

A photograph of a garden bed with blue and yellow flowers in front of a house. The text is overlaid on the image.

General Fund Draft Budget and Proposed 10-Year CIP

City Council Work Session April 17, 2017

FY18 Budget Process Calendar



Month	Topics on Each Agenda (Meeting Date)
December	- FY17 Beginning Balance Increase; FY18 One-time Resources & Priorities for General Fund (12/5)
February	- Five-Year Forecast & Initial Revenue – General Fund (2/6)
March	- Funding Requests Overview (3/20) - Benefits/Self-Insurance (3/20)
April	- Budget Process Overview & Draft Budget – Enterprise Funds (4/10) - Draft Budget – Compensation (4/10) - Draft Budget – General Fund and CIP (4/17) - 3 rd Draft Budget Session if required (4/24)
May 2	- FY18 Draft Budget Open Hours; 6-7:30pm; City Hall Room 117
May-July	- Formal adoption: Publications, Tentative and Final Adoption, Property Tax Levy

Agenda



- Other Funds with Supplementals
- Carryovers
- Included in the Draft General Fund Budget
- CIP
- Ongoing and One-time Financial Summaries
- Other Items

Other Funds with Supplementals



- Arizona Lottery Funds -Restricted to Transit Purposes
 - Contract increase on Zoom; \$5,800 ongoing
 - Clean-up basin; \$13,000 one-time
- Court Enhancement
 - Ongoing \$40,000 for security guard

Requested Carryovers



GENERAL, ASSET MANAGEMENT, HURF, BALLPARK, GRANTS FUNDS

- Operating budget - \$4.3M
 - \$1.7M General Fund
 - Remaining job credit funds - \$0.9M
 - Fleet Asset Management - \$2.1M
 - Mostly fire apparatus

Requested Carryovers



GENERAL, ASSET MANAGEMENT, HURF, BALLPARK, GRANTS FUNDS

- Capital Projects - \$8.2M
 - \$6.7M General Fund
 - Remaining budget for financial system project - \$1.9M
 - Goodyear Blvd Phase 2 - \$1.6M

General Fund FY18 Draft Budget and 10-Year CIP

Included in the Draft Budget



BASE BUDGET INCLUDES

- Compensation and benefits
 - Represented MOUs
 - Non-represented as presented on 4/10
 - Compensation study – 3 or 4% and regarded positions
 - 3%
 - Pensions, benefits, etc.
- Ongoing operations

Included in the Draft Budget



CONTINGENCIES

- General Fund Contingency
 - Change financial policy to 15% of ongoing revenue
 - Maintain, grow into FY17 contingency of \$17.8M
- Potential Personnel Services Requirements
 - 1% MOU provision should FY16 and FY17 revenues meet trigger - \$200,000
 - Combine and reduce FMLA/retirement related to \$100,000

Included in the Draft Budget



SET-ASIDES AND RESERVES

- Set-Asides
 - Ballpark debt
 - Future operating costs
- Asset management reserves for 10-year plans
- Newly proposed Capital Projects reserve
 - Upcoming capital projects
 - Unanticipated conditions
 - Upcoming requirements for loans to impact fee funds

