

FY2018 City Manager's Recommended Budget

CITY OF CASA GRANDE

MONDAY, JUNE 19, 2017

Agenda

- City Council Focus Areas
- Highlight Key Assumptions
- Changes from Proposed Budget
- Official Budget Forms
 - Resources Available
 - Budgeted Expenditures
- Key Dates

City of Casa Grande

Mission

To Provide a Safe, Pleasant Community For All Citizens



Maintain a High Quality of Life



Be Fiscally Responsible



Enhance Transportation Options



Revitalize and Redevelop Historic Casa Grande



Be a Leader in Economic Development

We are Committed to Service

Serve Casa Grande through a variety of City Services designed to promote quality of life.

Ensure the safety of the community through aggressive public safety efforts and programs.

Respond to the needs of the community by promoting communications and accessibility.

Value the tax dollar and maintain a fiscal policy that keeps taxes low.

Incorporate safeguards to assure fairness and equitable treatment of all citizens.

Continue to evaluate our services and ourselves to ensure quality.

Endeavor to hire the best people we can find and help them develop their abilities.


Highlights

- Recommending a tentative budget of \$178,334,615, including transfers and fiduciary funds
- FY2018 Expenditure Limitation of \$211,523,289, set by the Economic Estimates Commission of the Department of Revenue
- Maintains current levels of services, with the consideration of internal reallocations to accommodate changes in programs
- Personnel assumptions include merit increases, increases in public safety retirement (employer) contributions, and an increase in medical insurance premiums
- Staffing assumptions include a recommendation of two new positions and multiple reclassifications
- Includes proposed funding of capital improvement projects totaling \$54.3 million

Changes from Proposed Budget

- ❑ Refined estimated personnel expenses (\$1.5 million increase from FY17)
- ❑ Received final estimated state shared revenues (\$1.8 million increase from FY17)
- ❑ Updated CIP Projects for carryforwards and adjustments to estimated costs (\$1.2 million decrease)
- ❑ Added two CIP projects – Phase II CAD/RMS Project and the work order system for Public Works (\$242K increase)
- ❑ Inclusion of the Community Facilities Districts (CFDs) (\$10.7 million increase)
- ❑ Adjustment to Contingencies and Reserves to account for CFDs and internal service funds (\$1 million increase)

City of Casa Grande
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2018

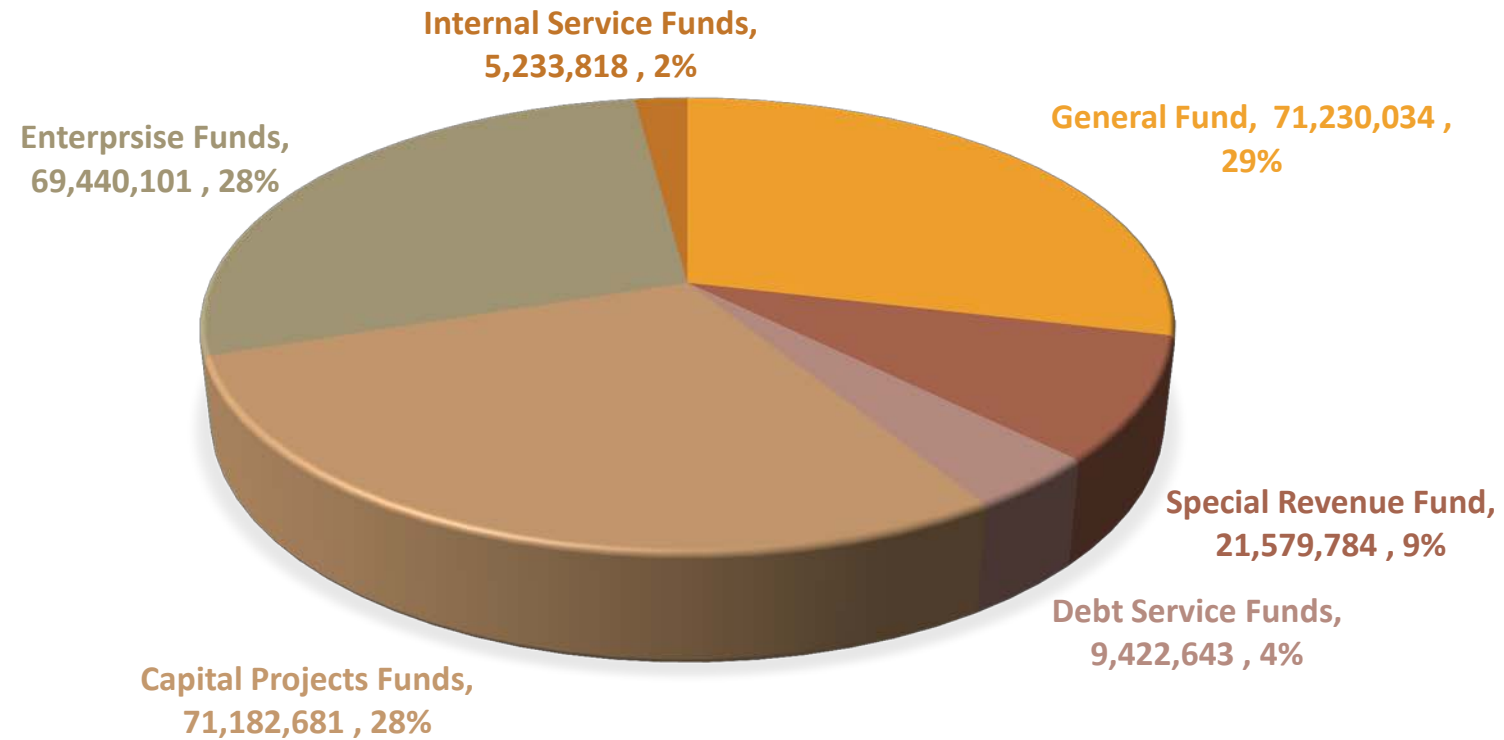


| Fiscal Year | S c h | FUNDS | | | | | | | | |
|-------------|--|--------------|----------------------|-------------------|-----------------------|----------------|----------------------------|------------------------|-----------------|-------------|
| | | General Fund | Special Revenue Fund | Debt Service Fund | Capital Projects Fund | Permanent Fund | Enterprise Funds Available | Internal Service Funds | Total All Funds | |
| 2017 | Adopted/Adjusted Budgeted Expenditures/Expenses* | E | 46,080,300 | 15,935,100 | 4,188,300 | 67,221,100 | 0 | 20,257,300 | 5,317,600 | 158,999,700 |
| 2017 | Actual Expenditures/Expenses** | E | 40,756,900 | 7,431,000 | 4,507,600 | 5,980,300 | 0 | 22,143,800 | 3,502,400 | 84,322,000 |
| 2018 | Fund Balance/Net Position at July 1*** | | 24,253,180 | 11,008,584 | 4,465,543 | 63,659,841 | 0 | 51,064,701 | 2,108,572 | 156,560,420 |
| 2018 | Primary Property Tax Levy | B | 3,482,641 | | | | | | | 3,482,641 |
| 2018 | Secondary Property Tax Levy | B | | | 2,110,300 | | | | | 2,110,300 |
| 2018 | Estimated Revenues Other than Property Taxes | C | 41,746,913 | 12,654,600 | 219,900 | 7,598,540 | 0 | 19,812,800 | 3,902,946 | 85,935,699 |
| 2018 | Other Financing Sources | D | 0 | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 10,000,000 |
| 2018 | Other Financing (Uses) | D | 0 | 0 | 0 | 10,000,000 | 0 | 0 | 0 | 10,000,000 |
| 2018 | Interfund Transfers In | D | 2,576,500 | 628,000 | 2,626,900 | 1,500,000 | 0 | 0 | 0 | 7,331,400 |
| 2018 | Interfund Transfers (Out) | D | 829,200 | 2,711,400 | 0 | 1,575,700 | 0 | 1,437,400 | 777,700 | 7,331,400 |
| 2018 | Reduction for Amounts Not Available: | | | | | | | | | |
| 2018 | Total Financial Resources Available | | 71,230,034 | 21,579,784 | 9,422,643 | 71,182,681 | 0 | 69,440,101 | 5,233,818 | 248,089,060 |
| 2018 | Budgeted Expenditures/Expenses | E | 46,341,032 | 18,660,388 | 5,614,312 | 66,723,400 | 0 | 27,065,902 | 5,864,381 | 170,269,415 |

