



City of El Mirage, Arizona

FY 2011 – 2012
FINAL BUDGET



"Innovations and Efficiency in Service Delivery"

City of El Mirage, Arizona
Fiscal Years 2013– 2017
Capital Improvements Plan



*"Innovations and Efficiency
in Service Delivery"*

RENDERING OF NEW
FIRE STATION # 121



CITY OF EL MIRAGE, ARIZONA
FISCAL YEAR 2012-2013
DRAFT ANNUAL BUDGET

FOCUSING ON:
"CREATING STABILITY AND
MEETING EXPECTATIONS RESPONSIBLY"
&
"INNOVATIONS AND EFFICIENCY IN SERVICE DELIVERY"

RENDERING OF
BRISAS WELL



GROUND
BREAKING

BUDGET FRAMEWORK AND PROPOSED FEE CHANGES PRESENTATION TO COUNCIL



City of
EL MIRAGE
ARIZONA

"Innovations in Efficiency and Service Delivery"





FY 2012-2013 BUDGET



City of
EL MIRAGE
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"Innovations in Efficiency and Service Delivery"



OVERVIEW

- FRAMEWORK
- GENERAL / OTHER
- REVENUES
- FEES





FRAMEWORK

RENDERING OF NEW FIRE STATION # 121



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BUDGET PHILOSOPHY: IT'S SIMPLE...BUT NOT EASY!

- The process of balancing a budget is simple:

- Revenues need to equal expenses.
- If expenses exceed revenues then revenues need to be raised and/or expenses cut.

- But not easy:

- Increasing taxes and fees to residents and/or cutting services or amenities is a process that is:
 - *Difficult & Emotional*
 - *Controversial & Politically Unpopular*





BUDGET PHILOSOPHY

When providing input on budget decisions, policy makers need to answer three key questions:

1. Are we providing city services in the most efficient, cost-effective manner possible?
2. What is our customer (resident or business partner) willing to pay for city services?
3. Is this amount competitive with comparable cities/towns so we continue to attract growth or at a minimum, we do not deter growth?



BUDGET ROLES:



City of El Mirage, Arizona
 Fiscal Years 2013- 2017
 Capital Improvements Plan

"Innovations and Efficiency in Service Delivery"

REGISTRATION # 121

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GROUND BREAKING



BUDGET ROLES:

City Council Vision

The budget for the City of El Mirage is based on the Council's goals and vision for the future of El Mirage.

City Manager

The City Manager is responsible for translating the Council's vision into action with the objective of bringing the Council's vision to fruition.

City Departments

Each Department analyzes resources to meet ongoing needs.

Each Department prioritizes resources to meet needs *and* accomplish Council's goals.



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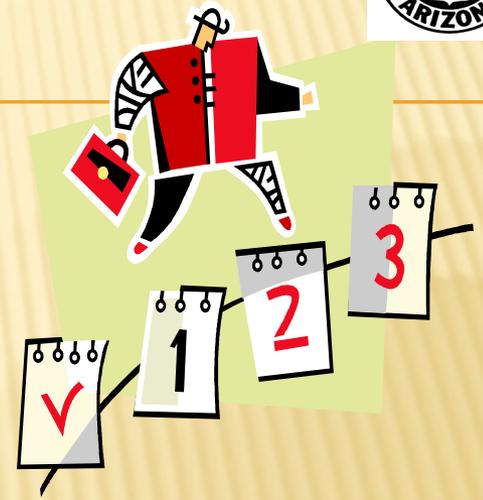


COUNCIL GOALS

The City Manager has addressed many of Council's goals in this year's budget



FY 11-12 BUDGET PROCESS TO DATE



Steps Taken

- Department Budget Requests Submitted
- Department Meetings with City Manager
- Revenue Projections Firmed Up



THOUGHTS FROM CITY MANAGER

Last year tough decisions were made to set a path to ensure the long term stability of the City. It is now imperative that, as the City stabilizes financially, we meet the expectations of the Council and the Public in a responsible and cost effective manner.





