

APPENDIX

Resolution 2020-17: Adopting the Final Budget for FY2020/21 in the amount of \$64,220,371



June 11th, 2020

TOWN SUMMARIES AND SCHEDULES FY2020/21



Note: For budget purposes, the Town has the “Operating Fund that is a combination of the “General Fund and HURF”. These legally separate funds are reported as two separate funds in the State forms:

- ▶ General Fund; and
- ▶ Special Revenue Fund (HURF)

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

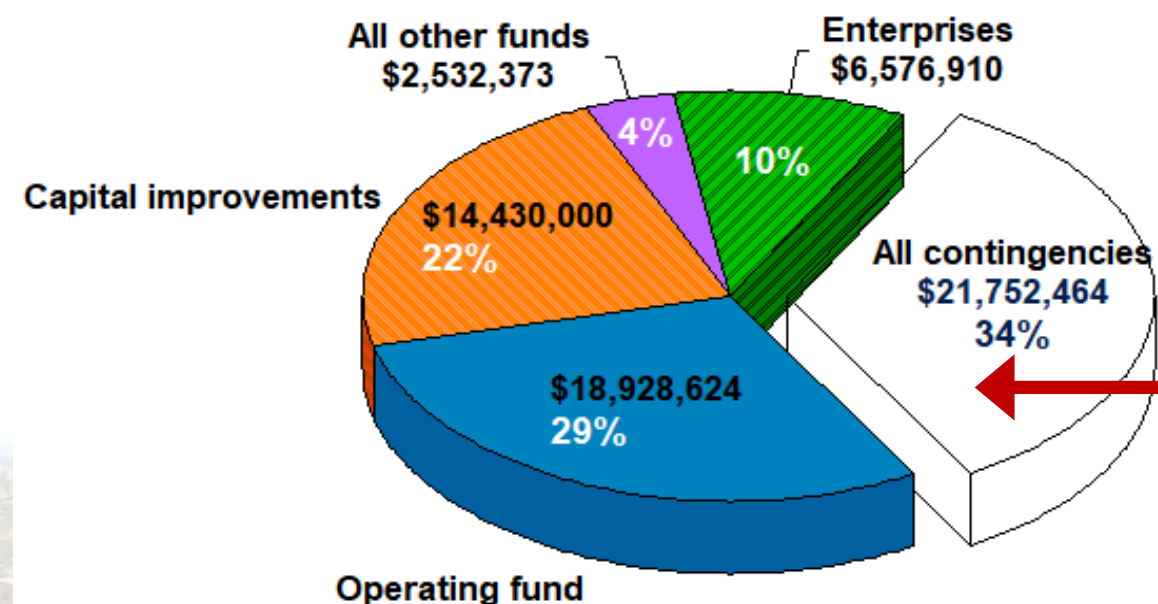
PRIORITY THREE: Represents where a department was heading in February ‘20. Poised to resume, but not likely to materialize for all requests in FY2021. Jan-Mar

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.

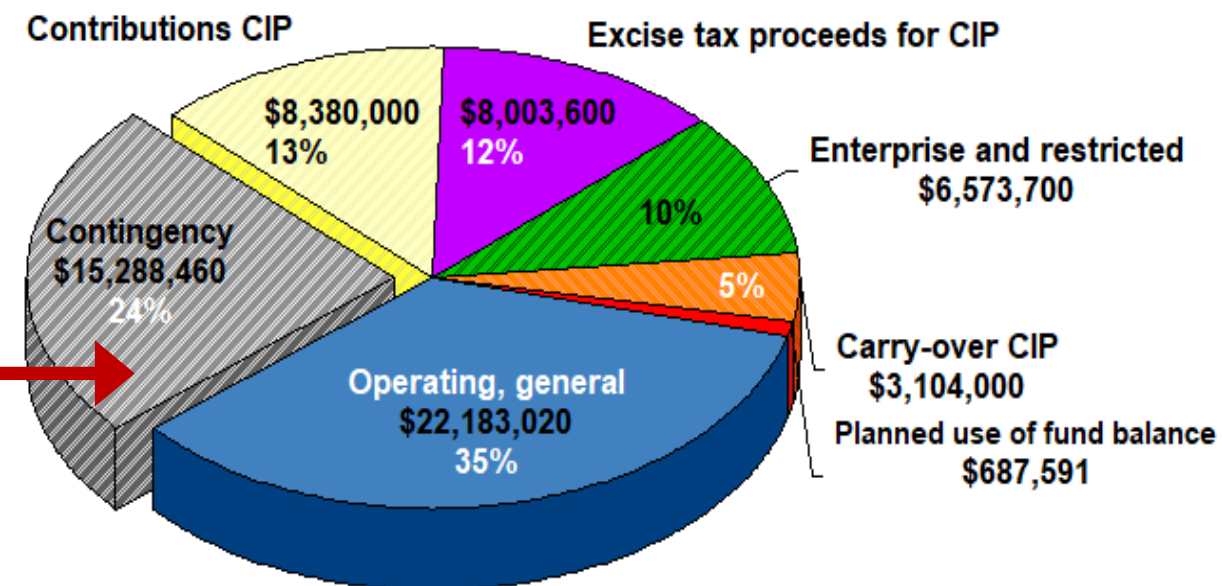
Final Budget Summary

I. Sources and Uses

| HIGHLIGHTS OF THE TENTATIVE BUDGET 2021 | | EXPENDITURES |
|--|----------------------|---------------|
| EXPENDITURES / EXPENSES | Amount | % of Total |
| Operating fund, Department's priority one | \$ 18,928,624 | 29.5% |
| Capital Improvement Projects | 14,430,000 | 22.5% |
| CIP Excise tax obligation payments | 2,208,028 | 3.4% |
| Enterprise funds | 6,576,910 | 10.2% |
| Court, Police and other grants and donations | 324,345 | 0.5% |
| Contingencies for fluid operational transition | 21,752,464 | 33.9% |
| Total tentative budget 2021 | \$ 64,220,371 | 100.0% |



