	15,000	15,000	n/a
53-40-595	LANDSCAPE MAINT	-		1,200	1,200	1,200	-	0%
53-40-634	ENVIRONMENTAL DISPOSAL FEE	2,226		1,500	1,500	1,500	-	0%
53-40-635	PEST CONTROL	-	1,513	1,400	1,400	1,500	100	7%
53-40-754	POSTAGE FOR MONTHLY BILLINGS	-		-	-	14,400	14,400	n/a
53-40-840	MISCELLANEOUS	20,000	11,064	20,000	20,000	20,000	-	0%
53-40-850	BAD DEBT EXPENSE	1,026	1,120	5,000	5,000	5,000	-	0%
53-40-980	ALLOCATE ADMINISTRATIVE FEES	165,602	165,602	165,602	165,602	247,926	82,324	50%
53-40-999	OPERATING CONTINGENCY	-		122,261	122,261	100,284	(21,977)	-18%
	TOTAL EXPENSES	$ 3,057,123	$ 3,027,079	$ 3,156,000	$ 3,156,000	$ 3,335,239	179,239	6%
	Revenue over (under) expenses	**$ 131,348**	**$ 112,722**	**$ -**	**$ -**	**$ -**	**-**	**n/a**

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MUNICIPAL COURT

MISSION: To provide a professional and dignified forum for the efficient, fair and swift resolution of all matters that come before the Court.

OFFICE PURPOSE & DESCRIPTION

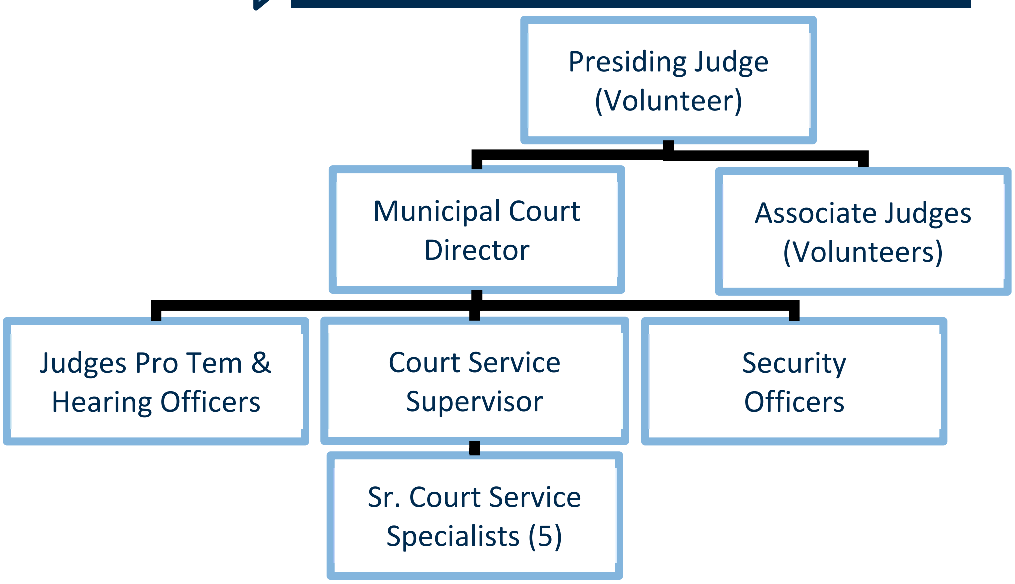
The Municipal Court is the independent judicial branch of the Town government. The Court adjudicates all criminal misdemeanors, town code violations, traffic violations and certain juvenile offenses. The Court issues protective orders in cases of domestic violence and harassment. The Presiding Judge, Associate Judges, Judges Pro Tem and Hearing Officers are all volunteers. The Judges are appointed by the Town Council for a two year term. The Hearing Officers are appointed by the Presiding Judge.

The Paradise Valley Municipal Court is a court of limited jurisdiction within the Town of Paradise Valley. As a part of the Arizona State Court System, it is subject to the authority of the Arizona Supreme Court. The Paradise Valley Municipal Court is one of eighty-two municipal courts in Arizona and is the **sixth largest** municipal Court in the State in terms of case volume.

Paradise Valley Municipal Court is the ONLY court in the nation that operates with a 100% volunteer judicial bench. The Court has eight volunteer judges appointed by Council and two hearing officers appointed by the Presiding Judge.

The Court is committed to administer justice in the most effective and efficient manner possible. The Court is proud to share our continuous efforts that demonstrate effective stewardship of public resources.

ORGANIZATIONAL CHART



Operations of the Municipal Court are managed by the Municipal Court Director; the Director reports to the Presiding Judge.

MUNICIPAL COURT

▶ YEAR END HIGHLIGHTS ◀

EAST VALLEY REGIONAL VETERANS COURT – This partnership with 6 Maricopa County Municipal Courts, United States Department of Veterans Affairs, City of Tempe's Human Services Department and other resources to assist veterans with criminal cases and address life situations that may have contributed to their criminal offenses. This specialty court served an astounding 540 veterans in 2018.

HOME DETENTION - Home detention with electronic monitoring continues to provide substantial cost savings to the Town's prisoner maintenance budget. The Court offers home detention in lieu of jail to non-violent offenders. In fiscal year 2018, a total of 101 days of electronic monitoring in lieu of incarceration was served by 12 defendants. Had all these days been spent in jail, more than $12,000 would have been incurred in additional jail costs.

MARICOPA COUNTY REGIONAL HOMELESS COURT - Partnership with 48 Maricopa County Courts to assist individuals end their homelessness and resolve minor misdemeanors and traffic offenses. Presiding Judge, J. Tyrrell Taber is one of many judges who volunteers to preside over Homeless Court. This specialty court served 150 people who were homeless in 2018.

MENTAL HEALTH COURT – Partnership with Tempe Municipal Court to provide eligible defendants the option of participating in City of Tempe's Mental Health Court. This specialty court was established to provide psychiatric stability of mentally ill defendants to reduce recidivism and jail costs.

PRISONER VIDEO APPEARANCE - The Paradise Valley Municipal Court implemented video appearances for defendants held in custody on misdemeanor charges in April 2018. Paradise Valley Municipal Court is honored to be one of the very few municipal courts approved to use Maricopa County's Video Appearance Center that was established primarily to serve the Arizona Justice Courts. The implementation of video appearance eliminated the need for police officers to transport prisoners to court, allowing them to remain on the streets of Paradise Valley. Since inception, the court has seen 32 prisoners by video appearance.

SUPREME COURT EDUCATIONAL COMPLIANCE - During 2018, Paradise Valley Municipal Court achieved a 100% compliance with Arizona Supreme Court's annual education standards. Court personnel and judges are required to complete at least 16 credit hours of court education each year, including ethics training and computer network security. All court employees completed over 22 credit hours, exceeding Arizona Supreme Court's education requirements. The court is committed to higher education through training and development of employees by offering in-house training, e-learning courses and other training opportunities available to court staff.

TAX INTERCEPT PROGRAM - The Tax Intercept Program (TIP) collected $4,227.25 in 2018. This automated program operated by the Arizona Supreme Court allows the court to intercept state income tax refunds and lottery winnings for overdue case balances.

CASE FILING STATS

Number of Case Filings					
Category	2019*	2018	2017	2016	2015
Criminal cases	433	290	276	137	225
Civil cases	51,993	49,426	49,010	54,316	25,888
Protective orders	16	14	16	19	15
Total cases and orders	52,442	49,730	49,302	54,472	26,128

*fiscal year 2018/19 is estimated based on current data and trends

SERVICE STATS

FY 17-18 Statistics

- Ranked 6th largest municipal court in the state based on case filings
- Highest case filings per clerk ratio in the state – 9,946 cases per clerk
- 11,765 court visitors
- 2,662 courtroom proceedings
- 22,148 payments
- 18,679 phone calls

STAFFING LEVELS

With the increase in case loads, the court has been experimenting with staffing levels to match the increased work load and no changes in staffing are recommended for FY2019/20. Table 1 below displays the department's positions, by classification.

MUNICIPAL COURT Table 1 - Authorized positions by CLASSIFICATION					
POSITION CLASSIFICATION	2019/20	2018/19	2017/18	2016/17	2015/16
Municipal court director	1.0	1.0	1.0	1.0	1.0
Court service supervisor	1.0	1.0	1.0	1.0	1.0
Sr. court services specialist	5.0	3.0	2.0	1.0	1.0
Court clerk	-	2.0	2.0	2.0	2.0
Total full time equivalents	**7.0**	**7.0**	**6.0**	**5.0**	**5.0**
Temporary part time court clerk(s)	-	-	3.0	5.0	-
Temporary part time security officers	3.0	3.0	3.0	3.0	3.0

MUNICIPAL COURT

FUNDING LEVELS

Funding for the Court consists of General Fund resources, Court Enhancement fees and Other Grants. Overall, funding is **increased by $266,112 (25%)**; an increase of $44,437 in General Fund resources and an increase in the use of $212,675 in Court Enhancement fees.

MUNICIPAL COURT Table 2 - Funding by Source						
Funding by Source	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund	$ 860,980	$ 816,543	$ 44,437	5%	$ 770,935	$ 758,783
Court Enhancement fees	464,213	251,538	212,675	85%	132,778	56,570
Other Grant(s)	11,500	2,500	9,000	360%	-	-
Total Sources	**$1,336,693**	**$1,070,581**	**$ 266,112**	**25%**	**$ 903,713**	**$ 815,353**

* Recommended funding levels
** includes amounts in the recommended budget amendments resolution; section 5

INTERFUND LOAN

Municipal Court was granted a loan from the Town's General Fund to construct its current facilities. The loan was to be repaid, plus interest and an annual land lease, beginning 12/31/2013 and ending 06/30/23. Municipal Court has used the "Court Enhancement" revenue to make the payments. Table 3 shows the originally scheduled payments for this interfund loan.

MUNICIPAL COURT Table 3: Interfund Loan Balance			
Payment Date	Principal	Interest	Total Payment
12/31/19	**$ 50,000.00**	**$ 5,062.50**	**$ 55,062.50**
06/30/20	**50,000.00**	**4,437.50**	**54,437.50**
12/31/20	50,000.00	3,812.50	53,812.50
06/30/21	50,000.00	3,187.50	53,187.50
12/31/21	50,000.00	2,562.50	52,562.50
06/30/22	50,000.00	1,937.50	51,937.50
12/31/22	50,000.00	1,312.50	51,312.50
06/30/23	55,000.00	687.50	55,687.50
Balance	**$ 405,000.00**	**$ 23,000.00**	**$ 428,000.00**

An annual land lease of $25,000 is assessed until loan repaid

FUND BALANCE

The Court Enhancement fund is used to pay the building loan. Table 4 below shows an estimated balance of $1,036,912 at year end FY2020 with the loan paid in full.

MUNICIPAL COURT Table 4 - Changes in fund balance: COURT ENHANCEMENT AND OTHER GRANTS

Interfund loan does not report as expenditure	Budget 2019/20	Projected 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16
Beginning fund balance, July 1	$1,068,325	$ 736,148	$ 386,941	$ 161,586	$ (282,949)
Plus: total revenue	436,500	464,955	405,777	304,459	590,407
Less: total expenditures	(70,713)	(37,778)	(56,570)	(79,104)	(145,872)
Loan repayment, net interest	**(405,000)**	**(95,000)**	**(90,000)**	**(90,000)**	**(90,000)**
Ending fund balance, June 30	**$1,029,112**	**$1,068,325**	**$ 736,148**	**$ 386,941**	**$ 161,586**
Outstanding loan	$ -	$ 405,000	$ 500,000	$ 590,000	$ 680,000

EXPENDITURES

The budget of $1,336,693 is $266,112 (25%) more than the prior fiscal year, primarily from changes in:

Personnel: Changes reflect current salaries and wages with changes in medical, dental, retirement and other taxes and benefits.

Supplies and services: The net decrease of ($31,276) or (-10%) is a product of reductions in indigent legal aid ($7,000), financial auditors ($3,400), liability insurance ($3,173), credit reporting ($1,700), process service ($2,000) and office supplies ($1,300); offset by increases in training & travel ($8,290), interpreter services ($4,000), professional services ($1,500) and credit card processing fees ($1,700).

Building loan repayment: The budget of $410,063 is for the Court Enhancement fund to pay the entire balance of the loan with the December 2019 payment.

MUNICIPAL COURT Table 5 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2017/18	Actual 2016/17
	Total Personnel	**$ 650,689**	**$ 609,164**	**$ 41,525**	**7%**	**$ 583,100**	**$ 538,453**
Supplies & Services	Legal services	10,500	17,500	(7,000)	-40%	8,568	14,688
	Professional services	87,900	86,400	1,500	2%	83,192	83,075
	Liability & property insurance	23,141	26,289	(3,148)	-12%	22,464	25,400
	Training and travel	23,520	15,230	8,290	54%	18,991	18,404
	CC processing	14,700	13,000	1,700	13%	12,000	12,779
	Temporary staffing	-	-	-	n/a	-	48,939
	Other supplies & services	116,180	148,798	(32,618)	-22%	43,460	59,415
	Total Supplies & Services	**275,941**	**307,217**	**(31,276)**	**-10%**	**188,675**	**262,700**
	Building loan repayment	**410,063**	**154,200**	**255,863**	**n/a**	**131,938**	**14,200**
	Total Expenditures	**$1,336,693**	**$1,070,581**	**$ 266,112**	**25%**	**$ 903,713**	**$ 815,353**

* Recommended funding levels ** includes amounts in the recommended budget amendments resolution; section 5

MUNICIPAL COURT

LINE ITEMS (DETAIL)

MUNICIPAL COURTS Table 6 - Line item revenue and expenditures: COURT ENHANCEMENT

MC: COURT ENHANCEMENT		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
21-35-418	COURT ENHANCEMENT	$ 387,660	$ 445,716	$ 251,538	$ 251,538	$ 425,000	$ 173,462	69%
TBD	PLANNED USE OF FUND BALANCE	-	-	-	-	39,213	-	N/A
	TOTAL REVENUE	**387,660**	**445,716**	**251,538**	**251,538**	**464,213**	**212,675**	**85%**
21-40-986	MISCELLANEOUS	17,370	840	71,900	71,900	54,150	(17,750)	-25%
21-40-987	INTEREST PAYMENT	14,200	11,938	14,200	14,200	5,063	(9,137)	-64%
21-40-988	PRINCIPAL PAYMENT (BUDGET ONLY)	-	95,000	90,000	90,000	405,000	315,000	350%
21-40-989	LAND LEASE PAYMENT	25,000	25,000	25,000	25,000	-	-	-100%
TBD	ASSIGNED TO SUBSEQUENT YEAR	-	-	50,438	50,438	-	-	N/A
	TOTAL EXPENDITURES	**56,570**	**132,778**	**251,538**	**251,538**	**464,213**	**212,675**	**85%**
	REVENUE OVER (UNDER) EXPENDITURES	**$ 331,090**	**$ 312,938**	**$ -**	**$ -**	**$ -**	**-**	**n/a**