Recommended Supplementals



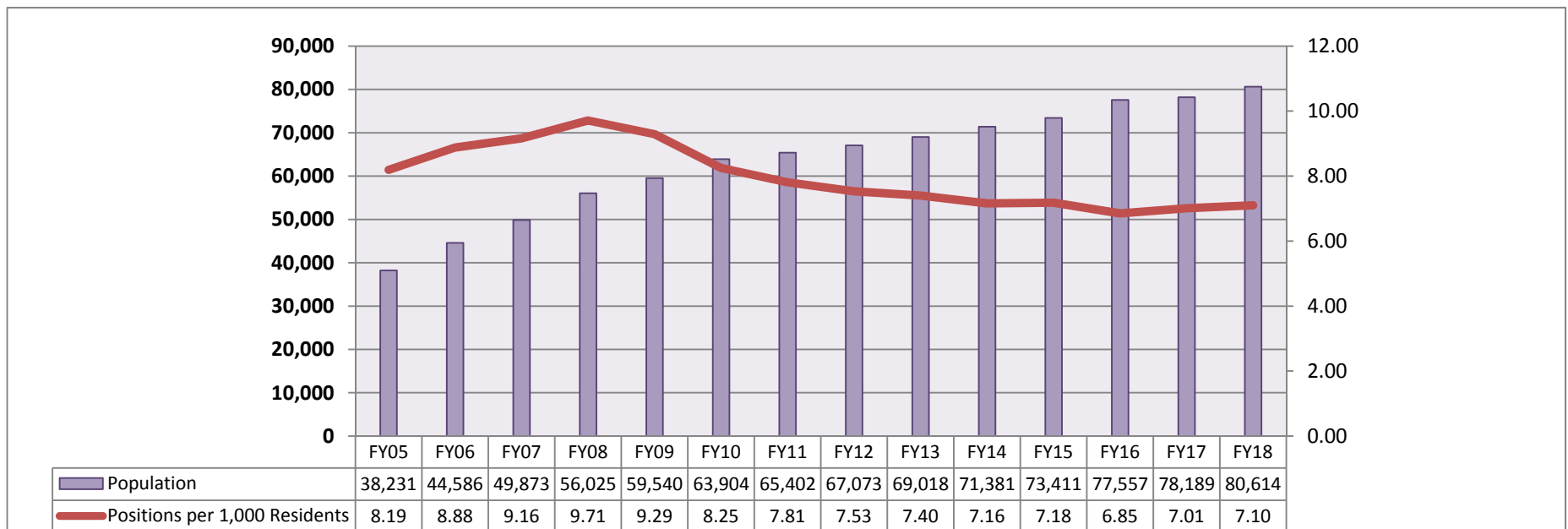
SUMMARY

- Ongoing: \$3.4M; 21 positions
 - Fire: 7 non-sworn positions for ambulance program
 - Police: 5 officers, 1 sergeant, 1 police assistant, and 2 telecommunication operators
 - Other departments:
 - Development agreement coordinator
 - Convert part-time to 2 full-time recreation coordinators
 - ROW Superintendent
 - Use city employee instead of contractor for Court security
- One-time: \$6.1M

24 New Positions in All Funds



POSITIONS PER 1,000 POPULATION



Recommended Supplementals



DIRECT COMMUNITY SERVICES

- Police squad & police assistant
- Library operating costs & extended hours
- Ambulance program start-up costs
- Add a summer recreation program
- Sidewalk gap program
- Self-help center at Municipal Court

Recommended Supplementals



DELIVER CAPITAL PROJECTS AND SUPPORT DEVELOPMENT

- Project manager services for fire stations projects
- Development agreement coordinator
- Economic Development impact fee reduction program at \$2M for 2 years
- Temporary positions, overtime, and contracted services for inspections, civil engineering, plan review, design guidelines and landscape ordinance updates, building safety

Recommended Supplementals



MAINTAIN INFRASTRUCTURE

- Grader rental for dirt road and road shoulder maintenance
- Maintain Bullard Wash
- Electricity for added street lights and rate increases
- Landscape maintenance

Recommended Supplementals



MEET CONTRACTUAL OBLIGATIONS AND PAY FOR ONGOING OPERATIONS

- Contract increases for jail and police, state revenue collection, landscape and janitorial services
- Maintenance contracts and software licensing
- Complete projects to update security systems on city buildings and improvements to exhaust systems in fire stations
- Pay for water meters for right of way

Recommended Supplementals



SAFETY, TRAINING, AND EFFICIENCIES

- Court security guard
- Single system for digital evidence
- Replace out dated equipment and systems
- Behavioral health services for sworn fire employees
- Sanitizer for aquatics

Proposed CIP Summary



GENERAL GOVERNMENT

- \$8.9M General Fund projects in FY18
- \$37.4M GO Bond funded projects FYs17-21
 - Includes \$7.5M for Surface Water project
 - Estimated GO Bond capacity \$45M
- Impact fee projects in 10 year plan remain underfunded pending FY18 study
- Many impact fee projects require loans