GENERAL/OTHER

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OUR ECONOMIC VIEW

- ✘ The Economy Appears To Have Bottomed Out And Is Beginning A Slow Ascent
 - + Municipal Revenues Tend To Lag Behind The Economy.
- ✘ Two Key Elements Of This Year's Budget Are The Utility Rate Study And State Shared Revenues.
 - + The City has Completed The Rate Study.
 - + State Shared Revenues Have Been Showing Signs of Improvement.

CURRENT BUDGET CHALLENGES:

LEGISLATION

- **Changes to rental property licensing and billing**
- **Changes to the tax code**
 - Restricting rental property taxation
 - Limiting construction sales tax
 - Increasing deductions from sales tax
 - ex. Development Fees
- **Reductions in shared revenues**
 - HURF Reductions
 - LTAF Eliminated
 - Reducing the Income tax rates
- **Changes to property tax**
 - Reductions in the business tax assessment ratio.





CURRENT BUDGET CHALLENGES:

GENERAL FUND REVENUES – 2010 FIGURES

Description	El Mirage	Comparable Cities	Difference
Average Sales Tax per capita	\$176	\$336	-\$160
Average Property Tax per capita	\$50	\$51	-\$1
Average General Fund Revenue per capita	\$496	\$703	-\$207
Revenue needed to be average			\$6,961,576

REVENUES AND EXPENDITURES – LAST 3 YEARS PLUS ESTIMATED FY 12





WHAT HAS BEEN IMPLEMENTED:

- ✘ **FY 11-12 (Current Year):**
 - + No Pay Raises last two years
 - + Departments Made Approximately 10% Cuts
 - + Eliminated Positions
 - + Eliminated Most Travel, Training, Capital
 - + Increased Property Tax 2%
 - + Utility Rates/Fees Have Been Adjusted



SIGNIFICANT CHANGES

- × Separated Water and Sewer Funds
- × Added Photo Radar Fund
- × Added Police Towing Fund
- × Closing:
 - + Senior Center Fund
 - + Home Rehab Fund
 - + Development Impact Fee Funds:
 - × Parks & Recreation
 - × Municipal Facilities
 - × Fire



REVENUES

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GENERAL FUND REVENUES

	FY 11-12	FY 12-13	Increase (Decrease)	%
	Budget	Budget	Amount	Change
City Sales Taxes	\$ 5,180,000	\$ 5,480,000	\$ 300,000	5.79%
Franchise Fees	625,000	690,000	65,000	10.40%
Primary Property Tax	1,770,000	1,800,000	30,000	1.69%
State Shared Revenues	6,160,000	6,300,000	140,000	2.27%
Grants	169,000	100,000	(69,000)	-40.83%
Bus. Lic./Bldg. Permits	165,000	150,000	(15,000)	-9.09%
Charges for Services	99,000	110,000	11,000	11.11%
Fines & Forfeitures	30,000	30,000	-	0.00%
Transfers	2,121,000	2,280,000	159,000	7.50%
Miscellaneous	229,000	160,000	(69,000)	-30.13%
Total General Fund Revenues	\$ 16,548,000	\$ 17,100,000	\$ 552,000	3.34%