MUNICIPAL COURTS Table 7 - Line item revenue and expenditures: FILL THE GAP

MC: FILL THE GAP		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
22-35-417	MUNICIPAL FILL THE GAP	$ 10,078	$ 9,000	$ 6,500	$ 6,500	$ 6,500	$ -	0%
	TOTAL REVENUE	**10,078**	**9,000**	**6,500**	**6,500**	**6,500**	**-**	**0%**
22-40-982	MISCELLANEOUS	-		-	-	6,500	6,500	n/a
	TOTAL EXPENDITURES	**-**	**-**	**-**	**-**	**6,500**	**6,500**	**n/a**
	REVENUE OVER (UNDER) EXPENDITURES	**$ 10,078**	**$ 9,000**	**$ 6,500**	**$ 6,500**	**$ -**	**(6,500)**	**-100%**

MUNICIPAL COURTS Table 8 - Line item revenue and expenditures: JCEF

MC: JCEF		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
23-35-415	JCEF GRANT	$ 8,038	$ 7,000	$ 5,000	$ 5,000	$ 5,000	$ -	0%
23-37-616	MISC INTEREST	-	-	-	-	-	-	n/a
	TOTAL REVENUE	**8,038**	**7,000**	**5,000**	**5,000**	**5,000**	**-**	**0%**
23-40-985	MISCELLANEOUS	-	-	2,500	2,500	5,000	2,500	100%
	TOTAL EXPENDITURES	**-**	**-**	**2,500**	**2,500**	**5,000**	**2,500**	**100%**
	REVENUE OVER (UNDER) EXPENDITURES	**$ 8,038**	**$ 7,000**	**$ 2,500**	**$ 2,500**	**$ -**	**(2,500)**	**-100%**

LINE ITEMS (DETAIL)

MUNICIPAL COURTS Table 9 - Line item expenditures: GENERAL FUND

MUNICIPAL COURTS		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-50-100	SALARIES AND WAGES	$ 391,497	$413,944	$ 427,570	$ 427,570	$465,529	$ 37,959	9%
10-50-105	OVERTIME	10,635	6,108	8,000	8,000	8,000	-	0%
10-50-115	EMPLOYEE BENEFITS-FICA	29,218	30,340	32,514	32,514	36,540	4,026	12%
10-50-120	EMPLOYEE BENEFITS-RETIREMENT	51,259	52,802	51,347	51,347	55,070	3,723	7%
10-50-125	EMPLOYEE BENEFITS-WORKERS COMP	1,163	901	1,173	1,173	1,666	493	42%
10-50-130	EMPLOYEE BENEFITS-MEDICAL	46,031	63,590	69,346	69,346	67,390	(1,956)	-3%
10-50-131	EMPLOYEE BENEFITS-DENTAL	4,024	5,940	5,808	5,808	6,625	817	14%
10-50-135	EMPLOYEE BENEFITS-DISABIL/LIFE	332	395	2,956	2,956	514	(2,442)	-83%
10-50-136	EMPLOYEE BENEFITS - STD	2,136	2,679	3,270	3,270	2,635	(635)	-19%
10-50-161	EMPLOYEE BENEFIT - CELL PHONE	1,956	2,080	2,760	2,760	2,400	(360)	-13%
10-50-186	EMPLOYEE BENEFITS - H S A	136	2,600	2,600	2,600	2,600	-	0%
10-50-191	DEFERRED COMPENSATION-457	66	1,720	1,820	1,820	1,720	(100)	-5%
	TOTAL PERSONNEL	538,453	583,100	609,164	609,164	650,689	41,525	7%
10-50-290	JUSTICE SYSTEMS ANNUAL CONTRACT	-	13,130	-	13,130	15,000	1,870	n/a
10-50-220	INTERNET SERVICES	-	2,280	-	2,280	2,280	-	n/a
10-50-200	TELEPHONE SERVICES	-	7,000	-	7,000	7,000	-	n/a
10-50-325	FINANCIAL AUDITORS	-	3,400	3,400	3,400	-	(3,400)	n/a
10-50-330	GENERAL PROFESSIONAL SERVICES	77,637	75,000	77,500	77,500	81,500	4,000	5%
10-50-334	ARMORED CAR SERVICE	5,438	4,792	5,500	5,500	6,400	900	16%
10-50-340	INDIGENT LEGAL AID	14,688	8,568	17,500	17,500	10,500	(7,000)	-40%
10-50-341	CREDIT CARD EXPENSE	12,779	12,000	13,000	13,000	14,700	1,700	13%
10-50-345	INTERPRETER	3,100	5,778	3,500	3,500	7,500	4,000	114%
10-50-352	COURT CREDIT REPORTING	2,018	1,440	3,000	3,000	1,300	(1,700)	-57%
10-50-365	MESSENGER/PROCESS SERVICE	-	-	3,400	3,400	1,400	(2,000)	-59%
10-50-375	TEMPORARY LABOR	48,939	-	-	-	-	-	n/a
10-50-400	COURT ROBES	-	-	500	500	500	-	0%
10-50-465	OFFICE SUPPLIES	6,217	5,500	7,800	7,800	6,500	(1,300)	-17%
10-50-480	COPIER CONTRACT	-	1,500	-	1,500	1,500	-	n/a
10-50-485	PRINTING	490	1,200	1,000	1,000	1,500	500	50%
10-50-540	LIABILITY INSURANCE	25,400	21,616	25,440	25,440	22,267	(3,173)	-12%
10-50-541	PROPERTY INSURANCE	-	848	849	849	874	25	3%
10-50-670	MEALS	1,689	2,172	1,300	1,300	1,500	200	15%
10-50-675	DUES	525	750	800	800	800	-	0%
10-50-710	JURY	25	-	1,500	1,500	1,500	-	0%
10-50-725	MILEAGE-MISCELLANEOUS TRAVEL	235	16	400	400	400	-	0%
10-50-770	STAFF TRAINING	5,758	5,475	7,400	7,400	7,400	-	0%
10-50-790	SUBSCRIPTIONS & PUBLICATIONS	560	700	800	800	800	-	0%
10-50-815	TRAINING TRAVEL	12,411	13,500	7,430	7,430	15,720	8,290	112%
10-50-840	MISCELLANEOUS	1,302	-	250	250	250	-	0%
10-50-842	RECORDS RETENTION	1,120	1,170	1,200	1,200	1,200	-	0%
	TOTAL SUPPLIES & SERVICES	220,331	187,835	183,469	207,379	210,291	2,912	1%
	TOTAL EXPENDITURES	$ 758,783	$ 770,935	$ 792,633	$ 816,543	$ 860,980	44,437	5%

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POLICE DEPARTMENT

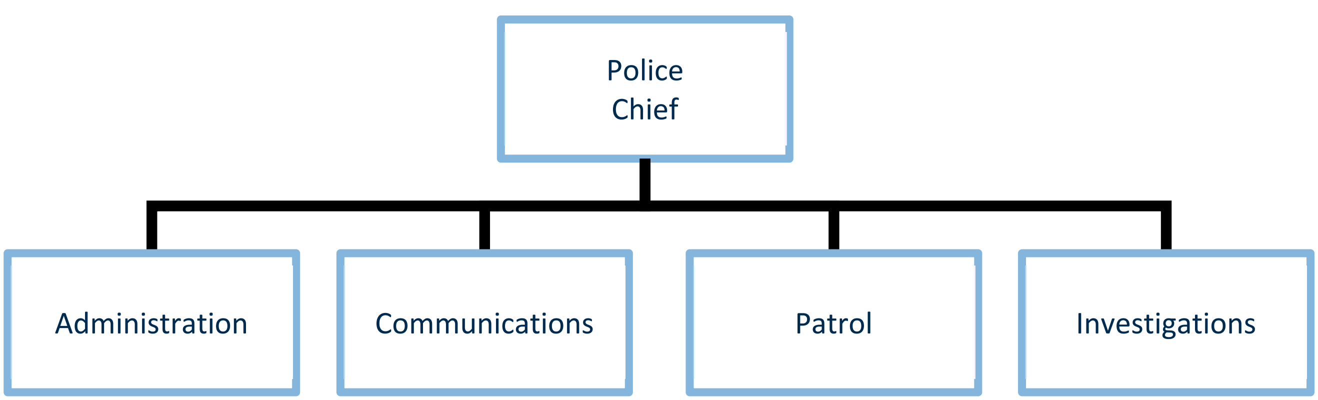
MISSION: To provide high quality police services to our community, reduce crime and the fear of crime, by working with all citizens, preserve life, protect property, promote individual responsibility and encourage community involvement.

VISION: To Maintain a strong Police-Community partnerships to keep our neighborhoods crime free and to eliminate fear of crime in our community.

OFFICE PURPOSE & DESCRIPTION

We provide high quality police services 24 hours per day, 7 days per week, 365 days during the year. We are always open! The service we provide includes responding to crimes, traffic collisions, medical emergencies, fires, public safety hazards, domestic disputes and other community needs. We strive to fulfill the needs of our community through our Vacation Watch program, the Medication Drop Box, and regular visits to neighborhood schools, among other community oriented policing programs. We believe in high level of communication with our community and achieve that level through both traditional methods of communication (newspaper reports and columns) and non-traditional media platforms (social media and emergency notification methods.

ORGANIZATIONAL CHART



The Police Department is managed by the Police Chief; the Chief reports to the Town Manager.

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POLICE DEPARTMENT

GOALS

Goal 1: Reduce Crime and the Fear of Crime

Goal 2: Encourage Community Empowerment

Goal 3: Develop and Empower Department Personnel

Goal 4: Incorporate Technology into the Department

Goal 5: Review and Improve Work Product

DATA FROM 2018

- Over 8% ***decrease*** in FBI Part 1 Crimes
  - One hundred percent (100%) ***decrease*** in FBI Part 1 Violent Crimes (Homicide, Sexual Assault, Aggravated Assault and Robbery)
  - Over 11% ***reduction*** in FBI Part 1 Property Crimes (Burglary, Theft, Motor Vehicle Theft, Arson)
- Over 13% ***decrease*** in Motor Vehicle collisions
- Nearly 20% ***increase*** in Felony and Misdemeanor Arrests over three-year average
- Successful transition to Tyler Enterprise Computer Aided Dispatch
- Recognized as Arizona's #1 Law Enforcement Fundraising Agency, per capita by Special Olympics Arizona
- Successful partnership with private vendor to provide infrastructure for Town's alarm monitoring program
- Named 3rd Safest Municipality in Arizona by the National Council for Home Safety and Security

SERVICE STATS

Calendar Year Service Levels					
PRIMARY FUNCTION**	**2018**	**2017**	**2016**	**2015**	**2014**
Calls for service	54,897	49,721	44,651	29,789	28,526
Dispatched calls	12,079	11,437	10,939	11,930	9,875
Officer self-initiated activity	42,870	43,725	31,451	17,864	18,599
Traffic contacts	6,082	5,288	4,952	2,178	2,856
Vehicle impounds processed	389	309	153	n/a	n/a
Background checks	1,468	1,472	937	n/a	n/a
911 calls received	8,325	5,583	5,338	5,807	n/a
Incidents per officer	2,196	1,912	1,717	1,192	n/a
Public records request	346	404	349	115	n/a

POLICE DEPARTMENT

▶ STAFFING LEVELS ◀

Staffing levels have incrementally increased from 2015/16 through 2017/18. There were three (3) full time and four (4) part-time regular positions added in the 2018/19 budget. This results in an increase of five (5) full-time equivalents. There are no recommended staffing changes in FY2019/20.

Table 1 below displays the department's positions by classification.

POLICE DEPARTMENT Table 1 - Authorized positions by CLASSIFICATION					
POSITION CLASSIFICATION	**2019/20**	**2018/19**	**2017/18**	**2016/17**	**2015/16**
Chief of police	1.0	1.0	1.0	1.0	1.0
Special services lieutenant	-	-	2.0	1.0	1.0
Commander	2.0	2.0	-	1.0	1.0
Community resource officer	1.0	1.0	1.0	1.0	1.0
Crime analyst	1.0	1.0	1.0	-	-
Police administrative assistant	2.0	2.0	2.0	2.0	2.0
Sr administrative support specialist	1.0	1.0	1.0	1.0	1.0
Public safety analyst	1.0	1.0	-	-	-
Part-Time Officers (0.5 FTE)	2.0	2.0	-	-	-
Alarm monitor	1.0	1.0	-	-	-
Communications manager	1.0	1.0	1.0	-	-
Communications supervisor	-	-	-	1.0	-
Communications specialist	5.0	5.0	4.0	4.0	5.0
Lieutenant	-	-	1.0	1.0	-
Sergeant	4.0	4.0	4.0	4.0	4.0
Corporal	4.0	4.0	4.0	4.0	4.0
Officers	17.0	17.0	16.0	16.0	16.0
Detective sergeant	1.0	1.0	1.0	1.0	-
Detective corporal	1.0	1.0	-	-	-
Investigator	3.0	3.0	4.0	4.0	5.0
Evidence technician	1.0	1.0	1.0	-	-
Total full time equivalents	**49.0**	**49.0**	**44.0**	**42.0**	**41.0**
Communications specialist (temp PT)	1.0	1.0	2.0	1.0	-
Public safety analyst	-	-	1.0	-	-
Evidence technician (temp FT)	-	-	-	1.0	-

POLICE DEPARTMENT

▶ STAFFING LEVELS ◀

Table 2 below shows the number of sworn positions and civilian positions.

POLICE DEPARTMENT Table 2 - TOTAL Authorized positions	2019/20	2018/19	2017/18	2016/17	2015/16
Sworn	34.0	34.0	34.0	34.0	33.0
Civilian	15.0	15.0	10.0	8.0	8.0
Total full time equivalents	**49.0**	**49.0**	**44.0**	**42.0**	**41.0**

Table 3 shows the positions by primary function (division).

POLICE DEPARTMENT Table 3 - Authorized positions by PRIMARY FUNCTION					
PRIMARY FUNCTION*	**2019/20**	**2018/19**	**2017/18**	**2016/17**	**2015/16**
Administration	12.0	12.0	8.0	7.0	7.0
Communications	6.0	6.0	5.0	5.0	5.0
Patrol	25.0	25.0	25.0	25.0	24.0
Investigations	6.0	6.0	6.0	5.0	5.0
Total full time equivalents	**49.0**	**49.0**	**44.0**	**42.0**	**41.0**
* the Chief is listed in Administration					

▶ FUNDING LEVELS ◀

Funding for the Police department consists of General Fund resources, Enterprises and Other Grants and Donations. Overall, funding is **decreasing by $97,771 (-1%)**. General Fund and Enterprise funding decreasing by $(110,613) and $(63,658) respectively and an increase of $76,500 in Other grants and donations funding.

POLICE DEPARTMENT Table 4 - Funding by Source						
Funding by Source	**Budget 2019/20***	**Budget 2018/19**	**Change $**	**Change %**	**Projected 2018/19**	**Actual 2017/18**
General Fund	$14,047,032	$14,157,645	$ (110,613)	-1%	$13,852,126	$ 8,915,073
Enterprises	119,042	182,700	(63,658)	-35%	182,700	182,700
Other Grants and Donations	150,000	73,500	76,500	104%	63,349	39,219
Total Sources	**$14,316,074**	**$14,413,845**	**$ (97,771)**	**-1%**	**$14,098,175**	**$ 9,136,992**
* Recommended funding levels		** Police provides direct Communication services to Alarm (enterprise)				

POLICE DEPARTMENT

EXPENDITURES

There are five (5) primary functions (cost centers) in the Police Department for budgetary purposes. Table 5 below displays the Police budget by function.

