



Legislation Text

File #: 20-420, Version: 1

TO: Mayor Bien-Willner and Town Council Members

FROM: Jill Keimach, Town Manager
Douglas Allen, CCO

DATE: November 5, 2020

DEPARTMENT: Finance

AGENDA TITLE:

Approve Resolution 2020-34 Amending the Fiscal Year 2020/21 Adopted Budget

RECOMMENDATION:

Approve Resolution 2020-34 Amending the Fiscal Year 2020/21 Adopted Budget

SUMMARY STATEMENT:

As part of the FY2020/21 budget process, Town Council reviewed each department and program budget and priorities with the respective Director. The final adopted budget incorporated a **tiered plan** to monitor revenues and expenditure priorities to be *flexible and adaptive to fluidly transition operations as revenues rebound or demands shift*.

"Priority One" expenditures represent the base budget for primary services with spending authority effective July 1. **"Priorities Two and Three"** contingencies are designed to keep pace with demands that are poised to resume the Town's direction at February 2020 that will be assessed and potentially eased into in the second and third quarters, respectively.

As outlined in the FY2020/21 budget, beginning July 1, 2020:

- Spending authority was approved for **Priority One** programs;
- **Priority Two** and **Three** programs were set in a contingency account with:
 - **Priority Two** to be assessed in October 2020; and
 - **Priority Three** in January-March 2021 timeframe.

At the October 22, 2020 Town Council meeting, the Mayor and Council gave consideration and direction to ease into opening budget priorities as represented in Resolution 2020-34.

This budget amendment provides spending authority for **89%** of **"Priority Two"** expenditures, including \$2,400,000 for the Public Safety Personnel Retirement System ("PSPRS"). It also provides ½ of the total funding and the ability to start the Lincoln mill and overlay street improvement project earlier in the year. Due to its estimated start time in late summer 2021, this project was a **"Priority**

Three”.

Of the total “**Priority Two**” budget amendment of \$2,971,583:

- \$2,633,145 are for **non-recurring** expenditures; and
- \$338,438 are for **recurring** expenditures.

The budget amendment for the “**Priority Three**” project of \$1,152,774 is all **non-recurring** expenditures.

Additional funding sources for general spending authority identified in FY2020/21 include, but not limited to:

- A favorable closing FY2019/20 is driven by many strategic actions taken by the Mayor & Town Council and Town Management at the onset of COVID19 in March 2020;
- Grant funding for public safety; and
- A localized rebound in retail transaction privilege (sales) boosted by internet sales and reopening of hospitality business in Paradise Valley.

This is supported by:

- Construction and development continue to be solid; and
- State shared revenues are steady as estimated.

Options to provide the remainder of funding for Lincoln mill and overlay project will be identified and brought to the Mayor and Town Council for consideration in the third quarter of FY2020/21 before contracts are awarded.

Further discussion with the Mayor and Town Council on the mechanics of paying PSPRS Unfunded Liability will occur on a future agenda.

ATTACHMENT(S):

01 Resolution 2020-34 Amending the FY2020/21 Budget