| HIGHLIGHTS OF THE TENTATIVE BUDGET 2021 | | SOURCES |
|--|----------------------|---------------|
| SOURCES | Amount | % of Total |
| Operating, general revenues | \$ 22,183,020 | 34.5% |
| Carry-over Town funding for CIP | 3,104,000 | 4.8% |
| Capital contributions for CIP (Contractual) | 8,380,000 | 13.0% |
| Enterprise fees and restricted revenues | 6,573,700 | 10.2% |
| Planned use of fund balance | 687,591 | 1.1% |
| Excise tax proceeds available for CIP | 8,003,600 | 12.5% |
| Contingencies for fluid operational transition | 15,288,460 | 23.8% |
| Total tentative budget 2021 | \$ 64,220,371 | 100.0% |



Final Budget Summary

| HIGHLIGHTS OF THE TENTATIVE BUDGET 2021 | | EXPANDED LIST |
|--|----------------------|---------------|
| EXPENDITURES / EXPENSES | Amount | % of Total |
| Operating fund, Department's priority one | | |
| Police department | \$ 8,746,781 | 13.6% |
| Community development | 2,330,961 | 3.6% |
| Public works and streets | 2,346,819 | 3.7% |
| Tourism (current formula) | 900,000 | 1.4% |
| Town manager's office and Post office | 1,430,506 | 2.2% |
| All other departments | 3,173,557 | 4.9% |
| Capital Improvement Projects | | |
| Town funded capital projects | 6,050,000 | 9.4% |
| Non-Town funded capital projects | 8,380,000 | 13.0% |
| CIP Excise tax obligation payments | 2,208,028 | 3.4% |
| Enterprise funds | | |
| Alarm services | 165,134 | 0.3% |
| Fire services | 3,378,982 | 5.3% |
| Wastewater services | 3,032,794 | 4.7% |
| Court, Police and other grants and donations | 324,345 | 0.5% |
| Contingencies for fluid operational transition | | |
| CIP Contingency for CIP Activities | 554,000 | 0.9% |
| CIP Excise tax proceeds for projects | 8,003,600 | 12.5% |
| Federal, state and court grants | 1,120,115 | 1.7% |
| Enterprise funds | 138,000 | 0.2% |
| Department's priority two and three | 3,816,948 | 5.9% |
| General purpose | 804,058 | 1.3% |
| Specific purpose | 1,915,741 | 3.0% |
| PSRPS Unfunded liability | 5,400,002 | 8.4% |
| Total tentative budget 2021 | \$ 64,220,371 | 100.0% |

II. Expanded Sources and Uses

| HIGHLIGHTS OF THE TENTATIVE BUDGET 2021 | | EXPANDED LIST |
|--|----------------------|---------------|
| SOURCES | Amount | % of Total |
| Operating, general revenues | | |
| Local taxes | \$ 10,740,000 | 16.7% |
| Building and development fees | 2,226,500 | 3.5% |
| State shared revenues | 4,481,870 | 7.0% |
| Franchise and agreements | 1,695,000 | 2.6% |
| Other licenses, permits and misc. | 3,039,650 | 4.7% |
| Carry-over Town funding for CIP | 3,104,000 | 4.8% |
| Capital contributions for CIP (Contractual) | 8,380,000 | 13.0% |
| Enterprise fees and restricted revenues | | |
| Alarm services fees | 155,000 | 0.2% |
| Fire services fees | 3,142,000 | 4.9% |
| Waterwater service and impact fees | 2,820,000 | 4.4% |
| Municipal court grants | 241,700 | 0.4% |
| Other grants and donations | 215,000 | 0.3% |
| Planned use of fund balance - general & grants | 19,681 | 0.0% |
| Planned use of fund balance - enterprises | 667,910 | 1.0% |
| Excise tax proceeds available for CIP | 8,003,600 | 12.5% |
| Contingencies for fluid operational transition | | |
| Local taxes | 11,560,000 | 18.0% |
| Building and development fees | 283,500 | 0.4% |
| State shared revenues | 979,410 | 1.5% |
| Franchise and agreements | 564,000 | 0.9% |
| Other lic., permits and misc | 918,050 | 1.4% |
| Restricted earnings with trustee | (16,500) | 0.0% |
| AEL excluded | 1,000,000 | 1.6% |
| Total tentative budget 2021 | \$ 64,220,371 | 100.0% |