POLICE DEPARTMENT Table 5 - Expenditures by PRIMARY FUNCTION						
PRIMARY FUNCTION	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Administration	$ 2,600,159	$ 2,876,989	$ (276,830)	-10%	$ 2,700,651	$ 2,265,793
Communication	787,471	703,419	84,052	12%	690,332	526,398
Patrol	9,724,464	9,717,630	6,834	0%	9,647,381	5,374,742
Investigations	1,053,980	1,042,307	11,673	1%	996,462	930,840
Grants and donations	150,000	73,500	76,500	104%	63,349	39,219
Total Expenditures	**$14,316,074**	**$14,413,845**	**$ (97,771)**	**-1%**	**$14,098,175**	**$ 9,136,992**

* Recommended funding levels

Grants and donation: Should these grants and donations not materialize, then the spending will not occur.

EXPENDITURES

Administration: The recommended Administration budget is 10% less than Fiscal Year (FY) 2019. This is due to the completion of several projects. For example, Police Department security cameras were budgeted, approved, purchased, and installed during FY 19, completing a $55,000 project. Additionally, over the past two years, lockers in the evidence area have been purchased and installed and the evidence locker security is now up to best practices.

Several new items have been requested, including training equipment to provide realistic, force on force training ($6,000), sound suppressors ($9,000) to prevent hearing damage during firearm training and an update to the furniture in the police department lobby ($8,600). A request for forensic technology interrogations ($6,000) to collect data from electronic devices (Ex. wi-fi, vehicle on-board diagnostics), pursuant to judicial oversight, and further investigations is included. Small increases to the Community Outreach program budget ($1,885) reflect the growing use of the You Are Not Alone (YANA) program by residents.

Communication: The recommended budget in the Communication Budget have increased 12% versus FY 2019. This increase is driven by increases to the Regional Wireless Consortium (RWC) radio fees ($24,000). The RWC is providing a mandatory software upgrade during FY 20. Additionally, a radio repair contract ($13,000) and a service agreement on backup power at the radio site ($10,000) have been requested. These items are new this year because the equipment was under warranty during FY 19. Finally, four new portable radios ($28,000) and new headsets for dispatchers ($3,300) have been requested.

Patrol: The overall recommended Patrol budget increased minimally for FY 20. During FY 19, body worn cameras (BWC) were requested, approved, and purchased on a five-year contract. The second-year cost of this contract is approximately $23,000. During FY 20, mobile (vehicle) cameras have been requested for replacement. The first-year cost of a five-year contract is approximately $54,000. The total cost of the five-year project is approximately $170,000. Mobile video cameras provide different footage during vehicle movement than BWCs can provide.

School safety funds, collected under A.R.S. 28-797M, must be used for school zone safety and enforcement. A variable message board trailer with RADAR ($24,000) has been requested from these directed funds. The VMB trailer would be deployed in the school zones to remind motorists about reduced speeds and can notify residents of important information additionally.

In the Patrol Budget, a capital expenditure of $283,500 for police vehicles and police equipment inside the police vehicles has been requested. Three patrol Tahoes ($121,000) and police equipment ($76,500) have been requested. Additionally, two unmarked vehicles have been requested ($64,000) with the associated equipment ($12,000). Finally, decommissioning the five vehicles leaving the fleet and preparing these vehicles for auction costs $10,000.

Investigations: The Investigations recommended budget increased slightly compared to FY 19. Software related to the License Plate Recognition (LPR) program increased in annual cost by $700. Additionally, a forensic light ($4,200) has been requested in FY 20. This light will assist in the identification and subsequent collection of physiological fluids, latent prints and pattern wounds.

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EXPENDITURES

The recommended budget of $14,316,074 is $(97,771) or (1%) *less* than the prior fiscal year. This results primarily from changes in:

Personnel: The net decrease of $74,072 (1%) represents changes reflective of current salaries and wages with changes in medical, dental, retirement and other taxes and benefits

Supplies and services: The net decrease of $10,499 (-1%) is due to the completion of several projects during FY 19. For example, the security camera project for the police building was budgeted, approved and completed in FY 19 ($55,000). Also, the extended maintenance agreement for the current License Plate Recognition (LPR) program cannot be extended due to the age of the LPRs. Also, one-time monies were used to purchase desks and chairs ($10,000) for photo enforcement technician positions mandated by FY 19's Senate Bill 1110. Finally, the body worn camera project was budgeted as a one-year, $125,000 project in FY 19. However, a vendor was selected that allowed the project to be broken out over five years at the same $125,000, which appears as a $100,000 decrease to the FY 20 budget.

Capital: The capital budget of $283,500 is for police vehicles and police equipment inside the police vehicles. Three patrol Tahoes ($121,000) and police equipment ($76,500) have been requested. Additionally, two unmarked vehicles have been requested ($64,000) and the associated equipment ($12,000). Finally, decommissioning the five vehicles leaving the fleet and preparing these vehicles for auction costs $10,000.

POLICE DEPARTMENT Table 6 - Expenditures by CATEGORY

	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Total Personnel		**$12,139,709**	**$12,213,781**	**$ (74,072)**	**-1%**	**$11,969,318**	**$ 7,372,771**
Supplies & Services	Professional services	121,703	112,400	9,303	8%	108,498	49,953
	FF&E; weapons & ammo	304,550	322,500	(17,950)	-6%	284,500	69,179
	Liability & property insurance	194,143	189,099	5,044	3%	190,620	180,149
	Training and travel	65,000	65,200	(200)	0%	67,200	68,186
	Photo enforcement	780,284	780,284	-	0%	780,284	757,686
	Gas and oil	75,000	72,000	3,000	4%	86,000	68,199
	Other supplies & services	351,685	361,381	(9,696)	-3%	314,555	213,464
Total Supplies & Services		**1,892,365**	**1,902,864**	**(10,499)**	**-1%**	**1,831,657**	**1,406,816**
Total Capital		**284,000**	**297,200**	**(13,200)**	**-4%**	**297,200**	**357,405**
Total Expenditures		**$14,316,074**	**$14,413,845**	**$ (97,771)**	**-1%**	**$14,098,175**	**$ 9,136,992**

* Recommended funding levels

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 7 - Line item expenditures: ADMINISTRATION

PD: ADMINISTRATION		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-62-100	SALARIES AND WAGES	$ 691,665	$ 832,236	$ 765,056	$ 794,442	$ 910,214	$ 115,772	15%
10-62-105	OVERTIME	10,169	6,895	15,000	15,000	15,000	-	0%
10-62-115	EMPLOYEE BENEFITS-FICA	51,032	62,073	56,131	57,953	72,310	14,357	25%
10-62-120	EMPLOYEE BENEFITS-RETIREMENT	296,003	387,844	346,797	360,039	332,945	(27,094)	-8%
10-62-125	EMPLOYEE BENEFITS-WORKERS COMP	20,947	16,543	26,879	26,879	24,000	(2,879)	-11%
10-62-130	EMPLOYEE BENEFITS-MEDICAL	65,342	78,491	86,171	86,171	90,993	4,822	6%
10-62-131	EMPLOYEE BENEFITS-DENTAL	5,744	6,972	6,725	6,725	8,602	1,877	28%
10-62-132	CANCER INSURANCE	200	578	375	375	375	-	0%
10-62-135	EMPLOYEE BENEFITS-DISABIL/LIFE	629	576	6,658	6,658	920	(5,738)	-86%
10-62-136	EMPLOYEE BENEFITS - STD	3,690	5,101	5,671	5,671	4,817	(854)	-15%
10-62-160	EMPLOYEE BENEFITS-CLOTHING	4,254	7,693	7,070	7,070	7,070	-	0%
10-62-161	EMPLOYEE BENEFIT - CELL PHONE	5,520	3,987	8,280	8,280	4,140	(4,140)	-50%
10-62-186	EMPLOYEE BENEFITS - H S A	14,823	17,641	16,900	16,900	19,500	2,600	15%
10-62-191	DEFERRED COMPENSATION	11,047	13,555	13,000	13,000	13,920	920	7%
10-62-375	TEMPORARY LABOR	-	-	160,000	160,000	-	(160,000)	-100%
	TOTAL PERSONNEL	**1,181,064**	**1,440,183**	**1,520,713**	**1,565,163**	**1,504,806**	**(60,357)**	**-4%**

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 7 - Line item expenditures: ADMINISTRATION

PD: ADMINISTRATION		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-62-326	MARICOPA CNTY ANIMAL CONTROL	9,171	9,898	9,800	9,800	10,393	593	6%
10-62-330	GENERAL PROFESSIONAL SERVICES	2,985	28,600	28,600	28,600	27,810	(790)	-3%
10-62-400	BADGES & UNIFORMS SUPPLIES	3,829	2,000	4,000	4,000	2,000	(2,000)	-50%
10-62-456	AMMUNITION	176		-	-	-	-	n/a
10-62-465	OFFICE SUPPLIES	26,221	26,000	28,000	28,000	26,000	(2,000)	-7%
10-62-466	AMMO, RANGE, TARGETS	10,995	13,000	13,000	13,000	13,000	-	0%
10-62-485	PRINTING	432	1,000	1,500	1,500	1,000	(500)	-33%
10-62-495	COMMUNITY OUTREACH PROGRAM	15,629	17,700	17,700	17,700	19,585	1,885	11%
10-62-540	LIABIILTY INSURNACE	25,400	37,060	27,128	27,128	38,171	11,043	41%
10-62-541	PROPERTY INSURANCE	-	1,936	1,937	1,937	1,995	58	3%
10-62-542	VEHICLE INSURANCE	-	4,428	2,296	2,296	2,365	69	3%
10-62-670	MEALS	2,465	3,500	3,500	3,500	3,500	-	0%
10-62-675	DUES	2,988	3,962	3,962	3,962	4,500	538	14%
10-62-715	LAB TESTS (INDEPENDENT LABS)	1,685	18,500	18,500	18,500	18,500	-	0%
10-62-725	MILEAGE-MISCELLANEOUS TRAVEL	252	1,500	1,500	1,500	1,500	-	0%
10-62-730	OFFICER AWARDS PROGRAM	1,678	2,500	2,500	2,500	2,500	-	0%
10-62-765	RECRUITING & EMPLOYMENT	7,408	9,200	7,840	7,840	7,000	(840)	-11%
10-62-770	STAFF TRAINING	48,630	55,200	55,200	55,200	55,000	(200)	0%
10-62-780	POLICE PROP.-EVIDENCE STORAGE	20,263	9,000	9,000	9,000	5,000	(4,000)	-44%
10-62-790	SUBSCRIPTIONS & PUBLICATIONS	14,009	10,700	10,700	10,700	9,200	(1,500)	-14%
10-62-795	SECURITY SYSTEM & CAMERA M&R	1,389	33,000	55,000	55,000	13,000	(42,000)	-76%
10-62-815	TRAINING TRAVEL	19,309	12,000	10,000	10,000	10,000	-	0%
10-62-840	MISCELLANEOUS	22,831	62,000	100,579	100,579	10,000	(90,579)	-90%
10-62-842	RECORDS RETENTION	1,162	1,500	3,300	3,300	1,500	(1,800)	-55%
10-62-866	OFFICE FURNITURE & FIXTURES	4,290	22,000	22,000	22,000	11,050	(10,950)	-50%
10-62-869	EQUIPMENT REPAIRS & MAINT	315	2,500	2,500	2,500	2,500	-	0%
10-62-873	DUTY WEAPONS	9,038	17,000	17,000	17,000	18,000	1,000	6%
10-62-960	CAPITAL LEASE - INTEREST	1,307	1,300	1,300	1,300	-	(1,300)	-100%
10-62-996	PHOTO ENFORCEMENT PHONE LINE	7,628	8,000	8,000	8,000	8,000	-	0%
10-62-997	PHOTO ENFORCEMENT PROCESS SERV	87,204	102,284	102,284	102,284	102,284	-	0%
10-62-999	PHOTO ENFORCEMENT FEES	662,854	670,000	670,000	670,000	670,000	-	0%
	TOTAL SUPPLIES & SERVICES	**1,011,543**	**1,187,268**	**1,238,626**	**1,238,626**	**1,095,353**	**(143,273)**	**-12%**
10-62-961	CAPITAL LEASE PRINCIPAL	73,185	73,200	73,200	73,200	-	(73,200)	-100%
	TOTAL CAPITAL OUTLAY	**73,185**	**73,200**	**73,200**	**73,200**	**-**	**(73,200)**	**-100%**
	TOTAL EXPENDITURES	**$ 2,265,793**	**$2,700,651**	**$2,832,539**	**$ 2,876,989**	**$2,600,159**	**(276,830)**	**-10%**

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 8 - Line item expenditures: COMMUNICATIONS

PD: COMMUNICATIONS		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-64-100	SALARIES AND WAGES	$ 304,676	$ 340,075	$ 343,438	$ 351,624	$ 382,371	$ 30,747	9%
10-64-105	OVERTIME	25,375	40,265	23,000	23,000	23,000	-	0%
10-64-115	EMPLOYEE BENEFITS-FICA	25,265	28,981	27,122	27,630	31,392	3,762	14%
10-64-120	EMPLOYEE BENEFITS-RETIREMENT	36,655	32,887	43,141	44,107	46,552	2,445	6%
10-64-125	EMPLOYEE BENEFITS-WORKERS COMP	601	486	980	980	1,022	42	4%
10-64-130	EMPLOYEE BENEFITS-MEDICAL	30,723	39,224	61,070	61,070	37,653	(23,417)	-38%
10-64-131	EMPLOYEE BENEFITS-DENTAL	2,544	2,400	3,940	3,940	3,287	(653)	-17%
10-64-135	EMPLOYEE BENEFITS-DISABIL/LIFE	261	401	2,544	2,544	465	(2,079)	-82%
10-64-136	EMPLOYEE BENEFITS - STD	1,748	1,331	2,695	2,695	2,082	(613)	-23%
TBD	CLOTHING ALLOWANCE				1,380	3,600	2,220	161%
10-64-161	EMPLOYEE BENEFIT - CELL PHONE	1,380	920	1,380	-	1,380	1,380	n/a
10-64-186	EMPLOYEE BENEFITS - H S A	5,300	5,162	6,500	6,500	3,900	(2,600)	-40%
10-64-191	DEFERRED COMPENSATION-457	2,921	2,677	4,940	4,940	3,600	(1,340)	-27%
	TOTAL PERSONNEL	**437,451**	**494,808**	**520,750**	**530,410**	**540,304**	**9,894**	**2%**
10-64-205	CELLULAR PHONE CHARGES	8,480	10,000	10,000	10,000	10,000	-	0%
10-64-206	CELL PHONE PURCHASES	-	2,000	2,000	2,000	2,000	-	0%
10-64-260	MARICOPA REGIONAL NETWORK	11,400		-	-	-	-	n/a
10-64-261	RWC RADIO FEES	17,644	66,000	52,000	52,000	76,000	24,000	46%
10-64-265	PACE	3,754	4,344	4,200	4,200	4,500	300	7%
10-64-375	TEMPORARY LABOR	16,011	50,000	50,000	50,000	60,000	10,000	20%
10-64-490	RADIO/TELEPHONE BATTERIES	307	2,000	2,000	2,000	2,000	-	0%
10-64-540	LIABILITY INSURANCE	21,168	18,528	17,558	17,558	19,085	1,527	9%
10-64-541	PROPERTY INSURANCE	-	4,352	4,351	4,351	4,482	131	3%
10-64-575	NICE LOGGING RECORDER MAINTEN	-	500	500	500	500	-	0%
10-64-610	RADIO REPAIRS	8,134	29,600	22,200	22,200	31,500	9,300	42%
10-64-815	TRAINING TRAVEL	248		-	-	-	-	n/a
10-64-840	MISCELLANEOUS	835	1,200	1,200	1,200	1,800	600	50%
10-64-866	OFFICE FURNITURE & FIXTURES	-		-	-	4,000	4,000	n/a
10-64-869	EQUIPMENT	967	7,000	7,000	7,000	31,300	24,300	347%
	TOTAL SUPPLIES & SERVICES	**88,947**	**195,524**	**173,009**	**173,009**	**247,167**	**74,158**	**43%**
	TOTAL EXPENDITURES	**$ 526,398**	**$ 690,332**	**$ 693,759**	**$ 703,419**	**$ 787,471**	**84,052**	**12%**

