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FY2020/21 MONTHLY FINANCIAL UPDATED No. 4: January 2021



January 28th, 2021

Financial Update - January

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CASH & INVESTMENTS UPDATE

INVESTMENT SERVICES AND CIP PROCEEDS, SERIES 2020



January 28th, 2021

INVESTEMENT SERVICES

Key Question for #1 Council:

- Does Council have any reservations or feedback for Management about adding to the “List of approved brokers and banks” for investment services?



January 28th, 2021

Investment Services

Scope

B&I-SW

The approach to selecting the Town’s banking and investment service providers was discussed by the “Banking and Investment Summer Workgroup” and is being brought to the Mayor and Town Council in the spirit of transparency, to continuously find improvements and to regularly review processes that support the Town’s tradition of judicious fiscal management.

NOT DISSATISFIED WITH SERVICES

The discussion was *not* initiated by or a result of dissatisfaction or concern with the Town’s current banking services or investment practices.

PURPOSE OF AGENDA ITEM

This administrative function is being brought to Council in the spirit of transparency and in the event Council has any reservations or feedback to Management moving forward.

Investment Services

CURRENT STATUS

Per the Town's investment policy, the Town Manager (and Designee) are to "maintain a list" of eligible providers.

The current list includes one investment manager, one custodian bank for the Town's *Bonds* (Series 2016 and 2020), one service bank and participation in two investment pools:

- PFM, Investment Management;
- U.S. Bank (Custodian Bank);
- Wells Fargo, Service Bank;
- Wells Fargo Money Market pool account;
- State of Arizona Treasurer's Local Government Investment Pool #5 (LGIP).

Investment Brokers and Pools

ACTION BY MANAGEMENT

A unique Request for Proposal was issued and panel interviews were conducted Jan. 6, 2021.

The Town Manager and designee are ready to add Chase to the approved list of brokers and banks, pending validation of eligibility requirements.

Per investment policy, the Town Manager (or designee) is responsible for selecting brokers and banks.

Depending on the contractual agreement, Council action may be required under the procurement code.

INVESTMENT SERVICES APPENDIX



January 28th, 2021

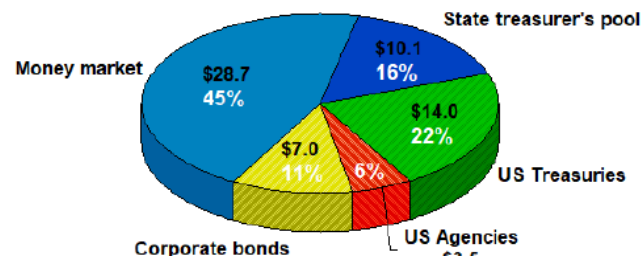
Cash and Investments

POLICY AND OBJECTIVES

The Town's investment policies are based on Arizona state law and prudent governmental management of public money. The primary objectives of the Town's investment policy are:

- ▶ **Compliance:** Only invest as allowed under law;
- ▶ **Security:** Preserve and protect public funds;
- ▶ **Liquidity:** Access to cash as needed; *while maintaining;*
- ▶ **Diversification:** Mitigate market risks; and *then,*
- ▶ **Yield:** Market value return of investment.

The pie chart below shows investments for 2020 and the table below has an eight-year history, by investment type at fiscal year end.



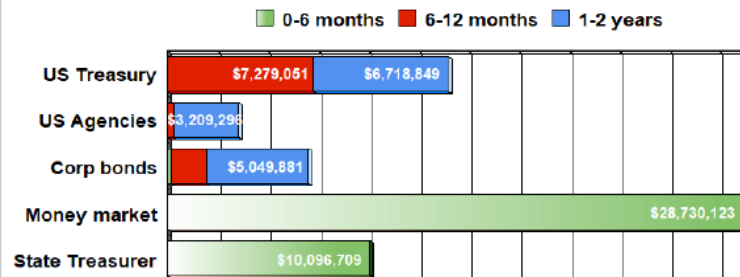
Investment type	Fair Value at Fiscal Year End			
	2020	2019	2018	2017
U.S. Treasuries	\$13,997,900	\$13,315,322	\$ 6,720,095	\$ 2,454,377
U.S. Agencies	3,537,285	2,611,977	6,385,866	13,180,689
Corporate Bonds	7,026,059	7,638,794	9,022,387	5,532,987
Commercial paper	-	-	-	895,631
Money Markets	28,730,123	11,010,872	1,440,431	5,556,132
Supra-National Agencies	-	-	567,497	577,105
State Treasurer's Pool	10,096,709	7,451,119	16,215,062	6,024,395
Total Investments	\$63,388,076	\$42,028,084	\$40,351,338	\$34,221,316
Cash in bank / trustee	5,219,283	10,481,644	11,549,124	6,821,805
Restricted cash	(12,118,124)	(5,386,381)	(5,473,155)	(6,885,134)
Cash & Investments	\$56,489,235	\$47,123,347	\$46,427,307	\$34,157,987

Cash and Investments

COMPOSITION OF INVESTMENTS AND EARNINGS

Investment type	Investment Maturity			
	Fair Value	0-6 months	6-12 months	1-2 years
U.S. Treasuries	\$13,997,900	-	\$ 7,279,051	\$ 6,718,849
U.S. Agencies	3,537,285	-	327,989	3,209,296
Corporate Bonds	7,026,059	226,574	1,749,604	5,049,881
Money Markets	28,730,123	\$28,730,123	-	-
State Treasurer's Pool	10,096,709	10,096,709	-	-
Total Investments	\$63,388,076	\$39,053,406	\$ 9,356,644	\$14,978,026

The graph below shows investments by maturities at June 30, 2020 and the chart below-right lists earnings for the last ten years.



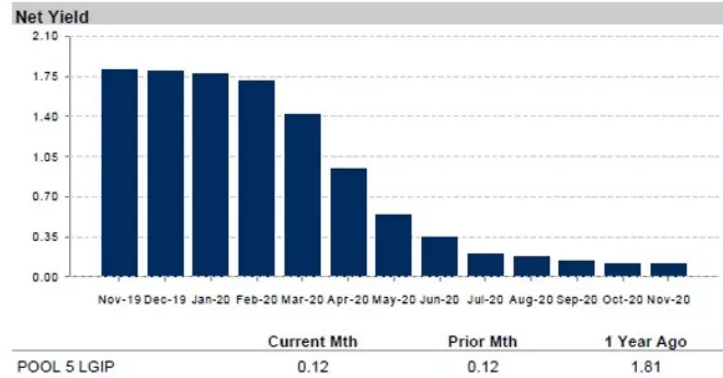
	Fair Value at Fiscal Year End				Governmental Funds	
	2016	2015	2014	2013	Fiscal Year	Investment Earnings
10,483,503	-	-	-	-	2020	\$ 1,313,248
12,140,405	-	\$ 1,003,822	\$13,066,313	-	2019	1,330,269
-	-	-	-	-	2018	250,226
5,609,698	-	-	-	-	2017	185,141
-	-	-	-	-	2016	274,390
\$ 3,985,048	\$20,454,326	13,435,115	3,422,370	-	2015	91,159
\$32,218,654	\$20,454,326	\$14,438,937	\$16,488,683	-	2014	94,521
11,932,184	11,979,771	19,822,758	17,991,742	-	2013	174,833
(6,883,581)	(1,492,602)	(621,571)	(149,577)	-	2012	161,897
\$37,267,257	\$30,941,495	\$33,640,124	\$34,330,848	-	2011	231,090

Appendix

AZ LGIP (November 2020)

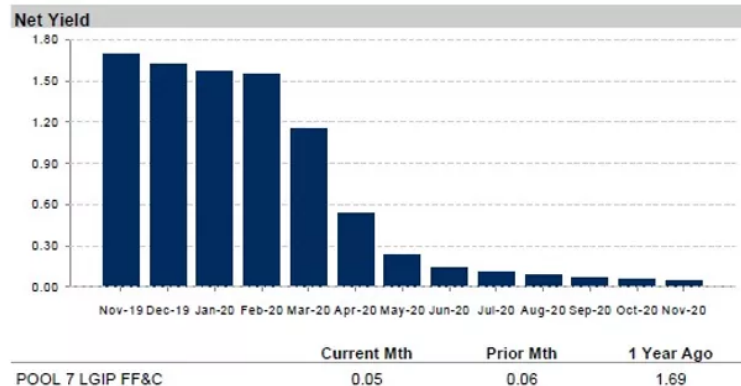
Pool 5

Pool 5 is a diversified short-term fund similar to a prime money market fund. As of March 31, 2020, this pool had \$1.7 Billion in assets with a Net Asset Value of \$1.00. The fund continues to maintain the highest rating from S&P (AAA f/S1+).



Pool 7

Pool 7 is a short-term fund that invests in only products backed by the full faith and credit of the United States Government. As of March 31, 2020, this pool had \$1.68 Billion in assets with a Net Asset Value of \$1.00. Because Pool 7 invests in securities backed by the U.S. Government, it has an AAA weighted average rating.



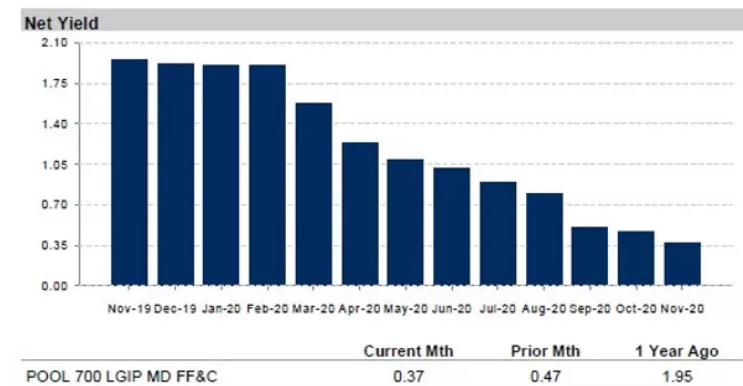
Pool 500

Pool 500 is a medium-term fund. As of March 31, 2020, this pool had \$389 Million in assets and a Floating Net Asset Value of \$1.0317. The weighted average rating of all the securities in this pool is AA-2.



Pool 700

Pool 700 is a full faith and credit medium-term fund. As of March 31, 2020, this pool had \$127.3 Million in assets with a Floating Net Asset Value of \$1.018. Because Pool 700 invests in securities backed by the U.S. Government, it has an AAA weighted average rating.



INVESTEMENT SERVICES

Key Question for #1 Council:

- Does Council have any reservations or feedback for Management about adding to the “List of approved brokers and banks” for investment services?



January 28th, 2021

CIP PROCEEDS, SERIES 2020



Key Question for #2 Council:

- Does Council have any reservations or feedback for Management before drawing CIP Proceeds Series 2020 to hedge the timing of reimbursements for certain capital improvements per a development agreement?

January 28th, 2021

CIP Proceeds, Series 2020

Purpose and Action

PURPOSE OF AGENDA ITEM

Typically, Council action is not required for Management to draw proceeds from the custodial bank. But in the spirit of transparency and in the event Council has any reservations or feedback to Management before moving forward.

Proceeds are available to draw for three years. Use of proceeds are exempt from the Annual Expenditure Limitation.

Current timing and cash flows of receiving capital reimbursements has potential to alter the Town’s investment strategies.

ACTION

In order to hedge timing of reimbursements for certain capital improvements per a development agreement and not disrupt Town operations or financial strategies; Management can draw proceeds and reimburse the Town for Capital Projects covered under Series 2020. The amount drawn would be to the extent of the delayed reimbursements.

CIP Proceeds, Series 2020

Why Draw Proceeds

REASONS TO HEDGE REIMB.

- Enable the Town to maintain it's current investment portfolio, by not liquidating investments prematurely.
- Avoid redirecting cash, budget authority and AEL capacity from Town programs.
- Remain compliant with the Annual Expenditure limitation if CIP and PSPRS payments "bottle neck".
- Brings cash from the trustee's holdings (custodian bank) to the Town's investment program.

USE OF PROCEEDS

To give the Town flexibility, the “bond” language was deliberate to not include specific projects:

Per Resolution No. 2020-06: Proceeds can be used to “finance roadway and utility construction and improvements, drainage improvements, municipal facilities improvements, and equipment and technology purchases”.

Proceeds can be used for the Town’s Capital Improvement Program from September 21, 2020 to March 12, 2023.

CIP PROCEEDS, SERIES 2020 APPENDIX



January 28th, 2021

CIP Proceeds, Series 2020

Excerpt from May 14, 2020

SERIES 2020 - \$8.1M

In 2019, Council diligently and thoroughly examined prospects for issuing debt obligations, even though the Town and state were experiencing good economic times.

Days before the financial market crisis of 2020, Council approved a private placement with an interest rate of 1.09%.

This cemented the financial plan's path to ensure the Town:

- ✓ Remains compliant with the Annual Expenditure Limitation; while
- ✓ Honors the Five Star development agreement obligation to front cash for projects and invoice for reimbursement; and
- ✓ Hedges the actual timing of reimbursements. And
- ✓ Continue the current CIP and status quo Town operations;
- ✓ Meet Council's goal of paying down the PSPRS UAAL; and
- ✓ Maintain sufficient reserves to protect the town from external stresses.

Similar to a line of credit

Proceeds are held by a trustee bank in a separate account. The Town draws the proceeds as needed. Drawn proceeds will need to be repaid with "assigned" cash or with *future pledged revenues*.

After three years, any unused proceeds are transferred to the payment account, with the trustee bank, to pay principal and interest. Balances in the trustee accounts are *subject to arbitrage*. General Fund cash "assigned" for paying principal and interest is not.

CIP PROCEEDS, SERIES 2020



Key Question for #2 Council:

- Does Council have any reservations or feedback for Management before drawing CIP Proceeds Series 2020 to hedge the timing of reimbursements for certain capital improvements per a development agreement?

January 28th, 2021

FY2019/20 AUDIT FOLLOW UP

AUDITOR RECOMMENDATION

Key Question #3 for Council:

- Is Council comfortable with staff proceeding with the FY2019/20 external auditor's recommendations?



January 28th, 2021

Findings = None



Findings and Recommendations

- Findings
 - No Findings Issued in 2020
 - 2019 Findings have been corrected in 2020

Auditor Recommendations = Two



Findings and Recommendations

- Recommendations
 1. Allowance for court receivables
 - A significant number of court receivables dating back years continue to accumulate and have been allowed for in the past.
 - We recommend the Town adopt a policy detailing a reasonable period of time the Town will pursue outstanding receivables before "writing them off".
 2. Customer Deposit Liability
 - We noted a significant number of deposits dating several years back that are no longer active or have not had any activity or progress made on the customer account in the recent years.
 - After two years of attempting to return refundable deposits, we recommend the Town escheat the deposits to the State when applicable or recognize the revenue for the deposits with no remaining historical information to use in escheatment.

Auditor Recommendations

Statement of Net Position

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 52,929,394	\$ 3,559,841	\$ 56,489,235
Receivables (net of allowances):			
Accounts receivable	1,476,859	454,428	1,931,287
Intergovernmental receivables	2,154,286	-	2,154,286
Court fines receivable	240,750	-	240,750
Interest receivable	141,470	-	141,470
Prepays	279,519	-	279,519
Inventories	40,235	-	40,235
Restricted cash and investments	11,303,818	814,306	12,118,124
Internal activity	1,001,623	(1,001,623)	-
Net OPEB asset	13,116	-	13,116
Capital assets:			
Non-depreciable	47,542,615	17,203,392	64,746,007
Depreciable (net)	38,154,193	8,908,592	47,062,785
Total assets	155,277,878	29,938,936	185,216,814
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions and other postemployment benefits	7,951,916	-	7,951,916
LIABILITIES			
Accounts payable	1,390,400	238,426	1,628,826
Accrued payroll and related liabilities	386,287	-	386,287
Retainages payable	176,368	-	176,368
Interest payable	70,716	-	70,716
Customer deposits payable	3,252,999	3,000	3,255,999
Unearned revenue	70,372	1,509,374	1,579,746
Long-term liabilities:			
Due within one year:			
Compensated absences	653,366	-	653,366
Bonds payable	2,040,000	-	2,040,000
Due in more than one year:			
Compensated absences	619,243	-	619,243
Bonds payable	11,800,000	-	11,800,000
Net pension liabilities	16,129,413	-	16,129,413
Net OPEB liability	103,466	-	103,466
Total liabilities	36,692,630	1,750,800	38,443,430

Auditor Recommendations

Court Fines

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 52,929,394
Receivables (net of allowances):	
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Net OPEB liability	103,466
Total liabilities	36,692,630

Actual Town "Work Paper"

Court Accounts Receivable and Estimated Bad Debts:	
6/30/2020	
	Town Only (Not State)
Account Receivable	996,281.84
Allowance for Bad Debts	755,531.81
All AR outstanding 365 days or more	
Net	240,750.03

Still in Collections;
Not forgiven

Formal Policy to Determine
when have Allowance

Auditor Recommendations

Customer Deposits

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 52,929,394
Receivables (net of allowances):	
Accounts receivable	1,476,859
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Compensated absences	619,243
Bonds payable	11,800,000
Net pension liabilities	16,129,413
Net OPEB liability	103,466
Total liabilities	36,692,630

Actual Town "Work Paper"

CUSTOMER DEPOSITS PAYABLE FY20			
Account Number	Name	Description	Amount
10-22601	Resort Payment Deposit	Five Star: Original payment \$3m on 10/14/17. See Ordinance #696 Section 2.3.2.6.3	2,000,000.00
10-22602	Resort Payment Reserve	Five Star: Payment received 8/24/17. See Ordinance #696 Section 2.3.6.8	500,000.00
10-22610	Refundable Deposits	Assurance bonds	559,070.52
10-22611	New Path License Agreement	9/2010: \$417 per DAS NOD (42) held for 36 months. Refund to them if second carrier comes in within the 36 months. If not, Town keeps funds	17,514.00
10-22613	SW Gas Capital Expenditure Fund	Per Franchise Agreement funds to be used by SW Gas to pay permit, inspection, pavement restoration & plan review fees. Any unspent funds in the year shall be moved to revenue.	67,442.74
10-22625	Right of Way Bonds	\$500 bond for work preformed that could impact our streets	60,775.00
10-22641	Street & Road Repair	Impact to streets	37,923.37
30-22641	CIP contributions	CIP	10,273.00
			3,252,998.63

Confirmed 1/13

Since 2012: Possibly up to \$26,000

FY2019/20 AUDIT FOLLOW UP

AUDITOR RECOMMENDATION

Key Question #3 for Council:

- Is Council comfortable with staff proceeding with the FY2019/20 external auditor's recommendations?



January 28th, 2021

PSPRS UPDATE

(Public Safety Personnel Retirement System)

UNFUNDED ACTUARIAL LIABILITY

- Information and possible discussion.