Total Sources and Uses

I. Sources

| SOURCES AVAILABLE | General & HURF | Court Grants | Capital Projects | Debt Service | Grants & Donations | Alarm Services | Fire Services | Wastewater Funds | Wastewater Impact fees | 2020/21 Total |
|------------------------------------|----------------------|--------------------|-----------------------|---------------------|---------------------|-------------------|---------------------|---------------------|------------------------|----------------------|
| Operating, general revenue | \$ 22,183,020 | - | - | - | - | - | - | - | - | \$ 22,183,020 |
| Restricted revenue | - | \$ 241,700 | \$ 16,000 | \$ 500 | \$ 198,500 | - | \$ - | \$ - | - | 456,700 |
| Enterprise fee | - | - | - | - | - | \$ 155,000 | 3,142,000 | 2,670,000 | \$ 150,000 | 6,117,000 |
| Capital contributions | - | - | 8,380,000 | - | - | - | - | - | - | 8,380,000 |
| TOTAL REVENUE | \$ 22,183,020 | \$ 241,700 | \$ 8,396,000 | \$ 500 | \$ 198,500 | \$ 155,000 | \$ 3,142,000 | \$ 2,670,000 | \$ 150,000 | \$ 37,136,720 |
| Revenue contingency | 14,304,960 | - | (16,000) | (500) | 1,000,000 | - | - | - | - | 15,288,460 |
| Carry forward - Town projects | - | - | 3,104,000 | - | - | - | - | - | - | 3,104,000 |
| Carry forward-Excise tax proceeds | - | - | 8,003,600 | - | - | - | - | - | - | 8,003,600 |
| Planned use (gain) of fund balance | (4,984,579) | (69,200) | 5,000,000 | - | 73,460 | 30,134 | 326,982 | 310,794 | - | 687,591 |
| CONTINGENCY AND FUND BAL. | \$ 9,320,381 | \$ (69,200) | \$ 16,091,600 | \$ (500) | \$ 1,073,460 | \$ 30,134 | \$ 326,982 | \$ 310,794 | \$ - | \$ 27,083,651 |
| Transfers in | 5,070,000 | - | 3,500,000 | 2,208,028 | - | - | - | 150,000 | - | 10,928,028 |
| Transfers out | (5,708,028) | - | (5,000,000) | - | - | - | - | (70,000) | (150,000) | (10,928,028) |
| TOTAL NET TRANSFERS | \$ (638,028) | \$ - | \$ (1,500,000) | \$ 2,208,028 | \$ - | \$ - | \$ - | \$ 80,000 | \$ (150,000) | \$ - |
| TOTAL SOURCES | \$ 30,865,373 | \$ 172,500 | \$ 22,987,600 | \$ 2,208,028 | \$ 1,271,960 | \$ 185,134 | \$ 3,468,982 | \$ 3,060,794 | \$ - | \$ 64,220,371 |



Total Sources and Uses

II. Uses

| 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. & Vol. | 152,120 | - | - | - | - | - | - | - | - | 152,120 |
| Public works fleet and facilities | 896,914 | - | - | - | - | - | 20,698 | - | - | 917,612 |
| Streets & pavement plan | 1,449,905 | - | - | - | - | - | - | - | - | 1,449,905 |
| Tourism | 900,000 | - | - | - | - | - | - | - | - | 900,000 |
| 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) | - | - | \$ 2,980,000 | - | - | - | - | - | - | 2,980,000 |
| CIP (Prior year's carried forward) | - | - | 3,070,000 | - | - | - | - | - | - | 3,070,000 |
| CIP (Private party reimbursed) | - | - | 8,380,000 | - | - | - | - | 1,005,000 | - | 9,385,000 |
| CIP use of proceeds | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 18,928,624 | 152,500 | 14,430,000 | 2,208,028 | 171,845 | 165,134 | 3,378,982 | 3,032,794 | - | 42,467,907 |
| Contingencies (Priority one) | 905,000 | 20,000 | 554,000 | - | 100,115 | 20,000 | 90,000 | 28,000 | - | 1,717,115 |
| Contingencies (Other priorities) | 11,031,749 | - | 8,003,600 | - | 1,000,000 | - | - | - | - | 20,035,349 |
| TOTAL BUDGET 2020/21* | \$ 30,865,373 | \$ 172,500 | \$ 22,987,600 | \$2,208,028 | \$1,271,960 | \$ 185,134 | \$ 3,468,982 | \$ 3,060,794 | \$ - | \$ 64,220,371 |

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 |

Total Sources and Uses

III. Contingencies (Expenditures)

| RECOMMENDED CONTINGENCIES | | | | | ALL FUNDS (EXPENDITURE / EXPENSE) | | | | | |
|--|----------------------|---------------------------------|---------------------|---------------------|-----------------------------------|---------------------|----------------------|------------------|------------------|------------------|
| Purpose | Total Budget 2020/21 | Operating Fund (General + HURF) | | | Court Grants | Capital Projects | Grants and Donations | Enterprises | | |
| | | Priority One | Priority Two | Priority Three | | | | Alarm | Fire | Waste-water |
| Operating contingency | \$ 1,616,173 | \$ 600,000 | \$ 68,000 | \$ 136,058 | \$ 20,000 | \$ 554,000 | \$ 100,115 | \$ 20,000 | \$ 90,000 | \$ 28,000 |
| 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 & 3 | 3,816,948 | - | 595,906 | 3,221,042 | - | - | - | - | - | - |
| Tourism | 1,087,741 | - | - | 1,087,741 | - | - | - | - | - | - |
| Carried from 2020: | | | | | | | | | | |
| Town-wide fee study | 28,000 | - | 28,000 | - | - | - | - | - | - | - |
| HR studies | 35,000 | - | - | 35,000 | - | - | - | - | - | - |
| CIP contingency | - | - | - | - | - | - | - | - | - | - |
| AEL excluded | 9,003,600 | - | - | - | - | 8,003,600 | 1,000,000 | - | - | - |
| Total Expenditures | \$ 21,752,464 | \$ 905,000 | \$ 3,321,906 | \$ 7,709,843 | \$ 20,000 | \$ 8,557,600 | \$ 1,100,115 | \$ 20,000 | \$ 90,000 | \$ 28,000 |
| Blue figures are excluded from the Annual Expenditure Limitation (AEL) | | | | | | | | | | |