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 9 - Line item expenditures: PATROL

GL	PD: PATROL Account Title	2017/18 Prior Year Actual	2018/19 Adopted Year end Projected	2018/19 Adopted Budget Original	2018/19 Adopted Budget Amended	2019/20 Recommended Budget	2019/20 Recommended Change in Amount	2019/20 Recommended Change in %
10-66-100	SALARIES AND WAGES	$ 1,873,471	$ 1,985,868	$ 1,952,198	$ 2,018,820	$ 2,050,032	$ 31,212	2%
10-66-105	OVERTIME	98,248	106,144	153,000	153,000	153,000	-	0%
10-66-115	EMPLOYEE BENEFITS-FICA	147,292	157,018	156,796	160,927	170,215	9,288	6%
10-66-120	EMPLOYEE BENEFITS-RETIREMENT	1,338,367	1,363,872	1,261,953	1,301,785	1,267,804	(33,981)	-3%
10-66-121	PSPRS UNFUNDED LIABILITY PMT	1,001,164	5,000,000	5,000,000	5,000,000	5,000,000	-	0%
10-66-125	EMPLOYEE BENEFITS-WORKERS COMP	76,524	62,251	103,638	103,638	101,926	(1,712)	-2%
10-66-130	EMPLOYEE BENEFITS-MEDICAL	204,179	249,378	229,326	229,326	222,269	(7,057)	-3%
10-66-131	EMPLOYEE BENEFITS-DENTAL	19,181	23,080	23,975	23,975	21,900	(2,075)	-9%
10-66-132	CANCER INSURANCE	1,250	1,250	1,875	1,875	1,250	(625)	-33%
10-66-135	EMPLOYEE BENEFITS-DISABIL/LIFE	1,755	1,552	23,310	23,310	2,236	(21,074)	-90%
10-66-136	EMPLOYEE BENEFITS - STD	10,680	12,333	15,484	15,484	11,765	(3,719)	-24%
10-66-160	EMPLOYEE BENEFITS-CLOTHING	40,931	65,820	33,300	33,300	33,300	-	0%
10-66-161	EMPLOYEE BENEFIT - CELL PHONE	690	-	1,150	1,150	-	(1,150)	-100%
10-66-186	EMPLOYEE BENEFITS - H S A	34,838	33,727	33,800	33,800	31,200	(2,600)	-8%
10-66-191	DEFERRED COMPENSATION-457	22,695	22,162	26,000	26,000	22,680	(3,320)	-13%
	TOTAL PERSONNEL	**4,871,265**	**9,084,453**	**9,015,805**	**9,126,390**	**9,089,577**	**(36,813)**	**0%**
10-66-350	JAIL FEES	21,786	20,000	24,000	24,000	23,500	(500)	-2%
10-66-400	BADGES & UNIFORMS SUPPLIES	316		-	-	-	-	n/a
10-66-430	FIRST AID SUPPLIES	255	2,500	2,500	2,500	2,500	-	0%
10-66-435	GAS & OIL	68,199	86,000	72,000	72,000	75,000	3,000	4%
10-66-465	PATROL SUPPLIES	11,615	12,000	12,000	12,000	16,400	4,400	37%
10-66-495	SAFETY EQUIPMENT SUPPLIES	992	500	500	500	22,500	22,000	n/a
10-66-540	LIABILITY INSURANCE	108,181	77,204	84,817	84,817	79,522	(5,295)	-6%
10-66-541	PROPERTY INSURANCE	-	15,856	15,857	15,857	16,333	476	3%
10-66-542	VEHICLE INSURANCE	-	8,868	8,866	8,866	9,132	266	3%
10-66-545	LOSS CONTROL-BIO HAZ MAT	618	1,000	1,000	1,000	1,000	-	0%
10-66-565	CAR WASHES	1,676	2,000	2,000	2,000	2,000	-	0%
10-66-610	EQUIPMENT REPAIRS & MAINTENANC	3,585	2,000	2,000	2,000	2,000	-	0%
10-66-670	REFRESHMENTS, LUNCHES, ETC.	50	-	-	-	-	-	n/a
10-66-725	MILEAGE-MISCELLANEOUS TRAVEL	512	-	-	-	-	-	n/a
10-66-800	TOWING	1,956	2,400	2,400	2,400	2,400	-	0%
10-66-840	MISCELLANEOUS	1,094	500	1,200	1,200	500	(700)	-58%
10-66-860	BULLET PROOF VESTS	(1,579)	8,100	8,100	8,100	8,100	-	0%
10-66-869	EQUIPMENT	-	100,000	130,000	130,000	90,000	(40,000)	-31%
	TOTAL SUPPLIES & SERVICES	**219,257**	**338,928**	**367,240**	**367,240**	**350,887**	**(16,353)**	**-4%**
10-66-870	VEHICLES	284,220	212,000	212,000	212,000	274,000	62,000	29%
10-66-872	VEHICLE CHANGEOVER	-	12,000	12,000	12,000	10,000	(2,000)	-17%
	TOTAL CAPITAL OUTLAY	**284,220**	**224,000**	**224,000**	**224,000**	**284,000**	**60,000**	**27%**
	TOTAL EXPENDITURES	**$ 5,374,742**	**$ 9,647,381**	**$ 9,607,045**	**$ 9,717,630**	**$ 9,724,464**	**6,834**	**0%**

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 10 - Line item expenditures: CIU

PD: CIU		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
10-67-100	SALARIES AND WAGES	$ 418,705	$ 475,201	$ 473,699	$ 492,045	$ 486,177	$ (5,868)	-1%
10-67-102	STANDBY PAY	30,524	26,434	29,000	29,000	29,000	-	0%
10-67-105	OVERTIME	20,964	14,308	25,000	25,000	25,000	-	0%
10-67-115	EMPLOYEE BENEFITS-FICA	36,221	39,217	39,915	41,052	42,035	983	2%
10-67-120	EMPLOYEE BENEFITS-RETIREMENT	286,634	308,114	291,800	302,800	317,863	15,063	5%
10-67-125	EMPLOYEE BENEFITS-WORKERS COMP	17,271	14,044	23,522	23,522	22,030	(1,492)	-6%
10-67-130	EMPLOYEE BENEFITS-MEDICAL	46,265	41,599	43,340	43,340	49,664	6,324	15%
10-67-131	EMPLOYEE BENEFITS-DENTAL	4,512	4,650	5,560	5,560	5,839	279	5%
10-67-132	CANCER INSURANCE	200	644	375	375	375	-	0%
10-67-135	EMPLOYEE BENEFITS-DISABIL/LIFE	459	491	5,799	5,799	544	(5,255)	-91%
10-67-136	EMPLOYEE BENEFITS - STD	2,513	2,288	3,845	3,845	2,895	(950)	-25%
10-67-160	EMPLOYEE BENEFITS-CLOTHING	4,470	6,500	6,500	6,500	6,500	-	0%
10-67-161	EMPLOYEE BENEFIT - CELL PHONE	3,450	3,552	4,140	4,140	4,140	-	0%
10-67-186	EMPLOYEE BENEFITS - H S A	6,502	7,723	5,200	5,200	7,800	2,600	50%
10-67-191	DEFERRED COMPENSATION-457	4,300	5,109	3,640	3,640	5,160	1,520	42%
	TOTAL PERSONNEL	**882,991**	**949,874**	**961,335**	**991,818**	**1,005,022**	**13,204**	**1%**
10-67-465	OFFICE SUPPLIES	161		-	-	-	-	n/a
10-67-540	LIABILITY INSURANCE	25,400	18,528	22,432	22,432	19,085	(3,347)	-15%
10-67-541	PROPERTY INSURANCE	-	988	987	987	1,017	30	3%
10-67-542	VEHICLE INSURANCE	-	2,872	2,870	2,870	2,956	86	3%
10-67-705	INVESTIGATIVE TRAVEL	2,112	5,000	5,000	5,000	5,000	-	0%
10-67-770	STAFF TRAINING	-	-	-	-	-	-	n/a
10-67-840	MISCELLANEOUS	116	7,100	7,100	7,100	7,800	700	10%
10-67-869	EQUIPMENT	20,060	12,100	12,100	12,100	13,100	1,000	8%
	TOTAL SUPPLIES & SERVICES	**47,849**	**46,588**	**50,489**	**50,489**	**48,958**	**(1,531)**	**-3%**
	TOTAL EXPENDITURES	**$ 930,840**	**$ 996,462**	**$1,011,824**	**$ 1,042,307**	**$ 1,053,980**	**11,673**	**1%**

POLICE DEPARTMENT

LINE ITEMS (DETAIL)

POLICE DEPARTMENT Table 11 - Line item revenue and expenditures: GRANTS & DONATIONS

GRANTS & DONATIONS		2017/18	2018/19 Adopted			2019/20 Recommended		
		Prior Year	Year end	Budget	Budget	Budget	Change in	
GL	Account Title	Actual	Projected	Original	Amended		Amount	%
25-30-839	DONATIONS TO POLICE DEPT	$ 11,141	$ 4,000	$ 5,000	$ 5,000	-	$ (5,000)	-100%
TBD	501(c)3 DONATION	-	-	-	-	70,000	70,000	n/a
26-30-848	MISC POLICE GRANTS	28,771	55,000	68,000	68,000	60,000	(8,000)	-12%
TBD	PLANNED USE OF FUND BALANCE	(693)	4,349	500	500	20,000	19,500	3900%
	TOTAL REVENUE	**39,219**	**63,349**	**73,500**	**73,500**	**150,000**	**76,500**	**104%**
25-40-970	POLICE DEPT DONATION EXPENDITURES	7,811	8,349	5,500	5,500	20,000	14,500	264%
26-40-991	MISC POLICE GRANTS	31,408	55,000	68,000	68,000	60,000	(8,000)	-12%
TBD	501(c)3 DONATION EXPENDITURES	-	-	-	-	70,000	70,000	n/a
	TOTAL EXPENSES	**39,219**	**63,349**	**73,500**	**73,500**	**150,000**	**76,500**	**104%**
	REVENUE OVER / (UNDER) EXPENSES	**$ -**	**$ 0**	**$ -**	**$ -**	**$ -**	**-**	**n/a**

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OTHER PROGRAMS AND ENTERPRISES

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DEBT MANAGEMENT

The Town uses several financing instruments to fund its capital needs. Each method leveraging has specific and secure sources identified and used for the debt repayments.

The Town employs the early recognition option for payments of principal and interest when due early in the subsequent year for financial reporting and budget purposes to ensure resources are both measurable and available when payments are due.

FINANCING INSTRUMENTS

There are numerous financing instruments available to Towns in the State of Arizona as listed below; and instruments utilized by the town are highlighted in orange:

- General obligation bonds;
- Revenue bonds;
- Excise tax revenue obligations;
- Improvement bonds;
- Special assessment bonds;
- Rural development loans;
- Certificates of participation;
- Capital and operating leases;
- Lease purchase;
- Pay-as-you-go; and
- Interfund borrowing.

DEBT LIMITATION

Bonded indebtedness of local municipalities is subject to a two-tiered constitutional debt limit. (Arizona Constitution, Article 9, Section 8; June 2008)

Under Arizona law, counties, cities, towns, school districts and other municipalities may issue general obligation bonds up to 6% of the jurisdiction's net secondary assessed valuation without voter approval. Voter approval is required before issuing over the 6%.

With voter approval cities and towns may issue general obligation bonds up to 20% of the jurisdiction's net secondary assessed valuation for supplying the city or town with water, artificial light or sewers when this infrastructure will be owned and operated by the city or town; and for the acquisition and development of open space preserves, parks, playgrounds and recreation facilities, public safety, law enforcement, fire and emergency services facilities, and streets and transportation facilities.

With voter approval, counties and school districts may issue general obligation bonds up to 15% of the jurisdiction's net assessed valuation.

Special Taxing Districts formed under Arizona Revised Statutes Title 48, have the same and some have further restrictions than set forth in the Arizona Constitution.

DEBT SERVICE

▶ EXCISE TAX ◀

The Town's Debt Service Fund was originally established to account for long-term debt issued by the Town for the construction of the Town's two fire stations and additional wastewater capacity under the Paradise Valley Municipal Property Corporation ("PVMPC"). This was the Refunding Bonds Series 2009.

The PVMPC is a nonprofit corporation incorporated under the laws of Arizona formed for the sole purpose of assisting the Town in obtaining financing for various projects of the Town. The Town has an obligation for the repayment of the PVMPC bonds. The PVMPC consists of a Council appointed, seven member board of directors.

The entire future amount due for principal and interest was pre-funded for the two fire stations. The wastewater capacity portion is paid by the Wastewater fund. The final maturity date for the bond was January 1, 2019 and all this debt has been paid.

In 2016, the Town issued new General Fund debt for construction primarily of the Public Safety Tower, street improvement and other projects. This was done through a direct placement loan (excise tax revenue obligations) with an interest rate of 1.69%. This pledged revenue structure is not subject to debt limitations and use of the bond proceeds are exempt from the State's mandated expenditure limitation.

▶ INTERFUND LOAN ◀

The Town has two interfund loans:

- ▷ **Additional Wastewater capacity**: The general fund's current balance loaned to the Wastewater fund is $1,528,638. This is paid by Wastewater impact fees are collected in excess of the amounts needed for PVMPC revenue bonds series 2009. Payments are expected to begin in 2020.
- ▷ **Court facilities**: The general fund loaned $900,000 for the construction of courtroom facilities with a current balance of $405,000. The repayment schedule was set with Council resolution no. 1277 with *Court enhancement funds*.

▶ CAPITAL LEASE ◀

There are currently no outstanding capital leases; the final payments for police equipment was in fiscal year 2018.