EXPENDITURE LIMITATION COMPARISON

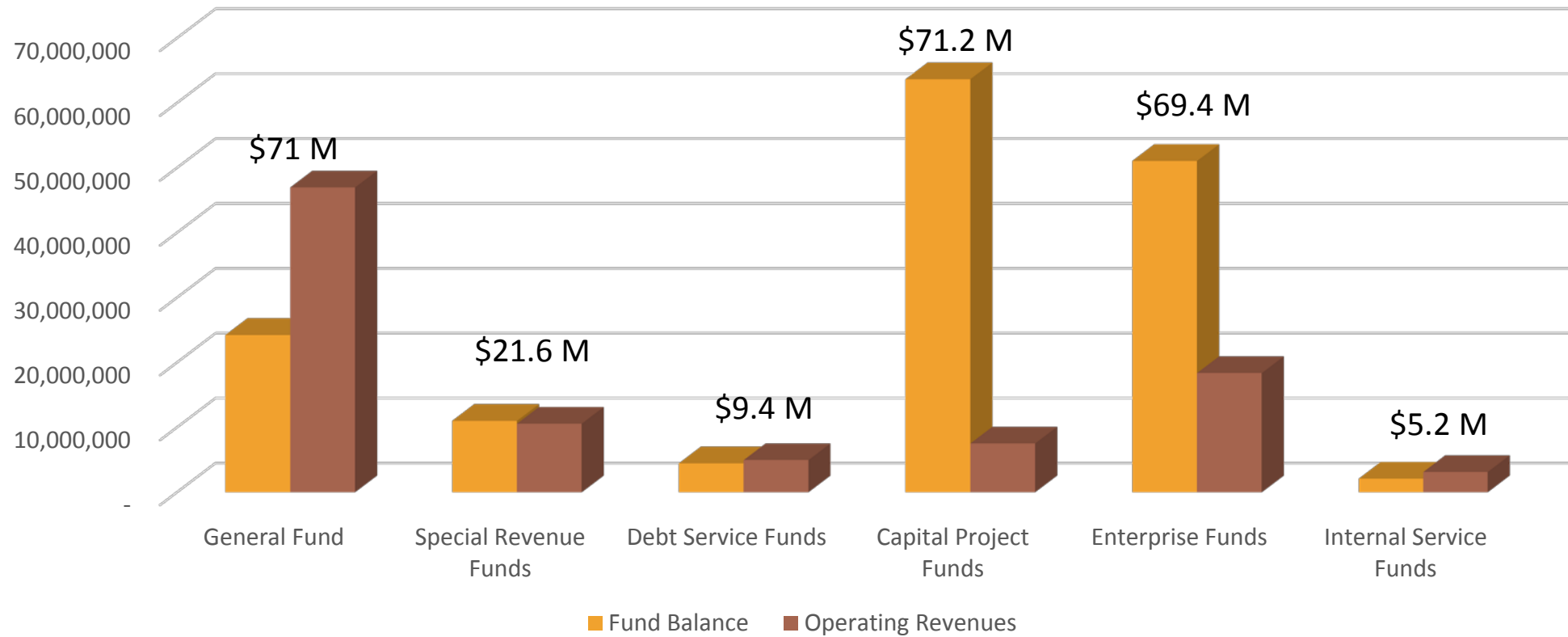
| | 2017 | 2018 |
|--|----------------|----------------|
| 1. Budgeted expenditures/expenses | \$ 158,999,700 | \$ 170,269,415 |
| 2. Add/subtract: estimated net reconciling items | | |
| 3. Budgeted expenditures/expenses adjusted for reconciling items | 158,999,700 | 170,269,415 |
| 4. Less: estimated exclusions | | |
| 5. Amount subject to the expenditure limitation | \$ 158,999,700 | \$ 170,269,415 |
| 6. EEC expenditure limitation | \$ 201,342,106 | \$ 211,523,289 |