Total Sources and Uses

III. Contingencies (Revenues)

| RECOMMENDED CONTINGENCIES | | ALL TOWN FUNDS (REVENUES) | | | |
|----------------------------------|----------------------------|---------------------------|---------------------|----------------------------|---------------------------------------|
| Purpose | Total Budget 2020/21 | General Fund | | Grants and Donations | Capital Projects & Debt Service |
| | | Level II | Level III | | |
| Local taxes | \$ 11,560,000 | \$ 5,250,000 | \$ 6,310,000 | - | - |
| Building and development fees | 283,500 | - | 283,500 | - | - |
| State shared revenues | 979,410 | 224,320 | 755,090 | - | - |
| Franchise and agreements | 564,000 | 174,700 | 389,300 | - | - |
| Other lic., permits and misc | 918,050 | 102,100 | 815,950 | - | - |
| Net adjusted CIP transfers out | - | - | - | - | - |
| Restricted earnings with trustee | (16,500) | - | - | - | (16,500) |
| AEL excluded | 1,000,000 | - | - | 1,000,000 | - |
| Total Expenditures | \$ 15,288,460 | \$ 5,751,120 | \$ 8,553,840 | \$ 1,000,000 | \$ (16,500) |



Total Sources and Uses

IV. Transfers and Allocations

SCHEDULE OF TRANSFERS

| Transfer in | Transfers out | | | Total |
|-----------------------------|---------------------|--------------------------|---------------------|----------------------|
| | General Fund | Wastewater & Impact Fees | Capital Projects | |
| Highway User Revenue (HURF) | \$ 823,475 | - | - | \$ 823,475 |
| Capital projects fund | 3,500,000 | - | - | 3,500,000 |
| Debt service fund | 2,208,028 | - | - | 2,208,028 |
| General fund | - | \$ 70,000 | \$ 5,000,000 | 5,070,000 |
| Wastewater utility | - | 150,000 | - | 150,000 |
| Total | \$ 6,531,503 | \$ 220,000 | \$ 5,000,000 | \$ 11,751,503 |

SCHEDULE OF ADMINISTRATIVE COSTS

| Servicing unit | Enterprise | | | Total |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| | Alarm | Fire | Wastewater | |
| Town attorney | - | \$ 21,804 | \$ 17,340 | \$ 39,144 |
| Police | \$ 101,253 | 30,418 | - | 131,671 |
| Facilities | - | 20,698 | - | 20,698 |
| Engineering | - | - | 64,845 | 64,845 |
| Town manager | - | - | - | - |
| Community development | - | 94,970 | - | 94,970 |
| Information technology | 11,235 | - | - | 11,235 |
| Finance | 6,316 | 60,827 | 37,552 | 104,695 |
| Total | \$ 118,804 | \$ 228,717 | \$ 119,737 | \$ 467,258 |

Total Sources and Uses

V. Staffing

| ALL TOWN PERSONNEL: FULL TIME EQUIVALENTS | | | | | | | | |
|---|-------------------------|----------------------|-----------|-------------|-------------------|-------------------|-------------------|-------------------|
| 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 Sources and Uses

- ▶ For the capital improvement projects, the intent of the **Tentative Budget is to provide single year FY2020/21 funding and budget authority for the program as a whole; not individual projects or contracts.**
- ▶ The “**accounting summary**” is the bridge from the 5-year CIP to the 1-year State forms.
- ▶ Town and private organization funded projects are reported in the Town’s “Capital Projects fund”; Wastewater projects are reporting in that Enterprise fund.