▶ PAY-AS-YOU-GO ◀

The vast majority of the Town's projects and operations are Pay-as-you-go. The Town's CIP is designed to accumulate cash for a project before initiating and is also setting aside resources to finance its fleet replacement and facilities plans.

PAYMENT SCHEDULES

As of June 30, 2019, the Town will have $7,065,000 in principal outstanding, with the final payment due at the end of 2023. The table below lists the remaining principal and interest payment schedule for the Excise Tax Revenue Obligations Series 2016.

Capital Projects 2016 Table 1 - Remaining Payment Schedule			
Payment Date	Principal	Interest	Total Payment
12/15/2019	**$ 1,365,000**	**$ 59,699**	**$ 1,424,699**
6/15/2020		**48,165**	**48,165**
12/15/2020	1,390,000	48,165	1,438,165
6/15/2021		36,420	36,420
12/15/2021	1,415,000	36,420	1,451,420
6/15/2022		24,463	24,463
12/15/2022	1,435,000	24,463	1,459,463
6/15/2023		12,337	12,337
12/15/2023	1,460,000	12,337	1,472,337
Balance	**$ 7,065,000**	**$ 302,469**	**$ 7,367,469**
Paid thru 6/30/19	$ 815,000	$ 439,579	$ 1,254,579

As of June 30, 2019, Municipal court will have $405,000 in principal outstanding, with the final payment due at the end of 2023. The table below lists the remaining principal and interest payment schedule for Town's general fund loan to Municipal court in 2013.

MUNICIPAL COURT Table 3: Interfund Loan Balance			
Payment Date	Principal	Interest	Total Payment
12/31/19	**$ 50,000.00**	**$ 5,062.50**	**$ 55,062.50**
06/30/20	**50,000.00**	**4,437.50**	**54,437.50**
12/31/20	50,000.00	3,812.50	53,812.50
06/30/21	50,000.00	3,187.50	53,187.50
12/31/21	50,000.00	2,562.50	52,562.50
06/30/22	50,000.00	1,937.50	51,937.50
12/31/22	50,000.00	1,312.50	51,312.50
06/30/23	55,000.00	687.50	55,687.50
Balance	**$ 405,000.00**	**$ 23,000.00**	**$ 428,000.00**
An annual land lease of $25,000 is assessed until loan repaid			

DEBT SERVICE

FUNDING LEVELS

In fiscal year 2019/20, funding for the annual debt service payments for the 2016 excise tax revenue obligations is $1,477,864. It is recommended to use the current balance in the bonds "payment fund" first and transfer the remaining from the general fund ($168,494). This is a one-year savings to the general fund and full funding will be required through the maturity of the bonds.

Capital Projects 2016 Table 2 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund (Transfer in)	$ 168,494	$ 789,976	$ (621,482)	-79%	$ 789,976	$ 251,862
Bond Payment Fund	1,309,370	-	1,309,370	n/a	-	-
Total Sources	**$1,477,864**	**$ 789,976**	**$ (621,482)**	**87%**	**$ 789,976**	**$ 251,862**

* Recommended funding levels for the 2018/19 budget year

EXPENDITURES

The recommended budget of $1,477,864 is derived from table 1 and consists of $1,365,000 in principal and $112,864 and total interest and custodial fees of $112,864.

Capital Projects 2016 Table 3 - Expenditures by CATEGORY

EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2017/18	Actual 2016/17
Total Personnel	**$ -**	**$ -**	**$ -**	**n/a**	**$ -**	**$ -**
Principal	1,365,000	660,000	705,000	107%	660,000	115,000
Interest and fees	112,864	129,976	(17,112)	-13%	129,976	136,862
Total Supplies & Services	**1,477,864**	**789,976**	**687,888**	**87%**	**789,976**	**251,862**
Total Capital	**-**	**-**	**-**	**n/a**	**-**	**-**
Total Expenditures	**$1,477,864**	**$ 789,976**	**$ 687,888**	**87%**	**$ 789,976**	**$ 251,862**

* Recommended funding levels

▶ PROJECTS ◀

Table 4 summarizes the projects funded with the 2016 excise tax obligations. These projects were specifically identified from the Town's Capital Improvement Plan. Other projects in the CIP were specifically excluded. Overall, the projects were completed under budget and the savings reverted to the payment fund.

CAPITAL PROJECTS 2016 Table 4 - Bond Projects							
	Actual Spending (audited 2016-2018)				Final Project		(Over) /
Project	2016 & prior	2017	2018	2019	Spending	Budget	Under
Echo Canyon Parking	$150,000	-	-		$150,000	$150,000	-
Public Safety Tower	1,175,615	$1,897,031	$1,197,236		4,269,882	5,000,000	$ 730,118
Traffic Signal Upgrades	17,341	-	-		17,341	17,341	-
Wastewater Master Plan	-	-	-		-	50,000	50,000
56th Street Improvements	145,342	-	-		145,342	145,342	-
Fixed License Plate Readers	253,465	-	-		253,465	253,465	-
Card Readers	176,737	8,481	-		185,218	200,000	14,782
WW Pipe/Meter	-	108,443	-		108,443	300,000	191,557
52nd Street Improvements	26,904	23,096	-		50,000	50,000	-
Watershed Studies	211,187	125,399	29,157		365,743	500,000	134,257
Ped/Bicycle Study	12,253	99,765	28,530	9,452	150,000	150,000	-
Iconic Corridor Study	-	83,901	46,665	14,634	145,200	150,000	4,800
Lincoln & Tatum Marquee	8,974	161,135	-		170,109	250,000	79,891
Asphalt Sidewalks	429,887	-	-		429,887	530,000	100,113
Unallocated	-	-	-		-	3,852	3,852
Total projects expenditures	**$2,607,705**	**$2,507,251**	**$1,301,588**	**$24,086**	**$6,440,630**	**$7,750,000**	**$1,309,370**
Total Use of bond proceeds	**$2,286,050**	**$ -**	**$4,107,442**	**$47,138**	**$6,440,630**	**$7,750,000**	**$1,309,370**

- In **2016**, proceeds were drawn to pay for projects in 2016 and previous. This amount was exempt from the annual expenditure limitation and used prior year carry-over exemptions for the difference.
- In **2017**, no proceeds were drawn. The projects were paid by General Fund and the Town used carry-over exemptions to close the year under the annual expenditure limitation.
- In **2018**, proceeds were drawn for spending that occurred in 2017 and 2018. The General Fund cash was replenished but use of prior year's expenditure limitation exemptions cannot be replenished. The Town closed the year under the newly increased expenditure limit.
- In **2019**, final spending for these projects was reconciled. Total of all projects was under budget by $1.3 million and reverted to the payment fund. The Town did not experience any monetary harm in the CIP with the reverted funds. Typically, savings from one project could be repurposed for another similar project like "street improvements", but since the projects list was specific and the time period to obligate of three years had expired that was not granted by the Bond Trustee or Council.

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TYPES OF CONTINGENCIES

For nearly every conceived risk or possible event, an assigned contingency could be established. To assist in managing foreseeable risk and plan for the future, the Town has the following assigned balances and contingencies in the 2019/20 budget:

Contingencies:

- Operating contingency – this supports unbudgeted operating costs;
- Activity based – this is set aside for a specific activity to occur or service level reached; and
- Repair and replacements – this accumulates funds for vehicles, equipment and facilities.

Assignments:

- Contractual – this is for future contractual payments with funds received today;
- Unfunded liability – resources to pay long-term debts as expenditure limitation allows; and
- Emergency / future use – funding for the future, but available for an emergency today.

The table below displays each reserve and contingency by category.

Table 1 - Authorized reserves and contingencies

PURPOSE	General Fund	Courts	CIP	Alarm	Fire	Wastewater
CONTINGENCIES (SET-ASIDE)						
Operating	$ 1,207,726	-	$ -	$ 4,860	$ 100,284	$ 82,904
Activity based:						
Merit pool	482,000	-	-	-	-	-
HR studies	35,000	-	-	-	-	-
Town-wide fee study	28,000	-	-	-	-	-
Repair & replacement:						
Fleet	204,500	-	-	-	-	-
Facilities	111,000	-	-	-	-	-
Information technology	90,000					
RESERVES (ASSIGNMENTS)						
Contractual:						
Tourism	73,710	-	-	-	-	-
Unfunded liability:						
PSPRS Part II	1,000,000	-	-	-	-	-
Emergency / future use	-	-	-	23,353	-	-
Total	**$ 3,231,936**	**$ -**	**$ -**	**$ 28,213**	**$ 100,284**	**$ 82,904**

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PURPOSE & DESCRIPTION

Tourism and the hospitality industry are critical elements and contribute greatly to the Town's character. These industries generate a significant portion of the Town's operating revenue. As a result, the Town dedicates significant resources to invest in tourism promotion.

- Services are provided through a contract with Experience Scottsdale.
- The Town invests 40.9% of occupancy (bed) tax revenue as determined from the most recent audited financial statements. In audit year 2018, the Town received $4,443,281 in occupancy (bed) tax revenue; and then 40.9% is the investment in budget 2020 ($1,817,302).

FUNDING LEVELS

Tourism is paid from the Occupancy (Bed) tax; not General Fund revenues are used for this program.

TOURISM Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
General Fund revenues	$ -	$ -	$ -	n/a	$ -	$ -
Occupancy (Bed) Tax	1,817,302	1,514,011	303,291	20%	1,514,011	1,311,900
Total Sources	**$1,817,302**	**$1,514,011**	**$ 303,291**	**20%**	**$1,514,011**	**$1,311,900**

* Recommended funding levels

EXPENDITURES

The Tourism recommended budget of $1,817,302 is $303,291 or 20% more than the prior fiscal year is solely based on revenue presented in the audited financial statements for fiscal year 2018.

TOURISM Table 2 - Expenditures by CATEGORY

EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Convention & Visitors (CVB) ("Experience Scottsdale")	$1,817,302	$1,514,011	$ 303,291	20%	$1,514,011	$1,311,918
Total Expenditures	**$1,817,302**	**$1,514,011**	**$ 303,291**	**20%**	**$1,514,011**	**$1,311,918**

* Recommended funding levels

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PUBLIC TRANSIT

PROGRAM DESCRIPTION

Public transportation is recommended to be fully (100%) funded through funds distributed to jurisdictions from Valley Metro. The funding is from Arizona Lottery Fund (ALF); and the Deputy Town Manager acts as the program manager. No general fund resources are being requested or recommended for public transportation programs in the recommended 2019/20 budget.

Public transit is "defined as any service, vehicle(s), or support facility for a vehicle(s), intended for the purpose of conveying multiple passengers (i.e. typically 5 or more)" and "includes the planning and administrative support for such services". Some "special needs", "dial-a-ride", or other demand-responsive or carpool vehicles may have less than 5 passengers. Services can be contracted with a transit provider.

Examples of eligible expenditures include, but not limited to:

- Fleet, buses, vans and paratransit vehicles;
- Light and rapid rail construction projects;
- Passenger shelters, bus stop signs, and similar passenger amenities;
- Vehicle rehabilitation, remanufacture or overhaul;
- Storage or maintenance facility construction or rehabilitation;
- Provide access to bicycle transport, transit vehicles or to transit facilities;
- Lease of equipment when lease is more cost effective than purchase;
- Passenger information kiosks, scheduling technology, and weather information systems;
- Fuel, oil and maintenance costs for vehicles;
- Transit employee salaries;
- Marketing and administration of programs to encourage reductions in travel and promote alternative modes such as carpooling, vanpooling, walking, bicycling, and alternative work schedules.
- Marketing to advertise and promote transit service in the service area.

Funds under this program are required to be spend within two years of receipt. The table on the next page shows how the AFL funds have been used since FY2016/17.

The final grant submissions are typically due at the end of January. Staff will revisit this budget with Council before Thanksgiving to validate options for use of funds.

EXPENDITURES

The below table summarizes the Town's previous uses of ALF. It is recommended to continue the trip reduction program and maintenance of the bus stops. It is estimated that the Town will have up to $38,153 for other programs in FY2020 as designated "To be allocated".

PUBLIC TRANSPORTATION Table 1 - Expenditures by CATEGORY						
REVENUE BY SOURCE / USES BY CATEGORY	Budget 2019/20*	Projected 2018/19	Change $	Change %	Actual 2017/18	Actual 2016/17
Beginning fund balance, July 1	$ 15,153	$ 17,570	$ (2,417)	-14%	$ 12,916	$ 16,503
Plus: ALF Revenue	38,000	37,737	263	1%	38,721	37,616
Total Sources	**53,153**	**55,307**	**(2,154)**	**-4%**	**51,637**	**54,119**
Trolley services	-	25,000	(25,000)	-100%	25,200	25,200
Bus stop maintenance	5,000	4,737	263	6%	-	-
Trip reduction	10,000	10,417	(417)	-4%	5,417	2,283
Bus stop refurbish	-	-	-	n/a	3,450	13,720
To be allocated	**38,153**	-	38,153	n/a	-	-
Total Uses	**53,153**	**40,154**	**13,153**	**32%**	**34,067**	**41,203**
Ending fund balance, June 30	**$ -**	**$ 15,153**	**$ (15,307)**	**-100%**	**$ 17,570**	**$ 12,916**

Continuing the Trolley services is an option but is not recommended with this recommended budget. Further information on recommended use(s) of ALF will be brought to Council for discussion before Thanksgiving.

WASTEWATER SERVICES

OFFICE PURPOSE & DESCRIPTION

The Town of Paradise Valley (the "Town") provides Wastewater services to both residential and commercial customers who are connected to the Town owned sewer system (approximately 2,100 accounts). The City of Scottsdale (the "City") operates and maintains the sewer system through an intergovernmental agreement ("IGA") with the Town. The City bills the Town for operation and maintenance of the system. The Town bills its customers directly. Customer bills include a base rate charge and a commodity charge which is based upon winter water consumption.

In fiscal year 2015/16:

- The City revised its fee structure.
- The Town initiated a new IGA with the City
- The Town reviewed the master plan and Wastewater rate study
- The new IGA includes is a five (5) year project to inspect all town pipes and manholes to

In fiscal year 2017/18:

- The Town incorporated the last of two rate changes that Council approved in 2015/16
- The IGA includes the sewer assessment annual payment of $234,000

In fiscal year 2019/20, it is recommended:

- The Town under take system improvements
- Develop a plan and begin repaying the $1,528,638 loan from General Fund

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FUNDING LEVELS

Funding for Wastewater services is primarily from service fees from wastewater customers.

WASTEWATER Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Wastewater service fee	$2,400,000	$2,400,000	-	0%	$2,382,754	$2,465,073
Wastewater buyback	10,000	10,000	-	0%	8,180	6,530
Planned use of fund balance	247,237	-	247,237	n/a	-	-
Transfer in from Impact fees	100,000	216,158	(116,158)	n/a	216,158	370,910
Total Sources	**$2,757,237**	**$2,626,158**	**$ 131,079**	**5%**	**$2,607,092**	**$2,842,513**

* Recommended funding levels

WASTEWATER SERVICES

EXPENDITURES

The 2019/20 recommended budget of $2,757,237 is $131,079 or 5% more than the prior fiscal year. This results primarily from changes in:

Personnel: Personnel expenditures are part of the Town's administrative allocation and includes services from the Town attorney's office, Engineering, Information technology and Finance.