Total Resources Available



Total Anticipated Resources Available \$248,089,060

Fund Balance and Operating Revenues

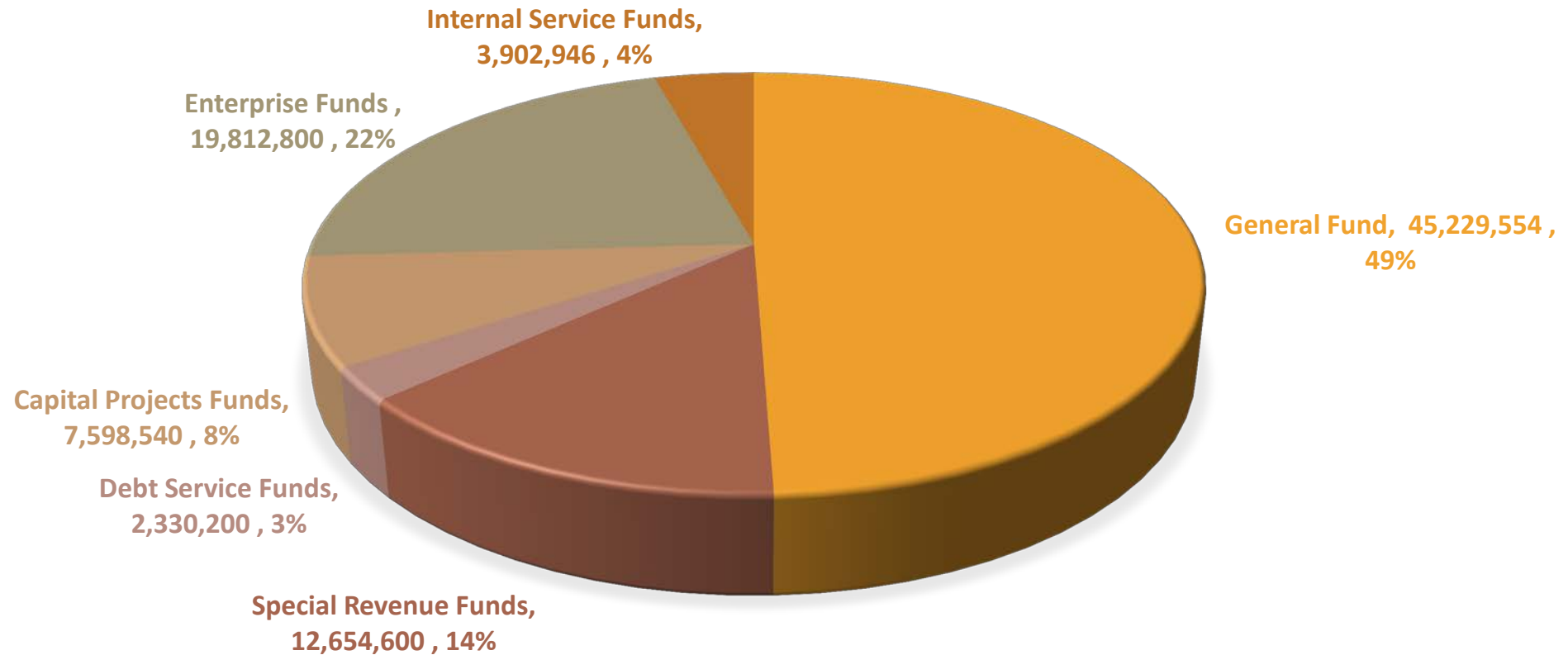


Total Anticipated Resources Available \$248,089,060

Fund Balance Summary by Type

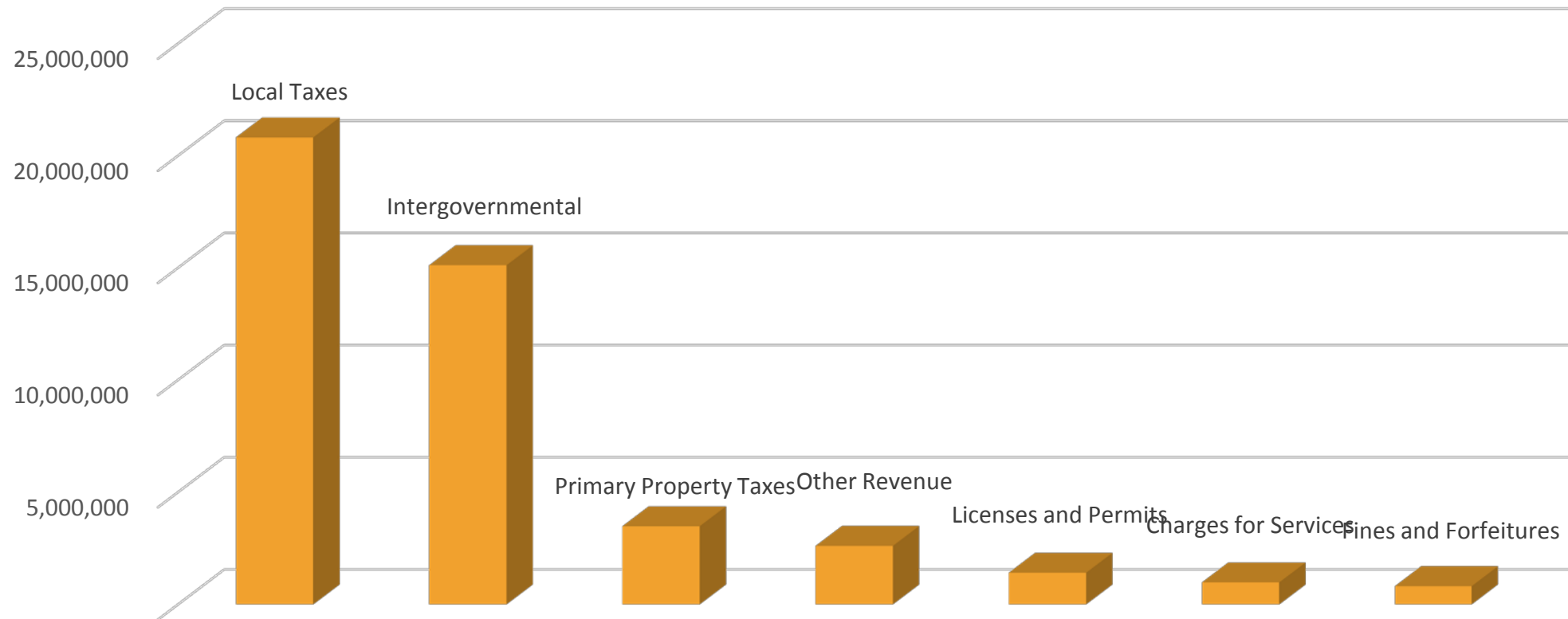
| Forecasted Beginning Fund Balances | |
|------------------------------------|----------------------|
| General Fund | \$24,253,180 |
| HURF | 7,888,078 |
| Special Revenue Funds | 3,120,505 |
| Debt Service | 4,465,543 |
| Capital Projects | 38,553,076 |
| Development Impact Fees | 25,106,765 |
| Enterprise Funds | 51,064,701 |
| Internal Service Funds (ISF) | 2,108,572 |
| Total | \$156,560,420 |

Operating Revenues



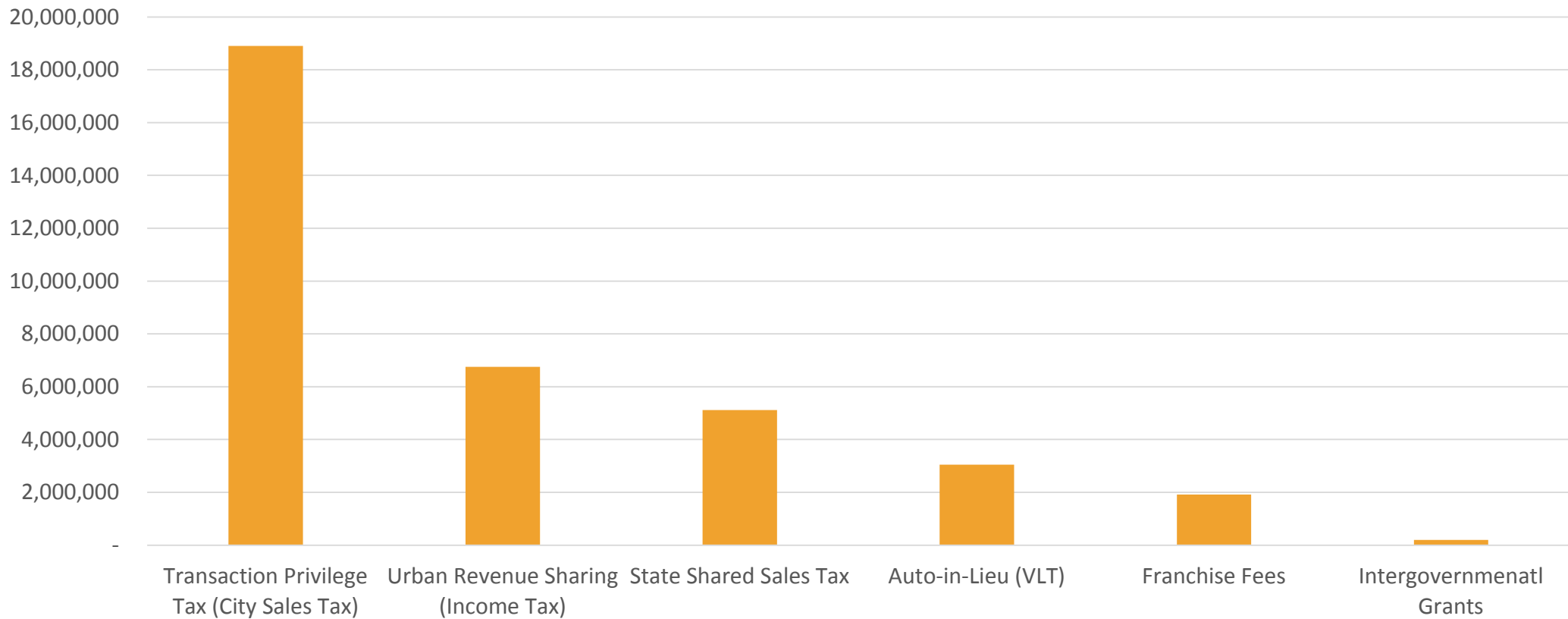
Total Anticipated Operating Revenues \$91,528,640