VI. Capital Improvement Projects

| TOWN FUNDED PROJECTS (General fund & Wastewater) | | Total Sources | FUNDING | |
|--|---------|---------------------|---------------------|---------------------|
| | | | New 2020 | Carry forward |
| Roadway & Utility Improvements: Lincoln Dr, Mockingbird Ln, Indian Bend Rd | 2016-14 | \$ 2,225,000 | \$ 1,005,000 | \$ 1,220,000 |
| Lincoln Dr Median Improvements: 32nd St to Tatum Blvd | 2020-13 | 695,000 | 145,000 | 550,000 |
| Lincoln Dr Median Improvements: Tatum Blvd to Mockingbird Ln | 2020-14 | 1,420,000 | 870,000 | 550,000 |
| Intersection Realignment: Lincoln Dr & Invergordon Dr | 2019-01 | 100,000 | - | 100,000 |
| SRP Denton Ln Underground Conversion | 2020-02 | 170,000 | - | 170,000 |
| Drainage Improvements (various locations) | 2020-10 | 50,000 | - | 50,000 |
| Highlands Dr. Cul De Sac | 2019-03 | - | - | - |
| License Plate Readers Update | 2020-12 | 350,000 | - | 350,000 |
| Mockingbird Ln: 56th St. to Invergordon Dr. | 2021-03 | 400,000 | 355,000 | 45,000 |
| Public Works Remodel | 2018-01 | - | - | - |
| CIP Scope & Cost Estimating (various projects) | 2099-98 | 50,000 | 15,000 | 35,000 |
| CIP Contingencies | 2099-99 | 590,000 | 590,000 | - |
| Town of Paradise Valley Operating Funds | | 6,050,000 | 2,980,000 | 3,070,000 |
| Sewer system assessment | 2017-06 | 605,000 | 605,000 | - |
| Sewer system improvements | 2019-05 | 400,000 | 400,000 | - |
| Total Wastewater Enterprise Funds | | 1,005,000 | 1,005,000 | - |
| TOTAL TOWN FUNDED PROJECTS | | \$ 7,055,000 | \$ 3,985,000 | \$ 3,070,000 |
| PRIVATE ORGANIZATIONS FUNDED PROJECTS (Residents, 5-Star and SRP) | | Total Sources | FUNDING | |
| | | | New 2020 | Carry forward |
| Roadway & Utility Improvements: Lincoln Dr, Mockingbird Ln, Indian Bend Rd | 2016-14 | \$ 8,035,000 | \$ - | \$ 8,035,000 |
| SRP Denton Ln Underground - Aesthetics | 2020-02 | 200,000 | - | 200,000 |
| SRP Denton Ln Underground - Residents | 2020-02 | 70,000 | - | 70,000 |
| Lincoln Dr Median Improvements: Tatum Blvd to Mockingbird Ln | 2020-14 | 75,000 | 75,000 | - |
| TOTAL PRIVATE ORGANIZATION PROJECTS | | \$ 8,380,000 | \$ 75,000 | \$ 8,305,000 |

Total Sources and Uses

VII. Annual Expenditure Limitation

| AEL Table 1: Annual Expenditure Limitation for EXPENDITURES (PRIORITY ONE) | |
|---|-------------------|
| | Total 2020/21 |
| 1 Total priority one expenditures | \$ 42,467,907 |
| 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) | (8,380,000) |
| 8 Priority one expenditures subject to AEL (Line 11) | 31,127,928 |
| 9 EEC limit for Paradise Valley | 43,359,061 |
| 10 Amount (over) under before contingencies | 12,231,133 |

| AEL Table 2: Annual Expenditure Limitation for TOTAL BUDGET (STATE FORMS) | |
|--|-------------------|
| | Total 2020/21 |
| 11 Priority one expenditures subject to AEL (Line 8) | 31,127,928 |
| 12 Total contingencies | 21,752,464 |
| 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 “*Total Sources and Uses: II. Uses*” slide.
- 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.

Total Sources and Uses

VIII. Changes in Fund Balance

| TOTAL SOURCES, USES and FUND BALANCE | Opening Balance FY2019/20 | Fiscal Year 2019/20 | | Opening Balance FY2020/21 | Fiscal Year 2020/21 | | Closing Balance FY2020/21 | Level and Priority Contingencies II and III | | Balance After Contingencies |
|---|---------------------------------|---------------------|----------------|---------------------------------|---------------------|----------------------|---------------------------------|--|----------------|-----------------------------------|
| | | Total Sources | Total Uses | | Total Sources | Priority One Uses | | Revenue | Expenditure | |
| | | | | | | | | | | |
| 1 Operating fund (GF+HURF) | | | | | | | | | | |
| 2 Unassigned | \$31,797,615 | \$33,554,335 | (\$30,061,404) | \$35,290,546 | \$27,253,020 | (\$24,636,652) | \$37,906,914 | \$14,304,960 | (\$11,936,749) | \$40,275,125 |
| 3 Assigned to: | | | | | | | | | | |
| 4 Facilities | 1,516,000 | - | - | 1,516,000 | - | - | 1,516,000 | - | - | 1,516,000 |
| 5 Fleet | 847,500 | - | - | 847,500 | - | - | 847,500 | - | - | 847,500 |
| 6 Other | - | - | - | - | - | - | - | - | - | - |
| 7 Capital improvement program | | | | | | | | | | |
| 8 General fund | | | | | | | | | | |
| 9 Capital projects | 11,017,283 | 6,276,112 | (4,861,000) | 12,432,395 | 11,880,000 | (19,430,000) | 4,882,395 | - | (554,000) | 4,328,395 |
| 10 Debt service | - | - | - | - | - | - | - | - | - | - |
| 11 Held by trustee | | | | | | | | | | |
| 12 Construction | - | 8,007,600 | - | 8,007,600 | 16,000 | - | 8,023,600 | (16,000) | (8,003,600) | 4,000 |
| 13 Debt service | 1,383,064 | 1,466,442 | (1,477,864) | 1,371,642 | 2,208,528 | (2,208,028) | 1,372,142 | (500) | - | 1,371,642 |
| 14 Grants and donations | | | | | | | | | | |
| 15 Courts | 1,062,402 | 272,421 | (415,539) | 919,284 | 241,700 | (152,500) | 1,008,484 | - | (20,000) | 988,484 |
| 16 All other | 58,032 | 49,590 | (34,162) | 73,460 | 198,500 | (171,845) | 100,115 | 1,000,000 | (1,100,115) | - |
| 17 Enterprises | | | | | | | | | | |
| 18 Alarm services | 528,340 | 150,165 | (129,175) | 549,330 | 155,000 | (165,134) | 539,196 | - | (20,000) | 519,196 |
| 19 Fire services | 2,479,716 | 3,147,447 | (3,191,181) | 2,435,982 | 3,142,000 | (3,378,982) | 2,199,000 | - | (90,000) | 2,109,000 |
| 20 Wastewater | (989,874) | 3,158,534 | (2,556,988) | (388,328) | 2,820,000 | (3,102,794) | (671,122) | - | (28,000) | (699,122) |
| 21 TOTAL | \$49,700,078 | \$56,082,646 | (\$42,727,313) | \$63,055,411 | \$47,914,748 | (\$53,245,935) | \$57,724,224 | \$15,288,460 | (\$21,752,464) | \$51,260,220 |