Supplies and services: Supplies and services are status quo from last fiscal year. The exception is the final bond payments in FY2018/19.

Assessments & improvements: The recommended budget continues the $234,200 annual assessment payment and $500,000 for system improvements.

WASTEWATER Table 2 - Expenditures by CATEGORY							
	EXPENDITURES BY CATEGORY	Budget 2019/20*	Budget 2018/19**	Change $	Change %	Projected 2018/19	Actual 2017/18
Total Personnel		**$ 121,146**	**$ 134,030**	**$ (12,884)**	**-10%**	**$ 134,030**	**$ 134,030**
Supplies & Services	Scottsdale service fee	1,720,000	1,682,400	37,600	2%	1,709,943	1,718,885
	Principal	-	211,002	(211,002)	-100%	211,002	370,910
	Interest and bond fees	-	5,156	(5,156)	-100%	5,166	690
	Facilities maintenance	50,000	50,000	-	0%	2,655	7,133
	Professional services	25,000	25,000	-	0%	-	1,242
	Other supplies & services	23,987	3,800	20,187	531%	83,071	1,162
Total Supplies & Services		**1,818,987**	**1,977,358**	**(158,371)**	**-8%**	**2,011,837**	**2,100,022**
Operating contingency		82,904	80,570	2,334	3%	-	-
Assessments & improvements		734,200	434,200	300,000	69%	-	-
Total Uses		**$2,757,237**	**$2,626,158**	**$ 131,079**	**5%**	**$2,145,867**	**$2,234,052**

* Recommended funding levels ** includes amounts in the recommended budget amendments resolution; section 4

WASTEWATER SERVICES

ITEMS (DETAIL)

WASTEWATER Table 3 - Line item revenues and expenses

WASTEWATER		2017/18	2018/19 Adopted			2019/20 Recommended		
GL	Account Title	Prior Year Actual	Year end Projected	Budget Original	Budget Amended	Budget	Change in Amount	Change in %
55-30-630	SEWER BUYBACK - TOWN	$ 5,565	$ 7,212	$ 10,000	$ 10,000	$ 10,000	$ -	0%
55-30-730	MISCELLANEOUS INCOME	968	968	-	-	-	-	n/a
55-30-881	SERVICE FEE-SCOTTSDALE SYSTEM	2,465,073	2,382,754	2,400,000	2,400,000	2,400,000	-	0%
55-39-991	INTERFUND TRANSFERS	370,910	216,158	216,158	216,158	100,000	(116,158)	-54%
TBD	PLANNED USE OF FUND BALANCE	-	-	-	-	247,237	247,237	n/a
	TOTAL RESOURCES	**2,842,516**	**2,607,091**	**2,626,158**	**2,626,158**	**2,757,237**	**131,079**	**5%**
55-40-215	ELECTRICITY	514	1,019	3,200	3,200	1,500	(1,700)	-53%
55-40-250	BOND ADMINISTRATION	1,100	1,210	1,200	1,200	-	(1,200)	-100%
55-40-310	COUNTY RECORDER SEWER LIENS	-	-	600	600	600	-	0%
55-40-330	GENERAL PROFESSIONAL SERVICES	1,242	-	25,000	25,000	25,000	-	0%
55-40-336	SEWER BILL PROCESSING FEES	-	-	-	-	2,000	2,000	n/a
55-40-337	SEWER MAINTENANCE	7,133	2,655	50,000	50,000	50,000	-	0%
55-40-339	BANK SERVICE CHARGES	-	-	-	-	3,500	3,500	n/a
55-40-341	CREDIT CARD EXPENSE	-		-	-	8,200	8,200	n/a
55-40-541	PROPERTY INSURANCE	-	3,484	-	-	3,587	3,587	n/a
55-40-754	POSTAGE FOR MONTHLY BILLINGS	-		-	-	4,600	4,600	n/a
55-40-850	BAD DEBT EXPENSE	648	500	-	-	-	-	n/a
55-40-990	SEWER SYSTEM IMPROVEMENTS	-	-	-	200,000	500,000		
55-40-943	SEWER SYSTEM ASSESSMENT	-	78,068	-	234,200	234,200	-	0%
55-40-950	AMORTIZE 2009 BOND PREMIUM	(15,419)		-	-	-	-	n/a
55-40-965	INTEREST 2009 MPC BOND	15,009	3,956	3,956	3,956	-	(3,956)	-100%
55-40-966	PRINCIPAL 2009 MPC BOND	370,910	211,002	211,002	211,002	-	(211,002)	-100%
55-40-970	SCOTTSDALE SERVICE FEES	1,718,885	1,709,943	1,682,400	1,682,400	1,720,000	37,600	2%
55-40-980	ADMIN FEE ALLOCATION	134,030	134,030	134,030	134,030	121,146	(12,884)	-10%
55-40-999	OPERATING CONTINGENCY	-	-	80,570	80,570	82,904	2,334	3%
TBD	ASSIGNED TO CIP	-	-	434,200	-	-	-	n/a
TBD	ASSIGNED TO FUTURE YEARS	-	-	-	-	-	-	n/a
	TOTAL USES	**2,234,052**	**2,145,867**	**2,626,158**	**2,626,158**	**2,757,237**	**131,079**	**5%**
	REVENUE OVER / (UNDER) EXPENSES	$ 608,464	$ 461,224	$ -	$ -	$ -	-	n/a

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WASTEWATER IMPACT FEE

OFFICE PURPOSE & DESCRIPTION

The Town of Paradise Valley (the "Town") provides wastewater services to both residential and commercial customers who are connected to the Town owned sewer system (approximately 2,100 accounts). For customers in this service area, payment of an impact fee is required at the time the property is connected to the system. The impact fees are used to repay outstanding debt which was issued to purchase treatment capacity in the City of Scottsdale treatment facilities necessary for the demand of future customers. The Town's impact fee study was updated in fiscal year 2016/17.

The recommended budget reflects a loan from the *Operating fund* that will be repaid through the rate structure. It is not uncommon that a cash shortfall occurs when debt is repaid by impact fees, as infrastructure often has to be in place before the related development occurs, and the fee collected cannot exceed each builder's proportionate share. The loan balance is $1,993,178.

FUNDING LEVELS

Funding for this purpose is receiving Development impact fees and using prior year's fund balance.

WASTEWATER IMPACT FEE Table 1 - Funding by Source

Funding by Source	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Development Impact fees	$ 100,000	$ 220,000	$ (120,000)	-55%	$ 86,331	$ 189,904
Use (Savings) of fund balance	25,000	46,158	(21,158)	-46%	179,827	181,298
Total Sources	**$ 125,000**	**$ 266,158**	**$ (141,158)**	**-53%**	**$ 266,158**	**$ 371,202**

* Recommended funding levels

EXPENDITURES

The 2019/20 recommended budget of $125,000 provides funding to for repayment of loan from the Wastewater Fund and will continue to be part of subsequent year's budgets.

WASTEWATER IMPACT FEE Table 2 - Expenditures by CATEGORY

USES BY CATEGORY	Budget 2019/20*	Budget 2018/19	Change $	Change %	Projected 2018/19	Actual 2017/18
Professional services	$ 25,000	$ 50,000	$ (25,000)	-50%	$ 50,000	$ 63,296
Sewer loan repayment	100,000	216,158	(116,158)	-54%	216,158	307,906
Total Uses	**$ 125,000**	**$ 266,158**	**$ (141,158)**	**-53%**	**$ 266,158**	**$ 371,202**

* Recommended funding levels

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CAPITAL PROJECTS SCHEDULE OF FUNDING

TOWN FUNDED PROJECTS (General fund & Wastewater)		Total Sources	FUNDING New 2020	FUNDING Carry forward
Roadway & Utility Improvements: Lincoln Dr, Mockingbird Ln, Indian Bend Rd	2016-14	$ 2,200,000	$ 800,000	$ 1,400,000
Lincoln Dr Sidewalks	2017-05	120,000	100,000	20,000
Town Hall Optimization-Office Spaces & Entry	2018-12	500,000	200,000	300,000
SRP Denton Ln Underground Conversion	2020-02	160,000	130,000	30,000
Drainage Improvements (various locations)	TBA	300,000	300,000	-
RWC Fiber Connection (Lincoln Dr) - Phase I conduit only	TBA	200,000	200,000	-
Intersection Improvement: 56th St & Doubletree Ranch Rd	TBA	25,000	25,000	-
License Plate Readers Update	TBA	350,000	350,000	-
Lincoln Dr Median Improvements: 32nd St to Tatum Blvd	TBA	750,000	750,000	-
Lincoln Dr Median Improvements: Tatum Blvd to Mockingbird Ln	TBA	750,000	750,000	-
Rd	2019-01	200,000	200,000	-
Telecommunications System Update	2019-04	200,000	200,000	-
Public Works Remodel	2018-01	50,000	-	50,000
CIP Contingencies	2099-99	245,000	245,000	-
CIP Scope & Cost Estimating (various projects)	2099-98	50,000	50,000	-
Town of Paradise Valley Operating Funds		***6,100,000***	***4,300,000***	***1,800,000***
Sewer system assessment	2017-06	234,200	234,200	-
Sewer system improvements	2019-05	500,000	500,000	-
Total Wastewater Enterprise Funds		***734,200***	***734,200***	***-***
TOTAL TOWN FUNDED PROJECTS		**$ 6,834,200**	**$ 5,034,200**	**$ 1,800,000**

PRIVATE ORGANIZATIONS FUNDED PROJECTS (Residents, RITZ AND SRP)	Total Sources	FUNDING New 2020	FUNDING Carry forward
Roadway & Utility Improvements: Lincoln Dr, Mockingbird Ln, Indian Bend Rd	$ 9,115,000	$ 3,800,000	$ 5,315,000
SRP Denton Ln Underground Conversion - Aesthetics	200,000	200,000	-
SRP Denton Ln Underground Conversion - Residents	110,067	-	110,067
TOTAL PRIVATE ORGANIZATION PROJECTS	**$ 9,425,067**	**$ 4,000,000**	**$ 5,425,067**

TOTAL CAPITAL PROJECTS LISTING	**$ 16,259,267**	**$ 9,034,200**	**$ 7,225,067**

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SUPPLEMENTAL INFORMATION

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POLICIES AND MANDATES

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FINANCIAL MANAGEMENT

The most current Financial Management Policies initially appeared in the FY2015/16 adopted budget. Recommended amendments will be reviewed with Council for FY2019/20.

Town of Paradise Valley
FY 2015-16 Budget

FINANCIAL MANAGEMENT POLICIES

OPERATING BUDGET POLICIES

1. Ongoing operating expenditures will be supported by ongoing, stable revenue sources.
2. Revenues will not be dedicated for specific purposes unless required by law or generally accepted accounting practices (GAAP). All non-restricted revenues will be deposited in the General Fund and appropriated by the budget process.
3. The Town shall not rely on a local property tax to pay for its expenditures.
4. The Town's compensation policy shall provide for regular review of salary ranges and include a provision for merit based salary adjustments.
5. Operating expenses will not be funded by debt issuance.
6. Cost recovery fees, where appropriate, may be established to offset the cost of providing specific services, and will be reviewed at least on an annual basis.
7. All non-enterprise user fees and charges will be examined annually to determine the direct and indirect cost of service recovery rate. The acceptable recovery rate and any associated changes to user fees and charges will be approved by the Town Council.
8. Enterprise fund rate structures will be reviewed annually to ensure they are adequate for the funds to remain separately self-supporting, including the costs of operation, capital outlay, debt service, depreciation, and interdepartmental charges for services where practical and appropriate.
9. The Town shall prudently maximize its investment income; generally to be used for expenditures not subject to the State imposed expenditure limitation.
10. Shifts in appropriations within fund and department totals not exceeding $50,000 may be done administratively on the authority of the Town Manager by transferring budgeted funds from one department to another department to avoid contingency fund expenditure. Procedures for appropriations transfers and delegation of budget responsibility will be set by the Town Manager.
11. Shifts within department appropriations between personnel expenditures, expenses, capital leases, and photo radar expenditures may be done administratively on the written authority of the Town Manager.
12. Electronic funds transfer may be used to pay payroll expenditures and employee benefits previously authorized by Council or required by law.

13. Construction sales tax in excess of $0.5 million will be transferred from the operating budget to the CIP fund to provide a dedicated CIP funding.

CAPITAL BUDGET POLICIES

1. A five-year capital improvement plan shall be prepared and updated each year.
2. The five-year capital improvement plan will be developed within the constraints of the Town's ability to finance improvements. Therefore, the CIP shall differentiate between those projects which will be financed from designated, recurring revenues and those which will be financed from the future capital project fund.
3. Operating costs to maintain capital improvements and additional resource needs will be estimated and identified as part of the capital project review process.
4. The Town Council shall designate revenue sources for financing recurring capital improvement projects such as street resurfacing. These revenue sources will be available to finance such projects on an ongoing basis.
5. A separate capital project fund shall be created. All funds accumulated in this fund shall be used exclusively for capital projects, but only after specific authorization by the Town Council.
6. Project appropriations and amendments shall be consistent with the capital improvement plan and must be approved by the Town Council.
7. Construction sales tax in excess of $0.5 million will be transferred from the operating budget to the CIP fund to provide a dedicated CIP funding.

CONTINGENCY AND RESERVE POLICIES

1. The following adopted budgets shall contain an operating contingency: General, Highway User Revenue, Alarm, Fire/EMS, and Wastewater Operating Funds. It shall be an amount of no less than 1% of the adopted budget total, but no more than 3% of the adopted budget total. The operating contingency account shall be funded from current revenues, just as any other planned operating expenses. Contingency appropriations supported by current revenues which are less than $25,000 do not require Town Council approval. All uses of contingency appropriations not supported by current revenues must be approved by the Town Council.
2. A reserve equal to at least 90%, but not more than 110%, of the annual operating budget (General and HURF funds) operating expenditures will be maintained. The amount will be calculated using the budgeted expenses for the following year. The reserve is to be used for unforeseen emergencies, such as a significant loss of revenues or catastrophic impacts on the Town. At the time the Town Council approves the use of the reserve below 90%, it will also identify the time period over which the reserve will be replenished.
3. The Town desires to develop new reserve policies for major liabilities such as employee healthcare and risk management.
4. The Town desires to develop new sinking funds to accumulate funds for the replacement of major Town assets such as streets, facilities, vehicles, major equipment and technology.

FINANCIAL MANAGEMENT

5. Reserves equal to a minimum of 90 days of operating expenses will be maintained for the following funds: Alarm, Fire/EMS, and Wastewater Operations. The amount will be calculated using the budgeted operating expenses for the following year and will be used for revenue stabilization and major repairs.

6. The Contingency Fund is intended to create budget authority for the Town's remaining spending authority under the State of Arizona's Annual Expenditure Limit. Use of this authority requires approval of the Town Council.

7. All fund reserves will be evaluated annually for long-term adequacy and use requirements in conjunction with development of the Town's five-year financial plan.