January 28th, 2021

ACTUARIAL 2022 YEAR ENDED JUNE 30, 2020



January 28th, 2021

Actuarial Report

Rates for FY2022

← → ↺

psprs.com

PSPRS Online Services:



Public Safety Personnel Retirement System

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PSPRS Pension Related Bonds


Sale Date	Par Amount	Issuer	Transaction
7/23/2020	\$131,000,000	City of Flagstaff, AZ	Certificates of Participation, Series 2020A
10/21/2020	89,055,000	Pinal County, AZ	Pledged Revenue Obligations, Series 2020
10/22/2020	16,855,000	Gila County, AZ	Pledged Revenue Obligations, Series 2020
12/9/2020	35,070,000	Yuma County, AZ	Pledged Revenue Obligations, Series 2020

ARIZONA PUBLIC SAFETY PERSONNEL
RETIREMENT SYSTEM

PARADISE VALLEY POLICE DEPT. (076)

ACTUARIAL VALUATION
AS OF JUNE 30, 2020

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2022



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Actuarial Report

PSPRS Unfunded Liability ("Current")

Arizona Public Safety Personnel Retirement System
Actuarial Valuation Report as of June 30, 2020 – Paradise Valley Police Dept. (076)

11

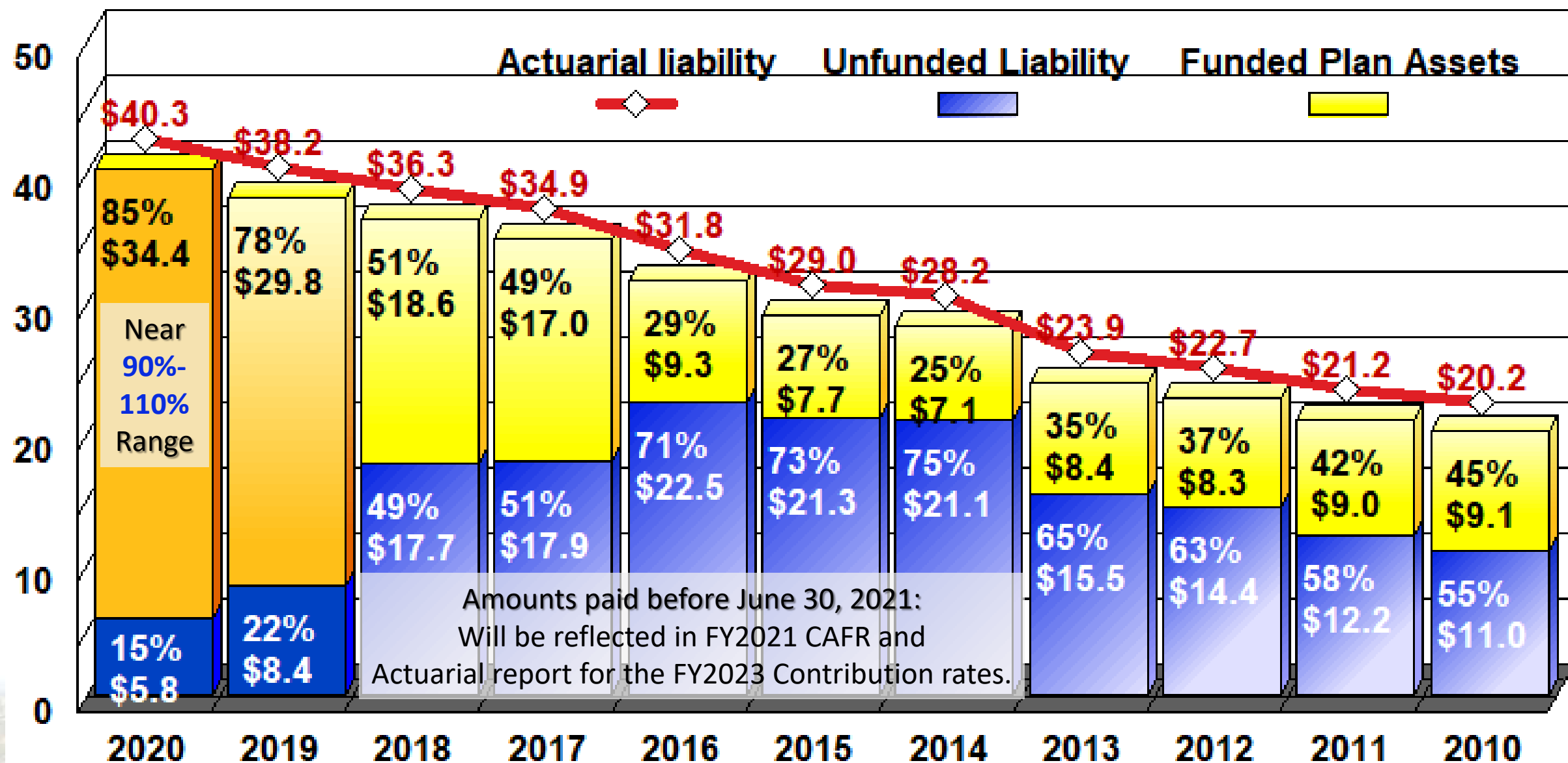
Derivation of Experience (Gain)/Loss

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
(1) Unfunded Actuarial Accrued Liability as of June 30, 2019	8,401,845	54,150	(1,348,495)	(143,807)
(2) Normal Cost Developed in Last Valuation	456,709	12,906	4,806,265	73,059
(3) Actual Contributions	4,645,860	20,898	6,660,557	411,565
(4) Expected Interest On (1), (2), and (3)	480,087	4,146	13,589	(19,922)
(5) Expected Unfunded Actuarial Accrued Liability as of June 30, 2020 (1)+(2)-(3)+(4)	4,692,781	50,304	(3,189,198)	(502,235)
(6) Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7) Change to UAAL Due to Actuarial (Gain)/Loss	1,148,107	(2,406)	2,858,353	134,719
(8) Unfunded Actuarial Accrued Liability as of June 30, 2020	5,840,888	47,898	(330,845)	(367,516)

\$5,400,000 estimated for FY2020/21 budget

Actuarial Report

PSPRS Unfunded Liability Funding Status



Cash Payments

Impacts on Contribution Rates

PSPRS Actuarial Year	Actual	Town Fiscal Year Date 20xx (PSPRS Actuarial Measurement Date 20xx)								
Is two years arrears	22(20)	21(19)	20(18)	19(17)	18(16)	17(15)	16(14)	15(13)	14(12)	13(11)
Normal base rate	16.0%	17.5%	15.1%	14.7%	15.0%	11.0%	11.7%	11.9%	12.4%	13.2%
Unfunded liability rate	14.8%	21.4%	42.9%	44.5%	52.2%	59.2%	60.1%	48.5%	37.8%	35.8%
Total contribution rate	30.8%	38.9%	58.0%	59.2%	67.2%	70.2%	71.8%	60.4%	50.2%	49.0%

Arizona Public Safety Personnel Retirement System

Actuarial Valuation Report as of June 30, 2020 – Paradise Valley Police Dept. (076)

8

Impact of Additional Contributions

	Additional Contribution (000s)										
	\$0	\$100	\$200	\$300	\$400	\$500	\$600	\$700	\$800	\$900	\$1,000
Impact On											
Funded Status 06/30/2020	85.5%	85.7%	86.0%	86.2%	86.5%	86.7%	87.0%	87.2%	87.5%	87.7%	88.0%
FYE 2022 Contribution Rate	30.81%	30.49%	30.16%	29.84%	29.52%	29.19%	28.87%	28.55%	28.23%	27.90%	27.58%

Table shows the hypothetical change in the funded status and contribution rate from the June 30, 2020 actuarial valuation results for Tiers 1 & 2 if an additional contribution of the amount shown had been made to the Fund on June 30, 2020. This illustration can help estimate the impact of contributing additional monies to the fund in the future.

Cash Payments

Budgetary “Recurring” Savings

Lump Sum Payment		PSPRS UAAL Rate		Estimated PAYROLL Savings from Lower UAAL Rate by Fiscal Year				
Made in	Amount of	Impacted	Rate	FY2021/22	FY2020/21	FY2019/20	FY2018/19	Total
FY2016/17	\$ 5,000,000	FY2018/19	44.5%	\$ 261,031	\$ 260,957	\$ 249,045	\$ 220,991	\$ 992,024
FY2017/18	1,000,000	FY2019/20	42.9%	67,800	67,239	64,691	-	199,730
FY2018/19	9,000,000	FY2020/21	21.4%	715,293	709,373	-	-	1,424,666
FY2019/20	3,000,000	FY2021/22	14.8%	223,741	-	-	-	223,741
Total	\$ 18,000,000	FY2017/18	52.2%	\$1,267,865	\$1,037,569	\$ 313,736	\$ 220,991	\$2,840,161

Cash Payments

TIMING IMPLICATIONS

- Important dates to consider when making payments:
- ▶ Participation in the investment pool starts payment is received; any time during the year.
 - ▶ Payments received before June 30, 2021 will be reflective in the min. contribution rates for FY2023.

Methods of Cash Payments

- Cash payments can be at any interval, including:
- ▶ Annual, semi-annual;
 - ▶ Quarterly, monthly; or
 - ▶ Bi-weekly with contributions via payroll

Amount in Adopted Budget, as Amended

- Contingency with Budget Authority and AEL capacity:
- ▶ Priority Two = \$2,400,000 (Available)
 - ▶ Priority Three = \$3,000,000 (*Pending Council Action*)

Timing of Cash Payments

CURRENT DIRECTION

- Timing of PSPRS Unfunded Liability Payments:
- ▶ \$2,400,000 authorized, but Council approve first
 - ▶ Goal before June 30, 2021, but “wait and see”
 - ▶ \$3,000,000 additional in a contingency account that is pending council action

Estimated Balance; as Been Cautioned

- ▶ The Unfunded Liability in GASB reports is greater than Actuarial Valuations
- ▶ Different basis used in reports, sign of markets and changes in assumptions
- ▶ Not cause for alarm; isn’t a precise science and are designed smoothen over time

APPENDIX: CONSOLIDATED ACTUARIAL




January 28th, 2021

← → ↺


psprs.com

PSPRS Online Services:



Public Safety Personnel Retirement System

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Message to members about COVID-19


PSPRS is temporarily suspending in-person consultations and limiting public access to the office building; all benefits and services will be provided by telephone and email.

**ARIZONA PUBLIC SAFETY PERSONNEL
RETIREMENT SYSTEM**

CONSOLIDATED REPORT

ACTUARIAL VALUATION
AS OF JUNE 30, 2020

CONTRIBUTIONS APPLICABLE TO THE
PLAN/FISCAL YEAR ENDING JUNE 30, 2022



FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

Derivation of Experience (Gain)/Loss

Actual experience will never exactly match assumed experience, except by coincidence. Ideally, gains and losses will cancel each other over a period of years, but sizable year-to-year fluctuations are common. Detail on the derivation of the experience (gain) / loss is shown below, along with sources of the gains and losses.

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
(1) Unfunded Actuarial Accrued Liability as of June 30, 2019	9,314,789,253	(58,818,238)	(3,517,314)	(314,506)
(2) Normal Cost Developed in Last Valuation	207,834,787	6,635,955	10,081,906	139,431
(3) Actual Contributions	938,799,347	4,741,938	14,392,453	909,053
(4) Expected Interest On (1), (2), and (3)	661,488,902	(3,979,339)	(36,857)	(45,377)
(5) Expected Unfunded Actuarial Accrued Liability as of June 30, 2020 (1)+(2)-(3)+(4)	9,245,313,595	(60,903,560)	(7,864,718)	(1,129,505)
(6) Changes to UAAL Due to Assumptions, Methods and Benefits	0	0	0	0
(7) Change to UAAL Due to Actuarial (Gain)/Loss	<u>591,193,321</u>	<u>1,462,505</u>	<u>7,903,891</u>	<u>306,403</u>
(8) Unfunded Actuarial Accrued Liability as of June 30, 2020	9,836,506,916	(59,441,055)	39,173	(823,102)

FY 2020 Gains and Losses by Source

	Tiers 1 & 2		Tier 3	
	Pension	Health	Pension	Health
Investment Return	151,980,070	7,085,065	311,902	9,164
Salary Increases	17,928,451	0	0	0
Retirement	(4,770,442)	(3,116,365)	0	0
Turnover	37,191,290	(2,141,347)	(522,457)	(8,740)
Disability	(12,466,564)	(579,116)	(320,407)	1,299
Death-In-Service	(16,284,361)	(5,058,934)	(719,280)	337
Retiree Mortality	37,876,566	(2,994,617)	0	0
Other *	<u>379,738,311</u>	<u>8,267,819</u>	<u>9,154,133</u>	<u>304,343</u>
Total	591,193,321	1,462,505	7,903,891	306,403

* The combination of all other factors that could impact liabilities year-over-year, with the primary sources being changes resulting from an updated understanding of some data components provided by staff and changes in member data..

APPENDIX C: SUMMARY OF PENSION FUNDED STATUS BY EMPLOYER - TIERS 1 & 2

Employer Number	Employer Name	Total AAL	Total Assets	Funded Percent	Unfunded Liability
001	Bisbee Fire Dept.	11,708,652	620,835	5.3%	11,087,817
002	Casa Grande Fire Dept.	43,389,814	23,315,386	53.7%	20,074,428
003	Casa Grande Police Dept.	62,093,691	26,748,667	43.1%	35,345,024
004	Chandler Fire Dept.	180,448,891	123,776,647	68.6%	56,672,244
005	Chandler Police Dept.	307,211,347	192,743,535	62.7%	114,467,812
006	Clifton Fire Dept.	278,732	45,896	16.5%	232,836
007	Dept. of Public Safety	1,320,462,111	422,626,419	32.0%	897,835,692
008	Douglas Fire Dept.	18,363,686	5,891,835	32.1%	12,471,851
009	Douglas Police Dept.	27,540,190	8,779,735	31.9%	18,760,455
010	Flagstaff Fire Dept.	96,788,614	38,561,674	39.8%	58,226,940
011	Flagstaff Police Dept.	88,817,272	36,911,538	41.6%	51,905,734
012	Glendale Fire Dept.	232,542,221	136,785,127	58.8%	95,757,094
013	Glendale Police Dept.	383,392,139	189,492,922	49.4%	193,899,217
014	Globe Fire Dept.	10,714,473	6,105,094	57.0%	4,609,379
015	Kingman Fire Dept.	35,295,215	20,512,843	58.1%	14,782,372
016	Maricopa County Sheriff's Office	655,469,495	291,793,407	44.5%	363,676,088
017	Mesa Fire Dept.	449,149,803	217,829,205	48.5%	231,320,598
018	Mesa Police Dept.	848,602,875	388,844,134	45.8%	459,758,741
020	Nogales Fire Dept.	30,422,500	14,117,522	46.4%	16,304,978
021	Phoenix Fire Dept.	1,983,932,273	810,691,199	40.9%	1,173,241,074
022	Phoenix Police Dept.	3,674,958,762	1,467,112,830	39.9%	2,207,845,932
023	Prescott Fire Dept.	77,927,367	54,840,875	70.4%	23,086,492
024	Prescott Police Dept.	60,807,910	40,839,864	67.2%	19,968,046
025	Scottsdale Police Dept.	408,058,769	212,468,544	52.1%	195,590,225
026	Sierra Vista Fire Dept.	35,362,548	19,103,080	54.0%	16,259,468
027	Tempe Fire Dept.	217,315,620	93,705,639	43.1%	123,609,981
028	Tempe Police Dept.	375,672,774	156,042,565	41.5%	219,630,209
029	Tucson Fire	627,091,591	212,073,388	33.8%	415,018,203
030	Tucson Police	1,015,621,820	351,320,877	34.6%	664,300,943
031	Winslow Fire Dept.	3,263,257	7,568,763	231.9%	(4,305,506)
032	Yuma Fire Dept.	101,695,024	41,923,183	41.2%	59,771,841
033	Yuma Police Dept.	128,434,874	55,959,351	43.6%	72,475,523
034	Yuma County Sheriff's Dept.	45,162,050	22,970,098	50.9%	22,191,952
035	Game and Fish Dept.	130,167,223	31,037,727	23.8%	99,129,496
036	Sierra Vista Police Dept.	50,036,044	23,046,006	46.1%	26,990,038
037	Benson Police Dept.	6,361,005	3,330,837	52.4%	3,030,168
038	Bisbee Police Dept.	11,566,062	1,192,183	10.3%	10,373,879
039	Pima County Sheriff's Dept.	441,200,492	181,213,892	41.1%	259,986,600
040	Kingman Police Dept.	33,940,431	19,332,760	57.0%	14,607,671
041	ASU Campus Police	47,985,951	23,954,831	49.9%	24,031,120
042	Lake Havasu City Fire Dept.	66,017,841	34,139,886	51.7%	31,877,955
043	Mohave County Sheriff's Dept.	52,424,942	25,621,795	48.9%	26,803,147
044	Bullhead City Fire Dept.	61,750,426	35,615,976	57.7%	26,134,450
045	U of A Campus Police	36,924,231	19,920,697	54.0%	17,003,534
046	Cochise County Sheriff's Dept.	58,121,693	21,370,919	36.8%	36,750,774
047	Safford Police Dept.	18,228,997	6,095,872	33.4%	12,133,125

Employer Number	Employer Name	Total AAL	Total Assets	Funded Percent	Unfunded Liability
049	Drexel Heights Fire District	39,933,519	25,932,668	64.9%	14,000,851
050	Winslow Police Dept.	11,725,700	6,746,559	57.5%	4,979,141
051	Payson Fire Dept.	16,894,159	9,614,151	56.9%	7,280,008
052	Payson Police Dept.	21,108,841	8,321,358	39.4%	12,787,483
053	Northern AZ. Consolidated Fire District #1	9,806,018	6,104,696	62.3%	3,701,322
054	Fry Fire District	29,435,340	13,213,031	44.9%	16,222,309
055	Fredonia Marshals	1,003,400	749,480	74.7%	253,920
056	NAU Campus Police	13,175,996	5,426,664	41.2%	7,749,332
058	South Tucson Fire Dept.	4,428,191	1,242,491	28.1%	3,185,700
059	Avondale Fire Dept.	41,663,499	29,846,254	71.6%	11,817,245
060	Parker Police Dept.	4,781,697	3,274,263	68.5%	1,507,434
061	Cocoonino County Sheriff's Dept.	53,332,137	38,883,800	72.9%	14,448,337
064	Buckskin Fire District	9,171,240	3,518,607	38.4%	5,652,633
065	Snowflake Police Dept.	6,101,449	2,869,580	47.0%	3,231,869
066	Cottonwood Police Dept.	21,069,674	9,093,793	43.2%	11,975,881
067	Lake Havasu City Police Dept.	63,887,348	31,920,803	50.0%	31,966,545
069	South Tucson Police Dept.	10,769,869	582,208	5.4%	10,187,661
070	Apache Junction Police Dept.	43,552,073	16,299,295	37.4%	27,252,778
071	Navajo County Sheriff's Dept.	20,085,725	7,106,566	35.4%	12,979,159
072	Mohave Valley Fire District	10,879,654	9,530,771	87.6%	1,348,883
073	Peoria Fire Dept.	120,503,324	79,926,919	66.3%	40,576,405
074	Peoria Police Dept.	151,875,467	82,955,952	54.6%	68,919,515
076	Paradise Valley Police Dept.	40,258,826	34,417,938	85.5%	5,840,888
077	Willcox Police Dept.	6,876,929	2,395,693	34.8%	4,481,236
078	Show Low Police Dept.	20,993,934	16,868,851	80.4%	4,125,083
079	Eloy Police Dept.	15,060,042	8,978,147	59.6%	6,081,895
080	Nogales Police Dept.	36,273,076	18,530,569	51.1%	17,742,507
081	Gilbert Police Dept.	165,261,046	135,499,589	82.0%	29,761,457
083	Clifton Police Dept.	1,229,535	957,980	77.9%	271,555
085	Coolidge Police Dept.	15,052,395	7,321,883	48.6%	7,730,512
086	Holbrook Police Dept.	10,297,713	2,778,711	27.0%	7,519,002
087	Santa Cruz County Sheriff's Dept.	20,170,318	9,105,287	45.1%	11,065,031
088	Prescott Valley Police Dept.	37,857,130	26,543,599	70.1%	11,313,531
089	Eagar Police Dept.	5,172,179	2,261,620	43.7%	2,910,559
090	Tolleson Police Dept.	16,120,679	13,228,761	82.1%	2,891,918
091	Florence Police Dept.	8,761,957	7,346,064	83.8%	1,415,893
092	Springerville Police Dept.	3,198,413	2,018,628	63.1%	1,179,785
093	El Mirage Police Dept.	25,463,079	15,652,724	61.5%	9,810,355
094	Superior Police Dept.	1,740,761	1,331,344	76.5%	409,417
095	San Luis Police Dept.	12,548,722	7,764,598	61.9%	4,784,124
096	Page Police Dept.	8,192,041	8,104,092	98.9%	87,949
097	Page Fire Dept.	3,420,092	3,360,988	98.3%	59,104
098	Yavapai County Sheriff's Dept.	77,643,357	40,369,977	52.0%	37,273,380
100	Pima Police Dept.	513,150	870,723	169.7%	(357,573)
101	Apache County Sheriff's Dept.	17,371,009	5,556,300	32.0%	11,814,709
102	Cottonwood Fire Dept.	12,315,959	8,755,564	71.1%	3,560,395
103	La Paz County Sheriff's Dept.	20,402,201	7,293,637	35.7%	13,108,564
104	Pinal County Sheriff's Dept.	132,010,691	65,355,319	49.5%	66,655,372
105	Clarkdale Police Dept.	3,981,964	2,631,236	66.1%	1,350,728
106	Buckeye Police Dept.	45,880,695	29,768,367	64.9%	16,112,328
107	Marana Police Dept.	43,354,440	25,424,621	58.6%	17,929,819

