

REVENUE AND EXECUTIVE SUMMARY FY2020/21



May 14th, 2020

APRIL 23 - OPERATING FUND		
DAY 1	Work session	Time
FY2021 Outlook *		0:15
Introduction		
Budget document overview		0:05
Revenue scenerios *		0:10
Reserve balances *		0:05
Funding strategies *		0:05
Operating Fund summary *		0:10
FTEs, PSPRS, Contingencies *		0:10
Central services		
Finance office		0:05
Information technology		0:10
Development		
Planning & Building		0:20
Engineering		0:15
Public works		0:15
Public safety		
Municipal court		0:20
Police department		0:30
Leadership		
Town attorney		0:10
Town manager		0:10
Mayor and Council		0:15
Direction from Council		TBD
ESTIMATED TIME		3:30

Modified April 21, May 8, 2020		
CONSIDERATIONS & ACTIONS		
MAY 28		
DAY 4	Regular Session	
Tentative budget discussion		
Resolution:		
Adopt tentative budget FY2021		
JUNE 11		
DAY 5a	Special Session	
Public hearing & discussion		
Resolution:		
Final budget adoption 2021		
JUNE 11		
DAY 5b	Regular Session	
Tentative Resolutions FY2021:		
Adoption of PSPRS policy		
Adoption of Financial policies		
Adoption of Strategic revenue plan		
Resolutions FY2020:		
Budget amendments 2020		
* information available by April 21st		
** information available by May 12th		

MAY 14 - ALL FUNDS		
DAY 2	Work session	Time
Follow up from Day 1		0:05
Revenue update **		0:10
Executive summary **		0:10
Enterprises		
Alarm		0:05
Fire		0:03
Wastewater		0:03
Other programs		
Public transit & Tourism		0:04
Grants and donations		0:02
Contingencies		0:03
CIP Financing & Debt service		0:10
Capital Improvement Plan**		0:50
Direction from Council		TBD
ESTIMATED TIME		1:45
MAY 28		
DAY 3	Work session	Time
Follow up from Day 1 & 2		0:15
Funding strategies update		0:05
State forms		0:05
Changes to recommended		0:20
Direction from Council		TBD
ESTIMATED TIME		0:45

3 Revenue levels and expenditure priorities are not directly correlated. Revenue levels measure the current economic condition and climate to better monitor and expenditure priorities are based on services levels.

REVENUE REBOUND LEVELS

The Town experienced sharp revenue drops that were abrupt and extremely deep. With the duration for rebound still uncertain, revenues yield caution.

LEVEL I: Based on a worse case scenario based on actual or historical data, like an economic shutdown.

LEVEL II: Current crisis has not materially impacted. Revenues remain steady or a slight reduction. Such as a contract or franchise.

LEVEL III: Presumes the economic activity driving the revenue has not been impacted or the revenue is resuming to FY2019 trends.

The FY2020/21 Strategic Revenue Plan will be less on stress testing revenues and focused on setting tools for monitoring and tracking revenue recovery on a month-to-month basis.

EXPENDITURE PRIORITIES

The FY2021 Recommended department budgets have a built-in mechanism to fluidly transition back to their 2019 service levels as the Town’s revenues rebound.

PRIORITY ONE: Is the base budget, vital, mandated, or primary service(s) that has a direct impact on residents. But not to keep pace with an increase in demands. July1

PRIORITY TWO: Has an impact on Town operations and delivery of service, keeps pace with demands. Oct

PRIORITY THREE: Represents where a department was heading in February ‘20. Poised to resume, but not likely to materialize for all requests in FY2021. Jan-Mar

Going beyond the Town’s stress test, preparations are being made to mitigate if the Town’s overall revenue recovery is an elongated “L-shape” curve leading to necessitating further budget and service reductions.

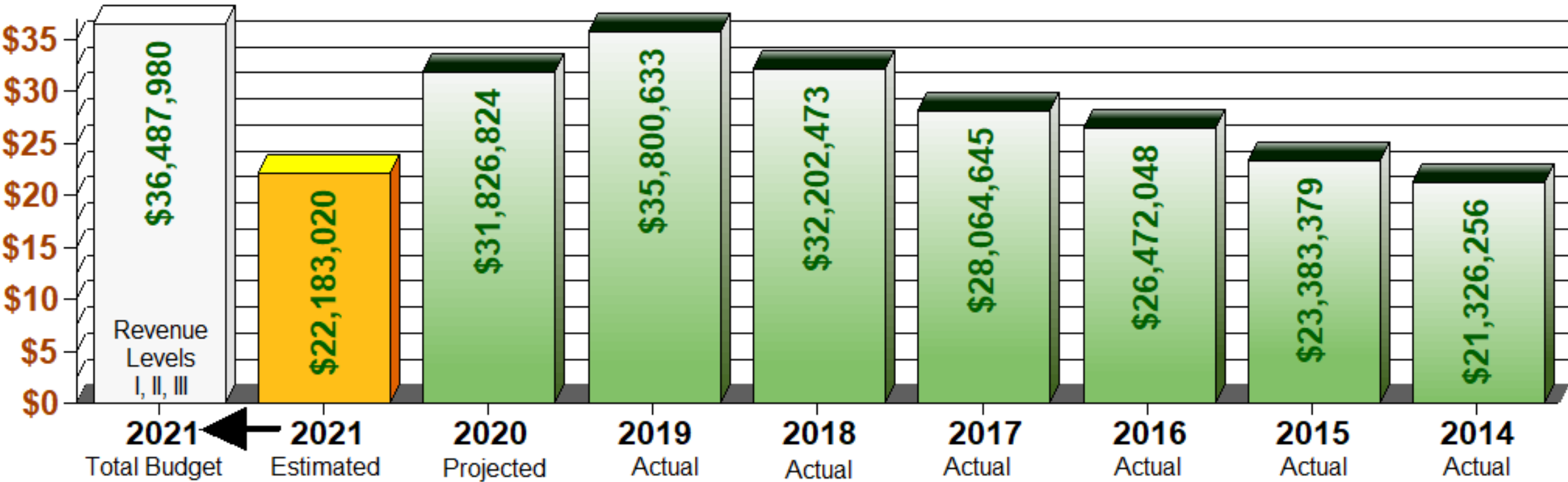
REVENUE SECTION FY2020/21



May 14th, 2020

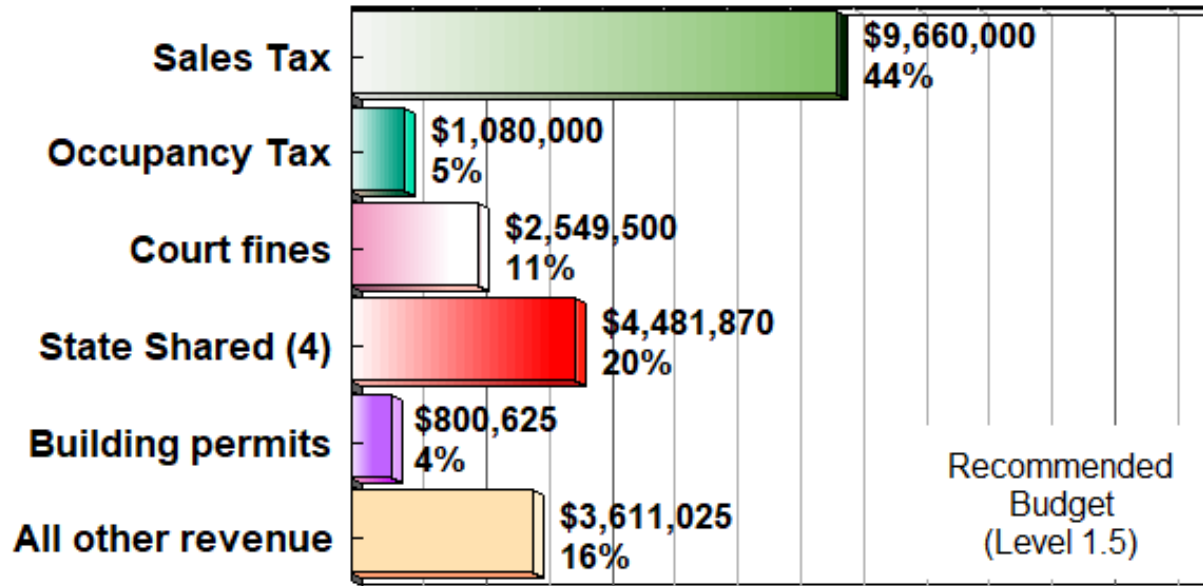
TOTAL REVENUE

(in millions)



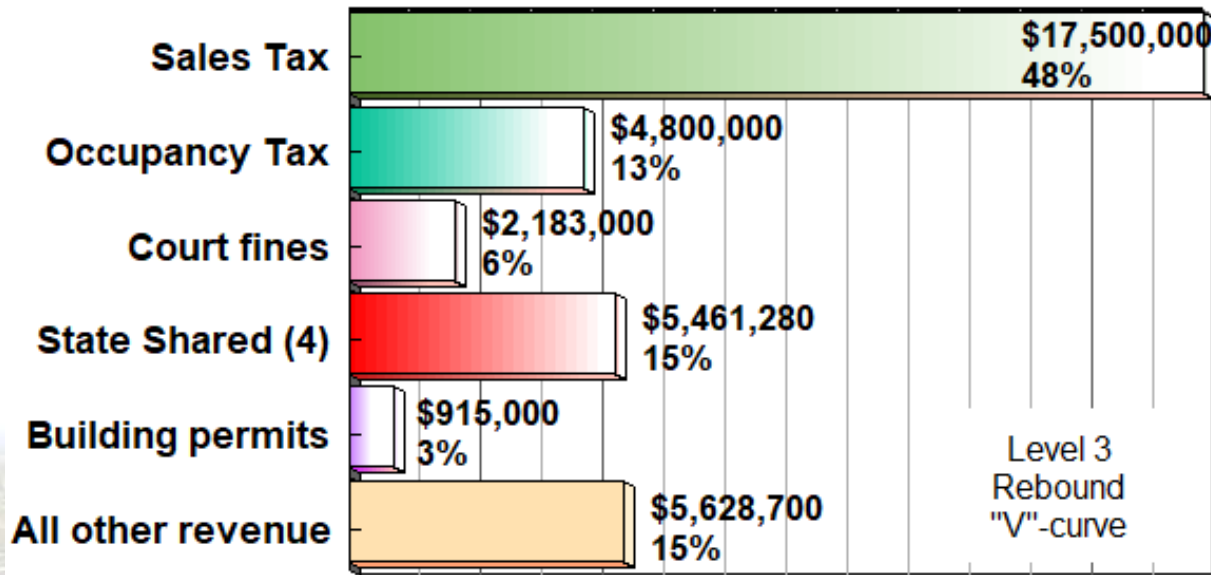
Revenue

I. Operating Fund Overview



RECOMMENDED MINIMUM

- ▶ Tourism as a gradual U-curve (swoosh)
- ▶ Construction and development steady to 12% reduction
- ▶ State shared Income tax flat, other shared revenues slow recovery
- ▶ Franchises and agreements flat