DEBT SERVICE POLICIES

1. Long-term debt shall not exceed the Town's resources for repaying the debt.

2. Capital lease purchasing shall generally be used for financing capital equipment and land purchases and building improvements to remove the expenditures from the State imposed expenditure limitation.

3. Bond issuance shall be limited to capital improvement projects too large to be financed from current revenues, or too large to be included in the State imposed expenditure limitation.

4. Long-term debt payment schedules shall not exceed the expected useful life of the project.

FINANCIAL REPORTING POLICIES

1. The Town's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, generally accepted accounting principles (GAAP) and standards of Government Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA).

2. A budgetary control system will be maintained to ensure compliance with the budget. Monthly reports will be distributed to the Town Manager and Departments for management of the budget. Quarterly reports will be prepared for Council for review.

3. Financial systems will maintain internal controls to monitor revenues, expenditures, and program performance on an ongoing basis.

4. An annual audit will be performed by an independent public accounting firm, with an audit opinion to be included with the Town's published Comprehensive Annual Financial Report (CAFR).

5. The Town's CAFR will be submitted to the GFOA Certification of Achievement for Excellence in Financial Reporting Program. The financial report should be in conformity with GAAP, demonstrate compliance with finance related legal and contractual provisions, disclose thoroughness and detail sufficiency, and minimize ambiguities and potentials for misleading inference.

▶PUBLIC SAFTEY RETIREMENT◀

In fiscal year 2017, Council approved a resolution establishing paying the PSPRS unfunded liability as a budget priority for subsequent fiscal years.

RESOLUTION NUMBER 2016-19

A RESOLUTION OF THE TOWN OF PARADISE VALLEY, ARIZONA, DECLARING THE EXPEDIENT RESOLUTION OF THE PUBLIC SAFETY PERSONNEL RETIREMENT SYSTEM (PSPRS) UNFUNDED LIABILITY A PRIORITY;

WHEREAS, the Town has a PSPRS unfunded liability exceeding $18 million; and

WHEREAS, the Town is assessed an 8% annual fee on any outstanding balance; and

WHEREAS, the State Legislature amended state law to correct the structural issues which would generate future increases to the unfunded liability; and

WHEREAS, the Town Council has established a Council goal of a long term balanced budget;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA THAT:

The expedient resolution of the PSPRS unfunded liability is a Council priority. It is the Council's intent to pay off the liability as quickly as reasonably possible. The Town will plan through its budgeting processes to pay the unfunded liability over a three-year period in an effort to avoid significant future assessment costs. Each year the Town will revisit the schedule to ensure that current revenues are sufficient to allow for the continuation of the aggressive payment schedule.

PASSED AND ADOPTED by the Town Council this 13th day of October 2016.

Michael Collins, Mayor

ATTEST:

Duncan Miller

Duncan Miller, Town Clerk

APPROVED AS TO FORM

Andrew M. Miller, Town Attorney

STRATEGIC INITIATIVES

The purpose of this section is to communicate the Town's strategic long and short-term strategic initiatives, goals and directives.

The Town's Vision, Mission, Values and Strategic initiatives were Council approved by Resolution 1195 on July 9, 2009. A work plan was discussed at the Council Retreat on February 25, 2019. The current strategic goals were set at a Council policy retreat on February 25, 2019. This annual budget supports and reaffirms this direction; and serves as identifying the Town's work plan and service level expectations for the fiscal year 2019/20.

VISION:

The Town of Paradise Valley makes every effort to enhance the community's unique character for its residents and people from around the world.

MISSION:

The Town of Paradise Valley provides high quality public services to a community which values limited government.

VALUES:

- Professionalism;
- High quality customer service;
- Teamwork;
- Respect;
- Accountability;
- Transparency; and
- Respect for Town Heritage.

STRATEGIC INITIATIVES:

- Diligently preserve the special character of Paradise Valley by enforcing the land use policies identified in the Town's General Plan, Town Codes and SUP agreements
- Continuously provide high quality public safety services for Town residents and visitors
- Regularly invest in public facility and infrastructure projects
- Conscientiously manage the Town's financial resources
- Consistently identify opportunities to create and promote a more sustainable community

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SUPPLEMENTAL SCHEDULES

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SCHEDULE OF CHANGES

FROM RECOMMENDED TO ADOPTED BUDGET

GENERAL & HURF FUNDS

Additions:

1. Add both revenue and expenditures of $50,000 to PD overtime for DUI ($25k) and STEP (25K) programs in patrol. This program is expenditure limitation exempt.

Reductions:

2. Reduce 3rd party plan review and inspection costs of $40,200 ($3,350 per month); services covered by recommended new position.

CAPITAL PROJECTS

3. Town Funded:
   a. {for future use}

4. Not Town funded:
   a. {for future use}

GRANTS AND DONATIONS

5. {for future use}

ENTERPRISES

6. {for future use}

CLASSIFICATIONS

POSITION CLASSIFICATION SCHEDULE FY2018/19

#	Job Class Title	Range	Minimum	Midpoint	Maximum
1	Court Clerk	A13	$ 35,783	$ 43,130	$ 50,477
2	Postal Clerk	A13	35,783	43,130	50,477
3	Administrative Support Specialist	B21	38,371	46,631	54,892
4	Planning & Building Clerk	B21	36,380	44,211	52,044
5	Senior Postal Clerk	B21	38,371	46,631	54,892
6	Lead Planning & Building Clerk	B22	40,671	49,546	58,423
7	Public Works Technician	B22	40,671	49,546	58,423
8	Senior Administrative Support Specialist	B22	40,671	49,546	58,423
9	Senior Court Services Specialist	B22	40,671	49,546	58,423
10	Traffic Sign Technician	B22	40,671	49,546	58,423
11	Alarm Analyst	B23	43,257	52,605	61,955
12	Photo Enforcement Technician	B23	43,257	52,605	61,955
13	Legal Support Specialist	B23	43,257	52,605	61,955
14	Police Administrative Assistant	B23	43,257	52,605	61,955
15	Police Dispatcher	B23	43,257	52,605	61,955
16	Building Maintenance Technician	B24	45,558	55,522	65,487
17	Code Compliance Officer	B24	45,558	55,522	65,487
18	Public Safety Systems Analyst	B24	45,558	55,522	65,487
19	Lead Administrative Support Specialist	B25	49,294	60,039	70,784
20	Lead Building Maintenance Technician	B25	49,294	60,039	70,784
21	Crime Analyst	B25	49,294	60,039	70,784
22	Lead Fleet Technician	B25	49,294	60,039	70,784
23	Paralegal	B25	49,294	60,039	70,784
24	Lead Police Dispatcher	B25	49,294	60,039	70,784
25	Building and Zoning Inspector	B25	49,294	60,039	70,784
26	Court Services Supervisor	B25	49,294	60,039	70,784
27	Executive Asst to Town Manager/Council	B25	49,294	60,039	70,784
28	Property & Evidence Technician	B25	49,294	60,039	70,784
29	Public Works Supervisor	B26	54,181	66,015	77,848
30	Senior Accountant	B26	54,181	66,015	77,848
30	Information Technology Analyst	C41	56,622	70,400	84,176
31	Management Support Analyst	C41	56,622	70,400	84,176
32	Senior Engineering Technician	C41	56,622	70,400	84,176

CLASSIFICATIONS

POSITION CLASSIFICATION SCHEDULE FY2018/19

#	Job Class Title	Range	Minimum	Midpoint	Maximum
33	Public Works Superintendent	C41	$ 56,622	$ 70,400	$ 84,176
34	Planner	C42	58,922	73,316	87,709
35	Hillside Development Adminstrator	C42	58,922	73,316	87,709
36	Engineering Services Analyst	C42	58,922	73,316	87,709
37	Police Officer	C42	58,922	73,316	87,709
38	Community Resource Officer	C42	58,922	73,316	87,709
39	Capital Projects Administrator	C43	62,164	77,347	92,533
40	Police Corporal	C43	62,164	77,347	92,533
41	Plans Examiner/Building Inspector	C43	62,164	77,347	92,533
42	Plans Examiner/Deputy Fire Marshal	C43	62,164	77,347	92,533
43	Police Sergeant	C45	67,402	83,810	100,217
44	Senior Finance and Budget Analyst	C45	67,402	83,810	100,217
45	Senior IT Analyst/Management Analyst	C45	67,402	83,810	100,217
46	Procurement Coordinator	C45	67,402	83,810	100,217
47	Police Communications Manager	C45	67,402	83,810	100,217
48	Senior Planner	C45	67,402	83,810	100,217
49	Town Clerk/Management Analyst	D61	74,588	94,613	114,640
50	Human Resources Manager	D61	74,588	94,613	114,640
51	Police Lieutenant	D63	80,910	101,173	121,437
52	Prosecutor	D63	80,910	101,173	121,437
53	Building Safety Manager/Fire Marshal	D65	84,848	107,586	130,326
54	Police Commander	D65	84,848	107,586	130,326
55	Deputy Town Attorney	D65	84,848	107,586	130,326
56	Chief Financial Officer	E82	100,886	127,844	154,802
57	Chief Information Officer	E82	100,886	127,844	154,802
58	Community Development Director	E82	100,886	127,844	154,802
59	Municipal Court Director	E82	100,886	127,844	154,802
60	Public Works Director	E82	100,886	127,844	154,802
61	Town Engineer	E82	100,886	127,844	154,802
62	Police Chief	E84	117,673	149,117	180,562
63	Deputy Town Manager	E84	117,673	149,117	180,562
64	Town Attorney	-	Salary Set by Town Council		
65	Town Manager	-	Salary Set by Town Council		

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LEGAL REQUIREMENTS

TENTATIVE

RESOLUTION NUMBER 2019-TBD

A RESOLUTION OF THE TOWN OF PARADISE VALLEY, ARIZONA ADOPTING THE TENTATIVE BUDGET FOR THE FISCAL YEAR 2020

WHEREAS, the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), require cities and towns to make an estimate of the different amounts to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Paradise Valley; and,

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council shall consider said estimates at a public meeting at which any taxpayer is privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and,

WHEREAS, publication must be duly made as required by law, of said estimates, together with a notice that the Town Council will meet on June 13, 2019 at the Office of the Town Council for the purpose of hearing taxpayers and adopting the Final Budget for Fiscal Year 2020.

NOW THEREFORE, BE IT RESOLVED, that the said estimates of revenues, and expenditures shown on the accompanying Exhibits A, C, D, E, F and G are hereby adopted as the tentative budget of the Town of Paradise Valley, establishing the maximum appropriation for the fiscal year 2020 at $TBD.xxx.xxx.

PASSED AND ADOPTED by the affirmative vote of the Paradise Valley Town Council this 23rd day of May 2019.

Jerry Bien-Willner, Mayor

ATTEST:

Duncan Miller, Town Clerk

APPROVED AS TO FORM

Andrew M. Miller, Town Attorney

FINAL

RESOLUTION NUMBER 2019-TBD

A RESOLUTION OF THE TOWN OF PARADISE VALLEY, ARIZONA ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 2020 AND THE 2020-2024 CAPITAL IMPROVEMENT PLAN.

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the Paradise Valley Town Council did, on May 23, 2019 make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of the Town of Paradise Valley; and,

WHEREAS, in accordance with said chapter of said title, and following due public notice, the Council met on June 13, 2019 at which any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies; and,

WHEREAS, it appears that publication has been duly made as required by law, of said estimates, together with a notice that the Town Council would meet on June 13, 2019 at the Office of the Town Council for the purpose of hearing taxpayers and adopting the Final Budget for Fiscal Year 2020.

WHEREAS, the Town's Capital Improvement Program is a 5-year plan that is examined at least annually year and funding for Fiscal Year 2020 was included in the said publication.

NOW THEREFORE, BE IT RESOLVED, that the said estimates of revenues, and expenditures shown on the accompanying Exhibits A, C, D, E, F and G and Capital Improvement Plan as now increased, reduced, or changed by and the same are hereby adopted as the budget of the Town of Paradise Valley for the fiscal year 2020.

PASSED AND ADOPTED by the affirmative vote of the Paradise Valley Town Council this 13th day of June 2019.

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Jerry Bien-Willner, Mayor

ATTEST:

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Duncan Miller, Town Clerk

APPROVED AS TO FORM

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Andrew M. Miller, Town Attorney

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RESOLUTION NUMBER 2019-TBD

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA AMENDING THE FISCAL YEAR 2018-19 ADOPTED BUDGET.

WHEREAS, the Fiscal Year 2018-19 budget was adopted by Resolution 2018-19 on June 14, 2018;

WHEREAS, budget amendments are consistent with Generally Accepted Accounting Principles (GAAP) and recommended budgeted practices;

WHEREAS, the Town of Paradise Valley's Adopted Financial Management Policies requires the approval of the Town Council for the use contingency accounts in excess of $25,000;

WHEREAS, the Town of Paradise Valley's Adopted Financial Management Policies requires the approval of the Town Council for shifts in appropriations within funds and in departments exceeding $50,000;

WHEREAS, the Town of Paradise Valley's Adopted Financial Management Policies require that amendments to the capital improvement fund be approved by the Town Council;

WHEREAS, adjustments do not increase the total budget or enable the Town Council to increase spending in excess of the Adopted Budget;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. Record the FY2018-19 budget amendment of $3,000,000 for payment for the Town's unfunded liability in PSPRS before June 30, 2019. This payment is to be made only if sufficient general fund cash is available, the expenditure limitation is not exceeded, it aligns to the Town's Financial Management policies for construction sales tax and fund balances, and the Town Council has not documented an alternate payment plan that supersedes this action. The use of CIP Contingency is for budget authority and the payment will be made from General Fund..

Description	Current Budget	**Budget Increase**	**Budget Reduction**	Amended Budget
PSPRS part III	-	$ 3,000,000	-	$ 3,000,000
CIP Contingency	$ 2,814,357	-	$ (2,814,357)	-
General fund contingency	1,025,367	-	(185,643)	839,724

Section 2. Record the FY2018-19 budget amendment of $142,856 for completion of the Keim District Asphalt Overlay. This project is not over budget but was strategically delayed at the end of FY2018. The delay was after the FY2019 budget was adopted, and to move forward the project requires budget authority in FY2019 using designated funding carried-over cash from FY2018.

Description	Current Budget	**Budget Increase**	**Budget Reduction**	Amended Budget
Street preservation plan	$ 1,682,586	$ 142,856	-	$ 1,825,442
General fund contingency	839,724	-	$ (142,856)	696,868

Section 3. Record the FY2018-19 budget amendment of $180,000 for information technology hardware due to a provider's billing for FY2017/18 services after the close of the fiscal year ($88,000); and purchase of mandated emergency back-up systems ($92,000).

Description	Current Budget	**Budget Increase**	**Budget Reduction**	Amended Budget
Computure hardware	$ 290,879	$ 180,000	-	$ 470,879
General fund contingency	696,868	-	$ (180,000)	516,868

Section 4. Record the FY2018-19 budget amendment of $434,200 to account for all enterprise activities in the enterprise funds and only report governmental activities in governmental funds; effective FY2019.