General Fund Revenue By Source



Total Anticipated General Fund Revenues \$45,229,554

Local Taxes and Intergovernmental Revenues



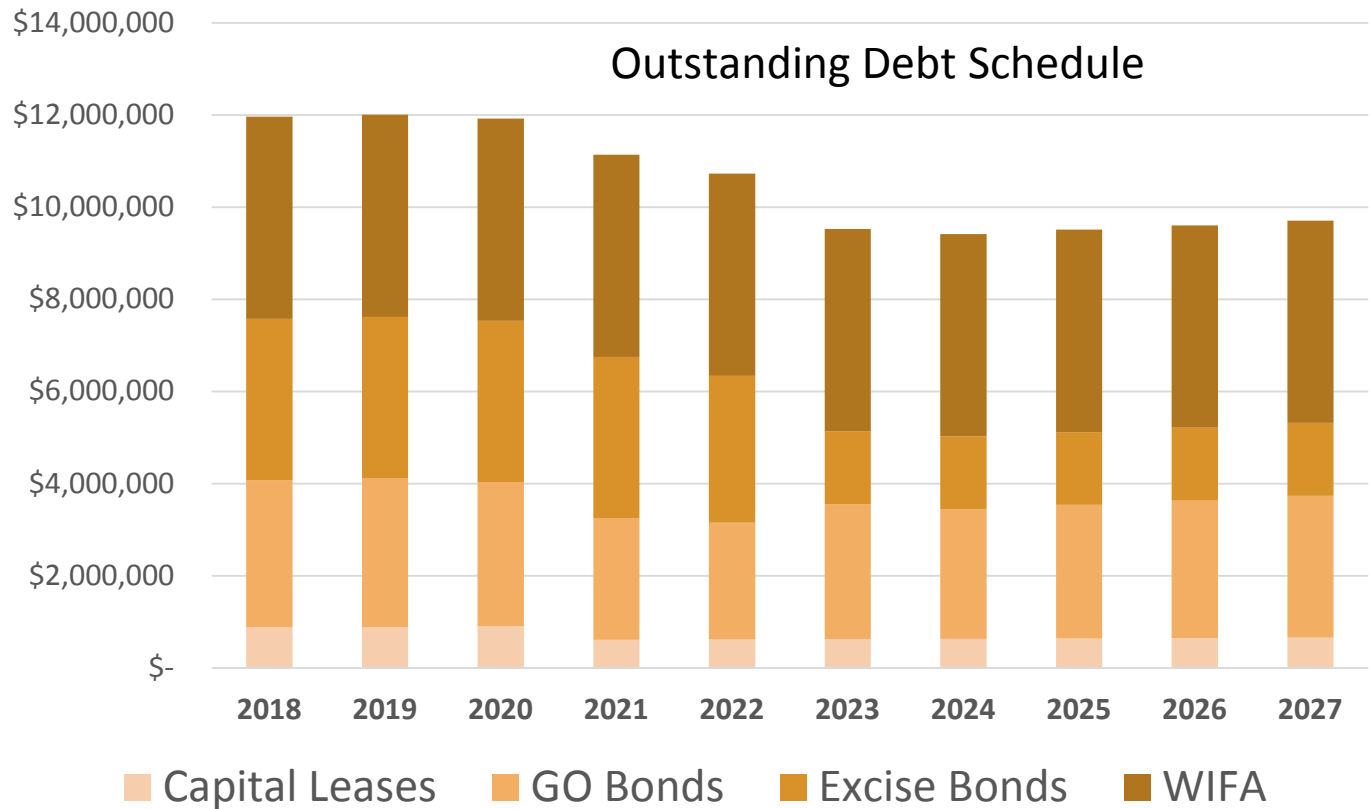
Local Taxes and Intergovernmental Revenues (\$35.9 M) account for 86% of General Fund Resources, excluding Property Taxes

Primary Property Tax Rate Calculation

Calculation for Truth in Taxation Hearing Notice pursuant to A.R.S. § 42-17107

| | Levy Rate .9918 | Levy Rate .9999 |
|---|--------------------|--------------------|
| Net assessed valuation: | 351,143,513 | 351,143,513 |
| Value of new construction: | 4,196,754 | 4,196,754 |
| Net assessed value minus new construction: | 346,946,759 | 346,946,759 |
| Maximum Primary Tax Rate (w/o TNT Hearing) .9918 | | |
| Current primary property tax levy: | 3,440,972 | 3,440,972 |
| Change in property tax levy due to new construction: | 41,624 | 41,624 |
| Maximum Primary Property Tax Levy (w/o TNT Hearing): | 3,482,641 | 3,482,641 |
| Change in Primary Property Tax Levy at Different Rates | | |
| Proposed increase in primary property tax rate: | (0.0000) | 0.0081 |
| Increase, exclusive of new construction | - | 28,359 |
| Resulting Proposed Primary Property Tax Levy: | 3,482,641 | 3,511,000 |
| Proposed Primary Property Tax Levy; Home valued at \$100K | 99.18 | 99.99 |
| Primary Property Tax Levy at "Base Rate": | 99.18 | 99.18 |
| Resulting change for a home valued at \$100,000: | (0.00) | 0.81 |