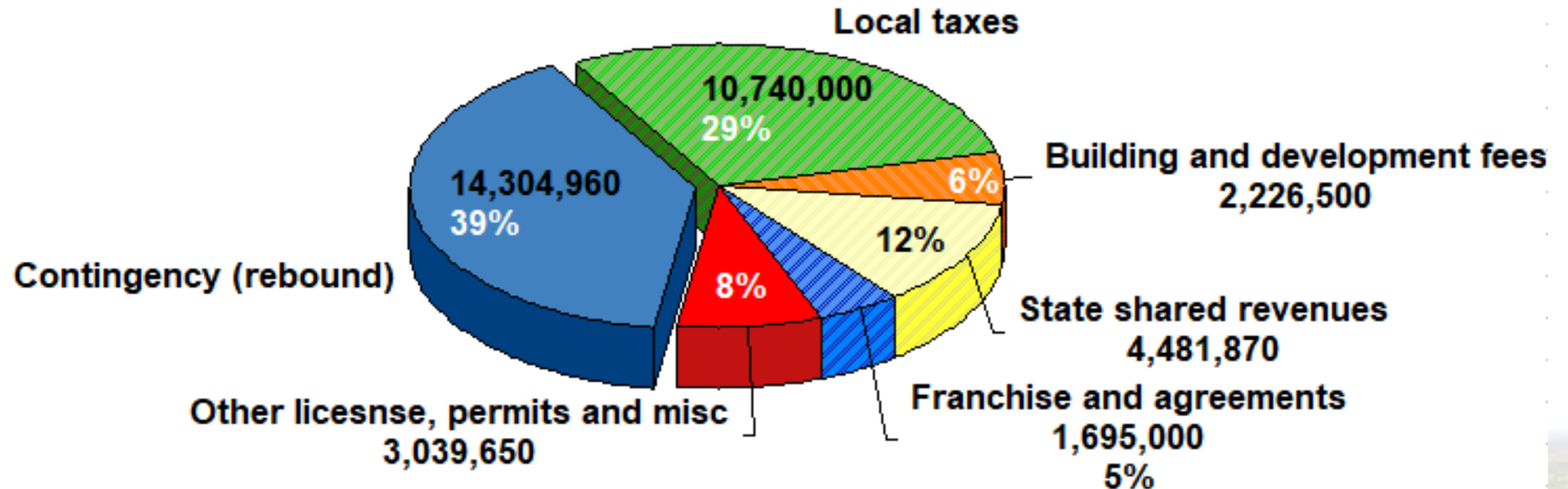
REVENUE REBOUD LEVEL III

- ▶ Rebound starting end of summer '20
- ▶ Back on trends from CY2019

Revenue

II. Revenue Rebound (*Confidence*) Levels

OPERATING REVENUE LEVELS					RECOMMENDED FY2020/21			
	LEVEL I	LEVEL II	LEVEL III	Budget 2020/21	Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
Local taxes	\$ 7,725,000	\$15,990,000	\$22,300,000	\$10,740,000	\$19,249,173	\$21,812,160	\$19,276,803	\$17,520,057
Building and development fees	1,423,900	2,184,500	2,510,000	2,226,500	2,627,913	2,409,936	2,460,717	2,126,559
State shared revenues	3,962,980	4,706,190	5,461,280	4,481,870	4,946,965	4,763,509	4,685,203	4,426,596
Franchise and agreements	1,489,860	1,869,700	2,259,000	1,695,000	1,727,967	1,695,910	2,539,083	1,385,327
Other licenses, permits and misc.	2,336,600	3,141,750	3,957,700	3,039,650	3,274,805	5,119,118	3,240,667	2,606,107
TOTAL OPERATING REVENUE	\$16,938,340	\$27,892,140	\$36,487,980	\$22,183,020	\$31,826,823	\$35,800,633	\$32,202,473	\$28,064,646
Percentage of Level III	46%	76%	100%	61%				



Revenue

III. Operating Revenue Categories

LOCAL TAXES		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Occupancy (bed) tax	\$ 1,080,000	\$ 1,080,000	\$ 2,880,000	\$ 4,800,000
Retail and hospitality TPT	2,070,000	2,070,000	5,520,000	9,200,000
Construction TPT	5,700,000	3,000,000	5,700,000	6,200,000
All other local TPT	1,890,000	1,575,000	1,890,000	2,100,000
TOTAL LOCAL TAXES	\$10,740,000	\$ 7,725,000	\$15,990,000	\$22,300,000
Percentage of Level III	48%	35%	72%	100%

LAST 4 FISCAL YEARS			
Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
\$ 3,417,794	\$ 4,847,777	\$ 4,443,281	\$ 3,701,739
7,376,337	9,213,158	8,088,233	7,370,408
6,541,356	5,718,854	4,762,342	4,327,640
1,913,686	2,032,371	1,982,947	2,120,270
\$19,249,173	\$21,812,160	\$19,276,803	\$17,520,057
-12%	13%	10%	20%

BUILDING AND DEVELOPMENT FEES AND PERMITS		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Building permits	\$ 800,625	\$ 550,000	\$ 800,625	\$ 915,000
Hillside application fee	85,500	48,500	85,500	95,000
In house plan review	650,460	445,000	650,460	740,000
All other development permits	689,915	380,400	647,915	760,000
TOTAL FEES AND PERMITS	\$ 2,226,500	\$ 1,423,900	\$ 2,184,500	\$ 2,510,000
Percentage of Level III	89%	57%	87%	100%

LAST 4 FISCAL YEARS			
Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
\$ 917,666	\$ 919,388	\$ 893,751	\$ 876,434
96,133	94,090	183,533	55,125
739,243	667,894	744,124	627,194
874,871	728,564	639,309	567,806
\$ 2,627,913	\$ 2,409,936	\$ 2,460,717	\$ 2,126,559
9%	-2%	16%	4%

Revenue

III. Operating Revenue Categories

STATE SHARED REVENUES		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Income tax	\$ 1,958,860	\$ 1,685,040	\$ 1,958,860	\$ 2,106,300
Sales tax	1,388,730	1,143,660	1,388,730	1,633,800
Vehicle licesne tax	507,850	507,850	575,560	677,130
HURF	626,430	626,430	783,040	1,044,050
TOTAL STATE SHARED	\$ 4,481,870	\$ 3,962,980	\$ 4,706,190	\$ 5,461,280
Percentage of Level III	82%	73%	86%	100%

LAST 4 FISCAL YEARS			
Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
\$ 1,875,319	\$ 1,730,881	\$ 1,778,003	\$ 1,703,256
1,442,918	1,439,438	1,378,388	1,277,675
591,546	616,863	595,778	548,523
1,037,182	976,327	933,034	897,142
\$ 4,946,965	\$ 4,763,509	\$ 4,685,203	\$ 4,426,596
4%	2%	6%	7%

Revenue

III. Operating Revenue Categories

FRANCHISE AND AGREEMENTS		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Montelucia & Mountain Shadows	\$ 348,000	\$ 368,000	\$ 348,000	\$ 308,000
APS franchise	580,000	635,000	580,000	520,000
Cox & Southwest gas franchise	431,000	368,000	431,000	520,000
All other franchise and agreements	336,000	118,860	510,700	911,000
FRANCHISE & AGREEMENTS	\$ 1,695,000	\$ 1,489,860	\$ 1,869,700	\$ 2,259,000
Percentage of Level III	75%	66%	83%	100%

LAST 4 FISCAL YEARS			
Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
\$ 371,370	\$ 254,127	\$ 155,599	\$ 108,000
579,816	618,800	635,070	592,752
511,105	500,506	502,846	463,289
265,676	322,477	1,245,568	221,286
\$ 1,727,967	\$ 1,695,910	\$ 2,539,083	\$ 1,385,327
2%	-33%	83%	-6%

OTHER LICENSES, PERMITS AND MISC		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Post office	\$ 341,250	\$ 228,500	\$ 341,250	\$ 455,000
Fines and forfeitures	2,183,000	1,806,000	2,177,500	2,549,500
Interest earnings	372,300	222,300	484,500	741,000
Other licenses, permits and misc	143,100	79,800	138,500	212,200
TOTAL OTHER CATEGORIES	\$ 3,039,650	\$ 2,336,600	\$ 3,141,750	\$ 3,957,700
Percentage of Level III	77%	59%	79%	100%

LAST 4 FISCAL YEARS			
Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17
\$ 310,605	\$ 462,267	\$ 346,131	\$ -
1,686,363	3,044,924	2,522,193	2,095,997
883,416	1,283,229	212,601	182,682
394,421	328,698	159,742	327,428
\$ 3,274,805	\$ 5,119,118	\$ 3,240,667	\$ 2,606,107
-36%	58%	24%	-39%