Employer Number	Employer Name	Total AAL	Total Assets	Funded Percent	Unfunded Liability
108	Tolleson Fire Dept.	19,433,048	16,664,608	85.8%	2,768,440
109	Chino Valley Police Dept.	10,459,688	6,671,588	63.8%	3,788,100
110	Surprise Police Dept.	82,022,723	51,303,046	62.5%	30,719,677
111	Wellton Police Dept.	3,025,543	1,091,681	36.1%	1,933,862
112	Gila County Sheriff's Dept.	22,396,443	9,077,632	40.5%	13,318,811
113	Pinetop-Lakeside Police Dept.	8,901,978	2,498,904	28.1%	6,403,074
114	Bullhead City Police Dept.	58,014,835	27,574,962	47.5%	30,439,873
115	Williams Police Dept.	3,468,934	2,271,328	65.5%	1,197,606
116	Miami Police Dept.	3,409,762	1,703,505	50.0%	1,706,257
117	Thatcher Police Dept.	9,347,769	6,117,230	65.4%	3,230,539
118	Youngtown Police Dept.	1,402,502	490,242	35.0%	912,260
119	Dept. of Emer & Military Aff	21,390,589	11,510,814	53.8%	9,879,775
120	Surprise Fire Dept.	71,669,589	55,933,947	78.0%	15,735,642
121	Camp Verde Marshals	8,078,892	4,807,842	59.5%	3,271,050
122	Oro Valley Police Dept.	67,240,526	41,498,361	61.7%	25,742,165
123	Greenlee County Sheriff's Dept.	8,485,609	5,023,870	59.2%	3,461,739
124	Tucson Airport Authority Fire Dept.	19,179,700	6,037,915	31.5%	13,141,785
125	Tucson Airport Authority Police Dept.	22,309,081	5,815,369	26.1%	16,493,712
126	Wickenburg Police Dept.	7,512,120	3,934,867	52.4%	3,577,253
127	El Mirage Fire Dept.	9,571,414	8,539,928	89.2%	1,031,486
128	Patagonia Marshals	1,539,056	851,484	55.3%	687,572
129	Sedona Police Dept.	14,719,320	9,607,237	65.3%	5,112,083
130	Mammoth Police Dept.	1,266,742	615,267	48.6%	651,475
131	Globe Police Dept.	11,756,806	6,671,961	56.7%	5,084,845
132	Tombstone Marshals	304,765	1,307,034	428.9%	(1,002,269)
133	Golder Ranch Fire District	77,397,060	54,128,313	69.9%	23,268,747
134	Fort Mojave Mesa Fire District	22,950,590	13,195,711	57.5%	9,754,879
136	Goodyear Fire Dept.	62,406,936	44,448,285	71.2%	17,958,651
137	Goodyear Police Dept.	61,494,383	40,384,373	65.7%	21,110,010
139	Avondale Police Dept.	58,877,134	36,010,138	61.2%	22,866,996
140	Graham County Sheriff's Dept.	9,968,448	5,855,162	58.7%	4,113,286
142	Golden Valley Fire District	7,277,149	5,666,698	77.9%	1,610,451
143	Daisy Mountain Fire District	51,542,936	39,131,973	75.9%	12,410,963
144	Quartzsite Police Dept.	4,061,858	3,300,552	81.3%	761,306
145	Picture Rocks Fire District	6,378,073	4,291,771	67.3%	2,086,302
146	Pima County Comm. College Police	13,933,956	7,240,318	52.0%	6,693,638
147	Northwest Fire District	126,210,278	82,203,886	65.1%	44,006,392
148	Superstition Fire and Medical District	62,177,195	41,620,655	66.9%	20,556,540
149	Gilbert Fire Dept.	113,443,930	100,751,585	88.8%	12,692,345
150	Pine-Strawberry Fire District	10,903,301	5,887,084	54.0%	5,016,217
151	Attorney General Invest.	19,697,166	9,129,936	46.4%	10,567,230
153	St. Johns Police Dept.	2,670,874	1,563,991	58.6%	1,106,883
154	Pima County Attorney Invest.	4,282,117	2,396,125	56.0%	1,885,992
156	Kearny Police Dept.	2,792,079	1,596,703	57.2%	1,195,376
158	Navajo County Attorney Invest.	591,118	119,075	20.1%	472,043
162	Avra Valley Fire District	7,110,951	6,126,858	86.2%	984,093
163	San Luis Fire Dept.	9,177,094	7,224,707	78.7%	1,952,387
164	AZ Dept. Liq. Lic. & Control Invest.	12,876,392	4,843,152	37.6%	8,033,240
165	Maricopa County Attorney Invest.	12,686,484	10,411,702	82.1%	2,274,782
166	Sedona Fire District	55,370,286	31,762,326	57.4%	23,607,960
167	Guadalupe Fire Dept.	2,930,091	1,733,816	59.2%	1,196,275

Employer Number	Employer Name	Total AAL	Total Assets	Funded Percent	Unfunded Liability
168	Mayer Fire District	6,026,486	4,290,216	71.2%	1,736,270
169	Somerton Police Dept.	7,934,954	4,934,143	62.2%	3,000,811
171	Somerton Fire Dept.	6,197,910	4,599,689	74.2%	1,598,221
172	Tubac Fire District	10,218,438	7,316,359	71.6%	2,902,079
174	Sahuarita Police Dept.	16,520,967	13,580,757	82.2%	2,940,210
176	Florence Fire Dept.	8,894,267	6,759,509	76.0%	2,134,758
177	Sun City Fire District	62,330,570	25,691,262	41.2%	36,639,308
178	Hayden Police Dept.	564,765	2,141,126	379.1%	(1,576,361)
179	Gila River Fire Dept.	23,183,533	19,643,868	84.7%	3,539,665
180	Gila River Police Dept.	33,727,837	29,594,566	87.7%	4,133,271
181	Salt River Pima-Maricopa Fire	56,402,177	39,187,684	69.5%	17,214,493
182	Salt River Pima-Maricopa Police	57,570,520	37,641,798	65.4%	19,928,722
185	Pinetop Fire District	16,209,343	9,270,223	57.2%	6,939,120
187	Yavapai County Attorney Invest.	1,123,232	47,412	4.2%	1,075,820
188	Three Points Fire District	5,412,931	4,313,948	79.7%	1,098,983
190	Buckeye Fire Dept.	41,012,348	34,529,768	84.2%	6,482,580
192	Heber-Overgaard Fire District	4,438,843	3,853,659	86.8%	585,184
193	Hellsgate Fire District	4,477,096	2,677,610	59.8%	1,799,486
194	Green Valley Fire District	36,450,075	21,577,824	59.2%	14,872,251
195	Summit Fire District	17,724,733	12,003,473	67.7%	5,721,260
197	Fort McDowell Tribal Fire Dept.	3,915,744	3,604,377	92.0%	311,367
198	Fort McDowell Tribal Police Dept.	7,924,506	7,150,019	90.2%	774,487
199	Highlands Fire District	14,468,869	8,352,492	57.7%	6,116,377
200	Rio Rico Fire District	7,180,262	6,674,955	93.0%	505,307
201	Tri-City Fire District	6,757,728	5,344,603	79.1%	1,413,125
202	Maricopa County Park Rangers	2,024,291	1,485,473	73.4%	538,818
203	Verde Valley Fire District	17,669,586	11,878,288	67.2%	5,791,298
204	AZ. State Park Rangers	18,132,166	8,770,201	48.4%	9,361,965
206	Hualapai Indian Tribe Police Dept.	3,689,974	3,417,355	92.6%	272,619
207	Pinewood Fire District	9,531,552	5,281,176	55.4%	4,250,376
208	Rincon Valley Fire District	10,673,440	8,336,405	78.1%	2,337,035
210	Jerome Police Dept.	977,206	903,556	92.5%	73,650
211	Fort Mojave Tribal Police Dept.	5,210,860	4,993,191	95.8%	217,669
212	Buckeye Valley Fire District	20,172,925	16,599,466	82.3%	3,573,459
213	Eloy Fire District	10,954,330	7,474,386	68.2%	3,479,944
214	Pascua Yaqui Tribe Fire Dept.	11,681,129	7,495,214	64.2%	4,185,915
215	Pascua Yaqui Tribe Police Dept.	15,052,751	9,929,531	66.0%	5,123,220
216	Town of Superior Fire Dept.	772,378	895,728	116.0%	(123,350)
217	Wickenburg Fire Dept.	3,488,227	2,782,074	79.8%	706,153
221	Quartzsite Fire District	2,838,358	2,245,929	79.1%	592,429
222	Rio Verde Fire District	9,738,611	7,544,600	77.5%	2,194,011
223	Scottsdale Fire Dept.	133,287,827	112,734,231	84.6%	20,553,596
224	Ak Chin Indian Comm. Fire Dept.	12,226,791	9,027,591	73.8%	3,199,200
225	Ak Chin Indian Comm. Police Dept.	5,069,556	5,052,129	99.7%	17,427
226	Corona De Tucson Fire District	5,430,655	3,973,440	73.2%	1,457,215
227	Golden Shores Fire District	1,873,814	1,792,917	95.7%	80,897
228	City of Maricopa Fire Dept.	27,320,961	22,435,246	82.1%	4,885,715
229	Cave Creek Marshals	673,787	512,374	76.0%	161,413

Employer		Total AAL	Total Assets	Funded	Unfunded
Number	Employer Name			Percent	Liability
231	San Carlos Tribal Police Dept.	6,762,333	5,984,383	88.5%	777,950
232	Groom Creek Fire District	667,525	1,134,383	169.9%	(466,858)
233	Mount Lemmon Fire District	1,389,045	1,319,646	95.0%	69,399
234	Yavapai Prescott Tribal Police	1,955,674	1,682,731	86.0%	272,943
235	Tohono O'odham Nation Fire Dept.	15,045,603	11,410,877	75.8%	3,634,726
236	Tohono O'odham Nation Police Dept.	35,480,900	26,580,272	74.9%	8,900,628
237	Williamson Valley Fire District	2,453,883	2,580,468	105.2%	(126,585)
238	Harquahala Fire District	2,640,364	2,902,921	109.9%	(262,557)
239	Coolidge Fire Dept.	778,004	1,149,884	147.8%	(371,880)
242	Central AZ. College Police Dept.	1,625,398	1,268,425	78.0%	356,973
243	City of Maricopa Police Dept.	17,888,122	16,744,088	93.6%	1,144,034
244	Oracle Fire District	1,113,246	982,613	88.3%	130,633
245	Benson Fire Dept.	830,470	721,169	86.8%	109,301
246	Desert Hills Fire Dept.	4,324,658	3,570,039	82.6%	754,619
247	Queen Creek Fire Dept.	15,046,406	14,313,947	95.1%	732,459
248	Sonoita Elgin Fire Dept.	1,555,058	1,537,917	98.9%	17,141
249	Christopher-Kohl's Fire District	1,169,861	980,820	83.8%	189,041
250	Whetstone Fire District	398,409	783,616	196.7%	(385,207)
251	Queen Valley Fire District	645,249	564,715	87.5%	80,534
252	Lake Mohave Ranchos Fire District	2,100,995	1,481,275	70.5%	619,720
253	Huachuca City Police Dept.	1,499,222	1,089,549	72.7%	409,673
254	Palomina Fire District	800,532	1,473,281	184.0%	(672,749)
255	Sun Sites Pearce Fire District	890,660	1,211,114	136.0%	(320,454)
256	Ponderosa Fire District	365,963	608,644	166.3%	(242,681)
257	Timber Mesa Fire and Medical Dist	24,786,320	19,649,861	79.3%	5,136,459
258	Central AZ Fire and Medical	93,664,480	49,700,073	53.1%	43,964,407
259	Copper Canyon Fire and Medical	14,941,497	9,775,031	65.4%	5,166,466
261	Beaver Dam/Littlefield Fire Dist.	585,464	334,242	57.1%	251,222
262	Blue Ridge Fire District	391,642	287,969	73.5%	103,673
263	Arizona Fire & Medical Authority	83,555,882	52,655,196	63.0%	30,900,686
	Unallocated and Former Employers		333,638		(333,638)
TOTAL		18,511,955,838	8,675,448,922	46.9%	9,836,506,916

PSPRS UPDATE

(Public Safety Personnel Retirement System)

UNFUNDED ACTUARIAL LIABILITY

- Information and possible discussion.



January 28th, 2021

REVENUE UPDATE FY2020/21

SPOTLIGHTED SOURCES

- Information and possible discussion.



January 28th, 2021

SUMMARY

The “Benchmark” is based on historical revenue collections through a specific month as compared to the total annual collections.



January 28th, 2021

Summary

MAJOR Operating Revenues

Account Number	MAJOR Revenues by Source	Adopted Budget		Actual at 12/31/20	Actual to BENCHMARK		Actual to ANNUAL	
		ANNUAL	BENCHMARK		\$	%	\$	%
10-31-110	Retail & Hospitality TPT	\$ 2,070,000	\$ 712,021	\$ 2,669,082	\$ 1,957,061	375%	\$ 599,082	129%
"	Construction & Contracting TPT	5,700,000	1,076,756	2,878,338	1,801,582	267%	(2,821,662)	50%
"	All Other TPT	1,890,000	987,852	1,057,848	69,996	107%	(832,152)	56%
10-31-300	TOWN BED TAX	1,080,000	341,664	1,003,756	662,092	294%	(76,244)	93%
10-32-205	BUILDING PERMIT	800,625	289,732	428,176	138,444	148%	(372,449)	53%
10-33-300	URBAN REVENUE SHARING	1,958,860	979,430	1,045,916	66,486	107%	(912,944)	53%
10-33-305	STATE SALES TAX	1,388,730	698,799	757,550	58,751	108%	(631,180)	55%
10-33-310	AUTO LIEU TAX	507,850	231,951	320,405	88,454	138%	(187,445)	63%
20-33-320	HIGHWAY USER REVENUES	626,430	255,408	410,647	155,239	161%	(215,783)	66%
LEVEL I TOTAL MAJOR REVENUE		16,022,495	5,573,613	10,571,718	4,998,105	190%	(5,450,777)	66%
LEVEL II REVENUE REBOUND		5,474,320	2,189,728	-	(2,189,728)	0%	(5,474,320)	0%
LEVEL II TOTAL MAJOR REVENUE		21,496,815	7,763,341	10,571,718	2,808,377	136%	(10,925,097)	49%
LEVEL III REVENUE REBOUND		7,179,465	2,871,786	-	(2,871,786)	0%	(7,179,465)	0%
LEVEL III TOTAL MAJOR REVENUE		\$ 28,676,280	\$ 10,635,127	\$ 10,571,718	\$ (63,409)	99%	\$ (18,104,562)	37%

Though overall revenue is under performing compared to the “base year FY2019” and the first half of “last year FY2020”, Major operating revenues are meeting the “current year FY2021” benchmark of **Level III** revenue at **99%**.

However, compared to total revenue the benchmark represents only **49% and 37%** of the total revenue budget for **Level II and Level III**, respectively. There may be optimism for the next few months. But since not be predictable, they will be monitored closely.

Summary

ALL Operating Revenues

MAJOR Revenues by Source	Adopted Budget		Actual at 12/31/20	Actual to BENCHMARK		Actual to ANNUAL	
	ANNUAL	BENCHMARK		\$	%	\$	%
Major revenue	\$ 16,022,495	\$ 5,573,613	\$10,571,718	\$4,998,105	190%	\$ (5,450,777)	66%
All other revenue	6,160,525	2,947,113	3,281,337	334,224	111%	(2,879,188)	53%
Level I total operating revenue	22,183,020	8,520,726	13,853,055	5,332,329	163%	(8,329,965)	62%
Level II revenue rebound	5,709,120	2,307,128	-	(2,307,128)	0%	(5,709,120)	0%
Level II total operating revenue	27,892,140	10,827,854	13,853,055	3,025,201	128%	(14,039,085)	50%
Level III revenue rebound	8,595,840	3,579,974	-	(3,579,974)	0%	(8,595,840)	0%
Level III total operating revenue	\$ 36,487,980	\$ 14,407,828	\$13,853,055	\$ (554,773)	96%	\$ (22,634,925)	38%

Though overall revenue is under performing compared to the “base year FY2019” and the first half of “last year FY2020”, All operating revenues are near meeting the “current year FY2021” benchmark of **Level III** revenue at **96%**.

However, compared to total revenue the benchmark represents only **50% and 38%** of the total revenue budget for **Level II and Level III**, respectively. There may be optimism for the next few months. But since not be predictable, they will be monitored closely.