Recommended FY18 General Funded Capital Improvement Projects



EXISTING WITH NO FUNDING CHANGES

- Bullard and Van Buren Intersection improvements
- Pavement management (inflation added)
- 1 warranted traffic signal (inflation added)
- Van Buren: Estrella Parkway to Sarival
- Reprogramming only of the existing budget for the financial system replacement

Recommended FY18 General Funded Capital Improvement Projects



NEW PROJECTS

- Renovation of the Ziz public art
- Renovations to City Hall and Fire Stations 183 & 187 per Facilities Master Plan
- Renovate existing Fire Station 181
- Further analysis and known repairs to ballpark right field pavilion
- Phase 1 off-sites for the 86-acre recreation campus

Recommended FY18 General Funded Capital Improvement Projects



EXISTING OR ONGOING PROJECTS WITH CHANGES

- Matching funds for traffic signal fiber projects
- Riggs Road land acquisitions
- Program public art projects for specific CIP projects and unplanned years at lump sum of \$75,000

Key 10-Year General Fund CIP Changes



- Complete Phase 1 Off-sites and public art projects for Recreation Campus
- Fund \$1.8M a year for pavement manage
- Fund 1 warranted traffic signal each year
- Complete Fire Station 183 and City Hall improvements
- One project moved to asset management

FY18 Draft Budget – Ongoing



FINANCIAL SUMMARY

In millions of dollars

Beginning Fund Balance	\$ 3.6	Base Budget	\$ 75.1
Revenues	89.3	Supplementals	3.4
Set-Asides		Debt Service (includes Ballpark)	8.1
PIC	(2.1)	Transfers Out	
Future Operating Costs	(1.0)	HURF	0.7
Transfers In	3.7	Ballpark	2.5
TOTAL RESOURCES	\$ 93.5	Used for One-Time Purposes	3.7
		TOTAL USES	\$ 93.5

FY18 Draft Budget – One-time



FINANCIAL SUMMARY

In millions of dollars

Beginning Fund Balance	\$ 33.6	Contingency	\$ 17.8
Revenues	4.3	Capital Projects	8.9
From On-Going	3.7	Capital Project Reserve - NEW	3.7
Set-Asides		Asset Management	8.2
PIC	2.1	Supplementals	4.1
		Economic Development Impact Fees	2.0
Future Operating Costs	<u>1.0</u>		<u>2.0</u>
TOTAL RESOURCES	\$ 44.7	TOTAL USES	\$ 44.7

GO Bond Capacity and Proposed Projects



ASSUMES COMBINED PROPERTY TAX RATE OF LESS THAN \$1.7350

In millions of dollars

	FY18	FY19	FY20	FY21
Forecast GO Bond Capacity	12.5	20.0	5.0	7.5
Potential Uses*:				
Fire Station 181 Replacement (FY17 costs included)	6.0	-	-	-
Aquatic Center	0.6	7.9	-	-
Recreation Center with Phase I RID	0.3	9.5	-	-
Police Ops Phase II	-	-	5.0	0.6
Surface Water	7.5	-	-	-
Total Potential Uses	14.4	17.4	5.0	0.6
Cumulative Bond Capacity Remaining	(1.9)	0.7	0.7	7.6

*Street related Recreation Campus Offsite will be further evaluated for bond eligibility.

Property Tax Rates and Levies



ASSUMES \$25M IN GO BONDS TO BE ISSUED IN FY18

	FY17 Levy	FY17 Rate	FY18 Levy	FY18 Rate
PRIMARY <i>General Fund Ongoing</i>	\$ 8,240,777	\$ 1.1598	\$ 8,655,906	1.1344
SECONDARY <i>GO Bond Debt Service</i>	\$ 4,991,799	\$ 0.7025	\$ 4,581,780	0.6005
TOTALS	\$ 13,232,576	\$ 1.8623	\$ 13,237,686	1.7349

Estimated One-time Funds Needed to Provide Loan for Impact Fee Project Advancements