SAMPLE: STRATEGIC REVENUE PLAN FY2020/21

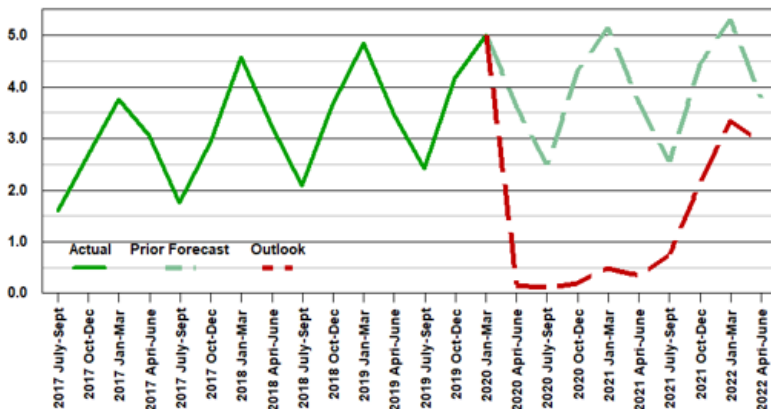


- ▶ FY2019/20 was a stress test
- ▶ FY2020/21 more of a monitoring tool

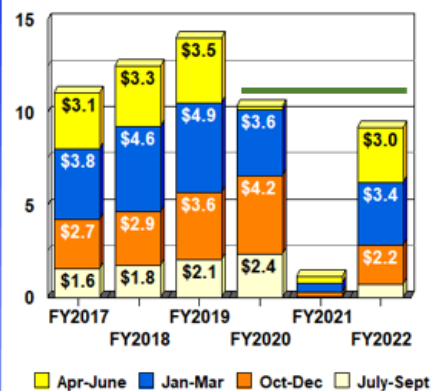
Hospitality (Retail, Resorts) Revenue

Scenario A: L-curve

SCENARIO A: REVENUE BY QUARTER L-CURVE



REVENUE BY FISCAL YEAR

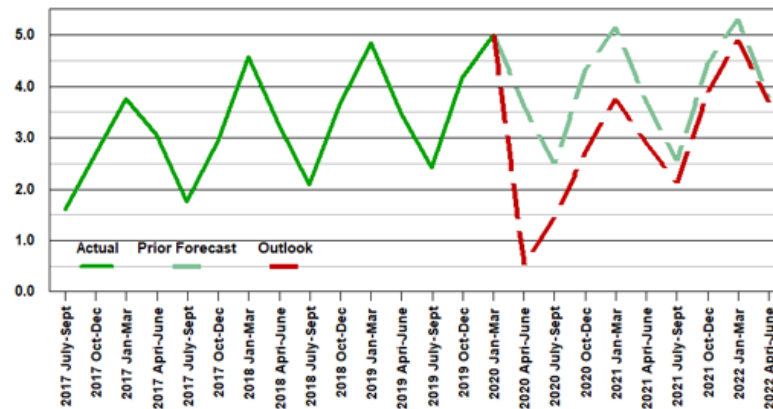


All amounts are in millions

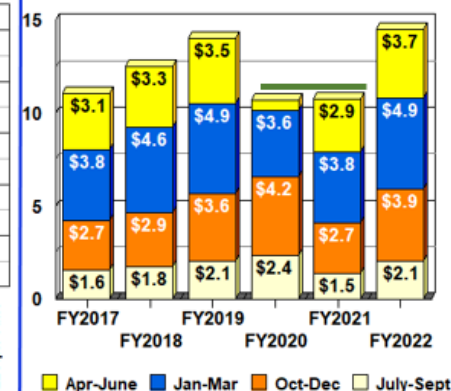
Hospitality (Retail, Resorts) Revenue

Scenario B: V-curve

SCENARIO B: REVENUE BY QUARTER V-CURVE



REVENUE BY FISCAL YEAR

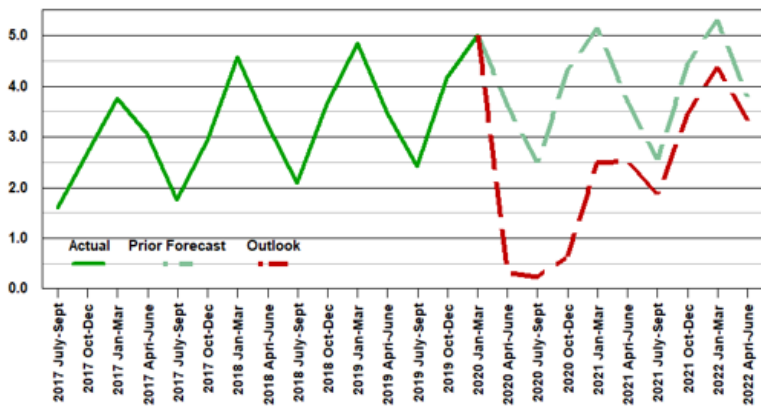


All amounts are in millions

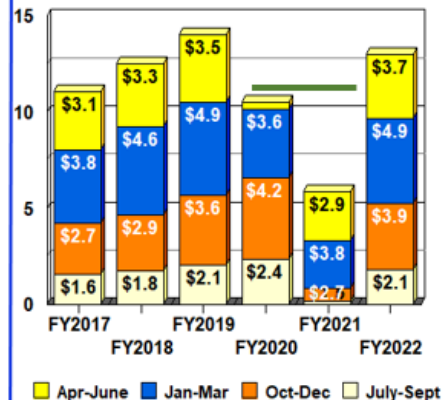
Hospitality (Retail, Resorts) Revenue

Scenario C: U-curve

SCENARIO C: REVENUE BY QUARTER U-CURVE



REVENUE BY FISCAL YEAR

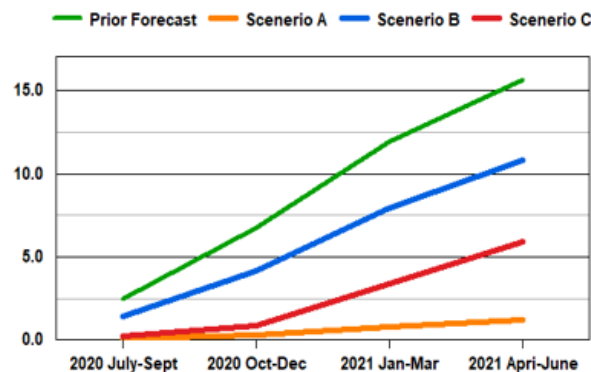


All amounts are in millions

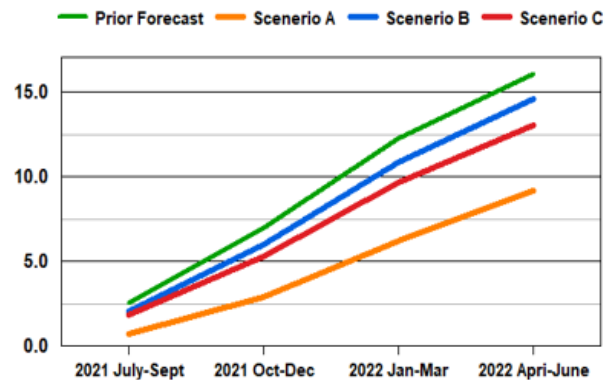
Hospitality (Retail, Resorts) Revenue

Scenarios A,B,C

FY2020/21 by QUARTER



FY2021/22 by QUARTER



All amounts are in millions

Revenues

IV. Sample: Strategic Revenue Plan

DESCRIPTION

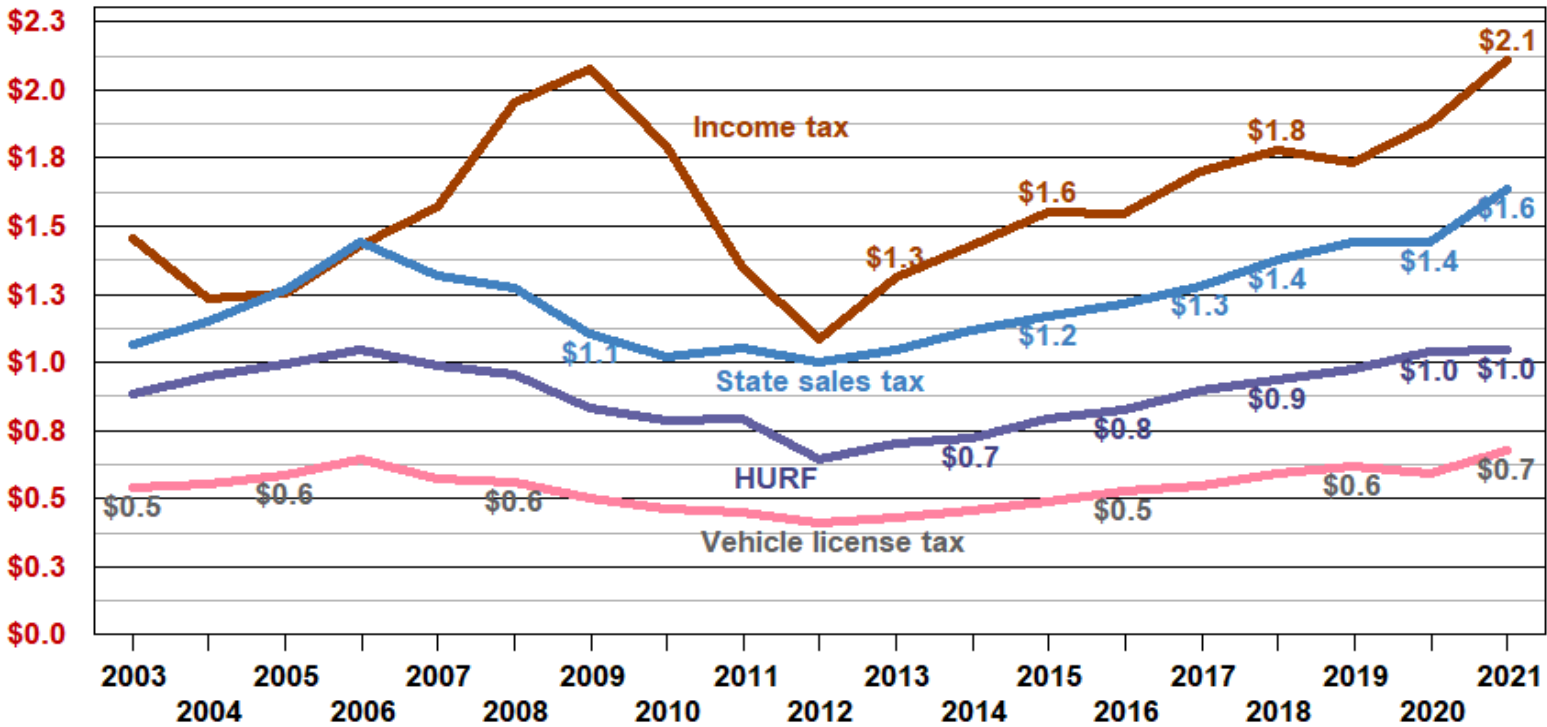
The State of Arizona imposes and collects taxes and shares with cities, towns and counties based on their population.

These revenues include income tax, sales tax, vehicle license tax and fuel tax.

The income tax is based on the last calendar year. FY2021 revenues are based on CY2019. All other shared revenues are based on current year activity.

State shared revenues support the Town’s governmental operations, including Public Safety.

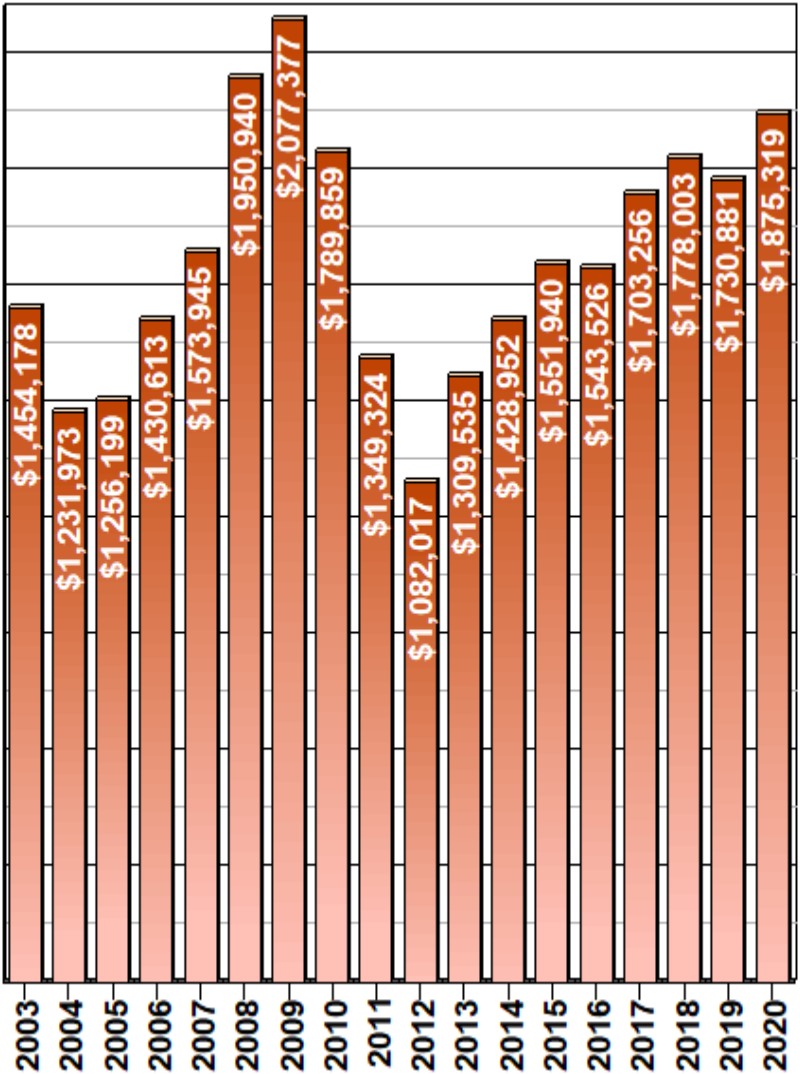
This revenues are dependent on the state’s economic conditions.



STATE SHARED REVENUES		RECOMMENDED BUDGET 2020/21		
	Budget 2020/21	LEVEL I	LEVEL II	LEVEL III
Income tax	\$ 1,958,860	\$ 1,685,040	\$ 1,958,860	\$ 2,106,300
Sales tax	1,388,730	1,143,660	1,388,730	1,633,800
Vehicle licesne tax	507,850	507,850	575,560	677,130
HURF	626,430	626,430	783,040	1,044,050
TOTAL STATE SHARED	\$ 4,481,870	\$ 3,962,980	\$ 4,706,190	\$ 5,461,280
Percentage of Level III	82%	73%	86%	100%

Revenues

REVENUE THROUGH 2020



IV. Sample: Strategic Revenue Plan

Income tax is based on population and actual income tax collections in the last calendar year. This lag can provide steady revenue in 1st year of a downturn. FY2021 revenues are based on CY2019; however, the April 15th filing date was extended so actual revenue is not yet known.

This revenue is dependent on the state’s economic conditions and has ranged from \$2.1 million in 2009 to \$1.1 million in 2012. Since 2012, this revenue has gradually increased each year.

This revenues is available to support the Town’s governmental operations.

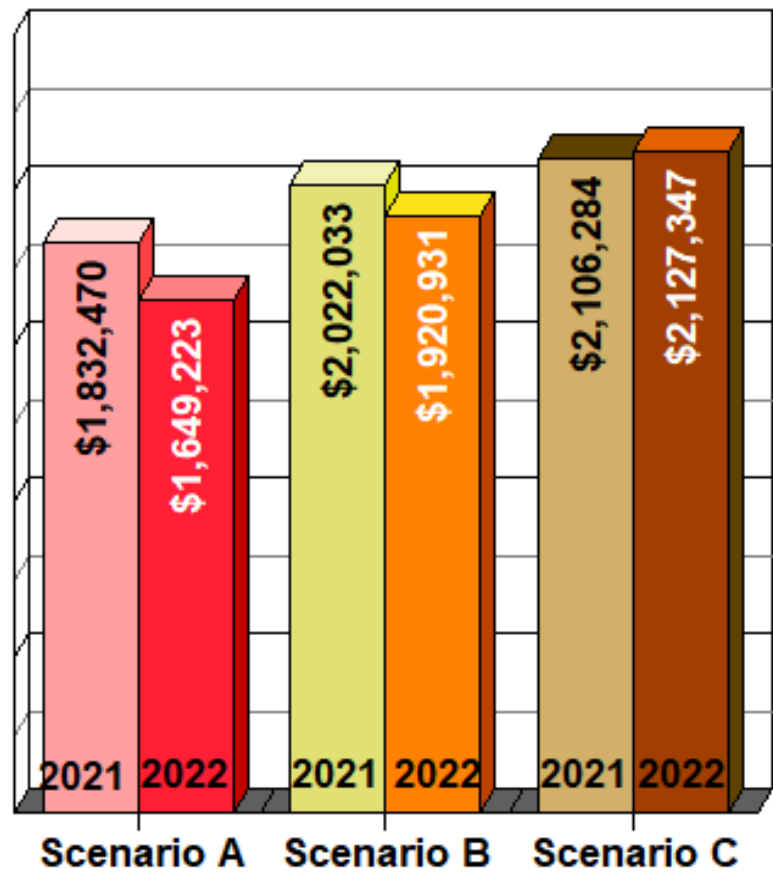
RISK ASSESSMENT																		
Significance and Likelihood	Volatility			Legislative Action			State Allocation			Stagnant Population			Income Recession			Overall Risk Rating		
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L	H	M	L
Assessment is from the "Paradise Valley Revenue Risk Assessment"																		

The risk assessment shows the nature of the State shared income tax has medium volatility and is highly sensitive to legislative actions, state allocation methods and the Town’s stagnant population compared to the rest of the state. Overall, this revenue has a high-risk rating.