RETAIL AND HOSPITALITY TRANSACTION PRIVILEGE TAX (TPT)

INTERNET SALES TPT			
Month	FY2019	FY2020	FY2021
July	-	-	\$ 70,445
August	-	-	67,895
September	-	-	73,345
October	-	\$ 41,088	119,719
November	-	91,237	102,977
December	-	68,748	-
January	-	59,513	-
February	-	51,582	-
March	-	65,163	-
April	-	65,923	-
May	-	70,653	-
June	-	68,351	-
Total	\$ -	\$ 582,258	\$ 434,381

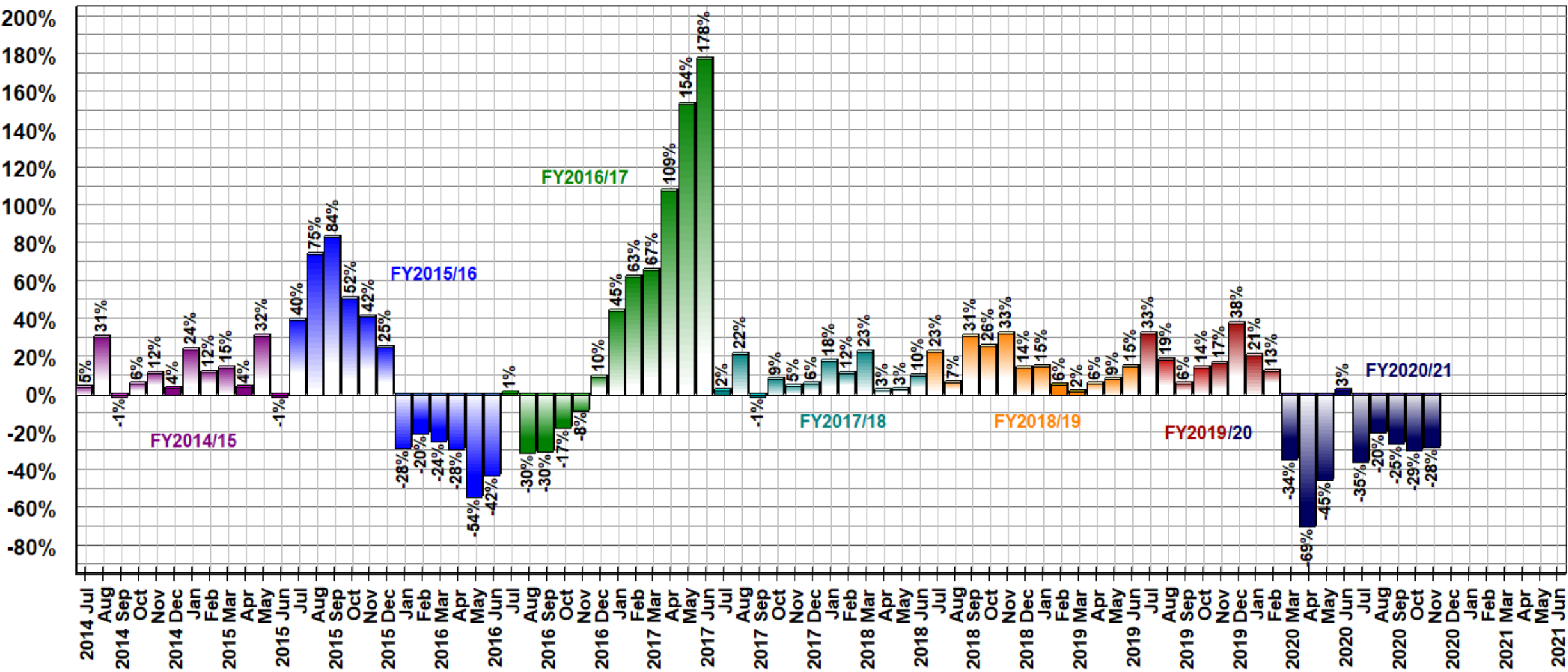


January 28th, 2021

Retail & Hospitality TPT

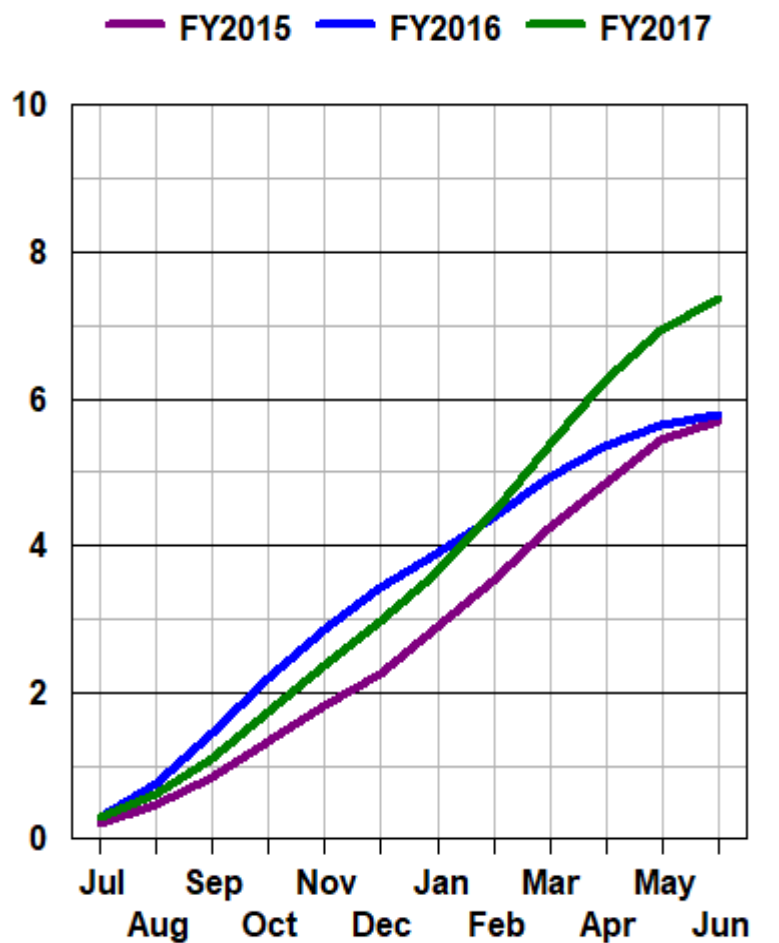
Change in Monthly Collections

Change in Monthly Collects from Previous Year

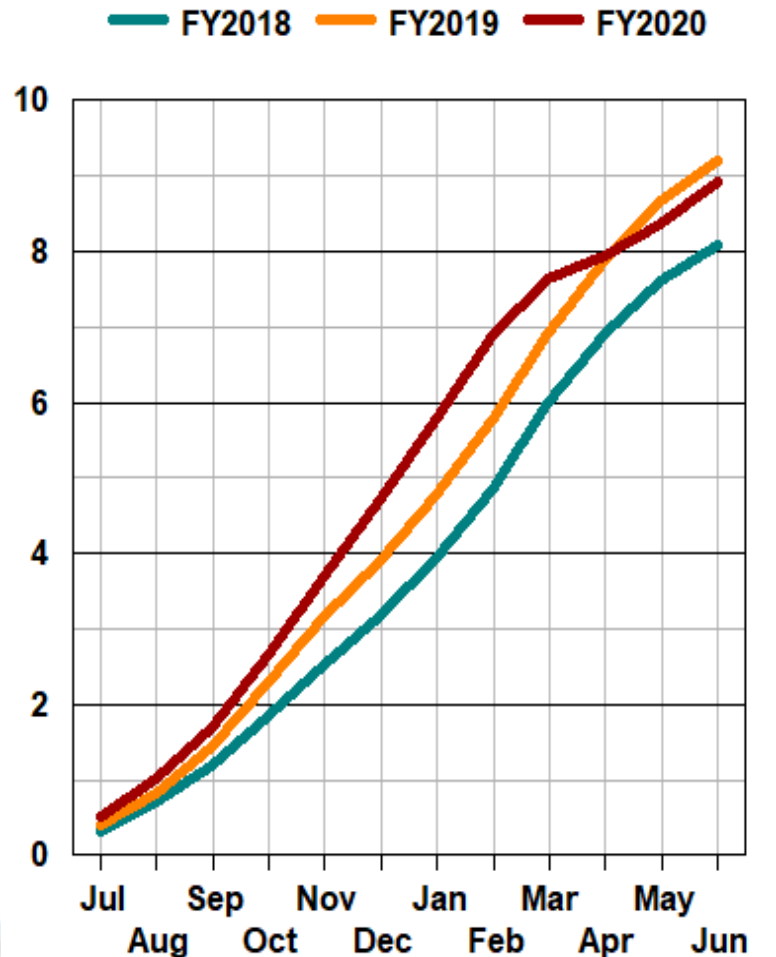


Retail & Hospitality TPT Accumulated Collections by Month

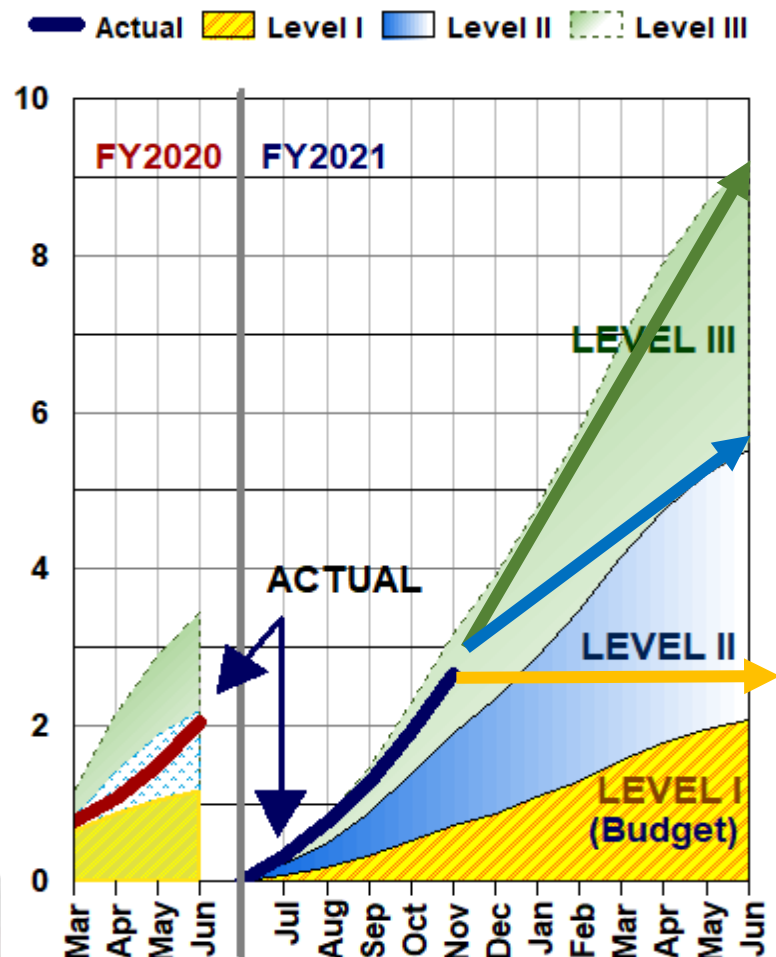
Historical FY2015 to FY2017



Historical FY2018 to FY2020



Current Actual FY2021

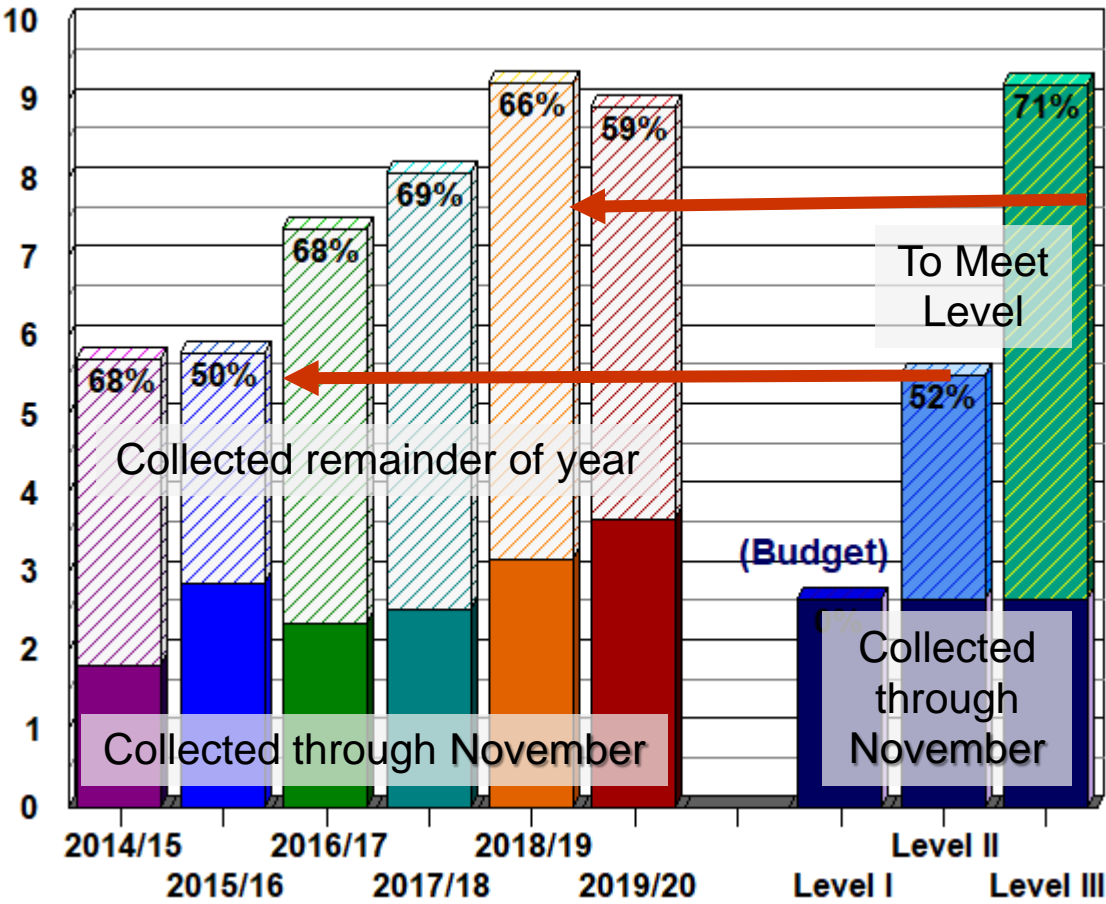


(All amounts are in Millions)

Retail & Hospitality TPT

Conclusion

INTERPOLATION – PERCENTAGE OF TOTAL



(All amounts are in Millions)

SUMMARY and FACTORS IMPACTING 2021

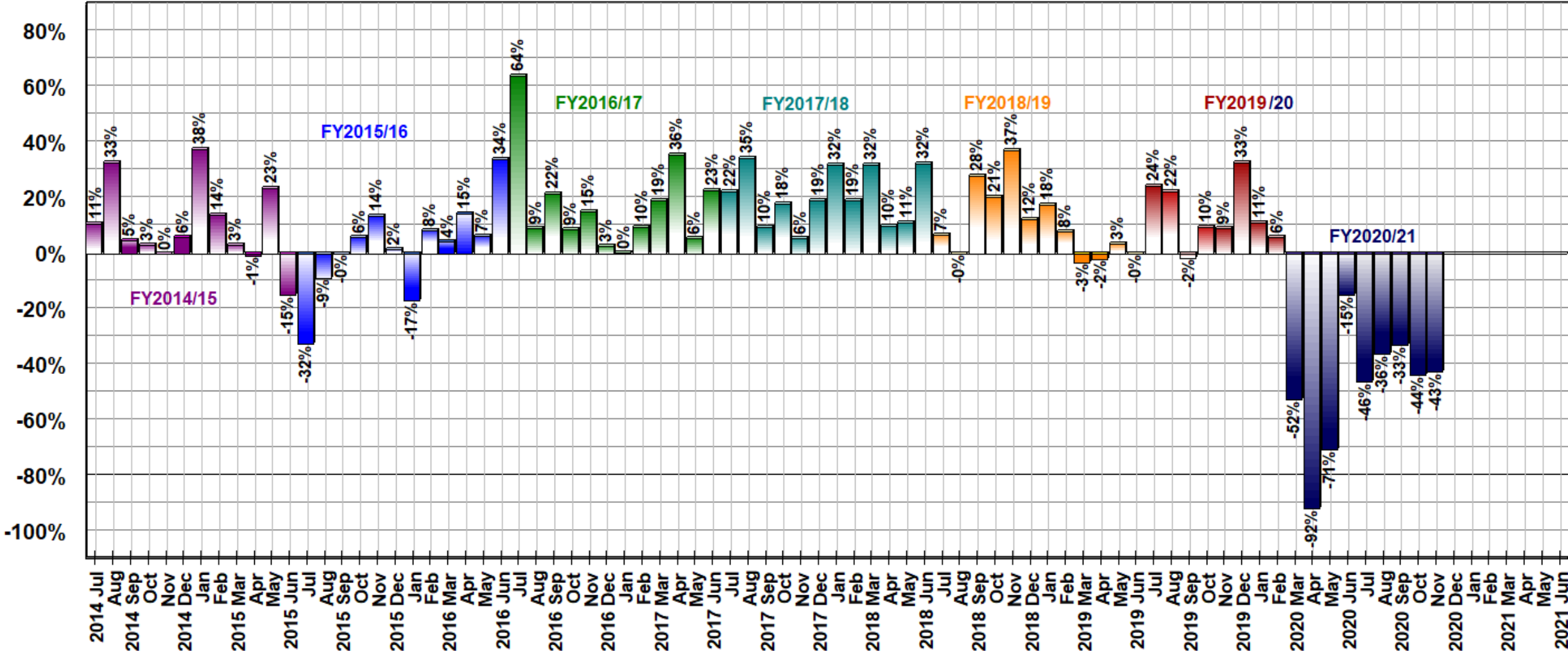
- ▶ The Town budgeted Retail and Hospitality TPT at **LEVEL I** to ensure the Town does not over extend recurring expenditures and risk mid-year reductions.
- ▶ As this revenue moves to **LEVEL II** and **LEVEL III**, expenditure priorities can be authorized by the Mayor and Council.
- ▶ Internet sales TPT; effective October 2019. This greatly impacted Paradise Valley through during the State’s “stay at-home” executive orders.
- ▶ Tourism and resort activity is the primary factor for this revenue. Partial business reopening, “staycations” and local support have keep this revenue from being the worse case scenario during the “off-season”.
- ▶ Though revenue is being collected near **LEVEL III**, it is the real test will be the FY2020/21 tourism season and the “drive market”.

TRANSIENT LODGING TAX (TLT) “Occupancy Tax”

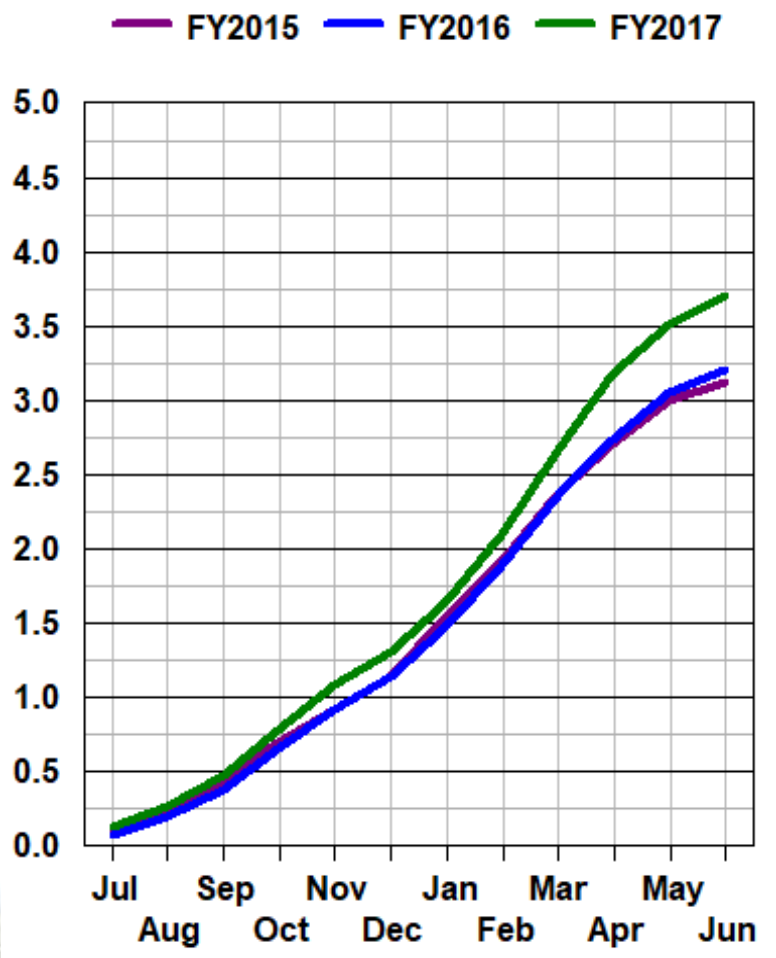


November 19th, 2020

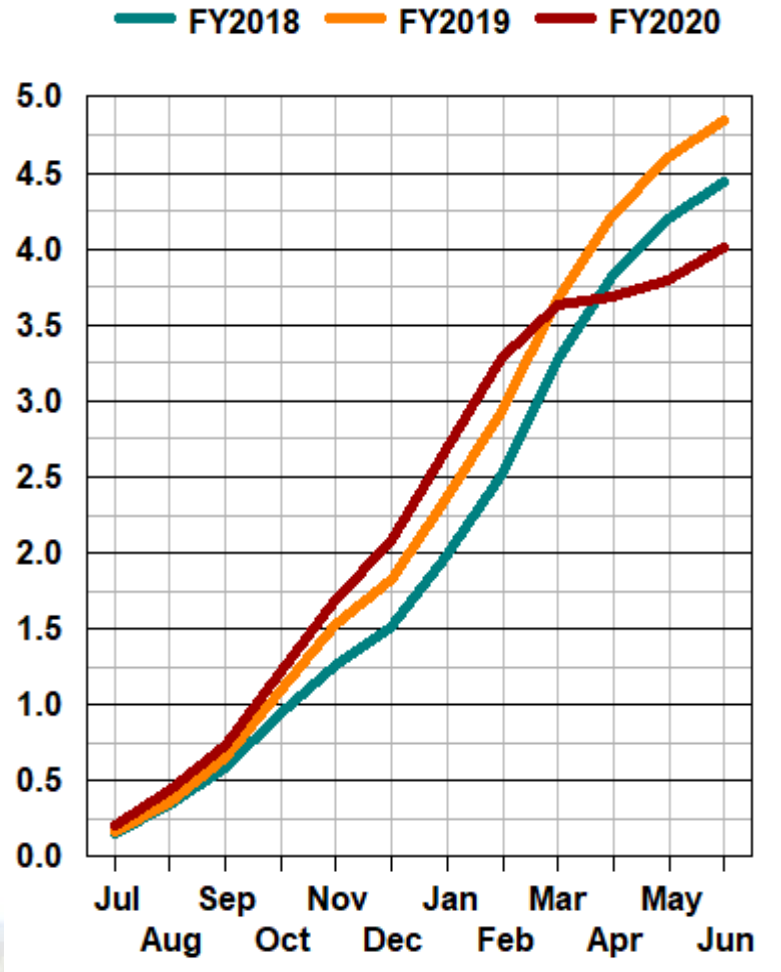
Change in Monthly Collects from Previous Year



