

Council Workshop FY17-18 Budget Discussion

May 2, 2017



Overview

- ❑ Review of Budget Calendar
- ❑ Review of Draft FY18-27 Capital Improvement Plan(CIP)
 - What is a Capital Improvement Plan?
 - Funding the Capital Improvement Plan
 - G.O. Bond Funding
 - Development Impact Fees
 - CIP Changes
 - Follow-up items
 - Council Discussion and Feedback



Budget Calendar

Item	Date
Financial Forecast	December 20, 2016
Council Workshop	February 7, 2017
Council Workshop – Revenue Discussions	March 7, 2017
Council Workshop – Budget Discussion/ Draft CIP	March 21, 2017
<i>Council Workshop – Budget Discussion/Follow-up Items</i>	<i>April 4, 2017</i>
Council Workshop (All Day) – Departmental Presentations	April 24, 2017
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Council Workshop - Budget Discussion/Follow-up Items/CIP	May 2, 2017
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What is a Capital Improvement Plan?

- Assets valued over \$50,000 with a useful life of 5+ years
- Land, buildings, streets & improvements, plants, large equipment
- Ten-Year Plan (only FY17-18 is adopted as part of the FY17-18 budget)
 - Projects in years 1 to 5 have identified funding sources

Financial Policy:

- A. Improve existing assets
- B. Replace existing assets as needed
- C. Construct new assets



Funding the Capital Improvement Plan

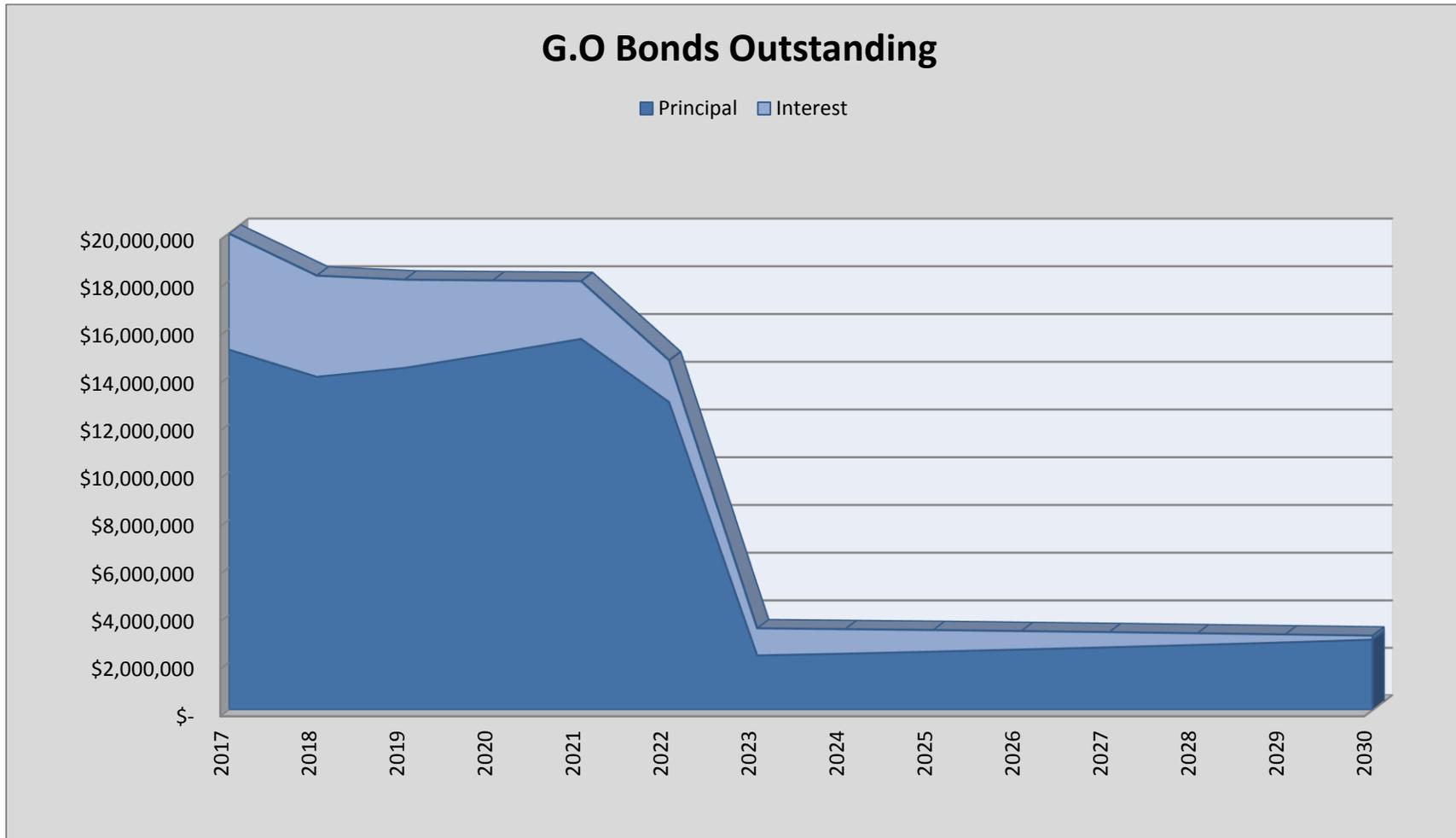
- Available cash balances – pay-as-you-go capital
- Grants
- Development Impact Fees
- Debt Financing
 - General Obligation (G.O.) Bonds
 - Repaid by Secondary Property Tax revenue
 - Excise tax obligations
 - Repaid by General Sales Tax Revenue
 - Repaid by Transportation Sales Tax Revenue
 - Revenue obligations
 - Repaid by Water and Sewer user fees
 - Repaid by Solid Waste user fees
 - Repaid by Landfill user fees