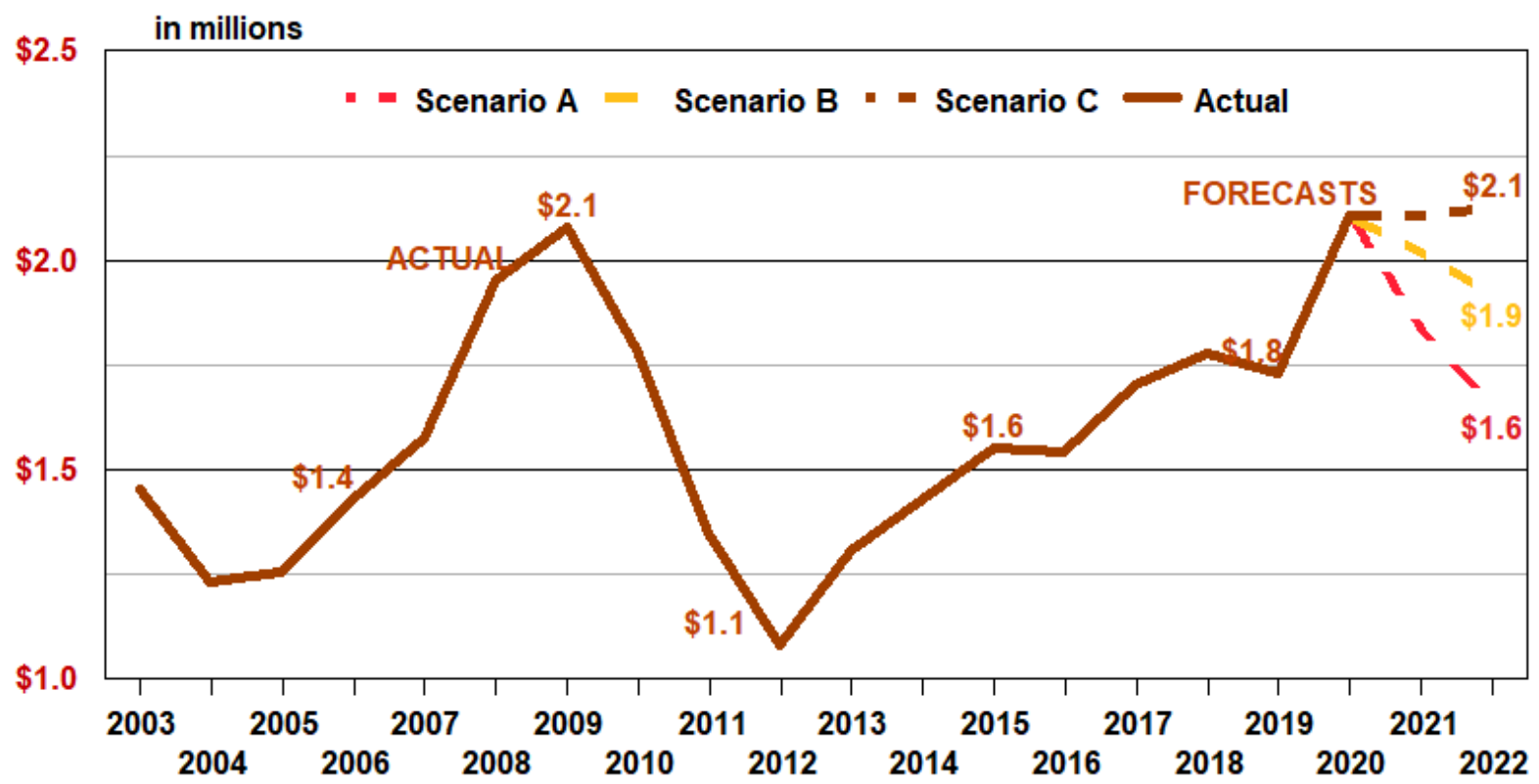
Revenues

SCENARIOS A,B,C

- A: Extend slump in state employment
- B: Slower recovery, year lag in revenues
- C: State labor market back by August.



IV. Sample: Strategic Revenue Plan



STATE SHARED INCOME TAX		SCENARIOS A,B,C		
	Difference A to C	SCENARIO A	SCENARIO B	SCENARIO C
FY 2020/21	\$ 273,814	\$ 1,832,470	\$ 2,022,033	\$ 2,106,284
FY 2021/22	478,124	1,649,223	1,920,931	2,127,347
Total two years	\$ 751,938	\$ 3,481,693	\$ 3,942,964	\$ 4,233,631

REVENUE APPENDIX

FY2020/21



Revenue

V. Appendix: All Revenues

REVENUE SOURCE	Estimated 2020/21			BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	LEVEL I	LEVEL II	LEVEL III	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
1 TOWN BED TAX	\$ 1,080,000	\$ 2,880,000	\$ 4,800,000	\$ 1,080,000	\$ 3,417,794	\$ 4,847,777	\$ 4,443,281	\$ 3,701,739	\$ 3,207,626	\$ 3,117,450	\$ 2,835,515	\$ 2,727,892
2 Retail & Hospitality TPT	2,070,000	5,520,000	9,200,000	2,070,000	7,376,337	9,213,158	8,088,233	7,370,408	5,788,061	5,705,829	5,096,253	4,789,448
3 Construction & Contracting TPT	3,000,000	5,700,000	6,200,000	5,700,000	6,541,356	5,718,854	4,762,342	4,327,640	3,181,485	3,049,241	3,048,855	2,340,480
4 All Other TPT	1,575,000	1,890,000	2,100,000	1,890,000	1,913,686	2,032,371	1,982,947	2,120,270	2,209,736	2,223,817	1,999,236	1,917,982
5 UNCLASSIFIED TPT	-	-	-	-	-	-	-	-	166,620	468,563	156,467	187,733
6 TOTAL TOURISM & TAXES	7,725,000	15,990,000	22,300,000	10,740,000	19,249,173	21,812,160	19,276,803	17,520,057	14,553,528	14,564,900	13,136,326	11,963,535
7 BUILDING PERMIT	550,000	800,625	915,000	800,625	917,666	919,388	893,751	876,434	969,090	613,269	612,329	516,827
8 HILLSIDE APPLICATION FEE	48,500	85,500	95,000	85,500	96,133	94,090	183,533	55,125	42,920	33,700	35,060	29,880
9 IN-HOUSE PLAN REVIEW	445,000	650,460	740,000	650,460	739,243	667,894	744,124	627,194	596,726	496,208	437,432	327,820
10 RIGHT OF WAY PERMIT	50,000	90,000	100,000	90,000	109,335	87,117	101,552	50,869	71,991	25,477	13,930	9,264
11 ELECTRICAL PERMIT	2,400	3,515	4,000	3,515	4,418	5,460	9,360	3,739	3,387	2,426	2,781	1,883
12 ENGINEERING PERMIT	-	-	-	-	48	-	(134)	-	345	460	115	1,015
13 MECHANICAL PERMIT	-	-	-	-	-	22	-	130	38	42	108	107
14 PLUMBING PERMIT	6,000	10,800	12,000	10,800	11,113	12,906	18,200	4,116	3,711	2,576	5,250	2,671
15 SUBDIVISION PERMIT	22,500	40,500	45,000	40,500	45,403	49,785	32,679	40,923	44,494	29,125	18,085	11,565
16 ENGINEERING PLAN CHECK	3,500	6,300	7,000	6,300	7,119	7,693	6,287	5,895	7,115	5,265	3,110	2,515
17 VARIANCE APPLICATION FEE	6,000	10,800	12,000	10,800	5,293	14,120	13,908	10,645	17,525	14,290	9,535	12,915
18 REZONING APPLICATION FEE	-	-	-	-	4,123	-	-	10,365	7,855	-	6,320	134
19 REINSPECTION FEE	-	-	-	-	298	200	75	210	-	55	165	50
20 FIRE MARSHALL SERVICES	50,000	75,000	100,000	75,000	123,628	109,162	58,799	71,787	77,434	34,353	36,099	27,237
21 SOLICITATION PERMIT	-	-	-	-	225	25	25	-	-	-	112	25
22 DEMOLITION PERMITS	15,000	27,000	30,000	27,000	32,251	31,070	30,000	22,755	25,360	22,100	28,355	15,156
23 THIRD PARTY REVIEW BLDG INSP	105,000	168,000	210,000	210,000	182,128	169,880	174,733	-	-	-	-	-
24 GRADING PERMITS	60,000	108,000	120,000	108,000	208,070	116,483	98,174	253,188	80,440	39,395	24,650	123,895
25 HAUL/EXCAVATION PERMIT	60,000	108,000	120,000	108,000	141,418	124,642	95,652	93,183	103,460	68,186	64,775	41,683
26 TOTAL DEVELOPMENT	1,423,900	2,184,500	2,510,000	2,226,500	2,627,913	2,409,936	2,460,717	2,126,559	2,051,891	1,386,926	1,298,211	1,124,642

V. Appendix: All Revenues

REVENUE SOURCE	Estimated 2020/21			BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	LEVEL I	LEVEL II	LEVEL III	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
27 INCOME TAX	1,685,040	1,958,860	2,106,300	1,958,860	1,875,319	1,730,881	1,778,003	1,703,256	1,543,526	1,551,940	1,428,952	1,309,535
28 STATE SALES TAX	1,143,660	1,388,730	1,633,800	1,388,730	1,442,918	1,439,438	1,378,388	1,277,675	1,217,296	1,171,604	1,115,888	1,049,341
29 AUTO LIEU TAX	507,850	575,560	677,130	507,850	591,546	616,863	595,778	548,523	530,413	490,206	457,878	429,075
30 HIGHWAY USER REVENUES	626,430	783,040	1,044,050	626,430	1,037,182	976,327	933,034	897,142	828,858	793,772	723,714	701,728
31 TOTAL STATE SHARED	3,962,980	4,706,190	5,461,280	4,481,870	4,946,965	4,763,509	4,685,203	4,426,596	4,120,093	4,007,523	3,726,432	3,489,679
32												
33 TOWN MANAGEMENT FEE	100,000	300,000	500,000	100,000	30,825	65,886	-	-	-	-	-	-
34 CAPITAL CONTRIBUTION	-	-	-	-	-	-	1,000,000	-	-	-	-	-
35 MONTELCUCIA DEV AGREEMENT	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000	108,000
36 MOUNTAIN SHADOWS AGREEMENT	200,000	240,000	260,000	240,000	263,370	146,127	47,599	-	-	-	-	-
37 RENTAL INC - WIRELESS FACILITY	65,000	70,000	78,000	78,000	77,494	76,924	70,125	73,210	72,360	71,410	67,170	65,500
38 COURTS LAND LEASE	-	-	-	-	-	25,000	25,000	-	-	-	-	-
39 APS FRANCHISE FEES	520,000	580,000	635,000	580,000	579,816	618,800	635,070	592,752	629,739	655,689	672,323	662,580
40 INTERNET FRANCHISE FEES	-	-	-	-	27	132	336	506	242	42	-	-
41 COX COMM. LICENSE FEE	225,000	255,000	300,000	255,000	295,484	288,155	279,748	241,488	245,137	246,353	244,743	237,125
42 SOUTHWEST GAS FRANCHISE FEE	143,000	176,000	220,000	176,000	215,621	212,351	223,098	221,801	271,024	148,874	142,552	134,819
43 NEW PATH LICENSE AGREEMENT	128,860	140,700	158,000	158,000	157,331	154,535	150,108	147,569	146,343	146,097	143,246	140,487
44 SUB-TOTAL AGREEMENTS	1,489,860	1,869,700	2,259,000	1,695,000	1,727,967	1,695,910	2,539,083	1,385,327	1,472,845	1,376,464	1,378,034	1,348,511
45												
46 POST OFFICE SALES	200,000	300,000	400,000	300,000	274,917	406,865	309,900	-	-	-	-	-
47 POST OFFICE-COMMISSION ON SALE	28,500	41,250	55,000	41,250	35,688	55,402	36,231	-	-	-	-	-
48 SUB-TOTAL POST OFFICE	228,500	341,250	455,000	341,250	310,605	462,267	346,131	-	-	-	-	-

