



## Legislation Text

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**TO:** Mayor Collins and Town Council Members

**FROM:** Kevin Burke, Town Manager  
Doug Allen, Financial Service Manager/CFO

**DATE:** May 10, 2018

**DEPARTMENT:** Town Manager

Doug Allen, Financial Service Manager/CFO 480.348.3532

**AGENDA TITLE:**  
**Review the Town Manager's Recommended Budget for Fiscal Year 2018/2019 (FY19)**

**RECOMMENDATION:**  
Identify and decide upon additions, reductions, or other adjustments to the Town Manager's Recommended Budget in order to present it as the FY19 Town Budget for tentative adoption on May 24.

**SUMMARY STATEMENT:**  
Mayor and Council reviewed the Town Manager's Recommended Budget for FY19 at its April 12 and April 26 work sessions. The last presentation to review is that of the debt service schedules. From these departmental reviews, approximately ten items were identified for further discussion by a majority. These include:

- Impact of a photo enforcement ban by the State (see Attachment C);
- Breakdown of the \$132,000 proposed (and then rescinded) License Plate Recognition (LPR) station at Lincoln and Tatum (see Attachment D);
- Explanation of the proposed \$108,000 Operating Contingency in the Alarm Services Fund (see Attachment E);
- Breakdown of the proposed Engineering Technician for Hillside (see Attachment F);
- Add \$3,500 to the Printing and Publishing line item in the Town Council Department Budget for marketing materials to increase donations, including conservation easements, to the Mummy Mountain Trust;
- Delete \$27,000 in LTAF funding for the resort trolley from the Tourism department budget;
- Provide additional information regarding the proposed "Benchmarking" software request in the Town Manager's Office. Move the \$10,000 item into General Fund Contingency pending Council approval or denial. (see Attachment G on Performance Management)
- Increase Intergovernmental Affairs line item in Town Manager's Budget by \$5,000 to develop recognition and information events for state legislators; and,

- Remove the Paradise Valley Wash and Cheney Storm Drainage Projects from the CIP and rebalance. (see attachment H).

Staff has also identified a number of clean-up actions between the Recommended Budget and the Tentative Budget. These include:

- Reduce the Fire Service Fee line item associated with the contract with Phoenix by \$95,875 to reflect a decrease over FY18. Return the \$50,000 General Fund transfer to General Fund Contingency and return \$45,875 to the Fire Service Fund reserve.
- Maintenance of the Court X-ray machine was budgeted both in Public Works and in Courts. Eliminate it from the Public Works department budget;
- Carry forward approximately \$350,000 associated with the Town Hall Complex Remodel;
- Carry forward both resident and SRP contributions toward overhead powerline burial programs that continue into FY19; and,
- Carry forward approximately \$5.3 million in budget authority associated with contributions by the Ritz Carlton toward street improvements in that area.

Staff will review these items with the Mayor and Town Council and receive final direction on what should be included in the Tentative Budget scheduled for adoption on May 24.

The Town Manager's Recommended Budget represents approximately a 9% decrease in total budgeted expenditures over the FY18 Budget (a decrease from \$52 M to \$47 M). FY19 represents a year of change as revenues are anticipated to continue growing by approximately 12% due to a thriving economy, new and remodeled resorts, and the construction boom that is occurring in the Town. Concurrently, workload has grown necessitating recommendations for further personnel and tools to deliver the services the Town currently provides. A full narrative and numerical explanation of these changes can be found in the attached document. FY19 represents a new format in presenting the budget. The budget document is designed to introduce the reader to a broad overview of the Town's finances and then gradually become more detailed as the reader progresses through the book. Reading the entire document is not intended for everyone. As the reader will see, there is often the same information presented slightly differently or with more detail depending upon the section being examined.

#### **BUDGETARY IMPACT:**

The Recommended Budget outlines \$47 million in expenditures. The majority of expenditures can be classified into three categories: operating budgets for departments, the capital improvement program, and continued reduction of the unfunded liability for the public safety pension.

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

Town Manager's Recommended Budget for FY19  
Budget Related Power Points