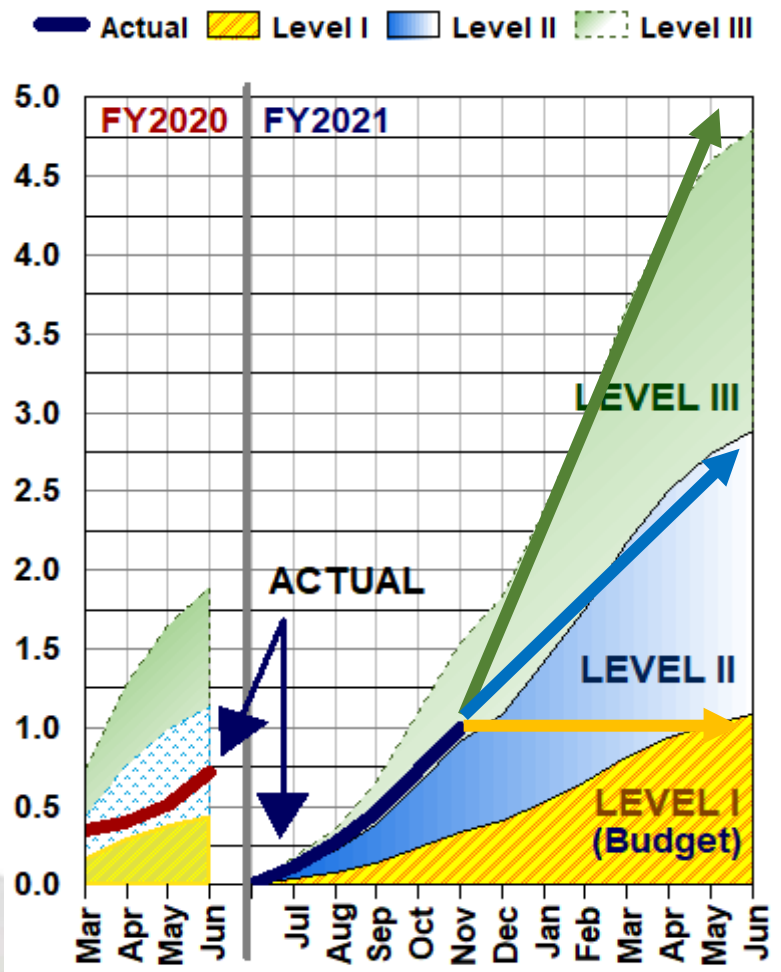
Historical FY2015 to FY2017



Historical FY2018 to FY2020



Current Actual FY2021

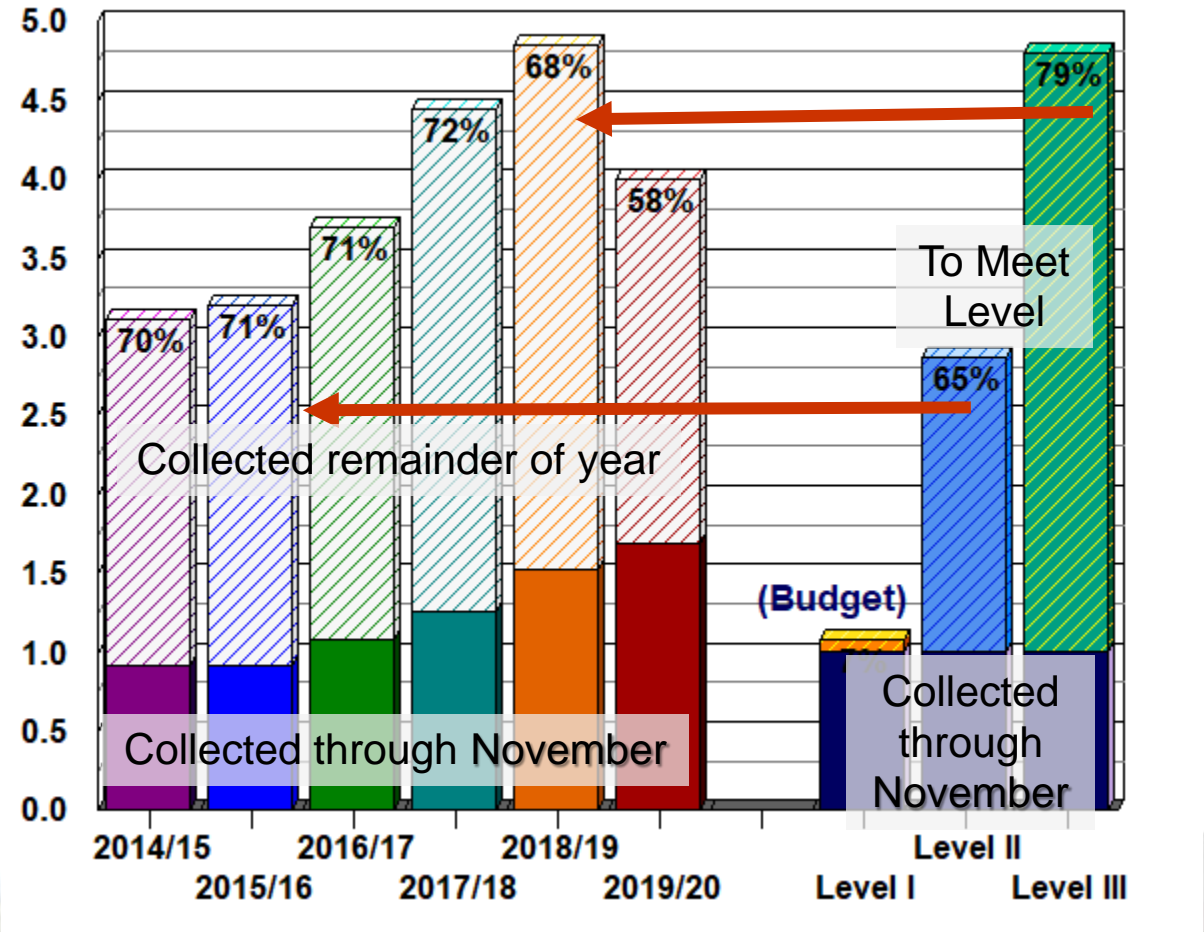


(All amounts are in Millions)

Occupancy TLT

Conclusion

INTERPOLATION – PERCENTAGE OF TOTAL



(All amounts are in Millions)

SUMMARY

- ▶ The Town budgeted Occupancy TPT at **LEVEL I** to ensure the Town does not over extend expenditures.
- ▶ As this revenue moves to **LEVEL II** / **LEVEL III**, expenditure priorities can be authorized by the Mayor and Council. (After the “new calendar year”)

Factors impacting FY2021:

- ▶ Tourism and resort activity is the primary factor for this revenue. Partial business reopening, “staycations” and local support have keep this revenue from being the worse case scenario.
- ▶ Though revenue is being collected in the **LEVEL II** range, this is **November** and the real test will be the FY2020/21 tourism season and the “drive market”.

STATE SHARED REVENUES (Income Tax, TPT, Auto, HURF)

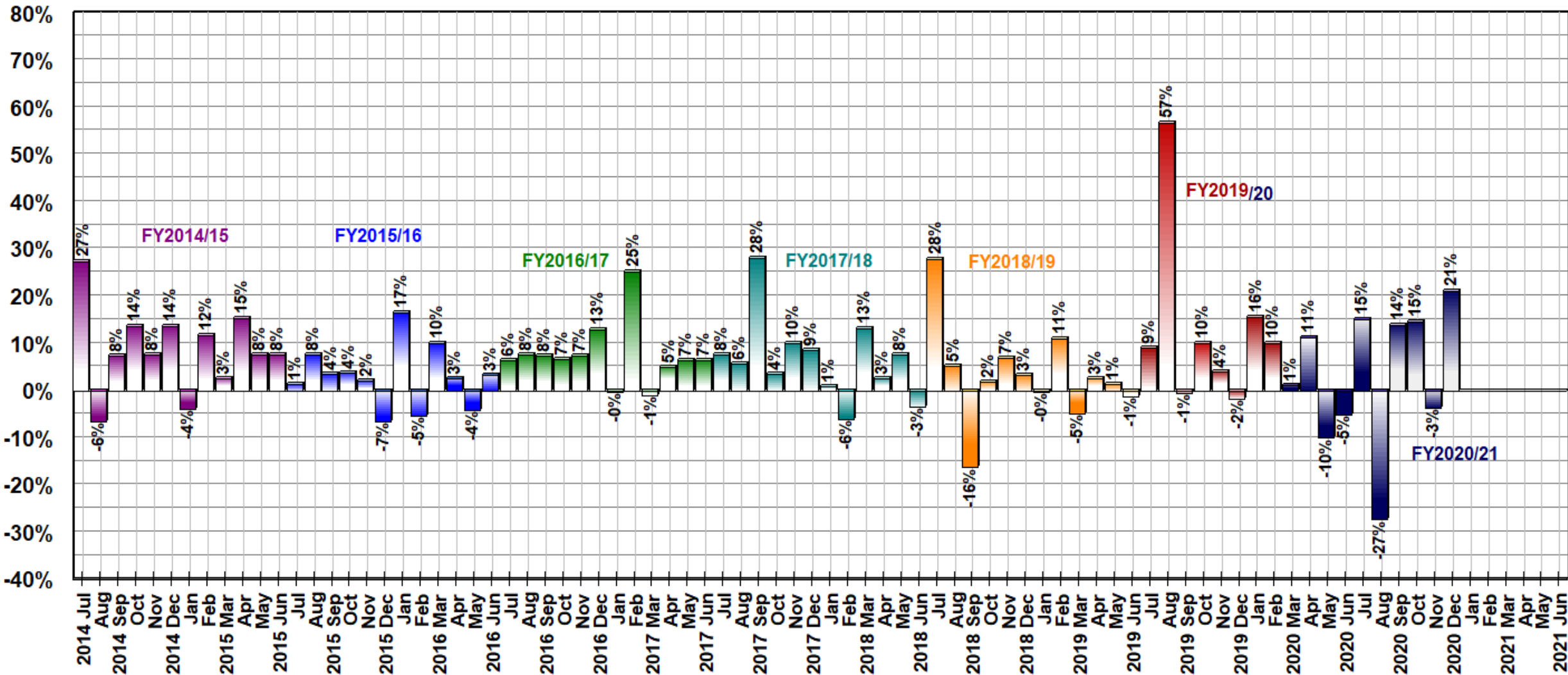


November 19th, 2020

State Shared Revenues

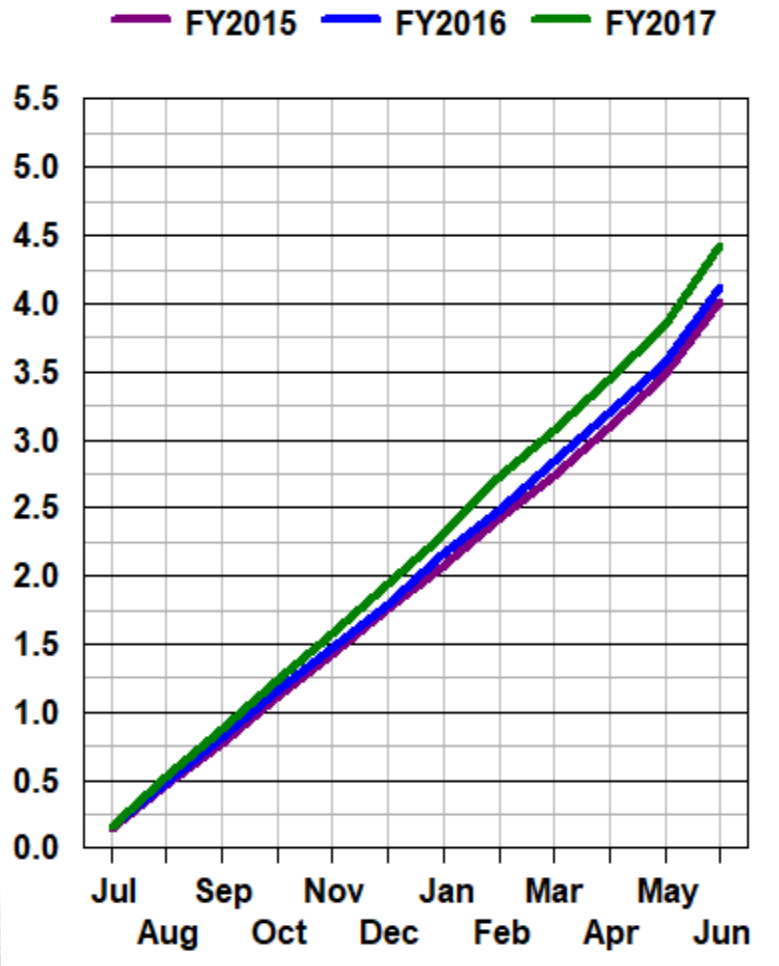
Change in Monthly Collections

Change in Monthly Collects from Previous Year

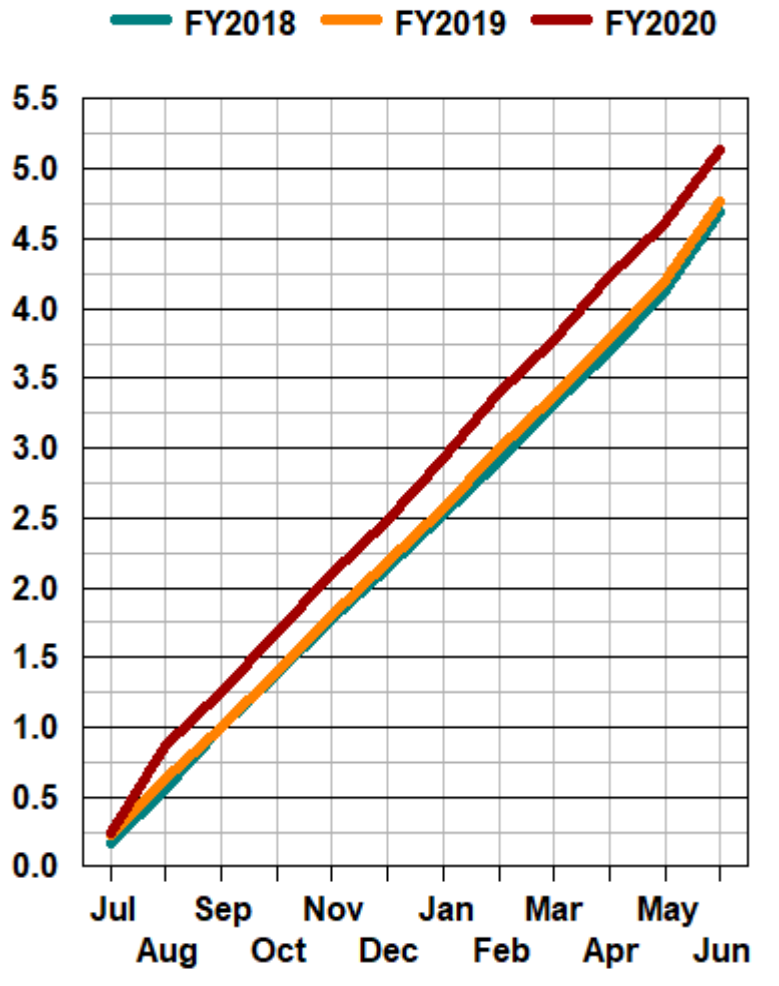


State Shared Revenues Accumulated Collections by Month

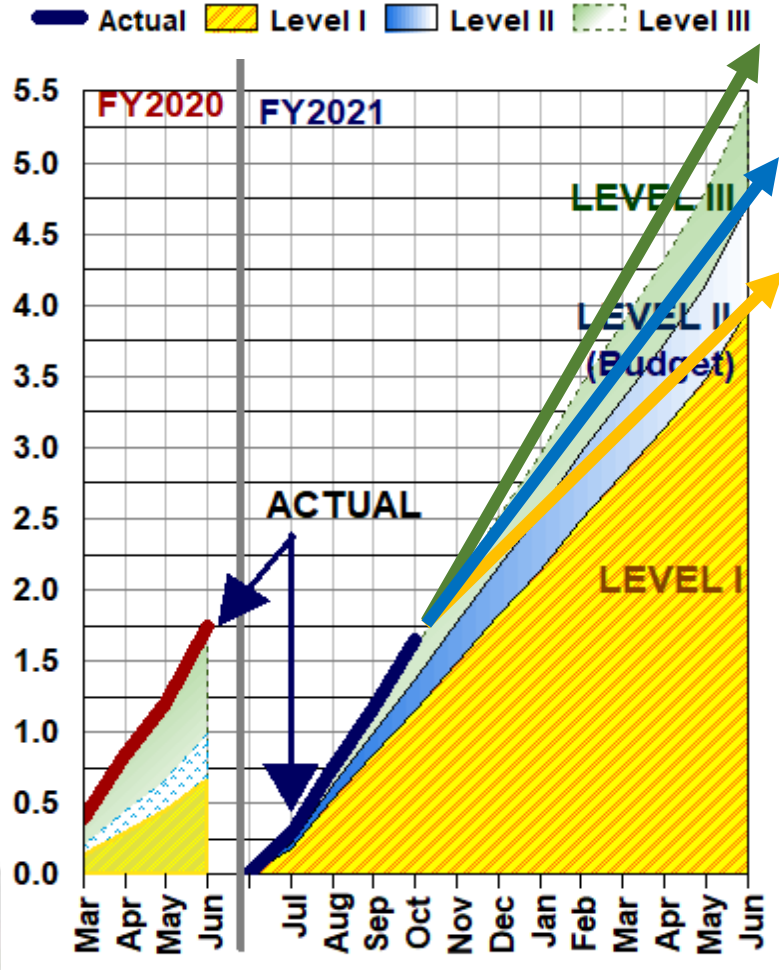
Historical FY2015 to FY2017



Historical FY2018 to FY2020



Current Actual FY2021

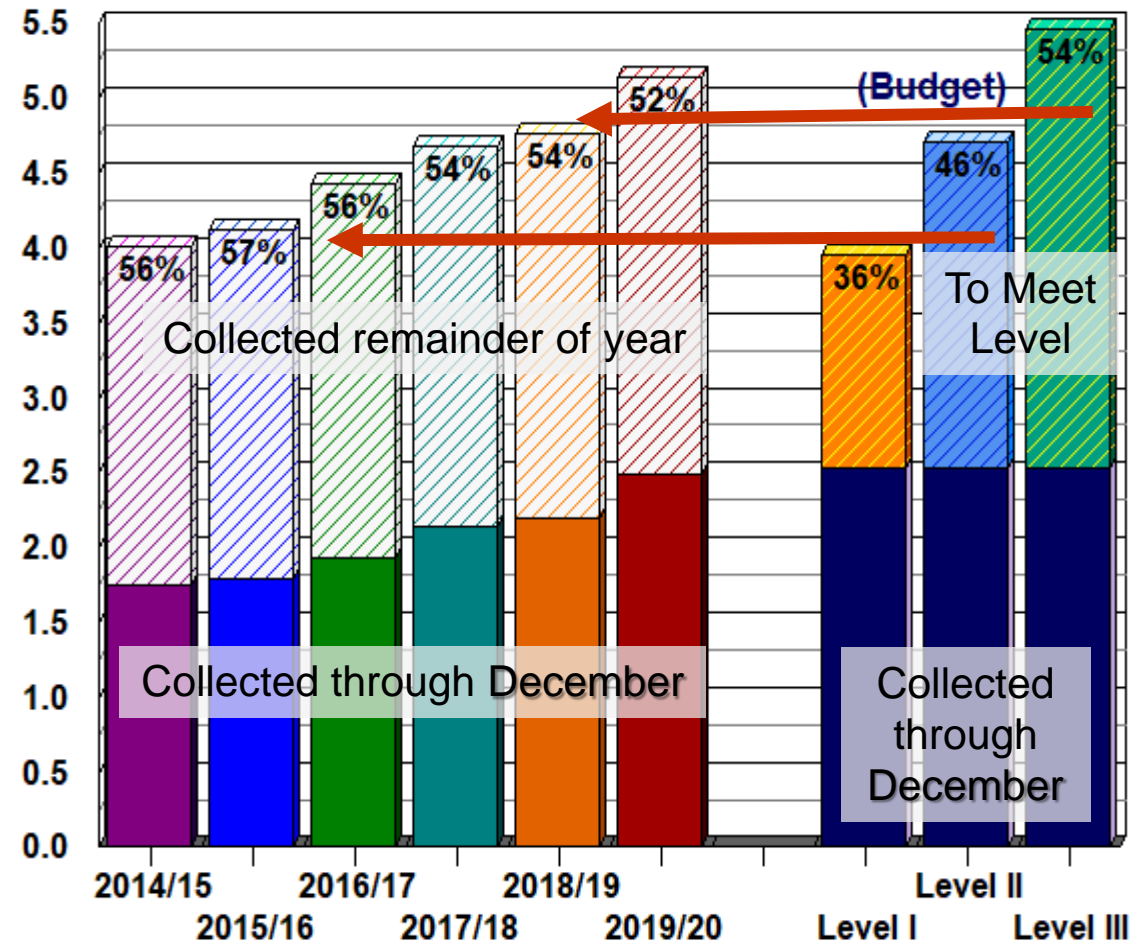


(All amounts are in Millions)

State Shared Revenues

Conclusion

INTERPOLATION – PERCENTAGE OF TOTAL



(All amounts are in Millions)

SUMMARY

- ▶ The Town budgeted State Shared Revenues, in aggregate, at **LEVEL II** to ensure the Town does not over extend expenditures and not to over restrict operations.
- ▶ As this revenue sources moves to **LEVEL III**, priorities can be authorized by the Mayor and Council. (Feb-June '21)
- ▶ If this revenue shows signs of moving to **LEVEL I**, the Mayor and Council would be notified and mitigating actions assessed for considerations, if necessary.