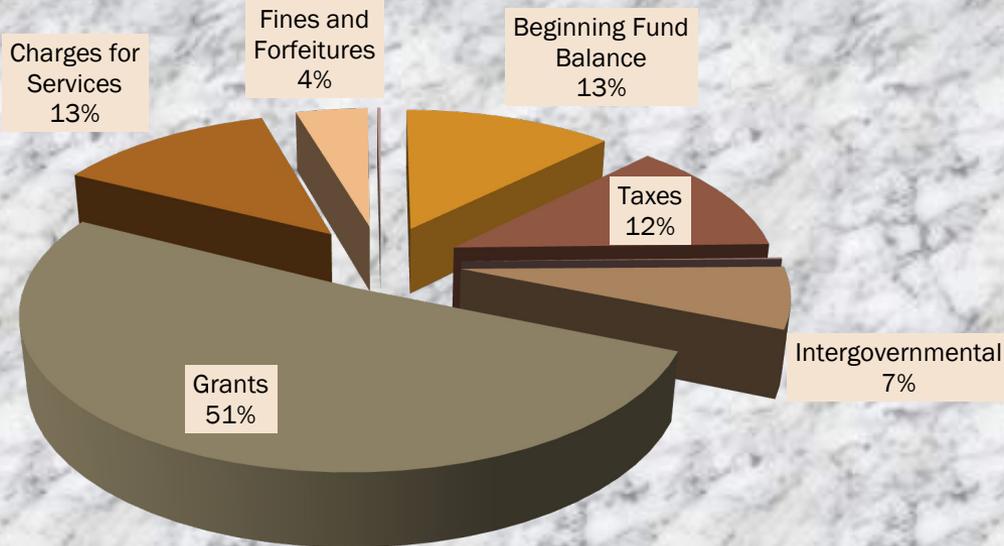
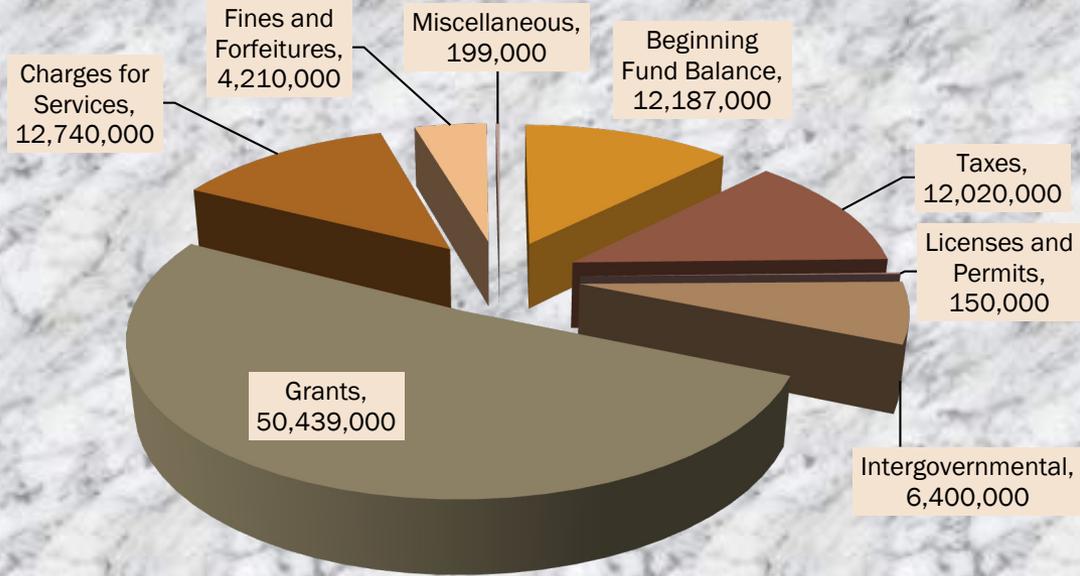


