

BUDGET 2020: TENTATIVE BUDGET RESOLUTION 2019-05



May 23rd, 2019

Resolution 2019-05: Adopting the Tentative Budget

RESOLUTION NUMBER 2019-05

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 \$68,331,196.

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



Schedule A: Summary

TOWN OF PARADISE VALLEY Summary Schedule of Estimated Revenues and Expenditures/Expenses Fiscal Year 2020									
Fiscal Year	Source	FUNDS							Total All Funds
		General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds	Internal Service Funds	
2019 Adopted/Adjusted Budgeted Expenditures/Expenses*	E	30,453,582	3,656,999	1,257,673	13,854,120	0	6,172,126	0	55,394,500
2019 Actual Expenditures/Expenses**	E	23,554,612	3,516,424	1,257,673	4,713,713	0	5,518,611	0	38,561,033
2020 Fund Balance/Net Position at July 1***		4,909,110	200,925	467,697	4,197,400		392,284	0	10,167,416
2020 Primary Property Tax Levy	B	0							0
2020 Secondary Property Tax Levy	B								0
2020 Estimated Revenues Other than Property Taxes	C	32,397,480	1,623,400	0	4,000,000	0	5,837,000	0	43,857,880
2020 Other Financing Sources	D	12,000,000	0	0	0	0	0	0	12,000,000
2020 Other Financing (Uses)	D	0	0	0	0	0	0	0	0
2020 Interfund Transfers In	D	1,500,000	2,085,113	1,455,244	4,300,000	0	100,000	0	9,440,357
2020 Interfund Transfers (Out)	D	(7,840,357)	0	0	(1,500,000)	0	(100,000)	0	(9,440,357)
2020 Reduction for Amounts Not Available:									
LESS: Amounts for Future Debt Retirement:									0
									0
									0
									0
2020 Total Financial Resources Available		58,646,947	3,909,438	1,922,941	13,997,400	0	6,429,284	0	84,906,010
2020 Budgeted Expenditures/Expenses	E	39,956,160	3,782,879	2,764,614	15,525,067	0	6,302,476	0	68,331,196

EXPENDITURE LIMITATION COMPARISON		2019	2020
1. Budgeted expenditures/expenses		\$ 55,394,500	\$ 68,331,196
2. Add/subtract: estimated net reconciling items		(356,492)	(10,220)
3. Budgeted expenditures/expenses adjusted for reconciling items		55,038,008	68,320,976
4. Less: estimated exclusions		14,152,842	26,124,394
5. Amount subject to the expenditure limitation		\$ 40,885,166	\$ 42,196,582
6. EEC expenditure limitation		\$ 40,907,550	\$ 42,196,582

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

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.
 ** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.
 *** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

SCHEDULE A



Schedule C: Revenue



TOWN OF PARADISE VALLEY Revenues Other Than Property Taxes Fiscal Year 2020

SOURCE OF REVENUES	ESTIMATED REVENUES 2019	ACTUAL REVENUES* 2019	ESTIMATED REVENUES 2020
GENERAL FUND			
Local taxes			
Transaction privilege (sales) tax	\$ 15,713,312	\$ 15,727,000	\$ 15,880,000
Occupancy (bed) tax	4,574,800	4,443,281	4,623,500
Franchise (fee) tax	1,289,380	1,254,849	1,275,380
Licenses and permits			
Building permits	889,100	900,432	919,440
In house plan review	695,000	711,812	700,000
Hillside application	150,000	145,892	150,000
All other licenses and permits	515,000	712,541	605,600
Intergovernmental			
State shared income tax	1,807,232	1,807,858	1,891,800
State shared sales tax	1,484,721	1,487,842	1,502,000
Auto lieu tax	622,959	624,295	652,640
All other intergovernmental	45,000	62,859	63,000
Fines and forfeits			
Court collected fines	1,921,120	1,920,403	1,921,120
PD technology fee	735,000	744,241	745,000
Public safety fee	105,000	107,054	107,000
All other fines and forfeits	64,000	97,006	81,000
Interest on investments			
Interest income	750,000	751,251	760,000
Miscellaneous			
Rents and royalties	98,000	97,038	70,000
Charges for services	350,000	360,883	370,000
Contributions and donations	77,000	97,905	100,000
Total General Fund	\$ 31,876,415	\$ 32,054,342	\$ 32,397,480