Description	Current Budget	**Budget Increase**	**Budget Reduction**	Amended Budget
Sewer: System improvements	$ 15,513,312	$ 200,000	-	$ 15,713,312
Sewer: System assessments	4,274,600	234,200	-	4,508,800
Sewer: Transfers out to CIP fund	434,200	-	$ (434,200)	-
CIP rev: Transfer in from Sewer	434,200	-	(434,200)	-
CIP exp: Sewer system projects	897,142	-	(434,200)	462,942

Section 5. Record the FY2018-19 budget amendment of $23,910 to better allocate public safety (court) costs that have been charged to another General Fund department, but not budgeted for in that department.

Description	Current Budget	Budget Increase	Budget Reduction	Amended Budget
Justice systems annual contract	-	$ 13,130	-	$ 13,130
Internet services	-	2,280	-	2,280
Telephone services	-	7,000	-	7,000
Photocopier contract	-	1,500	-	1,500
General fund contingency	$ 516,868	-	$ (23,910)	492,958

Section 6. Record the FY2018-19 budget amendment of $1,500,000 to defer building permit revenue not expected to be received in FY2019 due to a revenue necessary reclassification while closing FY2018, but after the FY2019 budget was adopted. This shortfall is offset by other revenues that are expected to exceed their budget estimates.

Description	Current Budget	Budget Increase	Budget Reduction	Amended Budget
Transaction privilege tax	$ 15,513,312	$ 200,000	-	$ 15,713,312
Occupancy tax	4,274,600	300,000	-	4,574,600
State shared income tax	1,703,256	45,000	-	1,748,256
State shared sales tax	1,277,675	60,000	-	1,337,675
State shared HURF	897,142	35,000	-	932,142
Court technology fee	635,000	100,000	-	735,000
Franchise fee	139,000	90,000	-	229,000
Interest earnings	100,000	650,000	-	750,000
Hauling permit	75,000	20,000	-	95,000
Building permits	2,399,100	-	$ (1,500,000)	899,100

Section 7. Record the FY2018-19 budget amendment of $132,000 for post office operations to align post office's budget with the first full fiscal year under the new business structure that includes all stamp purchased by the Town are fully offset with sales revenue.

Description	Current Budget	Budget Increase	Budget Reduction	Amended Budget
Post office - card processing	$ 5,000	$ 2,000	-	$ 7,000
Post office - stamp inventory	-	130,000	-	130,000
General fund contingency	492,958	-	$ (132,000)	360,958

PASSED, ADOPTED AND APPROVED by the Town Council of the Town of Paradise Valley this 13th day of June, 2019.

TOWN OF PARADISE VALLEY
a municipal corporation

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Jerry Bien-Willner, Mayor

APPROVED AS TO FORM:

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Andrew M. Miller, Town Attorney

ATTEST:

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Duncan Miller, Town Clerk

GLOSSARY

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FUND DESCRIPTIONS

This section to intended to familiarize readers with the fund-types and specific funds used by the Town to account for the public resources. A fund is a self-balancing set of accounts recording cash and other financial resources with related liabilities and equities or balances that are segregated for the purpose of carrying on specific activities or attaining certain objections in accordance with special regulations, restrictions or limitations. The Town uses the same basis of accounting for budget as is used in the annual audited financial statements.

▶ GOVERNMENTAL FUNDS:

Governmental-type funds are used to account for all of the Town's expendable financial resources. The accounting basis is "modified accrual" that has a measurement focus is on determination of financial position rather than determination of income like a business. Revenues are recognized when they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period (60 days from the end of the accounting period). Expenditures generally are recorded when a liability is incurred except expenditures related to compensated absences and claims and judgements, which are recorded only when payment is due.

▶ GENERAL FUND:

The general fund is the primary operating fund. It accounts for all financial resources of the Town, except for those that are required, either by rule of statute or Generally Accepted Accounting Principles (GAAP), to be accounted for elsewhere, or chosen to do so for internal tracking purposes.

▶ SPECIAL REVENUE FUND:

Special revenue funds account for unique revenue sources that are legally restricted by statute, ordinance, or other specific requirements to finance specific functions or activities.

- Highway User Revenue Fund ("HURF") – The HURF accounts form the Town's share of restricted motor fuel tax revenues designated for highway construction, improvements and other related expenditures.
- Court Enhancement Fund column – For reporting purposes "The Court Enhancement Fund" column combines three Municipal Court funds: The Court enhancement fund that accounts for court funds from a fee imposed on all adjudicated citations in the Town to improve the Town's court system. This fund also reports state funding sources "Judicial Collection Enhancement Fund' (JCEF) and "Fill the Gap" that is used for court enhancements. Further information on these three funds can be found on the next page.
- Arizona Lottery Fund ("ALF") – The ALF (also known as the "old LTAF") is a state shared revenue that is specifically designated for public transportation services.
- Police grants and donations is a restricted fund to account for various police grants and other donations.

FUND DESCRIPTIONS

▶ GOVERNMENTAL FUNDS: (continued)

▶ SPECIAL REVENUE FUND:

- **Court Enhancement Fund** is used to administer the $30 fee applied to all fines, penalties or sanctions imposed by the Paradise Valley Municipal Court per Town Code 12-4-3. This fee shall be used exclusively to enhance the staffing, technology, security or facilities of the Municipal Court.

- **Local Judicial Collection Enhancement Fund (JCEF)** is used to administer funds received from the Supreme Court to aid courts in improving court operations per Arizona Revised Statute § 12-113 and Arizona Code of Judicial Conduct § 5-102. Monies are derived from the mandatory Time Payment Fee imposed on all fines, penalties or sanctions not paid in full on the date of imposition.

  $7 of the $20 Time Payment Fee shall be kept by the court imposing the fee to be used by the court to improve, maintain and enhance the ability to collect and manage monies assessed or received by the courts, to improve court automation and to improve case processing or the administration of justice. Funds are not be used to supplant but rather supplement court budgets.

  The court or funding authority shall not use JCEF funds to pay county or city administrative costs for services associated with receipt of those funds. Administrative costs include but are not limited to: accounting, payroll, data processing, purchasing, personnel and building use.

  For amounts over $2,500, the municipal court must submit a plan to the Supreme Court and must be approved by the Supreme Court before the municipal court begins to spend these allocated monies.

- **Municipal Court Fill the Gap (MFTG)** is used to administer funds received from Supreme Court to aid courts in improving court operations per Arizona Revised Statute § 41-2421K and Arizona Code of Judicial Conduct § 5-107. The municipal court shall use monies received to improve, maintain and enhance the ability to collect and manage monies assessed or received by the court, to improve court automation and to improve case processing or the administration of justice. The municipal court shall submit a plan to the Supreme Court and the Supreme Court shall approve the plan before the municipal court begins to spend these allocated monies.

  Monies are derived from the 7% Fill the Gap (FTG) state surcharge imposed on fines, penalties or sanctions. Courts receive a 14.29% allocation of this assessment. Funds are not to be used to supplant but rather supplement court budgets.

▶ GOVERNMENTAL FUNDS: (concluded)

▶ DEBT SERVICE FUND:

Debt service funds are used to account for the resources that are accumulated for the payment of interest, principal, and related costs on general long-term debt, special assessments, and capital leases. This fund type is not used to account for the outstanding debt itself; which is maintained in the government-wide statements.

The Town has two debt services funds:

- The Paradise Valley Municipal Property Corporation ("PVMPC") – the PVMPC issued long-term debt, for the construction of two fire stations and additional wastewater capacity. These bonds were subsequently refinanced in 2009 and fully matured in 2019.

- 2016 excise tax obligations – the Town issued excise obligations in 2016 to finance the various capital projections, primarily the Public safety tower and street improvements.

▶ CAPITAL PROJECTS FUND:

Capital project funds account for the acquisition and construction of major capital activities. This account reports all capital projects in aggregate but does tract the inflow and outflow of each individual project under the Capital Projects Plan. These funds have similar imposed restrictions of the Special Revenue Funds, but due to their capital nature are accounted for as Capital Project Funds.

▶ PROPRIETARY FUNDS:

Proprietary funds (*often referred to as "**Enterprise**" funds*) are entirely or predominantly self-supporting. These funds account for government services that are rendered to the public on a fee basis, which resembles the private sector. The accounting basis is full "accrual" that has a measurement focus is on determination of income and financial position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The Town of Paradise Valley utilizes four (4) Enterprise funds for the following services:

- Alarm;
- Fire;
- Wastewater; and
- Wastewater impact fees

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TERMS AND DEFINITIONS

▶ PURPOSE: This section is intended to better familiarize the readers of this document with various terms and appropriate definitions of terms that are both important and commonly used in understanding governmental budgets.

Accrual: A method of recognizing the financial effect of transactions and activities when they "occur", rather than when cash is exchanged.

Actual vs. Budgeted: Difference between what was projected (budgeted) in revenues or expenditures at the beginning of the fiscal year and the actual receipts or expenses which are incurred by the end of the fiscal year

Adopted Budget: The final budget authorized by Town Council, enacted subsequent to a public hearing on the Tentative Budget.

Amended Budget: Subsequent to the approval of the Adopted Budget, the Town Council may make changes to the budget; the budget which includes all of the approved amendments is known as the Amended Budget.

Appropriation: An authorization made by the Town Council which permits the town to incur obligations to make expenditures for specific purposes

Asset: A resource owned or held by a government which has monetary value

Balanced Budget: Ensures that the use of resources for operating purposes does not exceed available operating resources over the course of the budget year.

Benchmark: A specific target or standard to be achieved.

Benchmarking: A continuous process of collecting information or benchmarks for assessing performance.

Bonds: A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date in the future (called the maturity date), together with periodic interest at a specific rate.

Budget: A work and financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

Budgetary Control: The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues

Capital Budget (Expenditures): Budget consisting of the five-year Capital Improvement Program ("CIP") and operational capital outlay needs for the current fiscal year that meets the Town's capitalization thresholds of a capital asset or a CIP project.

TERMS AND DEFINITIONS

Capital Improvement Program: A comprehensive five-year plan of capital projects which identifies priorities as to need, method of financing, and project cost and revenues; a guide for identifying current and future fiscal year requirements which becomes the basis for determining the annual capital budget

Capital Projects Fund: Used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary and Trust Funds

Contingency: Budgetary appropriation reserved for emergency or unanticipated expenditures

Customer: Refers to users of Town services. Also refers to those paying for Town services (generally taxpayers). For Town departments whose function is to provide services to other Town departments, the "customer" is the department using the service.

Debt Service: The cost of paying principal and interest on borrowed money according to a predetermined payment schedule

Debt Service Fund: A fund established to account for the accumulation of resources for and the payment of general long-term debt principal and interest

Deficit: An excess of expenditures over revenues

Department: The basic organizational unit of government which is functionally unique in its delivery of services

Employee (or Fringe) Benefits: Contributions made by a government to meet commitments or obligations for employee benefits, including the government's share of costs for Social Security and the various pension and insurance plans

Encumbrance: The legal commitment of appropriated funds to purchase an item or service which sets aside or commit funds for a specified future expenditure

Enterprise Funds: Used to account for operations including debt service (a) that are financed and operated in a manner similar to private businesses - where the intent of the government body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis is financed or recovered primarily through user charges; or (b) where the governing body has determined that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes

Estimated Revenue: The amount of projected revenue expected to be collected during the fiscal year

Expenditure Limitation: The State of Arizona-imposed constitutional and statutory limitation on annual expenditures of all municipalities set by the Economic Estimates Commission based on population growth and inflation

Expenditure/Expense: The outflow of funds paid for an asset obtained or goods and services acquired

TERMS AND DEFINITIONS

Fiscal Policy: A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

Fiscal Year: A twelve-month operating period designated as July 1 through June 30 for accounting and budgeting purposes in the Town of Paradise Valley

Fixed Assets: Assets of long-term character that are intended to continue to be held or used, such as land, building, machinery, furniture, and other equipment

Franchise Fee: A fee (or tax) on utility companies such as gas and electric companies for their use of town rights-of-way, based on a percentage of their gross receipts

Fund: A set of inter-related accounts to record revenues and expenditures associated with a specific purpose, including Governmental (General, Special Revenue, Capital and Debt Service Funds), Fiduciary (Trust), and Proprietary (Enterprise) Funds

Fund Balance: The cumulative difference between revenues and expenditures with the ending fund balance of one fiscal year carried forward as the beginning fund balance of the next

General Fund: The general operating fund of the town used to account for all activities of the town not specifically accounted for in another fund

Goal: A statement of broad direction, purpose or intent based on the needs of the Town's customers.

Governmental Revenue: The revenues of a government other than those derived from and retained in an Enterprise Fund

General Obligation Bond: Bonds backed by the full faith, credit and taxing power of the issuing government that finance a variety of public projects such as streets, buildings, and improvements; repayment is usually made from secondary property taxes

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards and guidelines to financial accounting and reporting which govern the form and content of the basic financial statements of an entity and encompass the conventions, rules, and procedures necessary to define the accepted accounting practices at a particular time, including both broad guidelines of general application and detailed practices and procedures

Grant: A contribution by a government or other organization to support a particular function; may be classified as either operational or capital depending upon the nature of the grant

Highway User Revenue Fund: Special Revenue Fund that accounts for transportation related revenue and expenditures associated to the construction or maintenance of town streets consisting of state taxes collected on gasoline and a number of other additional transportation related fees; must be used for street and highway purposes

TERMS AND DEFINITIONS

Infrastructure: Physical assets of a government (e.g., streets, water, sewer, public buildings, and parks)

Lease-Purchase Agreement: Contractual agreement by which capital outlay may be purchased by making annual lease payments

Line-Item Budget: Budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately along with the dollar amount budgeted for each specified category

Local Transportation Assistance Fund: intergovernmental state shared revenue generated by the state lottery and distributed is based on population; must be used for public transportation

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance

Maturity Date: The date by which long-term debt will be paid off

Mission: A succinct statement describing an organizational unit's purpose, identifying the value that entity adds to the quality of life or level of service available throughout Paradise Valley.

Municipal Property Corporation: A non-profit corporation with the main purpose of providing a financing alternative by issuing bonds to fund the cost of acquiring, constructing, reconstructing, and improving various municipal properties and buildings suitable for use by and for leasing to the town; MPC bonds do not require voter approval and are not considered debt to the municipality

Recommended Budget: The budget proposal submitted annually to the Town Council, containing the specific recommendations of the Town Manager.

Revenue: Money received as income. It includes, but not limited to, such items as tax payments, fees for specific services, receipts from other governments, fines, and interest income.

Special Revenue Fund: Fund for monies legally restricted to expenditures for specific purposes, including the Highway User Fund, the Donations Fund, and various grant funds

State Forms: Used to identify forms provided by the State on which counties, cities and counties, and school districts report required information relative to its adoption of an annual budget.

Supplies and Services: A group of related accounts identifying a department's expenditures for products and services necessary for meeting operating needs, not including capital outlay, debt service, or payroll related costs.

Tentative Budget: The annual preliminary budget voted upon by Town Council which, after a public hearing, is the basis for the Council's final action to adopt an annual Town Budget.

Unearned Revenue: A liability for resources that the Town receives before it can be classified as revenue; typically, an advance from a grant.