Revenue

V. Appendix: All Revenues

REVENUE SOURCE		Estimated 2020/21			BUDGET 2020/21	PROJECTED 2019/20	ACTUAL 2018/19	ACTUAL 2017/18	ACTUAL 2016/17	ACTUAL 2015/16	ACTUAL 2014/15	ACTUAL 2013/14	ACTUAL 2012/13
		LEVEL I	LEVEL II	LEVEL III									
49	COURT FINES - COUNTER	1,100,000	1,300,000	1,500,000	1,300,000	1,031,800	1,810,443	1,528,206	1,318,793	1,990,163	1,118,688	931,039	820,355
50	COURT PD TECHNOLOGY FEE	500,000	600,000	700,000	600,000	409,220	859,445	735,995	598,132	874,787	405,027	-	-
51	FALSE ALARM FINES	40,000	45,000	50,000	50,000	54,276	19,212	812	460	15	3,802	-	585
52	PUBLIC SAFETY FEE	60,000	90,000	120,000	90,000	61,953	124,626	107,948	90,711	184,781	114,246	85,204	72,075
53	JAIL FEE REIMBURSEMENTS	10,000	11,000	12,000	11,000	12,391	4,929	11,828	10,984	10,068	9,257	-	-
54	INDIGENT LEGAL FEE REIMB.	1,000	1,500	2,000	2,000	2,662	3,848	-	220	1,353	2,382	-	-
55	PROCESS SERVICE FEES-COURT	45,000	55,000	65,000	55,000	61,334	123,680	52,326	7,642	45,764	42,077	22,517	39,275
56	POLICE IMPOUND VEHICLE	12,000	25,000	38,000	25,000	11,025	36,230	38,670	32,700	12,000	-	-	-
57	\$4 CITING AGENCY-SB1398	34,000	42,000	50,000	42,000	29,821	49,540	42,574	32,064	50,783	26,572	18,259	15,242
58	POLICE EVIDENCE INCOME	3,000	4,000	5,000	4,000	4,027	4,620	3,832	4,291	5,260	3,042	3,161	3,059
59	UNCLAIMED PROPERTY	1,000	4,000	7,500	4,000	4,669	7,583	-	-	-	-	-	-
60	ROADWAY ABANDONMENTS	-	-	-	-	3,168	-	-	-	-	2,195	-	3,250
61	RESTITUTION	-	-	-	-	19	767	-	-	-	-	-	-
62	TOTAL FINES AND FORFIETURES	1,806,000	2,177,500	2,549,500	2,183,000	1,686,363	3,044,924	2,522,193	2,095,997	3,174,975	1,727,288	1,060,180	953,840
63													
64	LGIP INTEREST	45,000	112,500	150,000	45,000	153,602	384,428	90,656	36,964	29,748	16,729	7,196	3,122
65	TREASURIES - INTEREST	150,000	300,000	500,000	300,000	593,331	928,204	69,215	70,832	206,358	2,306	47,769	105,645
66	WF INVESTMENT INTEREST	30,000	75,000	100,000	30,000	150,395	2,088	-	-	-	-	-	-
67	INTEREST - MISCELLANEOUS	9,000	22,500	30,000	9,000	32,296	43,403	52,729	72,509	28,754	68,516	62,812	26,836
68	LGIP RECOVERY/WRITE OFF INT	-	-	-	-	292	1,608	-	2,378	971	2,480	5,437	59,749
69	ALLOCATED INTEREST	(11,700)	(25,500)	(39,000)	(11,700)	(46,500)	(76,501)	-	-	-	-	-	-
70	TOTAL INTEREST INCOME	222,300	484,500	741,000	372,300	883,416	1,283,229	212,601	182,682	265,831	90,032	123,214	195,352

Revenue

V. Appendix: All Revenues

REVENUE SOURCE	Estimated 2020/21			BUDGET	PROJECTED	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	LEVEL I	LEVEL II	LEVEL III	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
71 BUSINESS LICENSE	3,000	4,000	5,000	4,000	3,399	4,700	6,775	4,125	3,750	4,075	3,675	3,350
72 BANNER PERMIT	400	700	1,000	700	803	1,120	1,225	695	825	1,370	1,440	275
73 SPECIAL USE PERMIT	10,000	35,000	75,000	10,000	35,686	73,751	68,200	36,480	11,710	30,520	15,871	69,158
74 SPECIAL EVENT PERMIT	1,000	3,000	5,000	3,000	2,323	3,000	7,075	8,520	3,175	1,017	2,200	1,875
75 CHANGE OF ADDRESS FEE	-	-	-	-	780	195	1,950	690	495	655	655	820
76 GG - Credit Card Service Fee	20,000	20,000	20,000	20,000	27,558	10,339	11,369	1	-	-	-	-
77 FIRE SERVICE LICENSE FEE	20,000	20,000	20,000	20,000	19,998	20,000	20,000	-	-	-	-	-
78 BULLETPROOF VEST GRANT	5,000	15,000	25,000	25,000	2,845	2,847	-	-	-	-	-	-
79 GOHS-DUI GRANT	5,000	15,000	25,000	25,000	29,166	9,063	-	-	-	-	-	-
80 GOHS-STEP GRANT	5,000	15,000	25,000	25,000	26,582	5,769	-	-	-	-	-	-
81 PHOTOCOPY INCOME	300	700	1,100	300	1,311	330	768	1,960	1,064	1,330	1,107	673
82 CASH OVER/SHORT	-	-	-	-	(2)	32	(36)	(5)	(4)	(0)	(81)	1
83 SALE OF LAND/ASSETS	-	-	-	-	22,000	48,514	27,978	-	495,444	-	11,574	33,294
84 NSF CHECK CHARGE	100	100	100	100	580	1,026	1,518	110	200	450	300	421
85 MISCELLANEOUS INCOME	10,000	10,000	10,000	10,000	13,532	31,831	12,920	274,851	316,227	190,830	567,118	387,775
86 POLICY PREMIUM REBATE	-	-	-	-	207,860	116,180	-	-	-	-	-	-
87 TOTAL OTHER LIC., PERMITS, MIC	79,800	138,500	212,200	143,100	394,421	328,698	159,742	327,428	832,885	230,247	603,859	497,642
88												
89												
90 TOTAL OPERATING REVENUES	\$16,938,340	\$27,892,140	\$36,487,980	\$ 22,183,020	\$31,826,824	\$35,800,633	\$32,202,473	\$28,064,645	\$26,472,048	\$23,383,379	\$21,326,256	\$ 19,573,201

EXECUTIVE SUMMARY FY2020/21



May 14th, 2020

FACTORS STRONG FINANCIAL POSITION

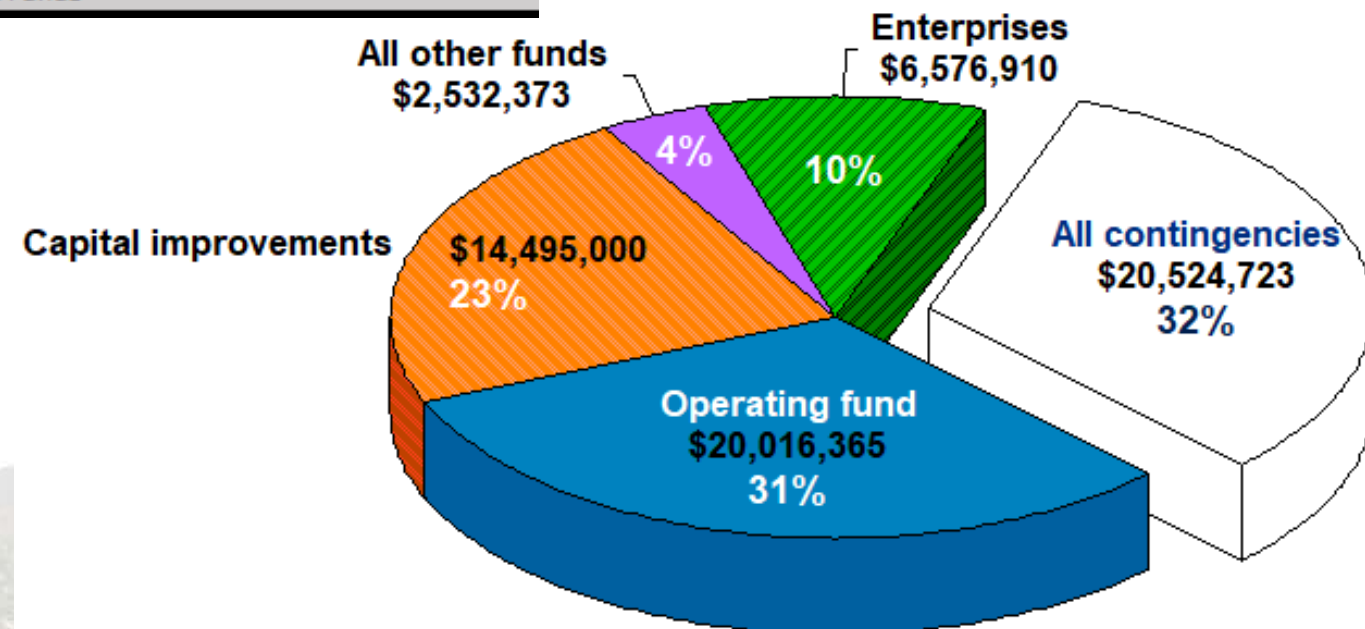
- ▶ Previous Council and Management foresight to conserve resources
- ▶ Supportive residents and customers
- ▶ Adaptive staff
- ▶ Enterprises predominately self-sufficient
- ▶ Low debt
- ▶ Desirable community to live
- ▶ Construction remains steady
- ▶ Good road conditions and maintenance schedule
- ▶ Healthy fleet and a reserve to finance
- ▶ Strong emergency reserve
- ▶ Aggressive PSPRS UAAL payments (Low debt)
- ▶ Court supplemental grants healthy
- ▶ Flexible Private Placement (line of credit)

Executive Summary

II. All Funds: Expenditures

TOTAL BUDGET			STATE FORMS	
All Town Funds	Budget 2020/21	Budget 2019/20	Change \$	Change %
Operating fund expenditures	\$ 20,016,365	\$27,777,427	\$ (7,761,062)	-27.9%
All contingencies	20,524,723	15,444,147	5,080,576	32.9%
Capital projects	14,495,000	15,525,067	(1,030,067)	-6.6%
All other governmental funds	2,532,373	3,493,480	(961,107)	-27.5%
Enterprise funds	6,576,910	6,091,075	485,835	8.0%
Total budget	\$ 64,145,371	\$68,331,196	\$ (4,185,825)	-6.1%

* The "Operating Fund" is the combination of the General and Highway User Revenue Funds



Executive Summary

II. All Funds: Expenditures

ALL TOWN FUNDS		TOTAL BUDGET - STATE FORMS		
Department /Program	State Forms Budget 2020/21	Expenditure Funding Priority Level		
		Priority One	Priority Two	Priority Three
Community development	\$ 2,846,268	\$ 2,490,776	\$ 158,275	\$ 197,217
Finance department	816,099	772,676	30,823	12,600
Information technology	1,005,508	900,188	45,000	60,320
Mayor, Council, Boards				
Commissions and Volunteers	202,620	157,120	30,500	15,000
Public works (all divisions)	4,864,521	2,367,517	40,245	2,456,759
Tourism	1,982,741	1,982,741	-	-
Town attorney's office	773,843	744,366	29,477	-
Town manager's office	1,516,306	1,430,506	52,800	33,000
Municipal court	771,281	759,281	-	12,000
Police department	9,521,384	8,878,452	208,786	434,146
Court grants	152,500	152,500	-	-
Capital projects	14,495,000	14,495,000	-	-
Debt service	2,208,028	2,208,028	-	-
Grants and donations	171,845	171,845	-	-
Alarm fund	46,330	46,330	-	-
Fire fund	3,150,265	3,150,265	-	-
Wastewater fund	2,913,057	2,913,057	-	-
Total Expenditures	\$ 47,437,596	\$ 43,620,648	\$ 595,906	\$ 3,221,042
Contingencies general fund (net)	1,632,058	905,000	326,000	401,058
PSPRS UAAL	5,400,002	-	2,400,000	3,000,002
Contingencies other funds	9,675,715	672,115	-	9,003,600
Total Contingencies	\$ 16,707,775	\$ 1,577,115	\$ 2,726,000	\$ 12,404,660
Total Expenditures (State forms)	\$ 64,145,371	\$ 45,197,763	\$ 3,321,906	\$ 15,625,702