Factors impacting FY2021:

- ▶ The overall economic condition and activity of the State.
- ▶ The Town's population growth compared to the rest of the State; revenues are distributed based on population
- ▶ Revenue is trending slightly above in the **LEVEL II** range.

State Shared Revenues include:

- ▶ State income tax (last year's taxes paid);
- ▶ State transaction privilege tax (steady);
- ▶ Automobile taxes and licensing (strong) ; and
- ▶ "HURF" Highway User Revenue Fund (very strong).

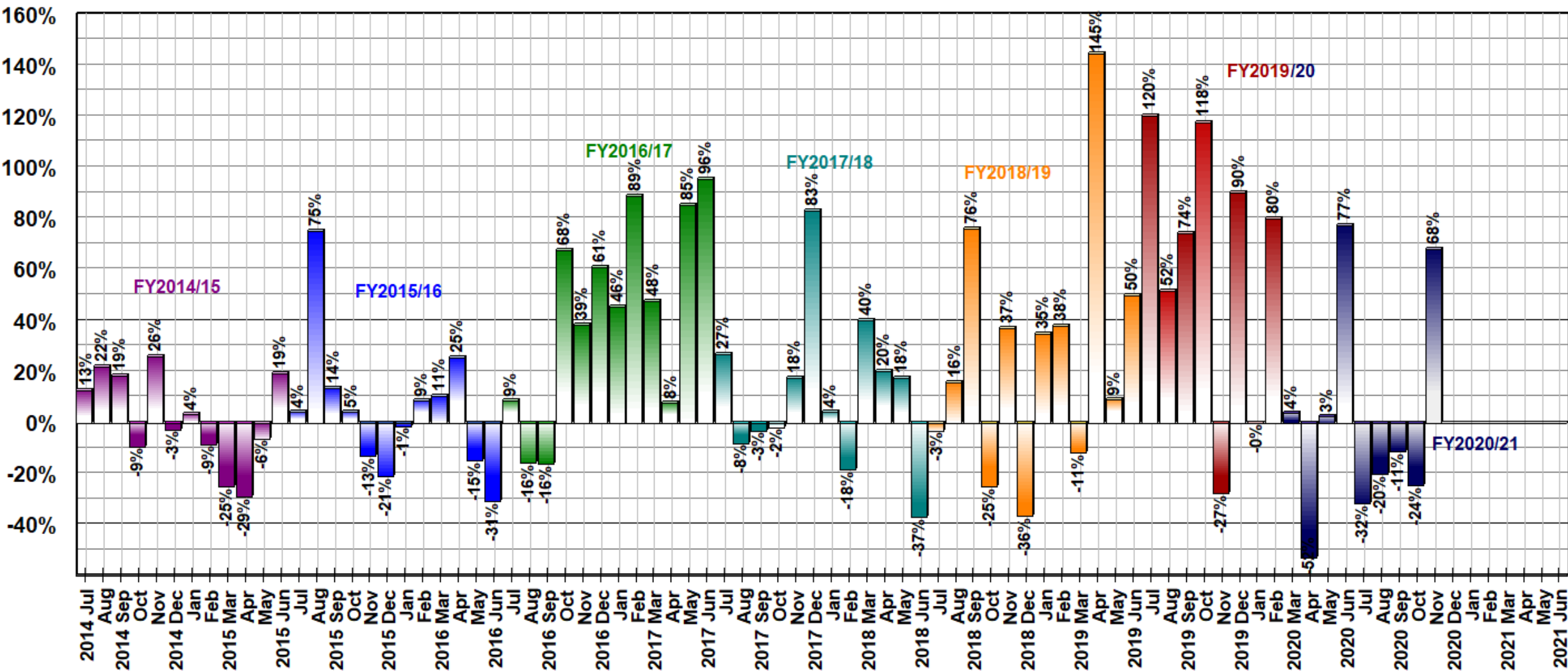
CONSTRUCTION AND CONTRACTING TRANSACTION PRIVILEGE TAX (TPT)



November 19th, 2020

Construction & Contracting Change in Monthly Collections

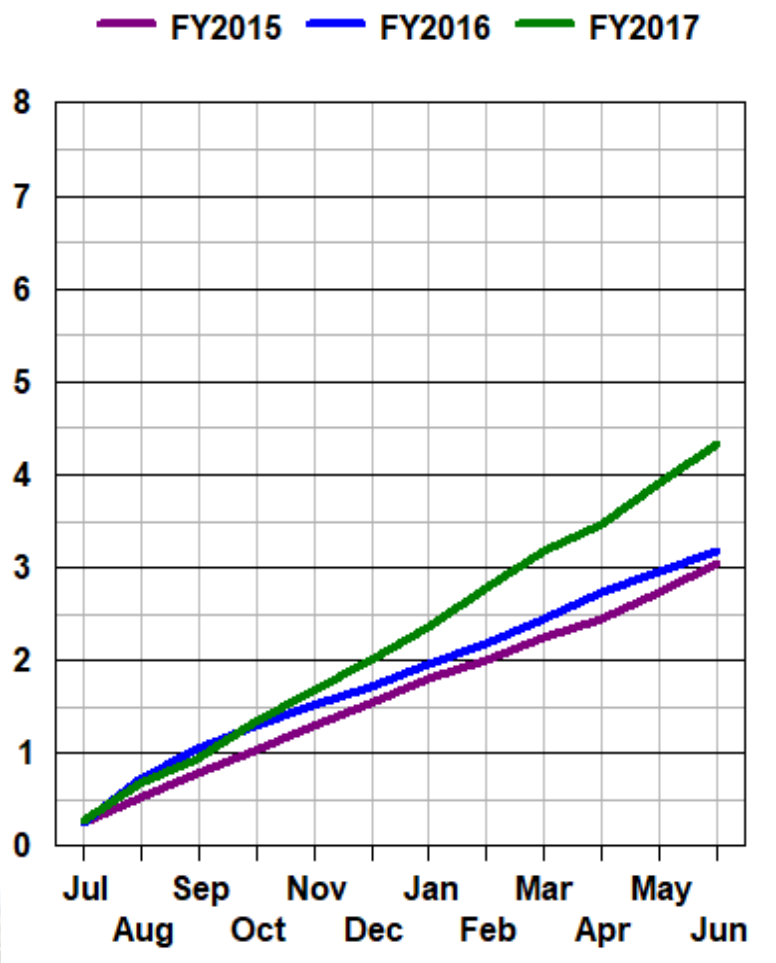
Change in Monthly Collects from Previous Year



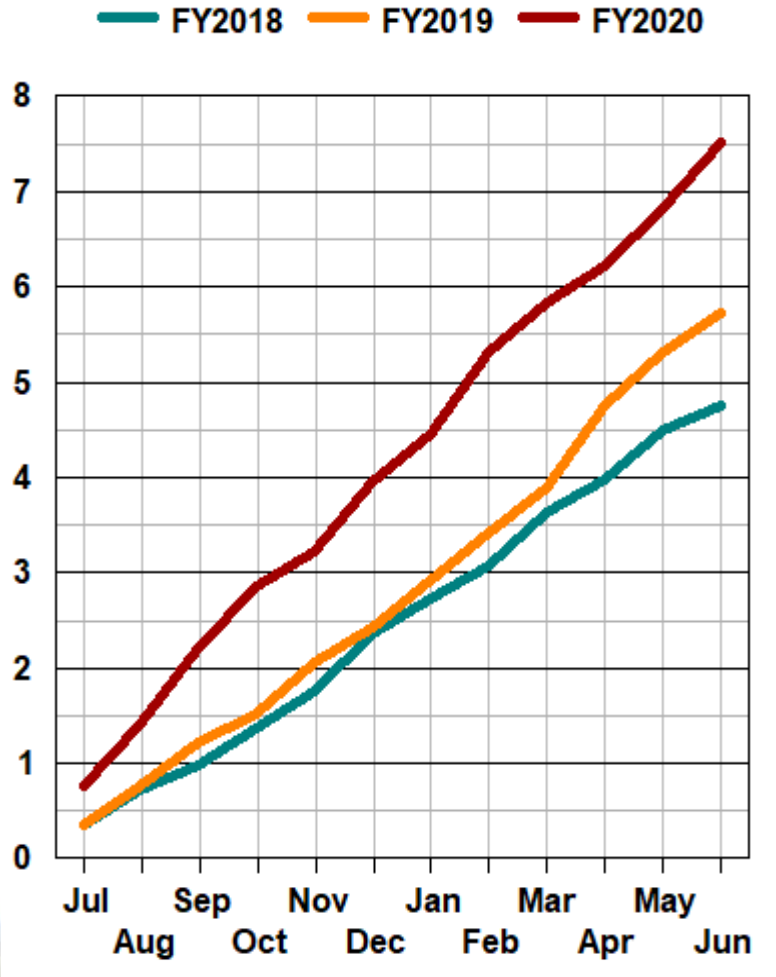
Construction & Contracting

Accum. Collections by Month

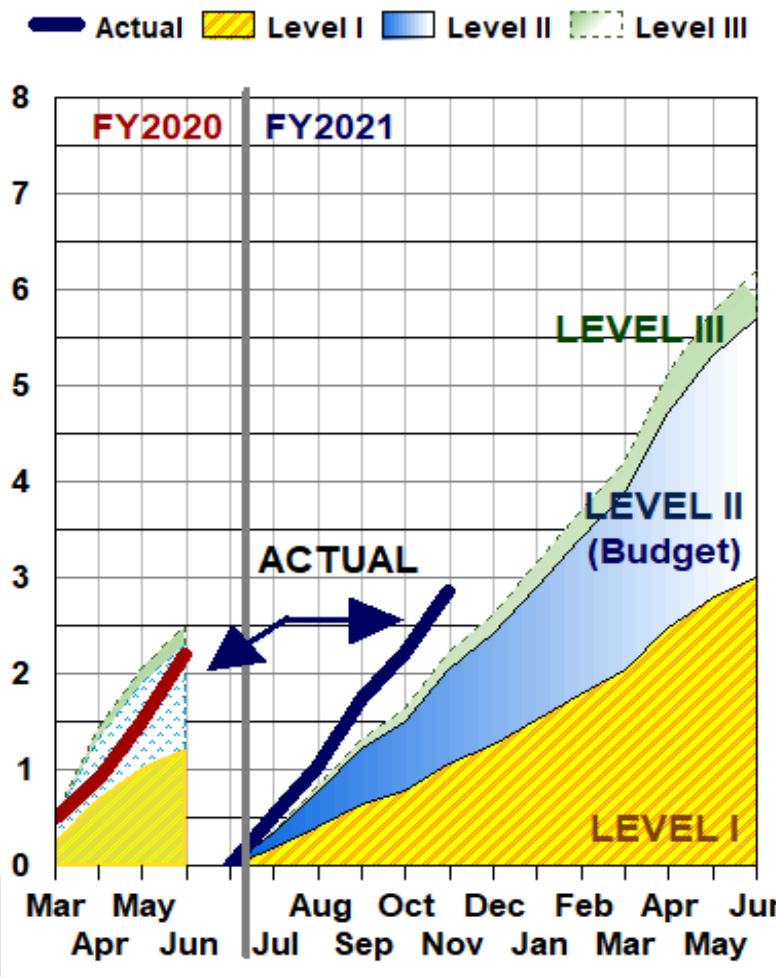
Historical FY2015 to FY2017



Historical FY2018 to FY2020



Current Actual FY2021

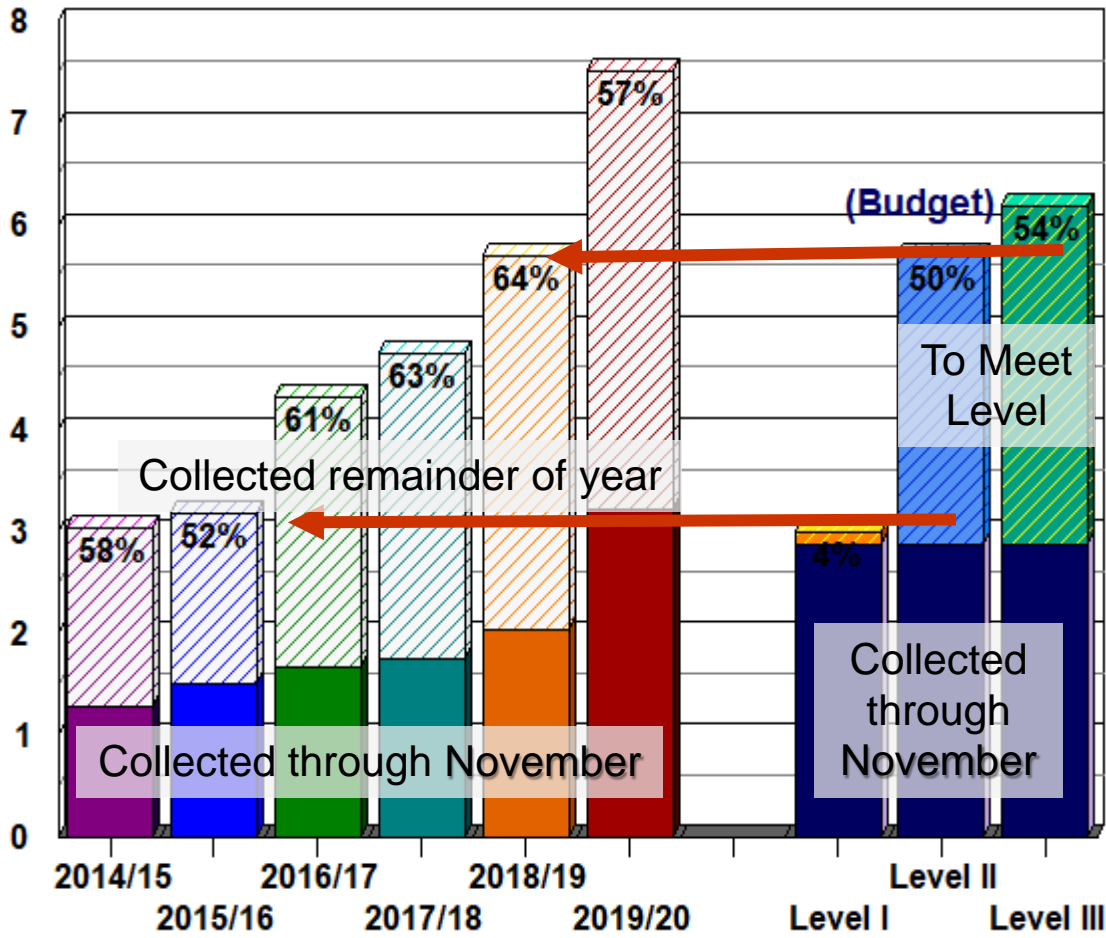


(All amounts are in Millions)

Construction & Contracting TPT

Conclusion

INTERPOLATION – PERCENTAGE OF TOTAL



(All amounts are in Millions)

SUMMARY

- ▶ The Town budgeted Construction TPT at **LEVEL II** to ensure the Town does not over extend CIP expenditures.
- ▶ Per Town policy, if this revenue moves to **LEVEL III**, it is transferred to the Capital Improvement Program (CIP), where it will be placed in a contingency account for subsequent budgets and Council considerations.
- ▶ If this revenue shows signs of moving to **LEVEL I**, the Mayor and Council would be notified and mitigating actions assessed for considerations if necessary; this would most likely impact subsequent years' CIP.

Factors impacting FY2021:

- ▶ Though some sectors slumped since March 2020, construction in Paradise Valley continued to be strong.
- ▶ Major developments are still on the horizon.
- ▶ The first \$500,000 Construction TPT collected funds general Town operations; all collections in excess of \$500,00 funds the Town's CIP.