Outstanding Debt and the Secondary Property Tax Rate

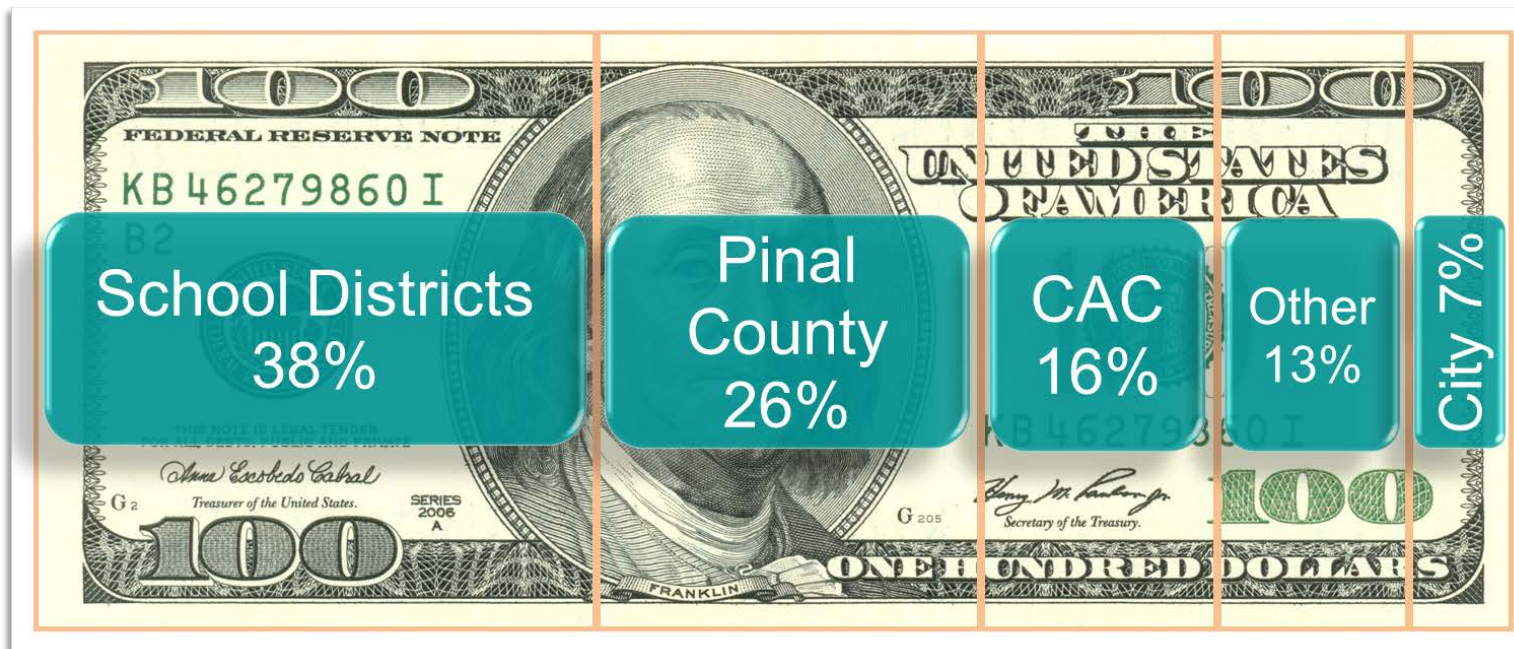


**City of Casa Grande Secondary Property Tax Levy
FY 2017-18**

| | |
|---------------------|-------------|
| Net Assessed Values | 351,143,513 |
| Levy Amount | 2,110,300 |
| Tax Rate | 0.6010 |

← General Obligation Bond Debt

Breakdown – Pinal County Property Tax Bill

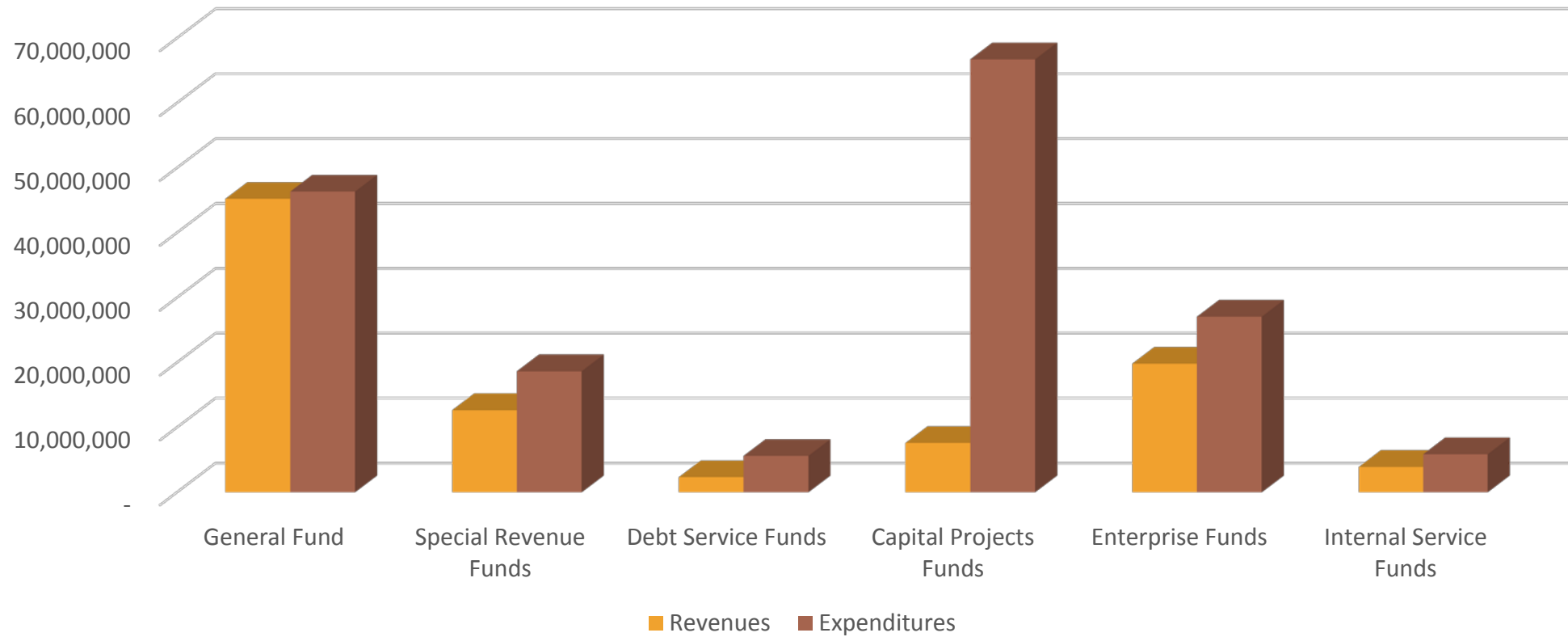


| | |
|-----------------------------|--------|
| Primary Property Tax Rate | .9918 |
| Secondary Property Tax Rate | .6010 |
| Combined Property Tax Rate | 1.5928 |