SCHEDULE C

TOWN OF PARADISE VALLEY Revenues Other Than Property Taxes Fiscal Year 2020

SOURCE OF REVENUES	ESTIMATED REVENUES 2019	ACTUAL REVENUES* 2019	ESTIMATED REVENUES 2020
SPECIAL REVENUE FUNDS			
Highway user revenue fund (HURF)	\$ 952,768	\$ 953,225	\$ 968,600
Total HURF	\$ 952,768	\$ 953,225	\$ 968,600
Court enhancement	\$ 251,538	\$ 132,778	\$ 425,000
Court JCEF and Fill the Gap	2,500	2,500	11,500
Total Court	\$ 254,038	\$ 135,278	\$ 436,500
Police grants and donations	\$ 73,500	\$ 63,349	\$ 180,000
Transportation grants	37,737	38,721	38,000
Total Police and other grants	\$ 111,237	\$ 102,070	\$ 218,000
Total Special Revenue Funds	\$ 1,318,043	\$ 1,190,573	\$ 1,623,400
CAPITAL PROJECTS FUNDS			
Ritz projects	\$ 5,315,000	\$ 5,315,000	\$ 3,800,000
SRP Aesthetics	645,000	645,000	200,000
Residents of Paradise Valley	303,178	110,087	110,087
Total Capital Projects Funds	\$ 6,263,178	\$ 6,070,087	\$ 4,000,000
ENTERPRISE FUNDS			
Fees for services	\$ 185,000	\$ 182,291	\$ 185,000
Total Alarm Services Fund	\$ 185,000	\$ 182,291	\$ 185,000
Fees for services	\$ 285,000	\$ 2,849,878	\$ 2,850,000
IGA fee	245,000	245,000	245,000
Rents and reimbursements	51,000	45,123	47,000
Total Fire Services Fund	\$ 581,000	\$ 3,139,801	\$ 3,142,000
Fees for services	\$ 2,400,000	\$ 2,382,754	\$ 2,400,000
Buy back and miscellaneous	10,000	8,180	10,000
Total Wastewater Utility Fund	\$ 2,410,000	\$ 2,390,934	\$ 2,410,000
Impact fee	\$ 220,000	\$ 86,331	\$ 100,000
Total Wastewater Impact Fee Fund	\$ 220,000	\$ 86,331	\$ 100,000
Total Wastewater Impact Fee Fund	\$ 3,396,000	\$ 5,799,357	\$ 5,837,000
TOTAL ALL FUNDS	\$ 42,853,634	\$ 45,114,339	\$ 43,857,880

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

SCHEDULE C

Schedule D: Other Financing and Transfers

TOWN OF PARADISE VALLEY Other Financing Sources/Uses and Interfund Transfers Fiscal Year 2020				
FUND	OTHER FINANCING 2020		INTERFUND TRANSFERS 2020	
	SOURCES	USES	IN	OUT
GENERAL FUND				
Highway user revenue fund (HURF)	\$	\$	\$	\$ (2,085,113)
Capital improvement plan (CIP)			1,500,000	(4,300,000)
Debt service fund				(1,455,244)
Fire services fund				
Excise tax obligations proceeds	12,000,000			
Total General Fund	\$ 12,000,000	\$	\$ 1,500,000	\$ (7,840,357)
SPECIAL REVENUE FUNDS				
HURF from General fund	\$	\$	\$ 2,085,113	\$
Total Special Revenue Funds	\$	\$	\$ 2,085,113	\$
DEBT SERVICE FUNDS				
Debt service from General fund	\$	\$	\$ 1,455,244	\$
Total Debt Service Funds	\$	\$	\$ 1,455,244	\$
CAPITAL PROJECTS FUNDS				
General fund	\$	\$	\$ 4,300,000	\$ (1,500,000)
Total Capital Projects Funds	\$	\$	\$ 4,300,000	\$ (1,500,000)
ENTERPRISE FUNDS				
Wastewater	\$	\$	\$ 100,000	\$
Impact fees	\$	\$	\$	\$ (100,000)
Total Enterprise Funds	\$	\$	\$ 100,000	\$ (100,000)
TOTAL ALL FUNDS	\$ 12,000,000	\$	\$ 9,440,357	\$ (9,440,357)