► Flexible

► Adaptive

Monthly
Updates

► Transition Ready

Total Sources and Uses



IX. Actions Taken

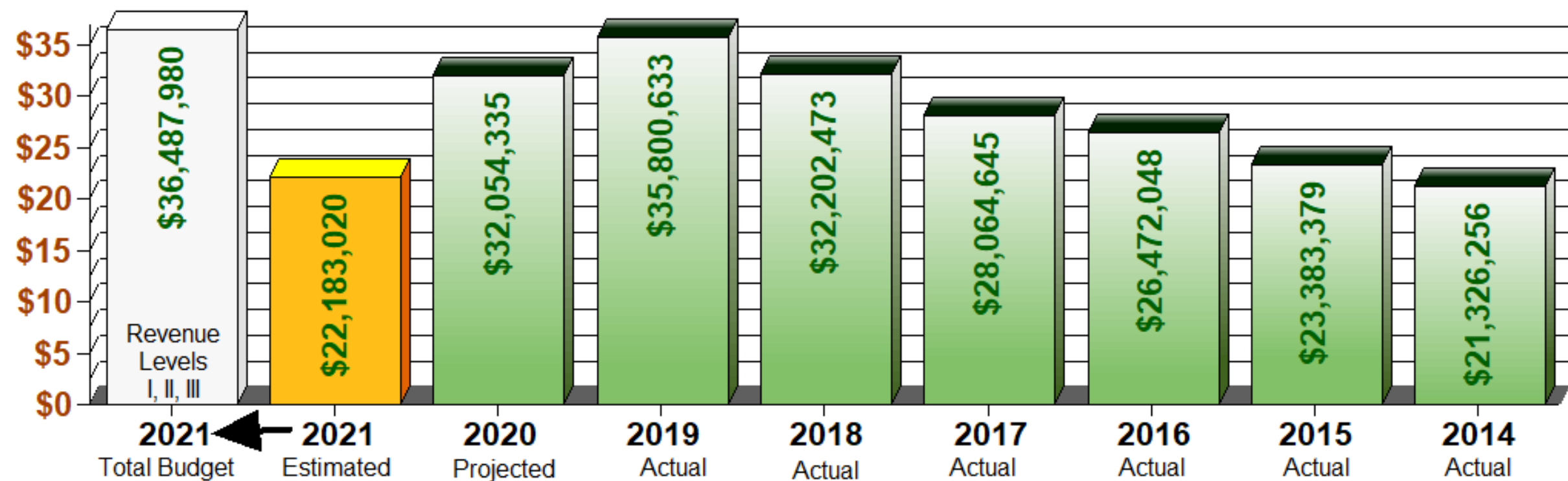
| FY2019/20 | FY2020/21 |
|--|---|
| <ul style="list-style-type: none">▶ Froze non-essential vacancies and other non-essential spending▶ Held PSPRS UAAL payments▶ Deferred road maintenance, road is in good condition▶ Private placement (low rate)▶ Increased fund balance by \$3.3M▶ State work share program▶ AZDEMA program▶ FEMA reimbursement effort▶ Aligning staffing duties with demands▶ Project teams: Reopening, Recovery, Best Practices, Continuity Planning | <ul style="list-style-type: none">▶ 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▶ Updated a spending formula based on prior year revenue collections |

Operating Fund

I. Revenue

TOTAL REVENUE

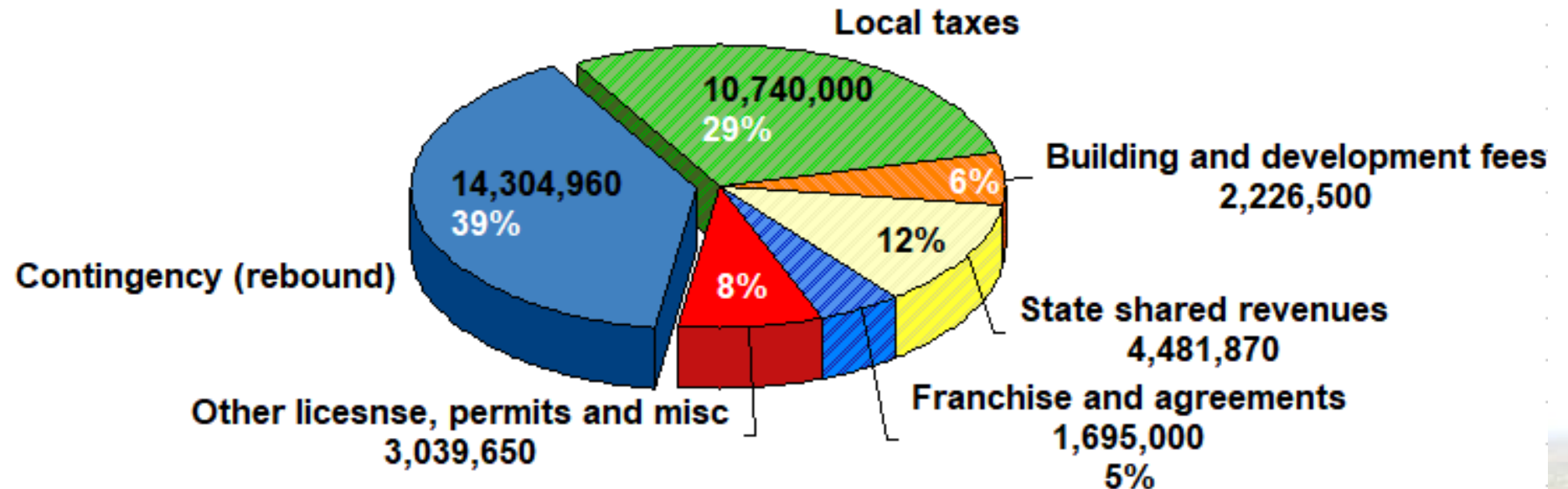
(in millions)