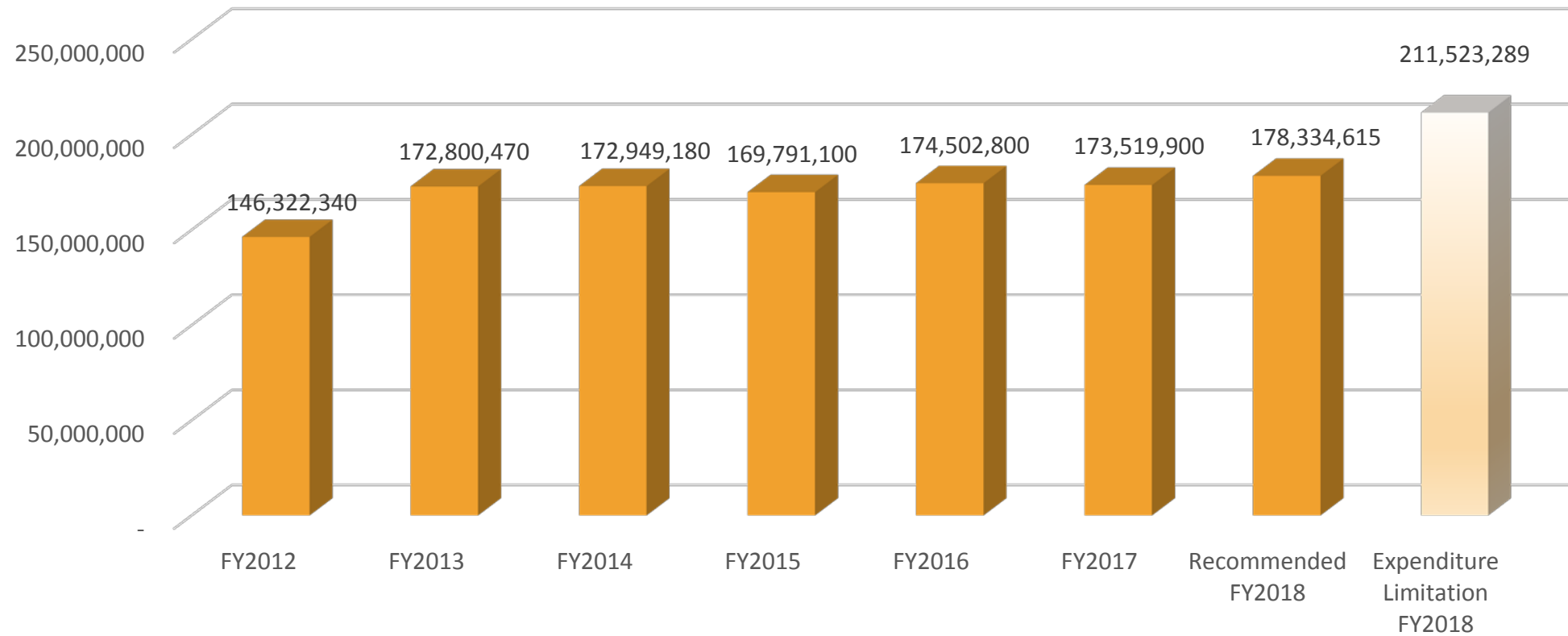
Per \$100 of Net Assessed Value

Source: <http://www.pinalcountyz.gov> (Aug 2016)