The state forms set the maximum total budget authority for the entire fiscal year

- ▶ Includes all expenditure contingencies for a fluid transition when revenue rebounds
- ▶ Proceeds from the excise tax revenue obligations can assist with the “bottle neck” of CIP, street maintenance and PSPRS UAAL when revenues rebound
- ▶ Last year FY2020, the total budget was \$68,331,196
- ▶ Recommended FY2021 is \$4,185,825 or 6.5% less than FY2020
- ▶ Next slide provides more detail

Executive Summary

III. Presented on State Forms

EXPENDITURES	General & HURF	Court Grants	Capital Projects	Debt Service	Grants & Donations	Alarm Services	Fire Services	Wastewater Funds	Wastewater Impact fees	2020/21 Total
Community development	\$ 2,330,961	-	-	-	-	-	\$ 94,970	\$ 64,845	-	\$ 2,490,776
Finance department	667,981	-	-	-	-	\$ 6,316	60,827	37,552	-	772,676
Information technology	888,953	-	-	-	-	11,235	-	-	-	900,188
Mayor, Council, Boards, Comm. & V	157,120	-	-	-	-	-	-	-	-	157,120
Public works fleet and facilities	896,914	-	-	-	-	-	20,698	-	-	917,612
Streets & pavement plan	1,449,905	-	-	-	-	-	-	-	-	1,449,905
Tourism	1,982,741	-	-	-	-	-	-	-	-	1,982,741
Town attorney's office	705,222	-	-	-	-	-	21,804	17,340	-	744,366
Town manager's office	1,430,506	-	-	-	-	-	-	-	-	1,430,506
Municipal court	759,281	\$ 152,500	-	-	-	-	-	-	-	911,781
Police department	8,746,781	-	-	-	\$ 50,000	101,253	30,418	-	-	8,928,452
Enterprise and non-departmental	-	-	-	-	121,845	46,330	3,150,265	1,908,057	-	5,226,497
Debt service: principal	-	-	-	\$2,040,000	-	-	-	-	-	2,040,000
Debt service: interest and fees	-	-	-	168,028	-	-	-	-	-	168,028
CIP (New funding in 2021)	-	-	\$ 2,910,000	-	-	-	-	-	-	2,910,000
CIP (Prior year's carried forward)	-	-	3,104,000	-	-	-	-	-	-	3,104,000
CIP (Private party reimbursed)	-	-	8,305,000	-	-	-	-	1,005,000	-	9,310,000
CIP use of proceeds	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	20,016,365	152,500	14,319,000	2,208,028	171,845	165,134	3,378,982	3,032,794	-	43,444,648
Contingencies (Priority one)	905,000	20,000	590,000	-	100,115	20,000	90,000	28,000	-	1,753,115
Contingencies (Other priorities)	9,944,008	-	8,003,600	-	1,000,000	-	-	-	-	18,947,608
TOTAL BUDGET 2020/21*	\$ 30,865,373	\$ 172,500	\$ 22,912,600	\$2,208,028	\$1,271,960	\$ 185,134	\$ 3,468,982	\$ 3,060,794	\$ -	\$ 64,145,371
PRIOR YEAR'S BUDGETS:										
Adopted Budget 2019/20	\$ 43,010,173	\$ 475,713	\$ 15,525,067	\$2,764,614	\$ 253,153	\$ 185,000	\$ 3,335,239	\$ 2,757,237	\$ 25,000	\$68,331,196
Adopted Budget 2018/19	30,791,116	263,038	17,189,563	1,257,673	180,184	339,968	3,156,000	2,191,958	25,000	55,394,500
Adopted Budget 2017/18	28,868,400	161,700	15,946,400	1,101,400	103,000	631,400	3,226,800	2,311,200	50,000	52,400,300
Adopted Budget 2016/17	21,957,851	204,438	8,862,069	1,115,997	290,000	413,500	2,900,154	2,416,709	50,000	38,210,718

Executive Summary

IV. Annual Expenditure Limitation

AEL Table 1: Annual Expenditure Limitation for EXPENDITURES (PRIORITY ONE)	Total 2020/21
1 Total priority one expenditures	\$ 43,620,648
2 Quasi-external transactions (Town paying sewer)	(10,220)
3 Grants & donations	(171,845)
4 Repayment of excise tax proceeds	(2,208,028)
5 HURF FY2021 in excess of FY1980 revenue	(454,886)
6 Third party pass-through reimbursement	(115,000)
7 Third party reimbursed capital projects (CIP)	(8,305,000)
8 Priority one expenditures subject to AEL (Line 11)	32,355,669
9 EEC limit for Paradise Valley	43,359,061
10 Amount (over) under before contingencies	11,003,392

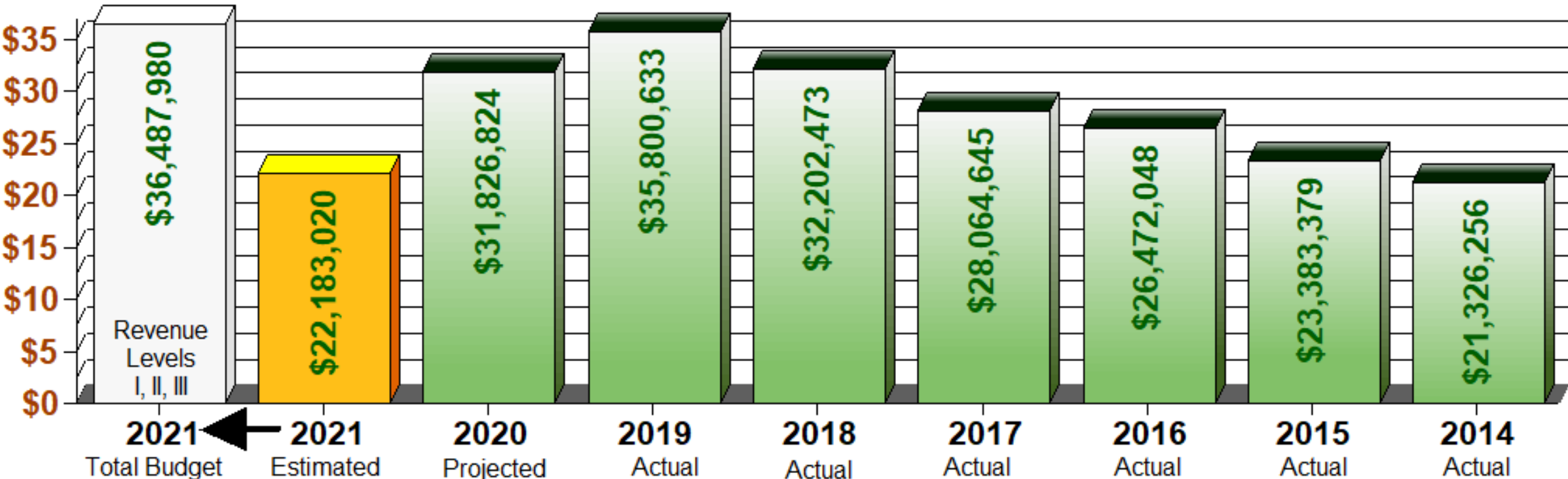
AEL Table 2: Annual Expenditure Limitation for TOTAL BUDGET (STATE FORMS)	Total 2020/21
11 Priority one expenditures subject to AEL (Line 8)	32,355,669
12 Total contingencies	20,524,723
13 Grants and donations contingency	(1,100,115)
14 Use of excise tax proceeds contingency	(8,003,600)
15 HURF revenue if "U or V" curve contingency	(417,616)
16 Total Budget subject to AEL	43,359,061
17 EEC limit for Paradise Valley	43,359,061
18 Sub total (over) under	-
19 Use of Carry forward exemptions	-
20 Amount under exp. limit	-

- ▶ Figures in **BLUE** figures are presented on the next schedule.
- ▶ Figures in *ITALICS* are embedded in other line items; separate calculations
- ▶ “Annual Expenditure Limitation” is the State legislative spending cap.
- ▶ “State Forms” use for Council to set the maximum spending for the year. Even if additional resources become available, the adopted amount can not be exceeded.

ALL TOWN PERSONNEL: FULL TIME EQUIVELENTS								
DEPARTMENT	Priority One 2020/21	Projected 2019/20	Change in		Actual 2018/19	Actual 2017/18	Actual 2016/17	Actual 2015/16
			#	%				
Town manager's office								
Administration	4.0	4.0	-	0.0%	5.0	5.0	4.0	4.0
Post Office	2.0	2.0	-	0.0%	2.0	2.0	2.0	2.0
Town attorney's office	4.0	4.0	-	0.0%	4.0	3.0	3.0	3.0
Municipal court	7.0	7.0	-	0.0%	7.0	6.0	5.0	5.0
Police department								
Sworn	34.0	34.0	-	0.0%	34.0	34.0	34.0	33.0
Civilian	15.0	15.0	-	0.0%	15.0	10.0	8.0	8.0
Public works								
Facilities and fleet	3.0	3.0	-	0.0%	3.0	3.0	3.0	3.0
Streets & pavement plan	10.0	10.0	-	0.0%	10.0	10.0	10.0	10.0
Community development:								
Planning & building	11.0	11.0	-	0.0%	9.0	9.0	8.0	8.0
Engineering	6.0	6.0	-	0.0%	5.0	4.0	4.0	4.0
Information technology	5.0	5.0	-	0.0%	5.0	4.0	3.0	3.0
Finance	4.5	4.5	-	0.0%	4.0	4.0	4.0	4.0
Contingencies	-	-	-	n/a	-	-	-	-
Full Time Equivalents (FTE)	105.5	105.5	-	0.0%	103.0	94.0	88.0	87.0

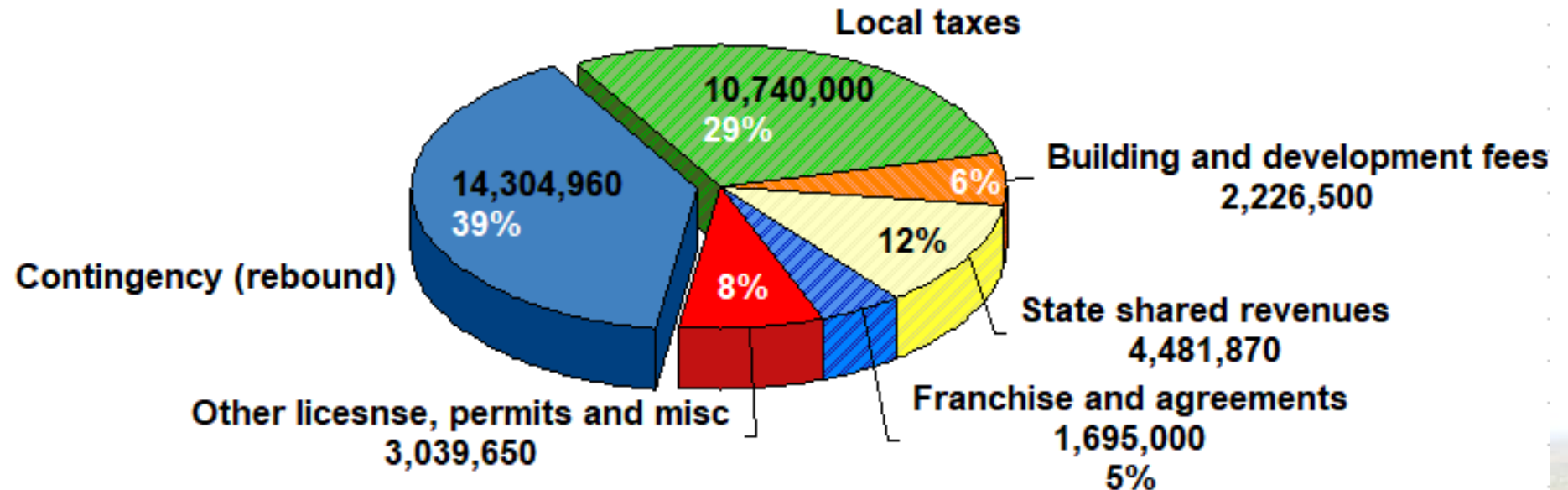
TOTAL REVENUE

(in millions)



