

# TOWN *of* PARADISE VALLEY



---

## STAFF REPORT

---

**TO:** Mayor Bien-Willner and Town Council Members

**FROM:** Jill Keimach, Town Manager  
Douglas Allen, CFO

**DATE:** April 22, 2021

### **AGENDA TITLE:**

Information, discussion and direction on the Town of Paradise Valley's Recommended Budget for Fiscal Year 2021/22 (Beginning July 1, 2021 and Ending June 30, 2022)

### **SUMMARY STATEMENT:**

One of the most important duties of the Mayor and Town Council is to adopt an annual budget for the Town. The budget process provides the Council with the opportunity to match the needs of the Town and available resources with the Town values and the intent to maximize the Town's financial return on taxpayer dollars.

A well-constructed budget is more than just a financial plan. The Governmental Finance Officers Association (GFOA) says a budget is intended to fulfill four major functions through its role as:

- A **Policy** Document
- A **Financial** Plan
- An **Operations** Guide, and
- A **Communications** Medium

### **I. REVENUE ESTIMATES FY2021/22**

The Mayor, Vice Mayor, Council, Town Management and staff have:

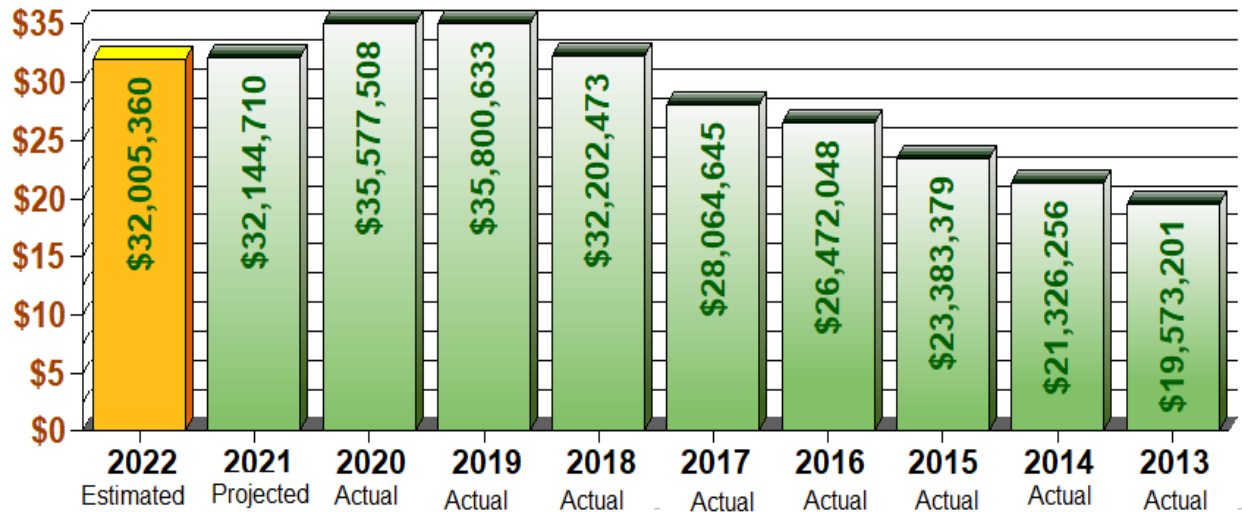
- ▶ Been actively involved and monitoring revenues with monthly updates throughout the course of the year
- ▶ Remained flexible, adaptive, patient and ready to transition budget priorities as necessitated by revenue and economic conditions
- ▶ Been cautious not to over extend the Town and risk the need to pull back on programs or service commitments, unless warranted to mitigate an unforeseen economic crisis.

Over the course of fiscal year 2020/21, the Town prioritized expenditures and eased into programs as service demands warranted and revenues sufficiently rebounded. The

Town's current revenue rebound trend is nearing FY2018 levels, barring another economic down turn.