Operating Revenues vs. (All) Expenditures by Fund Types

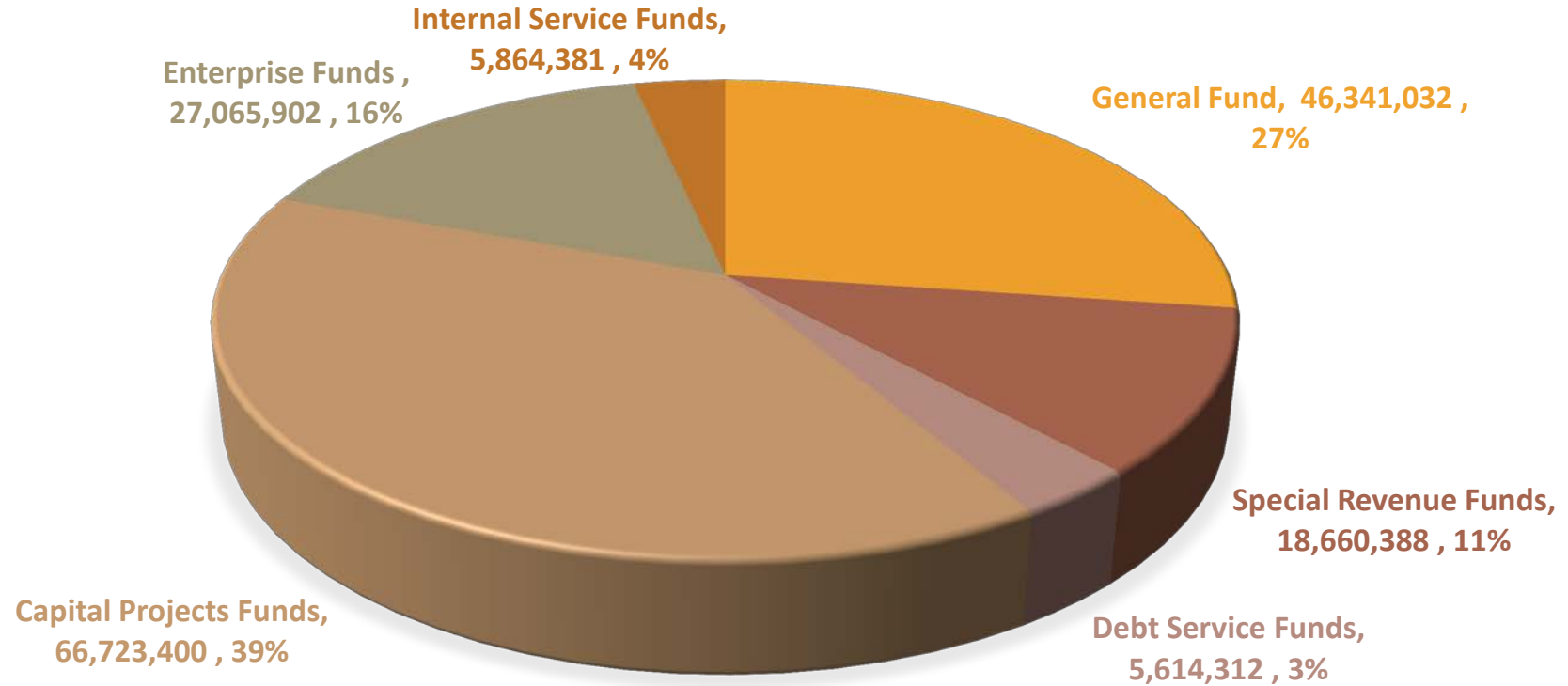


7-Year Expenditure Budget Comparison



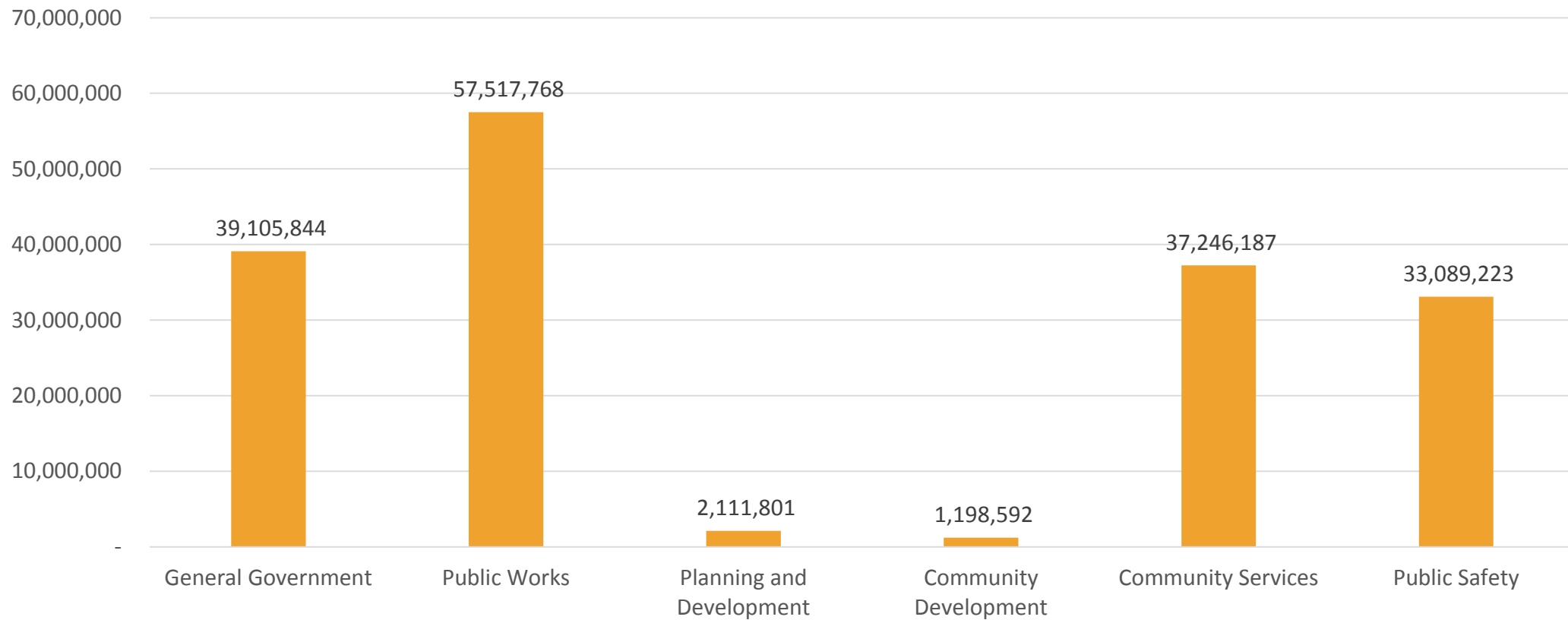
-Includes Fiduciary Funds and Interfund Transfers Out

Capital and Operating Expenditures



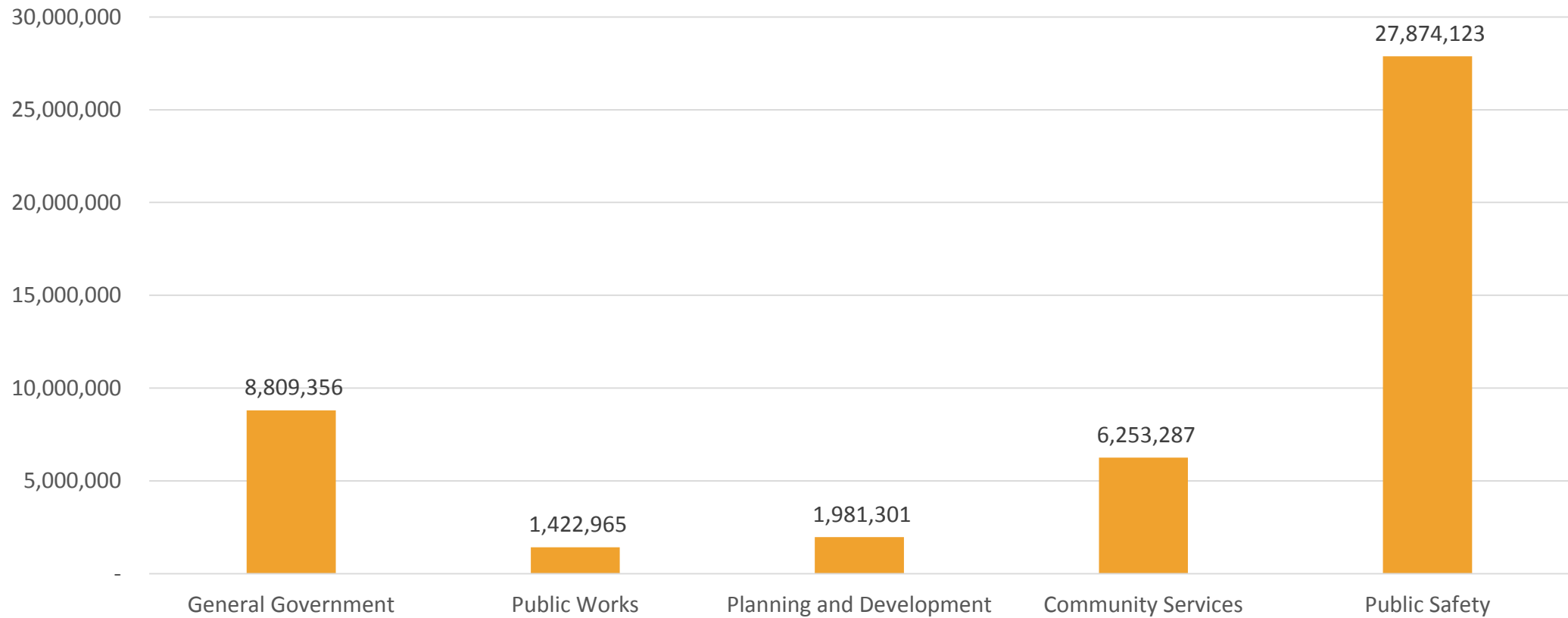
Total Anticipated Expenditures \$170,269,415 (excludes Interfund transfers out)

Operating and Capital Expenditures - All Resources and All Funds - By Service Area



Total Anticipated General Fund Expenditures \$170,269,415

General Fund Expenditures by Service Area



Total Anticipated General Fund Expenditures \$46,341,032

Personnel Assumptions

New

- Pro-Shop Assistant
- Environmental Compliance Specialist

Reclassifications

- Deputy Police Chief (Captain)
- Assistant to the City Manager (Sr. MA)
- Business Integration Manager (IT Manager)
- Wastewater Superintendent (To Range 69)
- Human Resources Coordinator (Secretary)
- Executive Secretary (Admin Assistant)
- Secretary (3 Office Assistants)
- Parts Inventory Specialist (Equipment Mechanic)
- Maintenance Worker (Custodian)

