



City Council Budget Work Sessions

April 2, 2018

April 9, 2018

April 16, 2018

April 23, 2018





Agenda

- Economic Indicators
- Financial Policies
- Fund Balance
- Revenues
- Budget Summary



Economic Indicators

- **2018 - February**

- National

- CPI Month 0.2%
- CPI Annual 2.3%
- Unemployment rate 4.1%
- Job change = 313,000

- Arizona

- Unemployment rate 4.9%
- Job change = 31,100

- **2017 - February**

- National

- CPI Month 0.0%
- CPI Annual 2.8%
- Unemployment rate 4.7%
- Job change = 235,000

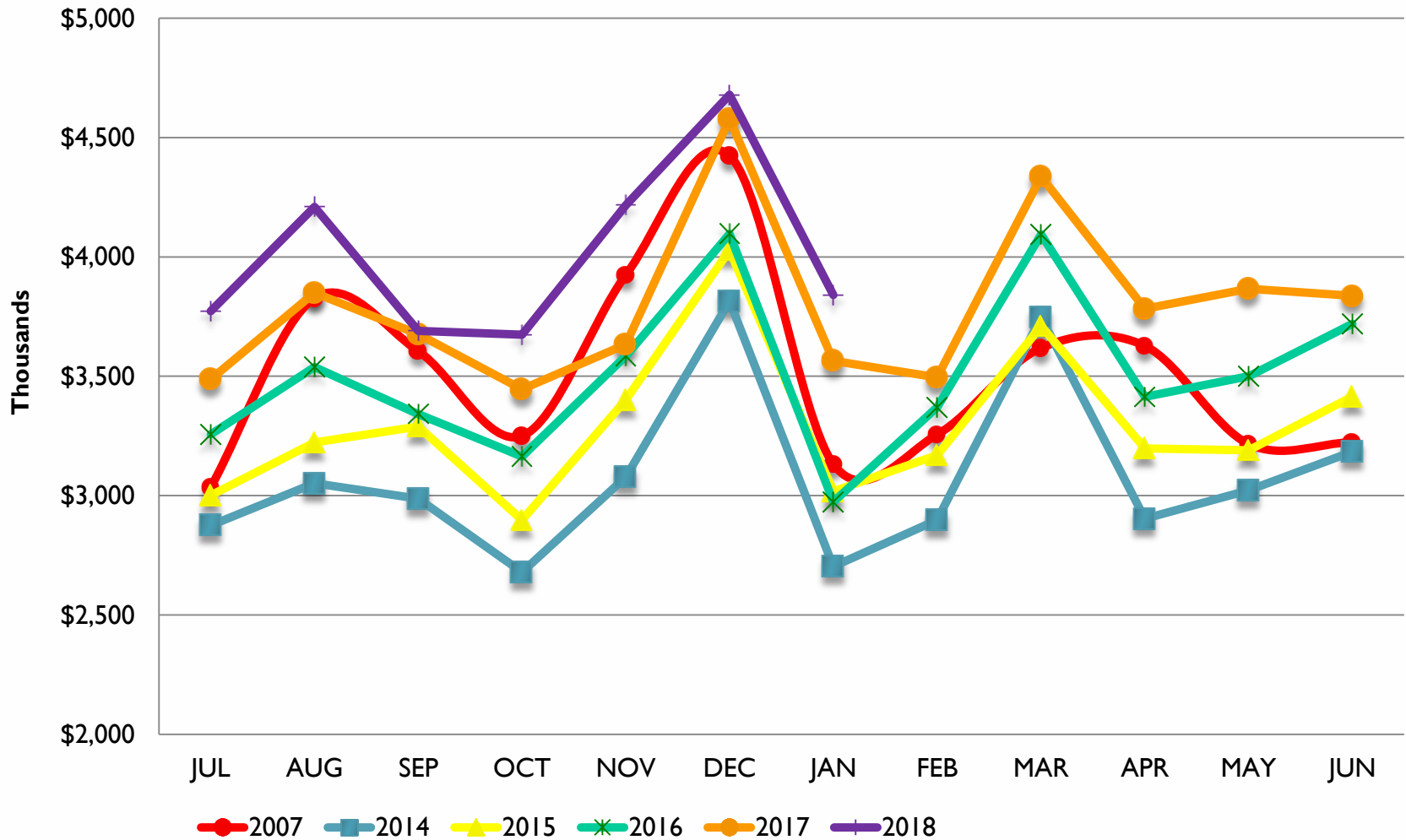
- Arizona

- Unemployment rate 5.1%
- Job change = 27,100



City Sales Tax

Fiscal Year Monthly





Financial Policies

- Revenues
 - Balanced – revenues equal expenditures.
 - Enterprise fund revenues to be self-sustaining.
 - Property tax levels not to exceed than \$2.00 per \$100 of assessed valuation.
 - Rates, fees, and charges evaluated annually for appropriate recovery rates.
 - State shared revenues evaluated annually for legislative impact affecting City's share.