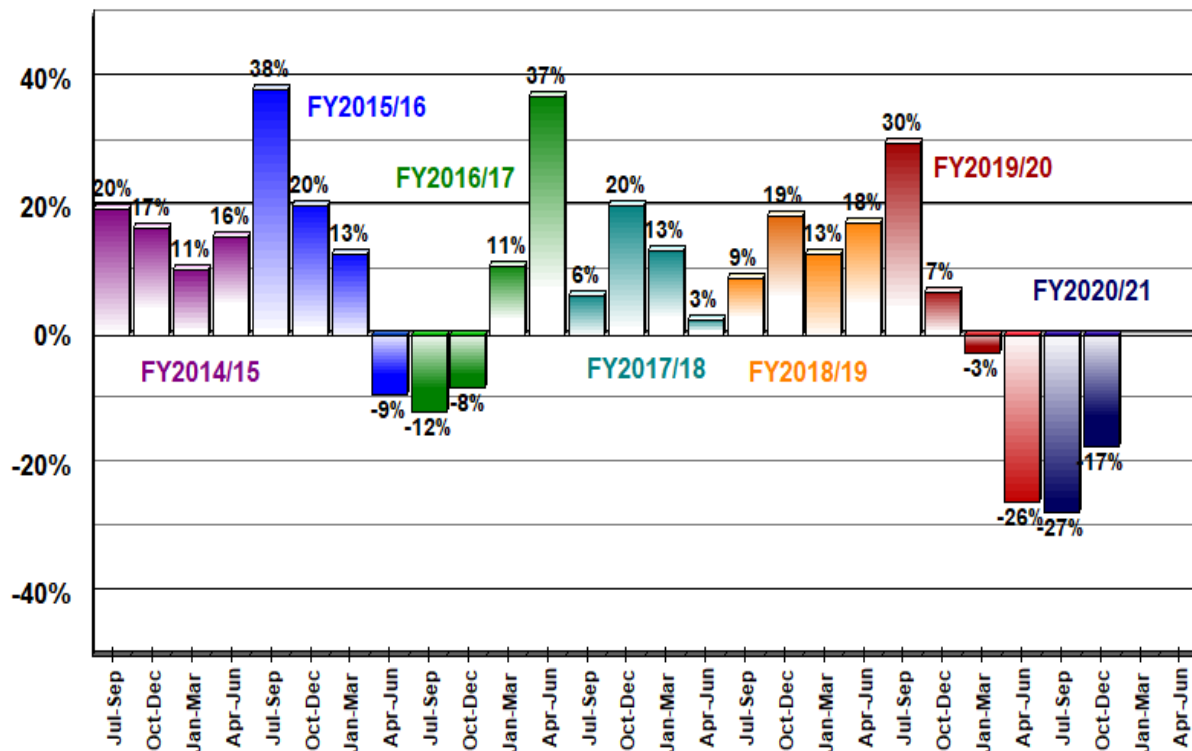
## OPERATING FUND REVENUES

(in millions)



Though revenues received through January are lower than last fiscal year, they are trending at a level the Town had planned and has been prepared for. There is no compelling data to recommend any mitigating actions at this time.

The graph below illustrates the year-to-year change by quarter in operating fund revenue collections. FY2020/21 is lower than FY2019/20, but the Town was prepared for worse.



Looking forward 15 months to June 30, 2022 continues to be less routine and much more of a challenge than recent years prior to this pandemic.

The next 3-6 months revenues will be monitored closely as a leading indicator for the Town's economic outlook for FY2021/22. The recommended FY2021/22 budget is estimating base revenues at a 2018 level but is also prepared to mitigate a crisis as necessary.

## **II. EXPENDITURES**

With revenues trending toward 2018 levels, the recommended budget for FY2022 continues to be cautious to not over extend the Town's obligations. Staff recommends continuing to ease into programs that were on-hold or deferred in FY2021.

Last fiscal year, Town departments prioritized programs on 3-tier priority scale. The Town began the fiscal year at Priority One and reopened programs as revenues rebounded and programs could be reasonably sustained.

Council action was required to reopen Priority Two and Priority Three programs. During the year, Council had authorized the Town to ease back into most Town-wide and some specific departmental Priority Two and Three programs.

Like last fiscal year, the FY2022 Recommended Budget uses the 3-tier priority approach.

However, it recommends that departments start the fiscal year at Priority Two in FY2022, rather than Priority One as was the case in FY2021.

Like last fiscal year; the FY2022 Priority Three programs are recommended to be held in a contingency account until "specific criteria are realized, and service demands materialize". Each department has defined what constitutes meeting the "specific criteria" test for each program in the Priority Three priorities for Council's consideration.

However, it is recommended that with the adoption of the FY2022 budget, Council authorize the Town Manager and Chief Financial Officer to determine when the "specific criteria are realized and service demands materialize" and granting the Town Manager the authority to reopen the specific program. The Town Manager will communicate to Council before opening a Priority Three request, but further Council approval via formal budget amendment resolutions is not required.

## **III. DEPARTMENT BUDGETS**

This year's budget document is being carefully crafted to serve multiple purposes in a single file. This first two slides for each department is the classic "Council presentation" for the Council meeting. The following half dozen or so pages resemble the department section of the classic "budget book". These slides will compile the budget book and will be available in PDF and paperback hard copies after adoption.

For example, the first “presentation” slide provides a description of the department, provided services and an organization chart; as shown below with the Police Department slide 15.

### Public Safety


OFFICE DESCRIPTION & SERVICES

We provide high quality police services 24 hours per day, 7 days per week, 365 days during the year.

**We are always open!**

The service we provide includes responding to crimes, traffic collisions, medical emergencies, fires, public safety hazards, domestic disputes and other community needs.

We strive to fulfill the needs of our community through our Vacation Watch program, the Medication Drop Box, and regular visits to neighborhood schools, among other community oriented policing programs. We believe in high level of communication with our community and achieve that level through both traditional methods of communication (newspaper reports and columns) and non-traditional media platforms (social media and emergency notification methods).