Cash Financing

Debt Financing



General Obligation (G.O.) Bonds Outstanding



Planning for CIP

- Determine the capacity for project funding
- Impacted by revenues, interest rates, economic conditions
 - Determine the desired tax levy
 - Legal considerations (Legal Debt Margin & Bonds Authorized)
 - Consider the timing of bond issuances
 - Interest charges start as soon as the bonds are issued
 - Bond funds must be spent reasonably quickly
- Prioritize projects
 - Multiple Council workshops
 - Consideration of master plans
 - Public input process
- Determine if voter authorization is needed
 - Possible election



Potential G. O. Bond Projects

- Typically funding for assets lasting 20 years or more
 - Government Buildings
 - Fire Stations
 - Police Stations
 - Parks and Recreation Facilities
 - Community Centers
 - Pools
 - Fields
 - Libraries
 - Streets



Development Impact Fees (DIF)

- Limited source of funding
- Restricted to pay for growth related projects
 - New facilities needed due to growth
 - Enhanced service levels
 - Expansion of existing facilities because of growth
- Cannot be used for repair, replacement or refurbishment
- DIF collected in zones must be used in that zone
- Funds collected prior to 2015 must be spent by 2020
- Funds collected after 2015 must be spent on projects identified in an Infrastructure Improvement Plan (IIP)



Development Impact Fee Funds

Fee Type	Libraries	Fire	Police	Citywide Parks	Zoned Parks	Roadways	General Gov.
Est. Beginning Balance FY18	\$3,561,541	\$1,057,778	\$691,221	\$904,157	\$1,038,311	\$5,327,519	\$163,505
Estimated Revenue	123,172	310,208	94,109	4,521	173,142	820,141	818
Funding Available	3,584,712	1,367,986	\$785,330	908,678	1,211,453	6,147,660	164,322
Less Projects Funded	(3,111,578)	0	0	(471,610)	(717,716)	(2,447,266)	0
Est. Ending Balance FY18	\$ 463,135	\$ 1,367,986	\$785,330	\$437,068	\$493,737	\$3,700,394	\$164,322

- Western Area Library - \$2,801,578
- Library Books - \$310,000
- Oranewood Vista - \$350,621
- Paseo Linear Park – \$165,438
- 59th Ave and Olive - \$1,847,266
- 95th Ave Extension - \$600,000



Changes to CIP

- Added project for Westgate area street signage
- Added O'Neil pool replacement in FY2023-2027
- Changed funding source for 59th and Olive roadway improvements
- Restored funding for Pasadena Park
- Added a project for citywide park improvements from DIF
- Added Ramada expansions
- Changed funding source for Foothills Bike Park
- Added funding for New River Trail Zn 2
- Changed title of project 65102 – Ballpark Blvd to Arterial Roadway Improvements



Changes to CIP

- Moved LED project forward to next year
- Removed ROAM project and reallocated funding to Pavement Management
- Changed funding source for Emergency Vehicle Pre-emption
- Changed amount and timing of funding for Landfill bulldozer replacement
- Changed timing of funding for Fire Dept. airpacks (SCBA's)
- Continued budget for Arena capital repairs in year 2022 per contract
- Changed funding source for TDMA upgrade for RWC
- Reduced funding for ERP replacement



ERP Project Budget

Implementation Services	\$ 1,257,000
Subscription, Maintenance & Support	1,141,586
Project Manager (BerryDunn)	535,000
Backfill	661,472
Contingency	400,000
Total	\$ 3,995,058



Fire Development Impact Fees

- Available funding in FY16-17
 - Can be used to purchase a second set of turnout gear
 - Previously funded by general fund capital projects
 - Frees up funding for Fire Station capital repair and improvements
 - Included in carryover to next year