CITYWIDE REVENUES

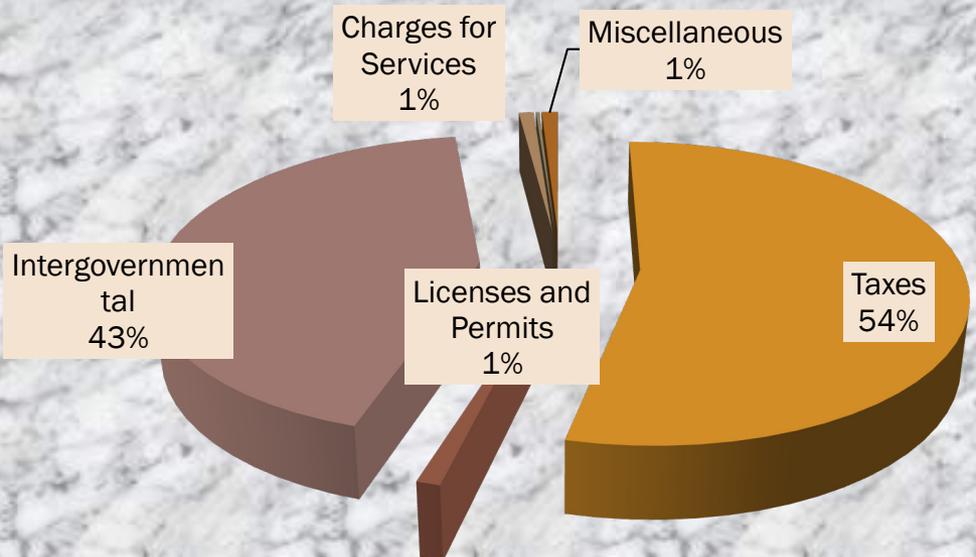
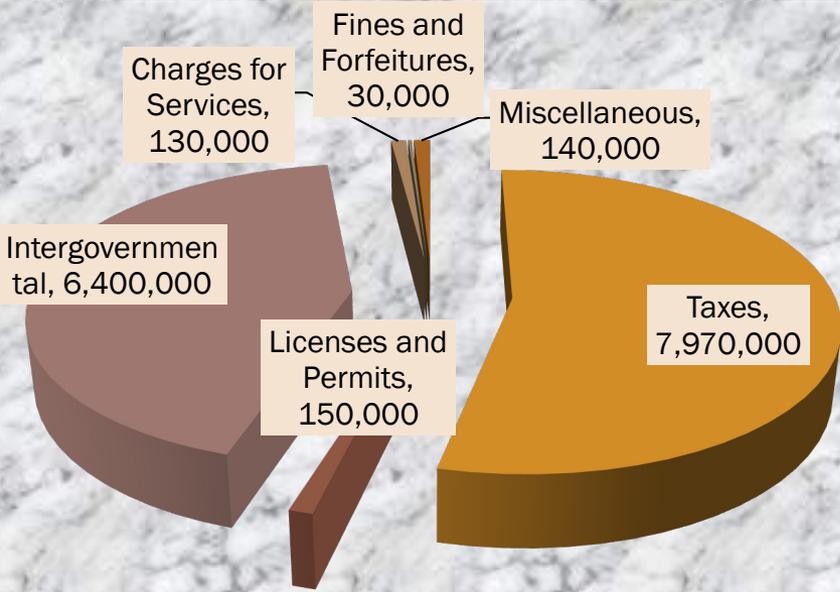


Taxes	12,020,000
Licenses and Permits	150,000
Intergovernmental	6,400,000
Grants	50,439,000
Charges for Services	12,740,000
Fines and Forfeitures	4,210,000
Miscellaneous	199,000
Total Revenues	86,158,000

CITYWIDE SOURCES



WHERE GENERAL FUND \$\$ COME FROM



CITY SALES TAX COLLECTIONS

(INCLUDING REGRESSION ANALYSIS)