SCHEDULE D



Schedule E: Expenditures / Expenses by Fund

TOWN OF PARADISE VALLEY Expenditures/Expenses by Fund Fiscal Year 2020				
FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2019	ACTUAL EXPENDITURES/ EXPENSES* 2019	BUDGETED EXPENDITURES/ EXPENSES 2020
GENERAL FUND				
Community development	\$ 1,698,626	\$ (264,281)	\$ 1,340,469	\$ 1,391,597
Engineering	737,805	12,794	811,313	726,544
Finance	570,252	11,551	513,422	653,905
Information technology	1,711,521	185,808	1,895,648	1,778,508
Mayor, Council, Boards & Commissions	182,200		172,487	187,720
Public works	850,510	4,929	854,991	855,255
Tourism promotion	1,514,011		1,514,011	1,817,302
Town Attorney's office	500,048	4,369	561,067	683,799
Town Manager's office	1,015,822	523,486	1,497,548	1,630,490
Municipal court	789,833	28,911	770,935	850,080
Police Department	5,956,067	5,193,578	13,852,128	14,047,052
Operating contingency	1,520,367	(1,048,810)		1,753,536
Assigned for future years	1,570,183			6,470,210
Personnel liability	6,004,000	27,000,000		7,000,000
Total General Fund	\$ 27,806,245	\$ 2,647,337	\$ 23,554,812	\$ 30,696,159
SPECIAL REVENUE FUNDS				
Court enhancement	\$ 251,538		\$ 132,778	\$ 684,213
Court grants	2,500			11,500
Grants and donations	182,184	68,684	87,418	233,153
Highway user revenue (roads)	3,125,154	565,707	3,286,250	3,054,015
Total Special Revenue Funds	\$ 3,559,376	\$ 67,071	\$ 3,516,446	\$ 3,982,879
DEBT SERVICE FUNDS				
Debt service fund	\$ 1,257,673		\$ 1,257,673	\$ 2,784,614
Total Debt Service Funds	\$ 1,257,673		\$ 1,257,673	\$ 2,784,614
CAPITAL PROJECTS FUNDS				
Capital improvement program	\$ 17,092,680	\$ (3,178,580)	\$ 4,713,713	\$ 15,525,067
Total Capital Projects Funds	\$ 17,092,680	\$ (3,178,580)	\$ 4,713,713	\$ 15,525,067
ENTERPRISE FUNDS				
Alarm fund	\$ 330,068		\$ 295,665	\$ 185,000
Fire services fund	3,196,000		3,027,070	3,335,250
Wastewater fund	2,161,058	434,200	2,145,667	2,757,237
Wastewater interest fee fund	50,000		50,000	25,000
Total Enterprise Funds	\$ 5,737,126	\$ 434,200	\$ 5,518,311	\$ 6,302,478
TOTAL ALL FUNDS	\$ 55,394,500		\$ 38,961,033	\$ 68,331,106

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



Schedule F: Expenditures / Expenses by Department

TOWN OF PARADISE VALLEY Expenditures/Expenses by Department Fiscal Year 2020				
DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2019	ACTUAL EXPENDITURES/ EXPENSES* 2019	BUDGETED EXPENDITURES/ EXPENSES 2020
Community Development:				
General fund	\$ 1,698,626	\$ (264,281)	\$ 1,340,469	\$ 1,391,597
Enterprises				99,710
Department Total	\$ 1,698,626	\$ (264,281)	\$ 1,340,469	\$ 1,491,307
Engineering:				
General fund	\$ 737,605	\$ 12,798	\$ 611,312	\$ 798,844
Enterprises	34,600		34,600	62,389
Department Total	\$ 772,205	\$ 12,798	\$ 645,912	\$ 861,233
Debt service:				
Debt service fund	\$ 1,257,673		\$ 1,257,673	\$ 2,754,614
Department Total	\$ 1,257,673		\$ 1,257,673	\$ 2,754,614
Finance:				
General fund	\$ 570,852	\$ 11,551	\$ 513,422	\$ 653,905
Enterprise funds	203,400		203,400	107,380
Department Total	\$ 774,252	\$ 11,551	\$ 716,822	\$ 761,285
Information technology:				
General fund	\$ 1,711,521	\$ 185,806	\$ 1,896,646	\$ 1,779,508
Enterprise funds	61,600		61,600	10,631
Department Total	\$ 1,773,121	\$ 185,806	\$ 1,958,246	\$ 1,790,139
Mayor, Council, Boards & Commissions				
General fund	\$ 182,200		\$ 172,487	\$ 197,720
Department Total	\$ 182,200		\$ 172,487	\$ 197,720
Public Works:				
General fund	\$ 860,510	\$ 4,929	\$ 864,591	\$ 862,235
Highway user revenue fund	3,125,754	165,707	3,286,230	3,054,013
Enterprise funds	18,200		18,200	21,028
Department Total	\$ 4,004,464	\$ 170,636	\$ 4,169,021	\$ 3,937,276
Tourism and Public Transit:				
General fund	\$ 1,514,011		\$ 1,514,011	\$ 1,817,302
Grants fund	38,000		34,067	53,153
Department Total	\$ 1,552,011		\$ 1,548,078	\$ 1,870,455
Town Attorney's office:				
General fund	\$ 609,048	\$ 4,399	\$ 561,057	\$ 683,792
Enterprise funds	56,600		56,600	38,105
Department Total	\$ 665,648	\$ 4,399	\$ 617,657	\$ 721,897