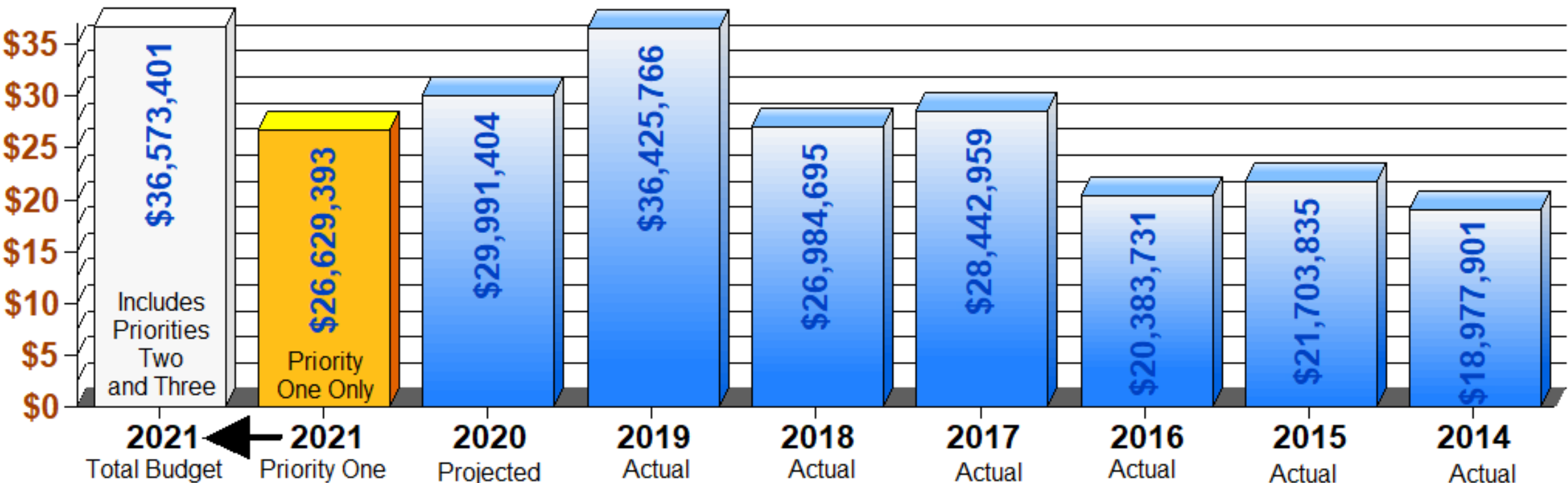
VI. Operating Fund: Revenue

OPERATING REVENUE LEVELS					RECOMMENDED FY2020/21				FISCAL YEARS			
	LEVEL I	LEVEL II	LEVEL III	Budget 2020/21	Projected 2019/20	Actual 2018/19	Actual 2017/18	Actual 2016/17				
Local taxes	\$ 7,725,000	\$15,990,000	\$22,300,000	\$10,740,000	\$19,249,173	\$21,812,160	\$19,276,803	\$17,520,057				
Building and development fees	1,423,900	2,184,500	2,510,000	2,226,500	2,627,913	2,409,936	2,460,717	2,126,559				
State shared revenues	3,962,980	4,706,190	5,461,280	4,481,870	4,946,965	4,763,509	4,685,203	4,426,596				
Franchise and agreements	1,489,860	1,869,700	2,259,000	1,695,000	1,727,967	1,695,910	2,539,083	1,385,327				
Other licenses, permits and misc.	2,336,600	3,141,750	3,957,700	3,039,650	3,274,805	5,119,118	3,240,667	2,606,107				
TOTAL OPERATING REVENUE	\$16,938,340	\$27,892,140	\$36,487,980	\$22,183,020	\$31,826,823	\$35,800,633	\$32,202,473	\$28,064,646				
Percentage of Level III	46%	76%	100%	61%								



OPERATING USES

(in millions)

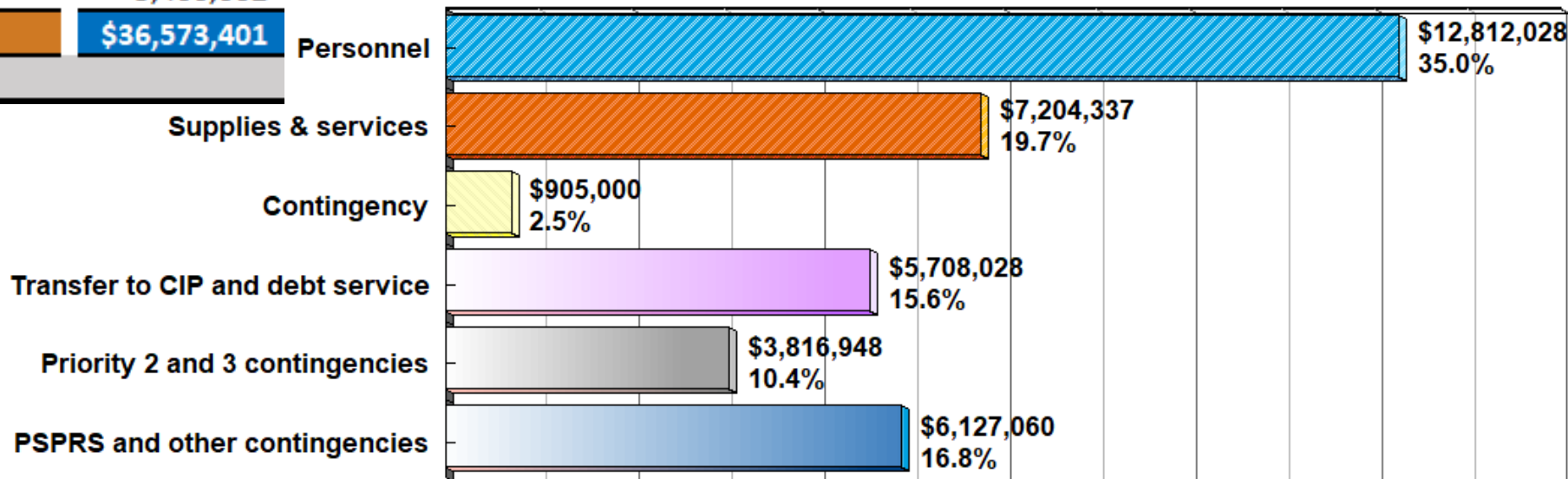


Executive Summary

VII. Operating Fund: Expenditures

OPERATING FUND		PRIORITY ONE & STATE FORMS
		Budget 2020/21
Personnel		\$12,812,028
Supplies and services		7,204,337
Contingency		905,000
Transfers to CIP and debt service		5,708,028
Total Priority One		\$26,629,393
Contingencies:		
Priority Two		595,906
Priority Three		3,221,042
Specific purpose		727,058
PSPRS UAAL		5,400,002
Total operating fund (state forms)		\$36,573,401

- ▶ Priority One
- ▶ Contingencies
- ▶ Total Budget



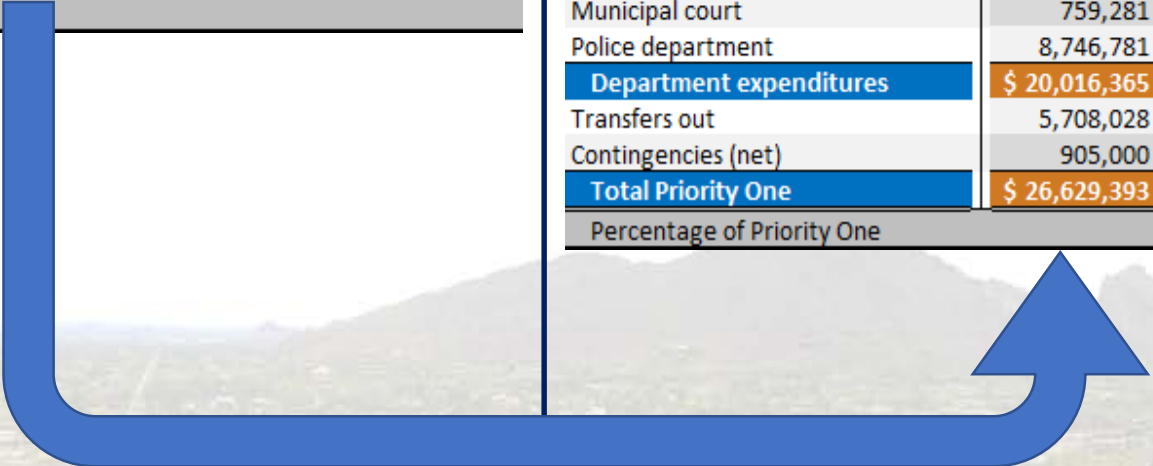
Executive Summary

VII. Operating Fund: Expenditures

OPERATING FUND (GF + HURF)		TOTAL REQUEST		
Purpose	Total Budget 2020/21	FY General Funding Priority Level		
		Priority One	Priority Two	Priority Three
Community development	\$ 2,686,453	\$ 2,330,961	\$ 158,275	\$ 197,217
Finance department	711,404	667,981	30,823	12,600
Information technology	994,273	888,953	45,000	60,320
Mayor, Council, Boards				
Commissions and Volunteers	202,620	157,120	30,500	15,000
Public works (all divisions)	4,843,823	2,346,819	40,245	2,456,759
Tourism	1,982,741	1,982,741	-	-
Town attorney's office	734,699	705,222	29,477	-
Town manager's office	1,516,306	1,430,506	52,800	33,000
Municipal court	771,281	759,281	-	12,000
Police department	9,389,713	8,746,781	208,786	434,146
Department expenditures	\$ 23,833,313	\$ 20,016,365	\$ 595,906	\$ 3,221,042
Transfers out	5,708,028	5,708,028	-	-
Contingencies (net)	1,632,058	905,000	326,000	401,058
PSPRS UAAL	5,400,002	-	2,400,000	3,000,002
Total Expenditures	\$ 36,573,401	\$ 26,629,393	\$ 3,321,906	\$ 6,622,102

- ▶ Total Budget and Priorities by Dept
- ▶ Priority One by Classification

OPERATING FUND (GF + HURF)		PRIORITY ONE BY DEPARTMENT		
Priority One by Department by Category	Total Priority One 2020/21	Expenditure Classification		
		Personnel	Supplies & Services	Capital & Pavement
Community development	\$ 2,330,961	\$ 1,815,794	\$ 515,167	\$ -
Finance department	667,981	417,758	250,223	-
Information technology	888,953	576,381	312,572	-
Mayor, Council, Boards				
Commissions and Volunteers	157,120	320	156,800	-
Public works (all divisions)	2,346,819	1,219,345	1,127,474	-
Tourism	1,982,741	-	1,982,741	-
Town attorney's office	705,222	596,839	108,383	-
Town manager's office	1,430,506	811,899	618,607	-
Municipal court	759,281	666,019	93,262	-
Police department	8,746,781	6,707,673	2,039,108	-
Department expenditures	\$ 20,016,365	\$ 12,812,028	\$ 7,204,337	\$ -
Transfers out	5,708,028	-	2,208,028	3,500,000
Contingencies (net)	905,000	-	905,000	-
Total Priority One	\$ 26,629,393	\$ 12,812,028	\$ 10,317,365	\$ 3,500,000
Percentage of Priority One		48%	39%	13%