Follow-up items from April 28, 2017

- Convention/Media Parking page 270 and 318 moved and consolidated to Cable Communications page 320
- Added \$10,000 to restore volunteers in Neighborhood Services
- Added \$70,000 to fund Veteran's Center (Public Affairs budget)
- Fire Department HALO Update
 - Not renewing contract
 - 4 positions currently funded by this program
 - Recommendation to follow

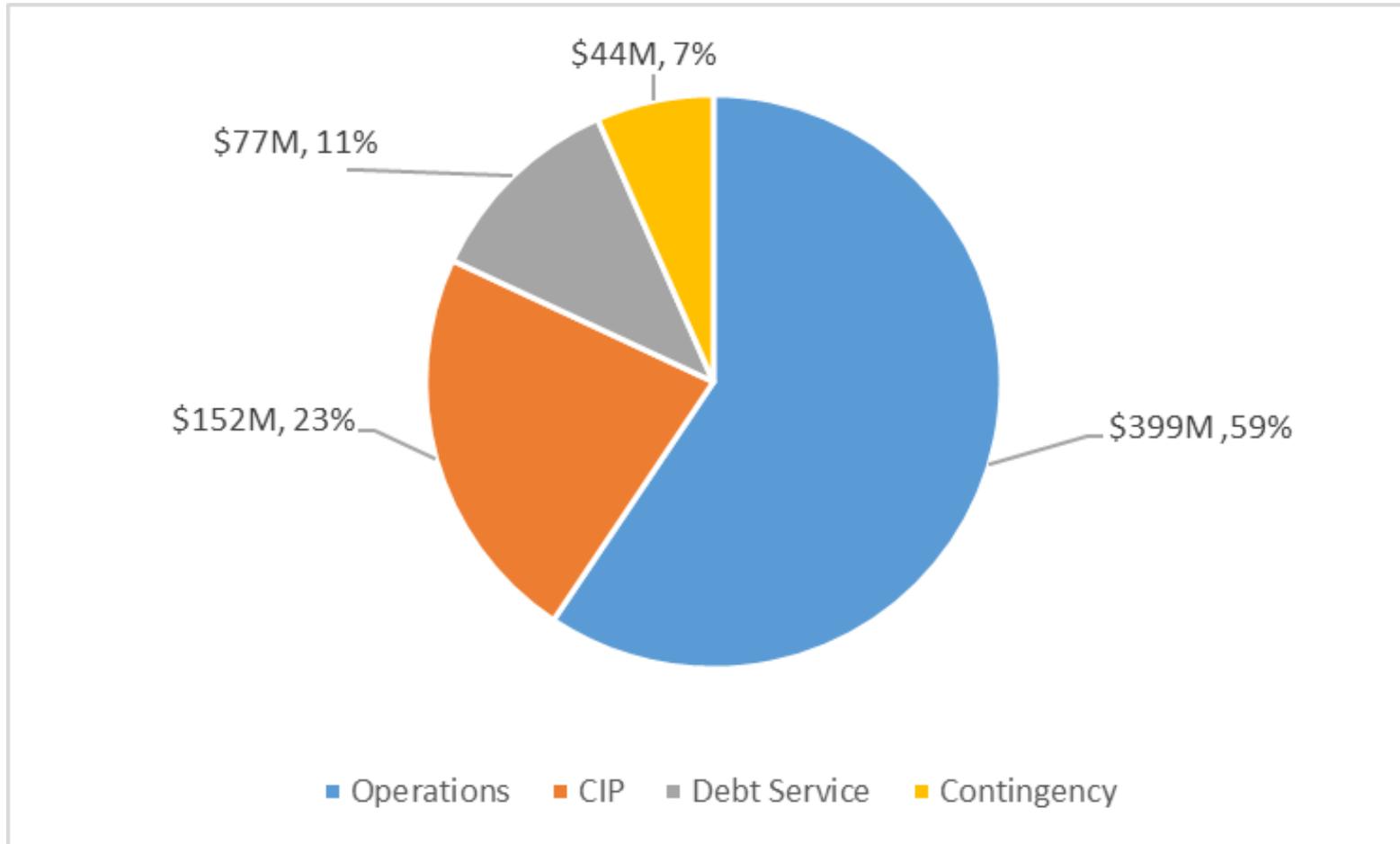


General Fund Forecast

	FY17-18
Beginning Fund Balance	\$ 41,265,832
Operating Revenue	216,225,721
Operating Expenditures	(202,348,968)
Net Transfers	(11,050,319)
Contingency	(2,000,000)
Total Surplus/(Deficit)	826,434
Ending Fund Balance	\$ 42,092,266
Total Surplus/(Deficit)	FY17-18
December 20, 2016	1,368,075



FY17-18 Total Budget Appropriation \$672M



CIP & Budget Follow-up Questions Council Feedback



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