Operating Fund

II. Revenue Rebound (*Confidence*) Levels

| 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 | \$19,558,695 | \$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 | 2,545,903 | 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 | \$32,054,335 | \$35,800,633 | \$32,202,473 | \$28,064,646 | | | | |
| Percentage of Level III | 46% | 76% | 100% | 61% | | | | | | | | |

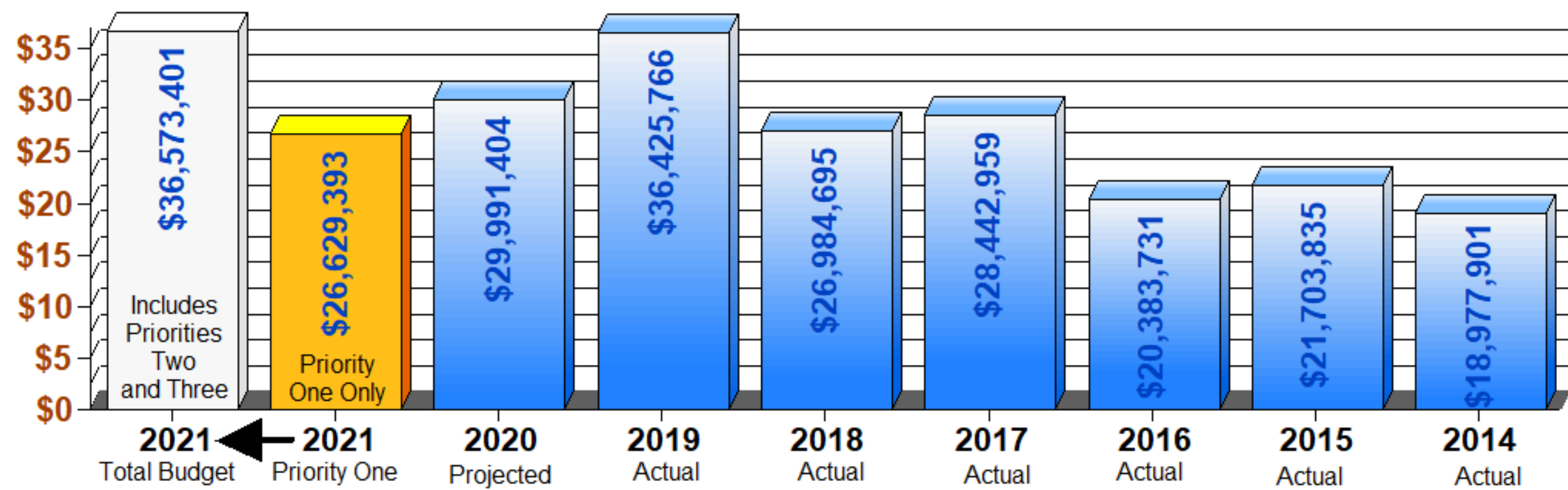


Operating Fund

III. Expenditures & Transfers Out

OPERATING USES

(in millions)