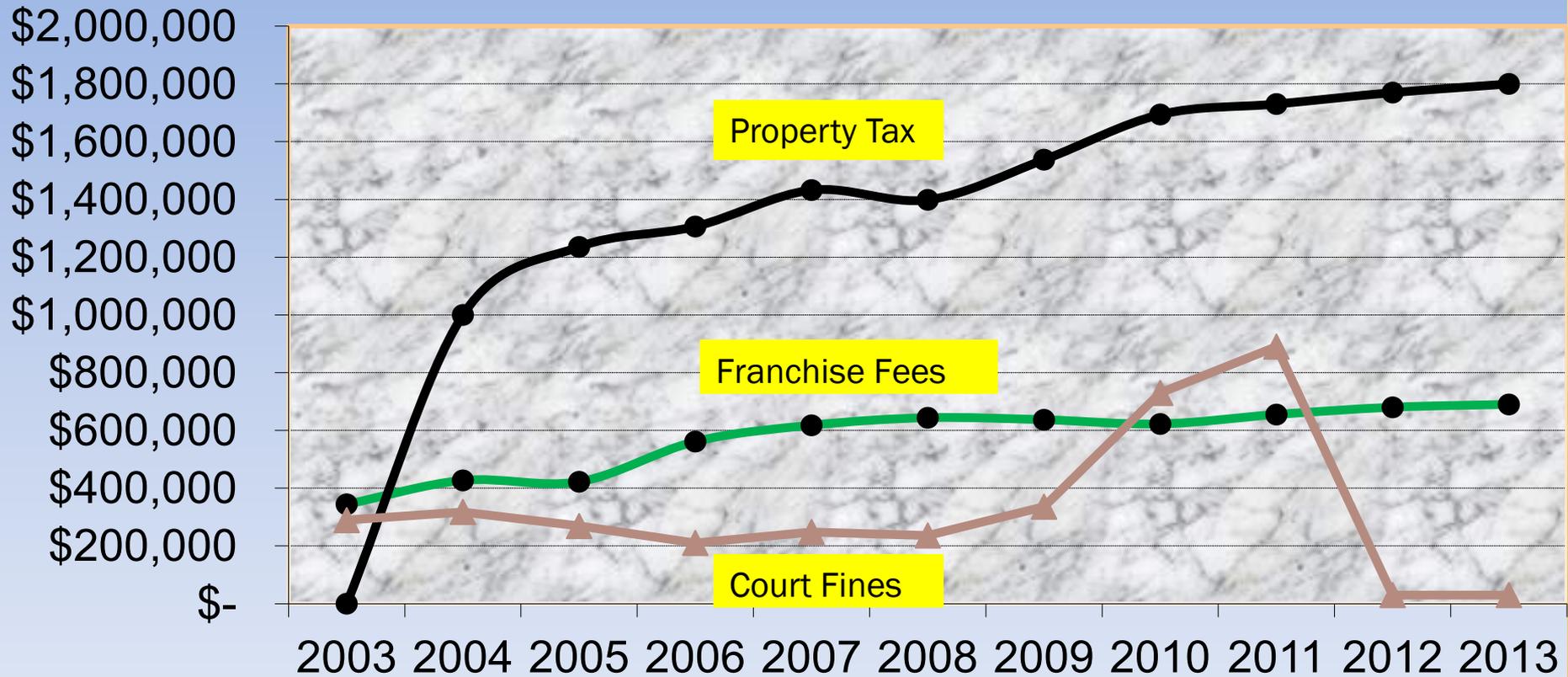


BUILDING PERMITS





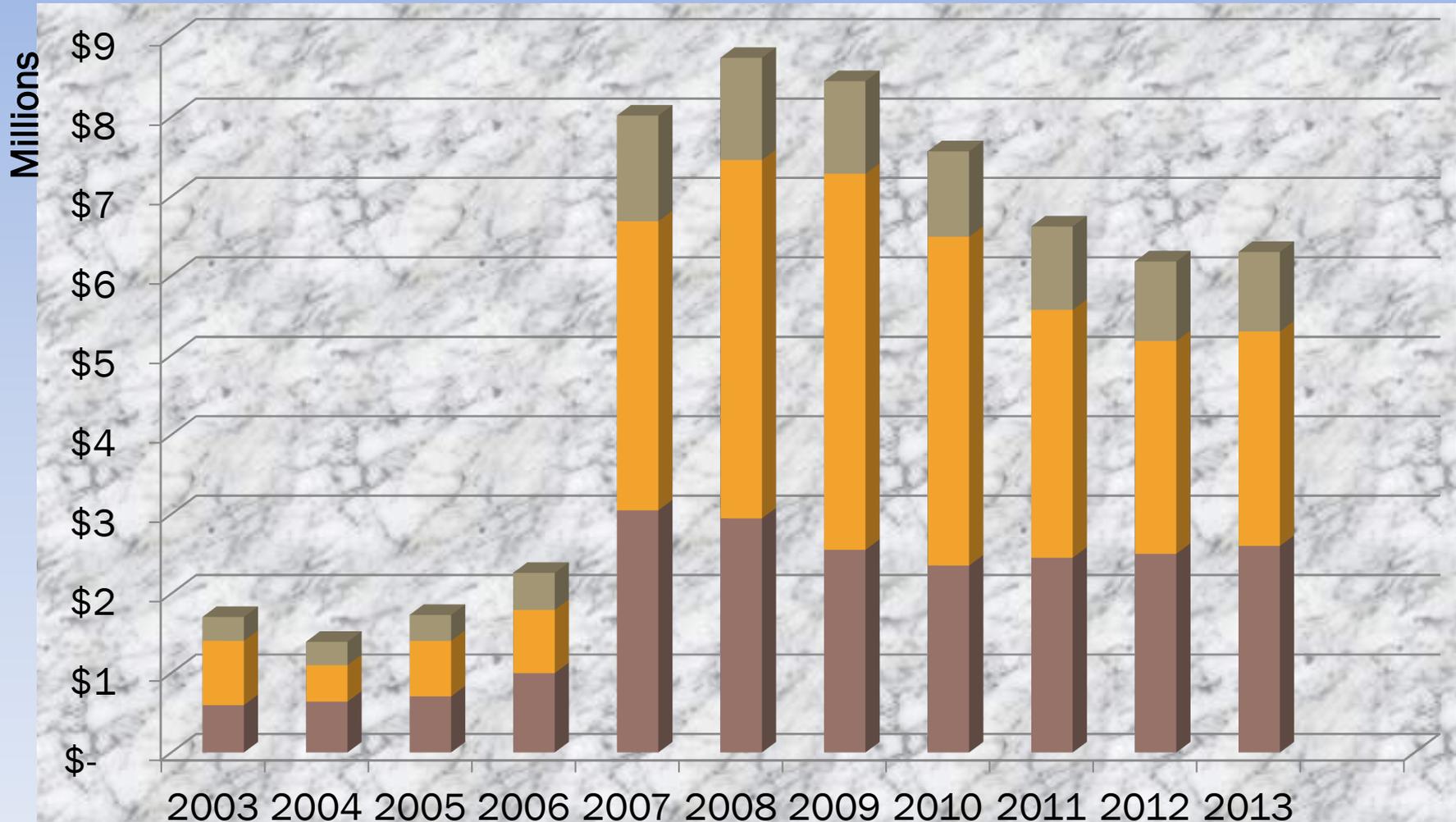
OTHER GENERAL FUND REVENUES





STATE SHARED REVENUES

■ State Shared Sales Tax ■ State Shared Income Tax ■ Vehicle License Tax





TRANSFERS/LOANS



Transfer		Gen. Fund	Court	Pol. Grant	Water Fund	Sanitation	Debt Service	TOTAL
Out ↓	In →							
Gen. Fund		\$ -	324,850	100,000	211,500	-	200,000	\$ 836,350
Sewer Fund		713,500	-	-	-	-	-	713,500
Water Fund		1,236,500	-	-	-	-	-	1,236,500
Sanitation		325,000	-	-	-	-	-	325,000
		-	-	-	-	-	-	-
TOTAL		\$2,275,000	324,850	100,000	211,500	-	200,000	\$3,111,350
Loans:								
Gen. Fund					2,125,000	600,000		\$2,725,000

Includes Interest Payments from Water and Sanitation.

Budget Transfer Methodology	From	To	Allocation %
Engineering	GF	W/S	25%/75%
Utility Administration	GF	W/S	25%/75%

UTILITY RATE STUDY