### Police Department

ORGANIZATIONAL CHART

```

graph TD
    PC[Police Chief] --- Admin[Administration]
    PC --- Patrol[Patrol]
    PC --- Comm[Communications]
    PC --- Invest[Investigations]
            
```

15
Department Budgets – Public Safety
Recommended Budget 2021/22
Department Budgets

The second “presentation” slide is for “Highlights and Changes”; as shown below with Public Works slide 39.

### Public Works

HIGHLIGHTS

In FY 2021, the Public Works Department:

- ▶ Updated 62 ADA Ramps on Lincoln Drive
- ▶ Repaired Town Hall metal roof
- ▶ Imported GPS locations for all irrigation, back flows, meters, valves, culverts and drain locations into ARC GIS database
- ▶ Completed a full mill and inch and half rubberized asphalt overlay on Lincoln Drive.

STAFFING LEVELS

No changes, staffing of 13.0 as shown below

PUBLIC WORKS - Authorized positions by CLASSIFICATION	2021/22	2020/21	2019/20	2018/19	2017/18
PW Director	1.0	1.0	1.0	1.0	1.0
Lead building maintenance technician	1.0	1.0	1.0	1.0	1.0
Building maintenance technician	1.0	1.0	1.0	1.0	1.0
Lead fleet technician	1.0	1.0	1.0	1.0	1.0
Public works superintendent	1.0	1.0	1.0	1.0	1.0
Public works technician	7.0	7.0	7.0	7.0	7.0
Traffic sign technician	1.0	1.0	1.0	1.0	1.0
<b>Total full time equivalents</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>

### Highlights and Changes

SERVICE STATS

- ▶ The Streets Division maintains approximately 34 acres of landscape with over 5,000 plants
- ▶ The Streets Division maintains 144.5 linear miles of paved asphalt streets
- ▶ The Facilities Division maintains Seven Buildings totaling 68,393 square feet.
- ▶ The Fleet Division maintains approximately 76 vehicles and equipment

EXPENDITURES

Proposed budget items for FY21/22 (\$708,946 or 15% decrease):

- ▶ PD Carpet and Server Room A/C
- ▶ Mill & Asphalt Overlay Maintenance Section 12
- ▶ Public Works Flatbed Truck
- ▶ Traffic signal backup UPS batteries
- ▶ Mill & Asphalt Overlay Maintenance Section 5 (Priority 3)

PUBLIC WORKS - Expenditures by PRIMARY FUNCTION					
PRIMARY FUNCTION	Budget 2021/22	Budget 2020/21	Change Amount	%	Projected 2020/21
Facilities	\$ 679,711	\$ 633,712	\$ 45,999	7%	\$ 622,030
Fleet	299,448	296,750	2,698	1%	285,879
Streets	3,054,945	3,810,088	(755,143)	-20%	3,696,803
<b>Expenditures - Priority 2</b>	<b>\$4,034,104</b>	<b>\$4,740,550</b>	<b>\$ (706,446)</b>	<b>-15%</b>	<b>\$4,604,712</b>
Contingency - Priorities 3	957,673	-	957,673	5%	-
<b>Total Expenditures</b>	<b>\$4,991,777</b>	<b>\$4,740,550</b>	<b>\$ 251,227</b>	<b>5%</b>	<b>\$4,604,712</b>

39
Department Budgets - Development
Recommended Budget 2021/22
Department Budgets

The intent is for each Department head (or designee) to briefly overview the first two “presentation” slides; and have the “budget book” slides readily available if needed.

At the conclusion of the departments brief overview, a “?” icon will appear, where staff will be available to answer Council questions, or receive feedback and /or directives.

The budget facilitator will “page through” the Department’s “budget book”, where Council can pause to discuss a specific section before moving on to the next department.

The sections in the Department’s “budget book” include:

- Mission, Vision
- Organizational Chart
- Description of the Services Provided
- Goals, Highlights, and Service Stats
- Summaries for:
  - Funding Levels
  - Staffing Levels
  - Expenditures
- Priority Three Contingencies
- Line Items

#### **IV. AVAILABILITY OF MATERIALS\***

##### **Materials available Friday April 15:**

- FY2021/22 Budget Calendar
- Department Budgets for:
  - Finance;
  - Information Technology;
  - Police Department;
  - Alarm Services;
  - Fire Services;
  - Municipal Court; and
  - Public Works

##### **Materials available by Tuesday April 20:**

- Request for CIP budget amendment
- Operating fund summaries, including but not limited to:
  - Summary of Revenue, Expenditures and Fund Balance
  - Schedule of Full-time equivalents (FTE)
- Department Budgets for:
  - Community Development;
  - Wastewater Services;
  - Legal Services (and Town Attorney);
  - Town Manager (and Tourism); and
  - The Mayor, Council, Boards, Commissions and Volunteers cost center.

\* The budget calendar and Table of Contexts also delineate what date materials will be available

#### **ATTACHMENT(S):**

- A. Department Budgets FY2022 v1 **Pages 1-44**
- B. Department Budgets FY2022 v2 **All Pages** (Available Tuesday April 20)
- C. Operating Fund Summaries (Available Tuesday April 20)