BUILDING PERMITS

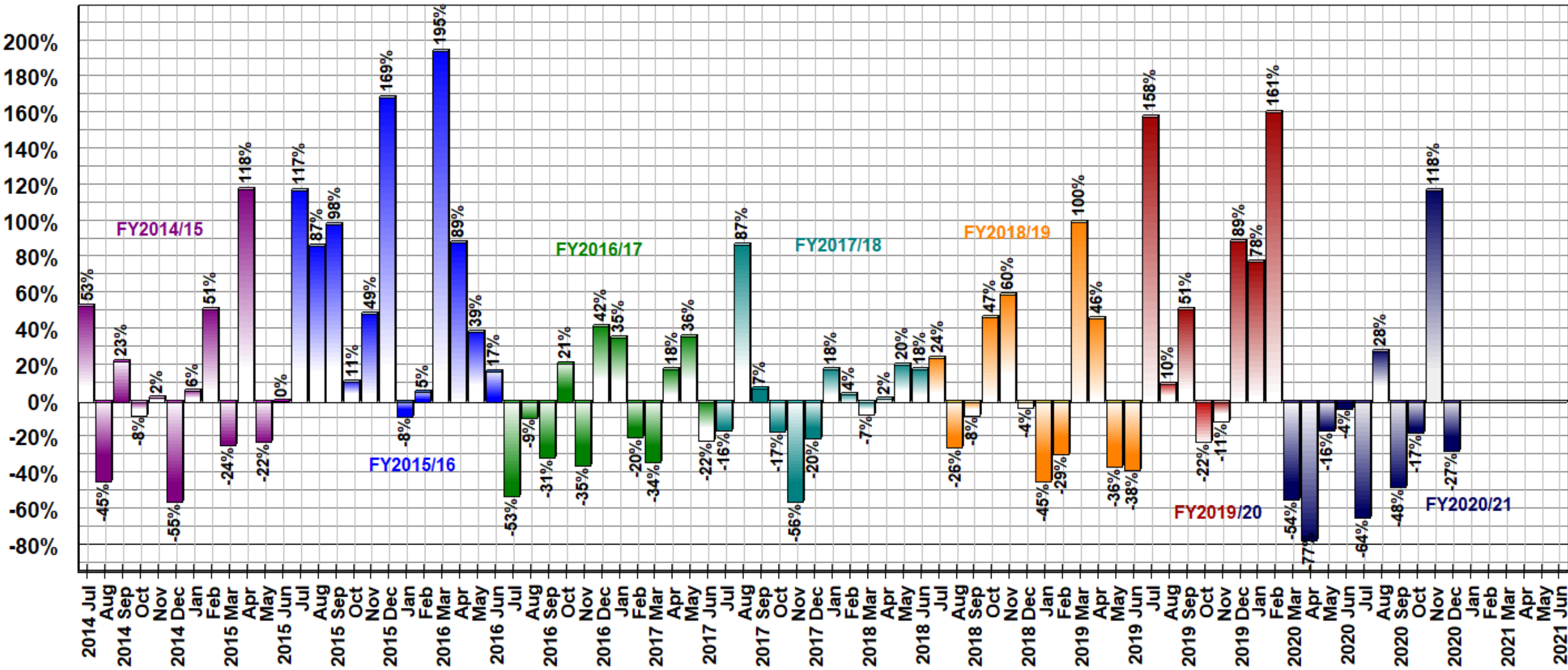


November 19th, 2020

Building Permits

Change in Monthly Collections

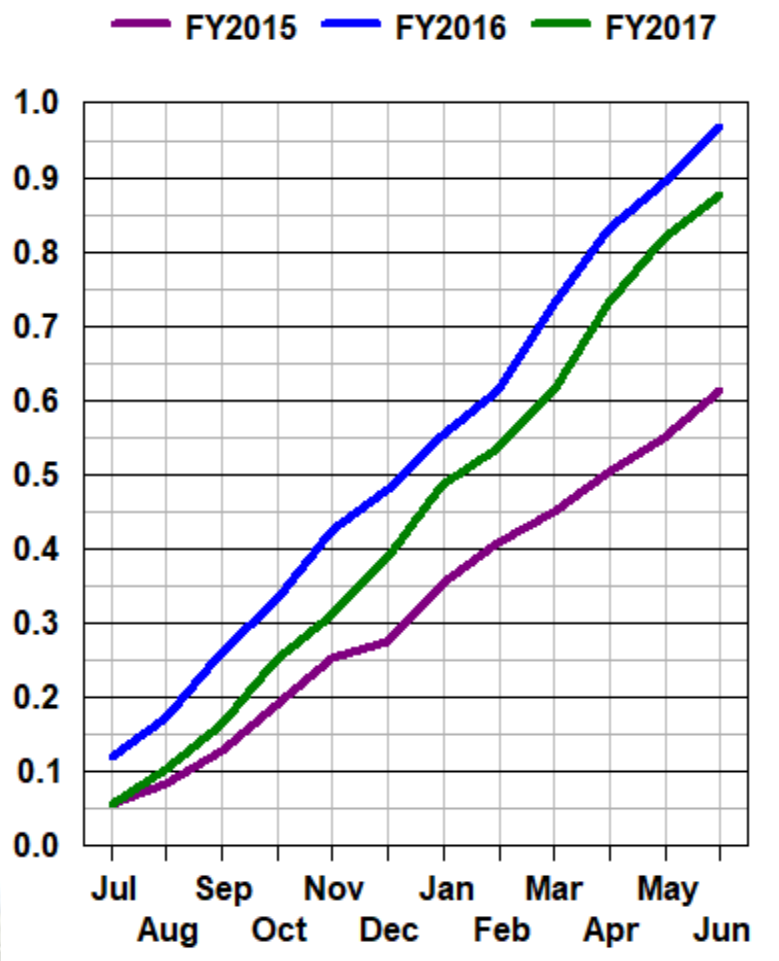
Change in Monthly Collects from Previous Year



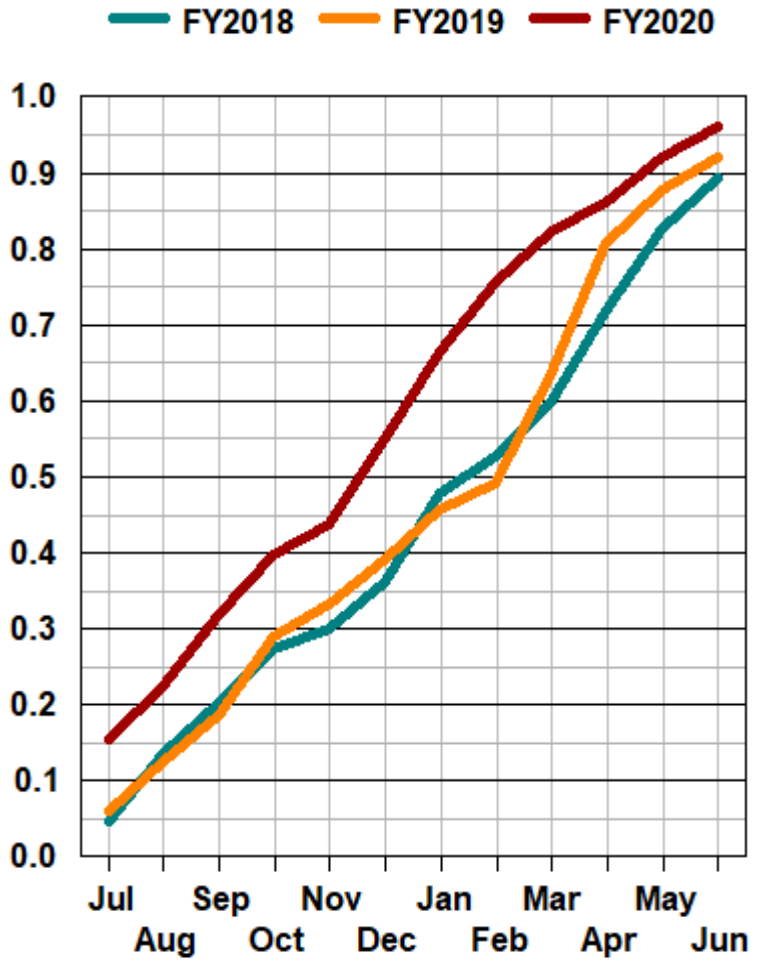
Building Permits

Accum. Collections by Month

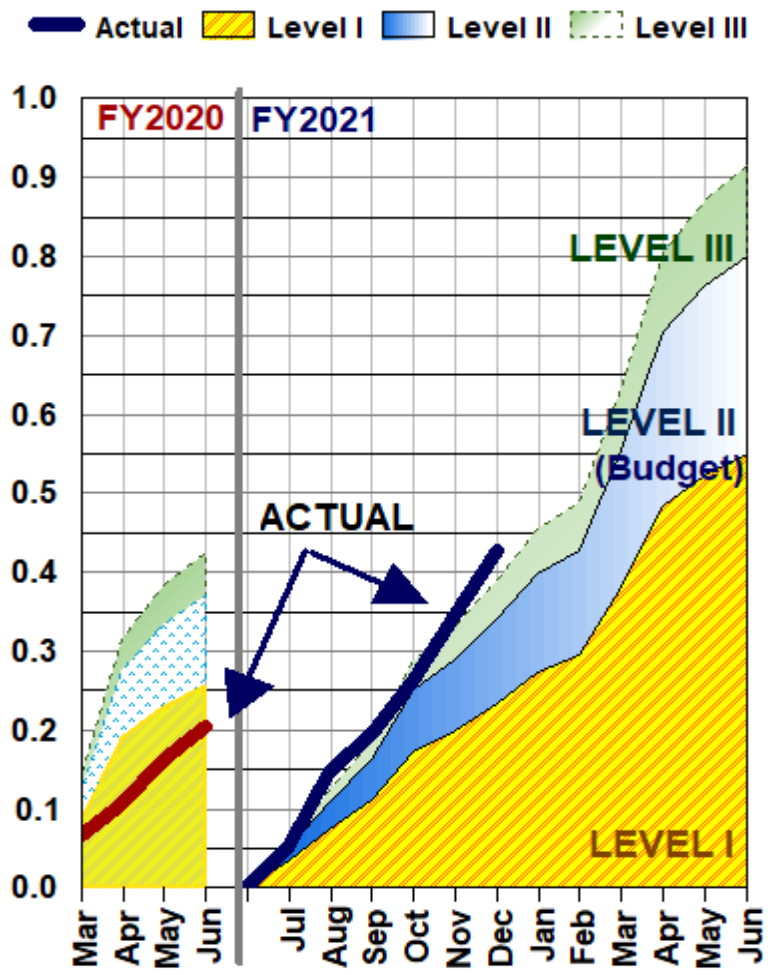
Historical FY2015 to FY2017



Historical FY2018 to FY2020



Current Actual FY2021

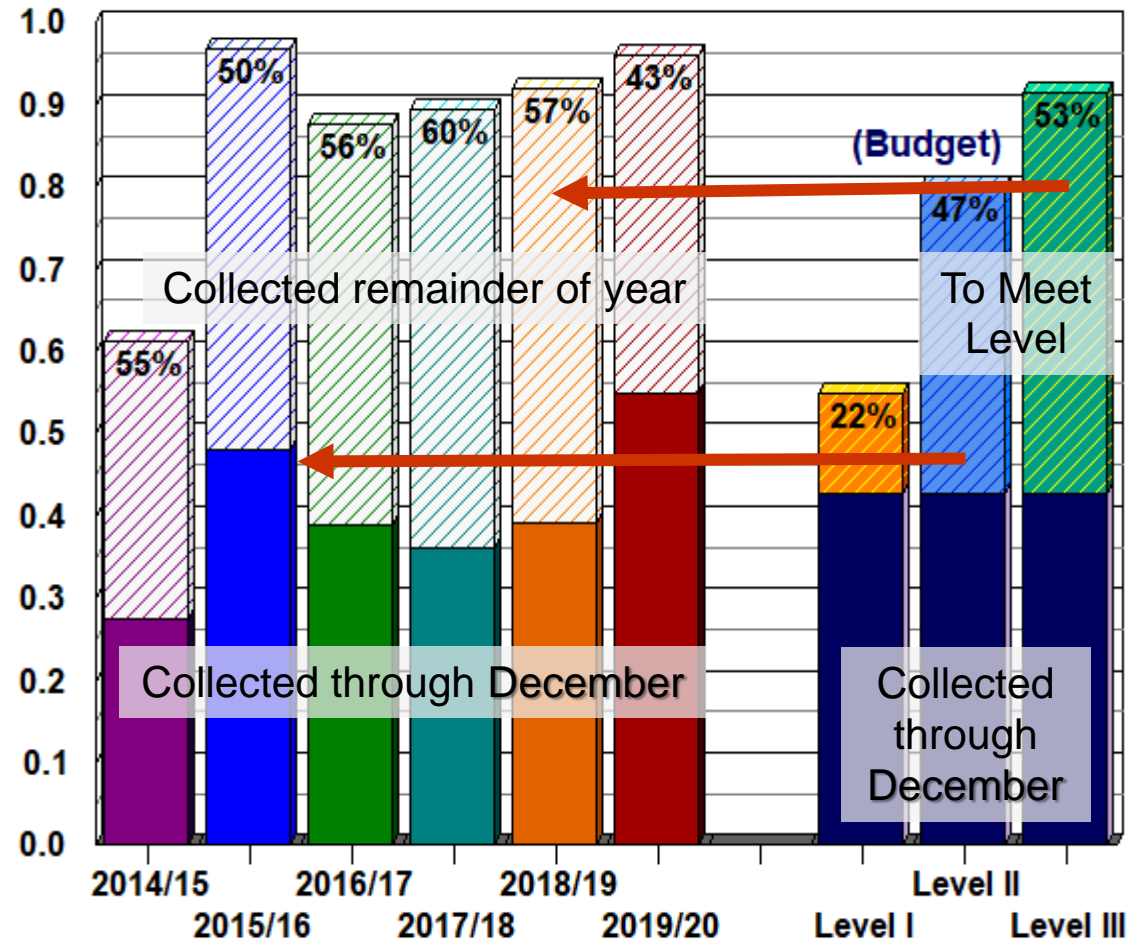


(All amounts are in Millions)

Building Permits

Summary

INTERPOLATION – PERCENTAGE OF TOTAL



(All amounts are in Millions)

SUMMARY

- ▶ The Town budgeted Building permits at **LEVEL II** to ensure the Town does not over extend expenditures, but not under estimate activity.
- ▶ If this revenue shows signs of slowing to **LEVEL I**, the Mayor and Council will be notified and mitigating actions assessed for considerations if necessary.

Factors impacting FY2021:

- ▶ Though some sectors slumped since March 2020, construction in Paradise Valley continued to be strong.
- ▶ Major developments are still on the horizon.
- ▶ The first \$550,000 of Building permit revenue collected is considered recurring and funds general Town operations; all collections in excess of \$550,00 is considered non-recurring and funds non-recurring expenditures.

Conclusion

Next Steps

RECOMMENDATION

- As outlined with the FY2021 budget:
- ▶ Remain flexible, adaptive, patient and ready to transition as needed.
 - ▶ Consider easing into opening select budgeted priorities.
 - ▶ Continue to provide monthly financial updates:
 - ❖ Cycle different revenues, focus on most impactful to the Town’s finances.
 - ❖ Review of the mid-year department expenditures.
 - ❖ Provide notice if any revenue trend or risk indicator signals a materially adverse impact to the Town’s financial condition.

OPENING BUDGET PRIORITIES

- ▶ Management is cautious not over extend the Town and risk the need to pull back on programs or service commitments, unless warranted to mitigate an unforeseen economic crisis.
- ▶ Council has approved \$2,400,000 for paying the PSPRS Unfunded Liability; management has been directed to bring back to Council for direction before making payments.

CONSIDERATION FACTORS FOR PRIORITIES

- ▶ Sustainability and impact of overall Town operations.
- ▶ One-time revenues are not used for recurring programs.
- ▶ Recurring revenues can be used for capital, contractual and other one-time expenditures.
- ▶ Continue to maintain an appropriate level of Emergency Reserves for unforeseen emergencies.



APPENDIX: ALL TOWN OPERATING REVENUES and REVENUE REBOUND CURVES



November 19th, 2020

Appendix

All Operating Revenue (Detail)

Account Number	MAJOR Revenues by Source	Adopted Budget		Actual at 12/31/20	Actual to BENCHMARK		Actual to ANNUAL	
		ANNUAL	BENCHMARK		\$	%	\$	%
10-30-712	POST OFFICE SALES	\$ 300,000	\$ 150,000	\$ 116,138	\$ (33,862)	77%	\$ (183,862)	39%
10-32-200	BUSINESS LICENSE	4,000	2,000	2,900	900	145%	(1,100)	73%
10-32-210	RIGHT OF WAY PERMIT	90,000	45,000	37,670	(7,330)	84%	(52,330)	42%
10-32-215	ELECTRICAL PERMIT	3,515	1,758	2,860	1,102	163%	(655)	81%
10-32-217	BANNER PERMIT	700	350	175	(175)	50%	(525)	25%
10-32-220	ENGINEERING PERMIT	-	-	242	242	n/a	242	n/a
10-32-235	PLUMBING PERMIT	10,800	5,400	7,501	2,101	139%	(3,299)	69%
10-32-245	SPECIAL USE PERMIT	10,000	5,000	7,150	2,150	143%	(2,850)	72%
10-32-255	SUBDIVISION PERMIT	40,500	20,250	9,310	(10,940)	46%	(31,190)	23%
10-32-265	HILLSIDE APPLICATION FEE	85,500	42,750	85,480	42,730	200%	(20)	100%
10-32-270	VARIANCE APPLICATION FEE	10,800	5,400	12,355	6,955	229%	1,555	114%
10-32-282	FIRE MARSHALL SERVICES	75,000	37,500	23,808	(13,692)	63%	(51,192)	32%
10-32-290	DEMOLITION PERMITS	27,000	13,500	24,115	10,615	179%	(2,885)	89%
10-32-291	THIRD PARTY REVIEW BLDG INSP	210,000	105,000	66,453	(38,547)	63%	(143,547)	32%
10-32-293	ENGINEERING PLAN CHECK	6,300	3,150	4,522	1,372	144%	(1,778)	72%
10-32-294	SPECIAL EVENT PERMIT	3,000	1,500	750	(750)	50%	(2,250)	25%
10-32-295	IN-HOUSE PLAN REVIEW	650,460	325,230	355,884	30,654	109%	(294,576)	55%
10-32-297	GRADING PERMITS	108,000	54,000	72,735	18,735	135%	(35,265)	67%
10-32-298	HAUL/EXCAVATION PERMIT	108,000	54,000	52,910	(1,090)	98%	(55,090)	49%
10-32-300	CHANGE OF ADDRESS FEE	-	-	390	390	n/a	390	n/a
10-32-301	GG - Credit Card Service Fee	20,000	10,000	21,458	11,458	215%	1,458	107%
10-32-310	TOWN MANAGEMENT FEE	100,000	100,000	380,568	280,568	381%	280,568	381%
10-32-767	MONTELUCIA DEV AGREEMENT	108,000	-	-	-	n/a	(108,000)	0%
10-32-769	MOUNTAIN SHADOWS AGREEMENT	240,000	240,000	281,441	41,441	117%	41,441	117%

{Continued}

Appendix

All Operating Revenue (Detail)

Account Number	MAJOR Revenues by Source	Adopted Budget		Actual at 12/31/20	Actual to BENCHMARK		Actual to ANNUAL	
		ANNUAL	BENCHMARK		\$	%	\$	%
10-33-322	FIRE SERVICE LICENSE FEE	20,000	-	-	-	n/a	(20,000)	0%
10-33-360	BULLETPROOF VEST GRANT	25,000	-	-	-	n/a	(25,000)	0%
10-33-361	GOHS-DUI GRANT	25,000	-	-	-	n/a	(25,000)	0%
10-33-362	GOHS-STEP GRANT	25,000	-	-	-	n/a	(25,000)	0%
10-33-419	\$4 CITING AGENCY-SB1398	42,000	17,500	14,547	(2,953)	83%	(27,453)	35%
10-34-737	RENTAL INC - WIRELESS FACILITY	78,000	39,000	39,783	783	102%	(38,217)	51%
10-35-400	COURT FINES - COUNTER	1,300,000	541,667	541,917	250	100%	(758,083)	42%
10-35-403	COURT PD TECHNOLOGY FEE	600,000	250,000	256,315	6,315	103%	(343,685)	43%
10-35-410	FALSE ALARM FINES	50,000	25,000	23,500	(1,500)	94%	(26,500)	47%
10-35-416	PUBLIC SAFETY FEE	90,000	37,500	35,923	(1,577)	96%	(54,077)	40%
10-35-421	JAIL FEE REIMBURSEMENTS	11,000	4,583	1,142	(3,441)	25%	(9,858)	10%
10-35-422	INDIGENT LEGAL FEE REIMBURSEMENT	2,000	1,000	430	(570)	43%	(1,570)	22%
10-35-425	PROCESS SERVICE FEES-COURT	55,000	27,500	39,593	12,093	144%	(15,407)	72%
10-35-431	POLICE IMPOUND VEHICLE	25,000	12,500	750	(11,750)	6%	(24,250)	3%
10-36-500	APS FRANCHISE FEES	580,000	241,667	230,552	(11,115)	95%	(349,448)	40%
10-36-505	COX COMM. LICENSE FEE	255,000	106,250	74,120	(32,130)	70%	(180,880)	29%
10-36-510	SOUTHWEST GAS FRANCHISE FEE	176,000	73,333	13,644	(59,689)	19%	(162,356)	8%
10-36-513	NEW PATH LICENSE AGREEMENT	158,000	158,000	158,883	883	101%	883	101%
10-37-600	LGIP INTEREST	45,000	18,750	7,468	(11,282)	40%	(37,532)	17%
10-37-610	TREASURIES - INTEREST	300,000	125,000	294,135	169,135	235%	(5,865)	98%
10-37-611	WF INVESTMENT INTEREST	30,000	12,500	1,854	(10,646)	15%	(28,146)	6%
10-37-616	INTEREST - MISCELLANEOUS	9,000	3,750	15,354	11,604	409%	6,354	171%
10-37-900	YR END MKT GAIN/LOSS	-	-	(208,250)	(208,250)	n/a	(208,250)	n/a
10-38-700	PHOTOCOPY INCOME	300	150	482	332	321%	182	161%