Fund Balance and Net Position

- Council established a stabilization fund of not less than 35% of budgeted prior year General Fund expenditures and transfers out.
- Enterprise Net Positions Policies:
 - 1) Working capital (9 months), and
 - 2) Capital replacement reserves (5% of the full value of assets excluding depreciation).



Summary of Financial Condition

Fund	6/30/18 Est Fund Balance	2018-19 Est Revenue	2018-19 Est Expend	2018-19 Recommended Supplementals	Transfers In/Out	6/30/19 Est Fund Balance
General Fund	\$39,816,376	\$71,337,510	\$54,026,425	\$7,778,005	\$10,673,745	\$38,605,511
HURF	\$8,009,357	\$5,227,560	\$4,741,033	\$391,982	\$216,690	\$7,887,212
0.5% Dedicated Sales Tax	\$4,706,238	\$8,373,210	\$4,000	-	\$6,700,000	\$6,375,448
PS Dedicated Sales Tax	\$8,103,758	\$8,385,290	\$7,549,862	-	\$51,520	\$8,581,096
Water	\$27,881,100	\$15,926,400	\$12,946,815	\$677,160	\$3,256,820	\$26,926,705
Sewer	\$13,764,676	\$10,073,050	\$8,376,618	\$226,020	\$1,751,330	\$13,483,758

Note: FY19 Estimated GF Fund Balance includes Assignment/Stabilization



General Fund Revenue

Revenue Source	FY 2017 Actuals	FY 2018 Budget	FY 2018 Estimates	FY 2019 Projections
Taxes	\$35,480,701	\$36,615,379	\$37,588,057	\$39,460,401
Intergovernmental	20,731,676	21,334,870	21,565,270	22,148,849
License & Permits	2,141,130	2,064,610	2,512,187	2,775,400
Charges for Services	1,855,867	1,740,200	1,894,419	2,103,590
Fines & Penalties	1,059,626	1,208,320	955,767	1,006,110
Total	\$61,269,000	\$62,963,379	\$64,714,580	\$67,494,350



Taxes

Description	FY 2017 Actuals	FY 2018 Estimates	FY 2019 Projections	% Change FY18 to FY19
Property Tax	\$2,645,005	\$2,782,287	\$2,914,679	4.76%
City Sales Tax	\$31,428,084	\$33,313,769	\$34,979,457	5.00%
Utility Franchise Tax	\$694,730	\$736,413	\$773,235	5.00%



Intergovernmental

Description	FY 2017 Actuals	FY 2018 Estimates	FY 2019 Projections	% Change FY18 to FY19
City's Share of State Sales Tax	\$7,402,225	\$7,846,359	\$8,225,864	4.84%
State Urban Revenue Sharing	\$9,871,106	\$10,264,492	\$10,174,543	(1%)
Auto In-Lieu	\$3,177,920	\$3,368,595	\$3,662,612	8.73%



Licenses & Fees

Description	FY 2017 Actuals	FY 2018 Estimates	FY 2019 Projections	% Change FY18 to FY19
Building Permits	\$1,375,810	\$1,444,600	\$1,589,060	10.00%
Engineering Permits	\$194,795	\$214,275	\$235,700	10.00%
Occupational License Fees	\$122,785	\$220,377	\$242,410	10.00%



FY19 General Fund Overview

	Ongoing	Onetime	Carryover	Total
Revenues	\$55,636,001	\$15,701,509	-	\$71,337,510
Fund Balance	-	-	\$1,126,342	\$1,126,342
Total Base Budget	\$49,900,083	-	\$1,126,342	\$51,026,425
Contingency	-	\$3,000,000	-	\$3,000,000
Transfers Out	\$3,733,745	\$6,940,000	-	\$10,673,745
Supplemental Requests	\$1,351,075	\$5,733,570	-	\$7,084,645
Compensation Adj.	\$693,360	-	-	\$693,690
Total Est Budget	\$55,678,263	\$14,773,570	\$1,126,342	\$72,478,175
Estimated Balance	(\$42,262)	\$27,939	-	(\$14,323)



FY19 Tax Levy & Rate

		FY2016-17	FY2017-18	FY2018-19
Assessed Valuations	Primary	349,102,604	370,922,156	398,288,948
	Secondary	463,069,349	510,270,136	569,188,401
Levies	Primary	2,688,090	2,782,287	2,914,679
	Secondary	3,229,810	3,152,467	4,102,600
Rates	Primary	0.7700	0.7501	0.7318
	Secondary	<u>0.9252</u>	<u>0.8499</u>	<u>1.0300</u>
		1.6952	1.6000	1.7618



FY19 General Fund Overview

April 9th	- Council Budget Work Session • Department's Operational Budgets
April 16th	- Council Budget Work Session • Department's Operational Budgets • Capital Improvement Program Budget
Apr 23rd	- Council Budget Work Session (if necessary) • Capital Improvement Program Budget
May 21st	- Adopt Tentative Budget
May 30th and June 6th	- Publication of Budget and Tax Notice
June 18th	- Public Hearing and Adoption of Final Budget
July 2nd	- Adopt Property Tax Levy



Questions?