✦ Red Oak Conducted Utility Rate Study

- + 10% rate increases approved for water/sewer/sanitation for July 1, 2011 & 2012.
- + Lost water recharge calculations for non-sewer water customers.





FEES

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FEE REVIEW



Departments were asked to review fees

- × Analysis of cost to provide service
- × Additional fees needed
- × Fees no longer used



FEES PROPOSED TO CHANGE

- ✘ New fees and changes to existing fees are marked in **Red**
- ✘ Fees can be discussed in depth during budget retreat.

NEXT STEPS



Notice of Intent to Change Fees

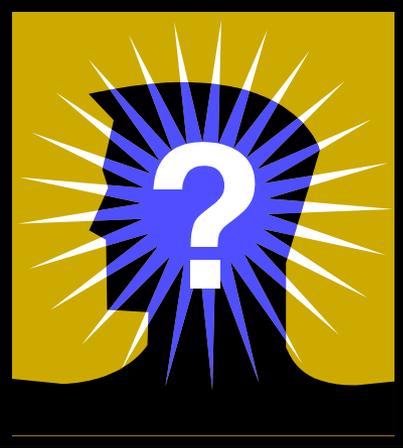
Posted on City Website for 60 days

Public Hearing for Utility Fee Increases

Scheduled for May 15, 2012

Draft Tentative Budget Presented to Council

On or Before April 9, 2012



QUESTIONS



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