In millions of dollars

	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Police Ops - Phase I	1.0	0.3	-	-	-	-	-	-
Police Ops - Phase II	-	-	-	2.9	2.3	1.6	0.6	-
Fire – West Goodyear	-	-	-	1.6	1.0	0.4	0.4	0.1
30 Acre Park	-	-	6.5	5.4	4.3	2.9	1.4	-
Loan Balance	1.0	0.3	6.5	9.9	7.6	4.9	2.4	0.1

February 2017 Forecast – One-time



IN MILLIONS OF DOLLARS

	FY19	FY20	FY21	FY22	FY23
Construction Sales Tax	4.2 - 4.4	4.1 - 4.5	4.1 - 4.8	4.1 - 5.0	4.1 - 5.3
Prior Year Fund Balance	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0
Total Resources	9.2 - 14.4	9.1 - 14.5	9.1 - 14.8	9.1 - 15.0	9.1 - 15.3
Asset Management	7.1	7.1	7.6	6.9	6.8
Adopted FY17-26 CIP	1.9	1.6	1.9	3.2	2.4
Anticipated Uses	9.0	8.7	9.5	10.1	9.2
Available	0.2 - 5.4	0.4 - 5.8	(0.4) - 5.3	(1.0) - 4.9	(0.1) - 6.1

Upcoming Capital Project One-Time Needs



IN MILLIONS OF DOLLARS

	FY19	FY20	FY21	FY22	FY23
Available	5.4	5.8	5.3	4.9	6.1
Recreation Campus Off-sites	3.5				
One (1) Warranted Traffic Signal	0.5	0.5	0.5	0.5	0.5
Pavement Management to \$1.8M		0.2		0.8	
Fire Station 183 Renovation	0.9				
Various Public Art	0.4				
GMC Improvements/Expansions	0.1	0.6			
Potential Impact Fee Loan Balances	6.5	9.9	7.6	4.9	2.4
POTENTIAL NEEDS	11.9	11.2	8.1	6.2	2.9

Other Items for Consideration



- Pickle ball court - \$168,000
- Softball fields
 - Convert existing - \$107,000
 - Install new - \$243,000
- Monument signs - \$75,000 for two locations
- Clinic Relocation – \$51,000
- In Focus (16 page issues, freelance services, printing & postage)
 - One additional issue - \$13,600
 - Five additional issues - \$67,900

Indians to Fund Improvements



WILL BE INCLUDED IN TENTATIVE BUDGET

- \$10.5M capital project to be added
 - May have FY17 expenses
- City to issue debt
- Indians to pay annual debt service to city
- FY18 debt service and revenue estimated at \$1M

Questions and Discussion

FY18 Operating Cost Set-Aside



GENERAL FUND

	<u>in 000\$s</u>
Annual Allocation:	
FY17	1,250
FY18	1,250
FY19 Uses:	
Police Squad	(750)
Library	<u>(774)</u>
Remaining Set-Aside	976

Allocation calculation accounts for following over 6 years:

- Recreation center, aquatics facility, 30 acre park
- 2 Fire stations (includes end of EMR O&M)
- End of Sedella O&M contribution
- Police Ops Phase II
- Includes inflation

FY18 Asset Management



SUMMARY

In millions of dollars

	Estimated Beginning Balance	General Fund Contribution	Proposed Expense	Ending Fund Balance	Comments
Fleet	1,205	1,750	992	1,963	\$2.8M anticipated for FY19 replacements
IT Hardware	1,390	900	819	1,471	next 7 years all exceed \$1M, \$2.5M in FY25
Parks	1,964	1,900	2,021	1,843	\$3.9M in FY20
Ballpark Capital	1,026	900	590	1,336	\$2.2M in FY19
Police	2,144	-	2,144	-	fund to be closed after radio replacement
Fire	276	700	744	232	
TRAFFIC SIGNALS	-	2,000	1,888	112	backlog spread thru FY21 with temporary assistance; annual drops to \$1.6M in FY19
	8,005	8,150	9,198	6,957	