Executive Summary

VII. Operating Fund: Expenditures

OPERATING FUND (GF & HURF)		ALL DEPARTMENTS		
Expenditures by Category	Total Budget 2020/21	FY General Funding Priority Level		
		Priority One (Funded)	Priority Two (Contingency)	Priority Three (Deferred)
Total Personnel	\$ 13,374,868	\$ 12,812,028	\$ 219,371	\$ 343,469
Professional services	3,778,233	3,691,733	73,000	13,500
Liability insurance	441,336	441,336	-	-
Travel and training	193,350	114,800	41,630	36,920
Software & maintenance	734,555	705,070	13,535	15,950
Printing and publications	197,339	88,090	104,500	4,749
Process, meter, service fees	479,300	479,300	-	-
Hardware, tech equipment	178,680	144,530	-	34,150
Employee programs	71,500	32,500	15,500	23,500
FFE, Weapons, ammo	212,900	161,900	15,000	36,000
Utilities and repairs	541,288	541,288	-	-
Other supplies and services	1,032,477	803,790	113,370	115,317
Street preservation	2,385,487	-	-	2,385,487
Capital	212,000	-	-	212,000
Total Expenditures	\$ 23,833,313	\$ 20,016,365	\$ 595,906	\$ 3,221,042
Prior year's Budget	\$ 23,404,713	\$ 23,404,713	Contingent on	Deferred for fluid
Dollar difference	428,600	(3,388,348)	Service Level and	transition with
Percentage difference	2%	-14%	Related revenue	revenue rebound
Priority One: Funded effective July 1, 2020				

- ▶ Expenditure Priorities and Total Budget by Expenditure Category
- ▶ Contingencies by Purpose and Priority

RECOMMENDED CONTINGENCIES		OPERATING FUND (GF + HURF)		
Purpose	Total Budget 2020/21	FY General Funding Priority Level		
		Priority One	Priority Two	Priority Three
Operating contingency (policy)	\$ 804,058	\$ 600,000	\$ 68,000	\$ 136,058
PSPRS unfunded liability	5,400,002	-	2,400,000	3,000,002
Employee sick payout (policy)	55,000	55,000	-	-
Merit/appreciation (base/lump)	460,000	-	230,000	230,000
Attorney	250,000	250,000	-	-
Department priorities 2	595,906	-	595,906	-
Department priorities 3	3,221,042	-	-	3,221,042
Carried from 2020:				
Town-wide fee study	28,000	-	28,000	-
HR studies	35,000	-	-	35,000
Total Expenditures	\$ 10,849,008	\$ 905,000	\$ 3,321,906	\$ 6,622,102

OPERATING FUND SOURCES AND USES				
Operating fund Total Sources & Uses	Budget 2020/21	Budget 2019/20	Change \$	Change %
Sources:				
Local taxes	\$10,740,000	\$ 20,483,500	\$ (9,743,500)	-47.6%
Building and development fees	2,226,500	2,178,440	48,060	2.2%
State shared revenues	4,481,870	5,015,340	(533,470)	-10.6%
Franchise and agreements	1,695,000	1,500,980	194,020	12.9%
Other licenses, permits and misc.	3,039,650	4,288,120	(1,248,470)	-29.1%
Planned use of fund balance *	4,446,373	3,399,037	1,047,336	30.8%
Total sources	\$26,629,393	\$ 36,865,417	\$(10,236,024)	-27.8%
Uses:				
Personnel	\$12,812,028	\$ 13,635,840	\$ (823,812)	-6.0%
Supplies and services	7,204,337	9,444,873	(2,240,536)	-23.7%
Capital outlay	-	324,000	(324,000)	-100.0%
Transfer to CIP and debt service	5,708,028	5,755,244	(47,216)	-0.8%
Contingencies	905,000	7,705,460	(6,800,460)	-88.3%
Total uses	\$26,629,393	\$ 36,865,417	\$(10,236,024)	-27.8%
* Transfers in from CIP reconciliation are not shown in this table				

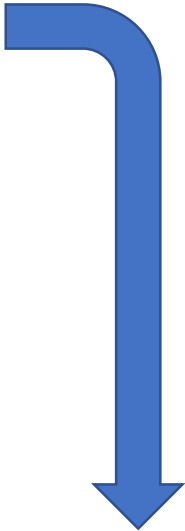
- ▶ Operating Fund: Sources, Uses and Planned Use of Fund Balance
- ▶ Does not include transfer in, since that is a residual form of fund balance.

Executive Summary

VII. Operating Fund: Expenditures

OPERATING FUND SOURCES AND USES		AT VARIOUS REVENUE LEVELS			
Operating fund Total Sources & Uses	REVENUE LEVELS				
	Level I	Recommended	Level II	Level III	
Sources:					
Local taxes	\$ 7,725,000	\$ 10,740,000	\$ 15,990,000	22,300,000	
Building and development fees	1,423,900	2,226,500	2,184,500	2,510,000	
State shared revenues	3,962,980	4,481,870	4,706,190	5,461,280	
Franchise and agreements	1,489,860	1,695,000	1,869,700	2,259,000	
Other licenses, permits and misc.	2,336,600	3,039,650	3,141,750	3,957,700	
Planned use of fund balance	6,983,053	4,446,373	2,059,159	577,421	
Total sources	\$23,921,393	\$ 26,629,393	\$ 29,951,299	\$ 37,065,401	
Uses:					
Department Priority 1	\$20,016,365	\$ 20,016,365	\$ 20,016,365	\$ 20,016,365	
Department Priority 2	-	-	595,906	595,906	
Department Priority 3	-	-	-	3,221,042	
Transfer out to debt service	2,208,028	2,208,028	2,208,028	2,208,028	
Transfer out to capital projects	792,000	3,500,000	3,500,000	3,992,000	
General contingency	600,000	600,000	668,000	804,058	
Specific use contingency	305,000	305,000	563,000	828,000	
PSPRS UAAL	-	-	2,400,000	5,400,002	
Total uses	\$23,921,393	\$ 26,629,393	\$ 29,951,299	\$ 37,065,401	
Transfers in from CIP reconciliation are not shown in this table				Planned use	

- ▶ Operating Fund: Sources, Uses and Planned Use of Fund Balance
- ▶ By Revenue Level and easing expenditure priorities



	REVENUE LEVELS			
	Level I	Recommended	Level II	Level III
Planned use of fund balance	(6,983,053)	(4,446,373)	(2,059,159)	(577,421)
Fund balance before transfers				
Beginning	35,133,034	35,133,034	35,133,034	35,133,034
Ending	\$ 28,149,981	30,686,661	33,073,875	34,555,613
% of next year's base operations	132%	139%	148%	133%
Remaining reserve over 90%	5,687,171	8,223,851	13,021,752	11,178,402

Executive Summary

VIII. Operating Fund: Balance Boosters

FY2020/21 ESTIMATED OPENING FUND BALANCE

1	Unassigned opening balance July 1, 2019	\$ 31,797,615
2	Estimated revenue FY2020	31,826,823
3	Estimated expenditures FY2020	(23,450,048)
4	Recommended interfund transfers for FY2020:	-
5	Reconciled and closed old CIP projects (budgeted)	1,500,000
6	Capital Improvement Plan (amount per policy)	(5,086,000)
7	CIP related debt service	(1,455,244)
8	Change in unassigned fund balance FY2020	3,335,531
9	Opening fund balance for FY2021	\$ 35,133,146
10	Percentage of next year's operating	176%
11	Town policy emergency reserve range:	
12	110% of next year's operating costs	\$ 18,196,695
13	90% of next year's operating costs	22,240,406
14	-if below 90%, requires a plan to bring back to 90%	
15	Amount of current reserve above ranges:	
16	Maintaining at 110%	\$ 16,936,451
17	Maintaining at 90%	12,892,740

FUNDING OPTIONS (Multi-Year Crisis)

1	Transfer reconciled old CIP projects	* \$ 5,000,000
2	Reimburse GF for CIP paid with Pp	750,000
3	Set Town "debt payment" fund (not subject to arbitrage)	(750,000)
4	Unassign GF assigned to facilities	1,516,000
5	Use debt service balance for next payment	1,372,142
6	Unassign GF assigned to fleet	847,500
7	Reduce operating expenditures and services	800,000
8	Use Pp proceeds for CIP (AEL capacity) up to \$8M	7,250,000
9	Offset use of Pp with deposit in Town "debt payment" fund	TBD
10	Opening fund balance July 1, 2020, as adjusted	\$ 16,785,642

* Transfer was not included in "use of fund balance estimate" in previous slide
 Lines 1-3 Recommended to implement in FY2020/21, effective July 1, 2021
 Lines 4-4 are listed in recommended priority order
 Lines 8-9 assist AEL capacity when "bottle neck" CIP & PSPRS UAAL resume

Executive Summary

IX. Operating Fund: Actions Taken

FY2019/20

- ▶ Froze non-essential vacancies and other non-essential spending
- ▶ Held PSPRS UAAL payments
- ▶ Deferred road maintenance, road is in good condition
- ▶ Private placement (low rate)
- ▶ Increased fund balance by \$3.3M
- ▶ State work share program
- ▶ AZDEMA program
- ▶ FEMA reimbursement effort
- ▶ Aligning staffing duties with demands
- ▶ Project teams: Reopening, Recovery, Best Practices, Continuity Planning

FY2020/21

- ▶ Departments prioritized and continue to reduce expenditures on a tiered approach
- ▶ Updating revenue projections and analysis as data is available
- ▶ Assessed policies, reserves and set-asides for recommendations
- ▶ Plan dynamic resumption to full activities, ready to cut-back if necessary
- ▶ Recalibrated costs and use of non-general fund sources

Executive Summary

X. Fund Balance

Activity Description	General Fund			Capital Improvement Program				Enterprises and grants / fees				Total All Funds
	Unassigned	Assigned for		Town General Fund		Proceeds held by Trustee		Court Funds	Enterprise funds			
	Operating	Facilities	Fleet	Construction	Debt Service	Construction	Debt Service		Alarm	Fire	Wastewater	
1 Opening available balance FY2020	\$31,797,615	\$1,516,000	\$847,500	\$11,017,283	\$0	\$0	\$1,383,064	\$1,062,402	\$528,340	\$2,479,716	(\$989,874)	\$49,642,046
2 FY2019/20 estimated:												
3 Revenues	31,826,823	-	-	-	-	4,000	11,198	272,421	150,165	3,147,447	3,158,534	38,570,588
4 Expenditures	(23,450,048)	-	-	(2,241,000)	-	-	(1,477,864)	(415,539)	(129,175)	(3,191,181)	(2,556,988)	(33,461,795)
5 Interfund transfers												
6 Reconciled and closed old CIP projects	1,500,000	-	-	(1,500,000)	-	-	-	-	-	-	-	-
7 Capital improvement plan	(5,086,112)	-	-	5,086,112	-	-	-	-	-	-	-	-
8 CIP related debt service	(1,455,244)	-	-	-	-	-	1,455,244	-	-	-	-	-
9 Excise tax revenue proceeds	-	-	-	-	-	8,003,600	-	-	-	-	-	8,003,600
10 Change in fund balance FY2020	3,335,419	-	-	1,345,112	-	8,007,600	(11,422)	(143,118)	20,990	(43,734)	601,546	13,112,393
11 Opening fund balance FY2021	\$35,133,034	\$1,516,000	\$847,500	\$12,362,395	\$0	\$8,007,600	\$1,371,642	\$919,284	\$549,330	\$2,435,982	(\$388,328)	\$62,754,439
12 FY2020/21 recommended:												
13 Revenues	22,183,020	-	-	-	-	16,000	500	241,700	155,000	3,142,000	2,820,000	28,558,220
14 Expenditures	(20,016,365)	-	-	(5,600,000)	-	-	(2,208,028)	(152,500)	(165,134)	(3,378,982)	(2,882,794)	(34,403,803)
15 Contingency	(905,000)	-	-	(590,000)	-	(20,000)	-	(20,000)	(20,000)	(90,000)	(28,000)	(1,673,000)
16 Interfund transfers												
17 Capital improvement plan	(3,500,000)	-	-	3,500,000	-	-	-	-	-	-	-	-
18 CIP related debt service	(2,208,028)	-	-	-	-	-	2,208,028	-	-	-	-	-
19 Repay interfund loan	-	-	-	-	-	-	-	-	-	-	-	-
20 Change in fund balance FY2021	(4,446,373)	-	-	(2,690,000)	-	(4,000)	500	69,200	(30,134)	(326,982)	(90,794)	(7,518,583)
21 Ending fund balance FY2021	\$30,686,661	\$1,516,000	\$847,500	\$9,672,395	\$0	\$8,003,600	\$1,372,142	\$988,484	\$519,196	\$2,109,000	(\$479,122)	\$55,235,856

EXECUTIVE SUMMARY FY2020/21



May 14th, 2020