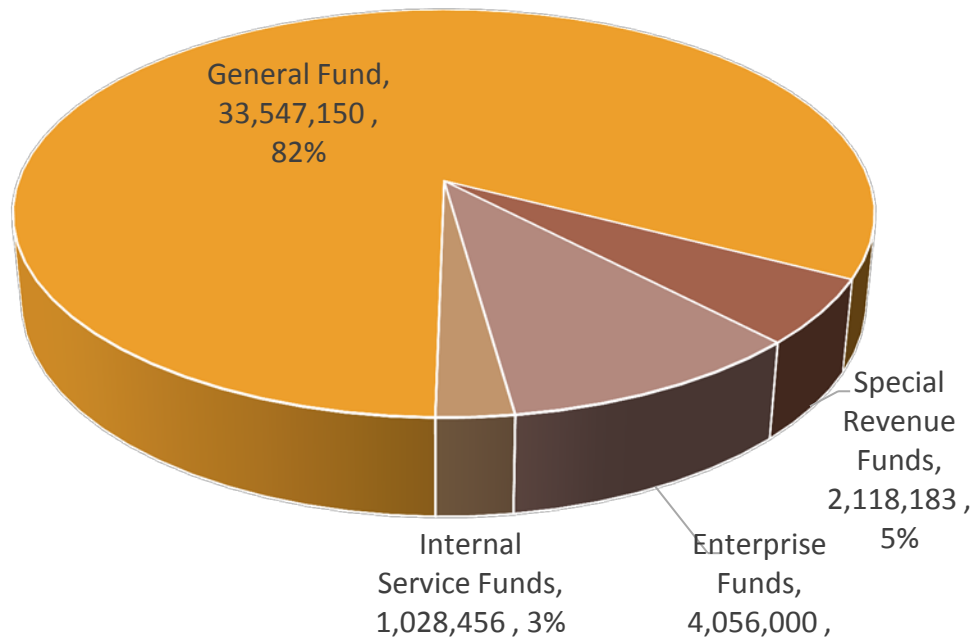
Personnel Assumptions

- Provision for one-step merit Increases for eligible employees
- Anticipated fifteen percent (15%) increase in medical insurance, two percent (2%) increase in dental insurance, resulting in overall cost of providing medical insurance of \$4.2 million
- Experience modification (ExMod) for workers compensation reduced to .84 from .92
- Increase in Public Safety Retirement Employer Contribution

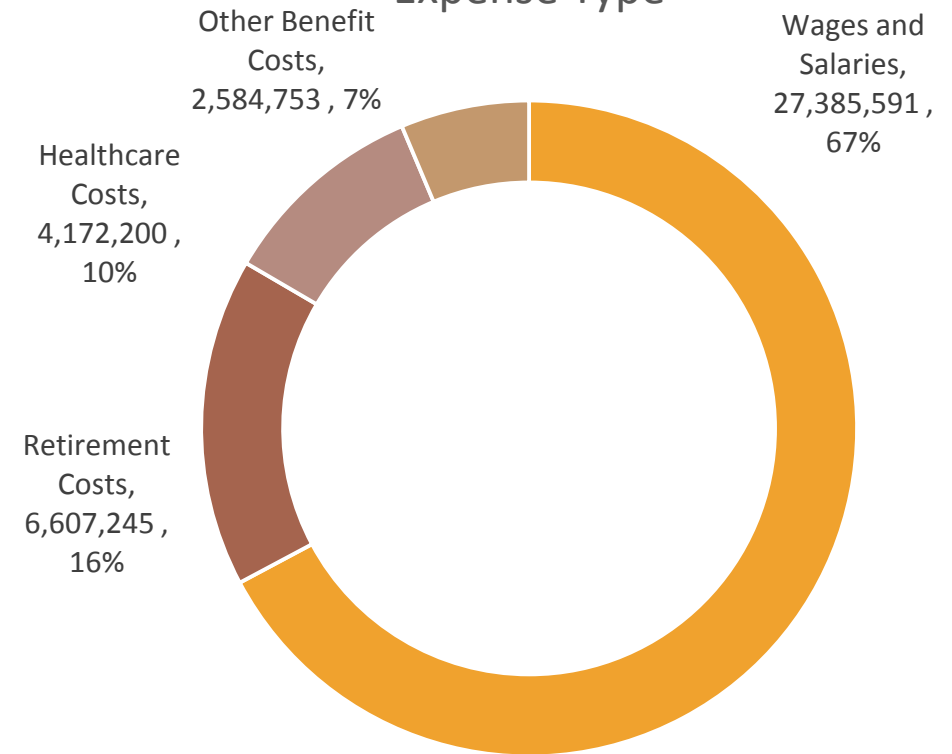
| City of Casa Grande Employer Contribution Rate | | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Retirement System | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018* |
| Public Safety - Fire | 17.38 | 17.9 | 20.96 | 22.15 | 23.19 | 27.67 | 28.92 | 39.96 |
| % Change | | 3.0% | 17.1% | 5.7% | 4.7% | 19.3% | 4.5% | 38.2% |
| Public Safety - Police | 22.05 | 23.8 | 27.65 | 31.1 | 33 | 42.11 | 45.44 | 49.29 |
| % Change | | 7.9% | 16.2% | 12.5% | 6.1% | 27.6% | 7.9% | 8.5% |
| Arizona State Retirement | 9.85 | 10.74 | 11.14 | 11.54 | 11.60 | 11.47 | 11.48 | 11.50 |
| % Change | | 9.0% | 3.7% | 3.6% | 0.5% | -1.1% | 0.1% | 0.2% |

Personnel Expenses

Personnel Expense by Fund Type



Expense Type



Total Anticipated Personnel Costs \$40,749,789

Capital Improvement Projects by Department / Division

| CIP by Department FY 2017 - 2018 | | |
|------------------------------------|------------------------|------------|
| Department | Division | Amount |
| City Manager | All | 705,000 |
| Communications | General Operations | 1,740,200 |
| Community Services | Golf | 349,400 |
| Community Services | Library | 500,000 |
| Community Services | Parks | 3,077,600 |
| Community Services | Recreation Facilities | 18,995,500 |
| Finance | Information Technology | 610,900 |
| Fire Department | All | 2,592,900 |
| Police | All | 820,800 |
| Planning & Dev. | General Operations | 130,500 |
| Public Works | General Operations | 50,000 |
| Public Works | Airport | 4,567,500 |
| Public Works | Engineering | 1,606,400 |
| Public Works | Facility Services | 143,500 |
| Public Works | Landfill | 1,308,400 |
| Public Works | Sanitation | 175,000 |
| Public Works | Streets | 10,951,300 |
| Public Works | Wastewater | 5,840,000 |
| Public Works | Water Company | 147,000 |

GRAND TOTAL: 54,311,900

Contingencies and Reserves

| Fund | | |
|---------|--|--------------|
| 101 | General Fund | 380,200 |
| 201 | HURF | 1,500,000 |
| 206 | CG Mountain Park Development | 800,000 |
| 220 | Grants | 1,000,000 |
| 232-237 | Court Funds | 165,100 |
| 403 | Capital Projects – Dedicated Sales Tax | 3,840,700 |
| 404 | Vehicle Replacement | 1,000,000 |
| 404-414 | Development Impact Fees | 7,300,000 |
| 550 | Water | 115,000 |
| 601-603 | Internal Service Funds | 1,000,000 |
| 805-815 | Community Facilities Districts | 535,400 |
| | Total | \$17,636,400 |

Key Dates

- **June 19** – Council Adoption of Tentative Budget
- **June 21** – Post Tentative Budget to City website
- **June 23** – First Publication of FY18 Tentative Budget Summary and Property Tax Levy
- **June 30** – Second Publication of FY18 Tentative Budget Summary and Notice of Public Hearing
- **July 7** – File supporting Wastewater Rate Report with the Clerks’ Office and Post on the City Website
- **July 17** – Workshop (Budget and Proposed Fees); Public Hearing on Budget and Property Tax Levy;
and Adoption of FY18 Final Budget
- **July 19** – Post Final Budget to City website
- **July 21** – Post Notice of Intent for Consolidated Fees to City website and on Social Media
- **August 7** – Public Hearing and Council adoption of Fee Resolution; First Reading of FY18 Property Tax Levy
- **August 21** – Adoption of FY18 Property Tax Levy (Final Reading)
- **October 1** – New Fees Effective

Questions or Comments?