{Continued}

Appendix

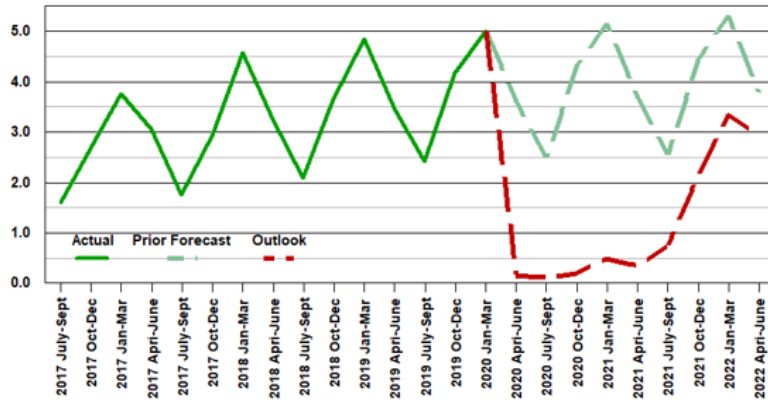
All Operating Revenue (Detail)

Account Number	MAJOR Revenues by Source	Adopted Budget		Actual at 12/31/20	Actual to BENCHMARK		Actual to ANNUAL	
		ANNUAL	BENCHMARK		\$	%	\$	%
10-38-713	POST OFFICE-COMMISSION ON SA	41,250	20,625	6,693	(13,932)	32%	(34,557)	16%
10-38-725	POLICE EVIDENCE INCOME	4,000	2,000	553	(1,447)	28%	(3,447)	14%
10-38-726	UNCLAIMED PROPERTY	4,000	2,000	-	(2,000)	0%	(4,000)	0%
10-37-617	ALLOCATED INTEREST	(11,700)	-	-	-	n/a	11,700	0%
10-38-734	NSF CHECK CHARGE	100	50	25	(25)	50%	(75)	25%
10-38-730	MISCELLANEOUS INCOME	10,000	5,000	2,795	(2,205)	56%	(7,205)	28%
10-38-742	POLICY PREMIUM REBATE	-	-	162,313	162,313	n/a	162,313	n/a
LEVEL I TOTAL NON-MAJOR REVENUE		6,160,525	2,947,113	3,281,337	334,224	111%	(2,879,188)	53%
LEVEL II REVENUE REBOUND		234,800	117,400	-	(117,400)	0%	(234,800)	0%
LEVEL II TOTAL NON-MAJOR REVENUE		6,395,325	3,064,513	3,281,337	216,824	107%	(3,113,988)	51%
LEVEL III REVENUE REBOUND		1,416,375	708,188	-	(708,188)	0%	(1,416,375)	0%
LEVEL III TOTAL NON-MAJOR REVENUE		\$ 7,811,700	\$ 3,772,701	\$ 3,281,337	\$ (491,364)	87%	\$ (4,530,363)	42%

Hospitality (Retail, Resorts) Revenue

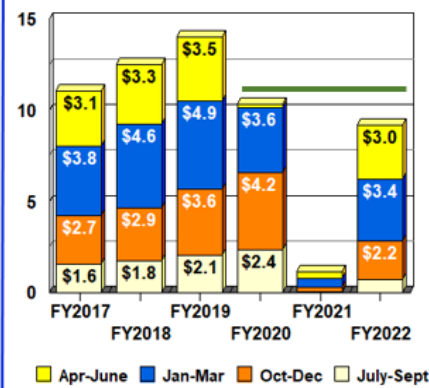
Scenario A: L-curve

SCENARIO A: REVENUE BY QUARTER L-CURVE



All amounts are in millions

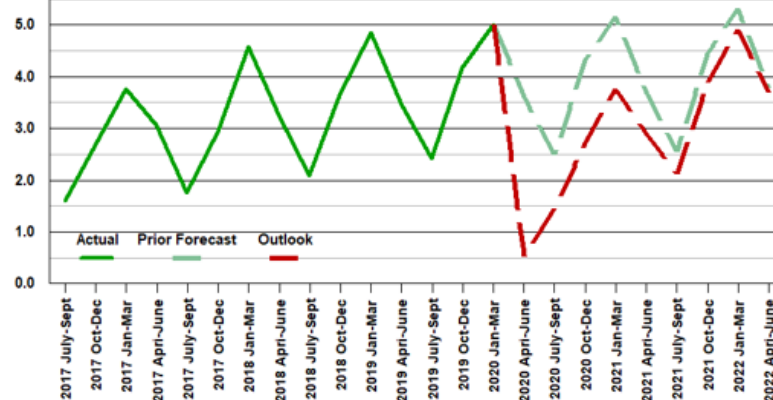
REVENUE BY FISCAL YEAR



Hospitality (Retail, Resorts) Revenue

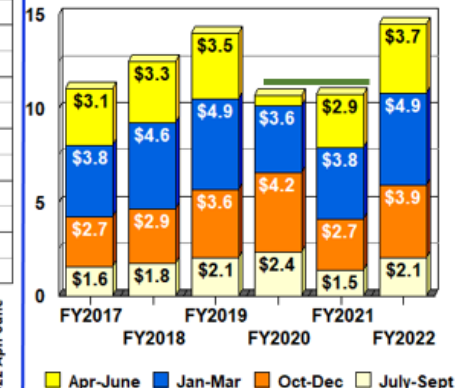
Scenario B: V-curve

SCENARIO B: REVENUE BY QUARTER V-CURVE



All amounts are in millions

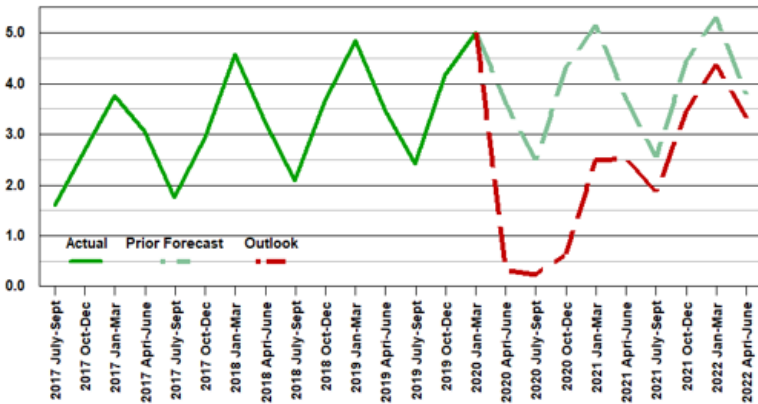
REVENUE BY FISCAL YEAR



Hospitality (Retail, Resorts) Revenue

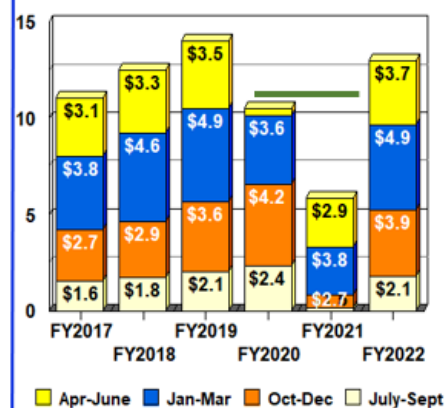
Scenario C: U-curve

SCENARIO C: REVENUE BY QUARTER U-CURVE



All amounts are in millions

REVENUE BY FISCAL YEAR



- ▶ July-November saw a modest “V” curve
- ▶ January-March will show if continues or if it is “U” curve or a “swoosh”

28th, 2021

REVENUE UPDATE FY2020/21

SPOTLIGHTED SOURCES

- Information and possible discussion.



January 28th, 2021

EXPENDITURES UPDATE FY2020/21

DEPARTMENT & OPERATING BUDGETS

- Information and possible discussion.



January 28th, 2021

Operating Budget and Actual

July 1 – December 30, 2020

Department / Cost Center or Purpose	Expenditure Budget		6-Month Actual	Benchmark vs Actual	
	Current	Benchmark		\$	%
Community development:					
Planning	\$ 785,476	\$ 401,329	\$ 307,493	\$ 93,836	77%
Building	858,778	438,576	436,411	2,165	100%
Engineering	824,269	422,582	381,309	41,273	90%
Finance department	723,311	378,181	377,944	237	100%
Information technology	955,784	575,437	574,513	924	100%
Mayor, Council, Boards,					
Committees and Volunteers	152,120	76,060	14,804	61,256	19%
Public works fleet and facilities:					
Facilities	606,514	305,974	268,193	37,781	88%
Fleet	295,795	149,414	117,192	32,222	78%
Streets & pavement plan	1,504,540	764,956	621,971	142,985	81%
Tourism (based on \$2M TLT)	900,000	675,000	675,000	-	100%
Town attorney's office	728,430	394,437	484,278	(89,841)	123%
Town manager's office	887,624	453,604	416,563	37,041	92%
Post office	561,902	283,203	216,967	66,236	77%
Municipal court	770,600	403,475	403,313	162	100%
Police department:					
Administrative support	2,477,556	1,258,246	941,463	316,783	75%
Communications	721,238	369,428	266,090	103,338	72%
Patrol	4,268,970	2,177,632	2,076,747	100,885	95%
Investigations	979,270	499,851	403,717	96,134	81%
Police technology	404,000	102,000	63,044	38,956	62%
Contingencies (allocated to department when upon spending):					
Operating and residual balances	694,030	-	-	-	n/a
Legal services	250,000	-	-	-	n/a
PSPRS unfunded liability	2,400,000	-	-	-	n/a
Lincoln mill and overlay	1,152,774	-	-	-	n/a
Total "Operating Fund" Operations	\$ 23,902,981	\$ 10,129,385	\$ 9,047,012	\$ 1,082,373	89%

Current Budget = Adopted Budget +/- approved budget amendments

Benchmark Budget = Represents the anticipated spending six months into the fiscal year by recognizing that some services and payroll costs are not evenly expended over each month.

6-Month Actual = Actual expenditures incurred through December.

Benchmark vs Actual = Compares the benchmark budget and actual expenditures through December (six months into the fiscal year).

Note: Considering that departments are operating in "Priority One" base budgets, a benchmark % higher than 95% is not cause for alarm; but serves as an alert for caution or possible adjustments over the next 6 months.

Adopted Contingencies

July 1 – December 30, 2020

GENERAL FUND - Adopted Contingencies for Council Considerations as Revenues Rebound				UPDATED CHART FOR TRACKING		
PURPOSE (General Fund Only)	Unallocated Priority	Reopened Programs	Adopted Contingency Budget Priority:			
			Total	One	Two	Three
Operating contingency	\$ 136,058	\$ (668,000)	\$ 804,058	\$ 600,000	\$ 68,000	\$ 136,058
Department Priorities 2	350,323	(245,583)	595,906	-	595,906	-
Department Priorities 3	2,068,268	(1,152,774)	3,221,042	-	-	3,221,042
PSPRS unfunded liability	3,000,000	(2,400,000)	5,400,000	-	2,400,000	3,000,000
Tourism (revenue based contract)	1,087,741	-	1,087,741	-	-	1,087,741
Legal services	-	(250,000)	250,000	250,000	-	-
Merit program	230,000	(230,000)	460,000	-	230,000	230,000
HR programs and study	90,000	-	90,000	55,000	-	35,000
Town-wide fee study	-	(28,000)	28,000	-	28,000	-
Total Adopted Contingencies	\$ 6,962,390	\$ (4,974,357)	\$ 11,936,747	\$ 905,000	\$ 3,321,906	\$ 7,709,841

Priority One: Is the base budget a vital, mandated, or primary service(s) that has a direct impact on residents. But it does not to keep pace with an increase in demand. Priority one was funded effective July1 in the Operating Budgets.

Priority Two: Has an impact on Town operations and delivery of service, keeps pace with demand. Priority Two programs were considered in October 2020 with action to reopen some programs in November 2020 as seen in the “Reopen Program” column.

Priority Three: Represents where a department was heading in February ‘20. Poised to resume, but not likely to materialize for all requests in FY2021. Priority Three was set in a contingency account and planned to be considered January - March 2021.

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

By placing Priorities in contingencies, the Town has the flexibility to ease into them as revenues rebound and are available.

Had the Mayor and Council not budgeted contingencies, then by state law, the Town would not be able to open these programs, at these levels, this fiscal year and would need to wait until next fiscal year.

EXPENDITURES UPDATE FY2020/21

DEPARTMENT & OPERATING BUDGETS

- Information and possible discussion.



January 28th, 2021

BUDGET AMENDMENT FEBRUARY

EASING INTO BUDGET PRIORITIES

Key Question #4 for Council:

- Is Council inclined to continue moving forward with easing into and opening adopted budget priorities?



- ▶ Management is confident current conditions can sustain the following recommendations.
- ▶ Using an “easing in” approach to remain cautious, flexible, adaptable and focused on delivering high quality services that are sustainable;
- ▶ While not over extending the Town’s commitments; or restrict the ability to pause or pull back on programs or service in the event of an unforeseen economic crisis.

January 28th, 2021

Adopted Contingencies

July 1 – December 30, 2020

GENERAL FUND - Adopted Contingencies for Council Considerations as Revenues Rebound				UPDATED CHART FOR TRACKING		
PURPOSE (General Fund Only)	Unallocated Priority	Reopened Programs	Adopted Contingency Budget Priority:			
			Total	One	Two	Three
Operating contingency	\$ 136,058	\$ (668,000)	\$ 804,058	\$ 600,000	\$ 68,000	\$ 136,058
Department Priorities 2	350,323	(245,583)	595,906	-	595,906	-
Department Priorities 3	2,068,268	(1,152,774)	3,221,042	-	-	3,221,042
PSPRS unfunded liability	3,000,000	(2,400,000)	5,400,000	-	2,400,000	3,000,000
Tourism (revenue based contract)	1,087,741	-	1,087,741	-	-	1,087,741
Legal services	-	(250,000)	250,000	250,000	-	-
Merit program	230,000	(230,000)	460,000	-	230,000	230,000
HR programs and study	90,000	-	90,000	55,000	-	35,000
Town-wide fee study	-	(28,000)	28,000	-	28,000	-
Total Adopted Contingencies	\$ 6,962,390	\$ (4,974,357)	\$ 11,936,747	\$ 905,000	\$ 3,321,906	\$ 7,709,841

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	-	-	-	-	-	-
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	\$ 20,664,723	\$ 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)

The FY2021 Adopted department budgets have a mechanism to fluidly transition back to their 2019 service levels as the Town's revenues rebound.

By placing Priorities in contingencies, the Town has the flexibility to ease into them as revenues rebound and are available.

Had the Mayor and Council not budgeted contingencies, then by state law, the Town would not be able to open these programs, at these levels, this fiscal year and would need to wait until next fiscal year.

Contingency Chart:
as adopted in the FY2020/21
budget

Budget Amendment

Easing into / out of Budget Priorities

SOURCES	
Description	Amount
One-time sources	
Use of reconciled transfer from closed CIP (1/2)	\$ 2,500,000
Prior BA Revenue over expenditures + residuals	629,818
Partial year savings on EM funding	121,088
Recurring revenue	
Major general revenues - Level II	1,170,000
Major restricted revenue (HURF)- Level III	383,220
Recommended February BA	\$ 4,804,126

Revenues will continue to be monitored as they move to Levels II and III.

Management will provide notice if any revenue trend or risk indicator signals a material adverse impact to the Town’s financial condition; and provide mitigating actions for consideration.

CIP Proceeds Series ‘20 may be used to navigate AEL

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Police Department

VII. Priorities

PRIORITY TWO

Priority Two requests include:

- Emergency Manager (EM) position, patrol cell phone replacement, Volunteer and Explorer uniforms, DUI investigation equipment.
- Contingent on revenue stabilization, reopening of resorts occupancy expectations.
- The addition of the EM increases capacity in patrol division centralizing patrol supervisor duties and creates staff capacity in CDD.

POLICE DEPARTMENT Table 4 - Funding Priorities					ALL DIVISIONS
Expenditures by Category All Divisions	Total Budget 2020/21	FY General Funding Priority Level			
		Priority One (Funded)	Priority Two (Contingency)	Priority Three (Deferred)	
Total Personnel	\$ 7,244,941	\$ 6,839,344	\$ 161,451	\$ 244,146	
Professional services	81,548	81,548	-	-	
FF&E; weapons & ammo	192,900	156,900	-	36,000	
Liability & property insurance	207,495	207,495	-	-	
Training and travel	74,900	74,900	-	-	
Photo enforcement contract	787,000	787,000	-	-	
PD Technology	532,315	519,530	12,785	-	
Other supplies & services	231,735	211,735	18,000	2,000	
Total Capital	168,550	-	16,550	152,000	
Total Expenditures	\$ 9,521,384	\$ 8,878,452	\$ 208,786	\$ 434,146	
Prior year's Budget	\$ 9,883,966	\$ 9,883,966	Contingent on	Deferred for fluid	
Dollar difference	(362,582)	(1,005,514)	Service Level and	transition with	
Percentage difference	-4%	-10%	Related revenue	revenue rebound	
Priority One: Funded effective July 1, 2020					

Priority Three requests are deferred until the Town is certain that revenues are rebounding and sees a regeneration of activity at resorts include: two patrol officer positions, two patrol vehicles and vehicle equipment, pistol sight project, radios for requested police positions.


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Police Department

VII. Priorities

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Professional services	81,548	81,548	-	-	
FF&E; weapons & ammo	192,900	156,900	-	36,000	
Liability & property insurance	207,495	207,495	-	-	
Training and travel	74,900	74,900	-	-	
Photo enforcement contract	787,000	787,000	-	-	
PD Technology	532,315	519,530	12,785	-	
Other supplies & services	231,735	211,735	18,000	2,000	
Total Capital	168,550	-	16,550	152,000	
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APPENDIX: REVENUE LEVELS AND EXPENDITURE PRIORITIES



October 22nd, 2020

Revenue Levels

Expenditure Priorities

Revenue levels and expenditure priorities are not directly correlated. **Revenue levels** measure the current economic condition and monitor progress. **Expenditure priorities** are based on services levels and have mechanisms to fluidly transition as revenues rebound and poised to adjust if revenues slump.

REVENUE REBOUND LEVELS

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 Town experienced sharp drop in certain revenue that was abrupt and deep. With the duration for rebound still uncertain, revenues yield caution. Monthly updates are being provided.

EXPENDITURE PRIORITIES

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. October

PRIORITY THREE: Represents the Town was heading in February '20. Poised to resume, all requests are not likely to materialize. Jan-Mar

Preparations will be 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 Levels

- ▶ Though preparations were made to mitigate the worst case scenario, the Town did not make program cuts going into FY2020/21.
- ▶ The Town's solid financial position from previous Mayor & Council's and Management foresight; and
- ▶ Supportive residents, adaptive staff, self-sufficient enterprises, low debt, good road and fleet conditions and strong construction; supported
- ▶ The Town's emergency reserve to provide the safety net to secure the Town's vital services until revenues rebounded.

Expenditure Priorities

- ▶ For the FY2020/21 Adopted Budget, the Town paused and matched "stress test level revenues" with expenditures by:
- ▶ Freezing hiring, limiting spending, prioritizing programs and deferring major projects & programs.
- ▶ This left the Town in position to be flexible, adaptive, patient and ready to transition back to those deferred programs or continue adjusting operations as economic conditions require.
- ▶ Expenditure Priorities are held in contingency for the Mayor and Council's considerations and approval before resuming those programs.

BUDGET AMENDMENT FEBRUARY

EASING INTO BUDGET PRIORITIES

Key Question #4 for Council:

- Is Council inclined to continue moving forward with easing into and opening adopted budget priorities?



January 28th, 2021

FY2020/21 MONTHLY FINANCIAL UPDATED No. 4: January 2021



January 28th, 2021