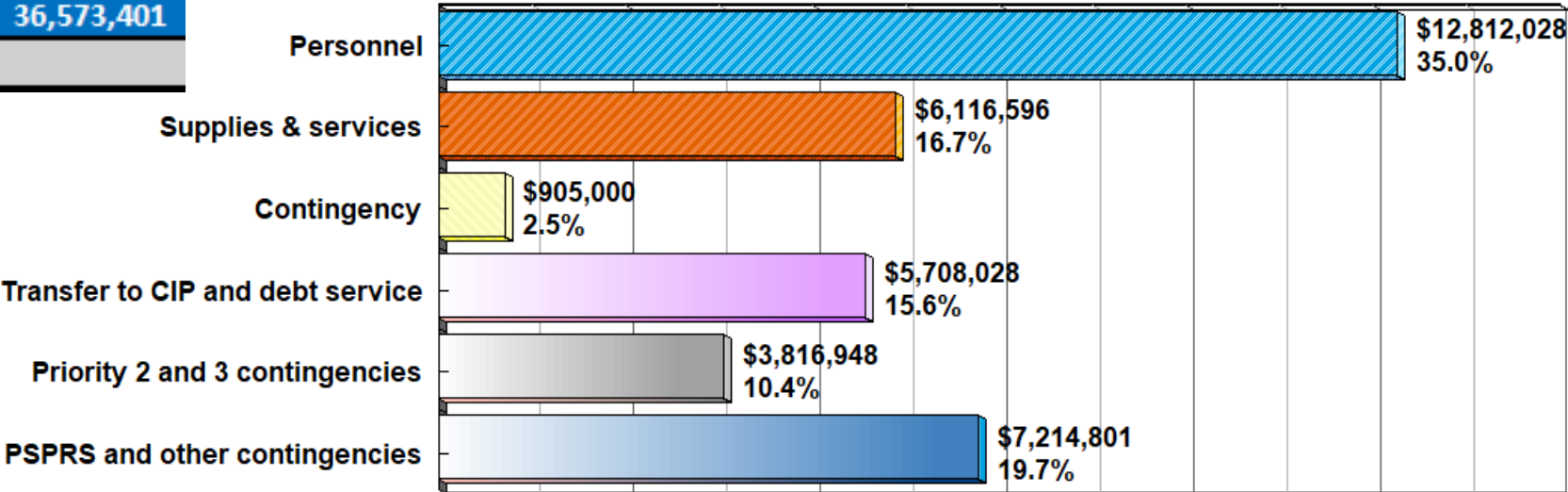
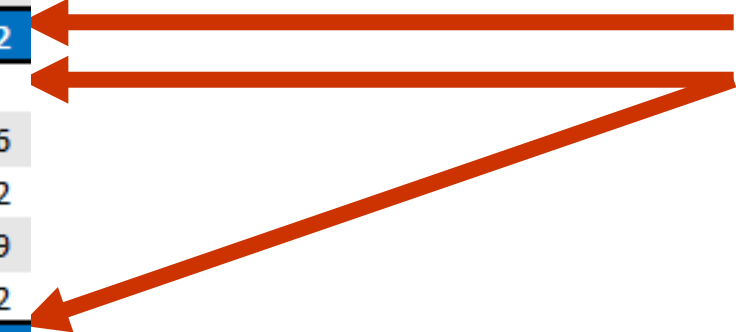


Operating Fund

III. Expenditures & Transfers Out

| OPERATING FUND | | PRIORITY ONE & STATE FORMS |
|------------------------------------|--|----------------------------|
| | | Budget 2020/21 |
| Personnel | | \$ 12,812,028 |
| Supplies and services | | 6,116,596 |
| Contingency | | 905,000 |
| Transfers to CIP and debt service | | 5,708,028 |
| Total Priority One | | \$ 25,541,652 |
| Contingencies: | | |
| Priority Two | | 595,906 |
| Priority Three | | 3,221,042 |
| General and specific purpose | | 1,814,799 |
| PSPRS UAAL | | 5,400,002 |
| Total operating fund (state forms) | | \$ 36,573,401 |

- ▶ Priority One
- ▶ Contingencies
- ▶ Total Budget



Operating Fund

IV. Sources and Uses

| OPERATING FUND SOURCES AND USES | | BEFORE NON-OPERATING TRANSFERS IN | | |
|--|----------------------|-----------------------------------|------------------------|---------------|
| 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 * | 3,358,632 | 3,399,037 | (40,405) | -1.2% |
| Total sources | \$ 25,541,652 | \$ 36,865,417 | \$ (11,323,765) | -30.7% |
| Uses: | | | | |
| Personnel | \$ 12,812,028 | \$ 13,635,840 | \$ (823,812) | -6.0% |
| Supplies and services | 6,116,596 | 9,444,873 | (3,328,277) | -35.2% |
| 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 | \$ 25,541,652 | \$ 36,865,417 | \$ (11,323,765) | -30.7% |
| * 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.

Operating Fund

V. Sources, Uses and Fund Balance

| OPERATING FUND SOURCES AND USES | | AT VARIOUS REVENUE LEVELS (BEFORE TRANSFERS IN) | | | |
|--|----------------------|---|----------------------|----------------------|-----------|
| Operating fund | | REVENUE LEVELS | | | |
| Total Sources & Uses | | 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 * | 5,895,312 | 3,358,632 | 971,418 | (50,637) | |
| Total sources | \$ 22,833,652 | \$ 25,541,652 | \$ 28,863,558 | \$ 36,437,343 | |
| Uses: | | | | | |
| Department Priority 1 | \$ 18,928,624 | \$ 18,928,624 | \$ 18,928,624 | \$ 18,928,624 | |
| 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 | 3,500,000 | |
| General contingency | 600,000 | 600,000 | 668,000 | 1,755,741 | |
| Specific use contingency | 305,000 | 305,000 | 563,000 | 828,000 | |
| PSPRS UAAL | - | - | 2,400,000 | 5,400,002 | |
| Total uses | \$ 22,833,652 | \$ 25,541,652 | \$ 28,863,558 | \$ 36,437,343 | |
| Transfers in from CIP reconciliation are not shown in this table | | | | | |

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



| | REVENUE LEVELS | | | |
|----------------------------------|----------------|-------------|------------|------------|
| | Level I | Recommended | Level II | Level III |
| Planned use of fund balance | (5,895,312) | (3,358,632) | (971,418) | 50,637 |
| Fund balance before transfers | | | | |
| Beginning | 35,290,546 | 35,290,546 | 35,290,546 | 35,290,546 |
| Ending | \$ 29,395,234 | 31,931,914 | 34,319,128 | 35,341,183 |
| % of next year's base operations | 148% | 157% | 164% | 166% |
| Remaining reserve over 90% | 11,544,972 | 13,635,396 | 15,487,102 | 20,416,381 |



APPENDIX

**Resolution 2020-17:
Adopting the Final Budget for
FY2020/21 in the amount of \$64,220,371**



June 11th, 2020