SCHEDULE F

TOWN OF PARADISE VALLEY Expenditures/Expenses by Department Fiscal Year 2020				
DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2019	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2019	ACTUAL EXPENDITURES/ EXPENSES* 2019	BUDGETED EXPENDITURES/ EXPENSES 2020
Town Manager's office:				
General fund	\$ 1,075,822	\$ 26,518	\$ 1,095,863	\$ 1,119,801
Post office		496,345	360,683	510,598
Enterprise funds				21,344
Department Total	\$ 1,075,822	\$ 523,466	\$ 1,457,546	\$ 1,651,743
Wastewater services:				
Enterprise funds	\$ 1,761,200	\$ 434,200	\$ 1,795,679	\$ 2,553,187
Impact fees	50,000		50,000	25,000
Debt service	216,158		216,158	
Department Total	\$ 2,027,358	\$ 434,200	\$ 2,061,837	\$ 2,578,187
Contingencies:				
General fund	\$ 1,520,367	\$ (1,049,819)		\$ 1,753,536
Assigned for future years	1,570,193			6,479,310
Public safety pension liability	6,000,000	(2,000,000)		7,000,000
Enterprise funds	232,831			211,401
Department Total	\$ 9,323,381	\$ (3,049,819)		\$ 15,444,147
Capital Improvement Program:				
Capital projects fund	\$ 17,032,680	\$ (3,178,560)	\$ 4,713,713	\$ 15,525,067
Department Total	\$ 17,032,680	\$ (3,178,560)	\$ 4,713,713	\$ 15,525,067
Alarm services:				
Enterprise funds	\$ 52,500		\$ 38,197	\$ 46,330
Department Total	\$ 52,500		\$ 38,197	\$ 46,330
Fire services:				
Enterprise funds	\$ 2,868,137		\$ 2,861,477	\$ 2,987,029
Department Total	\$ 2,868,137		\$ 2,861,477	\$ 2,987,029
Municipal court:				
General fund	\$ 789,633	\$ 25,910	\$ 770,935	\$ 860,980
Court grants	254,038		132,778	475,713
Department Total	\$ 1,043,671	\$ 25,910	\$ 903,713	\$ 1,336,693
Police department:				
General fund	\$ 8,965,057	\$ 5,191,578	\$ 13,852,126	\$ 14,047,032
Grants and donations	142,184	(68,684)	63,349	200,000
Enterprise funds	182,700		182,700	119,042
Department Total	\$ 9,290,951	\$ 5,122,894	\$ 14,098,175	\$ 14,366,074

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

SCHEDULE F



Schedule G: FTEs & Compensation (with Enterprises)

TOWN OF PARADISE VALLEY Full-Time Employees and Personnel Compensation Fiscal Year 2020						
FUND	Full-Time Equivalent (FTE) 2020	Employee Salaries and Hourly Costs 2020	Retirement Costs 2020	Healthcare Costs 2020	Other Benefit Costs 2020	Total Estimated Personnel Compensation 2020
GENERAL FUND	105.5	\$ 8,717,110	\$ 7,528,228	\$ 977,639	\$ 1,352,160	\$ 18,575,137
SPECIAL REVENUE FUNDS						
		\$	\$	\$	\$	\$
Total Special Revenue Funds		\$	\$	\$	\$	\$
DEBT SERVICE FUNDS						
		\$	\$	\$	\$	\$
Total Debt Service Funds		\$	\$	\$	\$	\$
CAPITAL PROJECTS FUNDS						
		\$	\$	\$	\$	\$
Total Capital Projects Funds		\$	\$	\$	\$	\$
ENTERPRISE FUNDS						
		\$	\$	\$	\$	\$
Total Enterprise Funds		\$	\$	\$	\$	\$
TOTAL ALL FUNDS	105.5	\$ 8,717,110	\$ 7,528,228	\$ 977,639	\$ 1,352,160	\$ 18,575,137

SCHEDULE G



RECOMMENDATION:

ADOPT RESOLUTION 2019-05 ADOPTING
THE TENTATIVE BUDGET FOR THE
FISCAL YEAR 2020



May 23rd, 2019